

DRYWALL TAPERS LABOR AGREEMENT

Between

SIGNATORY DRYWALL CONTRACTORS

And

**INTERNATIONAL UNION OF PAINTERS AND ALLIED
TRADES
DISTRICT COUNCIL NO. 15
LOCAL UNION NO. 86**

APRIL 1, 2016 to MARCH 31, 2019

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THIS AGREEMENT, made and entered into this 1st day of April, 2016 by and between signatory **DRYWALL TAPER CONTRACTORS** (hereinafter referred to as the “Company”, “Employer”, or the “Contractor”) and **THE UNION OF PAINTERS AND ALLIED TRADES DISTRICT COUNCIL 15 LOCAL UNION No. 86**, affiliated with the American Federation of Labor, CIO (hereinafter referred to as the “Union”).

WITNESSETH

WHEREAS, the Contractor is engaged in drywall construction work in the State of Arizona; and

WHEREAS, it is the desire of the parties to establish uniform rates of pay, hours of employment and working conditions for the Drywall Taper employees by the Contractor; and

WHEREAS, it is understood the contractors signatory to this agreement are at a monetary disadvantage compared to non-signatory contractors. To offset this discrepancy, and create a reasonable level of competition between signatory and non-signatory contractors, it is understood that the highest standards of work ethics will be adhered. The parties acknowledge policies regarding starting times, break and lunch times, and quitting times will be strictly observed and enforced. The parties acknowledge that they are required to perform to the highest standards of quality and quantity of work and further that through professionalism and efficiency, every effort will be made to provide a competitive advantage for signatory contractors.

WHEREAS, it is the desire of the parties hereto to provide, establish and put into practice effective methods for the settlement of misunderstandings, disputes or grievances between the parties hereto to the end that the Contractor is assured continuity of operation and the employees are assured continuity of employment, and industrial peace is maintained and the business of industry efficiently increased; and

WHEREAS, this Agreement is for the benefit of the Contractor and if it is to be effective and workable, then the Contractor must share in the management participation. The parties mutually agree as follows:

ARTICLE I - AREA COVERED BY THIS AGREEMENT

A. This Agreement shall apply to and cover all Drywall Taper employees of the Contractor employed to perform work within the craft jurisdiction of the Union, such territorial jurisdiction shall be the State of Arizona.

1. Job Registration -The Contractor may report to the office of Local Union No. 86 any job he has bid and lost to an unknown party.

ARTICLE II - RECOGNITION

- A. It is hereby agreed that the Contractor shall be the bargaining agent for this Labor Agreement.
- B. The Employer recognizes the Union as the bargaining representative of all of the Drywall Taper employees wherever such employees are performing work covered by this Agreement in the State of Arizona.
The employer signed to this agreement hereby recognizes Painters and Allied Trades District Council #15, Local Union #86 (“the Union”) as the sole and exclusive bargaining agent within the meaning of Section 9(a) of the National Labor Relations Act (“the Act”) of all full time and regular part-time Drywall Finishers employed on all present and future job sites within the jurisdiction of the Union. Such recognition is predicated on the Union’s demand for such recognition pursuant to section 9(a) of the Act and on the Union’s presentation of a clear showing that the majority of employees in the bargaining unit are members of the Union and desire the Union to act as their exclusive representative within the meaning of Section 9(a) of the Act. The Employer acknowledges that it has reviewed the Union’s showing and agrees that it reflects the employees’ desire to be representative by the Union under 9(a) of the Act.
- C. The Drywall Taper journeyman covered by this Agreement is defined as an employee who has completed his apprenticeship or has passed the required examination as to his proficiency as a mechanic to perform the Drywall Taper duties pertaining to the Drywall Taper Industry. All terms of this Agreement referring to either the masculine or feminine gender shall be interpreted to include the other gender.

ARTICLE III - LICENSE AND LEGAL REQUIREMENTS

- A. The Contractor shall have a duly issued and effective appropriate Arizona State Contractor’s license where required by law to perform the work covered by this Agreement and shall carry Workman’s Compensation Insurance, shall carry Unemployment Insurance regardless of the number of employees employed by him, shall comply in all respects with the Federal, State and Municipal laws governing the Drywall Taper Industry, and with all health and safety rules and regulations of State and Municipal offices, including the rules and regulations of the Industrial Safety Commission and State OSHA.

ARTICLE IV - EMPLOYER

- A. The Contractor is a Drywall Taper Construction Contractor whose principal business includes the services of spotting, taping, imbedding, topping,

texturing and all preparatory work incidental thereto, and such branches or subdivisions thereof as may from time to time be included.

- B. The individual or individuals signing this Agreement warrants, asserts and agrees that this document is executed by him with full authority to represent and bind the Company and the Union for the duration of the contract.

