

**AGREEMENT
BETWEEN**

Patches and Stitches, Company

and

**UNITED STEELWORKERS OF AMERICA
AFL-CIO-CLC, on behalf of its
Local Union 1999**

November 15, 2004 – November 15, 2008

AGREEMENT

THIS AGREEMENT, entered into and becoming effective this 15th day of November, 2004, by and between PATCHES AND STITCHES COMPANY, 1505 E. Southern Avenue, Indianapolis, IN 46203 and/or its successors (the "Company"), and the UNITED STEELWORKERS OF AMERICA, AFL-CIO, on behalf of Local Union 1999 (the "Union").

WITNESSETH THAT IT IS AGREED by and between the parties hereto as follows:

ARTICLE I: INTENT AND PURPOSE

It is the intent and purpose of the parties hereto that this Agreement shall promote and improve industrial and economic relationships between the Company and the Union and to set forth herein the Agreement covering rates of pay, hours of work, and conditions of employment to be observed between such parties.

ARTICLE II: UNION EMBLEM

The Company shall use the "Union Bug" on its products that are made, sold or distributed by the Company at all times, however, the "Union Bug" shall not be displayed on products not made in North America or not made by a "Union Shop". When possible, Union and American made products will be used, considering availability and cost, etc. American made products will be sold to all Union organizations.

ARTICLE III – UNION SECURITY

Section 3.1 - Union Membership and Dues Checkoff Each employee who, on the Effective Date is a member of the Union and each employee who becomes a member after that date shall, as a condition of employment, maintain membership in the Union. Each employee who is not a member of the Union on the Effective Date and each employee who is hired thereafter shall, as a condition of employment, beginning on the

30th day following the beginning of such employment or the Effective Date, whichever is later, acquire and maintain membership in the Union.

Section 3.2 Should the above provision be unenforceable for any reason, then, to the extent permitted by law, each employee who would be required to acquire or maintain membership in the Union if the provision in Section 1 above could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning on the 30th day following the beginning of such employment or the Effective Date, whichever is later, to pay to the Union each month a service charge as a contribution towards the Union's collective bargaining representative expenses. The amount of the service charge, including an initiation fee if applicable, shall be as designated by the Union's International Secretary-Treasurer.

Section 3.3 Wherever Section 3.1 or 3.2 above is applicable:

- a. The Company will check off monthly dues or service charges, including, where applicable, initiation fees and assessments, each in amounts as designated by the Union's International Secretary-Treasurer, effective upon receipt of individually signed voluntary checkoff authorization cards. The Company shall within ten days remit any and all amounts so deducted to the Union's International Secretary-Treasurer with a completed summary of USWA Form R-115.
- b. At the time of employment, the Company will suggest that each new employee voluntarily execute an authorization for the checkoff of amounts due or to be due under Section 1 or 2 above. A copy of the card will be forwarded at the time of signing to the Financial Secretary of the Local Union.
- c. The Union will be notified of the amount transmitted for each Employee (including the hours and earnings used in the calculation of such amount) and the reason for non-transmission such as in the case of interplant transfer, layoff, discharge, resignation, leave of absence, sick leave, retirement, or insufficient earnings.

- d. The Union's International Secretary-Treasurer shall notify the Company in writing of any employee who is in violation of any provision of Section 1 or 2.
- e. The Union shall indemnify the Company and hold it harmless against any and all claims, demands, suits, and liabilities that shall arise out of or by reason of any action taken by the Company for the purpose of complying with the foregoing provisions.

Section 3.4 The Company will not interfere with, restrain, coerce, or discriminate in any way against any of its employees in connection with their membership in the Union.

ARTICLE IV: WORK WEEK

Section 4.1 The normal work week shall be from Monday through Saturday and the hours of work shall be based on a forty (40) hour work week. The normal work day shall be 8:00 am to 4:00 pm, inclusive of breaks and lunch periods.

