

F.E. WARREN AIR FORCE BASE
COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT is made and entered into as of **November 14, 2008**, by and between GINO MORENA ENTERPRISES (hereinafter referred to as the "Company"), and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 7 (hereinafter referred to as the "Union").

ARTICLE I
RECOGNITION

Section 1. The Company recognizes the Union as the exclusive bargaining agent with respect to issues involving pay, wages, hours of work and other conditions of employment for barbers employed at the Company's barbershops at F.E. Warren Air Force Base. No provision of this Agreement shall apply to or affect the operations of the Company at facilities other than the barbershops at F.E. Warren Air Force Base.

Section 2. The Company may, in its discretion, enter into collateral agreements with individual members of the bargaining unit regarding performance of duties other than or in addition to, the rendering of barber services (i.e., janitorial work, picking up shop receipts, and administrative paperwork) and in entering into such agreements, the Company shall not be obligated to negotiate with the Union regarding wages, hours, or other conditions of employment applicable to such other additional duties. No barber may be disciplined for refusing to enter into such a collateral agreement with the Company.

ARTICLE II
UNION SHOP AND CHECKOFF

Section 1. It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union, in good standing, on the effective date of this Agreement, shall remain members in good standing; that those employees who are not members of the Union on the effective date of this Agreement shall, on or after the thirty-first (31st) calendar day following the effective date or the execution of this Agreement, whichever is later, become and remain members in good standing in the Union, or in any event, pay the Union dues which members in good standing are paying. It shall also be the condition of employment, that all employees covered by this Agreement and hired on or after its effective date or date of execution, whichever is later, shall, on or after the thirty-first (31st) calendar date following the beginning of such employment, become and remain members in good standing in the Union, or shall pay the same amount of dues as members in good standing do pay.

Section 2. The Company, within twenty (20) working days after receipt of a written notice by the Union, will discharge any employee who is not, or who does not become, during the twenty (20) working days, a member, in good standing in the Union or who does not pay the

dues of a member in good standing in the Union to the extent required by the preceding Section 1.

Section 3. The Company agrees to deduct each month, from the pay checks of all employees who are covered by this Agreement all periodic dues and initiation fees owing to the Union by the employees; the Company also agrees to promptly remit said money to the Union, provided, however, that an employee shall have signed and submitted a written authorization for such action on the part of the Company. The Company and the Union agree to cause the checkoff authorization form to comply with all applicable federal laws.

Section 4. The Union agrees that there shall be no liability on the part of the Company for the collection of any unpaid dues which may be due the Union from the employee, who, because of absence from work or termination of employment, has no wages payable to him at the regular time for dues collections. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability, including reasonable attorneys' fees that shall be incurred or necessitated by reason of action taken or not taken by the Company in reliance upon certified lists furnished to the Company by the Union or dues checkoff authorization cards furnished to the Company by the Union or by the employee; or for the purpose of complying with any of the provisions of this Article.

Section 5. This Article will become effective as soon as permissible under applicable law.

ARTICLE III UNION VISITATION

The Company agrees that representatives of the Union shall have access, on a reasonable basis, to any part of the premises where work is being performed that is covered by this Agreement, for the purpose of administering this Agreement, provided that such visits shall not interfere with production and discipline.

ARTICLE IV EXCHANGE CONTRACT

The provisions of this Agreement shall in every way be subject to and controlled by the provisions of the present and any future contracts between the Company and the Army and Air Force Exchange Service for the operations covered by this Collective Bargaining Agreement, and any provision of this Agreement inconsistent or in conflict therewith shall be null and void. The provisions of said Exchange contract or contracts are made part of this Agreement as if set forth at length herein. All parts of said contract, as they shall be relevant to the enforcement of this Article, shall be made available to the Union. It is further understood that the conduct of the Company's business must at all times be in compliance with regulations and directions from officials acting pursuant to said Exchange Service contract and in compliance with the policies of the Army and Air Force as they are interpreted by them. It is understood and agreed that the Company shall, in any case involving discipline or discharge of an employee, at AAFES's

direction, attempt to secure from AAFES, and provide to the Union, all information upon which said discipline or discharge is based. Such information shall be provided at the earliest possible time. However, if AAFES fails or refuses to provide information, the Company shall incur no liability whatsoever, for failing to provide information to the Union.