ARTICLE V - SCOPE OF WORK

- A. The scope of work covered by this Agreement shall include but not be limited to (on work operations after the initial unloading of the drywall finisher's material on the job site including distribution to the Drywall Tapers for application) the following Drywall Taper work:
1. Work or services pertaining to the preparation, spotting, pointing, detailing, applying, flushing, sanding, and finishing of interior and/or exterior gypsum drywall, thin drywall, concrete, steel, wood, and plaster surfaces.
 2. Work or services pertaining to the application of all finished or flushing material regardless of method of application or type of surface on which materials are applied, including but not limited to, acoustic and simulated acoustic materials of all types and the application of radium heat fields and steel fire proofing materials.
 3. Work or services pertaining to the installation of protective coverings and masking prior to the application of finish materials.
 4. The operation and care of all taping tools and texturing equipment used in the finishing and texturing of drywall and other surfaces including brushes, rollers, spray texturing equipment, miscellaneous hand, mechanical and power tools, and time operation and maintenance of brushes required in the finishing and texturing of such surfaces.
 5. No limitation shall be placed on the work covered by this Agreement by reason of the surface, type of materials, or purpose for which the materials used are designed or intended.
 6. Nothing herein is intended to conflict with or violate any State or Federal law.

ARTICLE VI - EMPLOYMENT, DISPATCHING AND QUALIFICATION PROCESS

- A. In order to maintain an efficient system of production in the industry, to provide for an orderly procedure for the referral of applicants for employment, and to preserve the legitimate interests of employees in their employment, the Employer and the Union agree that when the Employer performs work covered by this Agreement, it shall hire applicants for employment to perform such work in accordance with this Agreement.

- B. The Employer shall requisition all employees who are to be employed from the area Local Union hiring hall. The Union will immediately dispatch such employees regardless of race, color, creed, nationality, religion or sex as having been requisitioned in accordance with this section subject to and governed by the following conditions:
 - 1. 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, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies or requirements.
 - 2. The Employer retains the right to reject for any lawful reason any job applicant referred by the Union.

- C. If the Union shall fail to furnish the requisitioned employees within thirty-six (36) hours after the requisition is brought to the Union's attention, then in that event the Employer may secure such employees from any other source available. However, upon request of the Union, the Employer will notify the Local Union, in writing, of such employees that were hired. In the event employees secured from sources outside the Union's hiring hall belong to another labor organization that provide healthcare and retirement benefits that require the employer to make payments for those benefits, then those employees will be exempt from the benefit contributions under this agreement. The employer will notify the Union within Ten (10) days of such exempt employees.

The Employer further agrees to replace these exempt employees with workers from the Union's hiring hall when the Union notifies the Employer that qualified craftsmen have become available, however the Employer retains the right to determine acceptability of the replacement workers and will be afforded the time to make the transitions with the least amount of disruption.

All other employees who are hired outside the hiring hall, who do not receive comparable benefits from a labor organization for which the employer is required to make payments for those benefits shall receive full benefits stipulated in this agreement and the Employer shall make all contributions for those benefits in accordance to this agreement.

D. The following procedures shall govern all employment:

1. Only a qualified person shall be employed as a Journeyman Drywall Taper or Texture Spray man. Any person who has been employed by an Employer covered by this Agreement within four (4) years previous to the time of dispatch shall be presumed to be qualified.
2. Any Employer desiring to hire any particular qualified person by name may make a request to this effect in writing to the hiring hall, and such requested personnel, if on the out-of-work list and is available and desirous of employment, shall be dispatched by the hiring hall for employment. If no specific request is made by name, it shall be the duty of the hiring hall to dispatch available and qualified personnel. A written referral shall be given to each workman dispatched from the hiring hall under this Agreement. This is not a Union "clearance", but rather written evidence in the workman's possession that he has been dispatched in accordance with this Agreement.
 - (a.) Where no specific request has been made by name, the hiring hall shall dispatch available qualified personnel who have been employed by Employers party to this Agreement for six (6) months in the two (2) years preceding dispatch before all other available, qualified personnel. Subject to these limitations, referrals will be made on a first-in, first-out basis.
3. It is recognized that by arrangement of convenience in the past, employees have in fact been referred on a telephone basis, and the hiring hall is free to continue this practice to the extent that it continues to be practicable.

However, in this latter instance, such an arrangement must be confirmed promptly, in writing, by the Employer in each particular case, in order that the hiring hall records may be maintained.

4. Persons to be qualified as journeymen for the first time shall be qualified upon passing with a score of at least eighty percent (80%) on a written examination, formulated by the Union. If an applicant in answering one of the written questions gives an answer substantially the same as the answer formulated by the Union for that question, then the applicant shall receive credit for the answer. The intent of the parties is that this system of qualification shall be uniformly applied to all applicants seeking to be qualified for the first time. If either the Union or any contractor wishes to challenge the competence of any employee to continue with work covered by this Agreement, the Union shall make such suitable arrangements and will subject the employee to an actual on-the-job test and inspection of the results thereof and an analysis of the time taken in doing the work performed.

The union shall thereupon assess the abilities of the particular workman, and he shall then be declared either qualified or not qualified. The examination shall include written and/or oral practical examination given by the Local Union. The following scale is in regard to journeyman placement exam:

- 100% to 80% Classified as a Journeyman
- 79% to 65% Classified as a New Journeyman
- 64% or lower Classified as an Apprentice

5. Journeymen from other Local Unions of I.U.P.A.T. may be required to be examined. The examination shall include written and/or practical examination given by this Local Union or any other Local Union of the I.U.P.A.T. Reasonable intervals of time for examinations shall be determined by the Local Union. An applicant shall be eligible for the journeyman tapers examination, if he has had four (4) years of experience in the trade, in the industry, or has satisfactorily completed a federally approved apprenticeship program of not less than two (2) years for this branch of the trade.
6. An applicant, who has failed the journeyman's examination, shall be permitted to apply and retake the examination for journeyman classification, six (6) months after the date of the examination that he failed.

