

Southern District of California
UGSOA -Local 64

Collective Bargaining Agreement

Between

AKAL SECURITY, INCORPORATED

and the

United Government Security Officers of America
Local #64- San Diego and El Centro, CA

July 30, 2001 through September 30, 2005

PREAMBLE

THIS AGREEMENT is made and entered into, this day, July 30, 2001 by and between AKAL SECURITY, INCORPORATED, a New Mexico corporation, hereinafter referred to as the "Employer" or "Company," and UGSOA International Union, on behalf of its Local #64 in San Diego and El Centro, California, hereinafter referred to as the "Union". All non-economic provisions of this contract shall be in effect upon ratification. All economic provisions of this contract shall be in effect as of October 1, 2001, including but not limited to compensation and fringe benefits.

ARTICLE I

GENERAL PROVISIONS

SECTION 1.1 BARGAINING UNIT

- A. This agreement is entered between Akal Security, Inc., United Government Security Officers of America (UGSOA), and UGSOA Local #64 (hereinafter referred to as the Union). The Company recognizes the Union as the sole and exclusive bargaining representative for the purpose of collective bargaining as defined in the National Labor Relations Act.

The unit is defined as all full-time and shared position Federal Court Security Officers (CSOs) and Lead Federal Court Security Officers (LCSOs) employed by the Company in the 9th Circuit in the state of California, excluding all other employees including office clerical employees and professional employees as defined in the National Labor Relations Act.

This agreement shall be binding upon both parties, their successors and assigns. In the event of a sale or transfer of the business of the employer, or any part thereof, the purchaser or transferee shall be bound by this agreement.

SECTION 1.2 NEGOTIATING COMMITTEE

The Company agrees to recognize a Negotiating Committee composed of up to three members and one alternate selected by the Union to represent the Employees in collective bargaining negotiations.

SECTION 1.3 STEWARD SYSTEM

- A. The Company agrees to recognize a steward system.
- B. The Union agrees that the stewards will work at their regular jobs at all times except when they are relieved to attend to all the business of the Grievance Procedure as outlined in this Agreement. Aggrieved employees and stewards will be paid their regular rate of pay in the conduct of Company Union business during scheduled working hours.
- C. If the Employee requests, the Company will call for a steward prior to any disciplinary action taken, whether it be written or verbal. The supervisor, at the request of the Employee, will release the steward as soon as possible. The Union Steward will be paid for that time, upon receiving Supervisor approval of relief from duty.

SECTION 1.4 MANAGERS AND SALARIED PERSONNEL

Managerial and salaried Employees shall not perform the duties of the Employees in the bargaining unit, except in an emergency.

SECTION 1.5 UNION SECURITY

- A. An Employee who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement, to the extent of tendering the membership dues uniformly required as a condition of retaining membership in the Union.

B. An Employee who is not a member of this Union at the time that this Agreement becomes effective shall, within ten (10) days after the 30th day following the effective date of this Agreement either:

1) Become a member of the Union and remain a member.

2) Pay the Union a service fee. The amount of this service fee shall be equal to that paid by regular Union members to include regular and usual initiation fees. The service fee will not include any assessments, special or otherwise. Such payments shall commence on the 30th day after the date of hire.

2(a) Employees who are members of, and adhere to the established and traditional tenets of a bona-fide religion, body, or sect, which has historically held conscientious objections to joining or financially supporting labor organizations, shall, instead of the above, be allowed to make payments in amounts equal to the agency fee required above, to a tax-exempt organization (under Section 501(c)(3) of the IRS Code). The Union shall have the right to charge any Employee exercising this option, the reasonable cost of using the arbitration procedure of this Agreement on the Employee's individual behalf. Further, any Employee who exercises this option shall twice a year submit to the Union proof that the charitable contributions have been made.

C. Before any termination of employment pursuant to this Section becomes effective, the employee involved shall first be given notice in writing by the Union to pay the prescribed initiation fee and/or delinquent dues. If the employee fails to pay the initiation fee and/or delinquent dues, and if such fee and/or dues are tendered within 48 hours after the employee receives this notification from the Company, his/her dismissal under here shall not be required. If termination is administered under this provision, the reasons will be given in writing. Termination will not occur if there is an ongoing dispute between the effected employee and the Union.

1) The obligations set forth in this Article shall only be effective to the extent permitted by controlling law, including, but not limited to, any Executive Orders permitting or restricting Union security rights. If there is a legal challenge to any provision of this Article, the Employer may suspend its obligations under this Article for the duration of the dispute after conferring on the matter with the Union.

2) The Union, including its International, agrees to save and hold the Employer harmless from any and all claims, actions, suits, damages, or costs, including any attorneys fees incurred by the Employer, on account of any matter relating to the terms of this Article, including, but not limited to any claims by any Employee(s) and compliance with the law.

SECTION 1.6 DUES CHECKOFF

A. The Company agrees to deduct dues as designated by the Union on a monthly basis from the paycheck of each member of the Union. These deductions will be made only upon written authorization from the Employee on a form provided by the Union. The Employee, upon thirty (30) days written notice served upon the Company and the Union, may revoke such

authorization. It is understood that such deductions will be made only so long as the Company may legally do so. The Company will be advised in writing, by the Union, as to the dollar amount of the Union membership dues.

- B. The Company will remit all such deductions to the Financial Secretary/Treasurer within five (5) business days from the date that the deduction was made, via direct deposit, if possible. All costs related to direct deposit will be borne by the Union. The Union agrees to furnish the Company with the current routing number for direct deposit. The Company shall furnish the Financial Secretary/Treasurer with a deduction list, setting forth the name and amount of dues, within three (3) business days of each remittance. The Union agrees to hold the Company harmless from any action or actions growing out of these deductions initiated by an Employee against the Company, and assumes full responsibility of the dispositions of the funds so deducted, once they are paid over to the Union. Errors made by the Company in the deduction or remittance of monies shall not be considered by the Union as a violation of this provision, providing such errors are unintentional and corrected when brought to the Company's attention.

SECTION 1.7 INTENT OF PARTIES

The Union and the Company agree to work sincerely and wholeheartedly to the end that the provisions of this Agreement will be applied and interpreted fairly, conscientiously, and in the best interest of efficient security operations. The Union and the best efforts to cause the Bargaining Unit Employees, individually and collectively, to perform and render loyal and efficient work and services on behalf of the Company, and that neither their representatives nor their members will intimidate, coerce, or discriminate in any manner against any person in its employ by reason of his/her membership and activity or non-membership or non-activity in the Union. Neither the Company nor the Union will discriminate against any Employee because of race, color, religion, sex, age, national origin, Vietnam Era Veterans status, or disability. The Company and the Union recognize that the objective of providing equal employment opportunities for all people is consistent with Company and Union philosophy, and the parties agree to work sincerely and wholeheartedly toward the accomplishment of this objective.

