

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made and entered into by and between Hilton Hawaiian Village LLC (hereinafter referred to as the “Employer” or the “Hotel”) and UNITE HERE LOCAL 5 (hereinafter referred to as the “Union”) for the sole purpose of memorializing their Agreement with respect to negotiated terms and conditions of a new Collective Bargaining Agreement covering the bargaining unit employees.

Section 2, Duration of Agreement

2.1 This Agreement shall be effective and remain in full force and effect upon ratification through and including midnight, June 30, 2010.

This Agreement shall be renewed from year to year after June 30, 2010 unless either party hereto gives written notice to the other party of its desire to modify, amend or terminate this Agreement. Such notice of modification, amendment, or termination shall be timely only if the party desiring said modification, amendment, or termination notifies the other party or parties in writing not less than sixty (60) days and not more than ninety (90) days prior to June 30, 2010 or June 30th of any succeeding year.

During the entire term of this Agreement including any reopening and/or extension, all terms and conditions of this Agreement shall remain in full force and effect.

Section 6, Successors and Assigns/Subcontracting

6.3.E If the Employer is found to have violated Section 6.3 in any two-year period then the employer shall pay a penalty pursuant to subsection 6.3(B)(1) in accordance with the following schedule:

Violation	Penalty
2nd	\$7,500
3rd	\$15,000
4th	\$20,000

The monetary penalty shall be made payable to the A.F.L. Hotel and Restaurant Workers Trust fund.

A violation within the meaning of this subsection is one of over \$ 1,000 in aggregate found by an arbitrator under Section 18 to have been committed. Judgments involving class grievances, multiple grievances involving the same issue filed on the same date and disputes over the same policy or practice filed on the same date count as one violation. Grievances over the Employer’s subcontracting decisions that are resolved in a mutually-acceptable way in the grievance procedure under Section 18, grievances for which the employer has made an offer of judgment prior to the opening of the arbitration that is at or above the amount ultimately awarded by the arbitrator, or grievances that the Union closes without submission to arbitration, shall not be considered violations within the meaning of this subsection. Additional violations that occur while an arbitration proceeding is pending shall not be excused under this subsection for that reason. The date of a subcontracting grievance successful in arbitration shall be deemed the date of the

violation.

Section 16, Discrimination, Lie Detector Tests and Statements

16.1 Prohibited Discrimination. There shall be no discrimination by the Employer or the Union against any employee because of membership or non-membership in, or activity on behalf of the Union, provided that an employee's union activities shall not interfere with the performance of his work for the Employer. The Employer and the Union shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, sexual orientation, or as applicable to the individual Employer under Federal and/or State Law.

Section 18, Grievance and Arbitration Procedure

18.3. Step No. 4. Failing agreement at Step No. 2, and failing agreement to utilize Step No. 3, the grievance shall be presented in writing to the Hotel by the Union for arbitration within ten (10) calendar days after the decision is rendered in Step No.2. If the parties agree to utilize Step No. 3, and if the Industry Adjustment Board is unable to reach a decision within thirty (30) calendar days after submission of the grievance, the grievance shall be presented in writing to the Hotel for arbitration within seven (7) calendar days from the end of the thirty (30) calendar days.

The parties shall meet within ten (10) calendar days after notification to arbitrate the grievance dispute to mutually select an arbitrator. The parties shall first consider selecting an arbitrator from among arbitrators set forth in Exhibit G to the collective bargaining agreement. If the parties are unable to agree on any of arbitrators listed in Exhibit G, they shall select one of the arbitrators by flipping a coin and alternatively striking arbitrators by name and the last remaining arbitrator shall serve as arbitrator if he is available to hear the grievance within thirty (30) days (discipline cases) or forty-five (45) days (all other cases), unless the parties mutually agree to extend the time limit. If the remaining arbitrator is not available to hear the case within thirty (30) days (discipline cases) or forty-five (45) days (all other cases), the Employer or the Union may then contact and request that the Federal Mediation Conciliation Service (FMCS) submit a list of seven (7) arbitrators which may include a mix of arbitrators from the States of California and Hawaii.

Upon receipt of such list of arbitrators, the Parties shall meet and confer by telephone within seven (7) working days (excluding Saturday, Sunday and Holidays), and alternately strike one (1) name from the list (the question of which party is to strike the first name having been determined by lot or the flip of a coin or other agreed upon method) until one (1) name remains, and that person shall be the arbitrator.