The applicant shall submit proof of eligibility to take the examination.

- E. The Union agrees to hold the Employer harmless for any money damages or penalties assessed against any of them by the National Labor Relations Board, any court, or administrative agency because of the use of the hiring hall procedure.

ARTICLE VII

PROCESSING FEE/ADMINISTRATION FEE/CHECK-OFF OF DUES

A. PROCESSING FEE

1. For the convenience of the Union and its members, the Contractor during the life of this Agreement and subject to all provisions of this section, shall deduct from the pay of those employees in the bargaining Union who execute an assignment and authorization form, all Union Processing fees and other fees levied in accordance with the Constitution and By-laws of the Union. The Union shall indemnify each Employer against any claims or loss arising out of the deduction of fees not levied in accordance with the Constitution and Bylaws of the Union, and the Union

will make refunds direct to all employees for any such wrongful deductions.

B. ADMINISTRATIVE FEE

1. The various employers who are signatory to an agreement with Local Union No. 86, affiliated with the Union of Painters and Allied Trades, including any renewal thereof, shall transmit to the Union, by the 15th of each month, through Southwest Service Administrator, administrative dues, commonly known as check-off dues, 3% of the monthly gross earnings for each employee who voluntarily signs an authorization form.

C. CHECK-OFF OF ADMINISTRATIVE DUES

1. Every Employer signatory to the Agreement hereby agrees to check-off from the wages, of any employee employed by such Employer during the term of this Agreement, administrative dues in the amount specified in the Union's bylaws and to remit said amount to the Union in the following manner.
 - (a) The Union will notify the Employer in writing of the amount of administrative dues specified in the Bylaws, and will submit to the Employer a copy of the Bylaws or the applicable bylaw provision.
 - (b) For each payroll period, the Employer will deduct from the wages of each employee the amount specified in the Bylaws based on the number of hours worked during said payroll period, and will accumulate said deductions to the end of the month.
 - (c) On or before the 15th day of each month, the Employer will remit to the Union, submitted through the Phoenix Painting Trust Fund, the entire amount of administrative dues due and owing as to each employee for the month pervious, together with a list of employees covered hereby and the number of hours worked by each during the applicable period.
 - (d) The Union agrees to indemnify, and save harmless the Employer from any and all claims, demands, suits or any form of liability whatsoever, that arises out of or by reason of action taken or not taken by the Employer in reliance upon the above-reference certifications from the Union.
2. When a signatory Employer performs a job within the jurisdiction of a union affiliated with the I.U.P.A.T. other than the Union signatory hereto and the bylaws of that other union contain a provision for administrative dues or business representative (or Business Manager) "assessment," the Employer shall check-off from the wages of employees covered by this

Agreement and employed on that job administrative dues or Business Representative/Business Manager “assessment” in the amount stated in that other union’s bylaws, and shall remit said amount to that other union. In that event, that other union shall be acting as agent of the signatory union for the purpose of policing and administering this Agreement. In performing the check-off, the procedure specified in Section (1) a-c will be followed, except that it shall be the responsibility of said union to notify the Employer in writing of the amount of administrative dues or Business Representative/Business Manager “assessment” specified in its bylaws, and to submit to the Employer a copy of the Bylaws or the applicable bylaw provision. When the signatory Employer performs a job within the jurisdiction of a union affiliated with the I.U.P.A.T. other than the union signatory hereto, and the bylaws of that other union contain no provision for administrative dues or Business Representative/Business Manager “assessment,” the Employer shall continue to be bound by Section (1).

3. The obligations of the Employer under Sections (1) and (2) shall apply only as to employees who have voluntarily signed a valid dues deduction authorization card.
4. At the time of the employment of any employee, the Employer will submit to each employee for his voluntary signature a dues deduction authorization card to be returned to the union, and a copy is to be retained by the Employer, (this form to be supplied to each Employer by the union).
5. When requested by the Union, the Employer will submit a list of all employees covered by the Agreement who have not signed a dues deduction authorization card, together with the number of hours worked by each such employee during the month previous.

ARTICLE VIII - AGREEMENTS AND WORK ASSIGNMENTS

- A. The Contractor shall be bound by, and make all work assignments in accordance with, any and all craft agreements to which Local Union No. 86 is party or otherwise bound, including agreements with other Local Unions and including agreements between the Union of Painters and Allied Trades and other International Unions. The Contractor shall also make assignments in accordance with decisions rendered by any jurisdiction settlement procedure to which Local Union No. 86 is or becomes party to or bound by, including but not limited to procedures adopted by the Phoenix Building Trades Council for the local settlement or jurisdictional disputes. In no event shall the Contractor be liable for any monetary award or damages.

ARTICLE IX - GRIEVANCE/ARBITRATION

A. GRIEVANCES

1. The Provisions of this Article shall be the exclusive method to be followed by the Union and the employees in the adjustment or settlement of all grievances and disputes regarding the interpretation or application of this Agreement. Any grievance not brought to the attention of the Contractor within five (5) working days after it occurs shall be deemed abandoned and waived. The Employer may not file grievances.

