

LABOR AGREEMENT
GRAND FORKS AREA, NORTH DAKOTA

Between

GRAND FORKS SUBDIVISION
North Dakota & South Dakota Division
SMARCA, Inc.

And

LOCAL UNION NO. 10
International Association of Sheet Metal, Air, Rail and Transportation Workers

Effective
June 3, 2019 – June 4, 2023

TABLE OF CONTENTS

ARTICLE I	WORK JURISDICTION & PRESERVATION.....	1
ARTICLE II	SUBCONTRACTING.....	2
ARTICLE III	STEWARDS & UNION ACCESS	2
ARTICLE IV	HIRING & DISPATCHING	3
ARTICLE V	UNION SECURITY & UNION DUES	5
ARTICLE VI	HOURS OF WORK & OVERTIME	6
ARTICLE VII	TRAVEL & SUBSISTENCE.....	7
ARTICLE VIII	WAGES & BENEFITS	9
ARTICLE IX	MISCELLANEOUS.....	15
ARTICLE X	SETTLEMENT OF DISPUTES.....	16
ARTICLE XI	SASMI	19
ARTICLE XII	LOCAL BENEFIT FUNDS & INDUSTRY FUND.....	19
ARTICLE XIII	CONTROL BOARD	22
ARTICLE XIV	PAYMENT DUE TO THE LOCAL AND INDUSTRY FUNDS.....	23
ARTICLE XV	NATIONAL BENEFIT FUNDS	24
ARTICLE XVI	APPRENTICESHIP & APPRENTICE FUNDS.....	26
ARTICLE XVII	PRE-APPRENTICESHIP.....	28
ARTICLE XVIII	DRUG & ALCOHOL TESTING POLICY	30
ARTICLE XIX	FAVORED NATIONS.....	32
ARTICLE XX	EFFECTIVE DATES	32
	SIGNATURES	34

GRAND FORKS AREA SHEET METAL LABOR AGREEMENT

THIS AGREEMENT is entered into this 3rd day of June, 2019, by and between the Grand Forks Area Subdivision of the North Dakota & South Dakota Division of SMARCA, Inc., on behalf of its members and those Employers who assigned their bargaining rights to them (hereinafter referred to individually as the "Employer") as well as any other contractor signatory hereto (similarly referred to as "Employer"), and Local Union #10, of the International Association of Sheet Metal, Air, Rail and Transportation Workers and its Grand Forks, North Dakota Subdivision (hereinafter referred to as "Union") for the specific counties as follows: Benson, Cavalier, Eddy, Foster, Grand Forks, Griggs, Nelson, Pembina, Ramsey, Steele, Trail, and Walsh in North Dakota, and Kittson, Marshall, Pennington, Polk, Red Lake and Roseau in Minnesota.

ARTICLE I WORK JURISDICTION & PRESERVATION

Section 1. This Agreement covers the rates of pay and conditions of employment for all employees of the Employer engaged in but not limited to the (a) manufacture, fabrication, assembling, handling, erection, installation, dismantling, conditioning, adjustment, alteration, repairing and servicing of all ferrous and non-ferrous metal work and all other materials used in lieu thereof and of all air-veyor systems and air handling systems, regardless of material used, including the setting of all equipment and all reinforcements in connection therewith; (b) all lagging over insulation and all duct lining; (c) testing and balancing of all air handling equipment and duct work; and (d) the preparation of all shop and field sketches used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches.

Section 2. The Employer agrees that none but journeyman, apprentice and pre-apprentice sheet metal workers shall be employed on any work described in this Article.

Section 3. When requested by the business agent, the Employer agrees to provide the Union with written evidence of assigned work on the Employer's letterhead for certain specified items of work to be performed at a job site prior to commencement of work at the site. This written assignment is for the purpose of providing jurisdiction. This list of specific items of work may be revised from time to time as agreed to by the Employer and the Union.

Section 4. When requested by the business agent, the Employer will prepare a report of construction wages to establish the prevailing wage rates for any job he has had.

ARTICLE II SUBCONTRACTING

Section 1. No Employer shall subcontract or assign any of the work described herein which is to be performed at a job site to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein including, without limitation, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project.

Section 2. Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under the provisions of this Agreement.

ARTICLE III STEWARDS & UNION ACCESS

Section 1. There shall be a steward in each shop and on each commercial job, if the business agent feels it is necessary, who shall be appointed by the business agent.

The Employer shall be notified in writing as to who the shop and job stewards are under his employ. This shop/job steward shall take up all grievances on the job and attempt to have the same adjusted with the Employer or Employer representative. He shall promptly notify the business agent of the fact that there is a grievance and the outcome of said grievance. If the grievance cannot be settled between the steward and the Employer, then the business agent and the Employer shall attempt to adjust the matter.

The Employer agrees that the steward will not be discharged or laid off until proper notification has been given to the Union and the business agent has had opportunity to investigate the reason for lay-off or discharge. In no event shall the steward be laid off or discharged for carrying out his/her duties.

In addition to his/her regular work, the steward shall be permitted to perform union duties during working hours. The Union agrees that such duties shall be performed as expeditiously as possible and that any violations shall be reported to this business agent.

Section 2. The business agent of the Union shall have access to jobs where employees covered by this Agreement are at work, provided the business agent does not unnecessarily interfere with the employees or cause them to neglect their work. The business agent, when practicable, shall notify the Employer prior to entering the premises on any job site. The business agent shall enter the premises at his own risk, with no liability to the signatory Employer.

ARTICLE IV HIRING & DISPATCHING

Section 1. HIRING: The Employer agrees to make its requests for all employees who are to be employed in the bargaining unit from the Local Union hiring hall in the North Dakota or South Dakota area where the work is to be performed. The Union will immediately dispatch such employees as have been requested in accordance with the dispatching rules contained in this Article. However, it is understood and agreed that all such dispatching and operating of any hiring hall that may be maintained by the Union shall be subject to and governed by the following conditions:

- (a) Selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on or in any way affected by union membership, by laws, constitutional provisions or any other aspects or obligations of union membership, policies or requirements.
- (b) The Employer agrees not to discriminate against any person because of race, color, creed, sex or age.
- (c) The Employer retains the right to reject, for any lawful reason, any applicant referred by the Union.
- (d) The Employer shall furnish the Union with a completed termination slip for any employee who is terminated; showing reason(s) for termination, eligibility for rehire and tool clearance. The Employer shall forward one (1) copy to the Union dispatching office.

Section 2. The Union agrees to furnish, upon request by the Employer, duly qualified journeyman, apprentice or pre-apprentice sheet metal workers in sufficient numbers as may be necessary to properly execute the work contracted for by the Employer, in the manner and under the conditions specified in this Agreement.

Section 3. In the event that the Union is unable to supply necessary workers within sixty (60) hours of the Employer's written request, the Employer may secure the necessary workers as follows:

- (a) The Employer may request pre-apprentices and/or registered or certified apprentices from the Joint Apprenticeship Training Committee and the Committee shall supply such pre-apprentices and/or apprentices if available.
- (b) Requests for new pre-apprentices and/or apprentices - see Articles XVI and XVII.

(c) The Employer may hire any person he deems acceptable as a journeyman and within eight (8) days after employment, such person shall be paid the journeyman rate provided in this Agreement and shall then become a member of the Union, subject to the conditions provided in Article V of this Agreement. An Employer may also hire any person he deems acceptable as a pre-apprentice, subject to this Article and Articles XVI and XVII and within eight (8) days after employment, said pre-apprentice shall be paid the pre-apprentice rate provided in this Agreement and shall then become a member of the Union, subject to the conditions provided in Article V of this Agreement.

(d) When a qualified worker is not available, the Employer may hire any individual on a temporary basis ("temporary worker") as long as the Business Representative and the Employer evaluate the individual in order to establish the temporary worker's wage rate. However, if/when the Union is able to supply a qualified journeyman at a later time, the Employer must either (1) classify the temporary worker within one of the classifications set forth in this Agreement or (2) lay off the temporary worker from employment. This paragraph does not relieve the Employer of its obligation to refer the temporary worker to the Union under the provisions of Article V of this Agreement.

Section 4. DISPATCHING PROCEDURES: The following dispatching procedures shall be forthwith placed in effect at all Union dispatching offices pursuant to the provisions of this Agreement:

(a) The Employer has agreed that it will first call the Union dispatching office for all workers. If the Union agents are asked to supply workers, they shall promptly relay such request to the proper dispatching office for servicing of such request.

(b) No qualified worker will be refused registration or dispatchment because of membership or non-membership in any labor union.

(c) A signatory Employer may recall a former employee, if that Employer had employed that employee within ninety (90) days of the layoff date, or if that employee is currently drawing unemployment compensation chargeable to the Employer's account.

(d) Solicitation of jobs will not be permitted.

Section 5. RECRUITMENT: The Union shall reimburse one-half of the Employer's direct out-of-pocket expenses for recruiting new employees, not to exceed \$2,500 per calendar year. Employee wages shall not be reimbursed. Either party may request an annual review of this program.

