

K#: 876

COLLECTIVE AGREEMENT

**GREATER BLOUSE, SKIRT AND UNDERGARMENT
ASSOCIATION, INC.
and the
METROPOLITAN AREA APPAREL MANUFACTURERS ASSOCIATION, INC.
and
SPORTSWEAR APPAREL ASSOCIATION, INC.**

with

**BLOUSE, SKIRT, SPORTSWEAR, CHILDREN'S WEAR
& ALLIED WORKERS' UNION,
LOCAL 23-25, UNITE HERE**

and

**AMALGAMATED LADIES' GARMENT
CUTTERS' UNION
LOCAL 10, UNITE HERE**

**(Both Affiliated With The New York Metropolitan Area
Joint Board, UNITE HERE)**

2007 - 2010

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AGREEMENT made and entered into as of the 1st day of June, 2007 by and between the GREATER BLOUSE, SKIRT AND UNDERGARMENT ASSOCIATION. INC., the Sportswear Apparel Association, Inc. and the Metropolitan Area Apparel Association, Inc., (hereinafter collectively designated as the "Association"), and the AMALGAMATED LADIES' GARMENT CUTTERS' UNION, Local 10, UNITE HERE and the BLOUSE, SKIRT, SPORTSWEAR, CHILDREN'S WEAR & ALLIED WORKERS' UNION, LOCAL 23-25, UNITE HERE, (hereinafter designated as "Local 10" or "Local 23-25.") Local 10 and Local 23-25 are hereinafter collectively designated as "the Union" and both Unions being affiliated with the New York Metropolitan Area Joint Board, UNITE HERE.

W I T N E S S E T H :

WHEREAS, the Associations are organizations of contractors who are engaged in the manufacture and production of garments for manufacturers and jobbers, an objective of said Association being to deal collectively with Local 10 and/or Local 23-25; and

WHEREAS, Local 10 and Local 23-25 represent a majority of the workers employed in the manufacture and production of garments for members of the Association and for other manufacturers and jobbers in the Metropolitan District (hereinafter defined); and

WHEREAS, the parties hereto recognize that employers and workers alike have much to gain through cooperative effort in establishing conditions that will tend to secure to the workers'

continuity of employment, a fair living wage, and fair conditions of labor, and in providing methods for an equitable and peaceful adjustment of all disputes which may arise between the parties hereto and the workers and the firms they represent so as to secure uninterrupted operations of work.

NOW, THEREFORE, the parties hereto agrees as follows:

ARTICLE FIRST: DEFINITIONS

For the purpose of this Agreement:

1. "Employer" means a member of the Association.
2. "Manufacturer" means one who produces all or part of its garments in its inside shop and from its own materials and, when needed, uses contractors for its surplus production.
3. "Jobber" means one who does not produce garments on its premises or in its inside shop but who has them manufactured for it by contractors and who may or may not employ cutters and/or sample-makers.
4. "Contractor" means one who manufactures garments from cut or uncut materials for a manufacturer or jobber. A contractor also means one that is engaged exclusively in the business of cutting material for garments.
5. "Non-Union Contractor" means one who is not in contractual relations with Local 10 and Local 23-25 or with Local 23-25 or with the International or any of its affiliates.
6. "Inside Shop" means a shop wherever situated, owned,

operated or controlled by an Employer in which garments are produced and shipped.

7. "Union Shop" means one whose owner is bound under a collective agreement with Local 10 and Local 23-25 or with Local 23-25 and complies with its terms.

8. "Workers" means workers in the bargaining unit covered by this Agreement as defined in ARTICLE THIRD as well as those who may hereafter be included therein.

9. "International" means UNITE HERE.

10. "Metropolitan District" means the City of New York and all areas in the States of New York, New Jersey, Connecticut and Pennsylvania in which garments are manufactured by the Employer for a manufacturer or jobber doing business in the City of New York.

**ARTICLE SECOND: UNION RESPONSIBILITY FOR ADMINISTERING AND
 ENFORCING AGREEMENT**

The Union shall be the proper party to administer, enforce and obtain compliance with the provisions of this Agreement on behalf of itself, and all bargaining unit workers who are employed by the Employer. The sole persons authorized or having the power to bind Local 23-25 and/or Local 10 legally with respect to matters arising out of this Agreement or arising out of the relations between the Association, Employers and Local 23-25 and/or Local 10, or to subject Local 23-25 and/or Local 10 to any liability whatever by reason of any act or omissions are the respective Managers of Local

23-25 and/or Local 10 and the respective designated agents servicing the shop (or such substitute or additional persons as Local 23-25 and/or Local 10 may hereafter formally designate by written notice to the Employer). The Union shall not be responsible for the acts or omissions of any other persons, including shop chairpersons, members and employees of Local 23-25 and/or Local 10. Neither Local 23-25 nor Local 10, in entering into or administering this Agreement, is an agent of or acting on behalf of the International.

ARTICLE THIRD: BARGAINING UNIT AND UNION RECOGNITION

The bargaining unit consists of all workers in the crafts set forth in ARTICLE EIGHTEENTH employed by all firms in the Metropolitan District under collective bargaining agreements with the Union, or with Local 23-25, including all members of the Association.

It is agreed that the Union represents the overwhelming majority of such workers as well as the overwhelming majority of workers employed by members of the Association and that the Union or Local 23-25 shall be the sole and exclusive bargaining agent for all workers in the aforesaid bargaining unit. The Employer further agrees that neither it nor any of its members, their officers, agents or other representatives shall, directly or indirectly, discourage membership in the Unions herein named or in any of the locals of the International.

ARTICLE FOURTH: UNION MEMBERSHIP

1. Good standing membership in International shall be a condition of employment with an Employer for all bargaining unit workers who have such membership on the date of execution of this Agreement; it shall also be a condition of employment with an Employer for all other bargaining unit workers on and after the thirtieth (30th) day following the execution or effective date of this Agreement, or on or after the thirtieth (30th) day following the beginning of their employment, whichever is the later.

2. "Good standing membership in International", for purposes of this Article, means such membership in International through membership in Local 23-25 or in Local 10 or in any other affiliate of International.

ARTICLE FIFTH: MUTUAL OBLIGATIONS

1. The Association by this Agreement contracts for and in behalf of itself and all of its members.

Local 10 and Local 23-25 by this Agreement each contracts for and in behalf of itself and all workers now employed or hereafter to be employed in the bargaining unit by members of the Association, directly or indirectly.

2. The Association obligates itself and its members to observe all the provisions of this Agreement in good faith. Local 10 and Local 23-25 each obligates itself and its members that all such

provisions will be observed in good faith and that workers in the bargaining unit will perform their work conscientiously, faithfully and efficiently under the terms of this Agreement.

ARTICLE SIXTH: EMPLOYER'S OBLIGATION

All of the terms and provision of this Agreement shall be binding upon each Employer and upon its successors and assigns. In the event the Employer sells or transfers its business or its shop or shops to another, it shall nevertheless continue to be liable for the complete performance of the terms and provisions of this Agreement by the purchaser or transferee until the purchaser or transferee expressly, in writing, assumes such performance and agrees to be fully bound by the terms and provisions of this Agreement.

ARTICLE SEVENTH: EMPLOYERS' CONTINUING OBLIGATIONS

1. All members of the Association at the time of execution of this Agreement, and their successors and assigns, and the persons, firms, corporations becoming members thereof subsequent to the execution of this Agreement, shall be and continue to remain personally and individually liable under this Agreement for and during the term thereof, irrespective of whether the said members shall cease to be members of the Association prior to the date of expiration of this Agreement, and such liability shall be deemed to have survived the termination of such membership and shall continue for and during the term thereof. The Impartial Chairman shall have

the right to determine whether any firm is a successor or an assign of an Employer. Furthermore, an Employer who ceases to be a member of the Association shall deal with the Union individually and shall not be entitled to representation by the Association in adjustment of disputes hereunder or otherwise. Accordingly, the Union shall have the right to require such Employer to post with the Union a bond with surety in an amount determined by the Union, which shall be reasonably computed to secure the full payment of such Employer's proportionate share of the Impartial Chairman's compensation and the full performance of its other obligations under this Agreement.

2. In order to protect and preserve the rights of employees of contractors who manufacture all or part of the Employer's garments, or who manufacture all or part of the garments of the Employer's purchaser or transferee, or who manufacture all or part of the garments of a company, firm or partnership with which the Employer has merged or consolidated, in each case as part of the integrated process of production:

(a) The Employer shall not enter into partnership or consolidate or merge with or become the successor or assign of another person, firm or concern in the industry unless the new firm assumes all accrued obligations to Local 10 and Local 23-25, to the benefit funds hereinafter named, and to the workers of the constituent concern.

(b) Upon the formation of such partnership or upon such consolidation or merger, such new firm shall give preference in employment to the workers of the absorbed concern over all other workers except those then employed by the firm that continues in business.

(c) The Employer shall continue to be liable for the complete performance of this Agreement until and unless said purchaser or transferee expressly acknowledges in writing that it is fully bound by the terms of this Agreement.

(d) The company, firm, or partnership, with which the merger, consolidation or partnership has taken place shall be fully bound by this Agreement and shall be deemed to have assumed all accrued obligations of the Employer under this Agreement.

ARTICLE EIGHTH: SUBSIDIARY, AUXILIARY AND AFFILIATED FIRMS

1. Subsidiary, auxiliary and affiliated firms or corporations of an Employer shall, for the purpose of this Agreement, be deemed to be members of the Association and bound by all the terms of this Agreement. In addition, each Employer shall be liable for any violation of this Agreement by its subsidiary, auxiliary or affiliate.

2. The Impartial Chairman shall have the right to determine whether any firm or corporation is a subsidiary, auxiliary or affiliate of an Employer, and shall be guided by proof of facts tending to establish any direct or indirect connection or interest

between them, or tending to establish a plan, scheme, or device by an Employer to avoid or evade the provisions of this Agreement by or through such subsidiary, auxiliary or affiliate, directly or indirectly.

ARTICLE NINTH: ASSOCIATION LIST

The Association shall immediately submit to Local 23-25 a full list of its members, together with the names of the officers of such members as are corporations and of the individual members of such as are co-partners, and shall notify Local 23-25 of all changes in and additions to the list of members as they may occur, as well as all cases of resignations, suspensions and expulsions from the Association.

ARTICLE TENTH: OBLIGATION TO MAINTAIN UNION SHOPS

The Association agrees that each of its members will maintain a Union shop.

ARTICLE ELEVENTH: CARD CHECK RECOGNITION

If the Employer opens or obtains a facility that may not be lawfully accreted to the existing bargaining unit, the Employer shall:

(a) Not oppose the Union's attempt to organize the employees of the facility, but rather shall be neutral and shall issue to its employees a statement of its neutrality in a form acceptable to the Union; and

(b) Agree to recognize the Union as the exclusive collective

bargaining representative for the employees in an appropriate bargaining unit if the Union obtains authorization cards signed by a majority of the employees in the bargaining unit. Unresolved disputes shall be subject to arbitration under Article FORTY-THREE of this Agreement.

ARTICLE TWELFTH: STRUCK WORK-CROSSING PICKET LINES

1. The Employer shall not perform any work for or receive any garments for manufacture from any jobber or manufacturer engaged in the apparel and clothing industry against whom a strike has been declared until such strike in each case has been fully settled, and in no event shall it request or require any of its workers to perform work on any garments received from or destined directly or indirectly for such firm. Performance of such work shall not be deemed in the regular course of the workers' employment and the workers need not perform such work and their refusal to do so shall not be deemed a breach of this Agreement.