ARTICLE V CLASSIFICATION AND COMPENSATION

Section 1. Wages and Classifications. Effective **Sunday, November 16, 2008**, an employee covered by the Agreement shall receive as compensation **fifty-five and eight tenths percent (55.8%)** of the gross receipts generated by him/her **for the duration of this contract.**

Section 2. Pay Periods. Barbers shall be paid on a bi-weekly basis.

Section 3. Social Security. The Company shall pay its share of Social Security taxes as to each employee and shall deduct from employees their share of such taxes as required by law.

Section 4. Tip Credit. The Company shall not take a tip credit against wages.

Section 5. Tools and Uniforms. In consideration for the wages and other benefits provided for herein, each barber shall be responsible for furnishing and maintaining his or her own tools and uniforms (smocks) as such may be required by the Company. The Company shall provide employees with all supplies needed.

Section 6. Holidays. The legal holidays are New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas Day, and any other day observed as a holiday by the Exchange. Effective July 3, 2005, six holidays will be paid at **seventy dollars (\$70.00)** per day. All holiday pay shall be prorated against a thirty-five (35) hour work week. In addition to the above each employee employed on January 1 of each year of the contract will be granted one (1) personal holiday that must be taken by December 31st. The personal holiday will be paid the same as all other holidays. The Employee may use the personal holiday for any reason.

Gino Morena Enterprises will send a letter to AAFES requesting the shop be open nine (9) am to two (2) pm the day after Thanksgiving and Wednesday the week of Cheyenne Frontier Days. The decision of AAFES is final.

Section 7. Vacations. Effective July 3, 1993, employees shall begin to accrue vacation pay so that twelve months thereafter all employees who have worked at least twelve (12) continuous months for the Company at one of its operations within the jurisdiction of Local 7 shall be entitled to receive total annual vacation pay equal to two percent (2%) of their gross pay (exclusive of tips) for the preceding calendar year. Vacation pay for part-time employees shall be prorated. Effective January 1, 2000 vacation pay will be increased to three percent (3%). Vacation pay will be on a separate check and paid the week the employee takes vacation. Employees with twelve consecutive months of employment shall be allowed to take two (2)

weeks of vacation. Effective July 2, 2006, employees with twelve (12) consecutive months of employment shall be allowed to take three (3) weeks of vacation.

In the event an employee terminates for reasons other than dishonesty or theft, they shall be paid pro rata vacation in addition to any vacation already earned but not paid.

In the event the Company is replaced as the concessionaire at the operations covered by this Agreement, then liability for vacation pay as between the Company and its successor shall be determined in accordance with 29 C.F.R., Part 4, as it shall from time to time be amended.

The Company reserves the right to determine how many employees may take vacation during a particular week. Vacation preferences among employees will be honored based upon seniority.

Section 8. Overtime. Personnel covered by this Agreement shall be compensated at one and one-half (1 ½) times their regular rate of pay for all hours worked in excess of forty (40) hours per week.

ARTICLE VI HIRING

The Company agrees to inform the Union of all vacancies. The Union agrees to furnish the necessary employees, if available. The Union agrees to refer applicants for available jobs in a nondiscriminatory manner, that is, without regard to their race, color, religion, sex, age, or national origin or membership or non-membership in the Union. The Company retains the right to reject any applicant referred by the Union. If an acceptable applicant has not been referred within forty-eight (48) hours after the Union has been informed of a vacancy (or such shorter period of time as may be required by emergency conditions), the Company may hire from other sources of applicants. Notwithstanding this provision, the Company may give preference to present and former employees in filling vacancies. Effective July 4, 1993, when openings occur at other GME locations represented by U.F.C.W. Local 7, the Union steward may notify the Union of such openings so that the Union may in turn notify other then-current employees of GME working at barbershops at other locations represented by Local 7. If a barber from such a location applies, he/she will be allowed to transfer to such open position without losing seniority rights for either bidding or vacation, provided application for transfer is received within 5 days of having first been posted at the base where the opening occurred. In no event shall a transferring employee usurp seniority rights of employees working on the base where the opening occurs. The transferring employee will fill the last open spot at the base after employees working at the base where the opening occurred have exercised any bidding rights they may have.