ARTICLE V UNION SECURITY & UNION DUES

Section 1. The Employer agrees to require membership in the Union as a condition of continued employment, of all employees performing any of the work specified in Article I of this Agreement, within eight (8) days following the beginning of such employment or the effective date of this Agreement, whichever is the later, provided the Employer has reasonable grounds for believing that membership is available to such employees on the same terms and conditions generally applicable to other members and that membership is not denied or terminated for reasons other than the failure of an employee to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership.

Section 2. If, during the term of this Agreement, the Labor Management Relations Act of 1947 shall be amended by Congress in such manner as to reduce the time within which an employee may be required to acquire membership, such reduced time limit shall become immediately effective instead of and without regard to the time limit specified in Section 1 of this Article.

Section 3. Every Employer signatory to this Agreement hereby agrees to check off from the wages of any employee covered by this Agreement, working dues and/or assessments in the amount determined pursuant to Article VIII, Section 4, of this Agreement and remit said amount to the Union in the following manner:

(a) For each payroll period, the Employer will deduct from the wages of such employees the amount specified, based on the number of hours worked and/or gross pay during said payroll period, and will accumulate said deductions throughout the month.

(b) On the tenth (10th) day of each month, or the first work day thereafter, the Employer will remit the entire amount of working dues due and owing as to each employee for the previous month, pursuant to Article XIV of this Agreement, together with a list of employees covered hereby and the number of hours worked and gross pay of each such employee during the applicable period, along with the Union's copy of the report forms.

(c) Obligations of the Employer under this Section apply only as to employees who have voluntarily signed a valid dues deduction and authorization card.

(d) At the time of the employment of any employee covered by this Agreement, the Employer will submit to each such employee a dues deduction authorization card

in triplicate for his voluntary signature. One (1) copy of all cards so signed shall be sent to the Union, one (1) copy retained by the Employer, and one (1) by the employee. This form will be supplied each Employer by the Union.

(e) On the tenth (10th) day of each month, or the first working day thereafter, the Employer will submit to the Union a list of all employees covered by this Agreement who have not signed a dues deduction authorization card, together with the number of hours worked and the gross pay of each such employee during the previous month.

Section 4. The provisions of this Article shall be deemed to be of no force or effect in any state to the extent to which the making or enforcement of such provision is lawful only after compliance with certain conditions precedent, this Article shall be deemed to take effect as to involved employees immediately upon compliance with such conditions.

ARTICLE VI HOURS OF WORK & OVERTIME

Section 1. The regular work day may consist of eight (8) to ten (10) hours labor in the shop or on the job between 6:00 a.m. and 6:00 p.m. between Monday and Friday of each week. This would allow, for example, five days of eight (8) hours each, four days of ten (10) hours each, or four nine (9) hour days and one (1) four hour day. Overtime shall be paid for hours worked in excess of the regular working day and in excess of forty (40) hours per week; however, overtime hours will not be duplicated for payment purposes. The overtime rate shall be paid at one and one-half (1½) times the regular base rate unless specified otherwise in this Agreement. The overtime rate shall be paid at two (2) times the regular base rate for all hours worked in excess of a twelve (12) hour work day. When working outside the free zone, overtime shall be paid on all hours worked in excess of forty (40) hours per week and with mutual consent. Travel time hours outside the regular work day shall not be considered when calculating overtime. "If an employee works 14 consecutive days, upon request, the employer will schedule one day off during the following Monday through Friday."

Employees shall be at the shop or on the job at the scheduled starting time each day and shall remain there until quitting time.

Section 2. New Year's Day, Memorial Day, Fourth of July, Veteran's Day, Thanksgiving Day, Labor Day and Christmas Day shall be recognized as holidays. Veteran's Day will be observed on a day of each of the employees choosing, but the Employer must be notified thirty (30) days in advance of the date chosen. If the employee had to work on the date that is chosen the double time provisions would apply.

Excluding service work, when the holiday falls on a Saturday, the Friday preceding it will be recognized as the holiday, and when the holiday falls on a Sunday, the following

Monday will be recognized as the holiday. All work performed on holidays and Sundays shall be paid at two (2) times the regular base rate. All work performed on Saturdays shall be paid at one and one-half (1½) times the regular base rate. Fringe benefit contributions shall be made on hours worked and not hours paid for all overtime pay situations.

For calendar weeks in which there is a holiday and the Employer requires the employees to work more than thirty-two (32) hours in the week, all hours in excess of thirty-two (32) hours (not to include premium paid hours) shall be considered as overtime hours for that week. However, an employee may voluntarily work in excess of thirty-two (32) hours in that week without receiving overtime under this paragraph.

Section 3. Preference for overtime and holiday work shall be given to employees on the job. Thereafter, overtime shall be on a rotation basis so as to equalize such work as nearly as possible.

Section 4. SHIFT WORK. An Employer may elect to work multiple shifts on the same job site or in the shop, or a late shift where a late shift is required and no first and/or second shift is possible, because of the use or occupancy of the structure. Such shift(s) shall consist of not less than eight (8) hours and be scheduled Monday through Friday. Employees shall be allowed one-half (½) hour, with pay, to eat during such shifts. For all shift work except for the regular work day shift set forth in Section 1 of this Article, journeymen, apprentices and pre-apprentices shall receive two dollars (\$2.00) per hour over the applicable hourly rates for all work performed during that shift, including for work performed during the regular work day. Overtime rates shall apply for Saturdays, Sundays and holidays, and for more hours per day than the regular work day. Employees working a regular working day and then going to a shift-work job that same day shall receive the applicable overtime rate of pay and not the shift-work rate of pay for the hours beyond the regular work day. Shifts which are established for less than eight (8) hours shall be paid at the applicable overtime rate.

ARTICLE VII TRAVEL & SUBSISTENCE

Section 1. FREE ZONE. If the Employer does not provide transportation, the free zone shall be thirty (30) miles from the signatory Employer's shop or the employee's home. If the Employer provides transportation, the free zone shall be sixty (60) miles from the signatory Employer's shop or the employee's home. When working within the free zone, there shall be no travel time or mileage paid, even when hauling equipment and materials.

Section 2. TRAVEL TIME OPTION. When employed outside the free zone, the Employer may require the employee to arrive and depart from the job site at the regular starting and quitting times, in which case the Employer shall pay the employee travel time

from the boundary of the free zone to the job site and the same from the job site to the boundary of the free zone. All travel time paid under this Article (excluding travel between jobs during the work day) shall be calculated based on a rate per mile. For Journeymen, travel time shall be paid at the rate of thirty-five cents (\$.35) per mile. For all other classifications, travel time shall be paid at the rate of twenty-five cents (\$.25) per mile. Travel time is in addition to any mileage reimbursement which may be required under Section 3 below, where the employee furnishes his or her own transportation.

On jobs more than 180 miles from the shop or employees home and the Employer is providing transportation in a company vehicle, travel time will be paid at the rate of 10¢ per mile for all travel to and from the job site. When payment is being paid under this section, there will be no additional travel time for once out and once back.

Section 3. MILEAGE REIMBURSEMENT. An employee furnishing his or her own transportation shall be reimbursed for travel outside of the free zone at the current allowable IRS rate. Any travel during working hours between jobs, whether inside or outside the free zone, shall be reimbursed at the current allowable IRS rate when required by the Employer and where the employee is furnishing his or her own transportation.

Where an employee pulls the Employer's trailer, while driving a company vehicle, they will be paid fifteen cents (\$.15) per mile. The fifteen cent (\$.15) trailer premium shall not apply when the employee is receiving wages or travel time.

When an employee is required to use his or her own vehicle (due to their driving record where their driving has been specifically excluded from the Company's insurance coverage due to, for example, Driving Under the Influence, Reckless Driving, a number of speeding tickets, etc.), they will be paid at the rate of fifteen cents (\$.15) per mile. Also, under these same circumstances, if the employee pulls the Employer's trailer to and/or from the job site, they will be paid an additional fifteen cents (\$.15) per mile.

Section 4. SUBSISTENCE OPTION. When employed in excess of sixty miles from the signatory Employer's shop or the employee's home, the Employer may elect to pay employees under one of the following alternatives:

- (a) If travel time is paid to and from the job on a daily basis, no additional subsistence shall be owed.
- (b) The Employer will pay subsistence at the rate of forty-seven dollars (\$47.00) per day for each day worked, plus mileage and travel time to and from the job site, once at the beginning of the job and once at the end of the job. Travel time shall be paid at the rate per mile stated in Section 2 above. However, when the work day subsistence option is chosen, there will be no offset for travel within the free zone. Travel time will be calculated from the Employer's shop or employee's home to and

from the job site once at the beginning of the job and once at the end of the job.

Subsistence will increase by \$1.00 per day at the time of the annual wage increase; \$48 per day on June 1, 2020, \$49 per day on June 7, 2021 and \$50 per day on June 6, 2022.

