

Settlement Agreement

Between:

Hastings Entertainment Inc. ("Company")

And:

Canadian Office and Professional Employees Union Local 378 ("Union")

Re: Backstretch Maintenance, Temporary Vacancy

It is agreed as follows:

The parties agree that as per article 18.02, Leave of Absence up to 3 Months, that when an employee qualifies for and takes this leave of absence and the Company needs to cover the vacancy on a temporary basis, the following shall apply:

The company will offer internal employees within the department an opportunity to temporarily file the position provided that they qualify as per article 15 of the collective agreement.

The Company will then fill the subsequent vacancies first internally and as per article 15 of the collective agreement.

The company will notify the Union as soon as is possible with respect to the leave and Company's need to backfill the vacancy.

The company will notify the Union when they are unable to fill the vacancy internally and request approval for a temporary posting externally, the request will not be unreasonably denied by the Union.

As the Collective Agreement does not provide for temporary postings, the parties will meet to discuss and confirm the posting.

The temporary position will be governed by the collective agreement.

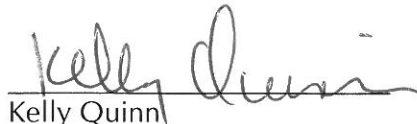
The settlement will be without prejudice to any position the Company or the Union may take in the future with respect to three month leaves, backfilling the position and external posting of temporary positions as per article 18 and 15 of the Collective Agreement.

Agreed to in Vancouver, BC on this 31st day of May, 2012

Signed on behalf of



Valerie Barton CHRP
Human Resources Manager
Hastings Racecourse & Casino



Kelly Quinn
Union Representative
COPE 378