ARTICLE 2

SENIORITY

SECTION 2.1 SENIORITY DEFINED

- A. Union seniority shall be the length of continuous service from the Employee's last date of hire as a CSO or LCSO for the Employer, past or present and/or any predecessor Employer. Seniority shall not accrue until the Employee has successfully completed the probationary period. Seniority shall be applicable in determining the order of layoff and recall, shift bidding, vacation schedules, extra work, transfers, and other matters as provided for in this Agreement.
- B. For the purposes of shift bidding, vacation schedules and extra work, union seniority shall be defined as seniority within the work site.
- C. Any Employee permanently transferred out of the designated Local Bargaining Unit for any reason shall lose their Union seniority as it applies to the order of layoff and recall, shift

bidding, vacation schedules, extra work, and other matters as provided for in this Agreement.

SECTION 2.2 SENIORITY LISTS

The Company will provide a seniority list (last date of hire as a CSO, within the bargaining unit, as designated by the Union and approved by the Company) to the Local Union President twice each year. (See Appendix B for local seniority list specifications)

SECTION 2.3 PERSONAL DATA

Employees shall notify the Employer in writing, on the company provided form, of their proper mailing address and telephone number or of any change of name, address, or telephone number. The Company shall be entitled to rely upon the last known address in the Employer's official records.

SECTION 2.4 TRANSFER OUT OF UNIT

Any Bargaining Unit Employee who is promoted to a non-bargaining unit position for more than four (4) weeks shall lose their Union seniority. If they return to the bargaining unit at a later date their seniority will start on that return date.

SECTION 2.5 PROBATIONARY EMPLOYEES

Probationary Employees will be considered probationary for a one hundred twenty (120) calendar day period after their hire date. The Union will still represent Probationary Employees for problems concerning wages, hours and working conditions, but the Company reserves the right to decide questions relating to transfers, suspensions, discipline, layoffs, or discharge of Probationary Employees without recourse to the grievance procedure contained in this Agreement.

Probationary Employees do not have seniority until the completion of the probationary period, at which time seniority dates back to the date of hire. The Probationary period can be extended by mutual agreement between the Company and the Union.

SECTION 2.6 TERMINATION OF SENIORITY

The seniority of an Employee shall be terminated for any of the following reasons:

- a) the Employee quits or retires;
- b) the Employee is discharged;
- c) a settlement with the Employee has been made for total disability, or for any other reason if the settlement waives further employment rights with the Employer;
- d) the Employee is laid off for a continuous period of one hundred eighty (180) calendar days;
- e) the U.S. Government revokes the Employee's credentials as a CSO;
- f) the Employee is permanently transferred out of the bargaining unit.

ARTICLE 3

JOB OPPORTUNITIES

SECTION 3.1 FILLING VACANCIES

If a vacancy occurs in a regular position covered by this Agreement, and the Employer chooses to fill that vacancy, the job will be posted for a period of three (3) working days (excluding Saturdays, Sundays and holidays). All shared position Employees who have notified the Site Supervisor, in writing of their intent to apply for a Full-Time position and who are not scheduled to work during that three (3) day period at the site where an opening occurs, and any Employees on vacation or on other approved leave will be notified by the Company. When a vacancy occurs, the Employer will fill the position with the most senior Employee who has applied for the position in writing, who has been trained (if required) to fill any necessary special qualifications for the new position. No more than two (2) shifts will be filled under this procedure as a result of that vacancy.

SECTION 3.1(a) SHARED POSITION EMPLOYEES

The Company is obligated under its contract with the USMS, to fill a designated number of shared positions in order to provide full staffing level coverage, increase security levels as needed and avoid unnecessary overtime. A shared position Employee may be scheduled to work more than a part time schedule, as necessary, at the Company's discretion. The Company will give the shared position Employee the maximum possible notice for schedule changes. Failure to report to work when so scheduled or called to work may result in disciplinary action.

SECTION 3.1(b) LAYOFF AND RECALL

In the event of layoff or recall, when full-time or shared positions are being reduced, probationary Employees will be laid off first. Should it be necessary to further reduce the work force, Employees will be retained on the basis of seniority. Recall of Employees will be accomplished by recalling the last laid off Employee first, and so on.

SECTION 3.2 TEMPORARY ASSIGNMENTS

- A. In the interest of maintaining continuous operations, the Employer may temporarily assign an Employee to a vacant or new position until the job is filled in accordance with Articles 2 and 3, or assign an Employee to a position that is part of a temporary security assignment directed by the USMS, including temporarily assigning an Employee to a work site within or outside of the area defined by this Agreement. To the extent feasible the assignment shall be a voluntary selection based on seniority and qualification absence of volunteers, assignments shall be made on a reverse seniority and qualifications basis. Employees so assigned will receive the higher of the base hourly wage available to Employees regularly assigned to the site to which they are being transferred, or their regular hourly wage they receive at their regular site under this agreement, whichever is greater.

SECTION 3.3 APPOINTMENT OF LEAD CSOs

The U.S. Government in its contract with the Company creates specific guidelines for the job duties and qualifications of Lead CSOs. Based on these guidelines, all appointments of Lead CSOs will be made on the basis of suitability as evaluated by the Company. Suitability shall include an Employee's skills, experience, past performance, capabilities, and the needs of the operation. If, in the Employer's determination, Employees are equally qualified, seniority will prevail. Lead CSOs will not perform supervisory duties as described by the National Labor Relations Act.

ARTICLE 4

SECTION 4 MANAGEMENT'S RETAINED RIGHTS

SECTION 4(a)

Management of the business and direction of the security force are exclusively the right of management. These rights include the right to:

- A. Hire;
- B. Assign work;
- C. Promote, Demote;
- D. Discharge, discipline, or suspend based on Article 6;
- E. Require Employees to observe reasonable Employer rules and regulations;
- F. Determine when overtime shall be worked;
- G. Determine the qualifications of an Employee to perform work.

SECTION 4(b)

Any of the rights, power or authority the Company had prior to the signing of this Agreement are retained by the Company, except those specifically abridged or modified by this Agreement and any supplemental Agreements that may hereafter be made. The Company's failure to exercise any function reserved to it shall not be deemed a waiver of any such rights.