STEP 1 – The grievance shall first be taken up at a meeting between the employee involved and his immediate supervisor. The employee may have Business Agent assistance. If no satisfactory settlement is reached under this step within three (3) working days of the meeting, the grievance shall progress to Step 2.

STEP 2 – The grievance shall be reduced to writing by the Union or by the employee and shall be discussed by the designated representatives of the Union and the designated representative of the Contractor no later than five (5) working days from the Step 1 meeting. If no satisfactory settlement is reached from those discussions, the Union may request in writing binding arbitration. In no event shall this request be made more than thirty (30) days from the occurrence of the grievance.

B. ARBITRATION

1. No grievance arising after the expiration of the contract shall be subject to arbitration. Within five (5) days after receipt of the request for arbitration, the designated representatives of both the Contractor and the Union shall meet and select an arbitrator who resides in Arizona.

(a.) In the event that they are not able to agree to an arbitrator, the services of FMCS will be employed and the arbitrator selected by striking names alternatively by each party.

2. The arbitrator selected in accordance with the above procedure shall decide the dispute and his decision shall be final and binding on the Contractor, the Union and the employee(s), provided the arbitrator shall only have authority to decide if the Contractor violated the terms of this Agreement and what the remedy for the violation shall be, and he shall have no authority to add to, subtract from or modify this Agreement in any way.

3. The Contractor, in no event, shall be required to pay back wages for more than ten (10) working days prior to the date a written grievance is filed. All awards of back wages shall be limited to the amount of wages the employee would otherwise have earned less any unemployment compensation or any other compensation for his services that he may have received from any source during the period.

4. The arbitrator shall render a decision within thirty (30) days from the date of commencement of the hearing. The cost of arbitration shall be borne equally by the Employer and the Union.

ARTICLE X - GENERAL PROVISIONS

A. The Union agrees that if it grants to any employer terms or conditions that are more favorable than those contained herein all Employers party hereto shall be granted the same more favorable conditions. More favorable conditions shall not be granted to any new employer more than one time during the life of this Agreement or any continuation thereof. Variations of wage scales and benefits shall not by themselves be regarded as more favorable treatment if the aggregate of the total labor cost in wages and benefits and conditions is not less than the labor cost as provided by this contract.

B. There shall be no discrimination by reason of race, age, sex, color or creed on the part of the Contractor against any employee; but the Contractor reserves the right to discharge any employee for lawful reasons he deems reasonable.

C. The Union shall furnish and the Contractor shall complete termination slips for all employees when terminated, showing reasons therefore, giving one to the employee and returning one to the dispatching hall at time of termination and retaining one for Company records.

Should any person referred for employment be terminated for cause, his or her referrals privileges shall be suspended for two weeks. Should the same individual be terminated for cause a second time within twenty four month period, his or her referral privileges shall be suspended for two months. Should the same individual be terminated for cause a second time within twenty four month period, his or her referral privileges shall be suspended indefinitely.

D. The Contractor agrees to permit duly accredited representatives of the Union to visit his shop or job at any time during working hours for the purpose of inspecting lists of employees and work being performed in order to determine whether the shop is being conducted in accordance with this Agreement. No unnecessary Union business will be conducted on Company time.

E. Wages, all fringe benefits, working conditions and rules contained in this Collective Bargaining Agreement shall be the standard and total labor cost for the term of this Agreement.

- F. For organizing purposes only, the union may offer more favorable wages and (or) contract terms to potential new signatory contractors provided the following terms are adhered:
1. The Union shall petition all existing signatory contractors via fax and follow-up phone call for approval of the offer to the new contractor. Any contractor not responding to the petition within five (5) days will be considered neutral, and the union shall base the decision to enter into a more favorable agreement with responding contractors. The Union must collect approval from responding contractors who collectively represent 65% of the hours worked in the previous year prior to entering into an agreement with more favorable conditions with a new contractor.
 2. All terms and conditions more favorable than the existing agreement shall be outlined by the union in the petition to be considered by the contractors.
 3. Any more favorable agreement shall be executed within thirty (30) days of approval by the contractors and shall not exceed one (1) year in length. In the event thirty (30) days expires prior to execution, a new petition will be required to gain approval of contractors.

ARTICLE XI - STRIKES, LOCKOUTS, AND PICKET LINES

- A. There shall be no lockout by the Employer or cessation of work by the employees except, however, the Union must take action in the following situations immediately upon notification.
1. Where there is an award or order of an arbiter, which has not been complied with by the offending Employer.
 2. Where an Employer violates the hiring hall provisions set forth in this Agreement.
 3. Where an Employer violates the pay provisions as to wage scales, as to the timely payment of wages, or by failure to pay fringe benefits herein contained.
 4. Where the working conditions are unsafe.
 5. Where the Employer fails to carry and pay Workman's Compensation Insurance and State Unemployment Insurance on all of his employees covered by this Agreement.
 6. Where an Employer discriminates against an employee contrary to the fair practice provisions of the Agreement.

7. Where an employee exercises his right not to cross a picket line in accordance with this section.
 8. The area Local Union shall have the right to stop its members from continuing a flagrant violation of this Agreement.
- B. As to those violations described in 1 through 8 above, the Union has a right to strike or picket the offending Employer. No employee covered by this Agreement shall be required to cross or work behind any lawful, primary picket line. No employee may be discharged or disciplined for refusing to cross or work behind such a picket line, nor shall such a refusal constitute a violation of this Agreement.

