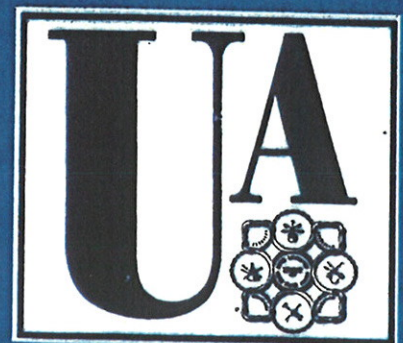


National Mechanical and Plumbing Equipment/System Service & Maintenance Agreement



Effective June 1, 1998 - May 31, 2001

**NATIONAL MECHANICAL AND PLUMBING
EQUIPMENT/SYSTEM SERVICE AND
MAINTENANCE AGREEMENT**

Effective June 1, 1998 - May 31, 2001

**UNITED ASSOCIATION OF JOURNEYMEN AND
APPRENTICES OF THE PLUMBING AND PIPE FITTING
INDUSTRY OF THE UNITED STATES AND CANADA**

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1. This Agreement entered into this 1st day of June, 1998, by and between the Union-Affiliated Contractors of the Plumbing-Heating-Cooling Contractors - National Association, hereinafter referred to as UAC, or "Employer" and in behalf of its respective members who qualify and become signatory to this Agreement, and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO, hereinafter called the "Union."

a) WHEREAS, the Employer is a contractor engaged in activities within the scope of work defined by this Agreement;

b) WHEREAS, the Employer has employed, now employs, and will employ employees represented by the Union for the performance of such work;

c) WHEREAS, the parties recognize that local or area mechanical and plumbing equipment/system service and maintenance agreements have been or will be entered into and such agreements will provide wage rates, fringes and working conditions that are competitive; and

d) WHEREAS, the parties desire to provide for the training of employees represented by the Union in the mechanical and plumbing equipment/system service and maintenance field and to establish stable and harmonious labor relations to the end that essential service and maintenance functions will be performed without interruption for the industry and the public.

e) The employer is solely responsible to assure that all rules, regulations and/or codes regarding licensing/permitting are adhered to by parties to this Agreement.

f) NOW, THEREFORE, the parties and the Union, in consideration of the promises and covenants set forth in this Agreement, agree as follows:

ARTICLE I Recognition

2. The Employer recognizes the Union as the sole and exclusive bargaining representative for all Mechanical and Plumbing Equipment/System Service and Maintenance Journeymen who are hereinafter called "Service Journeymen"; all Mechanical and Plumbing Equipment/System Servicemen who are hereinafter called "Servicemen"; all Mechanical and Plumbing Equipment/System Service and Maintenance Apprentices hereinafter called "Service Apprentices"; all Mechanical and Plumbing Equipment/System Service and Maintenance Tradesman who are hereinafter called "Tradesmen" and any other service and maintenance classifications designated by this Agreement or any supplemental agreements for employees engaged in the work described in this Agreement other than supervisors as defined in the National Labor Relations Act, as applicable, in the employ of the Employer in respect to wages, hours, and other terms and conditions of employment, on any work in the mechanical and plumbing equipment/system service and maintenance industry described in this Agreement. The Union recognizes the Union-Affiliated Contractors of Plumbing-Heating-Cooling Contractors - National Association as the exclusive bargaining agent for all companies signatory to this Agreement.

**ARTICLE II
Union Security**

3. All members of the Union now in the employ of the Employer shall remain members in good standing in the Union during the term of this Agreement. Employees in all classifications covered by this Agreement and hereinafter employed by the Employer shall become members of the Union on the earliest date provided by applicable federal law after their employment, or the date of signing of the contract by the Employer, whichever is later. This article shall be effective to the extent permitted by applicable state and federal laws.

**ARTICLE III
Union Representation and Access to Jobs**

4. Authorized representatives of the Union shall have access to the work where employees covered by this Agreement are employed, providing they do not unnecessarily interfere with the Employer's employees, customers' employees, or cause them to neglect their work, and further provided such Union representative complies with customer rules.

**ARTICLE IV
Geographical Territory and Trade Jurisdiction**

5. All questions relating to the geographical territory and trade jurisdiction of a local union or local unions, or questions relating to open territory shall be decided by the Union.

**ARTICLE V
Scope of Work
Mechanical and Plumbing Equipment/System Service and Maintenance**

6. This Agreement shall apply to and cover all work described below performed by the Employer and all its subsidiaries and branches in the United States.

a) This Agreement covers the rates of pay, fringe benefits, hours and working conditions of all employees, engaged in the performance of mechanical and plumbing equipment/system service and maintenance work normally performed by outside contractors, either by contracts or on an emergency call basis, who are equipped to handle all work relating to mechanical and plumbing equipment/system service and maintenance of all air conditioning, heating, ventilating, building automation, refrigeration, plumbing and/or piping systems, including but not limited to, boilers, pumps, refrigeration equipment, fans, coils, cooling towers, controls, sanitary drainage systems, potable water systems, fixtures, grey water systems, irrigation systems, gas systems and similar building utilities necessary for habitation and use. Service and maintenance shall include, but not be limited to, all the maintaining, cleaning, adjusting, repairing, altering, overhauling, dismantling, reconditioning, replacing, modifying, renovating, evacuating, charging, inspecting, operating, starting, calibrating and balancing of any system or component part thereof, regardless of size or location, including all other service and maintenance work

assigned to the Employer by the customer in a currently operating facility. Temporary installed systems are to be considered service work.

b) Any other work in the control of the Employer signing this Agreement that falls in the jurisdiction of the Union, but not in the scope as outlined herein as being operation or service and maintenance, shall be done in accordance with the prevailing building trades agreement of the local union having jurisdiction for that type of work.

7. Nonbargaining unit employees of the Employer or the Employer's vendors or contractors may perform work of a technical nature related to testing, monitoring and diagnosing performance problems, computer and communication systems or for the purpose of instruction and training.