ARTICLE 5

GRIEVANCE PROCEDURE

SECTION 5.1 INTENT

For purposes of this Agreement, a grievance shall mean a claimed violation, misinterpretation, or misapplication of any provision of this Agreement, or the challenge of any disciplinary action taken against a Union Employee, except that this grievance procedure shall not be used for any action or order of removal of an Employee from working under the contract by the U.S. Government, or revocation of required CSO credentials by the USMS under the removal of Contractor employee provision in Section H-3 of Contract MS-01-D-0002 between the US Marshals Service and Akal Security, Inc. Any temporary or permanent removal of an employee by determination of the Government as described in Section H-3(b) of the Contract shall not become permanent without requisite notice to the employee and the opportunity provided for the employee to respond to the Government's action within fifteen (15) days of the determination. Upon written request, the Company will provide the Union, in a timely manner, with all information concerning the removal that they may legally release, and will provide the Union with any relevant information concerning the proper Government point of contact and their contact data. The "final decision" on the employee's removal shall be determined by the Government.

SECTION 5.2 GENERAL PROVISIONS

- A. The number of days outlined in Section 5.3 in the processing and presentation of grievances shall establish the maximum time allowed for the presentation and processing of a grievance. The term "days" shall not include Saturdays, Sundays or holidays when used in this Article.

- B. Should either the Company, the Union, or the aggrieved employee fail to comply with the time limits as set forth in this Article, the party who failed to comply with the time limits shall forfeit the grievance.

SECTION 5.3 GRIEVANCE PROCEDURE

All grievances shall be presented and processed in accordance with the following procedures:

- A. **Informal Step** - The parties shall make their best efforts to resolve any dispute on an informal basis. Both the Company and the Union agree that the Employee will first discuss the complaint with their immediate supervisor (not in the bargaining unit), within five (5) working days of the incident being grieved, to start the informal procedure. If the informal procedure is not invoked within five working days of Employee's knowledge of a grievable issue, then it is agreed by both parties that no further action can be taken. If, during the course of this discussion either the Employee or the supervisor deems it desirable, a steward or other Union representative will be called in. If the complaint is not satisfactorily adjusted within three (3) working days of the inception of the informal discussion, it may be submitted in writing to the Contract Manager or designee in accordance with Step One.
- B. **Step One** - If the matter is not resolved informally, the Employee shall, not later than ten (10) days after the informal discussion with the immediate supervisor, set forth the facts in writing, specifying the Article and paragraph allegedly violated. This shall be signed by the aggrieved Employee and the union representative, and shall be submitted to the Contract Manager or designee with a copy to the Company's HR Director. The Contract Manager or designee shall have ten (10) days from the date the grievance was presented to return a decision in writing with a copy to the aggrieved Employee and the union representative.
- C. **Step Two** - If the grievance is not settled in Step One, the grievance may be appealed in writing to the Company's Director of Human Resources or designee not later than ten (10) days from the denial by the Contract Manager or designee. The Director of Human Resources or designee will have ten (10) days from the date the grievance was presented to return a decision, in writing, with a copy to the aggrieved Employee and the union representative.
- D. **Grievance for Discipline** - Any grievance involving discharge or other discipline may be commenced at Step One of this procedure. The written grievance shall be presented to the Contract Manager through the Site Supervisor or designee within ten (10) days after the occurrence of the facts giving rise to the Grievance.

SECTION 5.4 ARBITRATION PROCEDURE

Grievances processed in accordance with the requirements of Section 5.3 that remain unsettled may be processed to arbitration by the Union, giving the Company's Director of Human Resources written notice of its desire to proceed to arbitration not later than fifteen (15) days after rejection of the grievance in Step Two. Grievances which have been processed in accordance with the requirements of Section 5.3 which remain unsettled shall be processed in accordance with the following procedures and limitations:

- A. **Selection of an Arbitrator** - Within fifteen (15) days of receipt of the Union's written notice to proceed with arbitration, the Company and the Union will meet telephonically to jointly attempt to agree upon the selection of a neutral arbitrator. If, within fifteen (15) days, the parties fail to agree upon the selection of an arbitrator, the Union will request the American

Arbitration Association (AAA) to supply a list of seven (7) arbitrators. An arbitrator will be selected from the list supplied by the AAA by parties alternately striking from the list until one (1) name remains, and this individual shall be the arbitrator to hear the grievance.

- B. Decision of the Arbitrator** - The arbitrator shall commence the hearing at the earliest possible date. The decision of the arbitrator shall be final and binding upon the parties to the Agreement. Any decision shall be complied with, without undue delay after the decision is rendered. It is understood and agreed between the parties that the arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement. If the decision of the Arbitrator is not complied with within fifteen (15) days of the decision the losing side shall be liable for attorney and court costs to enforce compliance including through the courts, absent an order from the U.S. Marshals Service or unless the Company files a written request for clarification, then the Company will comply within fifteen (15) days of receiving the clarification.
- C. Arbitration Expense** - The arbitrator's fees and expenses, including the cost of any hearing room, shall be shared equally between the Company and the Union. Each party to the arbitration will be responsible for its own expenses and compensation incurred bringing any of its witnesses or other participants to the arbitration. Any other expenses, including transcript costs, shall be borne by the party incurring such expenses.
- D. Time Limits** - The decision of the arbitrator shall be rendered as soon as possible after the dispute has been submitted to him/her.

SECTION 5.5 CLASS ACTION

The Union shall have the right to file a group grievance (class action) or grievances involving more than one (1) Employee at the Informal Step of the grievance procedure.

SECTION 5.6 INDIVIDUAL GRIEVANCES

No individual may move a grievance to arbitration.

ARTICLE 6

DISCIPLINE

SECTION 6.1 GROUNDS FOR DISCIPLINE AND DISMISSAL

SECTION 6.1 (a)

After completion of the probationary period, as specified in Section 2.5, no Employee shall be dismissed or suspended without just cause. Just cause shall include any action or order of removal of an employee from working under the contract by the U.S. Government, or revocation of required CSO credentials by the USMS under the removal of Contractor employee provision in Section H-3 of Contract MS-01-D-0002 between the US Marshals Service and Akal Security, Inc.

Any temporary or permanent removal of an employee by determination of the Government as described in Section H-3(b) of the Contract shall not become permanent without requisite notice to the employee and the opportunity provided for the employee to respond to the Government's action within fifteen (15) days of the determination. Upon written request, the Company will provide the

Union, in a timely manner, with all information concerning the removal that they may legally release, and will provide the Union with any relevant information concerning the proper Government point of contact and their contact data. The "final decision" on the employee's removal shall be determined by the Government, and the Employer shall be held harmless by the Union and the employee for any further claims made after this final determination. This provision is not intended to limit or prohibit the rights of any party to seek relief from other parties.

