

ARTICLES OF AGREEMENT

This Agreement is effective this first day of July, 2018, by and between Painters District Council No. 30, International Union of Painters and Allied Trades, AFL-CIO (the “Union”), and the present and future members of the FCA of Illinois (the “Association”), its successors and assigns, each employer which has assigned to the Association the exclusive authority to represent it for collective bargaining purposes, and such other employers which become signatory to this Agreement (hereinafter referred to individually as the “Employer” and collectively referred to as the “Employers”).

ARTICLE 1

PURPOSE AND INTENT

The parties' express purpose and intent is to promote and improve the relationship between Employers, the Union, and the employees subject to this Agreement ("Employees"); to facilitate the peaceful and orderly adjustments of grievances and disputes; and to enter into contractual relations with respect to wages, hours of work, and other conditions of employment to be faithfully observed by all parties.

The parties recognize their respective responsibility for and mutual interest in continuity of employment, gained through efficient service to the customer and sincere fulfillment of their obligations to the public in promoting the best interest of the painting, decorating, and drywall industry.

ARTICLE 2

THE PARTIES

Section 2.1 The Union is acting on behalf of all of its present and future affiliated Local Unions and as the sole and exclusive bargaining agent of all Employees. The Union's geographical jurisdiction is the counties of: Boone, Bureau, DeKalb, DuPage, Ford, Fulton, Hancock, Iroquois, JoDaviess, Kane, Kankakee, Kendall, LaSalle, Lee, Livingston, Marshall, Mason, McDonough, McHenry, McLean, Ogle, Peoria, Putnam, Schuyler, Stark, Stephenson, Tazewell, Winnebago, and Woodford and any other geographical jurisdiction that the International Union of Painters and Allied Trades (I.U.P.A.T.) may grant to the Union.

Section 2.2 (a) The Association, and its successors and assigns, represents that it has the legal authority under its governing documents to act as the sole and exclusive bargaining agent for all of its present and future members, and their successors and assigns, as well as for those employers which have assigned to the Association the authority to represent the employer for collective bargaining purposes, and their successors and assigns. The Union recognizes the Association as the sole and exclusive bargaining agent for all such Employers.

(b) Every Employer shall remain bound to the Agreement as amended thereafter in future negotiations with the Association unless timely written notice is given to the Union and the Funds of its withdrawal from membership in the Association.

(c) Employers which have not assigned to the Association the authority to represent the employer for collective bargaining purposes shall remain bound to the Agreement as amended thereafter in future negotiations with the Association, unless timely written notice is given to the Union and the Funds of its cancellation of the Agreement.

Section 2.3 A non-member of the Association that has not previously assigned to the Association the authority to bargain on its behalf may become bound by this Agreement and all references to the Association or Employer shall be considered as referring to and including that non-member.

Section 2.4 Notwithstanding any other term or provision set forth in this Agreement or a written assignment of bargaining authority, every Employer bound to this Agreement agrees that if a majority of the members of the Association, in accordance with the Association's Bylaws, vote to transfer or assign the Association's authority to represent its members and those Employers that have assigned to the Association the authority to represent the Employer for collective bargaining purposes, to any other association, then all references to the FCA of Illinois herein or in any related document shall automatically be changed to read the name of the association.

ARTICLE 3

RECOGNITION

Section 3.1 (a) Each Employer acknowledges, agrees, and recognizes the Union as the sole and exclusive bargaining agent for a unit of employees appropriate for bargaining within section 9(a) of the National Labor Relations Act (the “Act”). Each Employer further agrees and stipulates that this recognition is predicated on a clear showing of majority support indicated by bargaining unit Employees without the need for a National Labor Relations Board certified election under sections 9(a) and (c) of the Act.

(b) The Employers agree that all work generally recognized as coming within the jurisdiction of the painting, decorating, and drywall finishing industry shall be assigned to Employees. The bargaining unit work to be performed by Journeymen, Apprentice Painters, Decorators, Applicators, Paperhangers, Drywall Tapers, Drywall Apprentices, and Apprentice Applicants shall include, but not be limited to, the application of all painting and decorating finishes and the operation of all equipment used in the performance of such work, as has been customary, including, but not limited to, abrasive blasting equipment; the erection, moving, and dismantling of all scaffolding; the operation of any mechanical or manually operated lift structure or platform, including, but not limited to, articulating booms, scissor lifts, and stages; the operation of compressors or any other equipment related to bargaining unit work; and all preparatory work incidental to the above work (all such work referred to herein as “Bargaining Unit Work”).

(c) The term “painting and decorating finishes,” as used herein, includes painting, decorating, paperhanging, and the application and removal of any and all types of wall covering including all soft roll wall coverings goods; the finishing of wood, metal, or other surfaces; the application of insulating and acoustical materials; the application of wet film waterproofing coatings and all other coatings for decorative and protective purposes; the application of exterior insulation finishing systems (EIFS) coatings; the application of fluid applied air weather barrier systems; the application of protective coatings and linings on all surfaces,

horizontal or vertical, including, but not limited to, concrete and asphalt; the application, by squeegee, trowel, or other method, of high solid paints; water blasting, high pressure water jetting, and any other type of cleaning, paint removal, surface preparation, or polishing method, including, but not limited to, the use of chemical strippers, grinders, and scarifiers; the application of spray fireproofing, urethane foam, and reflective coatings; the taping, surfacing, and finishing of drywall surfaces; and any work that is necessary to remove: any paint by the application of any method; any by-products from abrasive blasting or by any abrasive blasting method; any paint or abrasive blasting residue.

Section 3.2 The Employer agrees to recognize and deal with the Union's elected or appointed representatives, at a reasonable time, at every location at which the Employer performs any work. The Employer agrees to permit the Union's representatives to visit its shops (upon reasonable notice) and job sites during working hours for the purpose of inspecting lists of employees, payroll records, insurance certificates, and time cards in order to determine if the Employer is complying with this Agreement and with state and federal laws.

Section 3.3 It shall be a violation of this Article for any Employer, or Employer representative, to interfere with the functions or purposes of the Union or its authorized representatives.

Section 3.4 (a) The Union's Secretary-Treasurer ("Secretary-Treasurer") may appoint shop and job stewards. Stewards shall be selected at the sole discretion of the Secretary-Treasurer. If a steward is appointed from outside the Employer's workforce, the Employer shall place the steward on the job. The steward must be a qualified mechanic in work performed by the Employer and shall be a working steward.

(b) If there is a work slowdown, the steward shall be the last Employee employed. If an Employer's work load does not require any Employees, the Secretary-Treasurer shall remove the steward until the Employer hires an employee to perform Bargaining Unit Work, at which time the steward shall be the first Employee recalled. In no event shall any steward be considered an agent of the Union.

(c) All Employees shall report to the Steward on a daily basis upon arrival at the jobsite and prior to the commencement of any work.

(d) The Employer agrees to notify the Union twenty-four (24) hours prior to the lay-off of the assigned steward. Notification shall be in a format approved by the Union.

(e) If an Employer is not satisfied with the work performance of any steward, the Employer may request a replacement by notifying the Secretary-Treasurer in writing.

ARTICLE 4

UNION SECURITY

Section 4.1 (a) All Bargaining Unit Employees must during the term hereof, as a condition of employment, maintain their membership in the Union.

(b) Current employees shall be required as a condition of continued employment to become members of the Union on the eighth (8th) day following the effective date of this Agreement. Employees hired after the effective date of this Agreement and covered by this Agreement shall be required, as a condition of continued employment, to become members of the Union on the eighth (8th) day following the beginning of their employment.

Section 4.2 The Employer agrees to deduct from each Employee's wages all Union dues, special administrative dues, assessments, and contributions to any political action committees, including non-member fees, as shall be certified by the Union not later than May 1 of every year, or at least 30 days prior to any change in the deduction amounts. The Employer will remit such sums to the Union in accordance with Article 10, provided the Employee has signed valid authorization cards authorizing such deductions.

The Employer further agrees that at the time it employs any Bargaining Unit Employee, the Employer shall submit to each such Employee, for his voluntary signature, any Employee payroll deduction authorization form provided by the Union.

The Employer also agrees that each month it shall submit to the Union a list of all Employees who have failed to sign a dues deduction authorization card, together with the number of hours each such Employee worked and the number of hours each such Employee was paid.

ARTICLE 5

EMPLOYER ETHICS

Section 5.1 The Employer and the Union hereby agree to comply with all federal and state statutes, laws, regulations, rules, standards, and governmental agency opinions, and all amendments, revisions, or modifications thereto, which apply to any term or condition of this Agreement, including, but not limited to, the following:

- the National Labor Relations Act;
- the Illinois Public Labor Relations Act;
- the Civil Rights Act of 1964;
- the Occupational Safety and Health Act of 1970;
- the Illinois Human Rights Act;
- the Illinois Employee Classification Act;
- the Illinois Workers' Compensation Act;
- the United States Environmental Protection Agency 2008 Lead Renovation, Repair, and Painting (RRP) rule;
- Safety and Health Regulations for Construction (OSHA Standard 29 CFR 1926);
- Permit required confined spaces (OSHA Standard 29 CFR 1910.146).

Section 5.2 The Employer agrees that there shall be no priority given for employment opportunities to any person because of membership in the Union nor shall the Employer discriminate on the basis of age, race, color, religion, national origin, sexual orientation, citizenship status, unfavorable discharge from the military, marital status, disability, gender, or any other protected status under federal, state, or local laws.

Section 5.3 The Employer shall endeavor to use their best effort in utilizing community outreach programs to obtain referrals of targeted minority and community stakeholders in the area in which a project is located. Target minorities and community stakeholders include, but are not limited to, women, under-represented minorities, under-employed low income households, and hard to employ workers.

Section 5.4 A committee shall be created between the Union and the Association to examine the Policy Regarding Sexual Harassment (“Policy”) found in Appendix H of this Agreement. The committee shall collect and examine workplace sexual harassment policies and procedures for receiving and addressing complaints, particularly those which might arise within the context of a collective bargaining agreement, and consider amendments to the Policy and other labor-management initiatives that might reasonably improve the manner in which such complaints are addressed. The committee shall be composed of three (3) members appointed by the Union, and three (3) members appointed by the Association, each to be appointed by November 1, 2018. The committee shall meet by January 15, 2019, and shall continue to meet as needed to perform its mandated tasks, including the development of a report containing recommendations by November 1, 2019. Provided the committee recommends amendments to the Policy or other related provisions of this Agreement, the Union and the Association shall support the opening of this Agreement prior to its expiration for the purposes of discussing such amendments.

ARTICLE 6

THE UNION'S GEOGRAPHICAL JURISDICTION – WORK OUTSIDE THE UNION'S GEOGRAPHICAL JURISDICTION

Section 6.1 (a) The Employer's principal place of business and employment shall be considered within the jurisdiction of the Union. An Employer may undertake Bargaining Unit Work in other counties and areas, on which occasions the Employer employs additional employees who are members of affiliated I.U.P.A.T. District Councils or Local Unions outside the Union's jurisdiction. In recognition of these facts, it is agreed that:

- (1)** this Agreement shall embrace, and the Union shall be the exclusive bargaining representative for and on behalf of, all the employees employed by such Employer, wherever and whenever employed during the term of this Agreement;
- (2)** the Employer, when engaged in work outside the Union's geographical jurisdiction, shall employ not less than fifty percent (50%) of the workers employed on such work from among the residents of the area where the work is performed, or from among persons who are employed the greater percentage of their time in such area; any others shall be employed only from the Employer's home area; and,
- (3)** the Employer shall, when engaged in work outside the Union's geographical jurisdiction ("Outside Jurisdiction"), comply with all lawful clauses of the collective bargaining agreement applicable to a scope of work covered by this Agreement and in effect between the employer(s) and the IUPAT District Council or Local Union in the Outside Jurisdiction. This shall include, but not be limited to, hourly wages, fringe benefits, hours of work, working conditions, and the procedure for the settlement of grievances set forth therein.

Employees from within the geographical jurisdiction of the Union who, at the Employer's request, are brought into an Outside Jurisdiction where the total economic package, calculated as being equal to hourly wages plus all benefit funds contributions, is higher than the total economic package required by this Agreement shall receive:

- a)** contributions to all benefit funds required by this Agreement at the rates required by this Agreement, and
- b)** hourly wages equal to the higher total economic package minus the amount of contributions remitted under (a) above, or,
- c)** contributions to all benefit funds required by this Agreement at the rates required by this Agreement, and
- d)** hourly wages equal to those required by this Agreement or the hourly wages in effect in the Outside Jurisdiction, whichever is higher, and
- e)** an Employer contribution to the Finishing Industries Retirement Savings Fund, and/or the Painters' District Council No. 30 Health and Welfare Fund, in addition to any amount required under (c) above, which shall be applied to the Employee's Painters' District Council No. 30 Health and Welfare Fund Member Reimbursement Account Plan benefits or as determined by the Board of Trustees, in an amount equal to the higher total economic package minus the sum of the amount of contributions remitted under (c) above and the hourly wages paid under (d) above. Contribution remittance under this subsection (e) shall be in a manner determined by the Union.