ARTICLE VI Subcontracting

8. In order to secure work for employees working for the Employer under this Agreement, and in order to protect wages and working conditions of such employees, the Employer shall make every reasonable effort to overhaul all machinery, appliances, fixtures, and equipment with employees covered by this Agreement. However, the Employer reserves the right to subcontract any or all work referred to herein, after reasonable documented effort has been made to perform the work with employees covered by this Agreement or the local agreement.

9. The Union and the Employer understand the customer may, at his discretion, choose to perform or directly subcontract for any part or parts of the work herein described. The Employer's obligation under this Agreement refers only to work that the Employer has contracted to perform.

ARTICLE VII Management Rights

10. The management of the Employer's business, including, but not limited to, the direction of the working force, the right to hire, to plan, direct, control and schedule all operations (including the scheduling of the work force), the right to establish, eliminate, change or introduce new or improved methods, machinery, quality standards, or facilities is the sole and exclusive prerogative and responsibility of the Employer. All rights not specifically nullified by this Agreement are retained by the Employer.

11. The Employer is vested with the right to relieve employees from duty because of lack of work or other legitimate reasons, to promote, suspend, demote, transfer, discipline, or discharge for cause in line with this Agreement.

ARTICLE VIII
Classification of Employees

12. Mechanical and Plumbing Equipment/System Service and Maintenance Journeymen must be skilled craftsmen in their trade, and have a minimum of five (5) years actual, practical working experience as a Serviceman in the plumbing and pipefitting and/or mechanical equipment/system service, HVAC and refrigeration maintenance industry. He may be required to pass a satisfactory examination as to his special skill. He shall be allowed to perform all of the work covered under this Agreement including, but not limited to, all the scope of work set forth for Servicemen, Service Apprentices and Tradesmen.

13. Mechanical and Plumbing Equipment/System Service and Maintenance Servicemen must have a minimum of five (5) years actual, practical working experience in the mechanical plumbing equipment/system service and maintenance field. He may be required to satisfactorily pass an examination as to his special skills. His scope of work shall include service and maintenance of all residential, commercial refrigeration, air conditioning and heating equipment including rooftop units of all sizes, low pressure steam and water boilers, all package air handling units, all air and water systems, control systems and built up refrigeration and air conditioning systems, excluding repair of centrifugal, absorption, open-drive screw chillers and ammonia refrigeration systems. Mechanical and Plumbing Equipment/System Service and Maintenance Servicemen may assist Mechanical and Plumbing Equipment/System Service and Maintenance Journeymen in the repair of centrifugal and absorption machines, open-drive screw chillers, ammonia refrigeration systems, hot water heaters, converters, pumps, grinders, washers and other equipment, fixtures and systems associated with plumbing and gas installations for the purpose of training in these technical skills.

14. Mechanical and Plumbing Equipment/System Service and Maintenance Apprentices shall be governed by the local service agreement, except that they shall, after their first year of apprenticeship, be allowed to perform all work limited only by their capabilities, as defined as being work in the mechanical and plumbing equipment/system service and maintenance field, and they shall be under the direction of a qualified Serviceman or Service Journeyman.

15. Mechanical and Plumbing Equipment/System Service and Maintenance Tradesmen must be qualified to perform and shall be allowed to perform the work listed below:

All routine maintenance and inspections regardless of size or location of the mechanical and plumbing equipment fixtures and systems being inspected or maintained, where this work is done as a periodic routine service, inspection and maintenance procedure by the Employer, such as:

- a) Systems operation under contract with customer
- b) Filter changing and maintenance thereof
- c) Oil and greasing
- d) Belt adjusting or replacement
- e) Cleaning of cooling towers, coils, evaporator and condenser tubes and water treatment
- f) General housekeeping
- g) Delivery and truck driving of parts or equipment

- h) Cleaning and routine maintenance of:
 - solar energy equipment;
 - HVAC power electronics control devices; and
 - building controls
- i) Indoor Air Quality (IAQ) related work including:
 - duct systems;
 - drain pans
- j) Replacement of all residential equipment, appliances and plumbing systems
- k) Sanitary plumbing systems
- l) Drain and sewer opening through cabling, flushing or other means
- m) Installation of all residential single unitary heating, air conditioning and ventilation systems
- n) In an area where a problem exists with non-Union competition, by mutual agreement, the scope of tradesmen duties may be expanded to meet local conditions

ARTICLE IX

Wages, Benefits and Hours of Work

16. Eight (8) consecutive hours per day shall constitute a standard work day with a flexible starting time between 6:00 a.m. and 10:00 a.m. Forty (40) hours per week, five (5) consecutive days, Monday through Saturday, shall constitute a week's work. By mutual agreement between the union and the employer, a work week may be established to consist of four (4) consecutive ten (10) hour days, Monday through Saturday.

17. The Employer shall determine for any employee the starting and quitting time of a normal established work day of eight (8) hours with an unpaid lunch period not to exceed one (1) hour.

18. All time worked before and after the established work day, Monday through Saturday and all work performed on Sundays and holidays shall be paid at time and one-half.

19. For all employees covered by this Agreement, wage rates, workmen's compensation, hours of work, shifts, shift premiums, overtime, overtime premiums, reporting pay provisions, pay differentials and contributions or deductions for plans, programs, or funds, for union dues, pensions, health and welfare, training, vacations and holidays, supplemental unemployment benefits, sick pay, severance pay, and industry promotion shall be in accordance with the established applicable local mechanical and plumbing equipment/system service and maintenance agreements; provided, however, that if the provisions of said local agreement are in conflict with this Agreement, including "Schedule A", this Agreement shall prevail. Payments and contributions to the International Training Fund and the Union-Affiliated Contractors - Plumbing-Heating-Cooling Contractors - National Association shall be in accordance with the provisions of Articles XX and XXI of this Agreement, without regard to the provisions of any local mechanical and plumbing equipment/system service and maintenance agreement.

