

COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT is made and entered into this 28th day of October 2022 by and between JERSHAN COMPANY (hereinafter referred to as the "Company"), and UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 540 (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 all barbers (excluding the manager as well as guards and supervisors, as those terms are defined in the National Labor Relations Act) employed at the Company's barbershops located on the U.S. Government Post Exchange at Fort Hood, Killeen, Texas. No provision of this Agreement shall apply to or affect the operations of the Company at any facility other than the barbershops at Fort Hood, TX.

Section 2. The Company may, in its discretion, enter into collateral agreements with individual members of the union regarding performance of duties other than, or in addition to, the rendering of barber services, 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 or 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 Bargaining Unit on the effective date or execution of this Agreement, whichever is later, become and remain members in good standing in the Bargaining Unit. It shall also be a 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 day following the beginning of such employment, become and remain members in good standing in the Bargaining Unit.

Section 2. The Company, within ten (10) 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 ten (10) working days, a member, in good standing, in the Union or who does not pay the service fees or service charges 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 service fees 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 check off 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 service fees 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 service fees collections. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability including reasonable attorney's 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 service fees check off 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.

ARTICLE III. Bargaining Unit Visitation

The Company agrees that representatives of the Bargaining Unit 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 operation 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 Bargaining Unit. 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.

ARTICLE V. Classification and Commission Rate.

Section 1. The standard commission rate at the Company's barbershops at Fort Hood to be paid to each barber covered by this Agreement shall be sixty-one percent (61%) of the gross receipts collected for services performed by him or her.

Section 2. Employees will be paid on a bi-weekly basis.

Section 3. 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. Further, the Union and each barber covered by this Agreement recognize and agree that all tips received are to be reported in accordance with applicable state and federal law.

Section 4. Employees working thirty-five (35) hours per week shall be entitled to receive eighty five dollars (\$85.00) per holiday for the following holidays:

New Year's Day	Christmas Day	Memorial Day
Independence Day	Labor Day	Thanksgiving Day

Employees working less than thirty-five (35) hours shall receive holiday pay on a prorated basis, provided they otherwise qualify. In order to qualify for holiday pay, an employee must work his or her last regularly-scheduled shift prior to the holiday and his or her regularly scheduled shift immediately subsequent to the holiday, unless prevented from doing so by an illness substantiated by a doctor's excuse, or other bona fide and approved leave of absence.

Section 5. All barbers covered by this Agreement regularly working thirty-five (35) hours and who have worked continuously for the Company for twelve (12) months shall, upon their respective employment anniversary date be eligible to receive one (1) week paid vacation of three hundred dollars (\$300.00).

Employees working less than thirty-five (35) hours shall receive prorated vacation. Vacation pay shall be payable at such time as the employee takes his or her vacation in each year in which he or she is eligible. The right to receive vacation pay for each year for which an employee is eligible shall vest upon the employee's employment anniversary date. Vacation must be taken. 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.

Section 6. In consideration for the wages and fringe benefits set forth herein, each barber shall be responsible for furnishing and maintaining his own tools and uniforms as such shall be required by the Company.

Section 7. If the Company is required to incur additional health-care costs during the term of this Agreement arising out of the implementation of and/or passage of and/or amendment to federal or state health-care legislation, the Company has the exclusive right to reopen the Agreement to discuss the economic impact of any such legislation and to negotiate concerning a reduction in the commission rate set forth in Article V, Section 1 to offset any such additional costs. The Company and the Union will make good-faith efforts to reach mutual agreement in any such reopener negotiations. Should the parties be unable to reach agreement, either the Company or the Bargaining Unit may request mediation of any outstanding differences and upon exhaustion of mediation, and notwithstanding the prohibitions in Article XV, will be entitled to economic recourse, including the right to strike or lockout.

Section 8. A one-hundred dollar (\$100.00) bonus shall be paid out to all bargaining unit employees as a Christmas bonus one week prior to Christmas.

Section 9. Should a member of an employee's immediate family die; the affected employee shall be allowed three days paid leave at \$85.00 per day for bereavement leave.

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.

ARTICLE VII. Layoff and Seniority.

Section 1. Employees, except as hereinafter provided, will be laid off in order of seniority with the most junior employees (whether classified as manager or journeyman barbers) being laid off first; recalls from layoffs shall be in reverse order of the 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 layoff, 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 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.

Section 4. Seniority as that term is used herein means the length of an employee's continuous service with the Company from his or her 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 procedures set forth in this contract, otherwise such grievance is forever barred.