On jobs located outside of the free zone, any person quitting or being discharged for just cause shall not be entitled to travel time and/or mileage for the return trip. When an interruption is directed by the Employer, the employee will be entitled to receive travel time and mileage for the return trip. If sent back to the same job, no travel time or mileage shall be owed for traveling to the job site, but the employee will be entitled to receive travel time and mileage for the return trip. When an interruption is directed by the owner, owner's representative, or under conditions over which the Employer has no control, no additional travel or mileage shall be owed. No mileage shall be owed if the Employer provides transportation.

If subsistence is being paid and reasonable sleeping accommodations are not available within thirty (30) miles of the job site, the Employer shall pay travel time for one way from the sleeping location to the job site for each on-site work day.

(c) The Employer will reimburse employees for all reasonable meals and lodging expenses with receipts and the Employee's consent. If this option is chosen, the Employer shall also provide transportation to and from the job site each week or pay mileage and travel time to and from the job site each week. When the employee travels alone, reimbursement of reasonable expenses with receipts is the preferable method for travel pay.

ARTICLE VIII WAGES AND BENEFITS FOR JOURNEYMAN

Section 1. Effective June 3, 2019, the minimum wage rates for journeyman sheet metal workers covered by this Agreement, when employed in a shop or on a job within the jurisdiction of the Union to perform any work specified in Article I of this Agreement, shall be as follows:

	<u>June 3, 2019</u>	<u>June 1, 2020**</u>	<u>June 7, 2021**</u>	<u>June 6, 2022**</u>
Base Wage Commercial & Residential*	\$27.41	+\$1.50	+\$1.55	+\$1.55
<i>(Deductions Organizing Funds)</i>	(\$.83)			
Sheet Metal Local #10 Benefit Fund	\$10.06			
Sheet Metal Workers' National Pension Fund	\$3.14			
Sheet Metal Workers National Stabilization Agreement of the Sheet Metal Industry	\$1.32			
Sheet Metal Local 10 Supplemental Retirement				

Fund***	\$3.56		
International Training Institute	\$.12		
Joint Apprentice & Training Committee of North Dakota	\$.40		
National Energy Management Institute Committee	\$.03		
Sheet Metal Occupational Health Institute Trust	\$.02		
Sheet Metal and Roofing Industry Fund of the North Dakota & South Dakota Division	\$.14		
Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States	<u>\$.12</u>		
Total	\$46.32	\$47.82	\$49.37
\$50.92			

* Taxable Income

** These amounts will be allocated at that time.

Foreman Pay is one dollar and fifty cents (\$1.50) over base rate. General Foreman is two dollars and twenty-five cents (\$2.25) over base rate.

	<u>June 3, 2019</u>	<u>June 1, 2020**</u>	<u>June 7, 2021**</u>	<u>June 6, 2022**</u>
Base Wage Industrial*	\$29.59	+\$1.50	+\$1.55	+\$1.55
<i>(Deductions Organizing Funds)</i>	(\$.83)			
Sheet Metal Local #10 Benefit Fund	\$10.06			
Sheet Metal Workers' National Pension Fund	\$3.14			
Sheet Metal Workers National Stabilization Agreement of the Sheet Metal Industry	\$1.39			
Sheet Metal Local 10 Supplemental Retirement Fund***	\$3.56			
International Training Institute	\$.12			
Joint Apprentice & Training Committee of North Dakota	\$.40			
National Energy Management Institute Committee	\$.03			
Sheet Metal Occupational Health Institute Trust	\$.02			
Sheet Metal and Roofing Industry Fund of the North Dakota & South Dakota Division	\$.14			
Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States	<u>\$.12</u>			
Total	\$48.57	\$50.07	\$51.62	
\$53.17				

* Taxable Income

** These amounts will be allocated at that time.

Foreman Pay is one dollar and fifty cents (\$1.50) over base rate. General Foreman is two dollars and twenty-five cents (\$2.25) over base rate.

** “Commercial work” is that work which is set forth in the SMACNA Duct Construction Standards Manual, (latest edition). Employees will receive the Commercial wage rate for all work performed on a job when the majority of the work on the job is set forth in the SMACNA Duct Standards Manual. “Residential work” is any work on a single-family dwelling or multi-family housing unit, where each individual family apartment is individually conditioned by a separate and independent unit or system. Employees will receive the Industrial wage rate for all work performed on a job when the majority of the work on the job is not work set forth in the SMACNA Duct Standards Manual and not Residential work. The wage classification for commissioning, TAB, service and maintenance work shall be at the same wage rate as would have been applicable when the system was installed. When the employee is assigned work that is not billable, the Commercial rate shall apply.

(a) The base wage rates include an amount per hour for union organizing. As of June 3, 2019, eighty-three cents (\$.83) per hour is for union organizing for journeymen and apprentices which shall be deducted and paid as provided in Article VIII. Further, the base wage rate for pre-apprentices includes thirty-five cents (\$.35) per hour for union organizing which also shall be deducted and paid as provided in Article XII.

(b) The allocations to the above Funds may be changed once in any year with two (2) notice given to the employer. In addition, the allocation to any one or more of these items may be increased or decreased by an equal reduction or increase of the base rate of pay except for the Sheet Metal and Roofing Industry Fund of the North Dakota & South Dakota Division and/or Sheet Metal Air Conditioning Contractors’ National Industry Fund of the United States, in which case(s) any change will not increase or decrease the taxable base. Any increase or decrease will result in an equal increase or decrease in the total package. The contractors will bear the entire cost of any such increase or receive any such reduction.

(c) On or before June 1st of each year that this Agreement is in effect, a wage sheet shall be published setting forth any changes in the allocation to or the hourly contribution rate to the above Funds as well as any negotiated wage change. Such wage sheets are hereby incorporated by reference.

Journeymen and apprentices have additional health plan options that are not stated in detail in this Agreement. Alternative benefit options are determined by the Sheet Metal #10 Benefit Fund. Adjustments to the wage package resulting from the selection of different health plan options are set forth in the Wage Rate Sheets published annually at the time of wage package adjustments.

Section 2. All foremen shall be paid one dollar and fifty cents (\$1.50) per hour above the applicable minimum journeyman rate. All general foremen shall be paid two dollars and twenty-five cents (\$2.25) above the applicable journeyman rate. The person who

acts as the foreman or general foreman on a job shall be assigned by the Employer, based on that person's responsibilities on the job and the following ratios. The foreman/general foreman ratio (including the foremen and general foremen) shall be: zero foremen for one (1) to four (4) men; one (1) foreman for a five (5) to eight (8) man crew; one (1) foreman and one (1) general foreman for a nine (9) to sixteen (16) man crew; two (2) foremen and one (1) general foreman for a seventeen (17) to twenty-four (24) man crew. As the crew size increases, the number of foremen will increase in proportion thereto.

Section 3. HOLIDAY/VACATION PAY & UNION DUES:

(A) Employees shall be allowed to elect a vacation fund deduction on an individual basis. Employers shall be required to forward the vacation fund deduction dollars to the designated financial institution at least as frequently as the fringe benefit contributions are sent. All employees shall be entitled to take one (1) week vacation per year with no stipulation as to the number of working days in a given period.

(B) Every Employer signatory to this Agreement hereby agrees to deduct, from the Taxable Base Wage Rate of all employees covered by this Agreement, an organizing fund/dues assessment for each hour worked in the amount specified in the Grand Forks Area wage rate sheets. This assessment shall be established and administered solely by the Union to promote, support, and improve employment opportunities for members through organizing, market expansion, regulatory initiative, and to include any and all other legitimate purposes approved by the membership.

Section 4. On all work specified in Article I of this Agreement, fabricated and/or assembled by journeyman sheet metal workers, apprentices and/or pre-apprentices, for erection and/or installation within the jurisdiction of any other local union affiliated with Sheet Metal Workers' International Association or within an area covered by a different labor agreement with Local Union 10, whose established wage scale is higher than the wage scale specified in this Agreement, the higher wage scale of the job site union shall be paid to the journeymen, apprentices and/or pre-apprentices employed on such work in the home shop or sent to the job site. See Letter of Agreement for optional method of paying wage equalization dollars to shop employees.

(a) On work fabricated for installation in another area where the wage rate is higher than in this area and where the area or the work fabricated is not covered by a SMWIA labor contract, this area's wage rate can be paid for such fabrication work. This applies to fabrication work only and not the job where both fabrication and installation are bid together.

Section 5. The provisions of Section 4 of this Article, Section 2 of Article I, and Section 2 of Article II, shall not be applicable to the manufacture for sale to the trade or purchase of the following items:

- | | |
|--|--|
| 1. Ventilators | 13. Round Pipe |
| 2. Louvers | 14. Spiral Pipe |
| 3. Automatic & Fire Dampers | 15. Access Doors |
| 4. Radiator & Air Conditioning
Unit Enclosures | 16. Fans |
| 5. Fabricated Pipe & Fittings for
Residential Installations | 17. Fan Coil Units |
| 6. Mixing (Attenuation) Boxes | 18. Air-To-Air Heat Exchangers |
| 7. Plastic Skylights | 19. VAV Boxes |
| 8. Air Diffusers, Grilles & Registers | 20. Reheat Coils |
| 9. Sound Attenuators | 21. Metalbestos Chimneys |
| 10. Chutes | 22. Flexible Duct |
| 11. Double-Wall Panel Plenums | 23. Canvas Connections |
| 12. Angle Rings | 24. Multi-Blade Dampers and Spin-Ins
with Dampers |

Section 6. Except as provided in Sections 4 and 8 of this Article, the Employer agrees that all sheet metal workers hired outside of the territorial jurisdiction of this Agreement shall receive the wage scale and working conditions of the local agreement covering the territory in which such work is performed or supervised.

