

Education Loan Agreement
Among Apprentice,
Joint Apprenticeship & Training Committee
and the International Training Institute

This is an Agreement governing the loan of money, books and other valuable material for the purpose of education. This Agreement is made among the Joint Apprenticeship and Training Committee of Local Union No. 9 affiliated with International Association of Sheet Metal, Air, Rail, and Transportation Workers ("Local Committee"), the International Training Institute for the Sheet Metal and Air Conditioning Industry ("ITI") and _____ ("Borrower"). Borrower is an Apprentice. The terms of this agreement are set out below.

Local Committee and ITI will expend significant sums of money for education and training necessary to enable Borrower to complete the Local Committee sponsored apprenticeship training program and/or education and training in certain advanced and/or specialized skills, including training and leadership skills, useful in the Sheet Metal Industry as well as provide to Borrower various workbooks, textbooks and other valuable material (hereafter referred to as "Training Materials"). Borrower understands and agrees that receipt of this education and training and Training Materials will result in a substantial direct benefit, as well as substantial indirect and intangible benefit, to Borrower. Local Committee and ITI (collectively referred to hereafter as the "Lenders") agree that the amounts set out in Paragraph 1 below represent the costs to the Local Committee and ITI, respectively, in providing education, training, and Training Materials and that the total of such amounts constitute a Loan to Borrower which, to the extent not forgiven pursuant to the terms of this Agreement, is to be repaid in full with interest.

1. Loan Amount: The Parties agree that the amount of the Loan for the year, or other period of training covered by this Agreement, is a total of \$ _____, consisting of \$ _____, in direct funds provided by the ITI and \$ _____, provided by the Local Committee.

2. Year or Period of Training: The Loan to which this Agreement applies is for education and training and Training Materials provided by Local Committee and ITI to Borrower during the period ____ through _____. Each subsequent year (or other period) of education and training shall be the subject of a separate loan agreement.

3. Repayment: The Loan plus interest at the interest rate of 10% per annum, to the extent not forgiven, in accordance with the terms below, is to be repaid in full upon the later of: (a) the completion of Borrower's full training program or (b) the date on which Borrower begins work for an employer, or engages in self-employment, in the Sheet Metal or Industry that is not Qualifying Employment. For purposes of this Agreement, work in the Sheet Metal Industry means employment with an employer engaged in any general, mechanical sheet metal, testing and balancing, service work, roofing, residential, sign or food service work in the Sheet Metal Industry, including any work covered by the Constitution of SMART. "Qualifying Employment" is employment that is performed under the terms of a Collective Bargaining Agreement between the employer and a Local Union affiliated with the Sheet Metal, Air, Rail, and Transportation International Association ("SMART") or, if specifically approved by the Local Committee, with an

employer not subject to a Collective Bargaining Agreement (“CBA”).

4. Forgiveness of Loan: Beginning with the year following the completion of the full training program which the instant Loan is intended to fund in whole or in part, ten percent (10%) of the Loan amount will be forgiven at the conclusion of each year that the Borrower either worked in Qualifying Employment or did not work for an employer in the sheet metal industry not subject to a CBA covering Borrower.

5. Training Materials: All Training Materials provided to Borrower in the course of the training pursuant to this Agreement are, and at all times remain, the property of ITI and/or the Local Committee and must be returned on either's demand in the event that Borrower does not complete his/her training program. Borrower also agrees that if Borrower breaches this Agreement, Borrower shall return any and all Training Materials.

6. Breach of Agreement: It shall constitute an immediate breach of this Agreement and immediate payment of the amount of the loan outstanding (*i.e.*, the Loan amount less amount forgiven) shall be required if Borrower accepts or continues in employment in the Sheet Metal Industry that does not constitute Qualifying Employment.

7. Remedies Upon Breach or Failure To Repay:

7.1 If Borrower fails to repay the Loan when due, as provided in paragraph 3 and/or breaches this Agreement as provided in paragraph 6, all amounts due and owing on the Loan as of the date of the breach will become immediately due and payable, together with simple interest at the rate of ten percent per annum from the date of Loan to the date of breach. All amounts recovered through voluntary compliance with the terms of the Agreement, settlement or legal proceedings shall be paid to the ITI and to the Local Committee in the same proportion as the ITI and the Local Committee have contributed direct funds to the Scholarship Loan as set forth in paragraph 1 above.

7.2 If Borrower fails voluntarily to pay promptly all amounts due and payable following demand for the same, the ITI and/or the Local Committee, jointly or separately, may seek recovery by action in any court of competent jurisdiction, for recovery of all amounts due and owing, simple interest, taxable costs and attorney’s fees incurred in pursuing court action and collection of judgment.

7.3 *Applicable Law:* To the extent that the Employee Retirement Income Security Act of 1974, as amended, does not provide an applicable rule of law pertinent to this Agreement, the relevant state law of the local JATC shall apply.

7.4 *Attorney Fees and Costs of Recovery:* Borrower understands and agrees that attorney’s fees and costs incurred by the ITI and/or Local Committee in connection with the underlying court action for recovery due to Borrower's breach and/or failure to pay the Loan and/or for any collection of a judgment relating to this Agreement shall be awarded and repaid as part of the remedy for Borrower's breach of this Agreement.