The Company's contract with the U.S. Government sets out performance standards for the CSOs in Section C of the Contract between the Company and the USMS, and all Employees are required to comply with these standards. Failure to do so may lead to disciplinary action. These performance standards, the USMS Deadly Force Standards and the US Title 18 Domestic Abuse and Violence policy will be issued to each Employee and must be signed, acknowledging receipt, by the Employee and may be updated by the Company each year. Employees agree to comply with any express non-disciplinary directive issued by the Government.

SECTION 6.1 (b)

The Company may discipline Employees when necessary and discharge those who fail to uphold U.S. Government or Company standards as described in 6.1 (a) and 6.1 (b) above. It is recognized by parties to this Agreement that progressive discipline generally shall be applied in dealing with Employees. However, it is also recognized that offenses may occur for which progress discipline is not applicable (e.g. fraud, gross misconduct, theft, etc.). Disciplinary measures vary depending on the seriousness of the matter and the past record of the Employee. All discipline shall be subject to the grievance and arbitration procedures, except for those issues involving the USMS rights under Section H-3(b) of Contract MS-01-D-002 as referenced in Sections 5.1 and 6.1(a).

ARTICLE 7

HOURS OF WORK AND OVERTIME

SECTION 7.1 WORKDAY AND WORKWEEK

For the purposes of this Article, a regular workweek of forty (40) hours of work, excluding lunch periods, shall constitute a normal full-time workweek for full-time Employees. Shifts shall be scheduled at the discretion of the Employer to fulfill the needs of the U.S. Government. Nothing contained herein shall guarantee to any Employee any number of hours of work per day or week.

SECTION 7.2 OVERTIME

An overtime rate of time and one-half (1 1/2) of an Employee's base rate of pay (exclusive of health and welfare and other fringe additions to pay) shall be paid for all hours actually worked in excess of forty (40) hours in a work week. The Company will comply with all State and Federal Laws concerning overtime.

SECTION 7.3 OVERTIME REQUIREMENT

If directed to work overtime (i.e. over forty [40] hours in a workweek) or extra hours, and the seniority system is not invoked due to shortness of notice to the Company, the Employee shall be required to do the work, unless the Employee is excused by the Company for good cause.

SECTION 7.4 OVERTIME DISTRIBUTION

- A. Overtime will be offered by Seniority on a rotating basis. Overtime will be distributed as equitably and fairly as practicable among Employees.
- B. Exclusion: Managers cannot be assigned to cover CSO overtime positions or posts except in emergency situations.

SECTION 7.5 REST PERIODS

There shall be two (2) fifteen (15) minute paid rest periods and one (1) thirty (30) minute unpaid lunch period for each eight (8) hour shift. These rest periods require that the Employee be properly relieved before leaving their post. One rest period shall be in the first half of the shift and the second rest period shall be in the last half of the shift. On occasion, due to exceptional work requirements, Employees may have to work through their unpaid lunch breaks and/or paid rest periods, and, if so, they will be compensated at the appropriate rate of pay. The Company recognizes the requirement to make its best efforts to provide regularly scheduled breaks. It is not the intent of the Company to avoid this requirement.

ARTICLE 8

WORK SHIFTS AND PAYMENT POLICIES

SECTION 8.1 CALL-IN PAY

An Employee called in to work will be guaranteed a minimum of four (4) hours of work, or if four (4) hours of work is not available, will be paid for a minimum of four (4) hours time.

SECTION 8.2 SHIFT BIDDING, HOURS OF WORK & SENIORITY

Once each year, full-time Employees and shared position Employees at each location may bid their shift schedules among designated full-time assignments or shared assignments in the order of seniority. Shift bidding may not lead to any change in status from full-time to shared time position or vice versa.

SECTION 8.3 WAGE SCHEDULE

The base rate of pay for Court Security Officers and Lead CSOs in all locations are described in Appendix A of this Agreement:

SECTION 8.4 PAYDAY

Payday for all hourly Employees will be after 11 a.m. on Friday following the two (2) week pay period ending on Saturday, subject to change by mutual agreement.

SECTION 8.5 UNDISPUTED ERROR

In case of an undisputed error on the part of the company as to an Employee's rate of pay, proper adjustment will be made in the next paycheck after the error has been brought in written form to the

Company's attention. Any error, involving eight (8) hours of pay or more, will be corrected and paid within three (3) working days.

SECTION 8.6 LEAD CSO RATES

If additional Lead CSOs are added to the contract any time after this Agreement goes in, they will be paid the LCSO wage. In the case where there are multiple LCSO wages, the additional LCSO will be paid at the lowest LCSO wage for the site or location where they are assigned.

ARTICLE 9

HOLIDAYS

SECTION 9.1 HOLIDAYS DEFINED

Whenever the term "holiday" is used, it shall mean:

New Years Day	Independence Day
Veterans Day	Columbus Day
Christmas Day	Labor Day
Thanksgiving Day	Martin Luther King Birthday
Memorial Day	Presidents Day
Day after Thanksgiving	Other days designated in writing by employer

SECTION 9.2 MISCELLANEOUS HOLIDAY PROVISIONS

- A. A full-time position Employee who is not required to work on a holiday shall be paid eight (8) hours straight time, exclusive of any shift premium for that holiday.
- B. Any full-time position Employee who works as scheduled on a holiday shall receive the Employee's appropriate rate of pay for all hours worked, and in addition, shall receive eight (8) hours holiday pay at the straight time rate as described in B. above.
- C. A shared position Employee who does not work on a holiday shall receive prorated holiday pay based on the number of actual hours the Employee worked during the two (2) week pay period in which the holiday occurs.
- D. Any shared position Employee who works as scheduled on a holiday shall receive the Employee's appropriate rate of pay for all hours worked, and in addition shall receive prorated holiday pay based on the number of actual hours the Employee worked the two (2) week pay period in which the holiday occurs.
- E. In the event that the Holiday falls on a weekend, the term "holiday" will refer to the day that the U.S. Government designates as the Holiday.

ARTICLE 10

VACATIONS

SECTION 10.1 ELIGIBLE FULL-TIME EMPLOYEES

Eligibility for vacation benefits shall be based on Department of Labor (DOL) rules under Service Contract Act. Eligible full-time Employees shall be entitled to annual vacation based on their continuous years of service with the Employer (based on the Employee's anniversary date of

employment) at their individual hourly rate of pay at the time payment is made in accordance with the following schedule:

- Upon completion of one (1) year of service: eighty (80) hours
- Upon completion of five (5) years of service: one-hundred and twenty (120) hours
- Upon completion of ten (10) years of service: one-hundred and sixty (160) hours
- Upon completion of fifteen (15) years of service: two-hundred (200) hours

SECTION 10.2 ELIGIBLE SHARED POSITION EMPLOYEES

- A. Eligible shared position Employees shall be entitled to pro-rated vacation per the schedule contained in Section 10.1, based on: their individual hourly rate, the number of hours worked in the previous year, and the Employee's anniversary date.
- B. Any Employee who works a full anniversary year, in part as a full-time position Employee and in part as a shared position Employee, shall receive prorated vacation benefits for that year as calculated in SECTION 10.2, part A (per the Service Contract Act).