Section 7. When the Employer has any work specified in Article I of this Agreement, to be performed outside the jurisdiction of Sheet Metal Workers' Local No. 10, and within the area covered by another agreement with another union affiliated with the Sheet Metal Workers' International Association and qualified sheet metal workers are available in such area, he may send no more than two (2) sheet metal workers per job into such area to perform any work which the Employer deems necessary, both of whom shall be from the Employer's home jurisdiction. All additional sheet metal workers shall come from the area in which the work is to be performed. Journeyman sheet metal workers covered by this Agreement who are sent outside of the area covered by this Agreement shall be paid at least the established minimum wage scale specified in Section 1 of this Article, but in no case less than the established wage scale of the local agreement covering the territory in which such work is performed or supervised, plus all necessary transportation, travel time, board and expenses while employed in that area and the Employer shall be otherwise governed by the established working conditions of that local agreement. If employees are sent into an area where there is no local agreement of the Sheet Metal Workers' International Association covering the area, then the minimum conditions of the home Local Union shall apply.

Section 8. In applying the provisions of Sections 4, 6 and 7 of this Article, the term "wage scale" shall include the value of all applicable hourly contractual benefits in addition to the hourly base wage rate provided in said Sections.

Section 9. Fringe benefit contributions shall not be duplicated. When sheet metal workers are employed temporarily outside the jurisdiction of their home local union, the parties signatory to this Agreement agree to arrange through the Health and Welfare Trust Fund to transmit health and welfare contributions made on behalf of the employee to the Health and Welfare Trust Fund in the employee's home local union. This obligation is conditioned upon a suitable reciprocity arrangement being agreed to by the trustees of such plans.

Section 10. Wages at the established rates specified herein shall be paid weekly in the shop or on the job, at or before quitting time, on the same day each week and no more than one (1) weeks pay will be withheld. Wages may be paid via direct deposit with mutual consent of the Employer and employee.

Section 11. Employees who report for work and for whom no work is provided shall receive two (2) hours pay at the established rate, plus subsistence where subsistence is being paid, provided they remain available for work unless released by the contractor; and further provided that no reporting pay shall be due when notification not to report to work because of adverse weather or any other conditions beyond the control of the Employer is given by radio and/or television at least two (2) hours prior to the scheduled start of the work day. The radio and/or television stations shall be those agreed upon by the Employer and the Union. However, this Section shall not apply in situations where the Employer refuses to hire a worker because the worker is not qualified to perform the work required.

Section 12. Each Employer covered by this Agreement shall employ at least one (1) journeyman sheet metal worker who is not a member of the firm on all work specified in Article I of this Agreement.

Section 13. For all work over forty (40) feet or more above the ground performed outside of a guard-railed area or working platform, the Employer shall pay fifty cents (\$.50) over the applicable minimum hourly rate for actual time worked under those conditions.

Section 14. Employers shall be allowed to unilaterally develop and implement incentives and bonuses for employees, which shall be over and above the minimum wage rates set forth in this Agreement. Employers will provide notice of the terms of any incentive plan to the Union prior to implementation.

Section 15. The wages and benefits set forth in this Labor Agreement are minimums. The Union agrees that Employers may, in their sole discretion, implement

rates of pay and benefits that are in excess of these minimums and to modify or eliminate any amount or benefit that is in excess of the minimums that are specified herein.

ARTICLE IX MISCELLANEOUS

Section 1. Journeyman and apprentice sheet metal workers covered by this Agreement shall provide for themselves all necessary hand tools. All journeymen are required to complete OSHA 10 certification.

Section 2. Journeyman, apprentice and pre-apprentice sheet metal workers covered by this Agreement shall not be permitted or required, as a condition of employment, to furnish the use of automobile or other conveyance to transport men, tools, equipment or materials from shop to job, from job to job or from job to shop; facilities for such transportation are to be provided by the Employer. This provision shall not restrict the use of an automobile or other conveyance to transport its owner and personal tools from home to shop or job at starting time, from job to home at quitting time, and from job to job during the work day.

Section 3. Every Employer shall contribute to all fringe benefit funds on behalf of every employee, except for one owner or shareholder, for every hour they work with the tools, whether in the shop or in the field. For the one owner or shareholder, if they work with the tools, whether in the shop or field, the Employer must contribute a minimum of one hundred forty-five (145) hours per month to all the fringe benefit funds on their behalf, if they contribute to any of those funds for even one (1) hour. If any of these contributions are not accepted by any of the funds, for whatever reason, those same contributions must then be made to the local training fund. The total contributions per hour shall be the same, regardless of which fringe benefit funds in the Agreement ultimately receive the contributions. The Employer Association shall enforce this clause including bringing this grievance and enforcing any decision on the same in the proper court(s).

Section 4. Employers signatory to this Agreement must comply with the following: The Employer must be licensed as required by state law, county and/or municipal ordinances. Employers must carry industrial insurance with the Industrial Commission of North Dakota and/or Workers' Compensation Insurance for the State of Minnesota, and unemployment insurance with the Employment Office of North Dakota and/or the Department of Jobs and Training in Minnesota.

Section 5. Safety equipment such as hard hats, liner, goggles, welding gloves, protective clothing, etc. shall be furnished by the Employer. Employees shall furnish their own steel-toed shoes when required.

Section 6. The parties agree to be bound by the separate Declarations of Trust establishing the National Training Fund for the Sheet Metal and Air Conditioning Industry, and the National Energy Management Institute Committee, and Declarations of Trust of all other local and national programs to which it has been agreed that contributions will be made.

The parties authorize the Trustees of all National Funds to cooperatively establish uniform collection procedures to provide for efficient and effective operation of the various National Trusts; however, all contributions required to be made to the Funds listed in Articles XI, XII, XIII and XV shall be made pursuant to Article XIV herein and transmitted through the Sheet Metal #10 Funds Office.

ARTICLE X SETTLEMENT OF DISPUTES

Section 1. Grievances of the Employer or the Union, arising out of interpretation or the enforcement of this Agreement, shall be settled between the Employer directly involved and the duly authorized representative of the Union, if possible. An Employer may have the Local Association present to act as his representative.

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

Section 2. Grievances not settled as provided in Section 1 of this Article may be appealed by either party to the Local Joint Adjustment Board having jurisdiction over the parties, and such Board shall meet promptly on a date mutually agreeable to the members of the Board, but in no case more than fourteen (14) calendar days following the request for its services, unless the time is extended by mutual agreement of the parties to render a final and binding determination, except as provided in Sections 3 and 5 of this Article. The Board shall consist of an equal number of representatives of the Union and of the Employers' Association and both sides shall cast an equal number of votes at each meeting. The Local Employers' Association, on its own initiative, may submit grievances for determination by the Board, as provided in this Section.

Notices of appeal to the Local Joint Adjustment Board shall be given within thirty (30) days after termination of the procedures prescribed in Section 1 of this Article, unless the time is extended by mutual agreement of the parties.

Section 3. Grievances not disposed of under the procedures described in Section 2 of this Article, because of a deadlock or a failure of such Board to act, may be appealed jointly or by either party to an arbitrator within thirty (30) days after the termination of the

procedures prescribed in Section 2. The arbitrator shall be selected mutually by the representative of the Union and the representative of the Employer. If these representatives cannot agree on the selection of an arbitrator within six (6) working days following receipt of the notice of submission by the aggrieved party to the other party, the State or Federal Mediation and Conciliation Service shall be requested by the parties to submit a list of five (5) persons from which the arbitrator shall be selected by mutual agreement of the Employer and Union representatives.

In the event of the failure to agree on any of the names submitted, the Union and the Employer representatives shall each strike off the names of two (2) of the five (5) names as being unacceptable and the remaining name shall be the arbitrator.

In event either party refuses arbitration or fails to help select the arbitrator, the other party may select the arbitrator and proceed to arbitration immediately.

The arbitrator shall have no right to require of the Employer, the Union, or any employee of the Employer, any act it or he/she is not required by law or by this Agreement to perform, or to render any interpretation outside of the scope of this Agreement. All decisions of the arbitrator shall be made and mailed to the parties within ten (10) days following the conclusion of the arbitration hearing, exclusive of the last day of such hearing.

All fees and expenses of the arbitrator shall be borne equally by both parties.

Working days, where used in this Article, shall include Monday through Friday. Time limits imposed in this Article may be extended only by written mutual consent of the parties.

Section 4. Failure to exercise the right of appeal at any step thereof, within the time limits provided therefore, shall void any right of appeal applicable to the facts and remedies of the grievance(s) involved. There shall be no cessation of work by strike or lockout during the pendency of the proceedings provided for in this Article.