ARTICLE XII - WAGES AND HOURS

A. **Wages & Hours – April 1, 2016**

1. **DRYWALL TAPER & TEXTUREMAN**

	<u>ZONE A</u>	<u>ZONE C</u>
Journeyman Commercial	\$ 19.47	\$ 22.97

ZONE B is to be considered as subsistence pay, and no taxes will be withheld on the amount over Zone A wages.

2. **NEW JOURNEYMAN**

- (a.) The New Journeyman will come from ex-members of the Local Union who rejoin, and new members, who have the proper experience, but fails to score at least Eighty Percent 80% on the taper examination.

The “New Journeyman” shall be referred out at Eighty Percent (80%) of the Journeyman rate. The “New Journeyman” will receive full benefits.

New Journeyman shall be required to have 2000 hours of OJL time and meet the following training classes (TBD) in order to advance to journeyman status. Upon completion of 1000 OJL hours and classroom training (TBD) New Journeyman will advance to 90% of Journeyman scale. Upon completion of additional 1000 OJL hours and classroom training (TBD) New Journeyman will advance to the current Journeyman scale.

- (e.) The Contractor's covered work force shall be composed of Thirty Percent (30%) Journeymen. The balance is at the discretion of the Employer.

3. APPRENTICE PAY RATES

An apprentice means a person who is covered by an apprentice agreement with the Phoenix Painters and Decorators Apprentice Program and registered with the State Registration Agency.

An apprentice shall perform any work assigned as outlined in Article V of this agreement under the supervision of a journeyman taper.

If for any reason the apprenticeship agreement is cancelled by the Apprenticeship Program, the apprentice must be immediately reclassified as a pre-apprentice, new journeyman, or journeyman in accordance with the current wage rate for these classifications.

- (a.) Based on Journeyman Commercial rate:

Pre-Apprentice*	\$11.68 per hour
First Period	60%
Second Period	70%
Third Period	80%
Fourth Period	90%

Note: Each period requires a minimum of 1,000 hours of on-the-job training.

*Pre-apprentice shall mean a person who performs preparatory work as sanding of walls, mixing materials, spotting nails, scraping floors, cleaning tools, and any other assistance to a journeyman or an apprentice.

Note: Only Apprenticeship (\$.37) and LMCI (\$.08) is to be paid on Pre-apprentices.

- (b) Apprentice Ratio:

The ratio of apprentices to journeymen shall be 1:1 (one Journeyman for the first apprentice) then a 3:1 ratio thereafter (three Journeymen to every one additional apprentice).

B. FRINGE BENEFITS

1. In addition to the above rates, the following has to be paid to the various Trust Funds:

Health & Welfare Fund	\$ 4.75 per hour
Pension Fund	\$ 1.51 per hour
Apprenticeship Trust Fund	\$ 0.37 per hour
STAR	\$ 0.05 per hour
LMCI	<u>\$ 0.08 per hour</u>
TOTAL	\$ 6.76 per hour

C. JOURNEYMAN WAGE INCREASES

Effective April 1, 2017 (increase \$0.65 per hour)

- Increase hourly wage rate \$0.43 per hour.
- Increase Apprenticeship contribution \$0.05 per hour.
- Increase LMCI contribution \$0.02 per hour.
- Additional \$0.15 if needed will be applied to Health & Welfare, if not needed to fund Health & Welfare it will be applied to the hourly wage.

Effective April 1, 2018 (increase \$0.60 per hour)

- Increase hourly wage rate \$0.40 per hour.
- Increase Health & Welfare contribution \$0.10 per hour.
- Additional \$0.10 if needed will be applied to Health & Welfare, if not needed to fund Health & Welfare it will be applied to the hourly wage.

D. Pre-Apprentices

1. Pre-apprentices will be enrolled from the following sources: Employers and customary sources normally used by the Apprenticeship Office (this includes non-discrimination clauses).
2. In order to provide an adequate number of pre-apprentices readily available, a registration list shall be maintained at the Local Union and/or the Apprenticeship Office.

3. Referrals will clearly designate pre-apprentice status and applicable rate of pay due. Pre-apprentices shall not be referred in any capacity other than pre-apprentice, but may be advanced to journeyman status or re-classified to a registered apprenticed classification.
4. The pre-apprentice shall be assigned by the Contractor to perform any work assigned to the craft within the capability of the individual, and will be used to supplement journeymen, new journeymen and apprentices. No pre-apprentice shall work outside the Contractor's shop (on a construction site) without the direction of a journeyman taper.
5. The starting rate for this classification shall be ELEVEN SIXTY EIGHT (\$11.68) per hour. No benefits will be paid on pre-apprentices except Apprenticeship (\$.37) and LMCI (\$0.08).
6. The parties agree to cooperate in making and keeping reasonable records on the progress of pre-apprentices. Pre-apprentices may be issued I.D. cards showing status.
7. Pre-apprentices cannot be certified on Federal Prevailing Rate Projects.
8. Pre-apprentices shall be evaluated every thirty (30) days in writing, with one copy to be given to the employee and one copy to the JATC.
 - a) The term of pre-apprentices shall not exceed ninety (90) days.