In the event the selected arbitrator is unwilling to or cannot serve within thirty (30) days (discipline cases), or forty-five (45) days (all other cases) unless the parties mutually agree to extend the time limit, the parties shall proceed to select another arbitrator in accordance with the procedures herein stated.

The Arbitrator must issue a decision within thirty (30) calendar days after the close of the

hearing as determined by the Arbitrator and the parties, (any briefs shall normally be submitted within fifteen (15) days but not more than thirty (30) days after receipt of the transcripts unless the parties agree otherwise).

18.4 The parties may, by mutual agreement, request the Arbitrator to conduct an informal hearing. An informal hearing shall mean one without a reporter being present to transcribe the testimony of witnesses and argument by representatives of the parties, but in all other respects the provisions of this section shall be applicable. In the case of an informal hearing, the decision of the Arbitrator shall normally render his decision within fourteen (14) calendar days after the hearing is concluded but in no event beyond thirty (30) calendar days. It is the intent of the parties that all grievances challenging discharges be expedited, and when mutually agreed, by use of the informal arbitration procedure as outlined in this sub-section 18.4.

18.5 The Arbitrator shall make his decision in the light of the whole record and shall decide the case upon the weight of all substantial evidence presented.

Section 21. Seniority

Probationary Period. An employee will be considered as a probationary employee for a period of ninety (90) calendar days after his most recent date of hire by the Employer. A probationary employee may be terminated at the discretion of the Employer and such termination shall not be subject to the Grievance and Arbitration provisions of Section 18, and all other applicable terms and conditions of this Agreement shall apply to probationary employees except for seniority. The probationary period may be extended by mutual agreement between the Employer and the Union.

Section 23. Hotel Industry Promotion

The employer will contribute an additional one cent (\$0.01) per hour effective January 1, 2009.

Section 25, Leave of Absence for Union Business:

25.1 Long-term Leaves for Union Business. Upon written request of at least two (2) weeks prior to the commencement of any such leave, any employee with one (1) year's service, elected, re-elected or appointed to office in the Union which requires full time in the discharge of its duties, shall be given a leave of absence; provided, however, that no more than one-half percent (0.5%), or three, whichever is greater, of the employees of the Employer shall be on such leave of absence at any given time; and provided further, that such leave of absence shall not extend beyond the term of this Agreement unless extended by mutual consent, if and when requested in writing by the Chief Executive Officer of the Union or his designated representative.

25.2 Short-term Leaves for Union Business. Notwithstanding the above, the Employer shall release, upon the Union's written request of at least two (2) weeks prior to the commencement of any such leave, up to one percent (1.0%) of any one hotel's employees for leaves for union service not to exceed six (6) months in duration. In the event that the Union makes such a request, the employees selected for such a short-term leave shall be

distributed throughout each hotel.

25.3 Notwithstanding the notice periods herein, the Employer will make good faith efforts to accommodate a request for leave where shorter notice is given in emergency situations. For purposes of determining the number of employees eligible for such leaves at any given time, the parties shall use the total number of employees per hotel or department as of the immediately preceding July 1st. Calculated percentages shall be rounded up or down, as appropriate, on a per hotel or department basis, whichever is applicable. Leaves of absence taken pursuant to Section 25 shall be without pay and without loss of seniority, and seniority shall accrue during the leave.

Section 28, Sick Leave Benefits

28.1 Each employee covered hereby who has completed Twelve Hundred (1200) compensable hours in the year preceding his anniversary date shall earn ninety-six (96) hours of sick leave. Such Employee, who, because of illness, disability or injury not compensable under any worker's compensation law, is prevented from working, shall be entitled to paid sick leave with pay for each occasion of sick leave, computed on such employee's then current straight time rate of pay and the time charged to sick leave. Effective January 1, 2007, tipped employees sick leave pay will be computed at the employee's then current double time rate of pay and the time charged to sick leave.

Section 24, Bereavement Leave

In the event of the death of a member of an employee's immediate family (his spouse, domestic partner, child, parent, brother, sister, mother-in-law, father-in-law, grandparents and Hanna of the same relationships), the employee shall be excused at his request on any or all of his scheduled working days beginning with the day of death to and including the seventh (7th) calendar day thereafter. In the event the funeral is scheduled at a later date, the employee may request to split the seven (7) days of leave. The first three (3) complete days off shall be with pay computed on the employee's current straight time rate. Domestic partner shall be defined and certified as agreed to by the Employer and the Union.