SECTION 10.3 SCHEDULING VACATIONS

Vacations, insofar as reasonably possible, shall be granted at the times most desired by the Employee, after the Employee's anniversary date.

SECTION 10.4 PAY OPTIONS

Earned vacation pay may be requested at anytime and will be paid in the next pay cycle.

SECTION 10.5 UNUSED VACATION

Vacations shall not be cumulative from one year to the next. Any earned but unused vacation time remaining at the end of a year of service (based on Employee's anniversary date of employment) shall be paid to the Employee.

SECTION 10.6 PAY IN LIEU OF VACATION LEAVE

At any time during the year, Employees may request in writing to be paid for earned vacation, pay in lieu of taking actual vacation leave.

SECTION 10.7 TERMINATING EMPLOYEES

Upon termination of employment, Employees will be paid at their individual hourly rate vacation time earned as of their last anniversary date, but not used, as entitled by the Service Contract Act. (Example: An Employee who terminates one month into the next anniversary year is entitled to any of the previous year's earned accrued vacation not already used, and not to the additional month accrued in the new anniversary period).

SECTION 10.8 VACATION - LAID OFF EMPLOYEES

Length of service with the Employer shall accrue for the purposes of vacation benefits while an Employee is on laid-off status for up to one (1) year. Employees will only be paid vacation benefits when they are working.

SECTION 10.9 VACATION INCREMENTS

Consistent with Employer approval, efficiency, and economy of operations, Employees with two (2) or more weeks of vacation may take their vacation in segments of less than one (1) week each.

ARTICLE 11

LEAVES OF ABSENCE

SECTION 11.1 LIMITATIONS

Personal leaves of absence for non-medical emergencies may be granted at the sole discretion of the Employer without loss of seniority to the Employee. Such leaves, if granted, are not to exceed 30 days, unless a special extension is approved by the Employer. Length of service with the Employer shall not accrue for purposes of vacation, holiday, or other accrued benefits for any unpaid leave of absence over 30 days. The Employer will make every reasonable effort to maintain an Employee's position while on a non-statutory unpaid leave of absence. It is acknowledged by the Union that under USMS CSO contract, the Employer is not permitted to hire additional (reserve) or temporary Employees to provide work coverage during Employee absences. Unpaid leaves of absence may be taken only with written approval of the Employer, or in a case of verified personal emergency. Failure to report for scheduled shifts without Employer permission will lead to disciplinary action.

SECTION 11.2 MEDICAL LEAVE

- A. The Family and Medical Leave Act of 1993 (FMLA) is incorporated herein.
- B. The Company agrees to honor the FMLA for all Employees.
- C. During medical leave, the Employee shall be required to furnish a report from the doctor when requested periodically by the Employer. Upon the expiration of said leave, the Employee shall furnish the Employer with a statement, signed by the doctor, which establishes the fitness of the Employee to return to the Employee's previously held work. Any Employee who is not able to return to work with a medical clearance from a licensed physician at the end of a maximum medical leave shall be terminated from Employment.
- D. If the Employee files for medical leave on false pretext or works for another employer without pre-authorization from the company, the Employee will be removed from the CSO program and from employment with Employer.
- E. In the event of injury or illness that is deemed non communicable, the Employee may be granted "light duty" status at the approval of the COTR in writing to the Company as long as it does not interfere with the business of the Court. The injury or illness for light duty status must be temporary and cannot be more than thirty (30) days.

SECTION 11.3 MILITARY LEAVE

An Employee of the Company who is activated or drafted into any branch of the armed forces of the United States under the provisions of the Selective Service Act or the Reserve Forces Act shall be granted an unpaid military leave of absence, as required under the federal law, for the time spent in full-time active duty. The period of such leave shall be determined in accordance with applicable federal laws in effect at the time of such leave.

SECTION 11.4 UNION LEAVE

A Union President and one delegate will be granted an unpaid leave of absence no more than once a year for a maximum of five days upon written request for the purpose of attending Union conventions or other meetings of vital interest to the Union as long as staffing requirements permit. More time will be granted upon mutual agreement between the Company and the Union.

SECTION 11.5 PERSONAL/SICK LEAVE

Each Employee shall be entitled to nine (9) days of paid personal/sick leave per full contract year, all days made available each October 1st. A total of eight (8) hours of personal days may be used in two (2) hour increments. Any Employee whose employment ends during the year shall have any personal days pro-rated based on the portion of the year that they were employed, and the appropriate amount added to or deducted from their final paycheck. Shared position Employees will be eligible for half (1/2) the personal/sick leave during the contract year, with their final entitlement pro-rated at year-end based on the number of hours worked during that October 1st to September 30th (contract year) period. Of the nine (9) personal/sick days entitlement, six (6) days shall be considered personal days and may be used by the Employee by giving their Supervisor seven (7) days written notice and receiving prior approval from the Supervisor, or in cases of personal emergencies (which may require that verification of the emergency be provided to the Supervisor). This approval shall not be unreasonably withheld if the Employer believes it has adequate reserve staffing to meet its contract staffing requirements. Any unused portion of these six (6) personal days will be cashed out at the end of the contract year. Three (3) of the nine (9) days shall be considered as paid sick days, and may be used by the Employee in any case of extended medical leave (verified by written doctor directive prohibiting work attendance and describing medical condition) that prevents the Employee from working six (6) consecutive scheduled work days. After the six (6) day verified absence, the Employee may claim and be paid for up to three (3) sick days. This eligibility requirement applies to all Employees. Any unused portion of these three (3) sick days shall not be cashed out at the end of the contract year and cannot be carried over.

SECTION 11.6 PROCESSING UNPAID LEAVES OF ABSENCE

The Employer will consider requests for unpaid leaves of absence and may grant them at its sole discretion. An unpaid leave of absence must be processed in the following manner:

- A. All requests for unpaid leaves of absence shall be submitted in writing to the Lead CSO, Site Supervisor or Contract Manager at least ten (10) calendar days prior to the date the leave will take effect, except in cases of verified personal emergencies, and include:
 1. The reasons for such leave;
 2. The effective dates of such leave;
 3. The estimated date of return to work.

The Company will respond to the request within four (4) working days.

