

**SCHOLARSHIP LOAN AGREEMENT  
BETWEEN  
APPRENTICE  
AND  
LOCAL UNION NO. 125 JATC FUND**

WHEREAS, the Local Union No. 125 JATC Fund (hereinafter "JATC") sponsored by Local Union 125 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (U.A.) and Cedar Rapids area, Dubuque area, and S.E. Iowa area Chapter of the Mechanical Contractors Association of Iowa, Inc. ("MCAI") and undersigned apprentice (hereinafter "Apprentice") understand and agree that the JATC will expend significant sums of money for the training of the Apprentice in the specialized skills necessary for employment in the Plumbing and Pipefitting Industry; and

WHEREAS, those sums of money will result in a substantial direct benefit, as well as a substantial indirect and intangible benefit, to the Apprentice from this training, which is valued, at a minimum, in the amount set forth in Paragraph A hereto (the "Scholarship Loan"); and

WHEREAS, the JATC will grant a Scholarship Loan to the Apprentice in the amount set forth in Paragraph A hereof for the first year of the Apprentice's training; and

WHEREAS, the Scholarship Loan amount for the Apprentice's subsequent years of training will be calculated on or before the anniversary date of this Agreement and a new Agreement and Promissory Note for that amount will be sent to the Apprentice and the Apprentice agrees to promptly execute such new Agreement and Promissory Note; and

WHEREAS, the Apprentice hereby understands and agrees that the Apprentice assumes certain obligations arising out of the training provided by the JATC, including the obligation to repay the total Scholarship Loan made to the Apprentice by the JATC for all years of the training, and

WHEREAS, the Apprentice will repay the Scholarship Loan to the JATC pursuant to the terms set forth herein by either cash payments or in-kind credits received by working in the Plumbing and Pipefitting Industry under the terms of the Collective Bargaining Agreements that provide for the payment of contributions by employers to the Joint Apprenticeship and Training Committee or Education Fund, which funds the JATC;

NOW, THEREFORE, the JATC and Apprentice hereby agree for the good and valuable consideration set forth herein, as follows:

me to repay, in cash, a pro-rata portion of the above amount corresponding to the value of the training I received prior to termination.

D. I further agree that I will forfeit the right to receive further payment credits under Paragraph A of this Note in the event I leave the Plumbing and Pipefitting Industry and decide to pursue employment in a field or occupation outside of the Plumbing and Pipefitting Industry either during the term of my training period or subsequent to the completion thereof, and I will repay to the committee the pro-rata portion of the above amount then unpaid corresponding to value of the training I received, reduced by any payment credit I have received pursuant to Paragraph A hereof, or by any cash payments I have made.

E. I agree that any controversy or claim arising out of or relating to this Agreement, or any other Scholarship Loan Agreement between the parties, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with Title 9 of the United States Code (Federal Arbitration Act) and the commercial Arbitration Rules of the American Arbitration Association and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be empowered to enjoin any act or practice that violates the terms of this Agreement, and to award any and all relief necessary to redress such violations or to enforce any of the terms of this Agreement, including awarding monetary relief for all losses sustained as a result of such violations. Any monetary award in an arbitration initiated under this clause shall also include pre-award interest at the prime interest rate then prevailing at the Cedar Rapids Bank and Trust in Cedar Rapids, Iowa, from the date of this Agreement. The arbitrator shall also award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees.

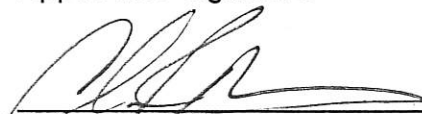
I hereby agree and covenant to accept personal service and jurisdiction of any competent court determined by the JATC by the mailing of a copy of the Complaint brought pursuant to this Agreement to my current address provided in the Scholarship Loan Agreement:

Apprentice- Printed Name



Chairman (JATC) Signature

Apprentice Signature



Training Director Signature

Date of Signing

- A. Scholarship Loan: The JATC and the Apprentice hereby agree that: the cost of the training, including but not limited to, necessary equipment, maintenance and cost of operating the training facility, instructors' salaries (wherein applicable), and related materials, for the year of training covered by this Agreement is \$5,000; 2) the amount of the Scholarship Loan for the first year of training covered by this Agreement is \$5,000; and 3) the Apprentice will execute this Agreement and the Promissory Note in the amount of \$5,000 attached hereto, and deliver such executed Agreement and Promissory Note to the JATC prior to the commencement of training.
- B. Term of Training: The JATC will provide training worth at least the amount loaned to the Apprentice hereby during the period from August 26, 2013 till July 31, 2014.
- C. Subsequent Years of Training: The Committee and the Apprentice hereby agree that the cost of the training, necessary equipment, maintenance and cost of operating the training facility, instructors' salaries (where applicable), and related materials for each subsequent year of training shall be calculated by the JATC on or before the anniversary date of this agreement. That calculation shall be the amount for a new Agreement and Promissory Note that the Apprentice shall execute for that year of training. A separate Agreement and Promissory Note shall be signed for each year of training.
- D. Repayment of Scholarship Loan: The Scholarship Loan may be repaid by the Apprentice in full either in cash, as set forth in the Promissory Note attached hereto, or by in-kind credits, as set forth in Paragraph H below.
- E. Warranty of the Apprentice: The Apprentice agrees and warrants as a condition of receiving the Scholarship Loan that, both during the period of training provided for in this Agreement and upon completion of the training provided pursuant to this Agreement, the Apprentice will neither seek nor accept employment from an employer engaged in, nor become an employer engaged in, the Plumbing and Pipefitting Industry or any other work covered by the Constitution of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (United Association), unless such employment is performed under the terms of a collective bargaining agreement that provides for the payment of contributions by such employer to the Local Union No. 125 JATC Fund or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the United Association.
- F. Breach of this Agreement: It will constitute an immediate breach of this Agreement if the Apprentice accepts employment in the Plumbing and Pipefitting Industry from an employer, that is or becomes an employer, that does not have a collective bargaining agreement which provides for the payment of contributions to the Local Union No. 125 JATC Fund or to another Joint Apprenticeship and

Training Committee sponsored by or affiliated with a local union of the United Association.

- G. Termination from Training Program: In the event that the Apprentice's training agreement is terminated by either the Apprentice's voluntary action or by the action of the JATC during the period of training provided for in this Agreement, the JATC may require the Apprentice to repay, in cash, the pro-rata portion of the amount of the Scholarship Loan specified in Paragraph A of this Agreement corresponding to that period of training received by the Apprentice. The Apprentice shall incur an obligation to repay to the JATC the pro-rata portion of the amount of the Scholarship Loan then unpaid corresponding to the amount of training received in the event the Apprentice leaves the Plumbing and Pipefitting Industry and decides to pursue employment in a field or occupation outside of the Plumbing and Pipefitting Industry either during the term of the training period specified herein or subsequent to the completion thereof.
- H. Repayment by In-Kind Credits: An Apprentice, who works pursuant to a collective bargaining agreement for an Employer making payments to the Local Union No. 125 JATC Fund or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the U.A., subsequent to his successful completion of the training provided for in this Agreement, shall receive a credit for each "journeyman working year" of such employment in accordance with the Repayment Schedule set forth in the Promissory Note attached hereto. The amount due the JATC for the Scholarship Loan will be reduced by such amount in accordance therewith. For purposes of this paragraph, a "journeyman working year" is hereby defined as 1,700 hours of employment with Employers who make contributions on the Apprentice's behalf to Local Union No. 125 JATC Fund or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the U.A. performed subsequent to the Apprentice's successful completion of the training provided for in this Agreement. The total in-kind repayment obligation of the Apprentice shall not exceed 8,500 "journeyman working hours," with contributing employers in the Plumbing and Pipefitting industry from the date of the completion of the Apprentice's training.
- I. All Amounts Due and Payable if Breach Occurs: If the Apprentice breaches this Agreement, all amounts due and owing on the Scholarship Loan, reduced by any credit received by the Apprentice pursuant to Paragraph H hereof, or by any cash payments made, will become immediately due and payable, together with interest at the prime interest rate then prevailing at the Cedar Rapids Bank and Trust in Cedar Rapids, Iowa, from the date of this Agreement, and all costs of collection hereof, including reasonable attorneys' fees and all arbitration and court costs.

