

(GROCERY)

UNITED FOOD AND COMMERCIAL WORKERS UNION

LOCAL #789

3/03/02 - 3/05/05

ARTICLES OF AGREEMENT

THIS AGREEMENT entered into by and between the UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 789, of St. Paul, Minnesota and vicinity, chartered by the United Food and Commercial Workers International Union, AFL-CIO-CLC hereinafter referred to as the "Union" and , hereinafter referred to as the "Employer."

ARTICLE 1

UNION SECURITY

SECTION 1.1: RECOGNITION:

A. It is recognized that the unit represented by the Union herein shall include full-time and part-time employees in the grocery and produce departments in all present and future stores of the Employer in the St. Paul metropolitan area and vicinity, excluding supervisory employees as defined in SECTION 2 (II) of the Labor Management Relations Act of 1947 as amended, and meat department employees of the Employer.

B. 1) "THE ST. PAUL METROPOLITAN AREA AND VICINITY" shall be understood to comprise an area enclosed by the following boundaries (where roads or rivers are involved, it shall be understood that the boundary shall lie at the center of the road and center of the river respectively); using the 1971 official highway map of Minnesota, issued by the Minnesota Department of Highways and starting at the northwest corner, which is a point caused by the intersection of Anoka County Road #14 and Lexington Avenue (East of Johnsonville), the Western boundary goes south from that point following Lexington Avenue to Interstate Highway #35W, thence on #35W to the Minneapolis-St. Paul border (as shown on the map), thence follow the border line to the Mississippi River and the Mississippi River to the south end of the Mendota Bridge, and from that point on a straight line to a point lying one mile due east of Rosemount.

2) The Southern boundary shall lie on a straight line from the point lying one mile due east of Rosemount to a point on the St. Croix River lying two miles south of Hastings.

3) The Northern boundary shall extend from the northwest corner, described above, and lies on a line going due east to the St. Croix River.

4) The Eastern boundary shall follow the St. Croix River from the northeast point to the southeast point.

SECTION 1.2: UNION SHOP:

A. It shall be a condition of employment that all employees of the Employer covered by this agreement who are members of the Union in good standing on the effective date of this agreement shall remain members in good standing and those who are not members on the effective date of this agreement shall, on the thirty-first (31st) day following the effective date of this agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union.

B. "In good standing," for the purposes of this Agreement between this Union and this Employer, is defined to mean the payment of a standard initiation fee or a standard reinstatement fee, if applicable, and standard monthly dues as applies uniformly to all employees covered by this Agreement.

C. For the purpose of this ARTICLE 1, SECTION 1.2, the execution date of this agreement shall be considered its effective date.

SECTION 1.3: DUES CHECKOFF:

A. 1) The Employer agrees to deduct Union dues and initiation fees from the wages of employees in the bargaining unit who voluntarily provide the Employer with a written authorization which shall not be irrevocable for a period of more than one (1) year, or beyond the termination date of this agreement, whichever occurs sooner. Such deduction will be made by the Employer from the wages of the employees during each calendar month and will be transmitted to the Union. In the event that no wages are due the employee, or that they are insufficient to cover the required deduction, the necessary deduction shall be made from the employee's wages in the immediate following month at the time which is the usual and customary time for dues and initiation fees deductions. Said amount will thereupon be transmitted to the Union. Together with the transmittal of deductions referred to above, the Employer shall furnish the Union with a list of the employees for whom deductions were made.

2) The Union agrees to refund promptly any dues found to have been improperly deducted and transmitted to the Union and to furnish the Employer with a record of such refund.

B. The Employer will collect and forward membership application forms for new hires on behalf of the Union.

ARTICLE 2

WAGES, HOURS AND WORKING CONDITIONS

SECTION 2.1 WAGE RATES:

A. Minimum Wage Rates:

1) The minimum hourly rates of pay for the classifications covered by this agreement are contained in APPENDIX "A" and made a part of this agreement.

Any employee hired on or after March 1, 1998 at a rate above the minimum starting rate must be paid a wage corresponding to a rate published in the contract wage scale rather than on the basis of a rate arbitrarily fixed by the Employer. Where the employee hired on this basis has no prior retail grocery experience, the employee shall not receive wage credit for hours or months of service corresponding to that higher starting rate, but shall progress based on actual length of service.