Section 5. Any controversy or dispute arising out of the failure of the parties to negotiate a renewal of this Agreement shall be settled as hereinafter provided:

(a) Should the negotiations for renewal of this Agreement become deadlocked in the opinion of the Local Union or the Local Contractors' Association, or both, notice to that effect shall be given to the Office of the General President of the Union and the National Office of the Sheet Metal and Air Conditioning Contractors' National Association, Inc. If the General President of the Union and the Chairman of the Labor Committee of Sheet Metal and Air Conditioning Contractors' National Association, Inc. believe the dispute might be adjusted without going to final hearing before the National Joint Adjustment Board, each will then designate a Panel representative who shall proceed to the locale where the dispute exists as soon as convenient, attempt to

conciliate the differences between the parties and bring about a mutually acceptable agreement. If such Panel representatives or either of them concludes that they cannot resolve the dispute, the parties thereto, the General President of the Union and the National Office of the Sheet Metal and Air Conditioning Contractors' National Association, Inc. shall be promptly notified, without recommendation from the Panel representatives. Should the General President of the Union or the Chairman of the Labor Committee of the Sheet Metal and Air Conditioning Contractors' National Association, Inc. fail or decline to appoint a Panel member or should notice of failure of the Panel representatives to resolve their dispute be given, the parties shall promptly be notified so that either party may submit the dispute to the National Joint Adjustment Board.

The dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by the National Joint Adjustment Board. The unanimous decision of said Board shall be final and binding upon the parties, reduced to writing, signed and mailed to the parties as soon as possible after the decision has been reached. There shall be no cessation of work by strike or lockout unless and until said Board fails to reach a unanimous decision and the parties have reviewed written notification of its failure.

(b) Any application to the National Joint Adjustment Board shall be upon forms prepared for that purpose subject to any changes which may be decided by the Board from time to time. The representatives of the parties who appear at the hearing will be given the opportunity to present oral argument and to answer any questions raised by members of the Board. Any briefs filed by either party including copies of pertinent exhibits will also be exchanged between the parties in advance of the hearing.

(c) The National Joint Adjustment Board shall have the right to establish time limits, which must be met with respect to each and every step or procedure contained in this Section. In addition, the General President of SMART and the Chairman of the Labor Committee of SMACNA shall have the right to designate time limits which will be applicable to any particular case and any step therein which may be communicated to the parties by mail, telegram or telephone notification.

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

(e) Notwithstanding the foregoing, Section 5 of Article X shall not be instituted and shall have no force and effect unless both the Employer, or in the case of a multi-employer bargaining group, that bargaining group and the Union expressly agree in writing that said Section shall be instituted and then only when said agreement is made

prior to an actual submittal under this Section.

ARTICLE XI SASMI

Section 1. Beginning on the effective date of this Agreement, the Employer shall make monthly payments of an amount equal to three percent (3%) of the minimum contractual gross earnings of each employee subject to this Agreement to the National Stabilization Agreement of the Sheet Metal Industry (SASMI) Trust Fund. Gross earnings, for the purposes of this Agreement shall mean:

- (a) Total minimum contractual wages required pursuant to this Labor Agreement paid to an employee by the Employer, and
- (b) All contractually required contributions paid by such Employer on behalf of the employee to a pension fund and/or health fund.
- (c) If a covered employee is paid overscale, the three percent (3%) contribution shall be calculated on the minimum gross earnings required for that employee.
- (d) Journeymen, Foremen and General Foremen shall receive contributions based on three percent (3%) of the minimum gross earnings for Journeyman.
- (e) Contributions on all hours worked shall be based on three percent (3%) of the minimum gross earnings at the straight time pay rate, including those hours where overtime and double time rates apply.

Section 2. The Employer agrees to adopt the National SASMI Trust.

Section 3. No SASMI contributions shall be owed on pre-apprentices.

ARTICLE XII LOCAL BENEFIT FUNDS AND INDUSTRY FUNDS

Section 1. JOURNEYMEN AND APPRENTICES. All employers covered by this Agreement shall contribute into the, the Sheet Metal Workers Local No. 10 Supplemental Retirement Fund, the Sheet Metal Local #10 Benefit Fund, North Dakota & South Dakota Sheet Metal Journeyman & Apprenticeship Training Trust Fund, the Sheet Metal and Roofing Industry Fund of the North Central Region, and the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States in the amount per

hour specified in Article VIII, Section 1, and the applicable wage sheet, for each hour worked by journeyman and apprentice employees covered by this Agreement.

Section 2. PRE-APPRENTICES. All employers covered by this Agreement shall contribute into the North Dakota & South Dakota Sheet Metal Journeyman & Apprenticeship Training Trust Fund in the amount per hour specified in Article VIII, Section 1 and the applicable wage sheet for each hour worked by pre-apprentice employees covered by this Agreement. Further, all employers covered by this Agreement shall contribute into the Sheet Metal and Roofing Industry Fund of the North Central Region (~~North Dakota Area Subdivision~~) in the amount of \$.26 for the first year that this Agreement is in effect and in the amount specified in the applicable wage sheet for each subsequent year of this Agreement.

Contributions to the Sheet Metal Local #10 Health Fund may be made by the Employer upon the Employer's election.

Section 3. The Funds identified in Section 1 of this Article shall be administered pursuant to the provisions of the applicable Agreements and Declarations of Trust executed jointly by equal representation of the Union and representation of the Association and shall be considered as a part hereof, as if set forth in detail, excluding the Industry Funds.

Section 4. Journeyman, Foreman, General Foreman, and apprentices may individually elect to participate in the 401K feature of the *Sheet Metal Local 10 Supplemental Retirement Fund* by completing a tax deferred contribution authorization form approved by the Fund Trustees directing the Employer to reduce the employee's taxable hourly pay up to the maximum amount allowed by the Plan. Contribution rates shall be determined by the Trustees and shall not be less than one dollar and no more than three (3) options. Employees may change their participation once per year starting with the first pay period after January 1st or upon a new hire at an Employer. An Employer may elect to accept an authorization from an employee other than at the scheduled times. Employee tax-deferred contributions shall be reported in accordance with Article XIII and in the same manner as Employers are reporting with respect to regular contributions to the Supplemental Pension Fund or as the Trustees of the Fund shall direct. Employees that elect to have tax-deferred contributions transferred into the Fund, must do so in writing at least ten (10) days prior to the stated election date, other than initial employment or if an employer elects to accept an authorization change. All tax-deferred contribution requests must be filed by the employee with the employer who will then provide a copy to the Fund Office as directed by the Fund Trustees.

As of June 3, 2019, the contribution rate per hour for journeyman sheet metal workers to these Funds is as follows:

SMART Local 10 Supplemental Pension Fund
Health Fund (Plan A Family)

\$3.56
\$10.06

Section 5. In the event that a National Health Insurance Program is enacted, the Employer contribution to the current Health Fund, as described in Article X, shall be applied to any cost incurred by the Employer and/or the employees covered hereunder in connection with such National Health Program. If the current Employer contribution is in excess of the cost of such National Health Program, then at the discretion of the employees covered hereunder, the difference shall become a contribution to either a supplemental health insurance plan and/or one of the existing Pension Plans and/or the base wage. If the current Employer contribution is less than the cost of such National Health Program, both parties agree to reopen the contract to renegotiate this item only.

Section 6. The Union shall not reduce or eliminate contributions to any pension fund if it could trigger withdrawal liability or excise taxes for any Employer.

Section 7. In the event employer assessments or excise taxes are required to be paid to any pension fund (or the IRS in the case of an excise tax) for work performed under this Labor Agreement, the Employer shall be entitled to make an equal offset to the taxable base rate. As an example, if the Employer is required to pay an assessment of twenty-five cents (\$.25) per hour to the National Pension Fund, the Employer shall deduct an equal amount from the employee's taxable base pay.

INDUSTRY FUND

Section 1. All Employers covered by this Agreement shall contribute fourteen cents (\$.14) per hour for each hour worked by the employees covered by this Agreement to the Sheet Metal and Roofing Industry Fund (North Dakota Subdivision) for the purposes specified in the applicable Agreement and Declaration of Trust, which provides for the establishment and administration of the Sheet Metal and Roofing Industry Fund of the North Central Region (North Dakota Subdivision). SMARCA shall have the right to annually, at the time of allocation, increase the contribution rate to this Fund provided there is an equal increase in the total package wage rate.

Section 2. Contributions provided for in Section 1 above will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreements, research and promotion, such programs serving to expand the market for services of the sheet metal industry, improve the technical and business skills of Employers, stabilize and improve Employer/Union relations and promote, support and improve the employment opportunities for employees. No part of any such contributions shall be used for any other purposes except as expressly specified herein. The Sheet Metal and Roofing Industry Fund of the North Central Region (North Dakota Subdivision) shall

submit to the Union not less than semi-annually written reports describing accurately and in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One time per year, the Sheet Metal and Roofing Industry Fund of the North Central Region (North Dakota Subdivision) shall include in such written report a financial statement, attested to by a certified public accountant containing its balance sheet and detailed statement of the annual receipts and disbursements. Further, specific detailed information in regard to the Fund's activities or its receipts and/or expenditures shall be furnished to the Union upon request.