Any controversy or claim arising out of or relating to this Agreement or any other Scholarship Loan Agreement between the parties, or the breach thereof, shall be

settled by arbitration administered by the American Arbitration Association in accordance with Title 9 of the United States Code (Federal Arbitration Act) and the Commercial Arbitration Rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be empowered to enjoin any act or practice that violates the terms of this Agreement, and to award any and all relief necessary to redress such violations or to enforce any of the terms of this Agreement, including awarding monetary relief for all losses sustained as a result of such violations. Any monetary award in an arbitration initiated under this clause shall also include pre-award interest at the prime interest rate then prevailing at the Cedar Rapids Bank and Trust in Cedar Rapids, Iowa, from the date of this Agreement. The arbitrator shall also award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" meaning all reasonable pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees.

The Apprentice further agrees and covenants to accept personal service and jurisdiction of any competent court determined by the JATC by the mailing of a copy of the Complaint brought pursuant to this Agreement to the current address provided in Paragraph K herein.

- J. Waiver of Breach: An inadvertent breach of this Agreement can be waived in writing by the JATC in its sole discretion, and a waiver of such inadvertent breach of this Agreement will not be unreasonably withheld by the JATC.
- K. Notice: All notices under this Agreement will be sent to the JATC and Apprentice as follows:

Apprentice: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City State Zip

Committee: Local Union No. 125 JATC Fund  
5101 J Street SW  
Cedar Rapids, Iowa 52404

The Apprentice hereby agrees to promptly notify the JATC of any change in the Apprentice's address.

- L. Plumbing and Pipefitting Industry: As used herein, the term "Plumbing and Pipefitting Industry" means any and all types of work covered by collective bargaining agreements to which the United Association of Journeymen and Apprentices of the Plumbers and Pipefitters Industry of the United States and Canada, and/or any affiliated Local Union are a party, or under the trade jurisdiction of the U.A. Constitution; or any other work to which a Plumber or Pipefitter has been assigned, referred or can perform by virtue of possessing the skills and training of a plumber and/or pipefitter.

Signed and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By:  \_\_\_\_\_  
Chairman of Joint Apprenticeship and Training Committee

By: \_\_\_\_\_  
Apprentice

## APPRENTICE PROMISSORY NOTE

For value received in the form of education and training in the specialized skills necessary for employment in the Plumbing and Pipefitting Industry, I, \_\_\_\_\_, promise to pay to the Local Union No. 125 JATC Fund, five thousand dollars (\$5,000.00) in the manner hereafter provided.

A. For each "journeyman working year" of employment I work pursuant to a collective bargaining agreement for an Employer making payments either to the JATC or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the U.A., I will receive a payment credit in accordance with the Repayment Schedule set forth below, and the amount due will be reduced in accordance therewith. For purposes of this paragraph, a "journeyman working year" is hereby defined as 1,700 hours of employment within a twelve month period with Employers who make contributions on my behalf to this JATC or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the U.A., so long as such employment occurs after my successful completion of all the training provided by the JATC training program.

<u>Repayment Schedule</u>				
Journeyman Working Hours	Percent of Total Reduced	Annual Amount Reduced	Cumulative Amount Reduced	Net Amount Due
1700	20%	\$1,000	\$1,000	\$4,000
3400	20%	\$1,000	\$1,000	\$3,000
5100	20%	\$1,000	\$1,000	\$2,000
6800	20%	\$1,000	\$1,000	\$1,000
8500	20%	\$1,000	\$1,000	\$ 0

B. I agree I will forfeit the right to receive further payment credits under Paragraph A of this Note, and that all amounts due and owing, reduced by any credit I have received pursuant to Paragraph A hereof, or by any cash payments I have made, will become immediately due and payable if I accept employment in the Plumbing and Pipefitting Industry from an employer that is, or becomes, an employer that does not have a collective bargaining agreement which provides for the payment of contributions either to the Local Union No. 125 JATC Fund or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the U.A.

C. I further agree that I will forfeit the right to receive further payment credits under Paragraph A of this Note if I voluntarily terminate my training agreement or it is terminated by the JATC prior to its successful completion, and the JATC may require