20. In agreeing to pay to fringe benefit funds for employees established in local mechanical and plumbing equipment/system service and maintenance agreements, the Employer hereby adopts and agrees to be bound by the written terms of such legally established local trust agreements specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds. The Employer authorizes the parties to such local trust agreements to appoint Trustees and successor Trustees to administer the trust funds and hereby ratifies and accepts the Trustees so appointed as if

made by the Employer. Nothing contained in this paragraph is intended to require the Employer to become a party to, nor be bound by the local collective bargaining agreement except for the fringe benefit fund contributions and other monetary payments and conditions as required herein, nor is any signatory Employer required hereby to assign his bargaining rights or become a member of any employer group or association as a condition for making such contributions.

21. Mechanical and Plumbing Equipment/System and Maintenance Service Journeymen - Rate of pay and fringes, as specified in the bona fide local union service agreement for Service Journeymen.

22. Mechanical and Plumbing Equipment/System and Maintenance Servicemen - Rate of pay which shall be 60% to 90% of a Service Journeyman and fringes, as negotiated per Article XIII, Paragraph 51.

23. Mechanical and Plumbing Equipment/System and Maintenance Service Apprentices - The percentage of apprentice wages shall be as negotiated in the local agreement.

24. In areas where no bona fide local service and maintenance agreement exists or where such local agreement does not establish the wage rate and fringes for the tradesman classification, the basic hourly wage rate for Mechanical and Plumbing Equipment/System Service and Maintenance Tradesmen shall be established by the "Schedule A". All Tradesmen shall be carried by the Employer on the Plumbers and Pipefitters National Pension Plan. The Employer shall contribute a minimum of one dollar (\$1.00) per hour for each hour worked by Tradesmen to the Plumbers and Pipefitters National Pension Plan. The Employer may carry all such employees on a health/welfare plan from an alternate source as approved by the Union.

25. Probationary Service Employees - The Employer is free to establish the rate of compensation for each individual Probationary Service Employee based on experience and training. Probationary period shall not exceed sixty (60) days and such employees will be hired with the mutual agreement of the Home Local Union for purposes of evaluating the employee.

26. Pay day shall be once each week no later than the fifth day following the end of the Employer's weekly payroll period. However, if mailed, Employers will mail such checks no later than the third working day following the end of the Employer's weekly payroll period. Employees are to be paid at the option of the Employer and signed permission of Employee in cash, by electronic or automatic deposit or negotiable payroll check. When employees are laid off or discharged, they shall be immediately paid all wages due.

27. The recognized holidays within the terms of this Agreement shall be as provided for in the local agreement, or local service and maintenance agreement where one exists, at the location where the employee is working at the time such holidays occur.

28. When an employee is assigned to work service and maintenance work outside his home local union, and when basic hourly mechanical and plumbing equipment/system service and maintenance agreement rates differ from those of his home local union, the higher rate shall apply.

29. All of the legally negotiated fringe benefit contributions, or deductions under the employee's home local union's agreement, shall be paid only to the Trustees of the Fringe Benefit Funds of his home local union.

30. No employee shall receive any change in union classification or any reduction in basic wage rate or fringes in their present employment as a result of this Agreement.

31. Employees shall receive two (2) hours pay at the straight time rate, including fringe benefits, for Saturday on-call, and two (2) hours pay at the straight time rate, including fringe benefits, for Sunday and holiday on-call. If the employee is called out, the two (2) hours on-call pay for that day shall be applied to the hours worked that day. All hours worked in excess of the normal work shift shall be paid at the overtime rates, including fringe benefits. On-call shall be on a minimum basis of seven (7) consecutive days.

32. If the Employer fails to make contributions to the local trust funds set forth in Article IX, the Employer shall be liable for all costs of collecting the payments together with attorneys and audit fees, interest at the highest rate permitted by the state in which the delinquency occurred, and such late payment fees and liquidated damages as may be assessed by the trustees. If an Employer fails to make contributions to any of the Funds set forth in Article IX, such failure shall be grounds for termination of this Agreement according to the provisions established for termination in Paragraph 90.

33. Contractors signatory to this agreement, performing work on any job where there is other service and/or maintenance work being done that is within the work jurisdiction of a maintenance and service agreement and/or a national maintenance agreement or project maintenance agreement, shall pay the higher wage.

ARTICLE X Temporary Shift Work Conditions

34. When so elected by the Employer, multiple eight (8) hour shifts, on a temporary basis, may be worked. When two (2) or three (3) shifts are worked, the first eight (8) hour shift shall be the day shift and shall be paid at the straight time hourly rate of pay. The second and third eight (8) hour shifts shall each be paid at 15% above the straight time hourly rate of pay. Temporary shift shall be for a minimum of three (3) consecutive days.

35. All time worked before and after the regularly established shift hours in any twenty-four (24) hour period, Monday through Saturday, and all time worked on Sundays and holidays shall be paid at time and one-half the straight time hourly rate of pay.

ARTICLE XI Permanent Shift Work Conditions

36. For plants, complexes and/or projects, a four-cycle shift system may be operated when work is performed on a seven (7) day continuing basis. The names of those men employed on

permanent shifts will be published, showing shift rotation and the working shift or the day off for each man, for a period of at least three (3) months.

37. The shift rate premium for the second shift shall be paid at 10% above the first shift rate of pay and the shift rate premium for the third shift shall be paid at 15% above the first shift rate of pay.

38. The standard workday under permanent shift work conditions shall be eight (8) hours of continuous employment, including a one-half (½) hour paid lunch period. Forty (40) hours per week shall constitute a week's work. All time worked in excess of eight hours per day and all time worked on either one of the two scheduled off days shall be paid for at time and one-half.

ARTICLE XII Hiring and Use of Men

39. For purposes of this Agreement, the words "Home Local Union" shall mean any local union from which the Employer has requested the dispatch of an employee, or for benefit identification purposes, the local union from which an employee has been dispatched to the Employer.

40. The Employer will first request the home local union for qualified personnel. The home local union, upon such request, agrees to furnish at all times to the Employer duly qualified Mechanical and Plumbing Equipment/System Service and Maintenance Journeymen, Servicemen, Service Apprentices and Tradesmen, including Journeymen with special skills, where applicable, in a sufficient number, as determined by the Employer, to properly execute all work covered by this Agreement.