Employees from within the geographical jurisdiction of the Union who, at the Employer's request, are brought into an Outside Jurisdiction where the total economic package, calculated as being equal to hourly wages plus all benefit funds contributions, is lower than the total economic package required by this Agreement shall receive all benefit funds contributions and hourly wages required by this Agreement.

Where no IUPAT District Council or Local Union has a collective bargaining agreement covering such work in the Outside Jurisdiction, the Employer shall perform such work in accordance with this Agreement.

This subsection (3) shall not apply to employees who travel to an Outside Jurisdiction to seek work or who respond to a job alert issued by the IUPAT.

(b) This Article is enforceable by the District Council or Local Union in whose jurisdiction the work is being performed, both through the procedure for settlement of grievances set forth in its applicable collective bargaining agreement and through the courts, and is also enforceable by the Union, both through the procedure for settlement of grievances set forth in this Agreement and through the courts.

(c) When engaged in work within the Union's geographical jurisdiction, the first Employee to perform Bargaining Unit Work at any jobsite shall be a member of Painters District Council No. 30.

Section 6.2 The Employer shall not attempt to engage in any work covered by this Agreement in any area outside the geographical jurisdiction of the Union through the use or device of a joint venture of any type, through a member of the Employer's controlled group as defined in the Internal Revenue Code ("Employer's controlled group"), or through subcontracting with another employer or contractor in the outside area, unless such use or device is not for the purpose of taking advantage of lower wages or conditions that are in effect in the home area of the other employer, the member of the Employer's controlled group, or contractor.

ARTICLE 7

HOURS OF WORK – HOLIDAYS

Section 7.1 (a) The normal work week shall be Monday through Friday.

(b) The normal work day shall be eight (8) continuous hours, excluding one-half (½) hour for lunch, between the hours of 6:00 a.m. and 3:30 p.m.

(c) For residential repainting only, a work day shall be eight (8) hours, excluding one-half (½) hour for lunch, and may have a starting time of either 7:00 a.m. or 8:00 a.m.

(d) With the unanimous consent of a group of Employees working at a single jobsite location, four (4) consecutive ten-hour (10 hr.) work days, Monday through Thursday, or Tuesday through Friday, may constitute a normal work week (“Four-Tens Rule”).

(1) Notwithstanding the provisions of Section 9.6, and for the purposes of this subsection (d) only, the normal workday shall be ten (10) continuous hours, including one-half (½) hour for lunch, between the hours of 6:00 a.m. and 5:00 p.m. and shall be paid at the then applicable regular hourly wage rates.

(2) For the purposes defined in this sub-section (d) only, the Employer may, with the Employee’s agreement, schedule that Employee for make-up time on the next consecutive calendar day excluding Sunday, at regular pay, only if that Employee missed no less than five (5) hours of work, Monday through Thursday or Tuesday through Friday, as a result of weather or the Employee’s voluntary absence from work, but not because of a Holiday. All make-up days shall be reported to the Secretary-Treasurer in a format approved by the Union, and shall include each Employee’s name, each Employee’s classification, the job site name, the job site address and/or lot number(s), the starting time, and the total number of hours to be worked by each Employee. The scheduling of make-up time shall not be for the Employer’s scheduling convenience. This provision shall not affect the Employee’s right to Holiday pay or premium pay for hours worked in excess of the approved make-up time, or for hours worked in excess of ten (10) hours in a day or forty (40) hours in a week.

(3) In the event that the total number of work hours performed during the modified work week as defined in this sub-section (d) is less than forty (40), all work hours in excess of eight (8) hours in one day shall be paid at time and one-half (1½) of the Employee's hourly wage rate, and all other provisions of this Agreement shall remain in full force and effect.

(4) Utilization of the Four-Tens Rule must be submitted to the Secretary-Treasurer in a format approved by the Union and shall include, but not be limited to, each Employee's name, each Employee's classification(s), the job site name, the job site address and/or lot number(s), and the starting date and ending date, no less than seventy-two (72) hours prior to the commencement of work.

Section 7.2 The Legal Holidays are: New Year's Day, Memorial Day (as designated by the federal government), Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When any Legal Holiday falls on a Sunday, the Monday following shall be observed. When any Legal Holiday falls on a Saturday, the Friday preceding shall be observed. No work shall be performed on any Legal Holiday, except in extreme emergencies, such emergencies to be determined solely by the Union. If work is performed on these Legal Holidays, it shall be paid at two (2) times the Employee's regular rate.

Section 7.3 (a) A permit must be secured for overtime or work on Saturday, Sunday, or a Holiday. The request must be submitted to the Secretary-Treasurer, in a format approved by the Union, and shall include each Employee's name, each Employee's classification, the job site name, the job site address and/or lot number(s), the starting time, and the approximate number of total overtime hours to be worked by each Employee, no less than twenty-four (24) hours in advance, or within four (4) hours of a request to the Employer, whichever is later.

(b) In every instance, overtime work on all jobsites shall first be offered to members of Painters District Council No. 30, who shall have the irrevocable option to accept or reject the overtime. This subsection shall be enforceable regardless of the personal membership affiliation of any foreman who may or may not direct work at the jobsite in question.

Section 7.4 The Employer may, with the Employee's agreement, schedule that Employee for make-up time on a Saturday, at regular pay, only if that Employee missed no less than four (4) hours of work, Monday through Friday, as a result of weather or the Employee's voluntary absence from work, but not because of a Holiday. All makeup days shall be reported to the Secretary-Treasurer in a format approved by the Union, and shall include the Employee's name, the Employee's classification, the job site name, the job site address and/ or lot number(s), the starting time, and the total number of hours to be worked by each Employee. The scheduling of make-up time shall not be for the Employer's scheduling convenience. This provision shall not affect the Employee's right to Holiday pay or premium pay for hours worked in excess of the approved make-up time, or for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week.

Section 7.5 (a) There shall be a fifteen (15) minute non-organized break during the first four (4) hours of the work day at the assigned place of work and at a time mutually agreed upon by the Employee(s) and the Employer. An allowance of five (5) minutes for wash-up time shall be allowed immediately prior to a thirty (30) minute unpaid lunch at the half-way point of the day and again immediately prior to the end of the work day.

(b) When overtime work is required, there shall be an additional fifteen (15) minute break at a time determined by the Employee(s) for every additional three (3) hour increment of Bargaining Unit Work to be performed.

Section 7.6 (a) Any Employee required to report to a job site or shop (including supply houses) who is subsequently directed to a different site, different supply house, or to the shop shall be paid from the time the Employee first reported to a job site, supply house, or to the shop.

(b) Employees shall not report to the shop, supply house, or job more than fifteen (15) minutes before the six (6:00) a.m., seven (7:00) a.m., or eight (8:00) a.m. starting time, as authorized in this Agreement.

Section 7.7 When an Employee works a fractional part of a day, he shall be paid for no less than one-half (½) of a day's work, except in cases when an Employee quits voluntarily or when weather conditions prevent a continuation of his employment.

Section 7.8 An Employee who reports for work at the regular starting time shall be paid the regular Journeymen's wages, or Apprentice wages when applicable, for two (2) hours when no work is provided for the Employee. However, this provision shall not apply if work is not available because of weather conditions.

Section 7.9 (a) The Employer shall report in writing or online through the secure Employer section of the Union's Website, and prior to the commencement of work at that job site, all newly awarded job sites where Bargaining Unit Work is to be performed, regardless of the location of the Bargaining Unit Work or the Union's geographical jurisdiction. Jobsites reported online shall only be reported once.

(b) All reporting will be in a format approved by the Union and will include, but not be limited to, the job site name, job site address, approximate start date, approximate end date, and an estimated number of total hours to be worked on the project.

(c) An Employer that fails to report job sites as required by sub-Section 7.9 (a) shall be fined \$250 per violation and shall be subject to charges which may be filed with the Painters District Council No. 30 Joint Trade Board.

ARTICLE 8

WORKING TOOLS AND CONDITIONS

Section 8.1 (a) Spray work shall be permitted for any number of coats required on all doors and frames. Spraying of finish coats of any kind shall be permitted, provided that the first coat on all surfaces is back rolled unless it is impractical to brush or roll that surface or it is contrary to the product manufacturer's specifications.

(b) An Apprentice may operate a spray gun only during the last eighteen (18) months of the apprenticeship.

(c) At the request of an Employee and for all applications of materials above the permissible exposure limit, the Employer, at its own expense, shall furnish to all Employees an appropriate respirator, prefilters, filters, and cartridges.

(d) When using spray equipment with flammable material, the spray equipment shall be grounded to prevent ignition from a spark from static electricity.

(e) Employees using spray equipment shall be instructed in the safety aspects of the proper use and care of the required safety equipment.

Section 8.2 (a) When solvents, including organic solvents, caustics, corrosives, acids, detergents, and toxins are used, disposable protective clothing, protective gloves, eye and face protection, and protective skin creams shall also be furnished to the Employee by the Employer.

(b) Appropriate signs warning others of the fire and respiratory dangers present shall be posted in all areas where the above materials are used.

Section 8.3 The Employer shall at all times provide proper lighting for Employees.

Section 8.4 (a) The Employer shall provide proper ventilation on all painting and drywall finishing jobs and supply Employees with appropriate personal protective spray equipment such as, but not limited to, masks, hoods, shields, air filters, respirators, and cartridges.

(b) The Employer will replace all personal respirators and related equipment when said equipment is found to be worn beyond repair or unsafe for continued use.

Section 8.5 The Employer hereby agrees:

(1) that drop cloths and rags shall be furnished to Employees in a sanitary condition;

(2) that Employees may use gloves at work when the Employee considers it necessary;

(3) that Employees, while at work, shall be permitted sufficient time for inspection of ladders and scaffolding and for sanitary conditions of employment.

Section 8.6 (a) Painter Employees shall furnish the following tools: grip, assorted scrapers up to six (6) inches in width, five gallon bucket opener, wire brush, spinner, assorted screwdrivers, duster, hammer, nail set, wrench, vice-grips, razor blade holder, pencils, and pliers. Paperhangers shall furnish a ruler, smoother, seam roller, and level. An Employee shall not be required to furnish any tool not specifically listed herein.

(b) Drywall Finishing Employees shall furnish the following tools: taping and finishing knives up to fourteen (14) inches in width, mud pans, cleaning brushes, sanding poles, hand mixer, five (5) gallon bucket, assorted screwdrivers, wrenches, pliers, and vice grips.

(c) The Employer shall furnish all tools not set forth in (a) and (b) above and all materials, sandpaper, dust masks, floor scrapers, and scaffolding.

Section 8.7 The Employer shall provide all Employees who perform drywall finishing with machine tools with a register number of each tool. The Employer shall list, in writing, each register number and tool description. The list shall be given to each Employee to review at the time such machine tool(s) are issued. The machine tool(s) shall be in good working order. Each Employee shall examine the tool list and, if accurate, each Employee shall acknowledge receipt of the tool(s) by signing on the tool list. No Employee shall refuse to acknowledge an accurate and complete list.

Section 8.8 The Employer agrees that no Employee shall be required to use any poisonous material or material injurious to the Employee's health, such as wood alcohol, varnish remover, oxalic acid, or to perform the sanding of lead or other dangerous materials, unless they are protected by respirators and gloves furnished to them by the Employer. Prepared liquid paint and varnish removers shall be of the non-flammable type. This shall not apply to the use of other liquids or solvents or other methods.

Section 8.9 (a) It shall be the Employer's responsibility to ensure the safety of its Employees and compliance by Employees with any safety rules, standards, and regulations contained in federal or state law or established by the Employer. Nothing in this Agreement shall make the Union liable to any Employee or to any other person in the event that work-related disease, sickness, death, injury, or accident occurs.

(b) The Employer shall not in any manner file or assert a claim against or engage in any litigation against the Union on a subrogation theory, contribution theory, or any other theory, in connection with any work-related disease, sickness, death, injury, or accident.

Section 8.10 The Employer is prohibited from requiring an Employee to transport in the Employee's personal vehicle any material, scaffold, or tools exceeding one hundred (100) pounds in combined total weight to or from jobs.

Section 8.11 Any building in which work is performed between November 1 and April 1 shall be heated.

Section 8.12 The Employer shall at all times provide safe tools, materials, equipment, and working conditions.

Section 8.13 (a) If an Employee sustains an injury in the course of his employment which requires medical care, such Employee shall be permitted to obtain medical care at once. The Employee shall be paid his regular wages for that day, not to exceed eight hours, for the time necessarily spent in going to and from a physician's office, medical center, or hospital. Except in unusual circumstances, this provision shall be effective only on the date of the injury, unless subsequent visits, during working hours, are required by the Employer's physician for independent medical examination.

(b) If an injured Employee needs to be taken to a medical care facility following an injury, he shall be taken to the nearest appropriate medical facility from the job site at the Employer's expense.

(c) The job steward or lead man shall be immediately notified of all injuries. If the steward or lead man determines that someone should accompany the injured Employee to the hospital, medical center, physician's office, or, later, to the Employee's home, the Employer shall select such person, who shall be compensated at his regular rate for such services. If the Employer fails to select such person promptly, the steward or lead man shall select such person.