2. Each Employer and its jobbers and manufacturers have a close unity of interest with each other to the extent that an Employer's manufacturing work or other dealings relate to its jobbers' or manufacturers' garments. In any labor dispute, and to such extent, an Employer and its jobbers and manufacturers are not neutrals with respect to each other but are jointly engaged in an integrated production effort.

3. To the extent permitted by law, it shall not be considered

a breach of this Agreement on the part of Local 10 and/or Local 23-25 or on the part of any individual worker or workers if they refuse to cross any picket line recognized by International, or an affiliate thereof, or by Local 10 and/or Local 23-25, or to enter upon the picketed premises of an Employer, either of his or their own volition or by direction of International or an affiliate thereof or by Local 10 and/or Local 23-25. Such refusal shall not be cause for discharge or discipline.

**ARTICLE THIRTEENTH: CONTRACTOR DESIGNATION -- INTEGRATED
PRODUCTION -- DAMAGES**

International, Local 23-25 and Local 10, have a bona fide interest in labor conditions existing in all shops manufacturing garments and a close unity of interest exists among the workers manufacturing garments, without regard to where they are employed. Each Employer and the jobbers or manufacturers for whom it manufactures garments or performs work or with whom it otherwise deals are closely allied and have a close unity of interest with each other in the manufacture of such garments or the performance of such work or in such other dealings.

For the purpose of stabilizing the conditions of employment; to protect the employment and work opportunities, job security and standards of all the workers in all of the crafts covered by this Agreement; to assure the elimination of substandard wages, long hours of work, irregularity of employment, inequality of treatment

and other inferior standards; to secure equal conditions and standards of labor to and among all the workers in the industry, whether they work in inside shops or in the shops of contractors; and to achieve greater stability of employment through equitable distribution of work among such workers; and enforcing the provisions of this Agreement, the Association and the Employer each agrees:

1. A jobber or manufacturer that uses contractors' workers to manufacture all or part of its garments shall confine its production to workers employed (a) on its premises or in its inside shop, if it has one, and (b) in as many Union shops of contractors as it actually requires to produce its garments and to the workers thereof.

2. A jobber or manufacturer with an inside shop may use contractors only if its inside shop is fully supplied with work.

3. An Employer shall not, directly or indirectly, deal with or manufacture any garments covered by this Agreement for any person, firm or corporation which is not in contractual relations with Local 23-25, or with International or an affiliate thereof without the express of the Union.

4. An Employer shall not sub-contract any garments received by it for manufacture or send out any garments to be cut or manufactured for its jobber or manufacturer to any other contractor or manufacturer, or to any shop in which it has a proprietary

interest, whether in its own name, or in any other name, or in the name of a partnership or under any corporate name, nor shall it purchase any garments from any jobber, manufacturer or other contractor without the written consent of the respective jobber or manufacturer and the Union.

5. Each Employer shall, immediately upon the signing of this Agreement, notify Local 23-25 of the names of each and every jobber or manufacturer with whom it is dealing and for whom it is working and shall notify Local 23-25 of any changes as they occur.

6. Local 23-25 shall furnish the Association periodically with a list of the Union shops manufacturing garments and with a list of firms against which strikes are pending.

7. An Employer shall not send unfinished garments to any jobber or manufacturer.

8. (a) Should an Employer cease operating its business, through collusion, or by arrangement with its jobber or manufacturer, the Employer's workers shall immediately be absorbed either by the inside shop or by the remaining contractors of the jobber or manufacturer.

(b) In any other case where an Employer abandons its shops operating its business, the Impartial Chairman shall make such determination concerning the Employer's workers, as the merits of each case warrant. If absorption of workers is directed by the Impartial Chairman, it shall be limited to no more than the

existing facilities of the inside shop and of the remaining contractors of the jobber or manufacturer.

(c) In any of the above events, the workers may be absorbed by a contractor capable of doing the work, assigned by the Association and approved by the jobber or manufacturer.

(d) Where an Employer ceases to operate its business through collusion, or by arrangement with its jobber or manufacturer, such Employer shall be liable for such damages to Local 23-25 as may be agreed upon between the Association and Local 23-25, or upon their failure to agree as may be determined by the Impartial Chairman. Recognizing the difficulty of ascertaining the actual damages suffered, the sums determined to be payable hereunder for all purposes shall be deemed liquidated damages.

9. In order to protect the employment opportunities of the workers covered by this Agreement and to insure that there shall be no discrimination in the distribution of the work against those working in inside shops of the jobbers and manufacturers under the collective Agreement with Local 10 and Local 23-25 and those working in the shops of contractors, the Employer shall not decrease the number of machines in its factory without the consent of the Association and Local 23-25.

10. Whenever it shall appear that the Employer deals with or receives work from, or manufacturers garments for, a jobber or manufacturer who is not in contractual relations with the Union, or

with International or an affiliate thereof, or for a "struck" jobber or manufacturer, or sends piece goods to be cut to a cutting contractor, it shall immediately stop or cause all work to be stopped thereon which garments have not been put into production and shall within five (5) days withdraw work which has been put into production.

11. Should an Employer manufacture garments or perform work for or deal with a jobber or manufacturer that is not in contractual relations with the Union or with International or any affiliate thereof, or for a "struck" jobber or manufacturer, or send piece goods to be cut to a cutting contractor, such Employer shall pay to Local 23-25 an amount of damages measured as follows:

(i) Sufficiently high to offset any advantage gained by the Employer through such a transaction, giving due regard to the amount involved, and upon which any amount paid under (iii) hereof shall be credited on account;

(ii) To pay the costs of any investigations made in connection therewith, including the expenses of business agents, clerks, accountants and counsel fees;

(iii) To remunerate all the workers in the crafts covered by this Agreement who have sustained damages by reason of the above violations;

(iv) To remunerate the Union for the harm suffered by it as an institution.

In the event of the inability of the Association and Local 23-25 to agree upon the amount of damages, the same shall be determined by the Impartial Chairman.

Recognizing the difficulty of ascertaining the amounts payable under subdivisions (i), (ii) and (iv) of this Paragraph, the sum determined to be payable shall for all purposes be deemed liquidated damages.

All damages hereunder shall be paid to Local 23-25 and shall become its sole and exclusive property and part of its general funds, except for such portions thereof expressly stated to be for remuneration to the workers who have sustained damages by reason of the above violations.

In addition to being required to pay the amounts herein specified, an Employer, found twice to have violated the provisions of this Article, shall automatically lose all rights and privileges under this Agreement to the extent of giving Local 23-25 the right to take such action as it may deem necessary, including the right to strike against such Employer.

ARTICLE FOURTEENTH: HOURS--OVERTIME

1. A regular week's work shall consist of forty (40) hours per week divided equally in the first five working days, Monday to Friday, inclusive. Regular work hours shall consist of any consecutive nine (9) hour period set between the hours of 8 a.m. and 7 p.m. in a day. Each Employer shall post the hours for the

daily regular hours and shall notify the Union of said hours. Regardless, there shall be no work of any kind performed after 3 p.m. on any day.

2. There shall be no more than one (1) shift a day.

3. All work in excess of forty (40) hours in a week by either a piece worker or a week worker shall be overtime work. All overtime shall be paid at the rate of time and one half.

4. Overtime shall be voluntary. However, no work shall be performed on Sunday.

5. Where a worker, except for a cutter, marker and grader, voluntarily is late for work on one of the first five working days, overtime for that worker for that day may be paid after eight hours of work; provided, however, any work performed after 7 p.m. of that day shall be paid at the worker's overtime rate. This concept shall not apply if a worker is not required by the Employer to commence working at the regular starting time.

6. Should an Employer violate this Article, the Association and Local 23-25 shall agree on the amount of damages the Employer shall pay for each violation.

Such an amount shall be based on the extent of the violation and shall take into consideration the cost of the enforcement of this Article, and be sufficiently high to offset any advantage gained by the Employer by such violation.

If the Association and Local 23-25 cannot agree immediately

upon such amount, it shall be determined by the Impartial Chairman.

Such amount shall be paid to Local 23-25 to defray its cost in enforcing this Article.

Since the exact amount of damages is difficult to ascertain, such damages shall, for all purposes, be deemed liquidated damages.

ARTICLE FIFTEENTH: WAGE INCREASE

Each Employer shall pay to all its bargaining unit piece and week workers employed by it the following increases in wages:

1. Effective with the work week beginning June 4, 2007, all week workers and piece workers shall receive a general increase in wages of three (3%) percent per hour above their present regular wage.

2. Effective with the work week beginning June 2, 2008, all week workers and piece workers shall receive an additional three (3%) percent per hour above their then regular wages.

3. Effective with the work week beginning June 1, 2009, all week workers and piece workers shall receive an additional three (3%) percent per hour above their then regular wages.

4. The increase above stated shall be compounded for time workers and not compounded for piece workers.

ARTICLE SIXTEENTH: RISE IN THE COST OF LIVING

1. Should the cost of living, as reflected in the U.S. Consumer Price Index for the period June 2007, through November 2008, increase 3-1/2% over the Consumer Price Index for May 2007,

as published in June 2007, then the regular hourly wages of all piece and week workers shall be increased ten (10¢) cents per hour. Additional hourly increases of five (5¢) cents per hour shall be paid for each additional increase in the cost of living of $\frac{1}{2}$ of 1%. Cost of living increases payable under this provision shall not exceed twenty-five (25¢) cents per hour. Rises in the Consumer Price Index under this ARTICLE SIXTEENTH shall be measured over an eighteen (18) month period, as set forth above, by utilizing the Consumer Price Indices for Urban Wage Earners and Clerical Workers, U.S. Cities Average, printed and released in the months of June 2007, and December 2008.

2. Wage increases due hereunder shall be effective the first Monday in January, 2009.

ARTICLE SEVENTEENTH: HOLIDAYS - BEREAVEMENT PAY - SICK LEAVE

(a) Holidays

1. All week workers and piece workers shall be paid for the following holidays:

- (a) New Year's Day
- (b) Chinese New Year or Martin Luther King Jr.'s Birthday
- (c) Washington's Birthday
- (d) Good Friday
- (e) Memorial Day
- (f) Independence Day
- (g) Labor Day
- (h) Columbus Day
- (i) Election Day
- (j) Thanksgiving Day
- (k) The day after Thanksgiving
- (l) Christmas Day

Employer members of the Sportswear Apparel Association may, by majority vote, on a shop basis, elect to have a worker's Personal Birthday holiday in lieu of Chinese New Year or Martin Luther King Jr.'s Birthday holiday.

All such holidays shall be observed.

Workers may also refrain from working one day each year on a national or ethnic holiday of their choice, but without pay.

2 (i). Each Employer shall be responsible for and guarantees the payment of full holiday pay for each of the said holidays to all bargaining unit week and piece workers employed by it, irrespective of the day of the week on which the holiday falls and irrespective of whether there is work in the shop during the week in which the holiday occurs, and the workers shall receive payment therefor.

(ii) The holidays noted in ARTICLE SEVENTEENTH (1) above shall be observed on the day of the week in which the holiday falls provided that should a holiday fall on a Saturday it shall be observed on the prior Friday and should a holiday fall on a Sunday it shall be observed on the following Monday.

3 (i). A week worker's holiday pay shall be based on his/her regular weekly wage for a 40 hour week divided by five (5).