2) Any employee hired on or after March 18, 2002 into a regular part-time position at a rate of pay above the entry level rate specified in Appendix "A" or who receives an immediate increase in his/her rate of pay to a rate above the entry level shall be given credit for hours of service equal to the beginning level of hours for the step in the contractual wage progression in Appendix "A" corresponding to the rate they are paid to start, except in those cases where the employee's rate is established pursuant to the provisions for Past Experience in SECTION 2.1 B.

B. Past Experience:

1) An Employee shall receive full credit for past experience provided he/she returns to work for the same company and into the same classification.

2) When an employee is hired either full or part-time by a different Employer or is being promoted from part-time to full-time, he/she shall be allowed to negotiate with the Company to determine what past experience, if any, will be credited for wage purposes. Where the employee has prior retail grocery experience and a rate is established that is higher than the starting rate, the employee will receive credit and progress from that point in the manner (hours or months of service) established in Appendix "A". For purposes of establishing past experience credits, 1040 hours shall be equal to six (6) months of full-time employment.

3) A regular part-time employee who is placed in a Retail Specialist position shall be paid the entry level wage rate specified for the Retail Specialist classification as set out in Appendix "A," except in the case of an employee who is already being paid at a rate above the entry level wage rate for the Retail Specialist classification. In that case, the employee shall receive the wage rate in the Retail Specialist wage scale in Appendix A which is closest to but not lower than his/her then current rate, but shall not receive credit for the hours of service specified for that wage rate. Such employee's wage rate shall be adjusted thereafter based on annual contractual increases until such time as the employee's hours of service in the Retail Specialist category dictates a step increase in wages.

C. Temporary Full-time: A part-time employee, as defined in ARTICLE 6, who works in any one week thirty-two (32) hours or more Monday through Saturday shall be paid the beginning Senior Retail Specialist rate of pay during that week only. When he/she works less than thirty-two (32) hours Monday through Saturday, the employee shall be paid his/her part-time rate of pay.

SECTION 2.2: BASIC WORK WEEK:

A. Basic Work week

1) The basic work week for Senior Retail Specialist employees will be forty (40) hours, to be worked in five (5) days, Monday through Saturday, exclusive of hours worked on holidays. The exception will be those employees who work less than forty (40) hours by mutual agreement between the Employer and the employee.

2) The basic work week for Retail Specialist employees will be forty (40) hours or more, to be worked in five (5) days, Sunday through Saturday, inclusive of hours worked on Sunday but exclusive of hours worked on holidays. These employees shall be scheduled to have two consecutive days off each week, except in those weeks affected by holidays.

B. Four Ten Hour Day Work week:

1) Optional, to be worked out with each Company.

2) Scheduling of a 4 - 10 hour day work week with two consecutive days off. The scheduling of four (4) ten (10) hour days shall be based on employee's interest and ability of Company to cover needed hours.

3) During a holiday week, if it is necessary to reschedule an employee on a four (4) ten (10) hour work week to a five (5) day eight (8) hour schedule, such employee will receive ten (10) hours holiday pay at straight time if otherwise qualified.

SECTION 2.3: WORKDAY:

Work performed by any employee in excess of forty (40) hours per week and/or eight (8) hours per day shall be paid at the rate of one and one-half (1-1/2) times the employee's rate of pay.

SECTION 2.4: SIXTH WORKDAY:

A. Senior Retail Specialist employees and Retail Specialist shall be paid time and one-half (1 - 1/2) for all work performed on the sixth (6th) day of a regular work week, or on the fifth (5th) day of a holiday week except as modified in ARTICLE 5, SECTION 5.4 (Summer Holiday Operation Conditions).

B. No employee shall be required to work on the sixth (6th) day.

SECTION 2.5: SUNDAY WORK:

Provisions for Sunday operation are contained in APPENDIX "B" and made a part of this agreement.

SECTION 2.6: OVERTIME PAY:

There shall be no duplicating or pyramiding of overtime and/or premium time pay on any day of the week including Sunday.

SECTION 2.7: PREMIUM PAY:

In cases of emergency when any employee is required to work on Sundays or holidays, (when the store not open for business), he/she shall be paid one and one-half (1 - 1/2) times his/her regular rate of pay for the time worked.