(d) If an Employee is injured in the course of his employment, he shall not be dismissed from such employment because of his injury, nor shall he be dismissed during the period of medical care required by the injury, unless there is no work available with his Employer, or unless his dismissal is due to a condition beyond the control of the Employer. This paragraph shall not obligate the Employer to pay an employee while the Employee is disabled, except as required by law.

(e) The Employer shall notify the Union, in writing and in a format approved by the Union, within twenty-four (24) hours following any injury falling within the scope of this Article.

Section 8.14 All Journeymen and Apprentices including Tapers and Painters shall be required to wear either white overalls or white pants and whenever possible present a neat and clean appearance.

ARTICLE 9

WAGE RATES

Section 9.1 The Union and the Association have established various “Wage Zones” within the Union’s jurisdiction, as set forth in Appendix G, as a basis for determining the wages that will prevail in each Zone. When any Bargaining Unit Employee works in any Zone, the Employee shall receive the higher of (1) the hourly wage rate for the Zone in which the Employee’s Local Union is chartered (the “Employee’s Home Zone”) (see Appendices B through F) or, (2) the hourly wage rate for the Zone where the work is being performed.

Section 9.2 (a) Effective July 1, 2018, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union’s jurisdiction shall be increased by \$1.75 per hour in Zone A.

(b) Effective July 1, 2018, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union’s jurisdiction shall be increased by \$1.75 per hour in Zone B.

(c) Effective July 1, 2018, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union’s jurisdiction shall be increased by \$1.45 per hour in Zone C.

(d) Effective June 1, 2019, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union’s jurisdiction shall be increased by \$1.75 per hour in Zone A. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2019.

(e) Effective June 1, 2019, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union’s jurisdiction shall be increased by \$1.75 per hour in Zone B. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2019.

(f) Effective June 1, 2019, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$1.45 per hour in Zone C. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2019.

(g) Effective June 1, 2020, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$2.00 per hour in Zone A. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2020.

(h) Effective June 1, 2020, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$2.00 per hour in Zone B. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2020.

(i) Effective June 1, 2020, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$1.50 per hour in Zone C. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2020.

(j) Effective June 1, 2021, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$2.00 per hour in Zone A. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2021.

(k) Effective June 1, 2021, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$2.00 per hour in Zone B. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2021.

(l) Effective June 1, 2021, the total regular minimum wage rate and fringe benefit contributions for Journeymen Painters and Tapers working in the Union's jurisdiction shall be increased by \$1.50 per hour in Zone C. The Union shall allocate this amount between wages and fringe benefits and notify the Employers in writing of such allocation no later than May 1, 2021.

(m) During the life of this Agreement, all Apprentices and Apprentice Applicants shall receive their proper percentage of Journeymen wages established herein and based on the applicable wage rate.

(n) The Union reserves the right during the term of this Agreement to allocate or reallocate a percentage of any contractual increase between wages and contributions to any Fund, and/or between such Funds, identified in Article 10 of this Agreement. The Union further reserves the right to adjust the effective date of any annual contractual increase, or portion thereof, identified in this Section 9.2. Certification of such allocation, reallocation, or adjustment shall be communicated in writing to the Employer within 60 days.

Section 9.3 (a) The regular rate of wages for all Foremen shall be the Journeymen's rate plus two dollars (\$2.00) per hour.

(b) The regular rate of wages for all General Foremen shall be the Journeymen's rate plus four dollars (\$4.00) per hour.

(c) The regular rate of wages for all Journeymen and Apprentice members working on suspended scaffolding, swing stage, spider baskets, and bosun's chair, that is suspended by either ropes or cables shall be paid at the current rate plus two dollars (\$2.00) per hour.

(d) When eight (8) or more Journeymen or Apprentice Employees are performing Bargaining Unit Work under the direction or supervision of a Bargaining Unit Employee, a regular Foreman shall be appointed within this group of Employees.

(e) When sixteen (16) or more Journeymen or Apprentice Employees are performing Bargaining Unit Work under the direction or supervision of a Bargaining Unit Employee, a General Foreman shall be appointed within this group of Employees.

Section 9.4 All work performed outside the normal work day or the adjusted work day, in accordance with Articles 7.1 (c), 7.1 (d) or 9.5 (b), shall be considered as overtime and shall be paid at one and one-half (1½) times the Employee's regular rate.

Section 9.5 (a) All work performed in industrial and commercial buildings only after 3:30 p.m. or before 6:00 a.m. Monday to Friday inclusive until 6:00 a.m. Saturday, shall be paid at the rate of nine (9) hours of pay for eight (8) hours worked. If less than eight (8) hours of work is performed during this period, each Employee shall be paid at the premium rate of one (1) extra hour of regular pay above the number of hours actually worked. The Employer shall report all such work to the Union at least twenty-four (24) hours before the work begins, or be subject to the procedures of the Joint Trade Board. If such notice is not given, all work performed shall be paid at time and one-half (1½) the Employee's regular rate.

(b) If an Employee performs maintenance work in an industrial or commercial building outside of the normal work day defined in sub-section 7.1 (b), such hours shall be paid at the regular rate of wages up to a maximum of eight (8) hours. Hours worked in excess of eight (8) hours shall be paid at time and one-half (1½) the Employee's regular rate. The Employer shall report all such work to the Secretary-Treasurer in a format approved by the Union, and shall include each Employee's name, each Employee's classification, the job site name, the job site address, the starting time, and the total number of hours to be worked by each Employee.

Section 9.6 If an Employee works more than eight (8) hours in a day, premium pay of time and one-half (1½) shall be paid for each hour, or fraction thereof, worked after eight (8) hours. All work on Saturday and Sunday, if permitted pursuant to Article 7.3, shall also be at time and one-half (1½) the Employee's regular rate (subject to Article 7.4, for Saturday makeup).

Section 9.7 (a) The Employer shall establish and maintain a weekly payday which shall be Friday, not later than the ending time of the normal work day. Wages shall be paid at the job site or, if prior arrangements have been made and agreed to by the Union, the Employees, and the Employer, wages may be paid at

the Employer's principal place of business, by electronic transfer, or mailed to the Employee by first class mail. All Employees shall be paid by negotiable check, or electronic transfer if agreed to, for all work performed up through and including the Wednesday night preceding said payday.

(b) The Employer shall furnish each Employee with a detachable check stub showing the Employer's business name, the Employee's name, unique identification number assigned by the Union, total straight time hours, total overtime hours, the ending date of the pay period, gross wages earned, the total net amount due to the Employee, and all itemized deductions. The Employer shall (as shown on the pay stub) conform with federal law pertaining to the payment of Social Security. It shall be a violation of this Agreement for an Employer to issue any check other than a payroll check for compensation earned under this Agreement.

(c) Any reimbursement to an Employee for supplies, transportation, food, lodging, parking, or any other Employer expense, shall be paid to the Employee and Employee check stubs shall contain a line-item description and separate reimbursement amount for each item included in the total reimbursement amount. Any reimbursement records shall be made available to the Union or the Funds upon request.

(d) Employees shall be required to fill out time sheets. The time sheet will contain the Employee's name, all regular straight time hours worked, all overtime hours worked, the day and month in which the work was performed, and the location of the job site. The time sheet must be completed by the Employee and signed by the Employee. If the Employee is not capable of completing a time sheet it may be completed only by another Bargaining Unit Member. The Employee must sign the time sheet. All time sheets and records must be kept by the Employer for six (6) years as required by the Employee Retirement Income Security Act (ERISA) of 1974. The time sheet must be turned in to the Superintendent, General Foreman, or Foreman on the job site by the end of the working day for which the pay period ends. If there is no Superintendent, General Foreman, or Foreman on the job site, the Employer shall make arrangements for the time sheets to be picked up on the job site or allow the time to be called into the

shop no later than 10:00 a.m. the day following the end of the pay period. If no time sheet is turned in on time, the Employer is not obligated to pay the Employee until the following payroll period. The Employee will stand no loss of time for complying with this provision.

(e) An Employer, who requests or insists on having daily time sheets mailed in, shall furnish Employees with sufficient stamped envelopes or funds to cover the expense incurred.

(f) An Employer hiring Journeymen, Apprentices, or Apprentice Applicants to work between 3:30 p.m. Friday and 6:00 a.m. Monday for work only on that particular job shall pay such Employees on or before 3:30 p.m., or the ending hour on the normal work day, of the following Friday.

(g) Electronic tracking of employee work hours (“electronic timekeeping”) shall be permitted in a format approved by the Union. Written application for approval of electronic timekeeping shall be made to the Secretary-Treasurer and, upon review, authorization or denial for the implementation of electronic timekeeping shall be forwarded in writing to the Employer. All records gathered or generated through the implementation of electronic timekeeping shall be made available to the Union or the Funds upon request.

(h) It shall be a violation of this Article for any Employer to use any formula or method of calculation other than by determining all wages or Funds contributions due on the basis of actual hours worked. Violations of this Section will be subject to Article 10 of the Agreement.

Section 9.8 If an Employee, the Union, or any Fund is paid by a check which is returned for insufficient funds or because the account is closed, or if an Employee does not receive full and proper wages for all hours worked, or if an Employer is delinquent to any Fund, the Union shall withhold all Employees from the Employer’s jobs until all wages, dues, and Funds contributions due are paid in full by cashier’s check or by certified check unless suitable payment terms have been established. Every such Employee withheld shall be paid for all time withheld up to eight (8) hours per day, seven (7) days per week, until all wages, dues, and Funds contributions due are paid by cashier’s check or by

certified check. If a check for wages, dues, or Funds contributions is returned for insufficient funds or because the account was closed or if an Employer is delinquent to the Funds, then, at the sole discretion of the Union, the Employer shall be obligated to pay weekly, by cashier's check or by certified check, all wages, dues, and Funds contributions due. The Employer shall be obligated to pay all attorneys' fees and costs incurred in collecting such sums that are due.

Section 9.9 A discharged Employee shall be paid his full wages through and including the hour of discharge. Payment must be made to the Employee within twenty-four (24) hours after discharge, except when the discharge occurs on a Friday, Saturday, or Sunday, in which case the Employee shall be paid by 3:00 p.m. on the following Monday. If the Employee is not paid in accordance with this Section, the Employer shall pay the Employee the regular hourly wage rate for each hour following termination of employment until payment is actually made.

Section 9.10 The Employer shall pay all reasonable costs for transportation, food, and lodging when it is not practical for the Employee to return to his usual place of residence each evening.

Section 9.11 When an Employee files a workers' compensation claim and he is assigned by the Employer to light duty, the Employee shall remain a member of the Bargaining Unit. The Employer shall pay to the Employee the appropriate hourly wage rate and make contributions to all Employee Benefit Funds set forth in this Agreement for all hours actually worked by the Employee.

ARTICLE 10

BENEFIT FUNDS

Section 10.1 Each Employer and the Employer's controlled group agree to make contributions to the Painters District Council No. 30 Health and Welfare Fund ("Health and Welfare Fund"), the Painters District Council No. 30 Pension Fund ("Pension Fund"), the Painters District Council No. 30 Finishing Industries Retirement Savings Plan ("Retirement Savings Plan"), the North Central Illinois Finishing Trades Institute ("Apprenticeship and Training Fund"), the International Union of Painters and Allied Trades Finishing Trades Institute ("International Apprenticeship Fund"), the Painters District Council No. 30 Labor-Management Industry Development Fund ("L.M.I.D.F."), the Painters and Allied Trades Labor-Management Cooperation Initiative ("LMCI"), and the International Union of Painters and Allied Trades Union and Industry Pension Fund ("International Pension Fund"), (collectively the "Combined Funds"), in accordance with the terms of this Agreement and with the Agreements and Declarations of Trust ("Trust Agreements") under which each Fund is operated.

(a) Notwithstanding the requirements of Section 10.1, contributions on behalf of an apprentice enrolled in Painters District Council No. 30's apprenticeship and training program shall not be required by Painters District Council No. 30's Pension Fund.

Section 10.2 (a) Effective July 1, 2018, the contributions due to the Combined Funds for each hour or portion thereof worked by an individual covered by this Agreement shall be in accordance with Appendices B through F.

(b) Effective July 1, 2018, and each June 1 thereafter, the Union may in its sole discretion allocate a portion of the negotiated increase, pursuant to Article 9, to the above Combined Funds. The Union shall notify the Employer of the allocation no later than May 1 of each year.

Section 10.3 (a) At all times, contributions and the completed monthly contribution report form as required by this Article 10 shall be paid and submitted to the Painters District Council No. 30 Combined Funds. If the monthly remittance report is not completed accurately and in its entirety, the report shall be

considered delinquent. If appropriate, contributions shall then be directed by the Union on behalf of each Employee to the employee benefit fund of the Employee's "home-fund" ("money-follows-the-man" rule).

(b) Employer contribution report forms shall be submitted to the Union on a monthly basis or as otherwise required by this Agreement. This obligation shall remain in full force and effect notwithstanding the absence of any Bargaining Unit Work performed by Employees of the Employer. In such instances, monthly contribution report forms indicating zero (0) Bargaining Unit Work hours shall be accurately completed, signed, and submitted to the Union.