(ii). Each piece worker employed by a member of the Association shall receive as holiday pay quarterly payments equal to five (5%) percent of his/her earnings, exclusive of holiday pay,

during the previous calendar quarter. Each such quarterly payment shall be deemed payment for three (3) holidays.

By way of example, holiday pay for the first quarter of a year shall be based on earnings during the prior fourth quarter of the previous year. Holiday pay for a newly hired worker not employed in the previous quarter shall be computed on the basis of his or her earnings during the quarter in which such worker was hired.

Holiday pay for each quarter shall be paid on or before the last pay day in the calendar quarter.

To be eligible for holiday pay in any particular quarter, a worker must have earned at least \$800.00 in the previous calendar quarter or, in the case of a newly hired worker, in the quarter in which he/she was hired.

Each member of the Association shall file with the Sportswear Holiday Fund or the National Greater Holiday Fund (whichever is the relevant Holiday Fund in which such member participates) a copy of the quarterly rate wage report required by the State in which the member of the Association is located before the member files its claim for reimbursement from the Fund.

Each member of the Association shall maintain a separate distinct payroll account from which it pays holiday pay to its employees.

The Memorandum between the parties dated as of September 30, 1997 regarding the Local 23-25 New Holiday Pay System for

Contractors is incorporated here by reference.

b) Bereavement Pay

An employee who suffers the death of a member of his immediate family and who loses time from scheduled work shall be entitled to be paid by the Employer for up to three (3) such work days.

To be eligible for bereavement pay, an employee must:

(i) have been attached to the industry for six months prior to the date of death of the member of the immediate family;

(ii) have been scheduled to work on the above defined bereavement days and except for the death, would otherwise have worked;

(iii) when requested, furnish proof to the Employer of the death.

Bereavement pay for a week worker shall be based on his/her regular weekly wage for a 40 hour week divided by five (5); an Operator, Finisher or Under-presser shall be paid at the rate of \$67.00; and a Presser shall be paid at the rate of \$74.00.

For the purposes of this Article, a member of the immediate family shall mean only the employee's legal spouse, natural or legally adopted child, natural or legally adopted mother or father; natural siblings, grandparent, grandchild, and current mother or father-in-law.

(c) Sick Leave For Shipping Clerks.

Shipping Clerks employed by members of the Sportswear Apparel

Association six (6) months or more shall be eligible for four (4) days paid sick leave annually.

ARTICLE EIGHTEENTH: MINIMUM WAGE SCALES

1. Workers in the crafts below shall be employed on a week work basis and shall receive not less than the following guaranteed minimum wage for a forty (40) hour week:

	<u>EFFECTIVE DATES</u>		
<u>CRAFT</u>	<u>6/4/07</u>	<u>6/2/08</u>	<u>6/1/09</u>
Cutters, Markers, Graders	\$552.00 \$13.80/hr	\$560.40 \$14.01/hr	\$568.80 \$14.22/hr
Sample-makers	\$351.20 \$8.78/hr	\$356.40 \$8.91/hr	\$362.00 \$9.05/hr
Finishers	\$312.00 \$7.80/hr	\$316.40 \$7.91/hr	\$321.20 \$8.03/hr
Piece Goods Workers & Workers in and about the Cutting Department	\$304.40 \$7.61/hr	\$309.20 \$7.72/hr	\$313.60 \$7.84/hr
Floor Workers	\$296.00 \$7.40/hr	\$300.40 \$7.51/hr	\$304.80 \$7.62/hr
Shipping Clerks	\$310.40 \$7.76	\$315.20 \$7.88	\$320.00 \$8.00
Packers	\$310.40 \$7.76	\$315.20 \$7.88	\$320.00 \$8.00

2. Workers in the crafts below shall be employed on a piece work basis and shall receive not less than the following guaranteed minimum for a forty hour week:

	<u>EFFECTIVE DATES</u>		
<u>CRAFTS</u>	<u>6/4/07</u>	<u>6/2/08</u>	<u>6/1/09</u>
Operators	\$298.40 \$7.46/hr	\$302.80 \$7.57/hr	\$307.20 \$7.68/hr
Pressers	\$337.20	\$342.40	\$347.60

	\$8.43/hr	\$8.56/hr	\$8.69/hr
Under-pressers	\$300.40	\$304.80	\$309.60
	\$7.51/hr	\$7.62/hr	\$7.74/hr

3. Newly hired inexperienced workers may be paid fifty (50¢) cents per hour less than the craft minimum noted in paragraphs 1 and 2 during the first thirty (30) days of employment; but in no event less than the applicable state or federal minimum wage. On the thirty-first (31st) day after such worker is hired, the required craft minimum shall be paid such worker.

4. Where workers in any of the crafts set forth in this numbered Article receive wages or earnings in excess of the minimums stated herein for such craft, the same shall not be reduced during the term of this Agreement.

5. Workers in piece work crafts who perform week work in such crafts shall receive at least ten (10%) percent above the applicable craft minimum. In no event shall workers be transferred from piece work to week work without the consent of Local 23-25.

6. (a) Piece work operators may be designated substandard workers only upon the prior written consent of Local 23-25. Consent to such designation will not be granted unless, in the sole opinion of Local 23-25, the following conditions have been satisfied with respect to the piece work operator in question:

(i) Work is being performed at a fair and proven piece rate. A piece rate is fair and proven if other piece workers doing

the same work have consistently earned substantially above the minimum rate therefor.

(ii) The conditions of work, such as work flow, work continuity, and work familiarity are not prejudicial to normal earnings.

(iii) The operator has consistently earned less than Seven Dollars and Forty Cents (\$7.40) per hour.

(b) The minimum hourly rates for substandard workers shall be Seven Dollars and Thirty-Five cents (\$7.35) per hour.

(c) A worker duly designated substandard may continue to be so designated only so long as the conditions of this numbered ARTICLE EIGHTEENTH, paragraph 6 are being fully complied with in the sole opinion of Local 23-25. In no event may a worker be designated substandard for more than eight (8) weeks without the further prior written consent of Local 23-25.

7. Operators may be employed as learners only with the consent of Local 23-25, which consent shall not be unreasonably withheld. Learner operators may be hired and paid pursuant to the following progression schedule:

	<u>EFFECTIVE DATES</u>		
	<u>6/4/07</u>	<u>6/2/08</u>	<u>6/1/09</u>
1st 4 Weeks	\$7.15/hr	\$7.25/hr	\$7.35/hr
2nd 4 Weeks	\$7.20/hr	\$7.30/hr	\$7.40/hr
3rd 4 Weeks	\$7.30/hr	\$7.40/hr	\$7.50/hr

After 12 Weeks \$7.46/hr \$7.57/hr \$7.68/hr

Regardless of the above, at no time shall operators be paid less than their regular piece work earnings and increments thereon.

ARTICLE NINETEENTH: CHANGE IN LEGAL MINIMUM

Whenever the Federal or state legal minimum wage is increased, minimum wages under this Agreement shall be increased so that each will be at least twenty-five (\$.25) cents higher than such legal minimum wage.

ARTICLE TWENTIETH: PIECE RATES

1. All pieces rates on garments shall be settled on the premises of the Employer in its or its representative's presence, in the presence of a representative of Local 23-25, a representative of the Association and the representative of the workers of the shop. All may participate in the settlement.

2. Piece rates for each separate operation or section in the Employer's shop shall be set to yield a worker of average skill and ability on the specific operation or section, as performed in the shop of the Employer, average straight-time hourly earnings of not less than thirty three percent above the respective craft minimum.

3. Workers shall not be required to work on garments before the piece rates have been adjusted or settled with respect thereto and such refusal to work shall not be deemed a violation of ARTICLE FORTY-SECOND of this Agreement. When piece rates are finally set or settled, such rates shall be retroactive to the inception of the

work.

4. The parties will work cooperatively to establish standards for the setting of piece rates using the good offices of available organizations including, but not limited to, T.C. Square, GIDC or CAF; and at the specific request of the Association, the Union will conduct engineering studies for the purpose of making recommendations on how to improve shop efficiency, modernization and competitiveness.

ARTICLE TWENTY-FIRST: CHECK-OFF

1. Subject to the requirements of law concerning authorization and assignment by the workers individually, the Employer shall deduct membership dues (which shall be deemed to include periodic fixed dues, initiation fees, and assessments) or, to the extent permitted by law, service charges, from the earnings of its workers monthly and transmit the same to Local 23-25 within 48 hours thereafter.

2. The Employer agrees to honor check-off authorizations for political contributions to the UNITE HERE TIP Campaign Committee or its successor from workers who are members of Local 23-25 and Local 10.

3. Sums deducted by the Employer under the provisions of Paragraphs 1 and 2 of this ARTICLE TWENTY-FIRST shall be kept separate and apart from general funds of the Employer and shall be held in trust by the Employer for the benefit of Local 23-25 and

Local 10, or the UNITE HERE TIP Campaign Committee, or its successor, as the case may be.

**ARTICLE TWENTY-SECOND: EMPLOYERS' RESPONSIBILITIES FOR
PAYMENTS TO WORKERS**

1. Each Employer shall be responsible to the workers attached to its shop for the payment of their wages, earnings, overtime and holiday pay.

2. (a) Where it shall be established that there has been an underpayment made by an Employer to its workers of their wages and earnings, overtime pay and holiday pay, the amount of such underpayment shall be paid by the Employer to Local 23-25 on behalf of the workers so underpaid.

(b) If such underpayment shall have been deliberate or the result of any collusive arrangement, the Employer shall, in addition to the foregoing, be subject to such additional liquidated damages as may be agreed upon between the Association and Local 23-25 and/or Local 10 or, upon their failure to agree, as may be determined by the Impartial Chairman.

3. To safeguard the labor standards and to provide for the full payment of the amounts due to workers who manufacture garments for a jobber or manufacturer each Employer shall be paid by its jobber or manufacturer an amount at least sufficient to enable it to provide its workers with the wages, earnings, overtime and holiday pay provided in this Agreement.

ARTICLE TWENTY-THIRD:

SHOP STANDARDS

1. The Employer shall not reduce wages or settled piece rates.

2. (a) All wages, earnings, overtime and holiday pay shall be paid on the day they were customarily paid, but no later than the Friday following the week in which they were earned.

(b) The Employer shall allow workers to take time off for cashing checks and comply with other relevant provisions of the New York State Labor Law.

(c) Payroll check stubs or a weekly statement provided to the worker with the payroll check shall state the total hours worked, including overtime hours, the hourly rate paid; and list all deductions made from gross pay.

(d) Employers shall be responsible to reimburse a worker for all bank fees or penalties resulting from unpaid payroll checks returned by the bank for insufficient or uncollected funds.

(e) Supervisor training regarding shop standards will be offered at no cost to Employers who request it; but Supervisor training will be mandatory for all Employers against whom wage or other labor violations have been found.

3. The Employer shall not charge a worker for any damage to materials, unless caused willfully.

4. All homework is prohibited. The Employer shall not permit any work to be done or performed on garments or parts thereof in tenement houses, basements or in any unsanitary or unsafe building.

5. a) The Employer shall comply with all standards of health, sanitation, and safety required by law, including all regulations of the local fire department.

(b) Employers retain exclusive responsibility to provide a safe and healthful place and working conditions. The intent of this paragraph is not to diminish the Employer's exclusive responsibility or make the Union, its agents or representatives, liable for any worker's job-related injury, illness or death.

(c) Toilets, washrooms, work and rest areas will be kept in a clean condition and will be adequately lighted. The Employer will provide fresh drinking water.