41. In the event the local union having jurisdiction is unable to supply the requested number of qualified and competent Service Journeymen, Servicemen, Service Apprentices or Tradesmen and other employees as herein described, the Union, upon request by the local union, agrees to notify its other local unions of the availability of work and will request these local unions to refer such qualified employees to the Employer.

42. If neither the local union nor the Union is able to supply competent and skilled Employees satisfactory to the Employer within forty-eight (48) hours, the Employer may hire such persons wherever available, subject to the provisions of Article II and train such men to perform the work required. It is understood that consideration for such employment and training shall be given to Employees with previous experience in the plumbing and pipefitting industry and/or the mechanical and plumbing equipment/system service and maintenance industry.

43. The Employer shall retain the right to reject any applicant referred by the union. The Employer shall retain the right to terminate any employee for just cause providing Employer so states in a termination notice.

44. The selection of applicants for referral to jobs shall be on a nondiscriminatory basis, and shall not be based on, or in any way affected by union membership, bylaws, rules, regulations, constitutional provision, or by any other aspect or obligation of union membership, policy or requirement; no distinction in treatment should be made based on religion, color, age, national origin, sex, handicap status, Vietnam era, or disabled Veteran's status, or any other basis prohibited by law.

45. It is agreed that with regard to the pre-hire testing of applicants for employment, for drugs and/or alcohol, that the current Policy of the Building and Construction Trades Department, AFL-CIO, Regarding Pre-Hire Testing of Applicants for Employment is adopted as part of this Agreement; a copy of the 1989 Policy is shown in the Appendix.

46. The Employer may use the Mechanical and Plumbing Equipment/System Service and Maintenance Servicemen for initial start-up of newly installed systems, provided they are members, or have notified the local union having jurisdiction in that area, and also provided the working hours, fringes, conditions and rate of pay are adhered to for this type of work as stipulated in the master construction agreement of the local union having jurisdiction where the work is being performed. When the Employer dispatches employees from their home local union area for new start-up work, employees shall be permitted to work with the tools, and if they should need any extra help, shall obtain such help from the local union having jurisdiction, if qualified help is available.

47. The Employer may, at his discretion, for work covered under the scope of this Agreement, assign the first three employees from the Employer's regular work force to work on each service job within the territorial jurisdiction of another local union. The next two employees shall be from the local union jurisdiction, with one employee at a time being assigned, as needed. Thereafter, additional employees shall be hired on an alternating basis from the Employer's regular work force and the local union jurisdiction, to a maximum of five from the Employer's regular work force, unless a larger number is agreed to in writing between the Employer and the local union where the job is being done.

48. When any work is being performed in the jurisdiction of a local union by anyone other than a member of that local union for more than eight (8) hours, the local union having jurisdiction must be notified. These employees shall not pay any working assessments and/or travel card dues unless the employee is scheduled to work on a job for a period exceeding thirty (30) working days or if the job is scheduled for more than thirty (30) working days.

49. The first employee of an Employer may be an apprentice. The Employer shall then be allowed a total of two apprentices for the first five (5) Service Journeymen and/or Servicemen. Thereafter, the Employer shall be allowed an apprentice for every three (3) Service Journeymen and/or Servicemen employed. Service Apprentices shall be under the supervision of his or her home local union Joint Apprenticeship Committee until their training is satisfactorily completed.

50. The need for, designation of and the determination of the number of employees and foremen, if any, is solely the responsibility of the Employer. The Employer's salaried personnel may handle all dispatching and assignment of duties. If a condition in a local agreement conflicts with this paragraph, the provisions of this Agreement shall prevail.

ARTICLE XIII
Modified National Mechanical and Plumbing Equipment/System
Service and Maintenance Agreement

51. A National Mechanical and Plumbing Equipment/System Service and Maintenance Agreement with "special conditions" including, but not limited to, wages and benefits noted on Schedule A and made a part of this Agreement, as negotiated and consummated by a Negotiating Committee as appointed by the Joint UA/UAC Labor Relations Committee may be placed into effect (1) in areas where

there is no bona fide local service and maintenance agreement in operation as recognized by the Joint Committee; or (2) upon termination of a bona fide local service and maintenance agreement. Request for approval and implementation of a National Mechanical and Plumbing Equipment/System Service and Maintenance Agreement shall be made in writing to the Joint Committee by a local union or contractor signatory to this Agreement through the UAC or the Union. Within thirty (30) days of receipt of such request by the Joint UA/UAC Labor Relations Committee, the Negotiating Committee shall act upon the request. If such action does not resolve all issues either or both of the parties shall promptly submit in writing the unresolved issues to the Industrial Relations Council for decision. The decision shall be issued within thirty (30) days of submission to the Industrial Relations Council. The decision of the Industrial Relations Council shall be final and binding just as though the Negotiating Committee had reached complete agreement. Final action by either the Negotiating Committee or the Industrial Relations Council shall be applied retroactively to the expiration date of the local service and maintenance agreement, where applicable. There shall be no work stoppage with respect to service and maintenance operations covered by this Agreement while any issue is pending before the Negotiating Committee or the Industrial Relations Council.

ARTICLE XIV Uniforms and Tools

52. When special uniforms are required by the Employer, the Employer shall supply such uniforms.

53. The Employee shall keep himself, his equipment and his company-owned vehicle in a neat, clean, and safe condition within his control.

54. Employees doing service or maintenance work may be required to furnish their own hand tools. No such tools shall exceed 14 inches in length. Pipe threading and pipe cutting tools, vises, welding torches, power tools and instruments for measuring temperatures, pressure, air velocities, voltage, amperages, etc., shall not be deemed hand tools and shall be furnished by the Employer. Tools supplied by the employee to the Employer, which are broken, damaged or stolen, shall be repaired or replaced by the Employer. Employees shall be responsible for tools, equipment, vehicles, instruments, etc., supplied by the Employer, provided mutual security arrangements are made. Establishment of carelessness or negligence on the part of the employee shall make the employee liable for replacement of lost or stolen tools.