(c) The Employer may, with the prior written approval of the Union, utilize a monthly contribution report form of its own design, provided that all information identified within the Union monthly contribution report is contained within the Employer-designed report. The Union may, in its sole discretion and at any time thereafter, require the Employer to utilize the standard monthly contribution report form designed and provided by the Union.

(d) Notwithstanding the requirements of sub-sections 10.3 (a) and (b) and (f), Employers newly affiliated with the Union shall be required to submit monthly contribution report forms and to remit contributions for all required Combined Funds as defined in this Article 10 and inclusive of Painters District Council No. 30 Dues check-off, the Painters District Council No. 30 Organization and Defense Fund contribution, and the PDC 30 PAC Fund contribution, on a bi-monthly basis. Monthly contribution report forms and contributions due to the Combined Funds for Bargaining Unit Work performed from the first day through the fifteenth day of each month shall be due by the first day of the following month. Contribution report forms and contributions due to the Combined Funds for Bargaining Unit Work performed during the period of time from the sixteenth day through the last day of each month shall be due by the fifteenth day of the following month. In the sole discretion of the Union, an Employer may be released from the obligation of bi-monthly reporting.

(e) All contributions to the Combined Funds shall be remitted with the Union contribution report forms with full, complete, and accurate representations of the hours worked and the sums due for each Employee.

(f) The contributions and contribution report forms to the Combined Funds shall be due as of the 15th day of the month after the month in which the work was performed, or on such other date as this Agreement may require. The Employer agrees to write one check payable to “PDC 30 Combined Funds” to satisfy its monthly Payment. As of the due date, the contributions shall be considered the assets of each Fund.

Section 10.4 Each Employer adopts and agrees to be bound by each Fund’s Trust Agreement, and as the Trust Agreement(s) may be amended hereafter, as fully as if the Employer was an original party thereto. The Employer hereby designates the Association Trustees named in the respective Trust Agreement, together with their successors, as its representatives on the Board of Trustees of each Fund. The Employer agrees to be bound by all actions taken by each Board of Trustees pursuant to the powers granted them by federal law or the respective Trust Agreements. The Employer recognizes that each Board of Trustees has the sole power to construe the provisions of the respective Trust Agreements, the respective employee benefit plans, and each Fund’s rules and regulations, if any, and that all constructions, interpretations, and determinations made by the respective Trustees for their respective Funds shall be final and binding on all parties.

Section 10.5 Notwithstanding any other provision of this Agreement, and in the sole discretion of the Union, the Employer agrees to report all Bargaining Unit Work hours, to complete and submit monthly contribution report forms, and to remit contributions due to the Combined Funds and employee payroll deductions, as identified in this Agreement, in an electronic format, or as otherwise instructed by the Union.

Section 10.6 Each Employer shall contribute for each hour worked by any individual who performs any management, supervisory, or estimation services and who performs any Bargaining Unit Work, including any Employee whose spouse has any ownership interest in the Employer. The amount of contributions due to the Combined

Funds shall be presumed to be at least 160 (hours) times the then-current hourly contribution rates for each month during which any such services were performed. The individual's receipt of any benefits from the Funds shall not excuse the Employer's obligation to make contributions at the rate of 160 (hours) times the then-current hourly contribution rates, or for the actual number of hours worked in any capacity, whichever is greater.

For the period July 1, 2018, through May 31, 2020, the amount of contributions due to the Combined Funds shall be presumed to be at least 140 (hours) times the then-current hourly contribution rates for each month during which any such services were performed. The individual's receipt of any benefits from the Funds shall not excuse the Employer's obligation to make contributions at the rate of 140 (hours) times the then-current hourly contribution rates, or for the actual number of hours worked in any capacity, whichever is greater.

Section 10.7 If an Employer is delinquent in its contributions to the Combined Funds for a period of seventy-two (72) hours, the Union shall be entitled to remove all Bargaining Unit Employees from the shop or job in addition to seeking any other legal remedy it may have.

Section 10.8 Contributions not received by the due date shall be considered delinquent and shall be assessed the liquidated damages, interest, reasonable attorneys' fees, and costs established by the Funds' Trustees. The Employer acknowledges that the liquidated damages are provided for by federal law and shall be used to defer administrative costs arising from the delinquency.

Section 10.9 (a) Each Employer shall furnish the Trustees with information such as the names of all subcontractors, affiliates, Employees (by classification, craft, unique identification number assigned by the Union, and social security number), wages earned and hours worked by Employees, the Employer's federal/state employer identification number, the Employer's business address (which shall not be a P.O. Box), the principal corporate officer's or business owner's driver's license number, proof of the Employer's corporate status, proof of insurance or surety bonds as required by this Agreement, and such other information as may be required

by the Trustees. Such information available at the time this Agreement is executed shall be provided within seven (7) days of execution; all other information shall be provided within seven (7) days of the Trustees' written request.

(b) In addition, the Union and/or the Funds' Trustees shall have the authority to audit the Employer's books and records, including the books and records of affiliated employers and members of the Employer's controlled group, in accordance with the terms of the Funds' Trust Agreements. The Employer shall be responsible, in accordance with the terms of the Funds' Trust Agreements, for the costs of audit and for all attorneys' fees incurred. In the sole discretion of the Funds' Trustees the audit fees may be waived.

(c) At the request of the Union and/or the Funds' Trustees, all Employer records shall be made available in an acceptable electronic file format within thirty (30) days of the request.

Section 10.10 (a) If an Employer employs a person or entity in violation of Article 18, the number of hours for which such Employer owes contributions to the Combined Funds shall be computed by dividing the total dollar amount paid to such employees by the actual hourly wage rate paid, as determined by the Trustees.

(b) If an Employer violates this Agreement by using square footage rates, or any other formula or method of calculation, rather than by determining all contributions due to the Combined Funds on the basis of actual hours worked, the compensation actually received by the employee will be divided by twenty-five percent (25%) of the applicable hourly wage rate in order to determine the number of hours for which all contributions to the Combined Funds, and wages in accordance with Article 9, are due.

(c) Notwithstanding the provisions of Section 10.10 (b), if an Employer violates this Agreement by using square footage rates, or any other formula or method of calculation, rather than by determining all Combined Funds contributions due on the basis of actual hours worked in the drywall finishing industry, the total number of boards finished shall be divided by 2.86 to determine the number of hours for which all Combined Fund contributions, and wages in accordance with Article 9, are due. For the purposes of this Section a "board" shall be a four foot by eight foot (4' x 8') sheet of drywall.

ARTICLE 11

APPRENTICESHIP AND TRAINING PROGRAM

Section 11.1 (a) An Employer will be allowed to have one (1) Apprentice if at least one (1) Journeyman is employed. After the Employer employs three (3) Journeymen, the Employer will be allowed one (1) additional Apprentice; with six (6) Journeymen, the Employer will be allowed an additional Apprentice; with each additional three (3) Journeymen, an additional Apprentice will be allowed.

(b) Notwithstanding above, the ratio of Apprentice tapers to Journeymen tapers shall not exceed a one-to-one ratio.

(c) An Employer may petition for modification of the Journeyman-to-Apprentice ratio on a job-by-job basis by sending written request to the Secretary-Treasurer in a format approved by the Union. The request must include the jobsite name, jobsite address, jobsite developer, start date, end date, ratio of Journeymen to Apprentices being requested, and explanation of the necessity for the alteration of the ratio defined in subsection 11.1 (a). The request will be approved or denied upon review by the Secretary-Treasurer or his designee.

Section 11.2 (a) Any Apprentice who works in the geographical jurisdiction of the Union shall be immediately enrolled in the North Central Illinois Finishing Trades Institute ("Training Program") which is incorporated and made part of this Agreement. The Apprentice shall be required to attend training classes as prescribed in the Training Program.

(b) Any Apprentice or Apprentice Applicant shall be enrolled in the Training Program effective with the date of hire.

(c) If an Employer has a contractual obligation to another apprentice program and fails to abide by the terms of this Section, the Employer shall nevertheless be obligated to the Funds set forth in Article 10 for all of the contributions due under this Agreement for each hour or fraction thereof that an Apprentice is paid by the Employer or attends the other apprentice program.

(d) An Employer shall provide the Training Fund with the names and social security numbers of every Apprentice and Apprentice Applicant employed by the Employer within seven (7) days of hiring.

(e) The Employer shall notify the Union, in writing and within twenty-four (24) hours, of hiring any Apprentice.

Section 11.3 Except in the final year of his apprenticeship, no Apprentice shall be permitted to take charge of any job or to work on any job unless there is at least one (1) Journeyman employed on the same job.

Section 11.4 (a) Before any Apprentice Applicant can work in the Union's geographical jurisdiction, the Employer must obtain a permit from the Union for that Apprentice. Upon application to the Apprentice Program, an Apprentice Applicant shall be granted a sixty (60) day probationary period from the date of employment during which time, contributions to the Combined Funds shall not be required. If the permit is not obtained, the Apprentice Applicant shall be considered a Journeyman for all purposes under this Agreement, including for wages and fringe benefits.

(b) Apprentice Applicants shall be paid at the rate of forty percent (40%) of the Journeymen's wage rate for the first sixty (60) days of employment.

(c) An Employer may request a thirty (30) day extension, in writing, fifteen (15) days before the expiration of the permit. The Union agrees to discuss any such request with the Employer.

Section 11.5 The regular wage rate for Apprentices shall be the following respective percentages of the then-current regular rate for Journeymen:

- 1st six months: 40% of Journeymen's wage rate
- 2nd six months: 50% of Journeymen's wage rate
- 3rd six months: 55% of Journeymen's wage rate
- 4th six months: 60% of Journeymen's wage rate
- 5th six months: 70% of Journeymen's wage rate
- 6th six months: 80% of Journeymen's wage rate
- Thereafter: 100% of Journeymen's wage rate

Section 11.6 A committee shall be created between the Union and the Association to examine current and historical trends in the hiring and retention of apprentices, current provisions of this Agreement pertaining to apprentices, and data concerning the age of active journey workers and average ages of retirement among active journey workers. The committee shall consider amendments to this Agreement and other labor management initiatives that might reasonably result in an increase in the number of apprentices hired by Employers, including the number of female and minority apprentices, within a timeframe that is responsive to industry needs suggested by the data analysis. The committee shall be composed of the Director of Apprenticeship and Training, three (3) members appointed by the Union, and three (3) members appointed by the Association, each to be appointed by November 1, 2018. The committee shall meet by January 15, 2019, and shall continue to meet as needed to perform its mandated tasks, including the development of a report containing recommendations by November 1, 2019. Provided the committee recommends amendments to this Agreement, the Union and the Association shall support the opening of this Agreement prior to its expiration for the purposes of discussing such amendments.

ARTICLE 12

EMPLOYERS' INDUSTRY FUND

Section 12.1 Each Employer shall contribute an amount to be determined by the Association in each payroll period and shall remit such sums to Painters District Council No. 30 Combined Funds ("PDC 30 Combined Funds") by the due date set forth in Article 10.

Section 12.2 The Trustees of the Employers' Industry Fund, and their successors, shall be appointed by the Association.

Section 12.3 Such contributions shall be applied for the purpose of promoting the painting, decorating, and drywall industry in the area covered by this Agreement and shall not be used, directly or indirectly, to the detriment of the parties to this Agreement.

Section 12.4 The Employers' Industry Fund hereby established shall be administered by its Board of Trustees and said Trustees shall establish and maintain a Trust Fund, the terms of which are hereby accepted by the Employers signatory to this Agreement.

ARTICLE 13

PAINTERS DISTRICT COUNCIL NO. 30 LABOR-MANAGEMENT INDUSTRY DEVELOPMENT FUND

Section 13.1 The Parties agree that a jointly-administered Painters and Allied Trades District Council No. 30 Labor-Management Industry Development Fund (“L.M.I.D.F.”) shall be administered for the purposes of developing and implementing industry-improvement related programs.

Section 13.2 The L.M.I.D.F. shall be administered by its eight (8) member Board of Trustees, of which four (4) shall be appointed by the Union and four (4) shall be appointed by the Association, and said Trustees shall establish and maintain a Trust Fund, the terms of which are hereby accepted by the Union, Association, and Employers signatory to this Agreement.

Section 13.3 Contributions due under this Article shall be remitted in accordance with the provisions and requirements of Article 10 of this Agreement or as otherwise allowed by the Trust Document of the Fund.

ARTICLE 14

INSURANCE AND SURETY BONDS

Section 14.1 Each Employer agrees to be bound by the provisions of the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Disease Act and shall submit to the Union certificates of insurance under the Acts or proof of self-insurance before commencing any work covered by this Agreement.