SECTION 2.8: TEMPORARY REPLACEMENT OF DEPARTMENT HEADS:

If an employee in a "head" position is gone for five (5) days or more (forty (40) hour work week), the employee filling in will receive the applicable "head" rate of pay but only in instances where the described additional duties have been assigned to the employee.

SECTION 2.9: WORK SCHEDULES:

A. Posting Schedules: Schedules for all full-time employees will be posted in each store by Friday noon for the following two (2) work weeks; schedules for part-time employees and Bagger/carry-out/part-time maintenance will be posted by Friday noon for the following one (1) work week. Sunday schedules for all employees shall be posted two (2) weeks in advance.

B. The Employer shall provide the top twenty-four percent 24% of the part-time employees in each store with a consistent day off, Monday through Thursday chosen by seniority. An employee shall be allowed the opportunity to change his/her chosen day off by mutual agreement or at intervals of no less than six (6) months. Changes in the schedule will be held to a minimum consistent with efficient store operation and/or emergencies. This schedule shall also include the employee's meal period and days off.

SECTION 2.10: MINIMUM SCHEDULED HOURS:

A. An employee shall be guaranteed no less than four (4) hours of work each time he/she is scheduled to work or receive pay in lieu thereof except: (1) for an employee who may be restricted to shorter daily hours under state law, or (2) in cases where the employee requests fewer hours and the Employer agrees.

B. No employee shall be scheduled for less than fifteen (15) hours per week, except those scheduled for the last working day of the week (Saturday), who shall be scheduled for not less than six (6) hours.

C. 1) At least twenty-four percent (24%) of the regular part-time employees in each store (excluding bagger/carry-outs/part-time maintenance), in order of part-time seniority, will be provided an opportunity to work schedules of at least twenty-four (24) hours or more per week. This percentage will be achieved within each store through attrition as hours become available.

2) A senior regular part-time employee may choose to be scheduled for less than twenty-four (24) hours by written request to the store manager.

D. None of the provisions of Paragraphs B and C of this SECTION 2.10 shall apply to prime time part-time employees.

SECTION 2.11: MINIMUM CALL-IN:

An employee who is called in to work outside of his/her regular schedule shall receive no less than four (4) hours work or pay in lieu thereof, except in the case where such employee is called in to replace someone who has called in sick or to replace someone who has not reported to work as scheduled.

SECTION 2.12: SCHEDULING RESTRICTIONS:

A. A full-time employee hired prior to May 31, 1962, need not accept a schedule which calls for straight-time work before the hours of 7 A.M. or after 6 P.M.

B. Split Shifts: No employee shall be required to work a split shift nor be discriminated against for refusal to do so.

C. Night work: It is agreed that no employee except for prime time part-time employees or those employees on the night stock crew shall be required to work more than three (3) nights per week.

D. Regular Part-Time Employees: Regular part-time employees may not be scheduled for more than five (5) days in any week on an involuntary basis, except in the case of weeks in which schedules are impacted by the occurrence of a holiday. Holidays affecting scheduling are Easter, Memorial Day, Independence Day (July 4), Labor Day, Thanksgiving, Christmas and New Year's Day. This provision shall not be interpreted to preclude regular part-time employees who wish to do so from working more than five (5) days in a week.

SECTION 2.13: EMPLOYEE BREAK TIME:

A. Rest Periods (Employer's Time)

1) All employees shall receive a paid rest period of ten (10) minutes for every three (3) hours worked not to exceed twenty (20) minutes in any work day of less than twelve (12) hours. No rest period shall be provided in any four (4) hour period which is broken by a paid supper period.

2) Any employee who has worked a regular full day shift and is required to work overtime during a regular scheduled night operation shall be entitled to a twenty (20) minute supper period paid for by the Employer. No employee who is entitled to a paid supper period shall be required to take such supper period earlier than three and one-half (3-1/2) hours after conclusion of the employee's noon lunch hour.

B. Meal Periods (Employee's Time): Any part-time employee who is employed at least six (6) hours in a workday shall be entitled to up to thirty (30) minutes for a meal period without pay.