Section 5. A barber's seniority shall be terminated when:

- (1) the barber voluntarily quits;
- (2) the barber is discharged for just cause;
- (3) the barber is laid off for more than six (6) months or absence due to medical disability beyond the medical leave authorized in this Agreement;
- (4) if upon being recalled after any layoff, the barber does not return to work within three (3) working days after being notified to do so by certified mail at his or her last known address, provided that in the discretion of the Company said three (3) day period may be extended;
- (5) the barber fails to report to work at the expiration of any leave of absence, vacation, or military obligation.

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: 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. 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: verbal altercations with customers or AAFES personnel; 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 in or around the shop; inability or refusal to adequately perform job functions.

Section 4. 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.

Upon request from the Union, the Company will furnish the reason for any discharge. If the Company questions an employee on any matter which will or may likely lead to disciplinary action, the employee will be given the opportunity to request that a Union representative be present at the interview.

ARTICLE IV. Sick Leave.

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, provided they have a bona fide doctor's certificate.

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 six (6) months, unless a longer period is mutually agreed upon by the employee and the Company.

ARTICLE X. No Discrimination.

The Company and Union mutually agree not to discriminate against any employee because of race, creed, religion, color, sex, national origin, disability, Union membership or on any other ground protected by Federal or state law.

ARTICLE XI. Holidays.

The employees may be required to work on the following holidays, and/or any other day observed as a holiday by the Exchange:

New Year's Day	Thanksgiving Day
Labor Day	Christmas Day
Independence Day	Memorial Day

If employees are required to work on a holiday, volunteers will be requested. If there are not enough volunteers, such work will be assigned to the least senior employees qualified to do the work.

ARTICLE XII. Barbers' 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 barbershop.

Section 2. Each barber shall be responsible for furnishing his or her own tools as such shall be required by the Company.

Section 3. Each barber shall be responsible for keeping his or her station clean and up to Exchange standards on a continuous basis, including dusting his or her chair and backbar daily.

Section 4. It shall be the responsibility of the barbers in each shop to keep that shop clean and up to Exchange standards during the working day.

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.

ARTICLE XIV. No Strike and No Lockout Clause.

The Union agrees that, during the period of this Agreement, the Union, its officers, representatives and members shall not take part in any strike, slow down or stoppage of work, boycott, picketing, or interruption of or interference with the work and business of the Company. The Union and its members further agree that it will not utilize roving pickets against the Company whereby the Company's employees at Fort Hood or persons acting on their behalf, would in any manner or for any reason picket the Company's operations at any other military installation where the Company's employees are covered by a current Collective Bargaining Agreement. The Union also agrees that it will not honor, and the members of the Union hereby agree not to honor, any picket line or picketing in any form whatsoever by any other labor organization (as that term is defined in Section 2(5) of the National Labor Relations Act), its members or representatives. 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 whatever disciplinary action, including discharge, is deemed appropriate by the Company. 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 by 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 judgment, inter alia, to 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 who 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 the 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, have the right to take a tip credit against wages paid, the assignment or 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 the barbershops at Fort Hood.

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 thirty (30) 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 Gerald Smith at the Company's headquarters in pre-addressed envelopes 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 ten (10) days of receipt of the written response, 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 thirty (30) 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 an admission 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 Union which are then in effect (except that in selecting an arbitrator from the lists supplied by the American Arbitration Union the parties shall strike 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 had 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. If, however, action or inaction taken by the Union regarding an employee grievance results in an increase in liability for the Company, beyond the liability that 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.

Section 6. The Company shall have no duty to arbitrate any matter that arises after 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 Bargaining Unit may each request that any aggrieved

employee sign a release in settlement of all claims that 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 any 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 Bargaining Unit or any employee covered by this Agreement shall not survive the termination of the Company's business operations at the barbershops 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 of any further waiver of such breach of 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 union employees working for the Company at the Fort Hood 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 that where it is practical to do so, it will give barbers one (1) week's advance notice before they are laid off.

Section 4. The employees covered hereby, where it is practical to do so, agree to give the Company one (1) weeks' 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 Work.

Section 1. The regular workweek for any barber shall not exceed thirty-five (35) hours. The Company, however, shall not be obligated to guarantee any minimum workweek.

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 seven (7) hours in any one day or thirty-five (35) 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 as a guide or to the customers themselves.

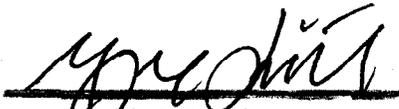
ARTICLE XXII. Duration of Contract and Reopening.

It is agreed that this contract shall be in force and effect from December 15, 2022 through and including December 15, 2025. 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: January 16, 2023

Jershan Company

UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 540


Gerald G. Smith


Andrew Cortes

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