

**INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 98
PENSION, ANNUITY, HEALTH & WELFARE AND TRAINING FUNDS**

COLLECTIONS POLICY

The Board of Trustees of the International Union of Operating Engineers Local 98 Pension Fund, the Board of Trustees of the International Union of Operating Engineers Local 98 Health and Welfare Fund, the Board of Trustees of the International Union of Operating Engineers Local 98 Annuity Fund, and the Board of Trustees of the International Union of Operating Engineers Local 98 Training Fund (hereinafter referred to as the "Trustees") have a duty under the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (hereinafter referred to as "ERISA") to make all reasonable efforts to collect all Employer contributions, including interest and liquidated damages thereon, owed to the International Union of Operating Engineers Local 98 Pension, Annuity, Health and Welfare and Training Funds (hereinafter referred to as "Funds"); and

Pursuant to various collective bargaining agreements with employers and multi-employer associations (hereinafter referred to as "Employers"), and Local Union 98 of the International Union of Operating Engineers (hereinafter referred to as the "Union"), employers are required to make prompt payments of the contributions owed to the Funds and are bound by the Restated Agreements and Declarations of Trust of the Funds (hereinafter

referred to as the "Trust Agreements"); and

The Funds' Trust Agreements empower the Trustees to demand, collect and receive Employer payments and all other money and property to which the Trustees may be entitled, and to take such steps including the institution and prosecution of, or the intervention in any proceeding at law, or in equity, or in bankruptcy, as may be necessary or desirable, in their sole discretion, to effectuate the collection of such Employer contributions; and

Section 515 of ERISA requires every Employer who is obligated to make contributions to the Funds to make such contributions in accordance with the terms and conditions of the International Union of Operating Engineers Local 98 Pension Plan, the International Union of Operating Engineers Local 98 Health and Welfare Plan, the International Union of Operating Engineers Local 98 Annuity Plan and the International Union of Operating Engineers Local 98 Training Plan (hereinafter referred to as the "Plans"); and

It is deemed desirable by the Trustees to formulate a written policy to be applied uniformly to the collection of Employer contributions, containing certain terms and conditions governing the payment of Employer contributions to the Funds;

It is resolved that the Trustees hereby adopt a Collections Policy as follows;

Section 1. Payment of Contributions; Late Payments.

(a) All payments to the Funds must be received on or before the tenth (10th) day of the month following the month during which the hours, for which contributions are required, are worked.

(b) If no payment has been received by the Funds on or before the thirtieth (30th) day of the month following the month during which hours are worked and for which contributions are required, the Employer shall be assessed interest on the amount of delinquent contributions at the rate of one and one-half percent (1-1/2%) per month from the date the monies were due (the tenth (10th) day of the month), liquidated damages of twenty percent (20%) of the delinquent contributions, auditing fees, and any attorney's and paralegal fees and other costs.

(c) If no payment has been received by the Funds on or before the ninetieth (90th) day of the month following the month during which the hours are worked and for which contributions are required, collection proceedings shall be commenced by Funds' Counsel seeking the monies set forth in (b) above, unless counsel is advised by the Funds that the delinquent contributions were received by the ninetieth (90th) day of the month.

(d) If the Funds' Counsel performs legal services, which may include (but are not limited to) the preparation for and/or the commencement of legal or agency proceedings against the Employer, to recover the amounts owed to the Funds pursuant to

this section, the Employer shall reimburse the Funds for all attorneys' fees and paralegal fees, court costs, disbursements, auditing fees and expenses incurred by the Funds in attempting to collect and in collecting the Funds' monies.

(e) In the event the Funds do not commence a lawsuit or other proceedings to collect delinquent fringe benefit contributions, in the event a lawsuit (or other proceedings) is settled prior to a judgment or resolution being obtained by the Funds, or in the event the delinquent contributions are paid either prior to commencement of the lawsuit or proceedings or prior to judgment or other resolution, the Funds are still entitled to collect, and the delinquent employer is still obligated to pay, the interest, liquidated damages, costs, auditing fees and attorneys' fees set forth in this Policy.

Section 2. Audit of Payroll Records.

The Trustees may at any time check and examine the payroll records of any Employer at any reasonable time at no charge to the Employer. If it is found by the Trustees, however, that the Employer has violated its obligations under the rules, regulations and/or Trust Agreements of the Funds including, but not limited to, its obligation to timely remit fringe benefit contributions to the Funds, then the Employer shall reimburse the Funds for all auditing charges for examining the Employer's books.

If it is necessary for the Funds' Counsel to perform legal

services for any reason, including the commencement of a lawsuit or other proceedings, to obtain the audit and to compel the Employer's production of its payroll records, then in that event, the Employer shall be liable for all auditing fees, attorneys' and paralegal fees, court costs, disbursements and expenses incurred by the Funds in enforcing the Funds' right to audit and/or examine the Employer's books, regardless of whether the Employer is delinquent in payment of contributions or in violation of any of its other obligations under the rules, regulations and/or Trust Agreements of the Funds.

Section 3. Effect of This Collections Policy.

This Collections Policy constitutes a rule of the Funds. To the extent this Collections Policy conflicts with the terms and provisions of the Funds' Trust Agreements or the Collective Bargaining Agreement, the terms and provisions of this Collections Policy shall govern.

IN WITNESS WHEREOF, the Board of Trustees of the International Union of Operating Engineers Local 98 Pension Fund, the Board of Trustees of the International Union of Operating Engineers Local 98 Health and Welfare Fund, the Board of Trustees of the International Union of Operating Engineers Local 98 Annuity Fund, and the Board of Trustees of the International Union of Operating Engineers Local 98 Training Fund have executed

this Collections Policy, effective the 1st day of
DECEMBER, 1999.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 98 PENSION,
ANNUITY, HEALTH AND WELFARE AND
TRAINING FUNDS

DATED: 11-10-99

John J. Reber
UNION TRUSTEE

DATED: 11-10-99

William J. Sullivan
EMPLOYER TRUSTEE

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