Section 4.2 The Union agrees that the employees covered by this Agreement individually and collectively should perform and render efficient work and service.

ARTICLE V: SENIORITY

The term "seniority" as used in this Agreement shall be deemed to mean the length of service as of the date of first hire. When more than one employee is hired on the same date, the employee with the lowest social security number (last four digits) shall be "most senior". Seniority shall continue to accumulate except upon the following conditions:

- (a) the employee quits or resigns
- (b) the employee retires
- (c) the employee refuses recall after layoff
- (d) the employee is discharged for just cause

ARTICLE VI: LAYOFFS OR REDUCTION IN FORCE

Should the Company determine the need to reduce its workforce, it shall follow the following provisions:

- (a) *Offer voluntary* layoff to the most senior employee. If rejected, continue the volunteer procedure from most senior to the least senior.
- (b) If all employees elect to work, the company shall lay off the least senior employee and progress upward from least senior to most senior until the desired reduction has been met.
- (c) If the most senior or a more senior employee elects layoff, he has given the Company a seven (7) day notice of his desire to return to work. Upon his return to work, if the Company decides the need to reduce still exists; they shall follow the reduction in force procedure set forth herein.
- (d) In case of layoff, an employee shall be continued on the seniority list of the Company for a period of twenty-four (24) months from the date of his layoff. In cases of proven sickness or off-the-job injury, an employee shall be continued on the seniority list until he is able to return to work, up to a maximum of twenty-four (24) months. An employee on leave because of a temporary compensable injury on the job, shall remain on the seniority list until he/she is able to return to work.

ARTICLE VII: GRIEVANCE AND ARBITRATION

In recognizing the rights of the individual, the following procedures shall be adhered to in order to resolve all problems that may arise under the terms of this Agreement.

- (a) A grievance shall be defined as any issue, question or complaint that may arise by an employee during the lift of this Agreement.
- (b) Grievances shall be resolved under the following procedure: When a grievance arises, the employee or Union representative shall present the issue to Management. Management shall

respond to the issue within two (2) working days to the Union representative and employee involved attempting to resolve the issue.

- (c) In the event this does not meet the satisfaction of the Union, the Union may request a meeting with the appropriate representative of Management and the Local Union President within five (5) working days from receipt of the first (1st) step answer. Management and the Local Union President shall decide on the appropriate solution to the issue at this meeting; however, if the parties cannot agree on the resolution, the Company must give an answer within ten (10) working days.
- (d) Should the Union disagree with the answer, they shall request that a panel be submitted to the FMCS for a hearing before an arbitrator and the decision of the arbitrator shall be final and binding on all parties.
- (e) The cost of the arbitrator shall be paid equally between the Union and the Company.
- (f) If the Union requests a meeting with the Company for Union business, the Company will schedule a meeting in a reasonable time, not to exceed two (2) hours.

ARTICLE VIII: MANAGEMENT

Right to Manage: The Management of the plant and the direction of the working forces, including the right to plan, direct and control operations, hire, suspend or discharge for proper cause, transfer or relieve employees from their duties because of lack of work, or for other reasons, the right to study or introduce new or improved production methods or facilities and the right to establish and maintain reasonable rules and regulations covering the operations of the plant are vested exclusively in the Company. This Article, however, shall not be used for the purpose of discriminating against any employee; moreover, this Article shall not be applied so as to conflict with any of the provisions of this Agreement.

ARTICLE IX: JURY DUTY

An employee called as a witness, summoned or required to attend any court will not be compensated by the Company for the day in which the employee is to attend said session. Time off will not be counted against his attendance.

ARTICLE X: FUNERAL LEAVE

The Company agrees to pay each employee at his straight time hourly rate of pay for eight (8) hours of leave when the employee is absent due to the death of any of the following members of the employee’s family for each occurrence that may arise: spouse, children, mother, father, sister, brother, step-children, foster children and any relative living in the same household as the employee at the time of death. One day, without pay, for the death of grandmother and grandfather.