(d) A worker may refuse to perform work which she reasonably believes would pose an immediate serious threat of injury or illness.

6. No contracting or subcontracting within a shop shall be permitted.

7. There shall be no dual system of work in the same branch of work in any shop.

8. The Employer shall not make any individual contract with a worker or group of workers.

9. The Employer shall supply necessary machines, tools and thread to its workers.

10. The Employer shall not discriminate against any worker or applicant for employment because of race, creed, religion, color,

national origin, citizenship, immigration status, marital status, sexual preference, sex or age except as required by law. The Employer, however, shall not employ children or adolescents where such employment is prohibited by an applicable federal or state law or regulation.

11. No member of the Employer, supervisory employee or any other person outside of the bargaining unit shall perform any work of any craft covered by this Agreement. The Employer shall pay to Local 23-25 as damages for each such violation a sum equal to the minimum weekly wage of the craft involved.

12. The Employer shall not use private employment agencies or any other method of obtaining workers that results in the payment of a fee by workers for obtaining employment.

13. The employment rights of veterans, reservists and members of the National Guard guaranteed by law are incorporated into this Agreement and are enforceable under the grievance and arbitration provisions of this Agreement.

ARTICLE TWENTY-FOUR: CUTTING

1. An Employer who is a sewing contractor shall not:

(a) Maintain a cutting department which is not on its own premises, unless otherwise agreed to in writing by Local 10.

(b) Cut any garments for any jobber or manufacturer who is not in contractual relations with the Union or International or an affiliate thereof, or for a struck jobber or manufacturer.

(c) Cut more garments than can be manufactured on its own premises for its jobber or manufacturer.

(d) Send any piece goods to any other sewing contractor or to any cutting contractor to be cut.

2. An Employer may engage exclusively in the business of cutting garments, ("cutting contractor"), for jobbers and manufacturers (but not for sewing or cutting contractors), only upon compliance with each of the following conditions:

(a) It shall comply with the requirements of Paragraph 1(a), (b) and (d) of this ARTICLE TWENTY-FOURTH.

(b) It has been duly designated in advance with Local 23-25 and Local 10 by registering its name and address and filing the same with Local 23-25 and Local 10. No designations shall be effective unless approved by Local 23-25 and Local 10.

(c) It shall, upon receiving uncut goods from jobbers or manufacturers, furnish Local 23-25 and Local 10 with a written statement setting forth the following information:

(i) The names and locations of the jobbers and manufacturers from whom the uncut goods were received.

(ii) The quantity and style numbers of garments that are cut from such uncut goods.

(d) The Employer may use photo-marking machines, but only on its own premises and photocopies of markers shall not be made except by cutters covered by this Agreement and who are

members of Local 10.

3. Temporary cutters, markers and graders may be employed, but not longer than three (3) months in any 12 month period. Such temporary employment may be extended for an additional three (3) month period, upon the consent of the Union. The Union's consent shall not be unreasonably withheld. Upon the date of hire of a new Cutter, Marker or Grader, the Employer shall give the Union and the worker written notice that the job is temporary.

Any temporary Cutter, Marker or Grader employed beyond the permissible periods shall thereupon become permanent.

ARTICLE TWENTY-FIFTH: TRIAL PERIOD

The first thirty (30) days of employment of newly hired workers shall be deemed their trial period during which time they may be discharged without regard to cause. Thereafter, they shall be deemed regular employees. During the trial period, workers shall be entitled to the full protection of this Agreement, except against discharge.

ARTICLE TWENTY-SIXTH: SHOP CHAIRPERSON

There shall be in the shop of the Employer a shop chairperson designated by the Union.

ARTICLE TWENTY-SEVENTH: DIVISION OF WORK

1. (a) In the event of lack of work, trial period workers, provisional replacement workers and temporary cutters, markers and graders shall be laid off first.

b, Porters, piece goods handlers and workers employed in and about cutting rooms (other than graders, cutters, and markers) shall be laid off in order of their seniority with the Employer, the junior worker being laid off first. As work becomes available, laid-off workers shall be recalled to work in inverse order of their layoff before any new employees are hired.

2. (a) In all crafts other than the crafts enumerated in Subparagraph 1(b) above, the work available in the shop shall be divided as equally as possible among all the workers competent to do the work. Equal division of work may include dividing the workers into groups that are alternately supplied with work.

(b) If there is not a full week's work for all cutters in the shop, the work available shall be divided equally among them by the week.

(c) The lead presser shall not be entitled to more work than other pressers in the shop.

ARTICLE TWENTY-EIGHTH: ASSIGNMENT TO OTHER WORK

1. Workers who are requested to perform work other than their regular work while their regular work is available shall receive for such other work either their average hourly earnings during their last four (4) weeks of full employment on their regular work or their actual earnings in the new work, whichever is greater.

2. Workers who are requested to perform work other than their regular work while their regular work is unavailable shall receive

for such other work the established piece or time rate therefor or a mutually agreed-on guaranteed rate, but in no event less than the applicable craft minimum wage for such work provided in this Agreement.

ARTICLE TWENTY-NINTH: CALL-IN PAY--REPORTING TO SHOP

1. A worker who does not have unfinished work in his basket shall not be required to report to the shop to perform less than one-half ($\frac{1}{2}$) day's work, unless he is paid wages or earnings for one-half ($\frac{1}{2}$) day.

2. A worker who has unfinished work in his basket, however small, shall report to the shop for work even though there is less than one-half ($\frac{1}{2}$) day's work and shall be paid for the amount of work actually performed or for the hours consumed.

3. Notwithstanding the above, a marker, cutter or grader who is required to report to the shop for work shall be supplied with or paid for one full day's work.

ARTICLE THIRTIETH: DISCHARGES

No worker shall be discharged without good and sufficient cause. Should there be any dispute regarding a discharge, including compensation for loss of earnings during the period of discharge, such matter shall be settled between the representatives of the Union and the Association or in accordance with the arbitration procedure hereinafter provided.

ARTICLE THIRTY-FIRST: LEAVE OF ABSENCE -- VACATION

1. Upon request of a worker, the Employer shall grant reasonable leaves of absence to workers for a justifiable cause. Such workers shall not lose any job rights and shall be entitled to their regular job prior to such absence.

2. Each worker may take three (3) weeks' vacation each year during periods mutually agreed upon by the Employer and the worker, but in no event shall such vacation period unreasonably interfere with the Employer's production requirements.

3. A specified vacation period for all or part of the shop or shops of a member of the Association shall require the approval of Local 23-25 and Local 10.

ARTICLE THIRTY-SECOND: INDUSTRY TRUST FUNDS

The Greater Blouse, Skirt, Undergarment Association, Inc. Industry Trust Fund, the Sportswear Industry Trust Fund and the Infant's & Children's Wear Industry Trust Fund have been established for the purposes of funding the promotion of the sportswear, blouse and children's wear industry and other industry activities in such manner, in such amounts and in all other respects as shall be determined by the Board of Trustees of said Industry Trust Funds in their sole discretion. The Board of Trustees of each fund shall be composed only of representatives of the respective Associations. The Board of Trustees of each said fund shall have power to adopt by-laws,

rules, regulations and decisions thereunder as it may deem advisable. Local 23-25 shall be the proper party in interest to enforce the payments provided for herein.

From the contributions received by the Benefit Funds as noted in Article 41, the monthly per capita sum of \$0.25 cents per contributed for worker shall be forwarded to the said respective Industry Trust Fund by the Benefit Funds.

Should the Employer fail to file its quarterly payroll reports and statements of amounts received from its jobbers and manufacturers, and fail to make payments, if any, by the 15th of the month, of monies due to the said respective Industry Trust Funds for the calendar month immediately preceding, such Employer shall be deemed to be in non-compliance with this Agreement, after Local 23-25 has given the respective Association ten (10) days' written notice of the Employer's default and the report and payment from such Employer has not been received by Local 23-25 within such ten (10) days. Local 23-25 shall also have the right to proceed against such Employer directly before the Impartial Chairman (a) for an award directing it to remit its payroll and other reports to the said respective Industry Trust Fund and (b) for an award for the amount due, if any, to such Fund.

In addition, should the Employer fail or refuse to file with said respective Industry Trust Fund the required statements or payrolls, or should it appear that such statements or payrolls have

been falsified or prepared in a manner to mislead the said Industry Trust Fund, the Employer shall be liable for any expenses incurred in obtaining the statements and payrolls, and in the event of falsification of records, the expense in ascertaining what are the correct statements and payroll and such other liquidated damages.

ARTICLE THIRTY-THIRD: EFFICIENCY - NEW MACHINERY

1. The Employer shall operate its shop at all times in an efficient and well-ordered manner; machinery and equipment shall be maintained in good working condition; the premises shall be kept clean, properly lighted, well ventilated, and adequate working room shall be provided for the workers, so as to enable the workers to devote their full time exclusively to the work of their craft and maximize earning opportunities.

2. The Employer agrees to maintain its shop at the level of efficiency that meets the requirements of the above provisions and workers agree to perform their work conscientiously and efficiently.

3. New machinery may be introduced upon consent of the Union. Should the parties fail to agree, the dispute shall be subject to arbitration hereunder.

**ARTICLE THIRTY-FOURTH: TIME CLOCKS-MAINTENANCE OF RECORDS-
EXAMINATION-FALSIFICATION-ACCESS
TO SHOP**

1. Each Employer shall install and maintain a time clock on its premises and each worker covered by this Agreement shall punch

his or her time card before starting work and at the completion of work and before and after lunch.

2. Each Employer shall maintain during the entire term of this Agreement, a full and complete set of books and records in accordance with regularly accepted accounting practices. Such books and records shall include, but shall not be limited to, the following: The names of all the workers covered by this Agreement employed by it, their Social Security numbers, their crafts, their sex, their straight-time and overtime pay each week (before deductions for taxes), the number of straight-time and overtime hours worked in each week; the amount of holiday pay paid to each covered worker; piece work calculation records, which shall include the number of operations performed by each worker each week, the number of pieces completed, the piece rates paid, the add-on percentages and the style numbers of the garments worked on; the names and addresses of all its jobbers and manufacturers; the number of garments manufactured by the Employer for each jobber and manufacturer; the amount of money received by it from each jobber and manufacturer and the date of each such payment; all contractors' bills; all trucking bills; name and address of each bank in which the Employer is a depositor; and all its bank statements and canceled checks.

3. On request of the Union, each Employer shall permit a duly authorized agent of the Union to have access to the place of

business of the Employer at all reasonable times for the purpose of investigating the conditions in the shop, and shall promptly submit to the Union for examination such books and records as the Union deems pertinent in order to ascertain whether the provisions of this Agreement are being fully complied with. Such examination may be made by an accountant or any other designated representative of the Union. Whenever an investigation involves an examination of the books of the Employer, the latter may have a representative of the Association take part in such an investigation, provided the investigation is not thereby unreasonably delayed.

4. Should an Employer refuse to produce books and records that representatives of the Union and the Association agree should be produced, or that are directed by the Impartial Chairman to be produced, such refusal shall be deemed an admission of the violation of the Agreement charged against it by the Union, and the Employer shall be liable for the damages including liquidated damages and other relief requested by the Union in its complaint. In such event, the Union shall also have a right to strike the Employer, notwithstanding any provision to the contrary in this Agreement.