Section 31, Military Leave: (was 26.5)

31.1 The Employer will grant military leave in compliance with the Uniformed Services Employment and Reemployment Rights Act (USER) and/or applicable Hawaii state law. Employees may use the grievance and arbitration procedure outlined in Section 18 for disputes concerning compliance with USER and/or applicable Hawaii state law, with the exception of any dispute arising out of the administration of benefits by the Health & Welfare or Pension Trust Funds. An employee pursuing such a grievance, however, may be required by the Employer to waive any right of court enforcement as a condition to proceeding to arbitration on the employee's USER claims.

31.2 When an employee serving in the Reserves or National Guard is called to active duty for thirty-one (31) or more days, and the employee or his dependents covered under the Health and Welfare plan opt for continued health insurance coverage pursuant to USER, the Employer shall pay the required Health and Welfare contributions during the

first twelve (12) months of the employee's military duty.

31.3 For employees who voluntarily join the active military and who opt (or have dependents opt) for continued health insurance coverage pursuant to USER, upon the completion of their military service and upon their return to work, the Employer shall reimburse the employee for up to the first twelve (12) months of the required Health and Welfare contributions paid by the employee or his dependents.

31.4 Upon completion of their military service and upon their return to work, the employer shall, as provided in applicable regulations, make pension contributions on behalf of the above-referenced employees for the entire period that the employee was on leave for military service.

Section 32, Wages

32.4 Hiring-In Rate. All employees hired on or after ratification of this Agreement and signature of a memorandum of understanding shall receive:

- A. Eighty percent (80%) of the applicable hourly wage rate, but not less than the applicable minimum statutory wage, during the first three (3) months of employment after the most recent date of hire by the Employer.
- B. Thereafter, and continuing for the next three (3) months of employment, the employee shall receive eighty-five percent (85%) of the applicable hourly wage rate, but not less than the applicable minimum statutory wage.

Delete paragraph 32.4.0 and renumber all subsequent paragraphs in 32.4. Delete references to 32.4.0 in paragraphs 32.4.E and 32.4.I

Amend current 32.4.1 (to become 32.4.H) as follows:

- H. The provisions of Subsections 32.4.A and 32.4.B shall be waived for employees who have had at least six (6) months experience in a related field with a hotel covered by a collective bargaining agreement with a union in Hawaii.

32.6 Relief Supervisor's Rate. When an employee is assigned to relieve a non-bargaining unit supervisor for one (1) shift or more, he shall be paid Eighty Cents (\$0.80) an hour above the highest paid classification that he is required to supervise or above his straight time rate, whichever is greater. Effective ratification, when an employee is assigned to relieve a non-bargaining unit supervisor for one (1) shift or more, he shall be paid One Dollar and Fifty Cents (\$1.50) an hour above the highest paid classification that he is required to supervise or above his straight time rate, whichever is greater.

Section 32.10, Special Training Rates

- B. If an employee is required to attend a special training session at a time which is not an extension of his shift (either before or after the shift), or is required to attend on his day off, the employee shall be paid a minimum of

two (2) hours at the overtime rate. Tipped employees attending a special training session as defined above shall be paid at a minimum of two (2) hours at two times (2x) their regular hourly wage rate.

- F. The Employer shall pay employees assigned to train other bargaining unit employees a premium of fifty cents (\$0.50) per hour. Effective ratification, the Employer shall pay employees assigned to train other bargaining unit employees a premium of One Dollar (\$1.00) per hour. For the purpose of this interpretation, "training" shall be defined as the formal instruction of a defined subject, either in a classroom or on-the-job, for a specific period of time. Training will encompass the assigned work of the trainee and not the regular assignment of the trainer. Training shall not include basic orientation, "shadowing", or other informal observations by a new employee to familiarize themselves with the Employer's operations.

32.12 The Employer shall pay a premium of One Dollar and Fifty Cents (\$1.50) for each rollaway or hide-a-bed (sofa bed) serviced in a room per day by Housekeeper I-Rooms employees. Effective upon ratification, the Employer shall pay a premium of Two Dollars (\$2.00) for each rollaway, crib or hide-a-bed (sofa bed) serviced in a room per day by Housekeeper I-Rooms employees. Effective 1/1/08, this amount shall be increased to Two Dollars and Twenty-five cents (\$2.25).