SECTION 2.14: OTHER WORKING CONDITIONS:

A. Linens and Uniforms: In the event the Employer requires his/her employees to wear a uniform or insignia, the Employer shall furnish and maintain same. In the event the Employer furnishes to the employees drip-dry uniforms and the employees accept same, the employees shall launder the uniforms.

B. Travel time and Mileage:

1) When an employee is required to travel from one (1) store to another in any one (1) day, travel time shall be considered as time worked and, in addition, the employee shall be paid mileage in accordance with the mileage policy of the Employer, but not less than the rate specified by the IRS.

2) If an employee makes a delivery of product to a store or to a customer at the Employer's direction, such time will be considered as time worked and mileage will also be paid.

SECTION 2.15 WAGE-HOUR LAW COMPLIANCE:

Notwithstanding any other provision of these Articles of Agreement, no employee who is restricted under applicable wage-hour laws from working in excess of three (3) hours on any given shift shall be scheduled or assigned to work in violation of such legal restrictions.

ARTICLE 3

FULL-TIME/PART-TIME RATIOS

SECTION 3.1 PERCENTAGES:

A. The Employer will set forth in a letter to the Union the percentage of full-time employees to total employees in effect in the Company on March 1, 1998. The Employer shall also list each and every full-time employee, by name, on the payroll on March 1, 1998. The percentage figures and names submitted by each Employer will be subject to review and agreement by the Union.

B. The Employer agrees to improve the ratio represented by the total number of its Senior Retail Specialist employees and Retail Specialist employees combined to the total number of employees in its total bargaining unit work force to a ratio of one to four by no later than March 2, 2002. It is the intent of the parties that this improvement to ratio shall be achieved through growth in the number of employees in the Retail Specialist classification provided, however, that no more than five percent of the Employer's bargaining unit work force as defined below shall consist of employees in the Retail Specialist classification at any given time. It is further the intent of the parties that the changes to ratio required by this section shall be made in equal annual increments, on a company-wide basis. Once the above-described ratio of one to four or twenty five percent of Senior Retail Specialist and Retail Specialist employees has been reached, it will be maintained by the Employer on an ongoing basis. In no event, however, will the Employer be required to maintain a ratio of greater than twenty five percent. In the event that the Employer currently has a ratio of greater than twenty five percent, the Employer need not improve that ratio during the term of this agreement. For purposes of this section, the term total bargaining unit work force is defined to include all Senior Retail Specialist and Retail Specialist employees as well as part-time employees excluding all bagger/carry-out/part-time maintenance employees, all delicatessen employees previously covered under the meat agreement, all prime time part-time employees and all non-bargaining unit managers. The achievement and maintenance of the ratio described above is subject to an exception in the case of a store closing. In that case, the Employer's percentages may be adjusted by the actual loss of positions caused by that closing.

C. If the Employer has experienced a layoff of any Retail Specialist employees, the Employer shall be relieved from its obligation under SECTION 3.1 to improve ratio to the four to one standard for the duration of the layoff and shall, instead, be required to maintain a ratio of twenty percent (20%) Senior Retail Specialist employees in its total bargaining unit work force.

ARTICLE 4

SENIORITY

SECTION 4. 1: DEFINITION:

A. 1) The employees' date of hire shall be defined as the day the employee starts active employment for the Employer as a new hire or the date the employee starts active employment as a rehire.

2) Seniority shall be defined as length of continuous service within a classification with the Employer covered by this Agreement

3) In the case of two or more employees starting active employment in a classification on the same day their seniority ranking will be determined by lot.

B. Seniority will be applied on the basis of the following classifications:

1. Assistant Manager/Head

2. Head Produce Clerk

3. Head Cashier

4. Head Dairy/Frozen Clerk

5. Delicatessen Manager

6. Optional Department Head Positions

7. Senior Retail Specialist/Stock Clerk

8. Part-time Employees/(clerk/meat stocker)

9. Senior Retail Specialist/Delicatessen

10. Part-time Delicatessen Employee

11. Pharmacy Technician

a. Senior Retail Specialist

b. Retail Specialist

c. Part-time Employee

12. Retail Specialist (grocery and delicatessen)

13. Bagger/Carry-out/part-time Maintenance

14. Prime time part-time Employee (grocery and delicatessen)

SECTION 4.2: APPLICATION OF SENIORITY:

A. Probationary Period:

1) All newly hired employees will be on probation for thirty-one (31) calendar days and will thereafter attain seniority with the Employer, with seniority reverting back to the date of hire.