5. Should it appear to the satisfaction of the Impartial Chairman that the records of an Employer have been falsified in order to conceal dealings with a non-Union or a "struck" jobber or with a manufacturer or jobber who has not designated it, or in

order to conceal other violations of this Agreement, or otherwise to mislead the Union, such Employer shall be deemed to be in non-compliance with this Agreement.

ARTICLE THIRTY-FIFTH: ACCESSORIES

Whenever Local 23-25 notifies the Association that any of its members cause to be manufactured as part of the integrated process of production of garments, belts, covered buttons, buckles, neckwear, artificial flowers, bias binding, tubular piping, bonnaz embroideries, shoulder pads, hemstitching, pleating and tucking or other accessories on garments by, or purchase such articles from a firm that is not in contractual relations with International or an affiliate thereof, or against whom the said International has declared or sanctioned a strike, or with which any of them has a lawful labor dispute the Association will immediately order its member to cease further dealings with such firm and the member of the Association shall cease further dealings after receiving such notice, until such strike or labor dispute is settled and/or until such firm enters into a collective agreement with International or an affiliate thereof.

ARTICLE THIRTY-SIXTH: UNION LABEL

Each Employer shall affix the UNITE HERE Union Label to all garments manufactured in its shop in accordance with rules, regulations and procedures promulgated by International, which, together with any amendments thereof, shall be deemed incorporated

in this Agreement with the same force and effect as if fully set forth herein. All such labels shall be purchased by the Employer from Local 23-25.

ARTICLE THIRTY-SEVENTH: JURY DUTY

Once during the life of this Agreement, for up to five working days, the Employer shall pay a worker who serves jury duty, on regularly scheduled work days, the difference between such worker's holiday pay rate and the pay (less travel allowances) received for jury service. The Employer shall pay jury duty pay upon presentation by the worker of the voucher he received for jury services. No employee benefit fund contributions shall be due on jury duty pay.

ARTICLE THIRTY-EIGHTH: MOVING SHOPS

1. During the term of this Agreement, no Employer shall move its factory or cutting department or other operations if it be located within the City of New York, to any place outside of the five boroughs of the City of New York, and if it be located outside of the City of New York, to any place beyond which the public carrier fare is more than the regular single fare established by the Metropolitan Transit Authority.

2. Notwithstanding Paragraph (1) above, an Employer may move its factory, cutting department, or other operations from a location within the City of New York to a location outside of the City of New York if it first obtains the written permission of

the Union. The Union may give such permission if, in its sole opinion, the new shop or factory meets the following criteria:

(a) The Union is given at least thirty (30) days prior written notice.

(b) It is just as accessible to the workers employed in the old shop as was the old location.

(c) If in an urban community, the public carrier fare between the new shop and the old shop is no more than the regular single fare established by the local transit authority.

(d) The labor standards and other conditions of employment are no less favorable to the workers than those which prevail at the old location.

3. If the new location does not meet the above criteria, the Union may nevertheless give written permission if, in its sole opinion, there are extenuating circumstances that justify relocation.

ARTICLE THIRTY-NINTH: LIQUIDATED DAMAGES

Should the Employer intentionally or deliberately violate any provision of this Agreement where it is difficult or impossible to ascertain the specific amount damages suffered by the workers or the Union, then the Employer may be liable to Local 23-25 and/or Local 10 for liquidated damages. In fixing these damages, there shall be taken into account any advantages gained by the Employer through its violation, any deprivation of earnings suffered by

workers, any contributions lost by the benefit funds, any institutional harm suffered by the Union and such other factors as are fair under the circumstances. If the Union and the Association are unable to agree upon the amount of liquidated damages for such violation, then the matter shall be treated as a dispute under

ARTICLE FORTY-THIRD. The proceeds of any such liquidated damages shall be paid to Local 23-25 and/or Local 10.

**ARTICLE FORTIETH: NEW APPLICATIONS FOR MEMBERSHIP
IN ASSOCIATION**

1. (a) Before admitting a new member to membership in the Association, which membership includes contract coverage with the Union, the Association shall inform the Union in writing of the application for membership, and shall provide with the application the following information or documents: (a) In the case of a corporation, the names and resident addresses of the officers, directors and major shareholders of the corporation; (b) In the case of unincorporated businesses, the Association shall supply the names and resident addresses of the owners who have an interest in the business; (c) In all cases social security numbers and photo Identification of the owner or Principal Owner/Officer; (d) copies of leases and agreements for the leasing or purchase of equipment; (e) State Contractor Registration documents; (f) bank account numbers and bank name; (f) and evidence of state disability insurance.

(b) If a strike or dispute exists at the time of application

for said membership, involving the applicant and the Union, or International or any affiliate thereof, the Union shall inform the Association in writing within twenty (20) working days after the receipt of said notice of application. In such event, the Association shall not admit such applicant to membership until the Union informs the Association that the strike or dispute is settled. A dispute includes questions of *alter ego* or successorship to prior firms; wage or benefit fund contribution issues related to former or prior entities either located on the same premises as the applicant or owned by individuals related to former or prior entities that closed owing wages or benefit fund contributions.

2. After an applicant is admitted to membership in the Association, this Agreement shall supersede any individual agreement it may have with International or any affiliate thereof, or with the Union, but in no event shall this requirement operate to lower wages or standards presently in force in the applicant's shop.

ARTICLE FORTY-FIRST: BENEFIT FUNDS

1. The term "benefit funds" is the collective designation of the UNITE HERE NATIONAL HEALTH FUND, (successor in interest to the I.L.G.W.U. Eastern States Health and Welfare Fund) (hereafter "Health Fund"), and the UNITE HERE NATIONAL RETIREMENT FUND, (successor in interest to the I.L.G.W.U. National Retirement Fund (hereafter "Retirement Fund")).

3. a) i) Effective July 1, 2007, for each bargaining unit worker ("covered worker") the employer shall pay to the Benefit Funds the sum of two hundred and twenty (\$220.00) Dollars per worker for each month in which the covered worker is credited with eighty (80) hours or more of employment in a month or at least two hundred, forty (240) hours in one quarter in the shop, regardless of which month in the calendar quarter the hours are actually worked, (herein referred to as an "eligible covered worker") to pay for Individual Medical Coverage, Pharmaceutical Drug Benefits and Vacation Benefits as well as maintenance of accrued pension and existing industry contributions.

(ii) The Worker co-premium shall be an additional \$30.00 a month or \$90.00 per quarter effective July 1, 2007.

(iii) The Employer shall contribute \$60.00 per month for each worker who elects not to enroll in the health insurance and prescription drug program which is to provide such worker with Retirement, Vacation benefits, eyeglass benefits and use of the UNITE HERE Health Center. No worker Co-Premium is required for workers who are not enrolled in the comprehensive health insurance plan.

(b) In determining the number of hours worked by a covered worker the Employer shall credit the hours worked starting with the week ending the first Friday of the month up to and including the week ending the last Friday of the month.

c) (i) No payment shall be due for a covered worker who worked less than eighty (80) hours in the month or less than 240 hours in a quarter in the Employer's shop.

(ii) The Employer shall act in good faith to provide each covered worker with sufficient hours of work that will enable the covered worker to maintain eligibility for health and welfare benefits hereunder.

3. (a) The employer shall complete and return to the Benefit Funds each month a remittance form supplied by the Benefit Funds. The completed, filled out remittance form and a check for the amount due for each eligible covered worker shall be hand delivered to the Benefit Funds, or if mailed, post marked not later than the tenth (10th) of the month following the month for which the payment is due.

(b) The Benefit Funds shall mail to each Employer a current remittance form on or about the fifteenth (15th) day of each month which has listed the names of covered workers known to the Benefit Funds. If an Employer does not receive a remittance form from the Benefit Funds it is the Employer's responsibility to call the Benefit Fund's office to request that a remittance be immediately delivered to the Employer.

(c) Remittances shall list each covered worker employed by the Employer by correct name, social security number and shall set forth the amount of per capita payment being paid for each eligible

covered worker. The Employer is required to make all necessary corrections and to add to each monthly remittance the correct name and social security number of each new covered worker; the worker's employment start date or termination of employment date and the amount of per capita payment for each NEW eligible covered worker. The Employer is also required to clearly note on the remittance form deletions related to covered workers who no longer are employed by the Employer.

4.(a) In the space provided on each monthly remittance form the Employer shall set forth the exact amount of payments received and deposited into the Employer's regular business bank account by the Employer from a contributing Union jobber or manufacturer (or other contractor who is responsible to make employee benefit fund contributions under their collective bargaining agreement with the Union, the International or an affiliate thereof); (which firms are collectively referred to herein as "contributing jobbers"). Only payments received by the Employer from a contributing jobber and deposited into the Employer's regular business account in the then current calendar month shall be used to calculate the current calendar month's credit towards the monthly per capita payment owed to the benefit funds.

(b) The credit afforded each month to an Employer for payments received from "contributing jobbers" shall be calculated by multiplying the amounts deposited into the Employer's regular

business account received from the "contributing jobber" by sixteen (16%) percent. At no time shall the credit exceed the total monthly remittance due. Credits that occur in one month cannot be used to reduce a prior month's obligation but may be carried forward for a period of up to six (6) months.

If upon audit of the Employer, or the "contributing jobbers", it is determined that a credit was improperly taken by the Employer, then the employer shall be required to remit the amount of the improper credit taken plus accrued interest at the rate of nine (9%) per annum; plus the sum of \$1,000 for audit expenses; within ten (10) days of notification to the employer by regular mail by the Fund that an erroneous credit was taken by the Employer. Proof of correct payment by the Employer must be submitted within the ten (10) day period provided herein for payment.

5. (a) Should an Employer fail to hand deliver or post mark its payment of the remittance due on or before the tenth (10th) of the following month for which the remittance is due; then the benefit funds will forward a letter to the Employer, with a copy to the Union and the Association, demanding payment be made and post marked not latter than the 20th day of the month following the month for which the remittance is due. The letter shall advise that if payment is not received on or before the 20th day of the month following the month for which the remittance is due that on the 25th

if the month following the month for which the remittance is due each eligible covered worker employed by the Employer for whom the benefit funds have not received a per capita payment will be sent a letter advising that his or her benefits have been terminated effective with the first day of the month for which the remittance was due or retroactively to the last month for which contributions were received. Once a worker's benefits are terminated due to an employer's failure to pay, the eligible covered worker's benefit will not be resumed until the Employer's full payments have been received, in addition to any additional months then due subsequent to the month for which the Employer is delinquent in paying the per capita.

(b) Should an Employer be late in making a payment of the *per capita* due or fail to pay for any reason, (which term includes an Employer issuing a check returned uncollected for any reason), such that worker's benefits are terminated by the benefit fund, (referred to as an "event of default"), then the Employer shall pay, in addition to all other amounts due to the Benefit Funds, a default fee in the sum of \$100.00 for the first "event of default"; \$250.00 for the second "event of default"; and \$500.00 for the third "event of default" which occurs within a rolling twelve month period starting with the first "event of default." Should more than three (3) "events of default occur within a rolling twelve (12) month period, then the Employer shall be required, upon demand

of the Union or the Benefit Funds; to post a cash or security bond equal to three (3) months of benefit fund per capita payments due (based upon the employer's prior per capita obligation experience); in addition to paying past amounts due, default fees due and current per capita amounts due.