Section 14.2 Before commencing any work covered by this Agreement, the Employer shall provide a performance or surety bond, in the amount and under the terms set forth below, to insure the prompt and full payment of all contributions, dues/assessments, and wages due in accordance with Articles 4, 9, 10, and 12:

\$20,000 - 6 or fewer Bargaining Unit Employees

\$30,000 - 7 but fewer than 13 Bargaining Unit Employees

\$50,000 - 13 but fewer than 25 Bargaining Unit Employees

\$75,000 - 25 or more Bargaining Unit Employees

Section 14.3 All bonds shall be in a form acceptable to the Union and the Association and shall:

(1) be written by an insurance carrier authorized, licensed, or permitted to do business in the State of Illinois; or

(2) be secured by a cash deposit of the full amount of such bond in an account maintained jointly by the Trustees of the Funds; or

(3) be secured by other assets or personal sureties acceptable to the Trustees which equal or exceed in value the full amount of the bond; or

(4) be secured by any combination of (1), (2), and/or (3) above.

Section 14.4 The Employer must maintain the bond (or other security arrangement acceptable to the Union) for the term of this Agreement and for a period of six months following termination of the Agreement. Any bond (or other security arrangement) must provide that it shall be payable on written demand by the Union.

Section 14.5 (a) If an Employer fails for any reason to satisfy the bonding requirement of this Article, the Employer or the Employer's corporate officials who are authorized to execute agreements or sign checks, or to designate the persons authorized to do so, shall be personally liable for the wages, dues/assessments, and fringe benefit contributions due under this Agreement or the Funds' Trust Agreements. This Section shall not relieve or excuse in any way any Employer of the obligation to provide the bond required by Section 14.2 nor shall this Section limit the personal liability of any Employer or corporate official based on state or federal laws. An Employer shall be required to submit for an audit any document required by this Agreement and shall provide such records as the Union or the Funds consider in their sole discretion necessary to enforce the provisions of this Agreement.

(b) Notwithstanding any other provision in this Article, if the performance or surety bond is obtained and maintained in accordance with this Article and provided the Employer has completely and accurately reported and paid on a timely basis for all Bargaining Unit Employees and hours worked under this Agreement, the Employer or the Employer's appropriate corporate officials shall not be personally liable for a delinquency as set forth in Section 14.5 (a).

(c) Section 14.5 (b) shall also apply to the extent that an Employer can establish that a subcontractor(s) has complied with the bonding and reporting obligations pursuant to Article 14.

Section 14.6 An Employer covered by the Illinois Unemployment Compensation Act ("IUCA") shall provide the Union with the Employer's IUCA identification number. An Employer not covered by the IUCA agrees to elect to be bound by the IUCA and shall be personally liable for the payment of IUCA benefits.

ARTICLE 15

JOINT TRADE BOARD

Section 15.1 The Parties to this Agreement agree that in order to maintain equality and fairness within the unionized finishing trades industries violations of this Agreement must be adjudicated in a manner consistent with maintaining the integrity of the unionized finishing trades. As such, the Parties hereby agree and grant the Painters and Allied Trades District Council No. 30 Joint Trade Board (“Joint Trade Board”) exclusive and absolute authority to adjudicate and/or adjust any dispute or grievance under this Agreement in accordance with this Article.

Section 15.2 The Joint Trade Board shall consist of eight (8) members, with four (4) members and an alternate appointed by the Union and by the Association. All disputes and grievances under this Agreement shall be referred to the Joint Trade Board, unless as otherwise expressly provided for under this Agreement.

Section 15.3 The Joint Trade Board shall have the right to establish reasonable rules and regulations for its operation and such rules and regulations shall be binding.

Section 15.4 Three (3) members of the Joint Trade Board shall constitute a quorum, provided that at least one (1) member is representing the Union and one (1) member is representing the Association. In the absence of any party’s representatives, or if there is a vacancy, that party shall be entitled to cast pro rata through the members present the votes of an absent member or vacant position so that at all times the votes of each party shall be equal. Any decision or award of the Joint Trade Board shall be final and binding and shall be enforceable as an arbitration award.

Section 15.5 (a) The officers of the Joint Trade Board shall be a Chairman and a Secretary-Treasurer. One officer shall be a representative of the Union and the other officer shall be a representative of the Association.

(b) The Joint Trade Board shall meet once every month and at such other times during the year as the Chairman or Secretary-Treasurer determines.

Section 15.6 (a) If the Joint Trade Board finds that an Employer violated this Agreement, the Joint Trade Board, or its appointed representative, is authorized to fashion, in their sole discretion, all appropriate remedies, including but not limited to, awarding actual damages to the aggrieved individual or entity, plus fines not to exceed two thousand five hundred dollars (\$2,500) per violation, per day, and assessing liquidated damages, interest, costs, reasonable attorneys' fees, administrative expenses, and auditing fees incurred by the Joint Trade Board. Such remedies and assessments shall also be imposed on the Employer if the Joint Trade Board, any party to this Agreement, or any entity enforcing its rights under this Agreement, obtains judicial enforcement of the Joint Trade Board decision or award.

(b) Provided there is a finding of guilt by the Joint Trade Board for violations of this Agreement, the Employer shall pay any attorneys' fees incurred by the Union for investigating, enforcing, and adjudicating claims and disputes arising under this Agreement.

Section 15.7 If the Joint Trade Board deadlocks, all matters in dispute may be referred to arbitration by either party. The complaining party may submit the matter to binding arbitration before the American Arbitration Association ("AAA") (Labor Dispute Rules) in Chicago. The decision of the arbitrator shall be final and binding. Each party shall bear its own costs but shall share the costs of the arbitrator and of the AAA.

Section 15.8 If the Joint Trade Board finds that a member in good standing of Painters District Council No. 30 violated this Agreement, Painters District Council No. 30 shall have the duty to prefer charges against such member.

Section 15.9 The Employer's failure to notify the Union in writing of a change in the Employer's principal business mailing address, as required by Section 16.1 of this Agreement, shall waive the Employer's right to notice of charges having been filed against the Employer with the Joint Trade Board.

Section 15.10 If an Employer violates any provision of Article 10 or Article 18, the Employer shall be required to provide a bond in an amount determined by the Joint Trade Board for the life of the Agreement in addition to any other bond which may be required.

Section 15.11 Each and every Employer and member of the Union pledges upon his honor not to break the rules and regulations embodied herein, which have been promulgated for the improvement and betterment of the entire organized finishing trades in the jurisdiction of Painters District Council No. 30, and, furthermore, each shall recognize it to be their duty to report immediately to the Trade Board, in writing, any facts, and facts only, pertaining to any violation of the Agreement.

ARTICLE 16

MISCELLANEOUS

Section 16.1 The Employer shall give notice to the Union in writing not later than ten (10) days after the occurrence of any of the following events relating to the Employer, occurring after the date hereof:

- (1) formation of partnerships;
- (2) termination of business;
- (3) change of name commonly used in business operation;
- (4) change of form of business organization;
- (5) incorporation of business;
- (6) dissolution of corporation;
- (7) name and business organization of successor;
- (8) admission to or withdrawal from any association operating as a multi-employer bargaining agent;
- (9) formation of an L.L.C.;
- (10) change in the business mailing address of the Employer.

A copy of this notification shall be sent to the Association Secretary.

Section 16.2 The Employer shall maintain an office and telephone where it can be contacted during the usual working hours.

Section 16.3 The Association and the Union shall share equally in the cost of printing copies of this Agreement, which shall bear the union label.

Section 16.4 Employees covered by this Agreement shall, during the life hereof, have the right to respect any legal picket line validly established by any bona fide labor organization. In addition, the Union has the right to withdraw Employees whenever the Employer is involved in a primary labor dispute with any bona fide labor organization. These rights shall not be subject to the jurisdiction of the Joint Trade Board.

Section 16.5 Should any part of, or any provision of, this Agreement be rendered or declared invalid by reason of any existing or subsequent enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions thereof.

Section 16.6 Every Employee hired shall be required to provide the Employer and the Union with a driver's license number or state identification number. Every Employee must have a valid photo identification card issued by the Union. It shall be the Employer's responsibility to ensure that all Employees are in possession of the Union-issued photo identification card while employed by the Employer.

Section 16.7 Each Employer shall employ at least one (1) Journeyman.

ARTICLE 17

THE PAINTERS AND ALLIED TRADES LABOR-MANAGEMENT COOPERATION INITIATIVE

Section 17.1 (a) Commencing on July 1, 2018, and for the duration of this Agreement, and any renewals or extension thereof, the Employer agrees to make payments to Painters District Council No. 30 Combined Funds for each Employee as follows:

(b) For each hour or portion thereof, for which an Employee receives pay, the Employer shall make a contribution of \$0.10 to the Painters and Allied Trades Labor-Management Cooperation Initiative (LMCI).

(c) For the purpose of this Article, each hour paid for, including hours attributable to show-up time, and other hours for which pay is received by the Employee in accordance with the Agreement, shall be counted as hours for which contributions are payable.

(d) Contributions shall be paid on behalf of any Employee starting with the Employee's first day of Bargaining Unit Work. This includes, but is not limited to, Apprentices and Apprentice Applicants.

Section 17.2 (a) The Employer and Union agree to be bound by and to the Agreement and Declaration of Trust, as amended from time to time, establishing the LMCI.

(b) The Employer hereby irrevocably designates as its representatives on the Board of Trustees such Trustees as are now serving, or who will in the future serve, as Employer Trustees, together with their successors.

Section 17.3 All contributions shall be made at such time and in such manner as Article 10 of this Agreement provides. The LMCI Trustees may at any time conduct an audit in accordance with the LMCI Agreement and Declaration of Trust. If an Employer fails to make contributions to the LMCI within twenty (20) days after the date required by the LMCI Trustees, the Union shall have the right to take whatever steps are necessary to secure compliance with this Agreement, any other provision hereof to the contrary notwithstanding. The Employer shall be liable for all costs of collection of the payments due together with attorneys' fees and such penalties as may be assessed by the LMCI Trustees. The Employer's liability for payment under this Article shall not be subject to or covered by any grievance or arbitration procedure or any "no-strike" clause which may be provided or set forth elsewhere in this Agreement.

ARTICLE 18

SUBCONTRACTING

Section 18.1 (a) If an Employer contracts or subcontracts any Bargaining Unit Work to any person, business, or proprietor who is not signatory to this Agreement, the Employer shall:

(1) require such subcontractor to be bound by all the provisions of this Agreement. The signatory Employer shall maintain daily records of the subcontractor and the subcontractor's employees' job site hours and shall be liable for payment of wages, dues check-off, as well as payments to the Combined Funds identified in Articles 10 and 12 of this Agreement for each of such hours worked. The Union may require an Employer to deposit into an escrow the subcontractor's estimated contributions to the Combined Funds.

(2) obtain from any subcontractor a list of all of the subcontractor's employees, with address and social security number, a list of the subcontractor's employees performing the subcontracted work, the address and legal description of the property, a brief description of the type of property and a counting of the surfaces subcontracted out, and the subcontractor's price. This information must be submitted in a format approved by the Union before the job starts.

(b) The Employer which subcontracts must file with the Union a copy of the subcontractor's contribution report forms as an attachment to the Employer's own remittance reports. A subcontractor is not excused from the obligation to file its own remittance reports.

Section 18.2 Any Employer which sublets or subcontracts any work covered by this Agreement shall be directly responsible and obligated for the wages, dues/assessments, benefits, and Employee Benefit Fund contributions owed to Employees or to the Funds for work performed for the subcontractor. The terms of this Article shall apply to all Bargaining Unit Work performed directly or indirectly by the Employer or any affiliate or member of the Employer's controlled group.

Section 18.3 To protect and preserve for Employees all work they have performed and all work covered by this Agreement, and to prevent any device or subterfuge to avoid the protection and preservation of such work, it is agreed that if the Employer performs on-site construction work of the type covered by this Agreement, under its own name or the name of another, as a corporation, company, partnership, or other business entity, including a joint venture, wherein the Employer, through its officers, directors, partners, owners, or stockholders, exercises, directly or indirectly (through family members or otherwise), management, control, or majority ownership, the terms and conditions of this Agreement shall be applicable to all such work.

ARTICLE 19

SUBSTANCE ABUSE AND RECOVERY PROGRAM

Section 19.1 The Employer and the Union agree to the Painters and Allied Trades District Council No. 30 Substance Abuse and Recovery Program (“Program”) as described in this Article 19 and further agree that the Employer may only implement a policy regarding drug and alcohol abuse to the extent that it complies with this Article.

Section 19.2 It is further agreed that the L.M.I.D.F. will administer a Joint Committee on Substance Abuse and Recovery which will be made up of the Trustees of the Fund. This Committee shall meet on the request of any two Trustees at reasonable times and places, but not less than quarterly. The Committee shall be empowered to modify the Program, which shall become binding upon the Employers provided thirty (30) calendar days written notice has been served on the Union and the Association.

Section 19.3 The parties recognize the problems created by drug and alcohol abuse and the need to develop prevention and treatment programs. The Employers and the Union have a mutual commitment to protect people and property, and to provide a safe working environment. The purpose of the Program is to establish and maintain a drug-free, alcohol-free, safe, healthy work environment for all of the Employees covered by this Agreement.