ARTICLE VII LAY-OFF AND SENIORITY

Section 1. Employees, except as hereinafter provided, will be laid off in order of seniority with the most junior employees (regardless whether classified as manager or

journeymen barbers) being laid off first; recalls from layoffs shall be in reverse order of the layoffs. Although the Company's general manager is permitted to perform unit work, it is understood that the Company is not bound to lay-off or recall its general manager pursuant to the provisions of this Article. In the event of a lay-off, the general manager shall be the last person laid off and the first recalled.

Section 2. If any new shop is opened, or a permanent vacancy occurs in an existing shop, such positions shall be filled by job bidding on the basis of seniority. Notice of the vacancy will be posted in all shops for a period of one (1) week, with space provided for employees to indicate their desire to take the open job. The most senior employee so bidding who is qualified to perform the job shall be selected for the job. If no employee bids, the least senior employee qualified to perform the job shall be assigned to such job. If it is necessary to transfer an employee to cover a temporary vacancy, the least senior journeyman barber qualified to perform the job shall be transferred.

Section 3. The bidding procedure provided in Section 2 shall not apply to managers. The manager of each shop (if the Company determines that it will utilize a manager in that shop) shall be selected by the Company from among the journeymen barbers in that shop. In the event the manager is laid off, a new manager may be selected from among the remaining journeymen barbers, at the Company's option.

Section 4. Seniority, as that term is used herein, means the length of an employee's continuous service with the Company from his most recent date of hire. A seniority list shall be prepared as soon as possible, and the names of the employees shall be listed thereon in the order of and in accordance with their date of hire; such a seniority list shall be posted and any employee may file a grievance with respect to his position on such list; provided that such a grievance is filed in accordance with the grievance procedure set forth in this contract, otherwise such grievance is forever barred.

Section 5. A barbers seniority shall be terminated when:

- (1) He voluntarily quits;
- (2) He is discharged for just cause;
- (3) Layoff for more than one year or absence due to medical disability beyond the medical leave authorized in this Agreement;
- (4) If upon being recalled after any layoff, a barber does not return to work within three working days after being notified to do so by certified mail at his last known address, provided that in the discretion of the Company said three (3) day period may be extended; and
- (5) He fails to report to work at the expiration of any leave of absence, vacation or military obligation.

Section 6. The Employer shall rotate employees days off. The Employer shall rotate offering employees to leave early in the event business is slow.

ARTICLE VIII DISCIPLINE AND DISCHARGE

Section 1. All new employees shall be "probationary employees" until such time as they work for the Company thirty (30) days from the date of their last hire. Probationary employees may be discharged by the Company with or without cause, and neither such probationary employees nor the Union shall have any recourse or claim against the Company by reason of such discharge.

Section 2. It is agreed that certain employee conduct is of such a nature as to subject the employee guilty of such conduct to immediate termination. Such conduct includes, but is not limited to: failure to follow a direct order; theft or other misappropriation of Company funds or property; gross insubordination; physical fighting or carrying a deadly weapon while on duty or while on the premises of the base; willful damage of Company property or property in the care of the Company; causing liability for the company or the Company's malpractice insurer by negligently performing services for customers; possession or use of alcoholic beverages, narcotics, hallucinatory drugs or other controlled substances while on duty or on the base; falsification of Company records. Any employee who has been the subject of three (3) complaints by customers or the military authorities within any twelve (12) month period shall be immediately subject to suspension or discharge at the Company's discretion, provided that the employee has been informed of these complaints at the time they were filed, and has been given an opportunity to refute the complaints.

Section 3. Verbal altercations with customers or AAFES personnel shall be grounds for discharge, provided the employee or the Union has received one (1) prior written warning during the preceding twelve (12) months regarding the same conduct by the employee.

Section 4. The following conduct on the part of an employee shall be grounds for discharge or discipline, provided the employee or the Union has received one (1) prior written warning during the preceding two (2) years regarding the same conduct by the employee: failure to adhere to Company cash handling procedures; being under the influence of alcoholic beverages, narcotics, hallucinatory drugs or other controlled substances while on duty or on base.