6. Should an employer report to the benefit funds that an otherwise eligible covered worker has not worked the requisite hours in a current month such that the Employer has not made a per capita payment on behalf of that eligible covered worker; the benefit funds shall notify said eligible covered worker by regular mail that the worker's benefits have been terminated. Should the worker dispute the termination of benefits due to a dispute as to the number of hours worked in any given month, then the worker's benefits will be suspended pending an investigation by the union or a benefit fund representative. An eligible covered worker's benefits which have been terminated will only be restored after payment has been received by the benefit funds for the month(s) in question and any subsequent months.

7. An Employer who manufactures garments or items, for any jobber, manufacturer, person, firm, or corporation which is not in contractual relations with Local 10 and Local 23-25 or Local 23-25 or with another affiliate of International, (eg., is a non-contributing jobber or manufacturer regardless of existing contractual relationships to UNITE HERE or an affiliate thereof) or

against which International or any affiliate thereof, Local 10 or Local 23-25 has declared a strike, or who is not otherwise required, under a collective agreement with International or another affiliate thereof in another industry, to make payments to a collectively bargained health and welfare fund in such other industry and to the other benefit funds named herein, shall pay monthly to Local 23-25 for and on behalf of the benefit funds for its eligible covered workers the required per capita benefit fund payment.

8. No worker shall be required by an Employer to make any contribution whatsoever to the benefit funds. Workers shall only be responsible to pay the monthly Co-pay, if any, which effective July 1, 2007 and for the life of the Agreement shall remain at thirty (\$30.00) Dollars per month. Effective October 1, 2007, only individual (single) medical coverage will be offered to members of the bargaining unit.

9. (a) Each Employer shall remit payments to the Benefit Funds not later than the 10th of each month for all monies due to the Benefit Funds for the calendar month immediately preceding.

(b) Together with such payments, the Employer shall remit a statement setting forth the names and addresses of each jobber, manufacturer, contractor, person, firm or corporation for whom the employer performed production (whether Union or non-contributing) and the gross amounts actually received by the employer from each

of them and the dates on which the monies received were deposited into the employer's regular business account. The Employer shall also provide with the above described statement a copy of each jobber's check that has been deposited into the Employer's regular business account.

10.(a) The Employer shall submit quarterly a copy of its WT-4-B (or its equivalent) on or before the expiration of 30 days after the end of each calendar quarter.

(b) Should the Employer fail to remit such reports or payments to the Benefit Funds by the 20th of each month for the calendar month immediately preceding, it shall be deemed in non-compliance with this Agreement after Local 23-25 has given the Association ten (10) days' written notice of the Employer's default and the report or payment from such member has not been received by either the Benefit Funds or Local 23-25 within ten (10) days of that written notice. Local 23-25 or the Benefit Funds shall also have the right to proceed against such member directly before the Impartial Chairman (a) for an award directing the Employer to remit its reports, and (b) for an award directing the Employer to pay all the amounts due, including interest, default fees, legal fees incurred and the *per capita* due. In exceptional cases, the Association may, within ten (10) days of its member's default, apply to the Impartial Chairman for a hearing and if the Impartial Chairman finds there are justifiable reasons thereafter he may

order such hearing, but the hearing must be held and the Impartial Chairman's decision must be rendered within the aforementioned ten (10) days.

(c) If the required payments of employee benefit fund contributions due under this article are not actually received by the Benefit Funds as such contributions are required to be paid, then either the Benefit Funds, or Local 23-25, on behalf of the benefit funds, shall be entitled to collect, and the delinquent Employer shall be liable to pay interest at the annual rate of nine (9%) percent on the unpaid balance of said contributions chargeable from the first day employee benefit fund contributions were due to be paid under this Article.

11. Each Employer shall supply, furnish and make available to Local 23-25 and/or Local 10 at all times for examination any and all records or other information which Local 23-25 and/or Local 10 deems necessary.

12. The aforementioned *per capita* payments made by the Employer to the Benefit Funds or to Local 23-25 on behalf of the benefit funds shall be allocated and paid over as follows:

(a) To the UNITE National Health Fund

A sum equivalent to \$180.00, (which sum includes a \$0.25 cent contribution for the Council on American Fashion and a \$0.25 cent contribution for the Industry Promotion Fund), for each eligible covered worker.

(b) To the Retirement Fund

A sum equivalent to \$40.00 for each eligible covered worker.

The sum paid to the Benefit Funds or Local 23-25 on behalf of and allocated by it to the various funds referred to above shall be subject to a reasonable administration fee.

13. The benefits paid by each benefit fund shall not constitute or be deemed wages.

14. Either of the Benefit Funds or Local 23-25 shall be the proper party in interest to enforce the requirement that remittances or reports be forwarded and payments of amounts due from any defaulting Employer and such remedy shall be in addition to any other rights which either the Benefit Funds or Local 23-25 or Local 10 and Local 23-25 may have under this Agreement against such defaulting Employer.

15. The Board of Trustees or other body administering any of the benefit funds, except the UNITE HERE National Retirement Fund, is hereby authorized and empowered, in its sole discretion and upon such basis as it deems desirable, to transfer or mingle the assets of or to merge said Fund with any other fund or funds now existing or hereafter established and provided in a collective agreement with the UNITE HERE or an affiliate thereof. In the event of such mingling, transfer or merger, the amounts here-in-above provided to be allocated towards the respective funds shall thereafter be paid

over to the fund or funds with which there has been such mingling, transfer or merger.

16. Except as provided in paragraph 15 of this **ARTICLE FORTY-ONE**, the monies of each benefit fund shall be kept separate and apart from all other monies.

17. Periodic audits of each benefit fund shall be made by accountants designated by the Board of Trustees. A statement of the results of each audit shall be made available for inspection by interested persons and the principal office of each benefit fund and at such other places as may be designated by its Board of Trustees.

18. Each benefit fund shall be maintained in accordance with its by-laws and/or rules and regulations.

19. The by-laws and/or rules and regulations of each benefit fund shall be a continuing fund and provide the methods of its operations if payments for or on its behalf are discontinued.

20. Only the assets of the respective benefit funds shall be available for the payments of benefits payable by that fund and only to the extent that such fund is solvent and able to make payments.

21. No benefit or monies payable from any of the benefit funds shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, garnishee, encumbrance, or charge and any attempt to so anticipate, alienate, sell,

transfer, or otherwise assign, pledge, garnishee, encumber or charge any benefit fund shall be void. Nor shall any benefits be subject to or payable for the debts, contracts, liabilities or torts of any person entitled to receive such benefits.

Approval of an application for benefits by each fund constitutes an agreement between the covered worker and the fund that upon notice to each fund of any assignment, transfer, pledge, encumbrance, charge or loan against any benefits by such covered worker, or upon the issuance of any attachment, garnishee, or any other order or process of any court by which benefits payable by each fund to such covered worker shall be sought to be taken, in whole or part, all rights of such covered worker to any and all benefits accrued, or wherever payable, shall forthwith cease and terminate until the notice of assignment, transfer, pledge, encumbrance, charge or loan against his benefits has been canceled, or the attachment, garnishee, or other order or process of the court has been fully discharged.

22. The benefit funds shall have no power to anticipate or advance the payment of any benefits to any covered worker.

23. None of the corpus or income of any benefit shall revert to the Association or to any Employer or firm, or Association of employers or firms, or to Local 10 and Local 23-25 or International or its affiliates.

24. No liability whatsoever shall attach hereunder to Local

10 or to Local 23-25, or to International, or to the Board of Trustees of the benefit funds, nor to any of the officers, agents, or representatives of any of the foregoing by reason of the alleged obligation arising out of or in connection with any of the benefit funds.

25. No liability whatsoever shall attach hereunder to any association under collective agreement or Employer under independent agreement with Local 10 and Local 23-25 or with Local 23-25, nor to any officers, agents, representatives of any of them by reason of any alleged obligation arising out of or in connection with any of the benefit funds, except that members of such Association and independent employers shall be obligated to make payments regularly to the Benefit Funds in the amount set forth here-in-above.

26. Only to the extent permitted by law, (i) neither the Board of Trustees of any of the benefit funds, its officers or members, nor any of the Committees thereof, its officers or members, shall be liable for any error of judgement or for any act of omission or commission in the performance of their duties in connection with the administration of any of the respective benefit funds or by reason of any fact or circumstance arising out of the premises, except for their own intentional default or wilful misconduct if the same constitutes a wilful breach of trust, and (ii) the officers and members of the Board of Trustees and of the

Committees of the respective benefit funds shall be indemnified by the benefit fund which they serve for any loss, damage, liability or expense which they may sustain by reason of their services for or on behalf of such benefit fund provided the same did not result from and was not occasioned by their own intentional default or wilful misconduct of the same constitutes a wilful breach of trust.

UNITE HERE NATIONAL HEALTH FUND

27. This Fund is a Taft Hartley Fund and is hereby continued during the term of this Agreement.

28. All monies allocated and paid over to the UNITE National Health Fund and all income and accumulations derived therefrom are hereby constituted an irrevocable trust.

29. Monies of the Fund shall be used pursuant to law for the following purposes:

(a) To provide eligible bargaining unit workers (except markers, graders, and cutters), who are within the geographical shop jurisdiction of Local 23-25, disability benefits, medical, surgical, hospital and post-hospital benefits, pharmaceutical, eyeglass benefits, life insurance benefits and payment therefore, contributions towards vacation benefits which shall be paid wholly independent of and without relation to any particular vacation week in the year and irrespective of whether or not the worker takes a vacation.

(b) To provide such or other services, care and benefit

for and on behalf of such workers, the spouses and minor dependents as are permitted by law;

(c) To make payments on a per capita basis for the maintenance and operation of Union Health Centers which service workers covered by the Fund and to pay such Centers for diagnostic and ambulatory health services rendered to such workers;

(d) To make payments on a per capita or other basis to provide vacation facilities to workers who are covered by the Fund;

(e) To contribute towards the maintenance and support of hospitals, sanatoria, centers, clinics, (including the Union Sanitorium Association, Inc., etc.), which service workers covered by the Fund without charge or give them priority in treatment; or to provide health seminars for workers covered by the Fund without charge.

(f) To make payments to the I.L.G.W.U. Death Benefit Fund of its charges to provide death benefits to beneficiaries of eligible workers who are covered by the Fund;

(g) To set aside sufficient reserves for ensuing years;

(h) To invest reserves; and

(i) To pay operating and administrative expenses of the Fund.

30. The Fund shall continue to be maintained and administered by representatives of Local 23-25 or other related UNITE HERE affiliates through a Board of Trustees selected by Local 23-25 or representatives of other related UNITE HERE affiliates. The Board

of Trustees shall, among other things, have the power to determine the types and amounts of health and welfare benefits and other services and contributions toward vacation benefits which workers who are eligible therefor and the services, care and benefits which eligible workers, their spouses, and their minor dependents shall be entitled to receive, and to pay the same.

31. The Board of Trustees has adopted rules and regulations including the detailed basis upon which payments from the Fund will be made to eligible workers. The rules and regulations of the Fund are hereby incorporated herein by reference and made a part hereof and the parties hereto agree to be bound thereby. The Board of Trustees may add to, amend or modify the rules and regulations from time to time, without notice, whenever in its judgment it is necessary to do so to carry out more effectively the purposes of the Fund. Any additions, amendments, or modifications, when adopted, shall supersede the previous rule or regulations and shall be deemed incorporated herein by reference and made a part hereof.

The aforementioned powers and duties of the Board of Trustees shall not be considered in any way whatsoever as a limitation on the powers and duties of the Board of Trustees to do any and all other things which may be necessary or incidental to the proper operation, administration and maintenance of the Fund to fully effectuate its purposes.