2) An employee's seniority date may change due to a change of classification, but a new probationary period is not required nor will the date of hire be changed for purposes of benefits.

B. Layoff and Rehire:

1) Senior Retail Specialist:

a. For layoff and recall purposes, Senior Retail Specialist employees shall have seniority with the Employer covered by this agreement within the classifications set forth in SECTION 4.1 above. Provided further that employees who are promoted or hired into department head positions will be given seniority within the department head classification only after they have been in the department head position for eighteen (18) months with seniority to then date from his/her first day in the department head position. During the eighteen (18) month period the employee will retain protection of his/her classification from which he/she was promoted and will add seniority time in that classification during that period.

b. In the case of demotion from the department head position, the employee will be placed in the Senior Retail Specialist position with his/her original Senior Retail Specialist seniority date.

c. No Senior Retail Specialist employee may be laid off or reduced until such time as all Retail Specialist employees company wide have been previously laid off or reduced to regular part-time.

d. For layoff and recall purposes, Senior Retail Specialist employees shall be given preference over part-time employees within the same classifications set forth in 4.1 above and in keeping with the provisions of ARTICLE 3. A Senior Retail Specialist employee laid off in one store has the right to displace a more junior Senior Retail Specialist employee in the same classification in another store of the same Employer. The most junior Senior Retail Specialist employee has the right to move to the regular part-time classification. That employee who moves to the regular part-time classification will retain his/her Senior Retail Specialist seniority date for recall and vacation purposes. That former Senior Retail Specialist employee will have the number one priority for purposes of claiming regular part-time schedules pursuant to the scheduling priority provision of SECTION 4.2,C below. The Employer may reduce the employee's pay rate to the appropriate regular part-time pay rate in accordance with the employee's total hours worked.

2) Retail Specialist:

a. For purposes of layoff and recall, Retail Specialists have seniority among themselves within the store and without regard to the grocery/delicatessen designation. Retail Specialist seniority shall be based on date of placement into the Retail Specialist category.

b. In the event of a reduction in the work force at the store, Retail Specialists should be considered for layoff only after all prime time part-time employees at the store in question have been laid off. Thereafter, Retail Specialists may be laid off in reverse order of seniority as a Retail Specialist.

c. Laid off Retail Specialist employees shall have the right to bump or displace regular part-time employees in their store who are junior based on regular part-time seniority dates with the Employer.

3) Regular Part-Time:

a. For layoff and recall purposes, regular part-time employees shall have seniority within his/her store on the basis of the classifications set forth in SECTION 4.1 above.

b. For lay off and recall purposes, regular part-time employees, excluding bagger/carry-out/part-time maintenance employees, will be Company wide regular part-time seniority after five (5) years of employment as a regular part-time clerk. In the event of layoff, a regular part-time employee with five (5) or more years of employment will bump the most junior regular part-time employee with the Company.

c. In the case of layoff, a regular part-time employee has the right to bump bagger/carry-out/part-time maintenance employees (and be paid the appropriate bagger/carry-out/part-time maintenance rate) provided the regular part-time employee has greater total regular part-time and/or bagger/carry-out/part-time maintenance seniority than the employee being bumped.

d. No regular part-time employee may be laid off until all prime time part-time employees in the store have been laid off.

4) Prime Time Part-Time (PTPT):

a. PTPT employees will be laid off first as a group within the store. The first PTPT to be laid off will be the most recently hired, without regard to grocery/delicatessen designation.

b. In the event of a reduction in the work force at one of the Employer's stores, all PTPT must be laid off before employees in any other seniority classification may be laid off.

c. Laid off PTPT employees shall have no right to bump or displace any other employee.

d. PTPT do not have seniority rights for any other purpose.

5) Bagger/Carry-out/Part-time Maintenance Seniority: Bagger/Carry-out/part-time Maintenance employees shall acquire seniority for layoff and recall and as set forth in PARAGRAPH D.3, on a store-wide basis.