Section 34, Hours, Work Week and Overtime

34.10 Split shifts. A split shift shall consist of eight (8) hours of work in a spread of not more than fourteen (14) hours. Shifts of less than eight (8) hours shall not be split and no part of a split shift shall be less than three (3) hours. An employee working a split shift shall be entitled to premium pay of Two Dollars (\$2.00) per day. Effective ratification., an employee working a split shift of three hours or less shall be entitled to premium pay of Four dollars (\$4.00) -per day and any employee working a split shift of more than three hours shall be entitled to premium pay of Five Dollars (\$5.00) per day. The use of split shifts shall be limited only to the Food and Beverage Service (including Banquet Service), Beverage, Food Preparation, and Uniformed Services Department.

Section 38.1, General.

- L. Food Outlet: Large Groups. Effective January 1, 2005, when parties of eight (8) or more are serviced by withheld in a Food Outlet, Employer shall guarantee a service charge of fifteen percent (15%) will be added to their bill. Effective January 1, 2007, when parties of seven (7) or more are serviced by withheld in a Food Outlet, the Employer shall guarantee a service charge of seventeen percent (17%) will be added to their bill. This subsection shall apply only for coffee shops and full service restaurants (excluding those cafes, pool bars and snack shops to be designated by the Employer).

Bars: Large Groups. Effective January 1, 2005, when parties of eight (8) or more arrive at one time or prearranges with the Employer to be serviced as a

group, the manager on duty or other designated representative shall inform the group that a fifteen percent (15%) service charge shall be added to their bill. Effective January 1, 2007, when parties of seven (7) or more arrive at one time or prearrange with the Employer to be serviced as a group, the manager on duty or other designated representative shall inform the group that a seventeen percent (17%) service charge will be added to their bill.

Section 38.3, Service Charge Schedule

- A. Banquets. The Employer shall guarantee an eighteen percent (18%) service charge on all banquets. All banquets sold on or after ratification shall include a guaranteed service charge of eighteen and one-half percent 18.5% . All banquets sold on or after January 1, 2009 shall include a guaranteed service charge of nineteen percent (19%).

Management's share shall be fifteen percent (15 %) of the guaranteed service charges on all Banquet functions. Any charges above the guaranteed service charge rate provided by this Agreement are the sole property of the Employer.

Special Events. The Employer shall guarantee a service charge of fifteen percent (15%) for Special Events. For events sold on or after January 1, 2007, the Employer shall guarantee a service charge of seventeen percent (17%) for Special Events.

Management's share shall be fifteen percent (15 %) of the service charges on all Special Events.

Cocktail Service. The Employer shall guarantee the following service charge:

1. Hosted Cocktail Party. The Employer shall guarantee a fifteen percent (15%) service charge. For events sold on or after January 1, 2007, the Employer shall guarantee a seventeen percent (17%) service charge.
Management's share of the service charge shall be fifteen percent (15%) on hosted cocktail parties.
2. No-Host Cocktail Party. Where tickets, scrip, or coupons are used, the Employer shall guarantee a service charge of fifteen percent (15%) of the total selling price for the beverage and food, if included. For events sold on or after January 1, 2007, the Employer shall guarantee a seventeen percent (17%) service charge.
 - a. When Withheld service is provided at these no-host cocktail parties, the Employer shall guarantee a service charge of fifteen percent (15%) of the total as provided above. For events sold on or after January 1, 2007, the Employer shall guarantee a service charge of seventeen percent (17%) service charge.
 - b. When no Withheld service is provided, there shall be no guaranteed service charge. It is agreed that bartenders will be allowed to use a tip (or gratuity) jar for these no-host cocktail

parties.

Management's share of the No-Host Cocktail Party service charge shall be fifteen percent (15%).