- B. The written request for leave of absence shall be submitted to the Contract Manager by the Site Supervisor for final approval. If the request for the leave of absence is approved by the Contract Manager, a copy of the approved leave of absence will be given to the Employee involved.

- C. Extensions of the leave of absence may be granted at the sole discretion of the Employer, upon written request by the Employee within ten (10) calendar days prior to the expiration of the leave of absence. Extensions when granted shall not total more than thirty (30) days.

SECTION 11.7 GENERAL PROVISIONS

Seniority shall accumulate during the period of any approved leave of absence subject to the provisions of this Agreement.

SECTION 11.8 JURY DUTY

The Company will comply with all State and Federal regulations regarding Employees' service for jury duty. Employees will receive their regular rate of pay minus any pay received from the courts for up to ten (10) days spent on jury duty.

SECTION 11.9 BEREAVEMENT LEAVE

- A. Effective October 1, 2001. If it is necessary for an Employee to lose time from work because of a death in the immediate family, whether the family member lives in or out of their local state, the Employee shall be entitled to five (5) days paid leave of absence per contract year at their straight-time rate of pay. Shared position employees will receive one half of the full time leave. Immediate family is defined to mean an Employee's spouse, father, mother, brother, sister, children (including legally adopted children and/or stepchildren), father-in-law, mother-in-law, grandparents, and grandchildren.
- B. The Employer may require proof of the death for which an Employee requests a paid leave.

ARTICLE 12

HEALTH, WELFARE AND UNIFORM ALLOWANCES

SECTION 12.1 PAYMENTS

For the life of this Agreement, the Employer will make health and welfare payments to Employees on all hours paid up to forty (40) hours per week, and up to a total of 2080 hours per contract year, as described in Appendix A.

SECTION 12.2 OTHER BENEFITS

The Employer will offer Employees the opportunity to participate in other available Employee paid fringe benefit programs made available to all Court Security Officers employed by the Company. These programs may include cafeteria plans, payroll deduction plans, retirement plans, insurance plans, 401 (k) plans, and any other plan mentioned in this Agreement.

SECTION 12.3 UNIFORM MAINTENANCE

The Employer will pay the Employee an allowance for each hour worked, up to 40 hours per week, for uniform maintenance as described in Appendix A. A shoe allowance of \$50 per contract year will be provided annually for the purchase of USMS-required CSO uniform shoes.

ARTICLE 13

MISCELLANEOUS PROVISIONS

SECTION 13.1 BULLETIN BOARDS

The Employer will make its best effort to obtain a space from the U.S. Government for Union to locate a Union-provided bulletin board that will be used by the Union for post-notice of meetings, elections, appointments, recreational and social affairs, and other Union notices. The provision of these facilities is the prerogative of the U.S. Government, who owns and controls all worksite facilities.

SECTION 13.2 PHYSICAL EXAMINATIONS

- A. The Employer shall pay for any physical/medical examination that is required by the Employer and the U.S. Government. The Employer has the right to choose the physician who will perform the physical exam.
- B. Physical/medical exams may be required by the U.S. Government contract, or should the Employer have concerns regarding an Employee's fitness for duty. The Employer may designate the physician or clinic, at its discretion. Physical fitness is an important job requirement. Employees must pass the physical exam prescribed by the Employer's contract with the U.S. Government in order to be employed and to maintain employment. Should an Employee fail the exam, or be officially deemed medically unqualified by the U.S. Government, they may be re-examined once at the Employee's expense.

SECTION 13.3 TRAVEL EXPENSES

The Company will provide advance payments for Company authorized and approved travel expenses if requested by an Employee. Any workday that includes travel and totals over twelve (12) hours may require the Employee to stay overnight, and the appropriate per diem will be paid. All hours in travel up to a maximum of eight (8) per day will be counted as work hours, with the appropriate overtime wages provided for under this Agreement. Employees will be reimbursed for all authorized expenditures of any authorized travel within twenty (20) days from the day Employer receives the properly completed travel voucher and all required receipts.

SECTION 13.4 BREAK ROOMS

The Employer will make its best effort to obtain from the U.S. Government break rooms for CSOs for breaks and lunch, without management using the room as an office, and will make its best prerogative of the U.S. Government effort to have the U.S. Government equip the room with water. The providing of these facilities is the prerogative of the U.S. Government.

SECTION 13.5 LOCKERS

The Employer will make its best effort to obtain lockers from the U.S. Government for the use of the CSOs. The Employer agrees to make its best effort to support any Union request for separate Locker/Changing facilities. The providing of these facilities is the prerogative of the U.S. Government.

SECTION 13.6 UNION MEETINGS

Neither Union officials nor Union members shall, during working time (excluding break and lunch periods), solicit membership, receive applications, hold meetings of any kind for the transaction of Union business, or conduct any Union activity other than the handling of grievances as described in this Agreement. No Employee may leave their post without permission from the Employer under any circumstances, unless there is appropriate Government permission granted. No Employee may be at the worksite at any time unless on duty at that time.

ARTICLE 14

401 (k) PLAN

SECTION 14.1 401 (K) PLAN

The Company shall provide a 401 (k) plan to which Court Security Officers are eligible to contribute, whether Union or Non-Union. At the direction of the individual Employee, the Company may deposit the Health & Welfare payment to the Employee's 401 (k) account. Employees shall be subject to the eligibility requirements and rules of the Plan.

SECTION 14.2 UGSOA 401(a) Plan

The Company agrees to make deductions for Union members in good standing for the UGSOA 401(a) Plan, if the Union members so choose. At the direction of the individual Union member, the Company may contribute the Health & Welfare and /or Pension payments into the Union members' UGSOA 401(a) plan. Union members shall be subject to the eligibility requirements and rules of the Plan.

The Company agrees to send the deductions / contributions to UGSOA International Union, the Administrator of the UGSOA 401(a) Plan, no later than the Tenth (10th) of the Month following the Month the deductions were made.

The Company's sole responsibility is to make the payroll deductions and send said deductions to the Plan Administrator with a record of name, social security number and amount of deduction for each source of money (i.e. Health & Welfare, Pension and/or after-tax deduction). The Company is in no way responsible for any other aspect of the plan.

No local and its members will be eligible for both the Company's 401 (k) Plan and the Union's 401 (a) Plan. All Employees in a local will be eligible for only one of the plans.

ARTICLE 15

SAFETY

SECTION 15.1 SAFETY POLICY

It is the policy of the Company to make its best efforts to provide Employees with places and conditions of employment that are free from or protected against occupational safety and health hazards. Under this Agreement all worksites and facilities are the property of the U.S. Government, who is responsible for the condition and safety of the worksite. The Company agrees to permit one CBA (Akal & UGSOA-2001)

(1) bargaining unit member selected by the Union to participate in any locally scheduled safety meetings.

