

# Scholarship Loan Agreement

## Scholarship Agreement Between Apprentice And Plumbers & Steamfitters Local Union No. 486 Joint Journeymen and Apprentice Training Fund

WHEREAS, the Plumbers & Steamfitters Local Union No. 486 Joint Journeymen and Apprentice Training Fund (hereinafter "Fund"), and SAMPLE ONLY (hereinafter "Apprentice") understand and agree that the Fund will expend significant sums of money for the training of the Apprentice in the specialized skills necessary for employment in the Plumbing and Steamfitting 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 1 hereto (the "Scholarship Loan") and

WHEREAS, the Committee will grant a Scholarship Loan to the Apprentice in the amount set forth in Paragraph 1 hereof for each year (or portion thereof) of the Apprentice's training received; and

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

WHEREAS, the Apprentice will repay the Scholarship Loan to the Fund pursuant to the terms set forth herein by either cash payments or in-kind credits received by working in the Plumbing and Steamfitting Industry for Employers under collective bargaining agreements whereby those Employers make contributions to the Fund;

NOW, THEREFORE, the Fund and Apprentice on the **1st** day of **September, 2015**, hereby Agree and Covenant, for the good and valuable consideration set forth herein, as follows:

1. **Scholarship Loan:** The Fund and 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, and the amount of the Scholarship Loan for the **five** years of training beginning in **September YEAR** and ending in **August YEAR** covered by this Agreement is **\$2,000** per year, for a total of **\$10,000**, and that the Apprentice will execute this Agreement and the Promissory Note in that amount attached hereto as Appendix 1, and deliver such executed Agreement and Promissory Note to the Fund.
2. **Term of Training:** The Fund will provide training worth substantially more than the amount loaned to the Apprentice hereby during the period from \_\_\_\_\_ to \_\_\_\_\_.

3. **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 as Appendix 1 hereto, or by in-kind credits, as set forth in Paragraph 6 hereof.
4. **Warranty of the Apprentice:** The Apprentice agrees and warrants as a condition of the Scholarship Loan that 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, any general, mechanical, plumbing or pipefitting work 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, AFL-CIO, 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 Fund or a like Joint Apprenticeship or Training Committee.
5. **Breach of this Agreement:** It will constitute an immediate breach of this Agreement if the Apprentice leaves or self-eliminates from the program, or accepts employment in the Plumbing and Steamfitting Industry from an Employer who does not have a collective bargaining agreement which provides for the payment of contributions to the Fund or a like Joint Apprenticeship or Training Committee.
6. **Repayment by In-Kind Credits:** Repayment by in-kind credits will begin following the completion of the Apprenticeship and will take place over the first five years of employment as a Journeyman. If the Apprentice terminates the Apprenticeship prior to completion of the five-year Apprenticeship program, the amount of the Scholarship Loan due and owing shall be prorated by the Fund, based upon the number of years or partial years completed by the Apprentice before termination. A Journeyman, who works pursuant to a collective bargaining agreement for an Employer making payments to the Fund or a like Joint Apprenticeship receiving or Training Committee, will receive a credit for each fiscal year of such employment in accordance with the Repayment Schedule set out in the Promissory Note attached hereto as Appendix 1. The amount due the Fund for the Scholarship Loan will be reduced by such amount in accordance therewith for each year of employment as a Journeyman following completion of the Apprenticeship.
7. **All Amounts Due and Payable if Breach Occurs:** If the Apprentice breaches this Agreement, all amounts due and owing on the Scholarship Loan accrued through the date of the breach, shall be reduced by any credit received by the Apprentice pursuant to Paragraph 6 hereof, or by any cash payments made, will become immediately due and payable, together with interest at the Constitutional rate of interest in the State of Maryland, from the date of this Agreement, and all costs of collection hereof, including reasonable attorneys' fees and all court costs. This includes amounts due and owing if the Apprentice breaches this Agreement prior to completion of the Apprenticeship. The Apprentice hereby agrees and covenants to accept personal service and jurisdiction of any competent court determined by the Fund by the mailing of a copy of the Complaint brought pursuant to this Agreement to the current address provided in Paragraph 8 hereof.
8. **Waiver of Breach:** An inadvertent breach of this Agreement can be waived in writing by the Fund in its sole discretion, and a waiver of such inadvertent breach of this Agreement will not be unreasonably withheld by the Fund.

Notice: All notices under this Agreement will be sent to the Fund and Apprentice as follows:

**Apprentice:** SAMPLE ONLY - DO NOT COMPLETE  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

**Fund:** Plumbers & Steamfitters Local Union No. 486 Joint Journeymen and Apprentice Training Fund  
1201 66<sup>th</sup> Street  
Baltimore, MD 21237

The Apprentice hereby agrees to notify promptly the Fund of any changes in the Apprentice's Address by forwarding such changes to the school to maintain an accurate address for the Apprentice.

9. Plumbing and Steamfitting Industry: As used herein the term "Plumbing and Steamfitting Industry" means any and all types of work covered by collective bargaining agreements to which the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO (hereinafter "United Association") and/or any affiliated Local Union are a party or under trade jurisdiction of the United Association's Constitution; or in a related building trade.

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

**By:** \_\_\_\_\_ Al Clinedinst, Training Director  
Signature

**By:** SAMPLE ONLY - DO NOT COMPLETE  
Apprentice Signature Print Apprentice Name

**APPENDIX 1**

**APPRENTICE PROMISSORY DEMAND NOTE  
FOR SCHOLARSHIP LOAN AGREEMENT**

**LOAN AMOUNT (\$10,000.00)**

I, \_\_\_\_\_ (SAMPLE ONLY) (the “Apprentice”), hereby promise to pay to the **PLUMBERS & STEAMFITTERS LOCAL UNION NO. 486 JOINT JOURNEYMAN AND APPRENTICE TRAINING FUND** (the “Fund”), on demand, a Scholarship Loan of **\$10,000.00** (the “Loan Amount”) in accordance with the terms and provisions of the Apprenticeship Scholarship Loan Agreement between the undersigned Apprentice and the Fund, dated September 1, 2015 (the “Agreement”). That Loan Amount represents direct and indirect funds provided by the Fund.

I also understand that the Loan Amount will be reduced, in accordance with Paragraph 6 of the Agreement, for every fiscal year I work, following completion of the Apprenticeship and as a Journeyman, for an employer within the Plumbing and Steamfitting Industry who makes contributions, pursuant to a collective bargaining agreement, to the Fund or to another Joint Apprenticeship or Training Committee sponsored by or affiliated with a local union of the UA, with the total amount repaid after five years of work as a Journeyman, as follows:

<b>Journeyman Years Worked</b>	<b>Percent of Total Reduced</b>	<b>Annual Amount Reduced</b>	<b>Cumulative Amount Paid</b>	<b>Net Amount Due</b>
1	10%	\$1,000.00	\$1,000.00	\$9,000.00
2	15%	\$1,500.00	\$2,500.00	\$7,500.00
3	20%	\$2,000.00	\$4,500.00	\$5,500.00
4	25%	\$2,500.00	\$7,000.00	\$3,000.00
5	30%	\$3,000.00	\$10,000.00	\$0.00

I agree that, if legal action is required to collect this **DEMAND NOTE**, I will pay interest at the Constitutional rate of interest in the State of Maryland, from the date of this **NOTE**, plus reasonable attorney’s fees and all court costs.

**NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**Apprentice Signature:** \_\_\_\_\_