ARTICLE XV Travel and Subsistence

55. Men referred to jobs shall report to a location designated by Employer. When requested to stay away from home overnight, the men shall be reimbursed for meals and lodging at reasonable rates which, when not previously established, will be substantiated by receipts.

56. It is the intent of this paragraph that the Employer shall provide the employees with a company vehicle when necessary in the performance of his duty. However, employees covered by this Agreement are permitted, on a temporary basis, to use their personal vehicles for transportation from home location to job and from one job to another during the work day and may transport tools and

materials. Under such circumstances, employees shall receive the current IRS Auto Mileage Allowance per mile for the use of their vehicle. Where there is a local mechanical and plumbing equipment/system service and maintenance agreement clearly defining mileage rate for use of personal vehicles, the local provisions shall prevail.

57. All employees that drive company vehicles, will be required to maintain a valid drivers licence while in the employ of the Employer and the Employer shall have the right to check the validity of such drivers license at its discretion in accordance with company policy.

58. All travel time, using Company vehicles, in excess of a 50 mile radius of his established residence or travel time in excess of one hour before and one hour after an employee's normal work hour (whichever is the lessor) shall be paid for at straight time. There shall be no overtime paid on travel time. Travel shall not be considered hours worked, and pay, therefore, shall not be considered pay for hours worked and not subject to fringe benefits. All travel time during the employee's regular eight hour work shift shall be paid as time worked and, therefore, shall require that fringe benefits be paid for such travel time.

ARTICLE XVI No Strike, No Lockout

59. Neither the Union nor any of the employees covered by this Agreement will collectively, concertedly or individually induce, engage or participate, directly or indirectly, in any strike, picketing, slowdown, stoppage or other curtailment or interference with the Employer's operations, or interference with the flow of materials or persons in or out of places where the Employer is doing business. The Union agrees to exert every effort through its international and local officers and representatives to end any unauthorized interruption of work. The Employer will not lockout any of the employees covered by this Agreement. The parties agree that, in the manner set forth in Article XVII, they will submit to arbitration all grievances and disputes that may arise between them and any misunderstandings to the meaning or intent of all or any part of this Agreement, provided however, the Employer shall not be required to resort to the grievance and arbitration procedures prior to resorting to other remedies in the event of violation of this Article. In the event of a lockout, or a strike, slowdown, work stoppage, or other curtailment or interference with the Employer's operations, the parties agree that any claims for relief, including damages, are to be immediately submitted to arbitration following the grievance procedure as set forth in Article XVII. However, in any of these circumstances, the grievance procedure shall commence with Step 4b, specified in Article XVII, Paragraph 62.

ARTICLE XVII Grievance Procedure and Arbitration

60. Where a disagreement exists between the Employer and a local union concerning whether or not a given provision of the local agreement should apply, or regarding the intent, meaning, application or compliance with the terms of this Agreement, it shall be submitted for resolution within ten (10) days from date of occurrence in accordance with the grievance procedure covered in this article. There shall be no work stopping during arbitration or grievance procedures.

61. There shall be established an Arbitration Board consisting of three (3) representatives appointed by the Union, and three (3) representatives appointed by the UAC. Either party shall have the right to appoint alternates for its representatives. Within thirty (30) days after the signing and execution of this Agreement, the UAC and the Union shall notify each other of their respective appointments to the Arbitration Board. The Board shall elect a chairman and a secretary from its members. The Arbitration Board shall stand during the life of this Agreement. Two representatives of the Arbitration Board shall constitute a quorum provided there is at least one representative appointed by the Union and one representative appointed by the UAC present at such meeting. No action shall take place unless a quorum is present. In the event that a UAC representative or representatives are absent, the remaining UAC representative(s) shall exercise the vote of the absent UAC representative(s). In the event that a Union representative or representatives are absent, the remaining Union representative(s) shall exercise the vote of the absent Union representative(s). At all meetings, the representatives appointed by the Union and the representatives appointed by the UAC shall have equal voting strength.

62. When a dispute arises, the resolution and/or settlement shall take the following procedure:

- Step 1: On a local basis between the local union and the Employer. If this dispute is not settled within five (5) working days, proceed to:
- Step 2: The grievance shall be settled between Union representatives of the national office on the one hand, and the Employer on the other. If not settled within thirty (30) working days after the hearing date, proceed to:
- Step 3: The grievance shall be settled between Union representatives of the national office on the one hand, and representatives of the UAC on the other. If not settled within thirty (30) working days after the hearing date, proceed to:
- Step 4: The grievance shall be reduced to writing in terms of the issue to be arbitrated, and shall be filed with the chairman of the Arbitration Board, who shall immediately notify the other members of the Arbitration Board, and set a time and place for a hearing to be held within thirty (30) days after filing of request for arbitration. Representatives of both parties shall be notified of the time and place within five (5) working days of filing.

If the Board is unable to reach a majority decision within seven (7) days after the hearing, proceed to:

- Step 4b: (This step of the grievance procedure applicable ONLY to any grievance involving a lockout or any strike, picketing, slowdown, stoppage or other curtailment or interference with the Employer's operations, or interference with the flow of materials or persons in or out of places where the Employer is doing business.) The grievance shall be reduced to writing in terms of the issue to be arbitrated, and shall be filed with the chairman of the Arbitration Board, who shall immediately notify the other members of the Arbitration Board, and set a time and place for a hearing to be held within forty-eight (48) hours after filing of request for arbitration. Representatives of both parties shall be notified of the time and place within twenty-four (24) hours of filing. By agreement of the parties, the hearing may be conducted by telephone conference.

If the Board is unable to reach a majority decision within twenty-four (24) hours after the hearing, proceed to Step 5.

Step 5: The matter shall be promptly submitted to an impartial arbitrator whose decision shall be rendered in writing and be binding on all parties. If agreed by both parties, the use of the Industrial Relations Council shall be allowed as an alternative to the use of the impartial arbitrator under this step.