Section 38.4, Service Charge for other Functions

- A. Room Service. The Employer agrees to assess a Room Service service charge. Such charge shall be on the selling price of the Food and Beverage items delivered. The service charge guaranteed shall be fifteen percent (15%). Effective January 1, 2007, the service charge guaranteed shall be seventeen percent (17%). Where table charges are included, the fifteen percent (15%) seventeen percent (17%) service charge shall not be assessed on the table charge.
- D. Complimentary and Promotional Guests. On those occasions where individuals or members of a group are provided on a complimentary basis with food and/or beverage items or other services for which there is customarily a charge, the Employer shall guarantee a minimum service charge of twelve percent (12%), based on the customary price (customary price shall be defined in Section 38.2B, second paragraph) for those goods or services being complimented. Effective January 1, 2007, the Employer shall guarantee a minimum service charge of fifteen percent (15%), based on the customary price (customary price shall be defined in Section 38.2B, second paragraph) for those goods or services being complimented. This service charge shall be paid to the bargaining unit employee(s) concerned.
- E. When a hotel customer requests delivery of food and beverage amenities to guests' rooms, the Room Service Withheld shall receive a minimum of One Dollar- (\$ 1.00) the Room Service service charge percentage as defined in 38.4.A for each delivery to a room.
- F. When the Employer requests and assigns the delivery of in-house amenities to guest rooms, the Room Service withheld shall receive a minimum of fifty cents (\$0.50) for each such delivery to a guest room. Effective upon ratification, the Room Service withheld shall receive a minimum of seventy-five cents (\$0.75) for each such delivery to a guest room. Effective July 1, 2008, the Room Service withheld shall receive a minimum of one dollar (\$1.00) for each such delivery to a guest room.

Section 38.7, Schedule of Portage/Gratuities/Charges

- A. All new tours and group movements booked and/or sold on or after September 1, 2005 shall include a guaranteed portage of Three Dollars (\$3.00) per person for each check-in and Three Dollars (\$3.00) per person for each check-out. All new tours and group movements booked and/or sold on or after ratification shall include a guaranteed portage of Three Dollars and Twenty-five Cents (\$3.25) per person for each check-in and

Three Dollars and Twenty-five Cents (\$3.25) per person for each check-out. All new tours and group movements booked and/or sold on or after July 1, 2007 shall include a guaranteed portage of Three Dollars and Fifty Cents (\$3.50) per person for each check-in and Three Dollars and Fifty Cents (\$3.50) per person for each check-out.

- C. Tour Delivery Charges.
1. "Closed Door" Deliveries. A minimum charge of Twenty-five Cents (\$0.25) per room shall be assessed for each delivery in which the Bellhop are required to leave the item outside or under the door. Effective ratification, a minimum charge of One Dollar (\$1.00) per room shall be assessed for each delivery in which the Bellhop are required to leave the item outside or under the door. Effective July 1, 2008, a minimum charge of One Dollar and Twenty-five Cents (\$1.25) per room shall be assessed for each delivery in which the Bellhop are required to leave the item outside or under the door.
 2. "Open Door" Deliveries. A minimum charge of Fifty Cents (\$0.50) per room shall be assessed for each delivery in which the Bellhop are required to open the door to deliver the item. Effective ratification, a minimum charge of One Dollar and Fifty Cents (\$1.50) per room shall be assessed for each delivery in which the Bellhop are required to open the door to deliver the item. Effective July 1, 2008, a minimum charge of One Dollar and Seventy-five Cents (\$1.75) Per room shall be assessed for each delivery in which the Bellhop are required to open the door to deliver the item.
- F. Newspaper Delivery. The Employer will pay a premium of ten cents (\$0.10) per newspaper delivered. Effective ratification, the Employer will pay a premium of twelve cents (\$0.12) per newspaper delivered. Effective 1/1/09, the Employer will pay a premium of fifteen cents (\$0.15) per newspaper delivered.
- G. Laundry Delivery. The Employer will guarantee a fifty cent (\$0.50) premium for each delivery and each pick-up of laundry. Effective ratification, the Employer will guarantee a One Dollar (\$1.00) premium for each delivery and each pick-up of laundry.
- I. (new) Document Delivery. A delivery fee of Fifty Cents (50¢) or the rate actually charged for that specific delivery, whichever is greater, will be added for any fax, mail or other document delivered to a guest room by Bell Help.
- J. Valet Service Charge.
1. Overnight Parking. Effective January 1, 2007, parking valets will

receive \$1.00 per car per day for every car that valet parks overnight. Effective January 1, 2008, parking valets will receive \$1.50 per car per day for every car that valet parks overnight. Effective January 1, 2009, parking valets will receive \$2.00 per car per day for every car that valet parks overnight.

2. All other valet parking. For all other cars for which the Employer charges guests valet charges, effective January 1, 2007, parking valets will receive \$1.25 per car per day for every car that valet parks. Effective January 1, 2009, parking valets will receive \$2.00 per car per day for every car that valet parks.