SECTION 15.2 OSHA STANDARDS

The Company will report any safety violations observed or reported to the Company in any U.S. Government provided CSO workstations and break rooms.

ARTICLE 16

CONTINUITY OF OPERATIONS

SECTION 16.1 NO STRIKES

- A. Both the Company and the Union agree that continuity of operations is of utmost importance to the Company's security operations. Therefore, so long as this Agreement is in effect, the Union and the Company agree that there will be no strikes, lockouts, work stoppages, illegal picket lines, slowdowns, or secondary boycotts during the term of this Agreement.
- B. Upon hearing of an unauthorized strike, slowdown, stoppage of work, planned inefficiency, or any curtailment of work or restriction or interference with the operation of the Employer, the Union shall take affirmative action to avert or bring such or bring such activity to prompt termination.

SECTION 16.2 LOCKOUTS

During the life of this Agreement, the Employer shall not lockout any Employees covered in this Agreement.

ARTICLE 17

SEPARABILITY OF CONTRACT

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction or through U.S. Government regulations or decree, such parties hereto agree to renegotiate such provision or provisions of this Agreement for the purpose of making them conform to the decree or U.S. Government statutes, so long as they shall remain legally effective. It is the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE 18

ENTIRE AGREEMENT

The parties acknowledge that during the negotiation which resulted in the Agreement, the unlimited right and opportunity to make demands and proposals with respect to any or matter not removed by law from the area of collective bargaining, and all understand agreements reach by the parties are set forth in this Agreement. Therefore, the Company Union shall not be obligated to bargain collectively on any matter pertaining to conditions of employment, including but not limited to, rates of pay,

wages, hours of work, disciplinary actions, training requirements, etc., during the term of this Agreement, except as specifically provided for in other provisions of this Agreement.

ARTICLE 19

DURATION

This Agreement shall be effective upon its execution by both parties, and supersedes any and all prior agreements or understandings between the parties. The Agreement shall remain in force until 2400 hours on September 30, 2005, with the provision that should either party desire to terminate this Agreement or any provision thereof, it shall give written notice to the other party of not less than sixty (60) days and not more than one hundred and eighty (180) days prior to the expiration. In the event such notice is given, the existing Agreement may be continued by mutual consent of both parties until a new Agreement is reached. This Agreement may also be changed or amended by agreement of both parties.

IN WITNESS WHEREOF, the parties have caused their representatives to sign this Agreement as full acknowledgment of their intention to be bound by the Agreement.

FOR: United Government Security Officers of
America, International Office

BY: [Signature]

TITLE: PRESIDENT IIOI

DATE: 7/25/01

FOR: United Government Security Officers of America,
Local #64, San Diego and El Centro, CA

BY: [Signature]

TITLE: PRESIDENT UGSOA LOCAL #64

DATE: 07/24/01

FOR: Akal Security, Inc.

BY: [Signature]

TITLE: SR VP

DATE: 7/21/01

APPENDIX A

WAGE SCHEDULE

Listed below are the Wages and Benefits effective October 1, 2001 for the Employees in the 9th Circuit in UGSOA Local #64, San Diego and El Centro, California.

A. Base Wages & Benefits:

(1) Effective October 1, 2001:

a)	Court Security Officers:	\$21.07
b)	Lead Court Security Officer	\$22.82
c)	Senior LCSO:	N/A
d)	Health & Welfare Allowance:	\$2.02*
e)	Uniform Allowance:	\$0.15
f)	Pension:	\$0.44

(2) Effective October 1, 2002:

a)	Court Security Officers:	\$21.70
b)	Lead Court Security Officer	\$23.45
c)	Senior LCSO:	N/A
d)	Health & Welfare Allowance:	Per WD*
e)	Uniform Allowance:	\$0.15
f)	Pension:	\$0.44

(3) Effective October 1, 2003:

a)	Court Security Officers:	\$22.30
b)	Lead Court Security Officer	\$24.09
c)	Senior LCSO:	N/A
d)	Health & Welfare Allowance:	Per WD*
e)	Uniform Allowance:	\$0.15
f)	Pension:	\$0.44

(4) Effective October 1, 2004:

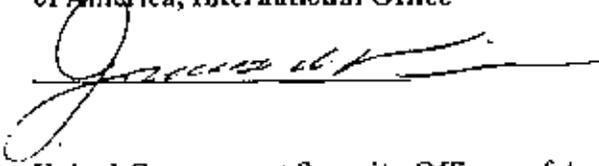
a)	Court Security Officers:	\$22.91
b)	Lead Court Security Officer	\$24.76
c)	Senior LCSO:	N/A
d)	Health & Welfare Allowance:	Per WD*
e)	Uniform Allowance:	\$0.15
f)	Pension:	\$0.44

B. Shift Differential:

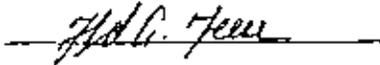
Employees assigned to work between the hours of 1800 (6:00PM) to 0600 (6:00AM) shall receive an additional 5% of their base hourly rate.

*Employees can choose to join the Company Health Plan.

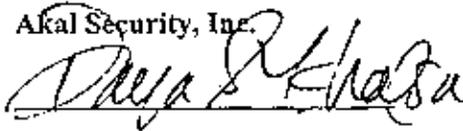
United Government Security Officers
of America, International Office



United Government Security Officers of America,
Local #64, San Diego and El Centro, CA



Akal Security, Inc.

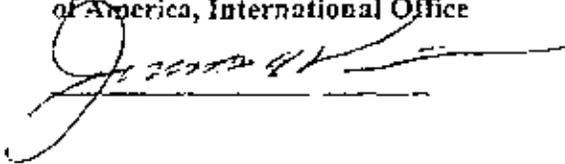


APPENDIX B

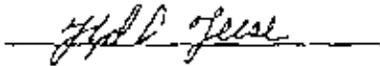
(LOCAL ISSUES, PARTICULAR TO YOUR LOCATION)

1. The Company shall provide one combined seniority list for both San Diego and El Centro, California for full time and shared position Employees in Local #64.
2. Section 9.1 HOLIDAYS DEFINED
 - A. Caesar Chavez Day on March 31st is substituted for the day after Thanksgiving day in the list of holidays in Section 9.1.
3. Section 9.2 MISCELLANEOUS HOLIDAY PROVISIONS
 - A. (Additional sentence to be added to part C) Shared position Employees will receive four (4) hours of pay for each Holiday regardless of how many hours the Employee works the week before or during the week the Holiday falls.