With the consent of the Arbitration Board, time necessary for any of the above steps may be extended.

Furthermore, a secretary shall be hired to take minutes at any Step 3 or Step 4 grievance proceeding. Whomever is filing the grievance will hire the secretary initially and pay for such. After the outcome of the grievance is determined, the losing party will be responsible for paying for the secretary or, if there is no loser, the secretary's expenses will be split 50/50. Prior to the start of any Step 3 or 4 grievance, both parties will be notified of this procedure.

63. In the event that a matter is to be submitted to an impartial arbitrator, one may be selected by unanimous agreement of the Arbitration Board members. If the Board cannot agree on an arbitrator within a period of ten (10) days, then the Arbitration Board shall request the Federal Mediation and Conciliation Service to submit to the Arbitration Board a list of five persons suitable for selection as an impartial arbitrator. If the Arbitration Board cannot agree upon one of the persons named on the list, then the impartial arbitrator shall be selected by striking from the list a name alternately, until one name remains. The remaining person shall be the impartial arbitrator and shall be notified of his selection by the chairman of the Arbitration Board. At no time shall the selection of an impartial arbitrator exceed sixty (60) days from date time limits have expired in Paragraph 62, Step 4 or 4b, if applicable.

64. The authority of the Arbitration Board and of the impartial arbitrator shall be limited to the construction and enforcement of the express language of this Agreement as applied to the specific grievance or issue stated in the request for arbitration. The Arbitration Board and the impartial arbitrator shall have no authority or jurisdiction directly or indirectly, to add to, subtract from, change, modify, or supplement any of the specific provisions of this Agreement.

65. If required, one-half of the expense of the Arbitration Board and the impartial arbitrator, shall be borne by the Union and the other half shall be borne by the UAC. Any grievance which is not carried by the grieving party to the next step of the grievance procedure within the time prescribed shall be deemed to have been abandoned if upon receipt of notice of intent to invoke this paragraph from the responding party, the grieving party fails to proceed to the next step within five (5) working days. Thereafter, no further claim for adjustment of such grievance shall be made unless the time limits are extended by mutual agreement of both parties. However, should the responding party fail to attempt settlement at any step, the dispute will automatically proceed to the next step at the expiration of the specified time period.

66. In the event of termination of a local mechanical and plumbing equipment/system service and maintenance agreement and a subsequent work stoppage, the Employer and his employees working under the collective bargaining agreement shall recognize this work stoppage, except in the performance of service and maintenance operations covered by this Agreement. All Employers working employees under conditions of this paragraph shall be bound by the terms of the local mechanical and plumbing equipment/system service and maintenance agreement to the extent it is incorporated into this Agreement on a day by day basis that was in effect just prior to the work stoppage and all employees

so worked are to be bound by wages and fringes of the newly negotiated agreement retroactive to its effective date. The effective date is the date on which the last of the parties in the local negotiations adopts the local agreement, unless a different date is specifically stated in the local service and maintenance agreement.

ARTICLE XVIII Savings Clause

67. Where there is a conflict in meaning, interpretation, or application between this and local agreements, this Agreement shall apply.

68. If any article or provision of this Agreement shall be declared invalid, inoperative, or unenforceable by any competent authority of the executive, legislative, judicial, or administrative branch of the federal or any state government, the Employer, UAC and the Union shall suspend the operation of such article or provision during the period of its invalidity and shall substitute, by mutual consent, in its place and stead, an article or provision which will meet the objections to its invalidity, and which will be in accord with the intent and purpose of the article or provision in question.

69. If any article or provision of this Agreement shall be held invalid, inoperative, or unenforceable by operation of law, or by any of the above-mentioned tribunals or competent jurisdiction, the remainder of this Agreement or the application of such article or provision to persons or circumstances other than those to which it has been held invalid, inoperative, or unenforceable shall not be affected thereby.

70. A National signer of this Agreement is not required to sign any local service agreements. National signatories signed to this agreement are bound to all the local trust agreements covering affected employees.

71. If the Union, or any local union of the Union, has, at the present time or at any time hereafter, an agreement with any Employer or association of employers engaged in work covered by this Agreement with terms and conditions more advantageous to the Employer or association of employers covered by such other agreements than the terms and conditions provided for in this Agreement, the Employer shall be entitled to use such advantageous terms and conditions upon notice to the Union.

ARTICLE XIX Scope of Work Ammonia, Cryogenic, Ice Rinks and Supermarket Refrigeration Systems

72. This Article shall apply to the installation of all new or add-on Ammonia Refrigeration Systems, Cryogenic Cold Box Systems and Supermarket Refrigeration Systems, including fabricating, assembling, erecting, installing, and the handling, unloading, distributing, reloading, tying-on, and hoisting of all piping materials, appurtenances and equipment used in connection with the installation of such systems by any method, including all hangers and supports of every description.

73. The installation described in this Article must be performed in accordance with the master construction agreement or prevailing supermarket agreement of the local union having jurisdiction where the installation work is being performed, including working hours, rates of pay, fringe benefits and other applicable terms and conditions.

74. In agreeing to pay fringe benefits as established in the master construction agreement or prevailing supermarket agreement of the local union having jurisdiction for those employees dispatched by the local union where the installation work is being performed, the Employer hereby adopts and agrees to be bound by the written terms of such legally established trust agreements specifying the detailed basis on which payments are to be made into, and benefits paid out of such trust funds. The Employer authorizes the parties to such local trust agreements to appoint Trustees and successor Trustees to administer the trust funds and hereby ratifies and accepts the Trustees so appointed as if made by the Employer. Nothing contained in this Article is intended to require the Employer to become a party to or a signatory of the local collective bargaining agreement, nor is any Employer required hereby to assign its bargaining rights or become a member of any employer group or association as a condition for making such contributions.

