

AGREEMENT TO OBTAIN A DUAL LETTER OF CREDIT

This Agreement is made and entered into on the date set forth below by and between _____, hereinafter the "Employer", and Chicago Journeymen Plumbers' Local Union 130, U.A. and is understood and agreed by the parties hereto to be part and parcel of their Collective Bargaining Agreement and a material provision thereof as follows:

Pursuant to the Employer's obligation to post a wage bond as required by Section 6.8 of the Collective Bargaining Agreement in effect between Chicago Journeymen Plumbers' Local Union 130, U. A. and the Employer, the Employer agrees to apply for and obtain an Irrevocable Commercial Letter of Credit with the _____, hereinafter referred to as "Issuer."
(Name of the Bank)

The terms of the Letter of Credit are to be as follows:

1. The Beneficiaries of this Letter of Credit are Chicago Journeymen Plumbers' Local Union 130, U. A., 1340 West Washington Boulevard, Chicago, Illinois 60607 and Plumbers Local 130 Benefit Funds Data Center, LLC, 1340 West Washington Boulevard, Chicago, IL 60607 ("Beneficiaries"). Any letter of credit obtained must contain the same or similar language within the letter: **This Letter of Credit is made to secure for the Beneficiaries the payment of wages, expense allowances, savings plan contributions, DC plan contributions, required hourly dues or assessment deductions, Welfare Fund contributions, Pension Fund contributions, Apprentice Training Fund contributions, Industry Promotion Funds contributions, and other financial obligations required by the Collective Bargaining Agreement due to be paid to or on behalf of any and all Union members or other employees working within the jurisdiction of the Union pursuant to the provisions of said Collective Bargaining Agreement and in the employ of the Principal.**
2. The letter of credit must provide that each of the individual beneficiaries retains the right to independently assert claims up to half of monetary limit of the letter. The right of an individual beneficiary to assert claims for payment under the letter of credit must be without regard to any claims raised by the other beneficiary against the letter, subject to the monetary limitations set forth herein. Notices required by terms of the letter, specifically those regarding termination or modification of the terms of the letter, must be delivered to each beneficiary individually. Notice to one beneficiary shall not constitute notice to the other for any purpose.
3. Upon demand by either of the Beneficiaries, the issuer shall pay to said Beneficiary an amount up to half of the \$_____ credit required by this letter. Such payments shall be for the purpose of paying financial obligations required by the Collective Bargaining Agreement owed to journeymen plumbers and apprentice plumbers employed by Employer as stated *supra*.
4. This Letter of Credit shall be irrevocable for the period of the current Collective Bargaining Agreement between the Beneficiaries and Employer, for the periods of any successor Collective Bargaining Agreements between those parties and for a period of six (6) months beyond the expiration of the current Collective Bargaining Agreement.
5. Issuer agrees that the draft drawn in compliance with the terms of this Letter of Credit will be duly honored, and issuer waives any right to defer honor of such draft.

The undersigned Employer agrees that the posting of a Letter of Credit is an accommodation, and if the undersigned is unable to obtain a Letter of Credit within _____ days from the signing of this Agreement, or if such Letter of Credit terminates for any reason, the undersigned shall fulfill its other obligations pursuant to Section 6.8 of its Collective Bargaining Agreement with Chicago Journeymen Plumbers' Local Union 130, U. A.

Dated this _____ day of _____, 20____.

(Name of Employer)

By: _____

Title: _____

Chicago Journeymen Plumbers' Local Union 130. U.A.

By: _____

Title: _____