Section 5. The following conduct on the part of an employee shall be grounds for discharge or other discipline provided that the employee or the Union has received three (3) prior written warnings during the preceding nine (9) months regarding the same conduct by the employee: failure to adhere to applicable sanitation standards (but warning shall remain effective for two (2) years rather than nine (9) months); failure to report to work at the designated time without excuse and without prior notification of the Company where possible; excessive tardiness or absenteeism; inability to adequately perform job functions.

**ARTICLE IX
SICK LEAVE/SICK BENEFITS**

Section 1. All employees who have worked one (1) full year for the Company shall thereafter be entitled to six (6) days unpaid sick leave per year. The Company may require a doctor's certificate, however no such certificate will be required for a single day of absence unless there are three such single days of absence within a five (5) day period. Such unpaid sick leave may also be taken in connection with bereavement leave associated with the death of a parent, spouse or child.

Section 2. Employees shall be entitled to a leave of absence due to disability caused by illness or injury upon certification of such disability by a licensed physician, not to exceed one (1) year, unless a longer period is mutually agreed upon by the employee and the Company.

**ARTICLE X
NO DISCRIMINATION**

The Company and the Union mutually agree not to discriminate against any employee because of race, creed, religion, color, sex, national origin or union membership.

**ARTICLE XI
MAINTENANCE OF STANDARDS**

The Company agrees that all conditions of employment in its operation relating to wages, hours of work, overtime differential, insurance and general working conditions, except as otherwise provided in this Agreement, shall be maintained at not less than the highest standards in effect at the time of the execution of this Agreement and the conditions of employment shall be improved wherever specific conditions for improvement are made in this Agreement. It is agreed that the provisions of this Section shall not apply to inadvertent or bona fide errors made by the Company or the Union if such error is corrected within one (1) year from the date of execution of this Agreement.

**ARTICLE XII
BARBER'S RESPONSIBILITIES**

Section 1. Barbers shall be responsible for training themselves so that they shall at all times be able to give up-to-date services and perform all the functions of a full service barber shop.

Section 2. Each barber shall be responsible for keeping his station clean and up to Exchange standards on a continuous basis, including dusting his chair and backbar daily. Each barber shall also be obligated to keep the entire shop in a neat and orderly fashion and the floor free from hair.

**ARTICLE XIII
SANITATION**

The Company agrees to furnish, at all times, a healthful, sufficiently lighted, properly heated and well ventilated place for the performance of all work that is being performed under and pursuant to this Collective Bargaining Agreement. The Company also agrees to comply with all federal laws relating to the safety of its employees. The Union agrees to cooperate with the Company with respect to safety and sanitation. Both parties recognize that the buildings in which work is performed are furnished and maintained by AAFES and the improvements and maintenance performed on such buildings must be approved and financed by the Exchange or the military.

**ARTICLE XIV
NO STRIKE AND NO LOCKOUT CLAUSE**

The Union agrees that, during the period of this Agreement, it, its officers, representatives and members, as well as all employees covered by this Agreement, shall not take part in any strike, slow down or stoppage of work, boycott, picketing, interruption of or interference with the work and business of the Company. The Union further agrees that it will not honor or recognize and the members of the Union covered by this Agreement hereby agree not to honor or recognize, any picket line or picketing in any form whatsoever by the UFCW, its locals, members or representatives, or by any union, entity, or individual not a party to this Agreement at any facility operated by the Company during the term of this Agreement. The participation by any employee in any conduct prohibited by this Article or the failure or refusal on the part of any employee to comply with any provision of this Article shall be cause for immediate discharge.

In consideration of this no strike pledge by the Union and the members, the Company agrees that it shall not lock out the members during the period of this Agreement.

**ARTICLE XV
MANAGEMENT RIGHTS AND PREROGATIVES**

All of the rights, functions and prerogatives of management are reserved and retained exclusively to the Company, except as provided in this Agreement. In no event shall any right, function or prerogative of management ever be deemed or construed to have been modified, diminished, or impaired by any past practice or course of conduct, or otherwise than by an explicit provision of this Agreement. Specifically, but without in any manner limiting or affecting the generality of the foregoing, it is distinctly understood and agreed that the Company reserves to itself the right, in its sole discretion and judgement, to, inter alia: determine the services to be rendered or carried on by the Company; determine whether and to what extent the work required in its business shall, other than barber or beauty services, be performed by employees covered by this Agreement; appoint working managers; determine the number of such managers which shall be required for the efficient operation of the business; determine the suppliers and customers with whom it will deal, and the prices at which and terms upon which its merchandise, equipment, and supplies will be purchased, leased or otherwise acquired and its