Section 3. The Employer shall pay the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States (IFUS), twelve cents (\$.12) per hour for each hour worked on and after the effective date of this Agreement, by each journeyman and apprentice sheet metal worker of the Employer, covered by this Agreement. Payment shall be made pursuant to Article XIV.

Section 4. The IFUS shall submit to SMART, not less often than semi-annually, written reports describing accurately and in reasonable detail, the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One (1) time per year, the IFUS shall include in such written report a financial statement attested to by a certified public accountant containing its balance sheet and detailed statement of annual receipts and disbursements. Further specific detailed information in regard to IFUS activities or its receipts and/or expenditures shall be furnished to the Sheet Metal Workers' International Association upon written request.

Section 5. Grievances concerning use of Sheet Metal and Roofing Industry Fund of the North Central Region (North Dakota Subdivision) funds for purposes prohibited herein or for violations of other Sections of this Article, shall be handled under the provisions of Article X of this Agreement. The National Joint Adjustment Board shall be authorized to impose any remedial order for violation of Section 2 of this Article, including termination of the Employer's obligation to contribute to the Fund(s).

CONTROL BOARD XIII

Section 1. The organizing fund contributions set forth in Article VIII and the contributions to the Funds designated in Article IX shall be paid to the Fund Office for the Sheet Metal Local #10 Control Board Trust Fund, which is authorized to collect and distribute the benefits set forth herein. The Sheet Metal Local #10 Control Board Trust Fund is administered pursuant to the provisions of an Agreement and Declaration of Trust that has been executed jointly by an equal number of representatives of the Union and representatives of the Association. This Trust Agreement as well as the rules and regulations established

jointly by the Trustees of the Control Board shall be considered a part hereof, as if set forth in detail.

Section 2. A Control Board Trustee must be a current Trustee of at least one (1) Local 10 Fringe Benefit Funds.

All delinquent employers will be contacted immediately by authorized representatives of the Control Board.

ARTICLE XIV PAYMENTS DUE TO THE LOCAL AND INDUSTRY FUNDS

Section 1. The contributions to the Funds designated in Article XII, of this Agreement shall be paid in accordance with this Agreement as well as the applicable Trust Agreements all amendments thereto, as well as the administrative rules promulgated from time to time by the Trustees of said Funds, as fully as if the same were set forth in detail herein. Further, the contributions are to be remitted as required by the Control Board.

Section 2. Contributions to the Funds designated in Article XII shall be made monthly in the form of a single payment payable to a suitable collection agency, bank or other institution designated by the parties. Payments to be made by the employer shall constitute fulfillment of the employer's obligation to make contributions to the Funds herein provided. Failure to make such payments in full, when and as due, constitutes a breach of contract on the part of such employer and relief therefore shall be available as herein provided. Any administrative charge for this service shall be borne by the employer.

Section 3. The employer shall make available to the Funds designated in Article XII, the Control Board identified in Article XI or their designated Auditor, any and all records of the covered employees that the said Funds may require in connection with the sound and efficient operation of said Funds.

Section 4. The contribution payment required by Article XII of this Agreement are due in the Funds Office on the tenth (10th) day of the following month and employers whose contributions are not received by the Funds Office within five (5) days after the 10th, or the first working day thereafter, shall be deemed delinquent.

Delinquent employers shall become subject to a liquidated damages assessment equal to ten percent (10%) of the contributions due for the month. If these delinquent contributions, together with the liquidated damages assessment, are not received by the Control Board on or before the tenth (10th) day of the next month, the liquidated damages assessment will increase to twenty percent (20%) of the delinquent contributions. In addition to the twenty

percent (20%) assessment, the delinquent employer shall, on that same date, become subject to interest on the delinquent contributions at the interest rate determined by the Internal Revenue Code under Section 6621. The interest charges will accrue on both the delinquent contributions and the liquidated damages assessments from their due dates. Any attorney's fees incurred in the collection of the preceding sums shall also be payable by the delinquent employer. Where the Control Board determines necessary, and the delinquent payment is not rendered when the employer is contacted by the Control Board, the Board may contact the Union and they may remove all employees of the delinquent employer and the employees will be directed not to return to work until the obligation of the delinquent employer is paid in full.

In addition to the foregoing, all such delinquent employers may be required to either:

1. Make weekly payments to all Funds which payment shall be made by cash or certified check. These weekly payments will be hand delivered to the Funds Office on the delinquent employer's regular payday. If payment is not received on this date, the Control Board may contact the Union and they may remove all the employees of the delinquent employer and the employees will be directed not to return to work until such obligation is paid in full; or,
2. The delinquent employer may post bond in an amount equal to the average monthly contribution of the delinquent employer for the previous year.

In the event the delinquent employer selects alternative number 1 and does not meet his weekly payments, bonding, as described in alternative number 2 will become mandatory. Such requirements may be relieved at the discretion of the Control Board.

ARTICLE XV NATIONAL BENEFIT FUNDS

Section 1. JOURNEYMEN, APPRENTICES, and PRE-APPRENTICES. All employers covered by this Agreement shall contribute into the Sheet Metal Workers' National Pension Fund, National Stabilization Agreement of the Sheet Metal Industry (SASMI) Trust Fund, International Training Institute (ITI), National Energy Management Institute Committee (NEMIC) and the Sheet Metal Occupational Health Institute Trust (SMOHIT), in the amount per hour specified in Article VIII, Section 1, Article XVI, Section 6 and the applicable wage sheet for each hour worked by all journeyman, apprentice, and pre-apprentice employees covered by this Agreement.

Section 2. FIRST ALTERNATIVE OPTION LANGUAGE. The Parties to this Agreement have adopted the "First Alternative Option" under the Sheet Metal Workers'

National Pension Fund's (NPF) Funding Improvement Plan (FIP) Schedule, as in effect when this Agreement is entered into and as that Option is amended from time to time.

The Employer will contribute to the NPF, ITI, NEMIC and SMOHIT Funds at the hourly rates set forth in this Agreement, in accordance with the First Alternative Option and the NPF's Plan and Trust Documents (copies of these documents (including the updated FIP and FIP Schedule) have been made available to the parties and are available at www.smwnpf.org). The NPF's FIP Schedule (which includes the First Alternative Option) and Trust Document, as amended from time to time, are incorporated into this Agreement; the Employer hereby agrees to be bound as a party by all terms and provisions of the Trust Document, as amended.

The Employer will pay its required monthly NPF ITI, NEMIC and SMOHIT contributions no later than the 20th day of the month, after the month in which the Covered Employment was performed. Failure to pay on time and in full will constitute a delinquency and will subject the Employer to applicable interest, liquidated damages, fees and costs. The Employer shall transmit contributions and remittance data electronically via the National Benefit Funds' secure online Internet Payment System ("IPS"), accessible at www.smwnbf.org (contact the IPS Support Team via email at ips@smwnbf.org or by calling 800- 231-4622).

If this Agreement or the Local require the Employer to secure a Guaranty or Performance Bond, such bond will guarantee the payments required to be paid by the Employer pursuant to the terms of this Agreement to the following funds, Sheet Metal Workers' National Pension Fund, SASMI, NEMIC, SMOHIT, ITI, and the Sheet Metal Workers' National Supplemental Savings Plan. Employers shall furnish said bond to the Sheet Metal Workers' National Pension Fund within fifteen (15) days of the execution of this Agreement. The bond as required under the provisions of this Section shall remain in full force and effect until the termination of this Agreement and furnished, at least on an annual basis.

Section 3. SCHOLARSHIP FUND. The Union may designate, at its option, that the Scholarship Fund contributions be made to the Scholarship Fund or a local Scholarship Fund.

Section 4. NEMIC FUND. The contribution to NEMIC may, in the sole discretion of the Union and after written notice to the employers, be removed by the Union in the event the Sheet Metal Workers International Association changes its constitution so that contributions to NEMIC are no longer required by the Union. In the event the constitution is changed, and the Union removes the contribution to NEMIC, the Union may allocate the NEMIC contributions in any manner it desires.

ARTICLE XVI
APPRENTICESHIP & APPRENTICE FUNDS

Section 1. All duly qualified apprentices shall be under the supervision and control of a Joint Apprenticeship and Training Committee composed of not less than six (6) members, one-half (½) of which shall be selected by the Employer Association and one-half (½) of which by the Union. Said Joint Apprenticeship and Training Committee shall formulate and make operative such rules and regulations as they may deem necessary and do not conflict with the specific terms of this Agreement, to govern eligibility, registration, education, transfer, wages, hours and working conditions of duly qualified apprentices and the operation of an adequate apprentice system to meet the needs and requirements of the trade. Said rules and regulations, when formulated and adopted by the parties hereto, shall be recognized as part of this Agreement.

Section 2. The Joint Apprenticeship and Training Committee designated herein shall serve for the life of this Agreement, except that vacancies in said Joint Apprenticeship and Training Committee caused by resignation or otherwise may be filled by either party hereto, and it is hereby mutually agreed by both parties hereto that they will individually and collectively cooperate to the extent that duly qualified apprentices shall be given every opportunity to secure proper technical and practical education experience in the trade, under the supervision of the Joint Apprenticeship and Training Committee.

