

**APPRENTICE SCHOLARSHIP LOAN AGREEMENT**

**WHEREAS**, The Minneapolis Electrical J.A.T.C. ("JATC or Committee") sponsored by Local Union 292 of the International Brotherhood of Electrical Workers and Minneapolis Chapter NECA, and \_\_\_\_\_ ("Apprentice") understand and agree that the Committee will expend significant sums of Money for the training of the apprentice in the specialized skills necessary for employment in the Electrical 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 the \_\_\_\_\_ 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 Committee, including the obligation to repay the total Scholarship Loan made to the Apprentice by the Committee for all years of training; and

**WHEREAS**, the Apprentice will repay the Scholarship Loan to the Committee pursuant to the terms set forth herein by either cash payments or in-kind credits received by working in the Electrical Industry under the terms of collective bargaining agreements that provide for the payment of contributions by employers to the committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW;

**NOW, THEREFORE**, the Committee and Apprentice on \_\_\_\_\_, hereby Agree and Covenant, for the good and valuable consideration set forth herein, as follows:

1. **Scholarship Loan:**The Committee and the Apprentice hereby agree that:
  - 1) The cost of the training, including but not limited to, necessary equipment, maintenance and cost of operating the training facility, instructor's salaries (where applicable), and related materials, for the year of training covered by this Agreement is **\$2735.00**;
  - 2) The amount of the Scholarship Loan for the **one (1) school year** of training covered by this Agreement is **\$2735.00**; and
  - 3) The Apprentice will execute this Agreement and the Promissory Note in the amount of **\$2735.00** attached hereto as Exhibit 1, and deliver such executed Agreement and Promissory Note to the Committee prior to the commencement of training.
  
2. **Term of Training:** The Committee will provide training worth at least the amount loaned to the Apprentice hereby during the period for \_\_\_\_\_.
  
3. **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, instructor's salaries (where applicable), and related materials for each subsequent year of training shall be calculated by the Committee on or before the anniversary date of this agreement. That calculation shall be the amount of a new Agreement and Promissory Note that the Apprenticeship shall execute for that year of Training. A separate Agreement and Promissory Note shall be signed for each year of Training.
  
4. **Repayment of Scholarship Loan:** The Scholarship Loan may be repaid by he Apprentice in full either in cash, as set forth in Exhibit 1, hereto, or by in-kind credits, as set forth in Paragraph 8 below
  
5. **Warranty of 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 Electrical Industry or any other work covered by the Constitution of the International Brotherhood of Electrical Workers, AFL-CIO, unless such employment is performed under the terms of collective bargaining agreement that provides for the payment of contributions by such employer to the Committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW.
  
6. **Breach of this Agreement:** It will constitute an immediate breach of this Agreement if the Apprentice accepts employment in the Electrical Industry from an employer, or become an employer, who does not have a collective bargaining agreement which provides for the payment of contributions to the Committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW.

7. **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 Committee during the period of training provided for in this Agreement, the Committee may require the Apprentice to repay, in cash, the pro-rated portion of the amount of the Scholarship Loan specified in Paragraph 1 of this Agreement corresponding to that period of training received by the Apprentice. The Apprentice shall incur an obligation to repay to the Committee the pro-rated portion of the amount of the Scholarship Loan then unpaid corresponding to the amount of training received in the event the Apprentice leaves the Electrical Industry and decides to pursue employment in a field or occupation outside of the Electrical Industry either during the term of the training period specified herein or subsequent to the completion thereof.

8. **Repayment by In-Kind Credit:** An Apprentice, who works pursuant to a collective bargaining agreement for an Employer making payments to the Committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW, subsequent to his successful completion of the training provided for in this Agreement, shall receive a credit of each **"journeyman working year"** of such employment in accordance with the Repayment Schedule set forth in the Promissory Note attached hereto as Exhibit 1. The amount due the Committee 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 **1600 hours** of employment with Employers who make contributions on the Apprentice's behalf to this Committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW 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 **8000 "journeyman working hours,"** or **5 actual years** of employment with contributing employers in the Electrical Industry from the date of the completion of the Apprentice's training, whichever shall occur first.

**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 8 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 Norwest Bank in Minneapolis, from the date of this Agreement, and all costs of collections hereof, including reasonable attorney's fees and all court costs. The Apprentice hereby agrees and covenants to accept personal service and jurisdiction of any competent court determined by the Committee by the mailing of a copy of the Complaint brought pursuant to this Agreement to the current address provided in Paragraph 10 herein.

9. **Waiver of Breach:** An inadvertent breach of this Agreement can be waived in writing by the Committee in its sole discretion, and a waiver of such inadvertent breach of this Agreement will not be unreasonably withheld by the Committee.

10. **Notice:** All notices under this Agreement will be sent to the Committee and Apprentice as follows:

APPRENTICE NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

TELEPHONE \_\_\_\_\_

**COMMITTEE:** Minneapolis Electrical J.A.T.C.

13100 Frankfort Parkway

St. Michael, Minnesota 55376

The Apprentice hereby agrees to promptly notify the Committee of any change in the Apprentice's address and telephone number.

11. **Electrical Industry** As used herein the term "Electrical Industry" means any and all types of work covered by collective bargaining agreements to which the International Brotherhood of Electrical Workers, AFL-CIO, and/or any affiliated Local Union are a party, or under the trade jurisdiction of the I.B.E.W. Constitution; or any other work to which an electrical worker has been assigned, referred or can perform by virtue of possessing the skills and training of an electrical worker.

Signed and agreed to this on \_\_\_\_\_.

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

By: \_\_\_\_\_  
Signature and Title Joint Apprenticeship & Training Committee

EXHIBIT 1

APPRENTICE PROMISSORY DEMAND NOTE FOR SCHOLARSHIP LOAN AGREEMENT

LOAN AMOUNT (\$2735.00)

I, \_\_\_\_\_ (the "Apprentice"), hereby promise to pay to the **MINNEAPOLIS JOINT APPRENTICESHIP AND TRAINING COMMITTEE** (the "Committee"), on demand, a Scholarship Loan of **\$2735.00** (the "Loan Amount") in accordance with the terms and provisions of the Apprenticeship Scholarship Loan Agreement between the undersigned Apprentice and the Committee, dated \_\_\_\_\_ (the "Agreement"). That Loan Amount represents direct and indirect funds provided by the Committee.

I also understand that the Loan Amount will be reduced, in accordance with Paragraph 8 of the Agreement, for every "**journeyman working year**" I work for an employer within the Electrical Industry who makes contributions, pursuant to a collective bargaining agreement, to the Committee or to another Joint Apprenticeship and Training Committee sponsored by or affiliated with a local union of the IBEW, as follows:

Journeyman Years Worked	Percent of Total Reduced	Annual Amount Reduced	Cumulative Amount Reduced	Net Amount Due
1	10%	\$ _____	\$ _____	\$ _____
2	15%	\$ _____	\$ _____	\$ _____
3	20%	\$ _____	\$ _____	\$ _____
4	25%	\$ _____	\$ _____	\$ _____
5	30%	\$ _____	\$ _____	\$ _____

I agree that, if legal action is required to collect this **DEMAND NOTE**, I will pay interest at the prime rate prevailing, as determined by Great Northern Bank of St. Michael, Minnesota, from the date of this **NOTE**, plus reasonable attorney's fees and all court costs.

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

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

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