ARTICLE XI: VACATION

(FULL TIME EMPLOYEE WORKING IN THE FACILITY)

<u>Years of Service</u>	<u># of Weeks Paid Vacation</u>
6 mos. – 1 yr.	1 week
2 yrs. – 8 yrs.	2 weeks
8 yrs. and over	3 weeks

Vacation pay shall be based on a forty (40) hour week. Employees shall receive forty (40) hours pay for each week of vacation entitlement. Employees shall have the exclusive right to schedule their vacation as they may desire. However, each employee must give a seven (7) day advance notice prior to taking their vacation. All unused vacation will be paid in December of each year.

ARTICLE XII: SAFETY AND HEALTH

Section 12.1 The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of employment and shall provide safety equipment as required by OSHA or IOSHA.

Section 12.2 The Company and the employees agree to adhere to all appropriate State and Federal health and safety regulations.

ARTICLE XIII: NO INTERRUPTIONS IN WORK

Section 13.1 It is the intent of the parties to this Agreement that the procedure provided herein for settlement of grievances shall serve as a peaceful settlement of all disputes that may arise between them.

Section 13.2 The Company agrees that during the life of this Agreement it will not engage in any lockout of its employees.

Section 13.3 The Union and its members agree that during the life of this Agreement they will not engage in or in any way encourage or sanction any strike, sit-down, stay-in, slowdown, picketing, or any other action which would interrupt or interfere with any of the operations of the Company.

ARTICLE XIV: CIVIL RIGHTS COMMITTEE

Section 14.1 A Joint Committee on Civil Rights shall be established at the plant. The Union representation on the Committee shall be no more than two (2) members of the Union, who shall be certified to the Manager of Labor Relations by the Union, and the Company members shall be certified to the Union.

ARTICLE XV: WAGES AND CLASSIFICATION

Section 15.1 Full-time employees. Wages may be paid as an hourly wage or as salary.

	11/15/2004	11/15/2005	11/15/2006	11/15/2007
Retailer	\$7.00/hour	\$7.25/hour	\$7.50/hour	\$7.75/hour
Cashier	\$8.25/hour	\$8.50/hour	\$8.75/hour	\$9.00/hour
Embroidery	\$8.25/hour	\$8.50/hour	\$8.75/hour	\$9.00/hour
Sales Person	Commission	Commission	Commission	Commission

Section 15.2 All probationary employees will start \$.75 under the classification they are seeking. After six (6) months, the employee will be given a \$.40 per hour increase. After one (1) year, the employee will be paid the full rate of the job.

Section 15.3 The Company retains the right to give an employee a merit raise or bonus any time they wish. The Company retains the right to start a probationary employee anywhere on the progressive schedule they want.

ARTICLE XVI: TERMINATION OF AGREEMENT

This Agreement shall become effective as the **15th day of November** and shall remain in full force and effect until midnight of the **15th day of November, 2008**, and shall renew itself from year to year thereafter, unless written notice of termination or desired modification (which shall be the same as termination) is given, at least sixty (60) days, but less than ninety (90) days, prior to the expiration day by either of the parties hereto to the other at the following addresses:

The Post Office address of the Company is:

1505 E. Southern Avenue, Indianapolis, IN 46203

The Post Office address of the Union is:

9245 N. Meridian Street, Suite 226, Indianapolis, IN 46260

IN WITNESS WHEREOF, the parties hereto have affixed their signatures this **15th** day of **November**, 2004.

**United Steelworkers of America
AFL-CIO-CLC, on behalf of
Local 1999**

Faith Works, Inc.

Leo W. Gerard, Int'l President

Debra Cooley, Owner

James English, Int'l Secretary-Treasurer

Andrew Palm, Int'l Vice President

Leon Lynch, Int'l Vice President

Jim Robinson, Director, District 7

James C. Adcock, Staff Representative