Section 41, Health and Welfare Fund:

January 1, 2007: January 1, 2008: January 1, 2009: January 1, 2010:

- 57¢ per hour increase into the Fund, for a total of \$3.77 per hour (effective December 2006 work hours)
- 54¢ per hour increase into the Fund, for a total of \$4.31 per hour (effective December 2007 work hours)
- 50¢ per hour increase into the Fund, for a total of \$4.81 per hour (effective December 2008 work hours)
- 45¢ per hour increase into the Fund, for a total of \$5.26 per hour (effective December 2009 work hours)

Section 42, Pension Fund

- January 1, 2009: 50¢ per hour increase into the Fund, for a total of \$1.05 per hour (effective December 2008 work hours)
- January 1, 2010: 10¢ per hour increase into the Fund, for a total of \$1.15 per hour (effective December 2009 work hours)

Section 43, Vacations

43.10 The Employer and the Union agree to a pilot program to provide for the donation of vacation hours to employees affected by medical emergencies, as set forth in the side letter between the parties attached hereto.

Section 46, General

46.4 Union buttons may be worn on the job at all times. The union will give the Employer advance written notification when it plans to change its approved button(s).

New 46.9 The cleanliness, fit, comfort, style and safety of uniforms are important to both the employer and the employees. Additionally, the quality of linen service with respect to standards of cleanliness, reliability of delivery and accuracy of count are integral to the health and safety and productivity of employees dealing with laundered linen service, and the availability, quality and replenishment of first aid and/or defibrillator equipment is vital to employee safety. To further advance the parties' joint and respective interests on

issues related to uniforms, linen, the laundering of both, and the provision of first aid supplies and equipment, upon request by the Union or the Employer, an ad hoc committee, with an equal number of representatives of the hotel and the Union shall meet to consider and discuss any issues raised by either party. Both parties shall appoint their own representatives and meetings shall be conducted on paid time.

Section 52, Housekeeping

52.9.A Housekeepers shall be assigned no more than 15 rooms or credits during an eight (8) hour shift.

52.9.B When a Housekeeper I-Rooms employee is assigned seven (7) or more check-outs per day, the daily room assignment shall be reduced by one (1) room or credit. In addition, when a Housekeeper I-Rooms employee is assigned ten (10) or more check-outs in a day, the daily assignment shall be reduced by two (2) rooms or credits (inclusive of the one (1) room credit for seven (7) or more checkouts). Effective July 1, 2007, the daily room assignment shall be reduced by one (1) room or credit when a Housekeeper I-Rooms employee is assigned six (6) or more check-outs per day and two (2) rooms or credits when a Housekeeper I-Rooms employee is assigned ten (10) or more check-outs per day (inclusive of the one (1) room credit for six (6) or more check-outs). Effective July 1, 2008, the daily room assignment shall be reduced by one (1) room or credit when a Housekeeper I-Rooms employee is assigned six (6) or more check-outs per day two 2 rooms or credits when a Housekeeper I-Rooms employee is assigned nine (9) or more check-outs per day (inclusive of the one (1) room credit for six (6) or more check-outs); and reduced by three (3) rooms or credits when a Housekeeper I-Rooms employee is assigned ten (10) or more check-outs per day (inclusive of the other reductions for checkouts). In VIP sections, floors, or towers, when a Housekeeper I-Rooms employee has six (6) or more checkouts per day, the daily room assignment shall be reduced by one (1) room or credit.

52.9.C If a Housekeeper I – Rooms employee is assigned to rooms in two or more different towers or wings, the Housekeeper shall drop one credit.

52.9.D. The Employer shall not change or move a Housekeeper I-Rooms employee's regularly assigned Section to avoid dropping or reducing rooms or credits in accordance with the Agreement; nor will the Employer issue "IOU's" in lieu of dropping rooms in accordance with the Agreement. (old 52. 10B)

Section 53, Maintenance/Engineering

53.9 (new) Construction Work. The Employer and the Union agree that all construction work involving contracts in excess of \$2000 involving the renovation or painting of the hotel, performed at the hotel, shall be done only by employees of the Employer or of contractors who are covered by a collective bargaining agreement, or as otherwise provided below.

In the event that no such union contractor in Honolulu is readily available on the schedule as determined by the employer to perform the work, the employer agrees that employees

working for that non-union contractor shall receive wages and benefits at least of the applicable level provided in the applicable master commercial construction agreement in effect between the applicable construction union and the employer contractors' association. Upon request by the Union, the employer shall require either the General Contractor or the Subcontractor to provide the Union with payroll records verifying the payment of such wages and benefits to the subcontracted employees.