Section 3. It is hereby agreed that the Employer shall apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant apprentices on the basis of one (1) apprentice for the first journeyman employed, two (2) apprentices for two (2) journeymen, three (3) apprentices for four (4) journeymen, four (4) apprentices for five (5) journeymen, five (5) apprentices for six (6) journeymen, six (6) apprentices for seven (7) journeymen, seven (7) apprentices for eight (8) journeymen and one (1) additional apprentice for every two (2) additional journeymen thereafter, regularly employed throughout the year. On residential work, the Joint Apprenticeship and Training Committee shall grant apprentices on the basis of one (1) apprentice for each journeyman regularly employed throughout the year on that work. In the event the Joint Apprenticeship and Training Committee does not grant an apprentice to an Employer entitled to one within seventy-two (72) hours of the Employer's written request, that Employer shall immediately become entitled to use a pre-apprentice in place of an apprentice until such time as an apprentice becomes available. This pre-apprentice shall not count as a pre-apprentice in the ratio set forth in Article XVI herein.

Section 4.

(A) All apprentice applicants must have completed at least two thousand (2000) hours as a pre-apprentice, except for those who have completed at least one (1) year of the Sheet Metal Trade School or have sufficient work experience in the trade.

(B) All apprentices shall serve an apprenticeship of eight thousand (8000) hours and such apprentices shall not be put in charge of work on any job and shall work under the supervision of journeymen until apprenticeship terms have been completed and they have qualified as journeymen. The age of the apprentice will coincide with JATC Standards. "Supervision" means that the Journeyman will direct the work of the apprentice or pre-apprentice on the job and be available to answer any questions the apprentice or pre-apprentice may have. However, "supervision" does not mean that the Journeyman must be watching the apprentice or pre-apprentice at all times or that the Journeyman must be on the same job at all times.

Section 5. A graduated wage rate for commercial and industrial apprentices shall be established and maintained on the following percentage basis of the established base wage rate of journeyman sheet metal workers for the applicable type of work.

Stage	Hours	Wage & National Pension
1	0-1000	50%
2	1001-2000	54%
3	2001-3000	58%
4	3001-4000	62%
5	4001-5000	64%
6	5001-6000	68%
7	6001-7000	72%
9	7001-8000	76%

Apprentices shall have all of the fringe contributions listed in Article VIII made on their behalf for all hours worked in Commercial, Industrial, and Residential except for the pension fund contributions. National Pension Fund contributions shall be made at the same percentage as the apprentice wage rate. Supplemental Pension Fund Contributions shall begin at Stage 4 and then be made at the same percentage as the apprentice wage rate.

Section 6. Employers covered by this Agreement shall contribute forty cents (\$.40) per hour to the Consolidated Sheet Metal Workers' Local #10 Joint Apprenticeship and Training Trust Fund of North and South Dakota for each hour worked on and after the effective date of this Agreement by all journeyman and apprentice employees of the Employers covered by this Agreement. The said Journeyman and Apprenticeship Training Fund shall be administered pursuant to the provisions of the applicable Agreement and Declaration of Trust, executed jointly by equal representatives of the Union and representatives of the Employer Association and shall be considered as a part hereof, as if set forth in detail.

Section 7. The Employers will contribute to the International Training Institute for the Sheet Metal and Air Conditioning Industry twelve cents (\$.12) per hour for each hour

worked on and after the effective date of this Agreement by all journeyman and apprentice employees of the Employers covered by this Agreement. Payment shall be made pursuant to Article XIV herein. The parties agree to be bound by the Agreement and Declaration of Trust establishing said Fund and amendments thereto, as may be made from time to time, and hereby designate as their representatives on the Board of Trustees such Trustees as are named, together with any successors who may be appointed pursuant to said Agreement.

Section 8. It is the understanding of the parties to this Agreement that the funds contributed by signatory Employers to the International Training Institute and any Local Joint Apprenticeship and Training Fund (Local JATC) will not be used to train apprentices or journeymen who will be employed by employers in the Sheet Metal Industry not signatory to a collective bargaining agreement providing for contributions to the International Training Institute and a Local JATC. Therefore, the Trustees of the International Training Institute and Local JATC shall adopt and implement a Scholarship Loan Agreement Program which will require apprentices and journeymen employed by signatory Employers to repay the cost of training either by service following training within the union sector of the industry or by actual repayment of the cost of training if the individual goes to work for a non-signatory employer in the Sheet Metal Industry. The cost of training shall include the reasonable value of all International Training Institute and Local JATC materials, facilities and personnel utilized in training. If a Local JATC does not implement the Scholarship Loan Agreement, the Local JATC shall be prohibited from utilizing International Training Institute materials and programs.

ARTICLE XVII PRE-APPRENTICESHIP

Section 1. It is hereby agreed that the Employer may apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant pre-apprentices on the basis of one (1) pre-apprentices for each four (4) journeymen; two (2) pre-apprentices for five (5) journeymen; three (3) pre-apprentices for six (6) journeymen, four (4) pre-apprentices for seven (7) journeymen, five (5) pre-apprentices for eight (8) journeymen, six (6) pre-apprentices for nine (9) journeymen and one (1) additional pre-apprentice for each two (2) additional journeymen, regularly employed throughout the year. The Apprenticeship Committee shall have seventy-two (72) hours to supply the requested pre-apprentice, in accordance with Section 2C of Article IV. If the JATC fails to supply the requested pre-apprentice within the specified time, the Employer may hire such employee and refer him/her to the JATC for application.

Notwithstanding the above paragraph, the Employer shall be entitled to two (2) additional workers who shall be classified as pre-apprentices but shall not count in the pre-apprenticeship ratio set forth in the above paragraph. These persons' job classifications will be shop assistant and project coordinator, and their primary duties will be truck driving,

loading and unloading trucks, stocking the shop, maintaining the cleanliness of the shop and the rest of the Employer's premises. These persons will also be allowed to perform bargaining unit work on the Employer's premises as long as the performance of bargaining unit work does not exceed fifty percent (50%) of the Employees' duties.

The wage scale for pre-apprentices shall be forty percent (40%) of the hourly base wage rate of the commercial journeyman sheet metal worker.

Health Fund contributions may be made by the Employer upon the Employer's election.

Pre-apprentices shall not be permitted to run the plasma cutting and/or the drafting machine. Furthermore, after more than one (1) month of a pre-apprentice being hired by the Employer, the pre-apprentice shall not perform any welding. Thus, the pre-apprentice may perform welding within his/her first month of employment with the Employer. The Employer has the right to exceed its ratio of apprentices allowed under Article XVI; however, for each additional apprentice the Employer receives, it shall be entitled to one less pre-apprentice.

Where there is a reduction in the number of journeymen which causes a reduction in apprentices and/or pre-apprentices because of the ratios set forth herein and in Section 1 of Article XVI, an apprentice may be retained in place of a pre-apprentice, subject to the pre-apprentice ratio in this Section. Also, apprentices may be hired in place of pre-apprentices anywhere within the above ratio at the discretion of the Employer.

Section 2. It is hereby agreed that the Employer may apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant pre-apprentices on the basis of one (1) additional pre-apprentice for each shop when used in conjunction with pinpointing or targeting specific jobs.

Section 3. If the Employer is entitled to pre-apprentices pursuant to Section 2 herein, and the Joint Apprenticeship and Training Committee fails to comply with the Employer's written request to furnish pre-apprentices within seventy-two (72) hours, the Employer may hire such employees and refer them to the JATC for application.

Section 4. The Employer and Business Agent will meet to discuss the progress of Pre-Apprentices upon completion of approximately one thousand (1,000) work hours. Evaluations shall be conducted prior to July 15th of each year.

ARTICLE XVIII DRUG & ALCOHOL TESTING POLICY

Section 1. PREFACE. Alcohol/substance abuse is recognized as a serious health and safety problem. The desired result is rehabilitation. The preferred procedure is through referral to a locally operated industry Employee Assistance Program (EAP). Currently, a program is available under the terms of the local health and welfare plan. The EAP should provide employee and supervisor educational programming, individual and family counseling, as well as treatment referral services.

Workplace problems arising out of an employee's relationship with substance abuse may warrant a variety of management responses, including referral for treatment, testing, disciplinary action, or even termination of employment. This statement addresses the testing issues, only.

No substance testing program should be implemented unless there is an Employee Assistance Program (EAP) implemented to provide treatment for any bargaining unit employees.

Section 2. GENERAL PROVISIONS. The Union and the Employers regard blood/urine testing as problematic and do not advocate reliance on such procedures to identify individuals with an alcohol/chemical dependence. However, certain circumstances support substance testing as a warranted vehicle for determining possible impairment and/or a propensity for substance abuse. These include:

1. Pre-employment screening.
2. Probable cause testing.
3. Work opportunity mandated testing.
4. Post-incident testing.
5. Random testing.