75. The Employer shall be permitted, for work covered by this Article, to assign a Foreman and the first two employees from the Employers regular work force to installation jobs within the territorial jurisdiction of another local union. The next two employees shall be from the local union jurisdiction, with one employee at a time being assigned, as needed. Thereafter, additional employees shall be hired on an alternating basis from the Employer's regular workforce and the local union jurisdiction, to a maximum of five from the Employer's regular workforce, unless a larger number is agreed to in writing between the Employer and the local union where the work is being performed.

76. When an employee is assigned to work covered by this Article outside his home local union, and when the total hourly Building Trades Journeyman and Apprentice rates differ from those of his home local union, the higher shall apply. The fringe benefits shall be those of the employee's home local union and paid to the home local union trust funds. Any balance shall apply to the hourly taxable wage.

77. Within the scope of this Article, all sections of this Agreement shall apply except any reference to Mechanical and Plumbing Equipment/System Service and Maintenance Journeymen, Mechanical and Plumbing Equipment/System Service and Maintenance Servicemen, Mechanical and Plumbing Equipment/System Service and Maintenance Apprentices, and Mechanical and Plumbing Equipment/System Service and Maintenance Tradesmen shall be deemed to mean Building Trades Journeymen and Apprentices.

ARTICLE XX INDUSTRY PROMOTION FUNDS

78. The Employer agrees to pay into the Industry Promotion Fund of the UAC, four cents per hour, as of June 1, 1998, for each hour worked under this agreement. The Employer agrees that it shall make said payments to the Industry Promotion Fund in accordance with the Fund's Rules and Regulations, as enacted or subsequently amended, and that said payments to the Fund shall be made monthly on or before the twentieth day of the month succeeding that for which payment is made, or as otherwise directed by the Fund's Rules and Regulations. All payments to the Fund shall be sent by the Employer to the UAC who shall, within fifteen (15) days after receipt thereof, forward said payments to the Executive Director of the UAC for deposit into the Fund.

79. If the Employer fails to make contributions to the Fund as required by Paragraph 78, the Employer shall be liable for all costs of collecting the payments together with attorneys and audit fees, interest at the highest rate permitted by the state in which the delinquency occurred, and any late payment fees and liquidated damages.

80. Money received as a result of said payments shall be administered by the Board of Trustees of the Fund in accordance with its Rules and Regulations for the purpose of furthering the best interests and welfare of the mechanical and plumbing equipment/system service and maintenance industry. Such purposes may include, but are not limited to, meeting the expenses of operating the UAC, expenses of conducting industry public relations, public education as applied to the mechanical and plumbing equipment/system service and maintenance industry, expenses connected with the promotion of stability of relations between labor and management in the industry, and for such other purposes as are consistent with the aforesaid Rules and Regulations of the Fund and in the manner prescribed by said Rules and Regulations. The UAC shall not use money received as a result of said payments for lobbying or publicizing legislation harmful to unions, for subsidizing Employers during a strike, for litigation against unions, or for any other purpose inimicable to the interests of the Union.

81. The aforesaid payments to the Industry Promotion Fund shall be in addition to, and not in lieu of, any payments made into any local, area or statewide industry promotion fund or similarly denominated fund in accordance with any local, area or statewide agreement, i.e., an agreement between a Union affiliated body and contractors in the mechanical and plumbing equipment/system service and maintenance industry.

82. The Board of Trustees shall keep true and accurate books of account and records of all their transactions, which shall be audited annually by a certified public accountant. A statement of the results of each audit shall be forwarded to the Union, and shall, at all times be available for inspection by the Union at the UAC's principal office. The Board of Trustees shall also furnish the Union with copies of its Rules and Regulations, as enacted or subsequently amended, and with copies of recorded minutes of all meetings of the Board of Trustees. Upon the written request of the Union, the Board of Trustees shall provide the Union with full and accurate information regarding the operation and administration of the Fund, or any aspect thereof.

ARTICLE XXI EDUCATION TRUST FUND

83. Commencing on the effective date of this Collective Bargaining Agreement and continuing for the duration of this Collective Bargaining Agreement and during any negotiations for a successor to this Collective Bargaining Agreement, the Employer agrees to contribute to the International Training Fund five cents (\$.05) for each hour, or portion thereof, for which an Employee is paid or entitled to payment for performance of duties for the Employer. (Each overtime hour shall be counted as one regular hour for which contributions are payable.)

84. Contributions set forth in Paragraph 83 shall be paid starting with the Employee's first day of employment in a job classification covered by this Collective Bargaining Agreement.

85. The payments required by Paragraph 83 shall be made to the "International Training Fund" maintained under a Restated Agreement and Declaration of Trust ("Trust"). The Employer agrees to be bound by all terms and conditions of the Trust and the terms of the Trust are incorporated into this Collective Bargaining Agreement by reference. The Employer ratifies, accepts and designates as its representative the Employer Trustees serving under the terms of the Trust as well as such future Employer Trustees who may be appointed pursuant to the terms of the Trust. The Employer hereby acknowledges receipt of a copy of the Trust.

86. It is agreed that all contributions shall be made at such time and in such manner as the Trustees require, and the Trustees shall have authority to retain an accountant or accounting firm to perform payroll audits of the Employer to determine whether the correct amount of contributions have been made or to determine whether contributions have been made on behalf of all Employees covered by the Collective Bargaining Agreement.

87. If an Employer fails to make contributions set forth in Paragraph 83 within 15 days of the end of the month during which the work was performed, the Union shall have the right to take whatever steps are necessary to secure compliance, any provision of this Collective Bargaining Agreement to the contrary notwithstanding. In addition, the Employer shall be liable for interest and liquidated damages as provided in the Trust. If a lawsuit is filed, the Employer shall also be liable for all costs and expenses of collecting payments due, together with attorneys' fees, audit costs and court costs. The Employer's liability for payment hereunder shall not be subject to the grievance or arbitration procedure of the "no-strike" clause provided under the Collective Bargaining Agreement.

88. These contributions to the International Training Fund are over and above any apprentice and journeyman training fund contributions made to the local union Joint Apprenticeship Training Committee on behalf of the Employee.