New Section 54, Diversity

- A. Commitment to Diversity. The Employer and the Union are committed to a diverse workforce, consistent with and practicing equal employment opportunity and engaging in affirmative efforts to maintain an environment that supports and encourages the contribution of our employees and members. The parties will strive to achieve a workplace environment respectful of the diverse cultures of the workforce. The Employer and the Union are proud of the Employer's diverse workforce, which includes employees who have immigrated to the United States from different parts of the world, and the benefits it brings to our Hotel and the hotel industry in Hawaii.

- B. The Employer commits to act in good faith to outreach to the Native Hawaiian community in order to:
 - 1. Continue to attract Native Hawaiian applicants to the Hotel; and
 - 2. Positively affect the perception of the hotel industry in the Native Hawaiian community.

- C. The employer and the union shall work in partnership in their commitment to ensuring the diversity of the employer's workforce, to continue to include Native Hawaiians, through a coordinated and strategic outreach program. To accomplish this goal, the Employer and the union agree that the Employer's Director of Human Resources and his designated representative and the Union's Financial Secretary-Treasurer and his designated representative shall meet and develop an annual strategic action-oriented outreach program that will be designed, through the mutual commitment of time and resources by the Employer and the Union, to:
 - 1. Inform and educate the Oahu community about job and career opportunities with the Employer;
 - 2. Establish contacts with diverse community groups (to include Native Hawaiian groups) and high schools, business schools, colleges and universities in order to enhance community knowledge of the Employer and job and career opportunities that it may have for members of the Oahu community.
 - 3. Seek partnerships with diverse community groups that are designed to achieve improved employment opportunities for minorities, to include Native Hawaiians, and women and other members of the community for whom such outreach activities are

- appropriate.
4. Track the results of these efforts for the duration of the agreement in an annual report which shall be deemed proprietary and confidential in nature and shall be used solely for the purpose of assessing the effectiveness of the outreach program.

New Section 55, Immigration

- A. The Union and the Employer will negotiate over issues related to the immigration status of employees covered by this Agreement under the Immigration Reform and Control Act of 1986 and any subsequent immigration-related federal, state or local legislation.
- B. Non-discrimination. No employee covered by this Agreement shall suffer any loss of seniority, compensation, or benefits solely due to any changes in the employee's name or social security number, provided that the new social security number is valid and the employee is authorized to work in the United States. The employer shall not take action against an employee solely because the employee is subject to an immigration proceeding where the employee is otherwise permitted to work.
- C. Workplace immigration enforcement. The Employer shall:
 1. Unless objected to by the affected employee, notify a representative of the Union as soon as practical if the Employer receives a no-match letter from the Social Security Administration, or is contacted by the Department of Homeland Security (DHS) (formerly the INS) related to the immigration status of an employee covered by this Agreement or if a search and/or arrest warrant, administrative warrant, subpoena, or other request for documents is presented in order that the Union can take steps to protect the rights of its members. The Union agrees that it shall keep confidential any information it obtains pursuant to this provision and that it will use any such information solely to represent and/or assist the affected employee(s) in regards to the DHS matter.
 2. Refuse admittance of any agents of the DHS who do not possess a search and/or arrest warrant, administrative warrant, subpoena or other legal process signed by a federal judge or magistrate, unless otherwise required by law to be admitted.
 3. Permit inspection of I-9 forms by DHS or DOL only after a minimum of three days written notice or other such period of time as provided by law or where such inspection is otherwise in accordance with the provisions of this Section. The Employer also shall permit inspection of I-9 forms where a DHS search and/or arrest warrant, administrative warrant, subpoena or other legal

process signed by a federal judge or magistrate specifically names employees or requires the production of I-9 forms. The Employer shall not provide documents other than the I-9 forms to the DHS for inspection or reveal to the DHS the names, addresses or immigration status of any employees in the absence of a valid DHS administrative subpoena, or a search warrant or subpoenas signed by a federal judge or magistrate or where otherwise required by law.