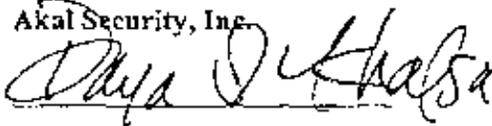
United Government Security Officers
of America, International Office



United Government Security Officers of America,
Local #64, San Diego and El Centro, CA



Akal Security, Inc.



*Admission District of
California
Local #64*

LETTER OF UNDERSTANDING

Side Bar to the Collective Bargaining Agreement between Akai Security, Inc. and United Government Security Officers of America, International Union and its Local #64.

The health & welfare rate effective 10/1/02 through 9/30/03 is \$2.15 per hour.

The health & welfare rate for the remaining years of this agreement to be effective 10/1/03 - 9/30/04 and 10/1/04 - 9/30/05 shall be subject to a renegotiation to be conducted between June 1 and July 31 of each corresponding government contract year through the end of this agreement.

Akai Security, Inc.
[Signature]
Corporate Operations Officer
8/13/02

United Government Security
Officers of America,
International Union
[Signature]
Director CSO Program
8-13-02

#64
SCA

LETTER OF UNDERSTANDING

Side Bar to the Collective Bargaining Agreements between Alkal Security, Inc. and United Government Security Officers of America, International Union and its Locals #112, #57, #76, #81, #64, #118, #128, #133, #134, #259, #63, #67, #71, #111, #152, #154, #155, #186, #109, #110.

The health and welfare rate effective 10/1/03 through 9/30/04 is \$2.36 per hour.

United Government Security Officers
of America, International Union

William A. Holt
Director CSO Program

6/9/03

-Alkal Security, Inc.-

Scott Green
Director HR

6/9/03

AMENDMENT TO COLLECTIVE BARGAINING AGREEMENT
 BETWEEN
 AKAL SECURITY, INC.
 AND THE
 UNITED GOVERNMENT SECURITY OFFICERS OF AMERICA
 LOCAL #64
 DISTRICT OF SOUTHERN CALIFORNIA, SAN DIEGO & EL CENTRO

In compliance with the USMS Contract MS-01-D-0002 Modification M061 dated December 24, 2003, which resulted from the 9th Circuit court decision in "International UGSOA vs Elaine L. Charo et al." the following Amendment is made to the Collective Bargaining Agreement between Akal Security, Inc. ("Company") and the United Government Security Officers of America, Local #64 ("Union"). The Agreement is amended as follows:

1. Section 9.1 of the Agreement shall now include the additional holiday of "Good Friday" added to the list of holidays contained therein.
2. Section 11.5 of the Akal Security, Inc./UGSOA contract shall read:

SECTION 11.5 PERSONAL/SICK LEAVE

PERSONAL / SICK LEAVE TABLE

START DATE Date Employee begins working on the contract, based on an October 1 contract start date.	RATE OF PERSONAL/SICK LEAVE ELIGIBLE TO USE	
	FULL-TIME	SHARED POSITION
October 1 - 31	72 hours	36 hours
November 1 - 30	66 hours	33 hours
December 1 - 31	60 hours	30 hours
January 1 - 31	54 hours	27 hours
February 1 - 29	48 hours	24 hours
March 1 - 31	42 hours	21 hours
April 1 - 30	36 hours	18 hours
May 1 - 31	30 hours	15 hours
June 1 - 30	24 hours	12 hours
July 1 - 31	18 hours	9 hours
August 1 - 31	12 hours	6 hours
September 1 - 30	6 hours	3 hours

- A. Each full-time Employee shall be eligible to use a maximum of nine (9) days personal leave at the beginning of each 12-month Government contract year worked. Employees who begin employment after the inception of the contract year will be eligible to use a prorated amount of personal leave, based on the above Personal/Sick Leave Table.
- B. Personal leave may be taken in not less than four (4) hour increments and shall be paid when taken by the Employee as approved in advance by the Site Supervisor or District Supervisor.
- C. Shared position Employees will receive one-half the full time personal leave per full contract year worked. At the end of the contract year, any shared position Employee who worked more than half the full-time hours (1040 hours) will receive additional prorated personal leave based on the number of hours the Employee was paid during that contract year.
- D. Unused personal days shall not be cumulative from year to year. Any unused, earned personal leave will be paid to the Employee at the end of the contract year.
- E. Upon termination of employment, Employee will be paid at their individual hourly rate for any unused, earned personal leave, based upon the number of hours the Employee was paid during that contract year. If the Employee has used more personal leave than he/she earned based upon time paid on the contract, the amount of the overage will be deducted from the Employee's final paycheck.
- F. Personal leave (and vacation) days may be used to cover absences caused by illness. Any Employee who is unable to report to work because of sickness must notify the Employer at least two (2) hours prior to the beginning of his/her shift in order to be eligible for paid personal leave benefits. Proof of illness may be required. Disciplinary action may result from excessive, unapproved absenteeism.

3. Pension for the time period of October 1, 2003 to September 30, 2004 shall be \$.48 per regular hour worked.
4. Union Allowance for the time period of October 1, 2003 to September 30, 2004 shall be \$.19 per regular hour worked.

All other provisions, terms and conditions of the Agreement, except as provided herein, shall continue in full force and effect.

UNITED GOVERNMENT SECURITY
OFFICERS OF AMERICA
LOCAL #64

Robert Cota PRESIDENT

By: [Signature]

Date: 2-12-04

AKAL SECURITY, INC.

[Signature]

By: Donna, H.R.

Date: 2/18/04

Letter of Understanding

Side Bar to the Collective Bargaining Agreements between Akal Security, Inc. and United Government Security Officers of America, International Union and its Locals #71, #134, #133, #57, #64, #118, #128, #76, #67, #164 and #81 in the 9th Circuit.

The Health and Welfare rate effective 10/1/2004 through 9/30/2005 is \$2.69 per hour paid, up to 40 hours per week. This includes all paid leave taken, but not leave that is cashed out.

United government Security Officers
Of America, International Union

Name

Title

Date

Norman M. Hoff
Int'l Div. CSO Div.
07/12/04

Akal Security, Incorporated

Name

Title

Date

[Signature]
Director, I.T.R.
6/8/04

Letter of Understanding

Side Bar to the Collective Bargaining Agreements between Akal Security, Inc. and United Government Security Officers of America, International Union and its Locals #71, #134, #133, #57, #64, #118, #128, #76, #57, #164 and #81 in the 9th Circuit.

As of October 1, 2004 Akal will be providing shoes rather than shoe allowance.

United Government Security Officers
Of America, International Union

Diana H. Hoff
Name

Int'l Dir. CSO Div
Title

7/12/04
Date

Akal Security, Incorporated

James Gunn
Name

Director, H.R.
Title

6/8/04
Date