services will be sold; determine the size and composition of the working force covered by this Agreement, the assignment of work, and policies affecting the selection of employees; establish and enforce quality and service standards for its services; establish new shops; discontinue existing shops; increase or decrease the size of the working force in a particular shop; introduce new and improved methods and facilities; change existing service methods and facilities; determine when and if vacancies in the working force shall be filled; and discontinue temporarily or permanently, in whole or in part, the operations and business covered or affected by this Agreement. The parties may agree from time to time to make and enforce new rules applicable to employees covered by this Agreement and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement.

ARTICLE XVI GRIEVANCE PROCEDURE AND ARBITRATION

Section 1. Should any differences, disputes, or controversies arise between the Company and the Union, or any member of the Union employed by the Company, as to compliance with, the meaning of, or the application of the provisions of this Agreement, then there shall be no work stoppage because of such dispute but rather an effort shall be made to settle the same immediately in accordance with the following procedure:

Step 1: Any employee having a grievance will first attempt to adjust the same with the Company's general manager for F.E. Warren.

Step 2: If a grievance or dispute is not settled at Step 1, then it shall be reduced to writing by the aggrieved party and submitted to the opposite party within twenty (20) days from the date on which the dispute, complaint, or grievance first arose. If the Union or employee is submitting the grievance, it shall be mailed to Rex Morena at the Company's headquarters and a carbon or photocopy shall be kept. If the Company is submitting the grievance it should be mailed to the Union or its attorney. The other party to the dispute shall then have thirty (30) days from receipt of the grievance in which to respond in writing to it.

Step 3: If a grievance is not then satisfactorily settled at Step 2, it may, within thirty (30) days of receipt of the written response, or on the last day on which the written response should have been received, be referred by either party to arbitration in strict accordance with the provisions of this Agreement pertaining to arbitration.

Section 2. Any disputes, complaints or grievances arising from alleged violations of this Agreement shall be deemed to have been waived, unless the same are presented in writing for settlement and determination at Step 2 of this grievance procedure within twenty (20) days from the date on which said dispute, complaint or grievance first arose. Failure to respond to a grievance within thirty (30) days after receipt shall constitute a denial of the facts alleged in the grievance. Failure to comply in a timely fashion with requirements of Step 3 of this procedure shall also be deemed to constitute a waiver of the grievance.

Section 3. Any grievance shall be arbitrated in accordance with the rules of the American Arbitration Association which are then in effect (except that in selecting an arbitrator from the list of seven (7) supplied by the American Arbitration Association each party shall strike three (3) names therefrom and the last name remaining shall be the arbitrator). The arbitrator of any such grievance shall have the power to receive relevant testimony from the parties to the dispute and to hear such witnesses as they may desire to present. The parties may, if they so desire, be represented by counsel in all proceedings before the arbitrator. At the mutual request of the parties, the arbitrator shall hold a pre-hearing conference for the purpose of defining, simplifying, and framing the issue or issues to be arbitrated, and ascertaining the positions of the respective parties concerning said issues. The Company shall bear the cost of preparing and presenting its case to the arbitrator, and the Union shall bear the cost of preparing and presenting its case to the arbitrator. All other expenses of arbitration including, but not limited to, the arbitrator's fee, the cost of recording and transcribing testimony before the arbitrator, and the hiring of a space in which the arbitration proceedings are held, shall be divided equally between the parties.

Section 4. The function of the arbitrator shall be of a judicial rather than legislative nature. The arbitrator shall not have the authority to add to, or modify any of the terms or provisions of this Agreement. No decision of the arbitrator shall require the payment of a wage rate or wage basis different from those expressly set forth in this Agreement. Subject to the foregoing qualifications and limitations, the arbitrator's award shall be final and binding upon the Company, the Union and any aggrieved employee.