32. The Fund is intended to be permanent and continuing. If,

at the expiration of this Collective Agreement and/or independent agreements entered into by Local 10 and Local 23-25, or by Local 23-25, new agreements are entered into providing for payments by Employers to Local 23-25 intended for the Fund, Board of Trustees shall continue to effectuate the purposes of the Fund and shall continue to accept application for benefits subject to the rules and regulations of the Fund then in effect or any amendments which may thereafter be made thereto. However, if, at the expiration of the subsisting or any succeeding collective and independent agreements, Employers should no longer be obligated to make payments to Local 23-25 intended for the Fund, the Board of Trustees shall make adequate provision to continue, out of the monies in the Fund, to pay benefits in conformity with the rules and regulations of the Fund then in effect or any amendments which may thereafter be made thereto; the balance, if any shall be used to provide benefits to any additional applicants therefor who are then qualified to receive the same in such amounts and in such form and manner and on such equitable and non-discriminatory basis as the Board of Trustees shall determine, until as many eligible workers have received benefits as the balance in the Fund will permit.

Retirement Fund

33. The parties hereto on behalf of themselves and their members hereby acknowledge that there has been heretofore

established the Retirement Fund which constitutes an irrevocable trust.

34. The monies allocated to the Retirement Fund shall not be used for any purpose other than to provide benefits to workers on their retirement or to their beneficiaries on the death of such workers and to pay the operating and administrative expenses of the Fund.

35. The Retirement Fund is administered by a Board of Trustees composed of Union representatives and an equal number of representatives of Employer contributors to the Fund. The Board of Trustees of the Fund has adopted by-laws, rules and regulations that include the detailed basis upon which payments from the Fund will be made to eligible workers entitled to benefits therefrom. These by-laws, and rules and regulations are incorporated herein by reference and made a part hereof, and the parties hereto agree to be bound thereby.

36. The by-laws and rules and regulations of the Fund provide that in the event the Board of Trustees shall be deadlocked on any issue or matter arising in connection with such Fund, the same shall be decided by a neutral person and his decision shall be final and binding.

37. The parties hereto ratify, confirm and approve the composition and the membership of the Board of Trustees as now constituted, and the composition and membership of the Board of

Trustees as hereafter constituted under said by-laws and rules and regulations of the aforesaid Funds.

38. The Board of Trustees of the aforesaid fund shall have the power to modify, from time to time, such by-laws and rules and regulations, including the detailed basis upon which payments from the Fund are made to eligible workers entitled to benefits therefrom. The parties hereto agree to be bound thereby and such modifications, when adopted, shall be deemed incorporated herein by reference and become a part hereof. The aforementioned enumerated powers and duties of the Board of Trustees of the aforesaid Fund shall not be considered in any way whatsoever as a limitation in the powers and duties of the Board of Trustees of the aforesaid Fund to do any and all other things that may be necessary or incidental to the proper operation, administration and maintenance of the aforesaid Funds as to fully effectuate its purposes.

Rights In, To and Against Funds

39. No Employer shall have the right, title, interest or claim, legal or equitable, in or to any sum paid by it or by any other Employer to any of the aforesaid Funds themselves or to any of the monies thereof.

40. No individual worker shall have any right, title, interest or claim, legal or equitable, against his Employer or in to his Employer's or any other employer's payments to the aforesaid funds or against Local 10, Local 23-25, International, or any

Employer or any Association of Employer's.

41. An applicant for benefits from any of the aforesaid Funds shall be deemed to be bound by all of the rules and regulations of the Funds existing at the time of his application and he shall have no interest, legal or equitable that may have been in effect prior to the filing of his application. No rights shall accrue, in any event, unless and until the worker's application for benefits has been approved in which case the rights of such worker shall be limited to those specifically awarded by each of the aforesaid Funds.

ARTICLE FORTY-SECOND: NO STRIKE, NO LOCKOUT PLEDGE

1. There shall be no strike, stoppage or lockout during the term of the Agreement, but work shall proceed in operation pending the determination of any complaint, dispute or grievance as hereinafter provided. This provision, however, shall not apply in cases where wages, earnings, overtime, holiday pay or benefit contributions are not paid to workers on their due date, or where a joint decision of the manager of Local 23-25 and/or Local 10 and of the Association, respectively, or their deputies, or a decision of the Impartial Chairman, has not been complied with within twenty-four (24) hours after rendition, or where an Employer has been declared in non-compliance pursuant to the terms of the agreement; or where the express terms of any other provision of this Agreement permits a strike.

2. Should the workers of any shop or factory cause a stoppage of work or shop strike, for reasons other than those aforementioned, written notice shall be given by the Association to the Union.

The sole obligation of the Union shall be, within twenty-four (24) hours after receipt of said notice, to post on the Employer's front door, or on another place designated by the Employer, a declaration that such action is unauthorized and that its striking members are to terminate such action and return to work immediately notwithstanding the existence of any picket line.

Upon written notification by the Employer to the Union that the action referred to in the preceding paragraph has not brought about a termination of the strike or stoppage, the Union shall send first class mail to each of its members reported by the Employer to the Union to be engaged or participating in such strike or work stoppage, addressed to him or her at his or her last known address (which address shall be furnished by the Employer), the following notice signed by Local 23-25 and/or Local 10, which may also be posted by the Employer within the shop or factory affected thereby:

Date_____

"To all members of Local 23-25 and/or Local 10,
UNITE HERE.

You are advised that a work stoppage is in process
at_____. This action is unauthorized by
Local 23-25 and/or Local 10.

You are directed to immediately return to your

respective jobs and to cease any action which may affect production. The matter in dispute will be processed as provided in your Union contract."

Good faith compliance by the Union with the foregoing provisions shall be deemed full compliance with its obligation hereunder and the Union shall have no further obligation to the Employer under this ARTICLE FORTY-SECOND or any other provision of this Agreement.

No employee shall be deemed to have abandoned his or her Employer until the expiration of the twenty-four (24) hour period following written notification by the Association to the Union of said strike or stoppage. Upon failure of an employee to return to work after said twenty-four (24) hour period, the Employer may, at its option, consider that such employees have abandoned their employment; but should the Employer re-employ such employees, it shall treat all such employees alike and shall not discriminate against or among them.

3. Notwithstanding the foregoing, the Association recognizes the right of workers covered by this Agreement to stop work for any Employer and its contractors during the continuance of any labor dispute with, or strike or stoppage (not in violation of contract) declared by International or any affiliate thereof at any shop of any firm which is directly or indirectly affiliated with the Employer. The Impartial Chairman shall have the right to determine

whether any such firm is affiliated with the Employer. In determining whether such affiliation exists, the Impartial Chairman shall be guided by proof of the facts tending to establish any mutuality or reciprocity of interests including whether such Employer has a substantial financial interest in such other firm.

4. Should the Employer cause a lockout in its shop or factory, notice thereof shall be given by the Union to the Association. The Association obligates itself, within twenty-four (24) hours after the receipt of such notice, to terminate the lockout and to cause its member to re-employ the workers, and until the expiration of such time, it shall not be deemed that the Employer has forfeited its rights under this Agreement. In the event of a substantial violation of this ARTICLE on the part of the Association, Local 10 and Local 23-25 shall have the option to terminate this Agreement. The existence or non-existence of such substantial violation shall be determined by the Impartial Chairman on all of the facts and circumstances.

ARTICLE FORTY-THIRD: ARBITRATION AND ADJUSTMENT OF DISPUTES

1. All complaints, disputes, claims or grievances between Local 10 and/or Local 23-25 and the Association, or between Local 10 and or Local 23-25 and an Employer or any of its subsidiary, auxiliary and affiliated firms or its or their successors and assigns, or between a worker and his Employer, that directly or indirectly arise under, out of or in connection with or in any

manner relate to or involve questions of interpretation or application of any ARTICLE of this Agreement or any of the acts, conduct or relations between them, including, without limitation, any claim against an Employer arising out of any alleged dissolution or termination of its business prior to the expiration of this Agreement or any claim against its successors or assigns out of any alleged merger with the purchase by them of the business of the Employer prior to the expiration of this Agreement, shall be adjusted as follows:

(a) A written complaint shall be submitted by Local 23-25 and/or Local 10 to the Association or by the Association to Local 23-25 and/or Local 10 depending upon who is grieved.

(b) The managers of Local 23-25 and/or Local 10 and the Association or their deputies, shall, in the first instance, jointly investigate such complaint and attempt an adjustment. Decisions reached by the managers or their deputies shall be binding upon all the parties involved.

(c) If they fail to dispose of the complaint within five (5) working days, it may be submitted to arbitration by the Impartial Chairman.

(d) Five (5) days' written notice of the date, time and place of hearing before the Impartial Chairman shall be given by ordinary mail to the complainant and respondent through Local 23-25 and/or Local 10 and the Association. The statutory provision for

eight (8) days' notice by registered or certified mail or by personal service is hereby expressly waived.

(e) If the complainant or respondent fails to appear before the Impartial Chairman after it has been given such notice through the Association or Local 23-25 and/or Local 10 as the case may be, the Impartial Chairman is hereby authorized to render an award or decision upon the testimony of the party appearing.

(f) If any issue should arise as to the validity of any ARTICLE of this Agreement or the arbitrability, substantive or procedural, of any written complaint, the Impartial Chairman shall have the exclusive jurisdiction to determine such issue.

2. The decisions reached by Local 23-25 and/or Local 10 and Association managers, or their deputies, and the decisions or awards of the Impartial Chairman, in addition to granting such other relief as they may deem proper, may contain provisions ordering or restraining acts and conduct of the parties in the matter before them.

3. (a) A decision by Local 23-25 and/or Local 10 and Association representatives, or their deputies, and a decision or award of the Impartial Chairman shall be final and binding upon the parties.

(b) Each decision and award shall be complied with within twenty-four (24) hours after it is rendered, excluding Saturdays, Sundays and holidays.

(c) In addition, the decision or award of the Impartial Chairman shall be enforceable by appropriate proceedings at law or in equity.

4. If a decision or award has not been complied with within twenty-four (24) hours after it was made or rendered, Local 23-25 and/or Local 10 or the Association shall have the right, but shall not be required, to file a non-compliance complaint directly with the Impartial Chairman, instead of proceeding under paragraph 3(c) above. If such a complaint is filed, the Impartial Chairman is hereby authorized to accept it, to give notice of its contents and of the date, time and place of hearing in the same manner as in original complaint.

(b) If the non-compliance complaint is based upon a decision by Local 23-25 and/or Local 10 and the Association managers, or their deputies, the Impartial Chairman shall take all relevant testimony offered for or against the original complaint.

(c) The Impartial Chairman's decision or award on the non-compliance complaint shall be final and binding upon the parties.

(d) If the Impartial Chairman's decision is not complied with within twenty-four (24) hours after it is rendered, the parties shall be entitled to proceed as set forth in 30 above.

5. If an Employer resigns or is suspended or expelled from the Association, any complaint, dispute, claim, or grievance that the Union or Local 23-25 and/or Local 10 or any worker may then or

thereafter have against such Employer or that the Employer may then or thereafter have against the Union or Local 23-25 or any worker shall be subject to the following procedures:

(a) The complaint shall be submitted in writing to the Impartial Chairman by Local 23-25 and/or Local 10 on behalf of itself, or any worker, or by the Employer, depending upon who is aggrieved.