E. FOREMAN

Job Foreman with three (3) to seven (7) men shall receive FIFTY CENTS (\$.50) per hour above Journeyman Drywall Taper wage rate. General Foreman, with eight (8) or more men, shall receive ONE DOLLAR (\$1.00) per hour above the Journeyman Drywall Taper wage rate.

F. ZONE PAY

ZONE A: Free zone – A distance of 0 to 100 public maintained road miles from the old Phoenix courthouse, located at 1st Avenue and Washington Street. The city limits of Prescott shall be considered Zone A.

ZONE B: A distance from 101 and over Public maintained road miles from the old Phoenix courthouse, located at 1st Avenue and Washington Street. THREE DOLLARS AND FIFTY CENTS (\$3.50) per hour over Zone A will be paid for each hour worked.

Zone pay is to be considered an approximate reasonable reimbursement for expenses incurred; a monetary allowance shall be paid to the employee on their regular check, separate from regular hourly earnings, without taxes being deducted on the amount over Zone A wages.

1. Wages and hours to incorporate the following:
To effect all aforementioned zones, bona fide local residents shall have a zone around their residence as described hereinabove. A workman shall not be considered a bona fide local resident unless he meets the resident requirements of a qualified* Arizona voter in the county or precinct which he claims residence.

*One year in Arizona or thirty (30) days in the precinct. A workman may have only one bona fide residence at a time.

2. Mileage on all jobs in Zone B shall be paid at the rate of FORTY-EIGHT CENTS (\$.48) per mile when the employee is required to drive his own vehicle. This expense is an approximate reasonable reimbursement for travel costs and shall be paid to the employee on their regular check, separate from regular hourly earnings, without taxes being deducted.
3. When an employee is transferred by his own employer or between two contractors directly from one project to another, and is not on any payroll during the time of travel, travel time pay shall be computed using as computing points the two respective jobs.
4. Initial travel time to a job is to be paid with the employee's first paycheck. Return travel is to be paid at completion of job, discharge or termination.

G. TARGETED PROJECTS

1. By mutual agreement, the Local Union and the Contractor may target projects to be bid at lesser rates than those above, if necessary to secure the work.
2. The Contractor signing this Agreement shall be advised of these targeted projects. There shall be no less than four (4) or more than eight (8) targeted projects per calendar quarter.
3. If the Local Union cannot supply manpower at agreed targeted projects, then the Contractor may recruit workmen from other sources.

- H. If upon actuarial computation, any of the Trust Funds need additional

monies beyond the contribution levels set forth herein, those monies will be deducted from the wage package.

I. COFFEE BREAK

Each employee may be allowed a 10-minute coffee break between the second and third hour of the work shift, or as work allows. Coffee breaks may be omitted by the employer, after notifying the Union, if the employer determines that certain job-site conditions prove to be inapplicable.

ARTICLE XIII - GENERAL WORK RULES

A. Minimum Day's Pay

Any employee reporting for work at the regular starting time and for whom no work is provided, through no fault of his own, shall be paid for two (2) hours time at the normal rate, unless he has been notified before the end of his last preceding shift not to report or prevented from working by reasons beyond the control of the Contractor, such as inclement weather or completion of the job.

B. Overtime and Holidays

1. All work shall be performed at forty (40) hours per week and as per the Fair Labor Standards Act (Wage and Hour Division).
2. Overtime work is to be performed at ONE AND ONE-HALF TIMES (1 – ½ x) the regular rate of pay.
3. Holiday work is to be performed at DOUBLE TIME (2x) rate. Such work shall be done only on special emergency permit issued by the Board or the Union.
4. Holidays are: New Year's Day, President's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving and Christmas Day. No work is permitted on Labor Day. All the above Holidays are to be celebrated in accordance with the National Monday Holiday Act.
5. When any of the above-mentioned Holidays fall on Sunday, the following Monday shall be observed as the legal Holiday. If the

Holiday falls on Saturday, the preceding Friday shall be observed as the legal Holiday.

C. Manner of Wage Payment

1. All employees shall be paid all monies due them before the completion of their fifth shift following the close of the Contractor's weekly payroll period. Such monies shall be paid in lawful money of the United States by negotiable bank check, dated not later than the day upon which drawn, or through direct deposit when mutually agreed upon between the employer and the employee. Payroll checks shall be payable on demand at any bank located or carrying on business within the State of Arizona. The employer shall deliver the check to the job site or through direct deposit. When direct deposit is provided, the employer will mail or deliver a pay stub to the employee.
2. All employees must have accompanied with their checks, cash or pay envelopes, a statement or check stub with the following information: Contractor's name, employee's name, regular and overtime hours worked, classification, wage rate paid, and payroll period ending.

D. Discharge Pay

1. Employees discharged must be paid in full at the time of their discharge.
2. Quit and Layoff Pay: Employees who quit or are laid off may be paid on the Employer's regular pay period, either by picking up their check on the job or at the Employer's office, or by mail, or through a representative of the Union.
3. No member of the Union shall continue in the employment of any Employer whose paychecks have not been honored or of any Employer who fails to pay on the stipulated payday. He shall not return to work until it is proven that all outstanding paychecks have been honored and satisfactory arrangements for future payment by cash or certified checks have been made.