6) Pharmacy Technician: For purposes of layoff and recall employees in the Pharmacy Technician classification shall have seniority among themselves and shall be designated as a separate classification on the Employers seniority list. The Pharmacy Technician classification shall be limited to those employees working in the Employer's pharmacy department who have obtained or are actively in training for national

certification as a Pharmacy Technician.

C. Preference of Hours

1) It is agreed that preference, if qualified, shall be given to the more senior regular full-time employees within the store in granting the more desirable schedule of hours among Senior Retail Specialist and Retail Specialist positions, except in the case of an employee being designated for management training, and that employee may be scheduled without regard to preference for a period not to exceed one (1) year. The number of employees designated as management trainees shall not exceed the number of employees recognized and paid at the rate of Department Head position by the Employer or five (5) per store, whichever is less, without displacement of current employees and subject to the provisions of SECTION 6.6. This provision shall have no application to Sunday hours worked by Retail Specialist employees as defined in SECTION 6.2. Retail Specialist employees shall not have preference of hours.

2) If two (2) or more regular part-time employees are scheduled in the same store and the employee with less service is scheduled for more hours, the employee with the most seniority will have the right to claim the junior employee's full schedule. The claim must be made in writing to the store manager and the employee asserting the claim must be qualified to perform the duties involved. The schedule rights described in the first sentence above for senior part-time employees shall not apply to scheduled hours of "Summer Waiver" or vacation relief employees as described in ARTICLE 20 of this agreement. When a regular part-time employee moves to the full-time classification, said employee will be given a new full-time seniority date which shall be the date that the employee first begins work as a full-time employee. Such new full-time seniority date shall not affect length of service with the Employer for purposes of determining vacation allowance as provided for in ARTICLE 7, SECTION 7.1.

D. Job Posting:

1) Regular Part-time and Retail Specialist to Senior Retail Specialist:

a. Regular part-time and Retail Specialist employees shall have the option of notifying the Employer and the Union in writing of their desire to obtain employment in the Senior Retail Specialist classification. Such written notices shall expire at the end of each contract term and must be resubmitted thereafter in order for the employee to be considered for any such vacancies arising after expiration of the contract term. For purposes of implementing this provision, it is agreed that those written notices of interest already on file with the Employer as of March 17, 2002 shall remain in effect until May 1, 2002, but shall expire at that time. An employee who so notifies the parties will be given preference in accordance with seniority for full-time employment, if qualified, for an available opening. For purposes of this preference, the relative seniority of Retail Specialist employees shall be measured on the basis of the employee's regular part-time seniority date or the date of hire as a Retail Specialist employee, whichever is earlier, irrespective of stock clerk/delicatessen classifications.

b. The Employer agrees that fifty percent (50%) of the positions in the Senior Retail Specialist classification of stock clerk or delicatessen will be filled by promotion on the basis of seniority from such Retail Specialist employees (irrespective of classification) and from such part-time employee(s) from the respective stock clerk or delicatessen classification. The Employer may fill the remaining fifty percent (50%) of the positions from outside the bargaining unit or at the Employer's option from employees within the bargaining unit without regard to seniority.

2) Regular Part-time to Retail Specialist:

a. Retail Specialist positions shall be filled on the basis of store seniority irrespective of stock clerk/delicatessen classifications from those regular part-time employees who are working in the store where the vacancy occurs. Such vacancies will be filled on a store-by-store basis as they occur. A regular part-time employee will be given preference in accordance with store seniority for Retail Specialist employment, if qualified, for an available opening. For purposes of this preference, the relative store seniority of regular part-time employees shall be measured on the basis of the employee's regular part-time seniority date, irrespective of stock clerk/delicatessen classifications.

b. The Employer agrees that fifty percent (50%) of the positions in the Retail Specialist classification will be filled by promotion on the basis of store seniority from such regular part-time employees. The Employer may fill the remaining fifty percent (50%) of the Retail Specialist positions from outside the bargaining unit or, at the Employer's option, from employees within the bargaining unit without regard to store seniority. For purposes of implementing this provision, it is understood that the first such Retail Specialist vacancy to occur following March 17, 2002 shall be treated as an "inside" pick to be filled on the basis of store seniority. Notice of such a vacancy shall be posted within the store in which the Retail Specialist vacancy exists. Regular part-time employees shall be given a period of five (5) calendar days within which to respond to any such posting. In the event that a Retail Specialist position remain unfilled following the posting of the vacancy as provided above, the Employer may fill the vacancy from outside the bargaining unit or, at the Employer's option from employees within the bargaining unit without regard to seniority. An employee promoted to a Retail Specialist position shall retain his/her regular part-time seniority date for purposes of filling a Senior Retail Specialist vacancy thereafter in accordance with the provisions of SECTION D.1.