ARTICLE XXII JOINT UA/UAC LABOR RELATIONS COMMITTEE

89. There shall be established a Joint UA/UAC Labor Relations Committee with representatives for the Union and for the Employer and the UAC for the purpose of explaining the meaning and intent of the Agreement. This Committee shall stand during the life of this Agreement and the Committee representatives shall be the same as the representatives established for the Arbitration Board as covered in Article XVII of this Agreement. The Chairman of the UAC, the General President of the United Association and the Union may, in their discretion, appoint, substitute or terminate the appointment of any organizations' representatives on the Joint UA/UAC Labor Relations Committee.

ARTICLE XXIII Duration and Termination

90. This Agreement shall be in full force and effect commencing June 1, 1998 through May 31, 2001 and from year to year thereafter. This Agreement may, however, be terminated by either the Union or a signatory Employer by giving to the other notice of termination in writing no earlier than ninety (90) days and no fewer than sixty (60) days prior to May 31, 2001.

91. Each signatory Employer agrees to be bound to any amendments, modifications, changes, extensions or renewals of or to this Agreement negotiated or agreed to by the Union and the UAC.

92. This Agreement as between the Union and the UAC shall be in full force and effect commencing June 1, 1998 through May 31, 2001 and from year to year thereafter. Notice of proposed

modification can be given in writing by either the Union to the UAC or the UAC to the Union no fewer than sixty (60) days prior to May 31 of each year.

93. In the event a notice of proposed modification is given by either the Union or the UAC to the other and agreement on a modified Agreement is not reached by the anniversary date, both the Union and the UAC agree to continue to work under the terms of this Agreement.

United Association of Journeymen
and Apprentices of the Plumbing
and Pipe Fitting Industry of the
United States and Canada, AFL-CIO


Union-Affiliated Contractors -
Plumbing-Heating-Cooling Contractors -
National Association

Signed



Martin J. Maddaloni
General President
Date: June 1, 1998

Signed



Karl M. Bykowski
Chairman

UAC-PHCC-NATIONAL ASSOCIATION SIGNATURE PAGE

We, the undersigned Employer, on behalf of itself and all its subsidiaries and branches, whether in existence or operation at the time of execution hereof, or later while the undersigned Employer is signatory to this Agreement, hereby becomes signatory to this Independent Mechanical Equipment Service and Maintenance Agreement as of this date and agrees to comply with all terms of the Agreement in fact and in intent.

Signed and subscribed to this _____ day of _____, 19____

Name of Company

By _____
(please print name)

Signature _____

Title _____

Street Address _____

City, State, Zip Code _____

Telephone Number (____) _____

Fax Number (____) _____

Listed below, for information purposes, are the names and addresses of all the Employer's subsidiaries or branches, all of which shall become subject to this Agreement by reason of the Employer's becoming signatory hereto. (Failure to list below the names and addresses of all the Employer's subsidiaries and branches does not exclude any non-listed subsidiary or branch from coverage of this Agreement.) If none, so State: _____ None

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO

General President

INDIVIDUAL CONTRACTOR SIGNATURE PAGE

The undersigned Individual Employer agrees to abide by the provisions set forth in this Agreement between the Union-Affiliated Contractors of the Plumbing-Heating-Cooling Contractors-National Association and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO.

This agreement shall be effective as of the date signed and shall remain in full force and effect without change or modification until midnight May 31, 2001, and shall thereafter, without change or modification, continue to remain in full force and effect unless one of the parties hereto gives written notice to the other party or a desire to change or modify the terms hereof, which notice shall be given at least sixty (60) days, but in no event more than ninety (90) days, prior to midnight May 31, 2001, or any subsequent May 31.

The undersigned Individual Employer hereby designates the Association as its bargaining agent with the Union, becomes a party to the Multi-Employer Bargaining Agreement, and a member of the Multi-Employer Unit represented by the Association, and appoints the Association appointed Trustees, Board Members and Committee Members required by the Agreement to act on his behalf pursuant to the Agreement.

Execution of this Agreement does not establish membership in the Association.

In the event a dispute arises between the Individual Employer and the Union, and the dispute cannot be resolved, the dispute will be referred to the Arbitration Board as outlined in the Agreement. The Individual Employer may request assistance from the Association and if requested, assistance will be provided to the Employer.

Firm Name _____

By: _____

Address: _____

Individual _____ Corporation _____ Partnership _____

Telephone: _____ Date _____

State Contractors License Number: _____

United Association or U. A. Local No. _____ By: _____

Appendix

Policy of Building and Construction Trades Department, AFL-CIO, Regarding Pre-Hire Testing of Applicants for Employment

It is the policy of the Building and Construction Trades Department, AFL-CIO, that pre-hire testing of applicants for employment, for drugs and/or alcohol, will be allowed in those instances when such testing is required by the owner employing the contractor for whom the applicants seeks work, or by pertinent government regulation or other requirement; provided, however, that any such chemical testing shall be conducted under generally accepted scientific procedures to ensure the validity and accuracy of such tests.

In the case of "positive" results of any test, the affected applicant for employment shall be so advised by the Contractor's medical personnel, on a confidential basis, prior to the reporting of the results to the Contractor, and the applicant shall have the right to discuss and explain the results, including the right to advise the Contractor's medical personnel of any medication, prescribed by his/her own physician, which may have affected the results of the test. This information, too, shall remain confidential between the applicant and the medical personnel. The applicant for employment shall also have the right to his/her sample independently retested by a laboratory of his/her choice and at his/her expense. If the independent retest is "negative," the applicant should be allowed to begin work immediately and to be reimbursed for the cost of the independent test.

No applicant for employment shall be required to sign any waiver limiting the liability of the employer, owner/client, testing lab, or any person involved in the chain of custody of the specimen.

All medical personnel, the contractor, supervisors, owner/client, laboratory/testing facility and all other personnel and agents shall adhere to the American Occupational Medical Association's Code of Ethical Conduct for Physicians Providing Occupational Medical Services (adopted by the Board of Directors of AOMA July 23, 1976 and AOMA Drug Screening in the workplace ethical guidelines, July 26, 1986.)