E. Hours of Work

1. No employee represented by the Union shall be required to report to any shop earlier than thirty (30) minutes, nor to any job earlier than twenty (20) minutes before starting time.

ARTICLE XIV - SEPARABILITY AND DEFENSE

A. Agreement Separability

1. If any provision of the Agreement is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, then that portion which is invalid will be corrected with the approval of both parties, to comply with Federal law, and the remainder of the Agreement to remain as is.

ARTICLE XV - HEALTH & WELFARE

- A. FOUR DOLLARS AND SEVENTY FIVE CENTS (\$4.75) per hour on each hour worked by covered employees shall be contributed to the Phoenix Painting Industry Trust Fund. Health and Welfare receipts are sent to the Trust Fund, which is administered by the Trustees of the Phoenix Painting Industry Trust Fund
- B. Additional language for the implementation of the Affordable Health Care Act is attached to the agreement as "Appendix A"

ARTICLE XVI - PENSION

- A. The only agreement between the Employer(s) and the Union parties to this agreement regarding pensions or retirement for employees covered by this agreement is as follows:
 1. Commencing with the 1st day of April, 2016, and for the duration of the agreement, and any renewals or extensions thereof, the employer agrees to make payments to the P.A.T. International Union and Industry Pension Fund for each employee covered by this Agreement, as follows:
 - (a.) For each hour or portion thereof for which an employee receives pay, the employer shall make a contribution of \$1.51 to the above named Pension Fund; \$1.51 to be allocated to the P.A.T. International Union

and Industry Pension Fund and \$0.00 to be allocated to the P.A.T. International Union and Industry Annuity Plan.

(b.) 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.

(c.) Contributions shall be paid on behalf of any employee starting with the employee's first day of employment in a job classification covered by this agreement. This includes, but is not limited to, apprentices, helpers, trainees, and probationary employees.

(d.) The payments to the Pension Fund required above shall be made to the .PA.T. International Union and Industry Pension Fund, 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 he 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 Article V, Section 6 of the said Agreement and Declaration of Trust.
4. If any Employer fails to make contributions to the Pension Fund within twenty 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 provision thereof to the contrary notwithstanding, and the Employer shall be liable for all costs of collection of the payments due together with attorney 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 and Annuity 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 P.A.T. International Union and Industry Pension Fund as a deduction for income tax purposes.

ARTICLE XVII - APPRENTICESHIP

A. On the effective date of this Agreement, the Contractor will pay THIRTY SEVEN CENTS (\$0.37) per hour for each hour worked by his employees covered hereunder to the Phoenix Drywall Tapers and Finishers Joint Apprenticeship and Training Trust Fund. * Effective 4/1/2013 \$.10 to be forwarded to the IUPAT-FTI Fund.

B. The parties signatory to this Agreement have agreed, that in the interest of promoting the industry through increased participation in Safety Training Awards Recognition Program (STAR) to be funded by a five cents (\$.05) Employer contribution effective April 1, 2014. The sole purpose of the program is to create an incentive for members covered by this Agreement to participate in Training. The parties will create a jointly managed trust fund by executing an Agreement and Declaration of Trust Before then April 1, 2014.

1) The payments to the STAR program required above shall be made at the same time and in the same manner as other Trust Fund Contributions included in this agreement. The Board of Trustees shall administer the STAR program in accordance with the terms of the STAR program Agreement and Declaration of Trust.

2) The Employer hereby agrees to be bound by and to the said Agreement and Declaration of Trust, as though he had actually signed the same.

3) The Board of Trustees of the STAR program shall work with the Board of Trustees of the Joint Apprenticeship and Training Committee (the entity providing training) to coordinate required training to establish eligibility for annual Star program events.

ARTICLE XVIII - TRUST GENERAL PROVISIONS

A. Each Employer agrees to be bound by all the terms and conditions of each of the foregoing Trust Agreements, as amended, creating and establishing the various Trust Funds, and to all amendments and agreements made during the term thereof. Said agreements and amendments shall be deemed incorporated herein by reference. In this connection, and not by way of limitation, it is expressly understood that these agreements or amendments thereto require or may require the payment of costs of collecting payments not made as required above, the payment of stipulated damages, and the posting or depositing of cash bonds to take care of delinquencies. Each Employer expressly agrees to pay for any violation of the terms of the Trust, all costs including Attorney's fees, Accountant's fees, and any other costs including stipulated damages in connection with the collection of the funds and the remedying of delinquencies.

- B. Payments to the Trust enumerated above are due on the first of each month for the preceding month and shall be delinquent if not paid by the 15th unless these terms are varied by general regulations of the Trustees.
- C. Delinquent Payments: An Employer delinquent in the payment of his contributions, operating in receivership or bankruptcy or under the supervision of a creditors committee or under a liquidation of his business, or involved in financial difficulties, shall upon demand of the Labor-Management Board make his reports and contributions to the Trust Funds herein described on a weekly basis. In such cases, the required reports and contributions shall be mailed or delivered to the Trust Funds on the same day as the regular weekly payday.