Section 5. If the Union fails, refuses, or declines to prosecute a grievance on behalf of an employee, or if the Company and the Union settle any grievance on behalf of an employee hereunder, the employee who has filed such grievance or on whose behalf it has been filed shall be conclusively bound thereby and the Union and the aggrieved employee shall thereafter be estopped to revive or further prosecute said grievance. The Union shall not be deemed responsible for any violation by the Company of its obligations under the Agreement. However, if action or inaction taken by the Union regarding an employee grievance results in an increase in liability for the Company beyond the liability which would have accrued had the grievance been taken to arbitration by the Union as provided for herein, then such additional liability shall fall upon the Union and not the Company. It is agreed that the time for processing a grievance under this Agreement for purposes of computing additional liability shall in no event exceed ninety (90) days from the date on which a written grievance is first filed or should have been filed.

Section 6. The Company shall have no duty to arbitrate any matter which arises subsequent to the termination date of this Collective Bargaining Agreement.

Section 7. In the event the Union declines for any reason to take a grievance to arbitration then the Company and the Union may each request that any aggrieved employee sign a release in settlement of all claims which he or she may have under this Agreement. If such release is not obtained then the party requesting such release will have thirty (30) days from the denial of the request to take the matter to arbitration.

**ARTICLE XVII
SUCCESSORSHIP**

This Agreement shall be binding upon the parties hereto and on their respective successors, assigns and legal representatives. Provided that the Company shall not incur liability of any type whatsoever for the failure of any successor or assign to adhere to any provision of the Agreement. Moreover, the Company's obligations with respect to the benefits, rights or privileges accorded by this Agreement to the Union or any employee covered by this Agreement shall not survive the termination of the Company's business operations at the barber shops covered by this Agreement. It is also recognized by the parties hereto that in the event that the Union shall hereafter affiliate with any other Union belonging to the AFL-CIO, it shall not be deemed there is a change in party affecting the validity of this Agreement and this Agreement shall continue in full force and effect for its duration as provided herein irrespective of such affiliation.

**ARTICLE XVIII
QUALIFICATIONS**

Each of the parties hereto warrants that it is under no disability of any kind that will prevent it from completely carrying out and performing each and all of the provisions of the Agreement, and further, that it will not take any action of any kind that will prevent or impede it in the complete performance of each and every provision hereof.

**ARTICLE XIX
WAIVER**

The waiver of any breach or condition of this Agreement by either party does not constitute a precedent for any further waiver of such breach or condition.

**ARTICLE XX
MISCELLANEOUS PROVISIONS**

Section 1. This Agreement sets out the entire understanding between the Company and the Union and neither party intends to be bound or obligated except to the extent that it is expressly so agreed herein; this Agreement shall be strictly construed. This Agreement applies to bargaining unit employees working for the Company at F.E. Warren barbershops. No employee covered by this Agreement shall have any rights, benefits or privileges in any other operation of the company, now existing or hereafter established, by virtue of this Agreement. This Agreement may be changed or modified only by the written agreement of the parties hereto.

Section 2. If any provision contained herein is held to be invalid, or inoperative, the other provisions of this contract shall, nevertheless, remain in full force and effect. It is the intention of the parties hereto to comply with all applicable provisions of law. All provisions of this Agreement shall be complied with unless any of such provisions shall be declared to be in conflict with or in violation of any state or federal statute, rule or decision or a valid

administrative rule or regulation. In such event, the Union or the Company may, at its option, upon giving a twenty (20) day notice, require renegotiation of such provisions for the purpose of adequate replacement thereof, reserving the right of legal or economic recourse, including the right to strike or lockout, in the event agreement cannot be reached in such renegotiations.

Section 3. The Company agrees it will give barbers one (1) week's advance notice before they are laid off.

Section 4. The employees covered hereby agree to give the Company one (1) week's notice prior to the effective date of their quitting the employment of the Company.

Section 5. The Company shall be responsible for the weekly cleaning of windows, walls, floors and lights. Should the Company be confronted with a problem of retaining help for this work during an Inspector General's inspection, it may request the help of the employees of a branch.

ARTICLE XXI HOURS OF LABOR

Section 1. The regular work week for any barber shall not exceed forty (40) hours. However, the Company shall not be obligated to guarantee any minimum work week. A full-time employee is one who works thirty-four (34) hours or more a week. Prior to notice from the Company as provided below, the Company may utilize two (2) part-time employees, and until notice, as provided below is given, other employees will be classified as full-time.