Section 19.4 For the purpose of this Article, the term “Prohibited Substance” shall mean and include any illegal drugs, controlled substances (other than prescribed medications), look-alike drugs, designer drugs, and alcoholic beverages. For the purpose of this Article, the term “Job Site” shall include that portion of the site on which construction or construction related activities are taking place as well as the portion of the site or project which is used for parking and shall also include automobiles, trucks, and other vehicles owned or leased by the Employer.

Section 19.5 It is recognized that there are certain medications which may impair the performance of job duties and mental and/or motor functions. In such cases, with the permission of the Employee and after consultation with such Employee’s physician, the Employer shall make every effort to accommodate

an Employee by reassignment to a job compatible with the administration of such medications, and such Employee shall remain covered under this Agreement.

Section 19.6 (a) The L.M.I.D.F. shall administer a voluntary drug and alcohol testing program with the testing specimen to be collected by an approved facility. The Program shall be open to all members of Painters District Council No. 30. Persons may voluntarily submit themselves for testing and, if they test negative for alcohol or drugs, will be issued a drug-free card which shall be valid for a period of one (1) year from the date of issuance.

(b) Persons who do not pass the drug and alcohol test will not be eligible to test again for a thirty (30) day period.

(c) Persons who test positive for drugs or alcohol shall receive notification of services that are available through the Program. Such test results will be kept confidential.

(d) Persons who have test results returned as “adulterated” shall be treated as having a positive result and shall not be issued a drug-free card.

(e) Drug test results that are returned “diluted specimen” shall be treated as having a positive result.

(f) Any person may appeal his test results, at which time they will be offered a hair sample test, the results of which shall stand as the final result.

(g) The L.M.I.D.F. shall bear the costs of one voluntary drug test every one (1) year for any member of Painters District Council No. 30. The Employer shall pay for testing “for-cause,” and in the event of a negative result, reimburse the Employee for all lost work, travel, and testing time, not to exceed sixteen hours at the then-current straight time rate. Such Employee shall be immediately reinstated to his former position.

(h) The burden of compliance is upon the Employer to assure a drug-free workplace, and the Union assumes no liability for the safety of the Employer’s facility or workforce. An Employer shall not in any manner file or assert a claim against or engage in any litigation against the Union, the L.M.I.D.F., or the Funds, on a subrogation theory, contribution theory, or any other theory, in connection with any portion of this Article.

(i) Any Employee, drug-free card holder, or otherwise, may only be tested “for- cause” as allowed for in this Article. If a “drug-free” Employee tests positive for a Prohibited Substance, his drug-free card will be forfeited.

Section 19.7 An Employee who is involved in the sale, purchase, dispensation, distribution, possession, consumption, or use of a Prohibited Substance on the Job Site shall be subject to termination in accordance with the terms of this Agreement.

Section 19.8 No pre-employment screening shall be permitted and no random testing shall be permitted except as provided in Sections 19.18 (c).

Section 19.9 An Employee involved or injured in a work place accident may, at the discretion of the Employer, be required to submit to a drug test. It is agreed that under certain circumstances, an Employee whose work performance and/or behavioral conduct indicates that he or she is not in a physical condition that would permit the Employee to perform a job safely and efficiently will be subject to a urine, blood, or Breathalyzer test to determine the presence of alcohol or drugs in the body (“for-cause” testing), provided:

(1) The Employer has reasonable grounds to believe that the Employee is under the influence of or impaired by the use of Prohibited Substances. Reasonable grounds include abnormal coordination, appearance, behavior, speech, odor, or any detectable amount of a Prohibited Substance. It can also include work performance, safety, and attendance problems.

(2) The Employer’s reasonable grounds must be confirmed by another management representative in conjunction with a representative of the Union as designated by the Secretary-Treasurer. Both management representatives must describe such grounds in writing prior to any testing being directed.

(3) The Employee will be provided with an opportunity to explain his or her conduct at a meeting with the Representatives, including the Union Representative referred to in Article 19.9 (2).

Section 19.10 An Employee who refuses to submit to a test requested pursuant to Article 19.9 shall be offered the option of securing assistance available through the Program. In the event the Employee refuses to do either, the Employee shall be subject to termination.

Section 19.11 All for-cause drug testing shall take place at a recognized medical facility or certified independent laboratory at the expense of the Employer.

Section 19.12 When a test is required, the specimen will be split into two (2) equal testing specimens and identified by a code number, and not by name, to ensure the confidentiality of the donor. Each specimen contained will be properly labeled and made tamper-proof.

Section 19.13 The handling and transportation of each specimen will be properly documented through strict chain of custody procedures.

Section 19.14 Any sample taken for testing must be tested as follows:

(a) for screening; and

(b) in the event the screening test is positive, for confirmation testing by gas chromatography/mass spectrophotometer (GC/MS).

Section 19.15 Drug testing shall only be conducted by a College of American Pathologists (C.A.P.) or National Institute of Drug Abuse (N.I.D.A.) certified independent laboratory.

Section 19.16 The Employer, all of its medical personnel and the personnel of the laboratory/testing facility shall adhere to the American Occupational Medical Association's ("A.O.M.A.") Code of Ethical Conduct for Physicians Providing Occupational Medical Services and to A.O.M.A. Drug Screening in the Work Place Ethical Guidelines.

Section 19.17 (a) An Employee undergoing for-cause testing shall be placed on an unpaid leave of absence pending results of the screening test.

(b) In the event that the results of the screening test are positive, there shall be confirmation testing by a laboratory selected by the Union. In the event the results of the confirmation testing are negative, the Employee shall be reinstated with back pay. Unless an initial positive result is confirmed as positive, it shall be deemed negative and reported by the laboratory as such.

(c) In the event that results of the confirmation testing are positive, the Employee will be given the opportunity to secure assistance available through the Program. In the event such Employee declines to secure assistance available through the Program, he shall be subject to termination.

Section 19.18 (a) An Employee who fails to cooperate or who fails to live up to the terms and conditions of this Agreement will be subject to termination.

(b) If treatment necessitates time away from work, the Employer shall provide to the Employee an unpaid leave of absence for purposes of participation in an agreed-upon treatment program. An Employee who successfully completes a rehabilitation program shall be reinstated to his former employment status, if work for which he is qualified exists.

(c) Employees returning to work after successfully completing the rehabilitation program will be subject to drug or alcohol testing without prior notice for a period of one (1) year. A positive test result will result in termination.

(d) In order to ensure confidentiality in the Program, each Employer shall designate a management Representative as the Employee Assistance Representative for the Employer. This individual shall be the sole representative of the Employer who may be in possession of the Employee's information as it relates to the Program.

(e) This Article shall be the only drug and/or alcohol testing program applicable to Employees.

Section 19.19 Nothing in this Article shall be construed to limit the Employer's right to suspend or terminate an Employee so long as such suspension or termination is otherwise permitted without regard to the provisions of this Article.

ARTICLE 20

TERM AND RENEWAL

Section 20.1 This Agreement shall be in effect until May 31, 2022, and shall continue in effect from year to year thereafter and, unless the Union and the Employer otherwise agree, the Union and the Employer hereby specifically adopt the Agreement between the Union and the Association for the contract period subsequent to May 31, 2022, and each such subsequent Agreement thereafter unless written notice of such termination of the Agreement is given by the Employer or the Union at least one hundred twenty (120) days prior to the expiration of the then-current Agreement adopted by reference.

Section 20.2 At least one hundred and twenty (120) days prior to the original termination of this Agreement or prior to the expiration date of any renewal of this Agreement, representatives of the Union and the Association shall convene and meet for the purpose of reviewing the various terms and provisions of this Agreement.

This Agreement shall remain in full force and effect from July 1, 2018, through May 31, 2022.

_____	_____
FCA of Illinois	Painters District Council No. 30
Date:_____	Date:_____

APPENDIX A

INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES UNION AND INDUSTRY PENSION FUND

The Employer and the Union agree as follows:

1. **(a)** Commencing on July 1, 2018, and for the duration of the Agreement, and any renewals or extension thereof, the Employer agrees to make payments to Painters District Council No. 30 Combined Funds for each Employee covered by this Agreement, as follows:
 - (b)** For each hour or portion thereof for which an Employee receives pay, the Employer shall make a contribution in accordance with Appendices B through F to the International Union of Painters and Allied Trades Union and Industry Pension Fund;
 - (c)** For the purpose of this Article, each hour paid for, including hours attributable to show-up time, and other hours for which pay is received by the Employee in accordance with the Agreement, shall be counted as hours for which contributions are payable;
 - (d)** Contributions shall be paid on behalf of any Employee starting with the employee's first day of employment in Bargaining Unit Work;
 - (e)** The payments to the Pension Fund shall be made to Painters District Council No. 30 Combined Funds, which was established under an Agreement and Declaration of Trust, dated April 1, 1967. The Employer hereby agrees to be bound by and to the said Agreement and Declaration of Trust, as amended from time to time, as though it had actually signed the same.
2. The Employer hereby irrevocably designates as its representatives on the Board of Trustees such Trustees as are now serving, or who will in the future serve, as employer Trustees, together with their successors. The Employer further agrees to be bound by all actions taken by the Trustees pursuant to the said Agreement and Declaration of Trust, as amended from time to time.

3. All contributions shall be made at such time and in such manner as the Trustees require; and the Trustees may at any time conduct an audit in accordance with said Agreement and Declaration of Trust.
4. If an Employer fails to make contributions to the Pension Fund within twenty (20) days after the date required by the Trustees, the Union shall have the right to take whatever steps are necessary to secure compliance with this Agreement, any other provisions hereof to the contrary notwithstanding, and the Employer shall be liable for all costs of collection of the payments due together with attorneys' fees and such penalties as may be assessed by the Trustees. The Employer's liability for payment under this Article shall not be subject to or covered by any grievance or arbitration procedure or any "no-strike" clause which may be provided or set forth elsewhere in this Agreement.
5. The Pension Plan adopted by the Trustees shall at all times conform with the requirements of the Internal Revenue Code so as to enable the Employer at all times to treat contributions to the IUPAT Union and Industry Pension Fund as a deduction for income tax purposes.

The parties agree that no later than January 1, 2021, the contribution rate to the International Union of Painters and Allied Trades Industry Pension Fund for each hour, or portion thereof, worked shall be increased to the amount equal to the Beginning Contribution Rate plus 50% of the Beginning Contribution Rate as outlined in the chart below.

Local Union	Beginning Contribution Rate	2021 Contribution Rate 50% increase
Local Union 607	\$4.66	\$6.99
Local Union 157	\$3.51	\$5.27
Local Union 467	\$3.11	\$4.67
Local Union 465	\$3.11	\$4.67
Local Union 209	\$2.03	\$3.05

Prior to that time, the contribution rate shall be equal to the current rate plus the portion of the package increase allocated to pension contributions by the Union.

APPENDIX B

WAGE AND CONTRIBUTION RATES EFFECTIVE JULY 1, 2018 THROUGH MAY 31, 2019 FOR MEMBERS OF PAINTERS LOCAL UNIONS 97, 154, 448, AND 1285

COMBINED FRINGE BENEFIT RATE: \$23.93 PER HOUR

Hourly Wage	\$46.55 per hour
Health and Welfare Fund	\$11.03 per hour
PDC 30 MRA	\$1.00 per hour
PDC 30 Pension Fund	\$8.20 per hour
PDC 30 Apprenticeship Fund	\$1.25 per hour
PDC 30 LMIDF	\$1.00 per hour
IUPAT LMCI	\$0.10 per hour
IUPAT Pension Fund	n/a
IUPAT Apprenticeship Fund	\$0.10 per hour
NIPDI	1.5% of employee gross wages

Deductions

PDC 30 Dues Check-Off	2% of gross wages
PDC 30 Defense Fund	\$1.25 per hour

APPENDIX C

WAGE AND CONTRIBUTION RATES EFFECTIVE JULY 1, 2018 THROUGH MAY 31, 2019 FOR MEMBERS OF PAINTERS LOCAL UNION 209

COMBINED FRINGE BENEFIT RATE: \$24.00 PER HOUR

Hourly Wage	\$36.85 per hour
Health and Welfare Fund	\$10.95 per hour
PDC 30 MRA	\$1.00 per hour
PDC 30 Pension Fund	\$6.17 per hour
PDC 30 Apprenticeship Fund	\$1.25 per hour
PDC 30 LMIDF	\$0.85 per hour
IUPAT LMCI	\$0.10 per hour
IUPAT Pension Fund	\$2.33 per hour
IUPAT Apprenticeship Fund	\$0.10 per hour
NIPDI	1.5% of employee gross wages

Deductions

PDC 30 Dues Check-Off	2% of gross wages
PDC 30 Defense Fund	\$1.25 per hour

Note: IUPAT Union and Industry Pension Fund contributions are required on all Apprentices.