(b) The Impartial Chairman shall at least give five (5) days' notice by certified mail to the Employer at his last known address, or to an owner or officer of the Employer at his last known address, and to Local 23-25 and/or Local 10 by regular mail. Such notice shall include the date, time and place of hearing and a copy of the complaint submitted to the Impartial Chairman. The statutory provision for eight (8) days' notice by registered or certified mail or by personal service is hereby expressly waived.

(c) In all other respects, the provisions of this ARTICLE shall apply to such Employer.

6. This Agreement shall be the basis upon which decisions shall be rendered. Each case shall be considered on its own merits. No decision shall be used as a precedent for any other case.

7. Subpoenas issued in an arbitration for the production of any Employer's books, records, and documents shall be deemed to have been issued in a proper case.

3. The taking of the oath by the arbitrator required by Section 7506 (a) of New York Civil Practice Law and Rules is hereby expressly waived.

9. Decisions reached by the managers of Local 23-25 and/or Local 10 and the Association and the Impartial Chairman's decision shall have the effect of an award and any decision or award of the Impartial Chairman may be confirmed and enforced by the entry of a judgment in any court of competent jurisdiction.

10. The initial paper, notice or process in any application to a court to confirm and enforce an award of the Impartial Chairman, including process conferring jurisdiction upon the court of the parties involved, shall be made by certified mail or regular mail. In all cases such mail shall be directed to the address of the headquarters of Local 23-25 in the City of New York or to the address, within or without the State of New York of the residence of an owner or officer of or the place of business of the respondent in such proceeding.

11. The procedure herein established for the adjustment of disputes shall be the exclusive means for the determination of all the aforesaid complaints, disputes, claims or grievances whatsoever, expressly including discharge of workers, unauthorized strikes, stoppages, lockouts and any and all claims, demands, or acts arising therefrom. Neither party shall institute any proceedings in a court of law or equity, state or federal, or

before an administrative tribunal, other than to confirm and enforce the Impartial Chairman's decision or award or to compel the production of an Employer's books and records and documents for examination by the Impartial Chairman or his accountants. This provision shall be a complete and bona fide defense to any action or proceeding instituted contrary to the terms hereof.

12. (a) Philip Ross, or a deputy selected jointly by the parties to this Agreement, shall be the Impartial Chairman during the term of this Agreement. Philip Ross shall have the exclusive power and jurisdiction to finally determine whether a specific dispute shall be submitted for determination by him or his deputy.

(b) Should the Impartial Chairman resign, refuse to act or be incapable of acting or should the office become vacant for any reason, the parties shall within (5) five days thereafter jointly designate another person as Impartial Chairman. If they fail to agree, the grievance may be submitted to the American Arbitration Association in its New York City office pursuant to its Labor Arbitration Rules. A successor Impartial Chairman shall have all the rights and powers of the Impartial Chairman.

(c) Each Employer, each worker represented by Local 10 and Local 23-25, or by Local 23-25, assents to the appointment of the Impartial Chairman and his successor and to the selection of a deputy under this Agreement.

13. Any complaint, dispute, claim or grievance hereunder which

Local 23-25 and/or Local 10 or a worker or the Association or an Employer may have, may be instituted and processed only by Local 23-25 and/or Local 10 or the Association, as the case may be, in the manner herein provided. A worker or an Employer shall not have the right individually to institute or process any action or proceeding with reference to such matter, or to institute or compel arbitration.

ARTICLE FORTY-FOURTH: WORKERS OF OUT OF TOWN SHOPS

It is agreed that where the workers of an out-of-town shop covered by this Agreement are also represented by International or an affiliate thereof other than the Union parties hereto, International or such affiliate shall be entitled to all the rights and benefits of this Agreement and may, in its own name, use machinery provided herein for arbitration and adjustment of disputes with respect to such shop.

ARTICLE FORTY-FIFTH: NO WAIVER OR MODIFICATION OF PROVISIONS

1. The failure of either party to this Agreement to enforce performance of any provisions herein contained shall not be deemed a waiver or abandonment of any the rights or remedies provided hereunder for violation of the Agreement or any provisions thereof nor shall it constitute a waiver or abandonment of any right or remedy hereunder provided for a subsequent violation of any provision of this Agreement.

2. No Employer and no worker or group of workers may modify or

waive any provisions of this Agreement.

ARTICLE FORTY-SIXTH: PROVISIONAL REPLACEMENT WORKERS

1. Upon consent of the Union, the Employer may hire one 1) provisional replacement worker on notice to such worker, for period not to exceed ninety (90) days to take the place of a sample maker or a worker employed in or about the cutting room (excluding cutters, markers and graders) who is absent due to disability or leave of absence. During such period provisional replacement workers shall be entitled to all of the rights of regular workers under this Agreement.

2. Upon return to work, the absent worker shall be entitled to his or her regular job prior to such absence and shall not lose any rights and privileges under this Agreement.

3. Upon return to work of the absent worker, the Employer may terminate the provisional replacement worker.

ARTICLE FORTY-SEVENTH: DISABILITY

1. The parties acknowledge that under the 2004/2007 collective labor agreement between Local 23-25 and Local 10 and the New York Skirt and Sportswear Association, Inc. (and the National Association of Blouse Manufacturers, Inc. and between Local 89-22-1, UNITE HERE and the Affiliated Dress Mfgs. Assoc., Inc. and the Apparel Mfgs. Inc.) members of said jobbers Associations are directly responsible and required to pay for the lawfully mandated disability benefits to be provided workers in the contracting shops of members of said

Association including the shops of the members of the Association.

2. The parties further acknowledge that under the aforesaid collective labor agreements between Local 23-25, Local 10 and Local 89-22-1 and the named jobber Associations provision is made for the continuation of a disability fund for the purposes of reimbursing contractors for a proportionate share of the cost of disability insurance coverage of workers employed in the contracting shops of the members of the Association.

3. Whenever a member of the Association manufactures garments for any person, firm or corporation against which International or any affiliate thereof or the Union has declared a strike or labor dispute or which is not in contractual relations with the Union or with UNITE HERE or with any affiliate thereof, or which is not otherwise required to make contribution to the aforesaid disability fund, it shall contribute towards said disability fund those amounts that are necessary to provide such disability coverage to its workers or in lieu thereof said member of the Association shall be reimbursed only that which has been collected on its account, less an administration fee charged by the respective disability fund.

4. In no event shall workers be required to make any contributions for disability benefits.

ARTICLE FORTY-EIGHTH: CONFORMITY TO LAW CLAUSE

1. The interpretation and enforcement of this Agreement shall

be governed by federal law and by the laws of the State of New York not inconsistent therewith.

2. If any provision of this Agreement or the enforcement or performance of such provision is or shall at any time be determined to be contrary to law by or enjoined by a court or administrative agency, then such provision shall be applicable or enforced or performed except to the extent permitted by law. The Union and the Association shall thereupon negotiate a substitute provision. If they are unable to agree the Impartial Chairman shall determine such substitute provision which shall be deemed incorporated into this Agreement.

3. If any provision of this Agreement or its application to any Employer, person or circumstances is so held invalid or enjoined, the remainder of this Agreement, or the application of such provision to other Employers, persons or circumstances, shall not be affected thereby.

ARTICLE FORTY-NINTH: PARENTING/FAMILY LEAVE

In addition to any other leave of absence, the Employer shall grant, upon request of the Union or the workers up to six (6) months leave of absence without pay to male and female workers for the birth or adoption of a child (hereafter "parenting leave") or to care for a sick immediate family member (hereafter "family leave").

(a) The Employer may hire one provisional worker for a period

not to exceed six (6) months to take the place of any employee who is on parenting/family leave. Upon date of hire, the Employer shall give the Union and the provisional worker notice of the worker's provisional status. During such period, provisional workers shall be entitled to all the rights of regular workers under this Agreement. The Employer may retain a provisional worker as long as such action does not displace the worker on parenting leave or any other regular worker.

(b) A worker on parenting/family leave shall be entitled to return to work on his or her regular job prior to such absence or an equivalent position, and shall not lose any rights and privileges under this Agreement.

(c) The provisions of the Family and Medical Leave Act of 1993 shall be incorporated into and be enforceable under this Agreement.

ARTICLE FIFTIETH: COUNCIL FOR AMERICAN FASHION

A (1) The parties hereto, on behalf of themselves and their members, hereby acknowledge the establishment of the Council For American Fashion pursuant to Section 302(c)(9) of the Labor Management Relations Act of 1947, as amended, a Labor-Management Committee jointly established on an industry wide basis for the purpose of improving communication between representatives of labor and management; to provide workers and Employers with opportunities to study and explore new and innovative joint approaches to

achieving organizational effectiveness; to assist workers and Employers in solving problems of mutual concern to the garment industry not susceptible to resolution within collective bargaining process; to study and explore ways of eliminating potential problems that reduce the competitiveness and inhibit the economic development in the garment industry; to enhance economic development, improve technology, increase competitiveness and efficiency in the garment industry; to enhance the involvement of workers in making decisions that affect their working lives; to expand and improve working relationships between workers and managers; to encourage collective bargaining; and to encourage committees designed to improve labor-management relationships, job security, and organizational effectiveness.

(2) The monies contributed pursuant to this Agreement to the Council for American Fashion shall be used only for the purposes noted herein, and to pay the operating and administrative expenses of said Council.

(3) The Council shall be administered by a Board Directors consisting of an equal number of industry wide, Union and management designated Directors. The by-laws for the Council are hereby incorporated herein by reference and the parties agree to be bound thereby.

(4) The parties hereto ratify, confirm and approve the composition and the membership of the Board of Directors of the

Council, as hereafter constituted under the said Council's by-laws.

5) No Employer, worker or Union shall have any right, title, interest, or claim, legal or equitable, in or to any sum paid by it (or his/her Employer) to the Council.

B. From the contributions received by the Benefit Funds pursuant to Article 41 the monthly per capita sum of \$0.25 cents per contributed for worker shall be forwarded to the Council on American Fashion by the Benefit Funds.

C. The Union shall be the proper party in interest to enforce remittances of reports and payments of amounts due to the said Council from any defaulting Employer; and such remedy is in addition to any other rights that the Union may have under this Agreement.

ARTICLE FIFTY-FIRST: IMMIGRANT WORKER PROTECTION

Members of the Association shall comply with reasonable requests of workers to change names and social security numbers in the Employer's records, without prejudice to their seniority or other rights under this collective bargaining agreement.

ARTICLE FIFTY-SECOND: TERM

1. This Agreement shall go into effect June 1, 2007, and shall continue in effect until May 31, 2010.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their respective officers the day and year first above written.

**GREATER BLOUSE, SKIRT AND UNDERGARMENT
ASSOCIATION, INC.**

By: Rocky Hui
Rocky Hui, President

SPORTSWEAR APPAREL ASSOCIATION, INC.

By: Paul Lau
Paul Lau, Exec. Dir.

METROPOLITAN AREA APPAREL ASSOC., INC.

By: Roy Barnes
Roy Barnes, Exec. Dir.

**BLOUSE, SKIRT, SPORTSWEAR, CHILDREN'S
WEAR AND ALLIED WORKERS' UNION,
LOCAL 23-25, UNITE HERE**

By: May Y. Chen
May Y. Chen, Manager

**AMALGAMATED LADIES' GARMENT CUTTERS'
UNION, LOCAL 10, UNITE HERE**

By: Richard Guido
Richard Guido, Manager

**NEW YORK METROPOLITAN AREA JOINT BOARD
UNITE HERE**

By: Edgar Romney
Edgar Romney, Manager

gbua(sportswear) July 21, 2008