If, in its sole discretion, the Company elects to change any full-time position to a part-time position, it may do so upon sixty (60) days notice to the Union. Such notice will be required only in the event a change of a full-time position to a part-time position is not voluntarily agreed upon by the employee in question and in no way limits the Company's right to lay off without notice.

Section 2. The Company shall determine the number of barbers who shall be permitted to be off work on any day of the week in each branch.

Section 3. Working days and hours shall be scheduled by the Company.

Section 4. All barbers will take a daily lunch period without pay, which lunch period shall be scheduled by the Company.

Section 5. No barber shall work in excess of eight (8) hours in any one (1) day or forty (40) hours in any week without the express written permission of the Company, nor shall the Company require this. Refusal to work overtime without express written permission shall not be grounds for discharge, discipline or harassment in any form by any Company representative. Violation of the terms of this Section by an employee shall be grounds for discipline, including discharge, provided that the employee guilty of the infraction has received one (1) prior written

warning for violating this Section, except that overtime work by an employee at the direction of the base manager or other manager excluded from the collective bargaining unit shall not constitute a violation of this Section. In order to effectuate the purposes of this Section, the Company agrees that the line may be cut off fifteen (15) minutes before closing, provided that sufficient notification is given to a guide or to the customers themselves.

ARTICLE XXII FUNERAL PAY

Upon request, an employee covered by this Agreement shall be granted the necessary time off to make arrangements for and/or grieving and/or attend a funeral occasioned by a death in his immediate family. Such time off shall in no event exceed three (3) regularly scheduled working days. The Employer shall pay one day funeral leave of **seventy dollars (\$70.00)** to an employee on an authorized funeral leave as set forth below. Employees may also use holiday pay to receive pay for additional days up to a maximum of three (3) days, subject to proration as described in Article V, Holiday Pay. The immediate family is defined as the employee's father, mother, grandparents, grandchildren, spouse, children, father-in-law of current spouse, mother-in-law of current spouse, brother-in-law of current spouse, sister-in-law of current spouse, brother, sister and step child. Payments shall not be made hereunder where the relative's death occurs while the employee is on vacation or on a leave of absence. Additional time, without pay, shall be granted as is needed by the employee up to seven (7) days.

ARTICLE XXIII UNION STEWARDS

The Union shall have the right to designate one (1) Steward who shall perform their duties with the least possible inconvenience to the Employer. Such Steward shall not be discriminated against because of their Union activities. The Shop Manager and Rex Mornea shall be advised in writing by the Union of the name of the Steward.

The Employer shall schedule the Steward off one (1) day per year for the purpose of attending a Union seminar. Schedules shall be arranged so that the Steward will not suffer any loss in pay. Time off to attend Union Seminars is unpaid.

ARTICLE XXIV ABC

Section 1. The Employer agrees to deduct amounts designated by the employees for the Active Ballot Club (ABC) when the Employer has been furnished an individual written authorization for making such deductions on a form mutually agreed upon between the Employer and the Union. It is agreed that the ABC authorization is to be entirely voluntary upon the part of each individual employee and that any such employee may revoke his ABC check off authorization upon giving thirty (30) days written notice to the Employer and the Union. The Employer shall remit such money to the Union on a monthly basis.

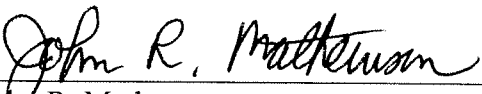
**ARTICLE XXV
DURATION OF CONTRACT AND REOPENING**


It is agreed that this contract shall be in force and effect from **November 16, 2008** for a period of **four (4) years** ending on **midnight, Saturday, November 17, 2012**. Should either party to this Agreement desire to negotiate changes in any or all of the provisions of this Agreement upon its expiration date, written notice to that effect must be given to the other party at least sixty (60) days before the date of expiration. If no opening notice is given as designated above, this Agreement shall run from year to year and can only be changed through negotiations started by written notice by one party to the other party at least sixty (60) days prior to any expiration date, that is, the annual anniversary date of this Agreement.

Signed this 5th day of December, 2008.

UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 7

GINO MORENA ENTERPRISES

By: 
John R. Mathewson

By: 
Rex Morena