Whenever testing is utilized it shall be accomplished through dignified and humane procedures ensuring complete confidentiality of specimen custody and test results. The individual being tested and the EAP shall have access to the test results. The sheet metal employer (or JATC) and Union shall be notified of the positive or negative results, only.

For all testing, the Employer shall comply with the testing and notice requirements of North Dakota law, which may be set forth separately, and tests shall be conducted by qualified and accredited laboratories which comply with the Scientific and Technical Guidelines for Federal Drug Testing Programs and the Standards for Certification of Laboratories Engaged in Urine Drug Testing for Federal Agencies issued by the Alcohol, Drug Abuse and Mental Health Administration of the United States Department of Health & Human Services, or standards established by the applicable State having jurisdiction

(North Dakota), whichever are the more stringent. The testing laboratories must also maintain high quality control procedures and follow manufacturer's protocols. All initial positive tests shall be subject to a confirmation assay, such as a Gas Chromatography with Mass Spectrometry (GC/MS). The levels of detected substances for determining positive results shall be those established as legitimate by the Alcohol, Drug Abuse & Mental Health Administration of the United States Department of Health & Human Services, or those established by the State having jurisdiction (North Dakota), whichever are the more stringent.

Section 3. PRE-EMPLOYMENT SCREENING. Employers shall be allowed to implement pre-employment drug testing. Testing may occur only after a conditional offer of employment has been made. Employees being recalled from a layoff status may be tested provided they have been on layoff status for at least forty-five (45) days.

No wages or compensation shall be owed to any individual on account of a pre-employment drug test. The Employer shall pay the cost of the pre-employment test.

Section 4. PROBABLE CAUSE. Substance testing may be implemented when there is "probable cause." Probable Cause shall be defined as those circumstances, based on objective evidence about the employee's conduct in the workplace, that would cause a reasonable person to believe that the employee is demonstrating signs of impairment due to alcohol or drugs. Examples of objective evidence include, when an employee shows signs of impairment such as difficulty in maintaining balance, slurred speech, erratic or atypical behavior, or otherwise appears unable to perform his/her job in a safe manner.

Section 5. WORK OPPORTUNITY MANDATED TESTING. In all situations where an Employer is required to agree to a testing program in order to qualify as a bidder on a project, testing may be required, but only if performed in accordance with these standards and applied uniformly to all personnel having access to the workplace.

Section 6. POST INCIDENT TESTING. Employers shall be allowed to implement post incident drug and/or alcohol testing. Any employee directly or indirectly involved in an incident may be tested. An incident shall be defined as any event resulting in an injury to a person or property damage of five hundred dollars (\$500.00) or more. "Injury to a person" shall mean the person received or should have received medical treatment.

Section 7. RANDOM TESTING. Each Employer may conduct random testing on a total number of employees not to exceed twenty-five percent (25%) each year. Employers may participate in multi-employer random selection pools provided the random selection does not exceed twenty-five percent (25%) per year of the number of people in the pool.

Section 8. PROVISIO. Testing in any of the above situations shall be conducted and governed in accordance with the general provisions of this Policy Statement. Each Employer shall provide the Union with a copy of their Drug and Alcohol Testing Policy if they elect to implement pre-employment or post incident testing. Each Employer must administer its Drug and Alcohol Policy in a consistent manner such that each similarly situated sheet metal worker employed by the Employer is treated the same.

ARTICLE XIX FAVORED NATIONS

In the event the Union negotiates and agrees to terms and conditions of employment with any employer or group or association of employers that differ from the terms provided in the current Grand Forks Labor Agreement between SMARCA and the Union, the Union shall notify SMARCA within ten (10) days of making such an agreement and SMARCA shall have thirty (30) days in which to accept the terms of that new agreement completely and in full, or SMARCA shall continue with the current Agreement as specified therein.

The Union shall retain the right to continue its efforts to organize the unorganized. It is recognized that any newly organized contractor may be granted special terms and/or conditions that allow that contractor to complete all projects bid prior to the signing of an agreement with the Union without interference. It is further recognized that the Union, in concert with the employer, shall determine into which classification and rate of pay each existing employee will be placed.

ARTICLE XX EFFECTIVE DATES

Section 1. This Agreement shall become effective on the 3rd day of June, 2019, and remain in full force and effect until the 4th day of June, 2023, and shall continue in force from year to year thereafter, unless written notice of reopening is given not less than ninety (90) days prior to the expiration date.

In the event such notice of reopening is served, then this Agreement shall continue in force and effect until conferences relating thereto have been terminated by either party, provided however, that the contract expiration date contained in this Section shall not be effective in event proceedings under Article X, Section 8, are not completed prior to that date and provided those proceedings have been invoked pursuant to Article X, Section 8, herein.

Section 2. Inasmuch as the Union has submitted proof and the Employer is satisfied that the Union represents a majority of its employees in the bargaining unit described herein,

the Employer recognizes the Union as the exclusive collective bargaining agent for all employees within that bargaining unit, on all present and future job sites within the jurisdiction of the Union, unless and until such time as the Union loses its status as the employees' exclusive representative as a result of an NLRB election requested by the employees.

Section 3. If, pursuant to federal or state law, any provisions of this Agreement shall be found by a court of competent jurisdiction to be void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect.

Section 4. Notwithstanding any other provisions of this Article, or any other Article of this Agreement, whenever an amendment to the Standard Form of Union Agreement shall be adopted by the National Joint Labor Relations Adjustment Committee, any party to this Agreement, upon the service of notice to all other parties hereto, shall have this Agreement reopened thirty (30) days thereafter for the sole and only purpose of attempting to negotiate such amendment or amendments into this Agreement for the duration of the term hereof. There shall be no strike or lockout over this issue.

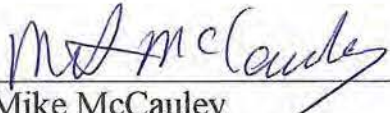
Section 5. Each Employer hereby waives any right it may have to repudiate this Agreement during the term of the Agreement or during the term of any extension, modification or amendment to this Agreement.


IN WITNESS WHEREOF, the parties hereto affix their signatures this 3rd day of June, 2019.

GRAND FORKS SUBDIVISION OF THE
NORTH DAKOTA DIVISION
OF SMARCA, INC.

LOCAL UNION NO. 10 of SMART

By 
John W. Quarnstrom
Chief Executive Officer
SMARCA Inc.

By 
Mike McCauley
Financial Secretary/Treasurer

By 
Nick Murphy
Business Representative

I hereby agree to abide by the Labor Agreement negotiated between the International Association of Sheet Metal, Air, Rail and Transportation Local 10 and Grand Forks Subdivision of the North Dakota Division of SMARCA Inc. Effective June 3, 2019 – June 4, 2023

Company name

Address

City/State/Zip

Union Representative

Print name

Officer Signature / Title

Print name / title

Date

Date

LETTER OF UNDERSTANDING

By and Between:

SMART Union Local No. 10

And

Grand Forks Area Subdivision of the ND/SD Division of SMARCA, Inc.

On a trial basis, Employers signed to the Grand Forks Area Labor Agreement may choose to pay wage equalization dollars (as required under Article VIII, Section 4 of the Labor Agreement) for work in the shop for installation within the jurisdiction of Local 10, using the direct pay to the employee method or as follows:

1. The Employer shall continue to track hours worked by each individual worker that require wage equalization dollars to be paid.
2. Shop Labor Wage Equalization Pool. The gross dollar difference between the Grand Forks Area total wage rate and the higher wage rate for however many hours this work is performed shall be held by the Employer in a Shop Wage Equalization Pool under the supervision of the Shop Foreman or the person so designated by the Union. The individual and total number of hours worked shall be tracked.
3. Assigned Point Values. Journeymen shall be assigned a point value of 9. Apprentices shall be assigned a point value equal to their stage of apprenticeship (i.e. a 3rd stage apprentice shall be assigned the number 3). Pre-Apprentices shall be assigned a point value of 0.
4. Individual Worker's Total Points. Total shop hours for the work week, including both wage equalization hours and normal hours, shall be multiplied by the individual worker's Point Value to determine a total point value for each individual worker.
5. Par Value. The dollar amount in the Shop Labor Wage Equalization Pool shall be divided by the total of all points of all Individual Workers added together. This calculation shall establish the par value.
6. Bonus Payment. The individual worker's total points multiplied by the par value shall equal the amount of the bonus payment to the individual worker.
7. Payment shall be made weekly along with regular payroll.

This alternative method of paying wage equalization dollars on shop labor shall be subject to an annual review at the request of either party.

Dated: 11/20/19

Dated: 11/20/19

GRAND FORKS AREA SUBDIVISION
OF THE ND/SD DIVISION OF SMARCA

LOCAL NO. 10 OF SMART

By John W. Quarnstrom
John W. Quarnstrom
Chief Executive Officer
SMARCA Inc.

By Mike McCauley
Mike McCauley
Financial Secretary/Treasurer

By Nick Murphy
Nick Murphy
Business Representative



SMART Local No. 10
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(651) 770-2388



**Sheet Metal, Air Conditioning &
Roofing Contractors Association**

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