4. To the extent legally possible, the Employer shall offer a private setting for questioning of employees by DHS.

D. Reverification of status

1. No employee employed continuously on or before November 6, 1986, shall be required to document immigration status.
2. The Employer shall not retain in its files copies of the identity and work authorization documents presented by the employee.
3. The Employer shall not require or demand proof of immigration status, except as maybe required by 8 USC § 1324a (1)(B) and listed on the back of the I-9 form or as otherwise required by law.
4. In the event of a sale of the business or its assets, the Employer shall offer to transfer the I-9 forms of its employees to the new employer or, at the Employer's option, to jointly maintain the I-9 forms of its employees with the successor employer for the period of three (3) years, after which the successor employer shall maintain said forms.

E. Social Security no-match letters. In the event that the Employer receives notice, either by correspondence or otherwise, from the Social Security Administration ("SSA") indicating that some of the employee names and Social Security Numbers ("SSN") that the employer reported on the Wage and Tax Statements (Forms W-2) for the previous tax year do not agree with the SSA's records, the Employer agrees to the following:

1. The Employer agrees that it will not take any adverse action against any employee listed on the notice, including firing, laying off, suspending, retaliating, or discriminating against any such employee, solely as a result of the receipt of a no-match letter, and
2. the Employer agrees that it will not require employees listed on the notice to bring in a copy of their Social Security card for the Employer's review, complete with a new I-9 form, or provide new or additional proof of work authorization or immigration status, solely as a result of the receipt of a no-match letter, and
3. the Employer agrees not to contact the SSA or any other governmental agency, solely as a result of receiving a no-match from the SSA.

- F. Seniority for immigration related issues. In the event that an employee does not provide adequate proof that he/she is authorized to work in the United States following his/her probationary or introductory period, and his/her employment is terminated for this reason, the Employer agrees to immediately reinstate the employee to his/her former position, without loss of prior seniority (but seniority does not continue to accrue during the period of termination) upon the employee providing proper work authorization within 12 months from the date of termination.

If the employee needs additional time to obtain his work authorization, the Employer will rehire the employee into the next available opening in the employee's former classification, as a new hire without seniority, upon the employee providing proper work authorization within a maximum of 12 additional months. The parties agree that such employees would be subject to a probationary period in this event.

The Employer will furnish a personalized letter stating that the employee's rights and obligations under this Section to any employee terminated because he/she has not provided adequate proof he/she is authorized to work in the United States.

- G. Limited-English proficient workers. While English is the language of the workplace, the Employer recognizes the right of employees to use the language of their choice when speaking among themselves during work hours provided that such conversations are conducted in a manner that is respectful of guests and other employees and is consistent with quality guest service.

Upon request of the employee, the Employer shall provide interpreters from its staff, where such staff is available, for employees not fluent in English during any investigative interview that may lead to discipline or discharge. Where the Employer is unable to so provide an interpreter, the Union may provide an interpreter. In the event that an interpreter is not readily available, timelines for issuance of the disciplinary or discharge notice as set forth in section 17.2 shall automatically be tolled until an appropriate interpreter is available.

- H. The Union and the Employer agree that this Agreement shall not be interpreted to cause or require the Employer to violate IRCA, 8 USC § 132,4a or any other applicable law. Except as required by law the Employer agrees not to permit any private or public entity to conduct or audit an inspection of its I-9 forms or personnel records.

Exhibit 3, Absenteeism Policy, new #12

12. Absence that is designated as protected leave pursuant to the federal Family Medical Leave Act (FMLA), Hawaii Family Leave Law (HFLL), or any other applicable federal or state law.

Exhibit A, Wage Rates

Type	7/1/06	1/1/07	7/1/07	1/1/08	7/1/08	1/1/09	7/1/09	1/1/10
Non-tipped	20¢	30¢	20¢	30¢	25¢	35¢	30¢	50¢
Tipped		50¢	10¢	10¢	10¢	10¢	10¢	20¢
Bell	50¢	10¢	10¢	25¢	25¢	25¢	35¢	
Door Attendant	50¢	50¢	10¢	50¢	10¢	50¢	75¢	

- Reclassify Bell Clerks as Front Service Clerks effective ratification at the Front Service Clerk rate of \$15.03 per hour (plus any across-the-board increases).
- For the purposes of this agreement, “Bell” includes all classifications that have the word “Bell” in the title, with the exception of Bell Clerk, which changes to the non-tipping Front Services Clerk classification effective upon ratification.
- Non-tipped Door Attendant stations shall receive non-tipped wage increases. New Exhibit F, Partnership for Future Growth

Attached is a Memorandum of Agreement applicable to new full service hotels in certain situations as more fully described therein.