8. Waiver of Breach: An inadvertent breach of this Agreement may be waived in writing by agreement of both the ITI and the Local Committee in their sole discretion.

9. Jurisdiction: Borrower hereby agrees and covenants to accept the jurisdiction of the United States District Court for the District in which the Local Committee's principal office is located, or if the Local Committee determines to proceed in state court, of the state court in and for the jurisdiction in which the Local Committee's principal office is located, or any other competent court selected by the ITI and Local Committee, with respect to any action for judgment, entry of judgment on, enforcement of judgment or collection action as contemplated by this Agreement, or with respect to any other action occasioned by or arising out of a breach of this Agreement brought by any party to this Agreement.

10. Severability: If any provision of this Agreement is determined for any reason to be invalid or unenforceable, either as written or as it otherwise would apply in a given situation, the parties intend and agree that the invalid or unenforceable provision shall be deemed to be modified to the minimum extent necessary to render it valid and enforceable, while still achieving as nearly as possible the result intended by the parties, and that this agreement as so amended or modified shall nonetheless be given effect and enforced; and, if it is not possible to so modify the invalid or unenforceable provision, the remaining provisions of this Agreement shall nonetheless be enforced. The parties do not intend that the entire Agreement will or should be rendered invalid or unenforceable solely on account of an invalid or unenforceable provision.

11. Acknowledgement: Borrower acknowledges that he/she understands the manner in which this Education Loan Agreement Program functions and his/her obligations within the program. Borrower further acknowledges receipt of a loan disclosure notice setting out the terms of this Agreement.

12. Continuing Obligation To Advise Local Committee and ITI of Address Change(s) and Employment Status: Borrower acknowledges and agrees that he/she has a continuing duty, until such time as this Agreement terminates pursuant to paragraph 13 below, to advise the Local Committee and ITI of any changes in his/her address and to respond to any questionnaires or inquiries from them as to his current employment status and status during prior periods. Failure to respond to any such questionnaires or inquiries about employment status or failure to advise Local Committee and ITI of a change of address may, at the exclusive discretion of the Local Committee and ITI, be deemed a Breach of Agreement. Execution of this Agreement by Borrower constitutes consent to the Social Security Administration to provide employment information concerning Borrower to the Local Committee and/or ITI as they may request.

13. Termination of Agreement: The obligations imposed on Borrower by this Agreement terminate when the loan is entirely forgiven or Borrower has fully repaid the balance owed on the Loan.

14. Notices: All notices and demands under this Agreement will be sent to the ITI, the Local Committee and Borrower as follows:

International Training Institute:
Administrator, Michael T. Harris
The International Training Institute

Local Committee: Colorado Sheet Metal JATC
2980 Gunnison Ave.
Grand Junction, CO 81504

Borrower: _____

The Borrower agrees to notify the Local Committee of any change in the Borrower's address within 30 days of such change.

Signed and agreed this _____ day of _____, 20____.

**INTERNATIONAL TRAINING
INSTITUTE**

**JOINT APPRENTICESHIP & TRAINING
COMMITTEE**

By: _____
Signature

By: _____
Signature

Title: Administrator
International Training Institute

Title: Training Director

Apprentice: _____
Borrower's Name

Borrower's Signature

Borrower's Social Security Number

LOAN DISCLOSURE FORM

The Education Loan Agreement you are about to sign contains important terms about which you should be aware. They are as follows:

1. Amount of Loan - _____. The amount of the loan you are receiving is the cost of providing you with education and training during the period from _____ to _____ with the SMART Local Union 9 Joint Apprenticeship and Training Fund.

2. Interest on Loan - Interest at the rate of 10% per annum is chargeable on an outstanding loan beginning on the date of the completion of the training program which the loan is financing (in whole or in part). No interest is chargeable until the later of the completion of the training program for which you received the loan or the date, if ever, when the loan agreement is breached.

3. Loan Forgiveness - Your loan will be forgiven at the rate of 10% for each year in which you either (a) work in Qualifying Employment (i.e., for a sheet metal employer that is subject to a collective bargaining agreement with a SMART affiliated Local Union covering your employment) or (b) do not work for an employer that provides sheet metal services or products and is not subject to a collective bargaining agreement.

4. Breach of Agreement - In the event that you begin employment with an employer that provides sheet metal industry services or products and is not subject to a collective bargaining agreement with a SMART affiliated Local Union (unless specifically sanctioned by the SMART Local 9 Joint Apprenticeship and Training Committee (“JATC”) that issued the loan, you will have breached your Education Loan Agreement. The outstanding amount of your loan must be repaid in full following a breach. Failure to do so, or enter into a settlement agreement for payment, will subject you to a civil action seeking payment, interest, and costs of collection, including reasonable attorneys’ fees.

5. Obligation to Provide Information - Your loan agreement requires that you advise the JATC of any change in your address and that you respond to an annual questionnaire inquiring into your employment status during the prior year. Failure to respond in a timely manner also will be

deemed to be a breach of the Education Loan Agreement.

Should you have any questions about your rights and obligations under the Education Loan Agreement, you may call the Executive Director of the JATC.

Member Name

Date

Member Signature