ARTICLE XIX - BOND

- A. In the event the Trustees determine that the Contractor has violated this Agreement by failing to pay the proper wages and fringe benefits, it shall require the posting of a surety or cash bond of not less than FIVE THOUSAND DOLLARS (\$5,000.00) with the Trustees of the Trust Funds guaranteeing the performance of such provisions of this Agreement. If after such bond has been posted for twelve (12) months, such Employer shall show to the satisfaction of the Trustees of the Trust Funds, it is probable to believe that he will not further violate the Agreement insofar as his obligation to pay wages and fringe benefits is concerned, the bond will be exonerated. Failure to post a bond required hereunder shall release the Union from the “no strike” provisions of the Agreement.
- B. As noted in the preceding Article, contributions to the Trust Funds shall be due not later than the 1st of each month for the hours worked during the preceding month and shall be delinquent if not paid by the 15th of that month, unless the Trustees, in their discretion, adopt some other date.

ARTICLE XX - WORKING RULES AND REGULATIONS

- A. **General Provisions**
 - 1. No journeyman or apprentice shall leave the job before the completion of his shift. However, each shall be allowed five (5) minutes personal clean up time at noon and fifteen (15) minutes clean up time before quitting time.
 - 2. Ice water shall be furnished from May 1st through October 1st of each year.

3. Sanitary facilities shall be, in so far as possible, made available on all jobs.
4. The preparation of materials and equipment and the cleaning up and removal of the same is to be performed within the stipulated shift.
5. Any employee, who may be discharged due to his activity in reporting violations of this Agreement, may immediately appeal to the Union for hearing and redress.
6. The Contractor will deliver all of his equipment and material to the job sites and return to the shop with his own vehicles. No journeyman or apprentice may be required or permitted to supply the Employer with a vehicle to transport material and/or equipment to and from the Employer's shop. Material weighing less than fifty (50) pounds and hand tools required to be provided by the employee are excepted.
7. No employee will lease, rent or furnish the Contractor with equipment, such as trucks, compressors, texture spray rigs, bazookas, squeeze boxes, anglers, glaziers, floaters and pole sanders.
8. No employee shall work for less money than the rate set forth for his classification.
9. Contractors, employees, or agents of either shall not accept or give directly, or indirectly, a rebate on wages or stock shares or other gratuities in lieu of wages.
10. No employee shall be required to perform work for his Employer on his own time.

ARTICLE XXI - SHOP CARDS

- A. On and after the date of signing this Agreement, the Contractor although a party hereto, must be registered through an authorized representative or representatives of the Union. Each registration shall call for issuance of a serially numbered Shop Card. Shop Cards shall be issued upon signing the agreement and shall expire on the 31st day of March 2016. The Shop Card is issued by the Union to indicate that the person to whom it is issued is a party to this Agreement.
- B. The Union shall issue special Shop Cards to General Contractors for employees to do drywall taping on their own construction work, providing they comply with all the rules laid down for drywall Contractors and have a Contractor's license in compliance with State License Laws.

ARTICLE XXII - TERM, AMENDMENTS AND RENEWAL

A. Term

This Agreement shall take effect April 1, 2016 and shall be in effect through March 31, 2019.

B. Termination or Renewal

Either party desiring to terminate the Agreement or to change its terms, shall notify the other in writing not more than ninety (90) days nor less than sixty (60) days prior to March 31, 2019. If such notice is not given, this Agreement shall be renewed for the period from April 1, 2019 through March 31, 2020, and from year to year thereafter until terminated at the end of a yearly period by notice in writing by either party, delivered to the other party not more than ninety (90) days nor less than sixty (60) days before the end of such yearly period.

C. Amendments

This Agreement may be amended in all aspects except as to hours and wages by concurrence of the Contractor and the Union.

Any amendment or addition to this Agreement made pursuant to the terms hereof shall be binding on all parties signatory hereto, if in writing.

Signature

Signature

Company Name

IUPAT
District Council 15, Local Union 86

Date

Date

APPENDIX A

If implementation of the Affordable Health Care Act creates opportunity for more beneficial means for providing health insurance coverage, either party, after December 31, 2013, may request the other to meet for the purpose of discussion over changes to the provisions of the Phoenix Painting Industry Trust Fund (Health and Welfare Fund). If such a request is made, the parties shall meet at reasonable times to confer in good faith, however, neither party shall be obligated to negotiate any change to any other term of this Agreement. Any changes, provisions and or modifications to the Phoenix Painting Industry Trust Fund would require agreement between the Union, Employer and Trust Fund.

During the process of implementation of Health Care Reform laws during the period covered by this Memorandum of Understanding (4/1/2013 through 3/31/2016), it will be necessary for large companies, as defined by Health Care Reform laws, to ensure collectively bargained employees and non-collectively bargained employees have a uniform Standard Measurement Period (in length and in starting and ending dates) in order to avoid penalties. This will require open dialog with union representatives at the time these periods need to be established by the company to ensure the union uses the same Standard Measurement Period as the company. A "measurement period" is the look-back time period that cannot be shorter than three (3) months, nor longer than twelve (12) months, during which hours are calculated to determine whether an employee has averaged at least 30 hours per week for determining eligibility for group health insurance coverage.

The Employer may not unilaterally implement changes in the contribution rate, nor lock-out bargaining unit employees or take any other economic action in support of its bargaining position. The Union shall not engage in any strike or slowdown activity as an economic tool for bargaining.