APPENDIX D

WAGE AND CONTRIBUTION RATES EFFECTIVE JULY 1, 2018 THROUGH MAY 31, 2019 FOR MEMBERS OF PAINTERS LOCAL UNIONS 465 AND 467

COMBINED FRINGE BENEFIT RATE: \$24.00 PER HOUR

Hourly Wage	\$36.85 per hour
Health and Welfare Fund	\$10.75 per hour
PDC 30 MRA	\$1.00 per hour
PDC 30 Pension Fund	\$5.09 per hour
PDC 30 Apprenticeship Fund	\$1.25 per hour
PDC 30 LMIDF	\$0.85 per hour
IUPAT LMCI	\$0.10 per hour
IUPAT Pension Fund	\$3.61 per hour
IUPAT Apprenticeship Fund	\$0.10 per hour
NIPDI	1.5% of employee gross wages

Deductions

PDC 30 Dues Check-Off	2% of gross wages
PDC 30 Defense Fund	\$1.25 per hour

Note: IUPAT Union and Industry Pension Fund contributions are required on all Apprentices.

APPENDIX E

WAGE AND CONTRIBUTION RATES EFFECTIVE JULY 1, 2018 THROUGH MAY 31, 2019 FOR MEMBERS OF PAINTERS LOCAL UNION 157

COMBINED FRINGE BENEFIT RATE: \$24.00 PER HOUR

Hourly Wage	\$36.85 per hour
Health and Welfare Fund	\$10.70 per hour
PDC 30 MRA	\$1.00 per hour
PDC 30 Pension Fund	\$4.69 per hour
PDC 30 Apprenticeship Fund	\$1.25 per hour
PDC 30 LMIDF	\$0.85 per hour
IUPAT LMCI	\$0.10 per hour
IUPAT Pension Fund	\$4.06 per hour
IUPAT Apprenticeship Fund	\$0.10 per hour
NIPDI	1.5% of employee gross wages

Deductions

PDC 30 Dues Check-Off	2% of gross wages
PDC 30 Defense Fund	\$1.25 per hour

Note: IUPAT Union and Industry Pension Fund contributions are required on all Apprentices.

APPENDIX F

WAGE AND CONTRIBUTION RATES EFFECTIVE JULY 1, 2018 THROUGH MAY 31, 2019 FOR MEMBERS OF PAINTERS LOCAL UNION 607

COMBINED FRINGE BENEFIT RATE: \$24.81 PER HOUR

Hourly Wage	\$39.95 per hour
Health and Welfare Fund	\$11.03 per hour
PDC 30 MRA	\$1.00 per hour
PDC 30 Pension Fund	\$3.80 per hour
PDC 30 Apprenticeship Fund	\$1.25 per hour
PDC 30 LMIDF	\$0.85 per hour
IUPAT LMCI	\$0.10 per hour
IUPAT Pension Fund	\$5.43 per hour
IUPAT Apprenticeship Fund	\$0.10 per hour
NIPDI	1.5% of employee gross wages

Deductions

PDC 30 Dues Check-Off	2% of gross wages
PDC 30 Defense Fund	\$1.25 per hour

Note: Union and Industry Pension Fund contributions are required on all Apprentices.

APPENDIX G

Zone A will include DeKalb, DuPage, Kane, Kendall, and McHenry Counties in the State of Illinois.

Zone B will include Boone, JoDaviess, Lee, Ogle, Stephenson, and Winnebago Counties in the State of Illinois.

Zone C will include Bureau, Ford, Fulton, Hancock, Iroquois, Kankakee, LaSalle, Livingston, Marshall, Mason, McDonough, McLean, Peoria, Putnam, Schuyler, Stark, Tazewell, and Woodford Counties in the State of Illinois.

APPENDIX H

POLICY REGARDING SEXUAL HARASSMENT

1. STATEMENT OF POLICY

The Employer is committed to providing a workplace that is free from all forms of discrimination, including sexual harassment. Any employee's behavior that fits the definition of sexual harassment is a form of misconduct that may result in disciplinary action up to and including dismissal. Sexual harassment could also subject the Employer and, in some cases, the individual to substantial civil penalties.

The Employer's policy on sexual harassment is part of its overall affirmative action efforts pursuant to state and federal laws prohibiting discrimination based on age, race, color, religion, national origin, sexual orientation, citizenship status, unfavorable discharge from the military, marital status, disability, and gender. Specifically, sexual harassment is prohibited by the Civil Rights Act of 1964, as amended in 1991, and the Illinois Human Rights Act.

Each employee of the Employer bears the responsibility to refrain from sexual harassment in the workplace. No employee – male or female – should be subjected to unsolicited or unwelcome sexual overtures or conduct in the workplace. Furthermore, it is the responsibility of all supervisors to ensure that the work environment is free from sexual harassment. All forms of discrimination and conduct which can be considered harassing, coercive or disruptive, or which create a hostile or offensive environment must be eliminated. Instances of sexual harassment must be investigated in a prompt and effective manner.

All employees of the Employer, particularly those in a supervisory or management capacity, are expected to become familiar with the contents of this Policy and to abide by the requirements it establishes.

2. DEFINITION OF SEXUAL HARASSMENT

According to the Illinois Human Rights Act, sexual harassment is defined as: Any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when;

- (1) submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment,
- (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or
- (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

The courts have determined that sexual harassment is a form of discrimination under Title VII of the Civil Rights Act of 1964, as amended in 1991.

One example of sexual harassment is where a qualified individual is denied employment opportunities and benefits that are, instead, awarded to an individual who submits (voluntarily or under coercion) to sexual advances or sexual favors. Another example is where an individual must submit to unwelcome sexual conduct in order to receive an employment opportunity.

Other conduct commonly considered to be sexual harassment includes:

- (1) Verbal: sexual innuendos; suggestive comments; insults; humor and jokes about sex, anatomy, or gender-specific traits; sexual propositions; threats; repeated requests for dates; or statements about other employees, even outside their presence, of a sexual nature.
- (2) Non-verbal: Suggestive or insulting sounds (whistling), leering, obscene gestures, sexually suggestive bodily gestures, "catcalls," "smacking," or "kissing" noises.
- (3) Visual: posters, signs, pin-ups, or slogans of a sexual nature.
- (4) Physical: Touching, unwelcome hugging or kissing, pinching, brushing the body, coerced sexual intercourse, or actual assault.

Sexual harassment most frequently involves a man harassing a woman. However, it can also involve a woman harassing a man or harassment between members of the same gender.

The most severe and overt forms of sexual harassment are easier to determine. On the other end of the spectrum, some sexual harassment is more subtle and depends to some extent on individual perception and interpretation. The trend in the courts is to assess sexual harassment by a standard of what would offend a “reasonable woman” or “reasonable man,” depending on the gender of the alleged victim.

3. RESPONSIBILITY OF INDIVIDUAL EMPLOYEES

Each individual employee has the responsibility to refrain from sexual harassment in the workplace. An individual employee who sexually harasses a fellow worker is, of course, liable for his or her individual conduct. The harassing employee will be subject to disciplinary action up to and including discharge in accord with the Employer’s disciplinary policy and the terms of this Agreement.

The Employer has designated:

- (Name)_____

- (Title)_____

to coordinate the company’s sexual harassment policy compliance and they may be reached at:

- (Address)_____

- (Telephone)_____

He/She is available to consult with employees regarding their obligations under this policy.

[Note: Insert the name of the Employer’s EEO Officer, Human Resource Administrator, Personnel Officer, or other person designated by company management to coordinate compliance with this policy.]

4. RESPONSIBILITY OF SUPERVISORY EMPLOYEES

Each supervisor is responsible for maintaining the workplace free from sexual harassment. This is accomplished by promoting a professional environment and by dealing with sexual harassment as with all other forms of employee misconduct.

The courts have found that organizations as well as supervisors can be held liable for damages related to sexual harassment by a manager, supervisor, employee, or third party (an individual who is not an employee but does business with an organization, such as a customer, contractor, sales representative, or repair person).

Liability is either based on an organization's responsibility to maintain a certain level of order and discipline, or on the supervisor acting as an agent of the organization. As such, supervisors must act quickly and responsibly not only to minimize their own liability but also that of the Employer.

Specifically, a supervisor must address an observed incident of sexual harassment or a complaint, with seriousness; take prompt action to investigate it, report it, and end it; implement appropriate disciplinary action; and observe strict confidentiality. This also applies to cases where an employee tells the supervisor about behavior that constitutes sexual harassment but does not want to make a formal complaint.

In addition, supervisors must ensure that no retaliation will result against an employee making a sexual harassment complaint.

Supervisors in need of information regarding their obligations under this policy or procedures to follow up on receipt of a complaint of sexual harassment should contact:

- (Name)_____
- (Title)_____
- (Address)_____
- (Telephone)_____ .

[Note: Insert name of company EEO Officer, Human Resource Administrator, Personnel Officer, or other person designated by company management.]

5. PROCEDURES FOR FILING A COMPLAINT OF SEXUAL HARASSMENT

A. Internal

An employee who either observes or believes herself/himself to be the object of sexual harassment should deal with the incident(s) as directly and firmly as possible by clearly communicating her/his position to the supervisor, EEO Officer*, and to the offending employee. It is not necessary for the sexual harassment to be directed at the person making the complaint. Each incident of sexual harassment should be documented or recorded. A note should be made of the date, time, place, what was said or done, and by whom. The documentation may be augmented by written records such as letters, notes, memos, and telephone messages. No one making a complaint of sexual harassment will be retaliated against even if a complaint made in good faith is not substantiated. Any witness to an incident of sexual harassment is also protected from retaliation.

The process for making a complaint about sexual harassment falls into several stages.

- (1) Direct Communication.** If there is sexually harassing behavior in the workplace, the harassed employee should directly and clearly express her/his objection that the conduct is unwelcome and request that the offending behavior stop. The initial message may be verbal. If subsequent messages are needed, they should be put in writing in a note or a memo.
- (2) Contact Supervisory Personnel.** At the same time direct communication is undertaken, or in the event the employee feels threatened or intimidated by the situation, the problem must be promptly reported to the immediate supervisor or the EEO Officer. If the harasser is the immediate supervisor, the problem should be reported to the next level of supervision or the EEO Officer.
- (3) Formal Written Complaint.** An employee may also report incidents of sexual harassment directly to the EEO Officer. The EEO Officer will counsel the reporting employee and be available to assist with filing a formal complaint. The Employer will fully investigate the complaint, and will advise the complainant and the alleged harasser of the results of the investigation.

B. External

The Employer hopes that any incident of sexual harassment can be resolved through the internal process outlined above. All employees, however, have the right to file formal charges with the Illinois Department of Human Rights (IDHR) and/or the United States Equal Employment Opportunity Commission (EEOC). A charge with IDHR must be filed within 180 days of the incident of sexual harassment. A charge with EEOC must be filed within 300 days of the incident.

C. Notification of Union

The Employer agrees to notify the Union in writing in a format approved by the Union at:

1905 Sequoia Drive, Suite 201
Aurora, Illinois 60506

within twenty-four (24) hours of the filing of any complaint, as defined in this Policy, involving a Bargaining Unit member.

**PAINTERS DISTRICT COUNCIL NO. 30
COLLECTION PROCEDURES AND
PDC 30 COMBINED FUNDS
COORDINATION OF PAYMENTS POLICY**

UPDATED JUNE 20, 2018

WHEREAS, the Leadership and Board of Trustees of Painters District Council No. 30 and its Affiliated Organizations (“Affiliates”), and their respective Boards of Trustees (collectively referred to as “Trustees”) intend to continue to comply with their fiduciary responsibilities to ensure the timely and complete payment of employer contributions to the employee benefit funds and Affiliates listed below,

NOW THEREFORE, the Trustees hereby adopt the following Collection Policy and Procedures and PDC 30 Combined Funds Coordination of Payments Policy. The Affiliates covered by these Procedures are:

- Painters District Council No. 30 Health and Welfare Fund
- Painters District Council No. 30 Pension Fund
- Painters District Council No. 30 North Central Illinois Finishing Trades Institute
- Painters District Council No. 30 Finishing Industries Retirement Savings Plan
- Painters District Council No. 30 Health and Welfare Fund Member Reimbursement Account Plan
- Painters District Council No. 30 Labor Management Industry Development Fund
- Painters District Council No. 30 Defense Fund
- IUPAT Pension Fund
- IUPAT Labor Management Cooperative Initiative
- IUPAT Finishing Trades Institute
- IUPAT Political Action Committee
- Northern Illinois Painting and Drywall Institute

These Procedures shall also apply to Painters District Council No. 30 (“Union”) with regard to the collection of Union dues (“Dues”). Unless otherwise noted, all of the Funds listed above and the Union, as well as any employee benefit fund or additional Affiliates that may be created in the future to which Payments may become due under a Collective Bargaining Agreement shall be referred to herein as the “Entities.”

The Entities hereby delegate authority to the Painters District Council No. 30 Joint Trade Board (“JTB”) to collect Payments as required by the Collective Bargaining Agreement due to each Entity.

Definitions

- A.** “Audit Findings” are the results of an audit conducted by the Entities’ designated agent of a Contributing Employer, its affiliates and/or controlled group’s books and records to ensure the Contributing Employer’s compliance with the Collective Bargaining Agreement(s) and the Funds’ Trust Agreements. Audit Findings may include Payments, interest, liquidated damages, costs, and fees.
- B.** “Collective Bargaining Agreement(s)” can be one or more labor agreements between the FCA of Illinois (the “Association”) and the Union, a Non-bargaining Participation Agreement, a project labor agreement, or the International Union of Painters and Allied Trades National Agreement.
- C.** “Contributions” are fringe benefit funds contributions which a Contributing Employer is obligated to pay pursuant to the terms of the Collective Bargaining Agreement(s).
- D.** “Contributing Employer” is an employer which has indicated its assent to and is bound by at least one Collective Bargaining Agreement.
- E.** “Delinquency” or “Delinquencies” are fringe benefit funds contributions and/or NIPDI contributions and/or Dues which a Contributing Employer is obligated to pay under the Collective Bargaining Agreement(s) but has failed to pay on a timely basis.
- F.** “Payments” are all fringe benefit funds contributions, NIPDI contributions, and Union dues which a Contributing Employer is obligated to pay under the Collective Bargaining Agreement(s).

SECTION 1. CONTRIBUTING EMPLOYER DELINQUENCY

A Contributing Employer shall be deemed “delinquent” if the Contributing Employer’s Payment is post-marked after the 15th day of the month following the month in which the work was performed (the “Due Date”). Payments to the Funds and Affiliates shall be considered “assets” of each Fund and Affiliate as of the Due Date. The JTB or its designated Agent may extend the time for a Contributing Employer’s Payment for good cause, but any extension shall apply only to the specific context and may not be relied upon by other Contributing Employers as a reason for not submitting Payments as required by the Collective Bargaining Agreement. It is within the JTB’s sole discretion to decide whether to extend the time for a Contributing Employer’s Payment, and the granting of any such extension does not constitute a waiver of the Entities’ rights under these Procedures.

SECTION 2. LIQUIDATED DAMAGES

- A.** In the case of delinquent Payments where no audit has been conducted, liquidated damages are due within ten (10) days of the date of the notice of assessment. A delinquent Contributing Employer shall pay liquidated damages equal to 5% of the total Payments owed for the 1st month of the delinquency, 10% of the total Payments owed for the 2nd month of the delinquency, 15% of the total Payments owed for the 3rd month of the delinquency, and 20% of the total Payments owed if the delinquency extends into a 4th month or thereafter. In the event that liquidated damages are not paid within ten (10) days from the date of the notice of assessment, interest shall be assessed on the liquidated damages in accordance with Section 4 of these Procedures.
- B.** In the event that Audit Findings reveal Delinquencies, the auditor shall compute liquidated damages at the rate of 20% for all delinquent Payments. In the event that the Audit Findings are not paid within fourteen (14) days from the date of the audit, then interest shall be assessed on the liquidated damages in accordance with Section 4 of these Procedures.

- C. The Trustees find that the liquidated damages are a reasonable approximation of the actual damages suffered by the Affiliates when Payments are delinquent and because computation of the actual damages to the Affiliates in each case of a Delinquency would be extremely difficult.

SECTION 3. WAIVER OF LIQUIDATED DAMAGES

- A. The Contributing Employer may seek a waiver of the liquidated damages for delinquent Payments if it (a) has paid the delinquent Payments and (b) sends a written request to the JTB or its designated Agent stating the reasons for the late payment of the contributions. The Contributing Employer must submit the written request within three (3) months of the date of the notice of assessment.
- B. The Contributing Employer may seek a waiver of the liquidated damages resulting from Audit Findings if it (a) has paid the Audit Findings and (b) sends a written request to the JTB or its designate Agent stating the reasons why the liquidated damages should be waived. The Contributing Employer must submit the written request within three (3) months from the date of the audit report.
- C. The JTB or its designated Agent shall review all requests for waiver of liquidated damages. A Contributing Employer may request only one such waiver in a twelve-month period. A Contributing Employer's request for a waiver of liquidated damages does not relieve it of its obligation to pay liquidated damages within ten (10) days from the date of the notice of assessment or within fourteen (14) days from the date of the audit as required under Section 2. The JTB shall have the sole and exclusive discretion to determine whether a whole waiver, partial waiver, or no waiver is appropriate. If the Contributing Employer is awarded such a waiver it will be required to sign a written agreement requiring it to remain current with all Payments for a period of twelve (12) months. Failure to do so will result in a reinstatement of previously waived liquidated damages. The granting of any waiver of liquidated damages by the JTB does not constitute a waiver of the Entities' rights under these Procedures.

SECTION 4. INTEREST AND ATTORNEYS FEES

All Payments, including interest and liquidated damages assessed on delinquent Payments, are assets of the Funds and Affiliates. Interest shall be assessed on any delinquent Payments and on late liquidated damages. In the event that Payments and/or liquidated damages are not paid on a timely basis, interest shall be assessed as follows:

- A. Interest on the delinquent Payments, and/or late liquidated damages, shall be computed at the rate of 1.5% per month compounded monthly. Interest on delinquent Payments shall begin to accrue as of the Due Date, and interest on late liquidated damages shall begin to accrue as of the date of the assessment of liquidated damages.
- B. The reasonable costs and attorneys' fees incurred by the Affiliates in compelling an audit or in attempting to collect any Delinquency, interest, and/or liquidated damages owed to the Funds and Affiliates shall be assessed against the delinquent Contributing Employer.

SECTION 5. RETURNED PAYMENTS

If any Payment from a Contributing Employer is returned to the Entities for any reason, including for insufficient funds in the Contributing Employer's bank account, the Trustees may require the Contributing Employer to submit all future Payments to the Affiliates in the form of either a cashier's or a certified check for a period of time not less than six (6) months. Additionally, a returned Payment constitutes a Delinquency and is therefore subject to the assessment of liquidated damages (Section 2) and interest (Section 4) and a \$25.00 assessment fee, per check.

SECTION 6. APPLICATION OF PAYMENTS RECEIVED FROM A DELINQUENT CONTRIBUTING EMPLOYER

All Payments received by the Entities from a delinquent Contributing Employer shall be applied to satisfy or reduce the delinquent Contributing Employer's obligations to the Entities in the following order:

- A.** any Payment shall be first applied to the outstanding amounts for the earliest delinquent month; if a delinquent Contributing Employer's obligation for a month is not satisfied in full as a result of the Payment, then Payment shall be applied first to any interest due, next to the liquidated damages due, and finally to the Delinquency due for that earliest delinquent month;
- B.** once all Delinquencies, interest, and liquidated damages have been satisfied, then Payment shall be applied to any costs and attorneys' fees incurred by the Funds;
- C.** once all Delinquencies, interest, liquidated damages, and costs and attorneys' fees have been satisfied, then Payment shall be applied to any current, non-delinquent obligations of the Contributing Employer.

In certain cases and in the exercise of its sole discretion, the JTB or its designated Agent may apply Payments received from a delinquent Contributing Employer in an order different from the order stated above. Any deviation from the above stated order does not constitute a waiver of the rules set forth in these Procedures.

SECTION 7. AUDITS

- A.** Upon written request from the Entities' representatives or their agents ("Agents"), a Contributing Employer shall furnish to the Agents all information requested to determine whether the Contributing Employer has performed fully its obligations under the Collective Bargaining Agreement(s) and/or the Funds' Trust Agreement(s). Such information may include, but is not limited to, payroll and employer tax information, IRS forms 1099 and 1096, cash disbursement journals, check registers, general ledgers, employee listings and job classifications, invoices from vendors, other union benefit fund reporting reports, and affiliated company and controlled group records. The Entities' respective officers and Trustees, or their Agents, shall have the right to enter upon the premises of any Contributing Employer upon reasonable notice to examine and copy the necessary books and records of the Contributing Employer, regardless of whether the books and records are contained in written or electronic form.

- B. The JTB has sole discretion to address all matters involving disputes regarding the Audit Findings or offers of compromise with regard to audits and assessments, including, but not limited to, the assessment of liquidated damages, interest, and attorneys' fees and costs. If the Contributing Employer disputes the Audit Findings it is nevertheless required to pay one-half of the Audit Findings while the disputed issues are investigated and a determination is made by the JTB. If the JTB determines that adjustments to the Audit Findings are necessary and appropriate, and that the Contributing Employer's earlier payment of one-half of the Audit Findings is greater than the amount which the Contributing Employer owes under the revised Audit Findings, the Funds shall reimburse the Contributing Employer for the difference.
- C. The Entities shall have the right to conduct an audit of all new Contributing Employers within six (6) months after the Contributing Employer becomes a signatory to the Collective Bargaining Agreement(s).

SECTION 8. PROMISSORY NOTES

If extenuating circumstances are present, the JTB or its designated Agent may permit, in their sole discretion, a Contributing Employer and its owner to enter into a promissory note with the Entities. The promissory note shall strive for twelve (12) months in duration and not exceed twenty-four (24) months in duration, and interest on the total amount owed will be calculated at the current prime rate, as reported by the Wall Street Journal on the first business day of the month, plus two (2) percentage points. As a condition precedent for entering into a promissory note with the Entities, the Contributing Employer (a) must provide the Entities with appropriate collateral while the promissory note is in effect, and (b) shall remain current with all Payments to the Entities so long as the promissory note is in effect.

SECTION 9. VIOLATION OF COLLECTIVE BARGAINING AGREEMENT(S) AND DECLARATION OF TRUST

A Contributing Employer's failure to make timely Payments as required by the Collective Bargaining Agreement(s) or any other sum required by these Procedures shall be a violation of the Contributing Employer's obligations under the respective Collective Bargaining Agreement(s) and the Funds' Trust Agreement(s).

SECTION 10. RULES FOR HABITUALLY DELINQUENT CONTRIBUTING EMPLOYERS

The JTB and its designated Agent shall have the authority to adopt special rules for habitually delinquent Contributing Employers. These rules may include, but are not limited to, requiring the habitually delinquent Contributing Employer to provide a cash or surety bond in favor of the Entities to ensure timely Payment, or to remit Payments on a weekly basis or twice monthly, as determined by the JTB. The determination of whether a particular Contributing Employer is habitually delinquent is within the sole discretion of the JTB or its designated Agent.

SECTION 11. ESTIMATION OF DELINQUENCY

When a Contributing Employer (a) is two (2) or more months delinquent and has failed to submit the required Payments and/or fringe benefit Contribution Report Forms, or (b) fails to submit the requested documentary records for any part of an audit period, the JTB may estimate the Payments due as being the greater of the average of the monthly reported Contributions due or Payments submitted by the Contributing Employer for the last three (3) months for which Contribution Report Forms or Payments were submitted, or the average of the monthly reported Contributions due or Payments submitted by the Contributing Employer for the last twelve (12) months for which Contribution Report Forms or Payments were submitted, ***or such other methods as the JTB or its designated Agent deems appropriate.***

This estimated Delinquency may be used by the JTB in the event a civil action is instituted by the Entities to recover Payments due resulting from an audit or from a delinquent Contributing Employer's failure to make Payments on a timely basis as required under the Collective Bargaining Agreement(s) and/or Trust Agreements. The JTB shall have the authority to assess interest, liquidated damages, attorneys' fees, and costs on the estimated Delinquency.

SECTION 12. OVERPAYMENTS

If a Contributing Employer makes an overpayment of Contributions by mistake of fact or law to the Funds, the Contributing Employer must notify the JTB in writing no later than six (6) months after the first overpayment and must inform the JTB of the identity of the person(s) on whose behalf it made the overpayment, the dates and amounts of the cert, the reason(s) why the overpayment was made, and make a request for an adjustment. The JTB or its designated Agent shall investigate the matter and, in its sole discretion, shall decide whether to return any portion of the overpayment. In making its decision, the JTB or its designated Agent may take into consideration certain factors, including whether certain Funds relied upon the Contributing Employer's Contribution Report Forms to extend coverage to the Contributing Employer's employees. If the JTB or its designated Agent decides to return an overpayment, or portion thereof, it shall do so within six (6) months of determining that the overpayment was made by mistake. In no case shall the JTB return an overpayment that is more than six (6) months old.

SECTION 13. PDC 30 COMBINED FUNDS COORDINATION OF PAYMENTS

All timely Payments made payable to and received by and through the PDC 30 Combined Funds shall be applied towards the Contributing Employers current Contribution obligation to the Entities. All untimely Payments will be subject to Section 6: Application of Payments Received from a Delinquent Contributing Employer.

When Payment to the PDC 30 Combined Funds from a Contributing Employer does not satisfy the total amount of the obligation for the month due to the Entities the PDC 30 Combined Funds will;

- A.** Endeavor to determine if the failure to satisfy the amount is a discrepancy or error in the calculation or a deliberate delinquency to one or more of the Affiliates.
 - 1.** In an instance where the amount is a discrepancy or error in the calculation to one or more Affiliates, PDC 30 Combined Funds will verify which Affiliated Organizations account is in error and notify the Employer of the discrepancy. All other accounts will be credited the amount according to the Contributing Employer's contribution obligation. If the discrepancy or error cannot be tied back to one or more Affiliated Organizations account, all untimely Payments will be subject to Section 6: Application of Payments Received from a Delinquent Contributing Employer.
 - 2.** In an instance where the amount is a deliberate delinquency to one or more Affiliates, PDC 30 Combined Funds will notify the Employer of the deficiency and pursue collection activity according to the other sections of this policy listed herein.