3) Bagger/Carry-out/part-time Maintenance to Part-time: Bagger/carry-out/part-time Maintenance shall have the option of notifying the Employer and the Union in writing of his/her desire to secure a part-time position. An employee who so notifies the parties will be given the opportunity to fill part-time openings, by seniority and if qualified, within the particular store. The provisions stated in this paragraph shall not apply to part-time openings that occur in delicatessen's which were previously covered by the area meat agreement.

4) Prime time Part-time to Regular Part-time: Prime time part-time employees may be considered to fill vacancies in regular part-time positions. Selection for such positions shall be at the Employer's discretion. In the event a prime time part-time employee is selected to fill a regular part-time vacancy, the employee will receive credit for total hours worked as prime time part-time employee only for purposes of determining wage progression.

E. Promotion to Department Head:

The promotions or hiring into the department head classification will be within the discretion of the Employer. Demotion of department heads will be for cause.

SECTION 4.3: EMPLOYEE TRANSFER:

- A. The Employer agrees to give an employee two (2) weeks notice of an Employer-initiated transfer, except in the case of an emergency. Temporary transfers may occur without notice in the event of an emergency arising in the business.
- B. The Employer will not transfer an employee as a means of discipline.
- C. The Employer shall consider the circumstances of the affected employee in making the transfer decision.
- D. If a regular part-time or bagger/carry-out/ part-time Maintenance employee is transferred by the Employer, he/she shall retain his/her accumulated experience for the purpose of acquiring and retaining seniority.
- E. Retail Specialist employees may not be transferred.

SECTION 4.4: TERMINATION OF SENIORITY:

An employee's seniority shall be terminated if the employee;

- A. quits;
- B. is discharged for cause;
- C. fails to return from any of the leaves of absence referenced in ARTICLE 8 of this Agreement, within the time limits contained therein;
- D. fails to respond within ten (10) calendar days of the date notice to return is registered with the U.S. Postal Service, or;
- E. is absent from the job for any reason, other than sickness or injury, for a period in excess of one (1) year. (Prime time part-time limit is ninety (90) days).

ARTICLE 5

HOLIDAYS

SECTION 5.1: HOLIDAYS DEFINED:

- A. The following days shall be recognized as holidays: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.
- B. There shall be no retail operation on Thanksgiving Day, Christmas Day, on Christmas Eve after 4:00 P.M. or after 6:00 P.M. on December 31st.
- C. No Employee shall be required or permitted to work on the following named holidays: Thanksgiving Day, Christmas Day, after 4:30 PM Christmas Eve, and after 6:30 PM on December 31st.
- D. When Christmas falls on Sunday the store may be open the following Monday and, if open, shall be treated as a Sunday for purposes of scheduling and payment of wages.
- E. The Employer may operate the stores on New Year's Day (provided that the store may open no earlier than 6:00 a.m.), Memorial Day, Fourth of July, and Labor Day. The conditions for such operations are set forth in SECTION 5.4.
- F. Personal Holidays:
 - 1) Senior Retail Specialist and Retail Specialist employees shall, after completion of the first (1st) year of employment with the Employer covered by this Agreement, be entitled to four (4) personal holidays, in addition to the six (6) nationally recognized holidays listed above.
 - 2) Regular part-time employees shall, after completion of the first (1st) year of employment with the Employer covered by this Agreement, be entitled to a personal holiday, (1) in addition to the six (6) nationally recognized holidays listed above.
 - 3) Personal Holidays are scheduled by mutual agreement.
 - 4) Employees who work on New Year's Day or any of the summer holidays and who are otherwise eligible for holiday pay under this section, will have the option to exchange holiday pay for a floating holiday, to be utilized on the same basis as other floating holidays. Part-time employees will receive holiday pay for: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

SECTION 5.2: COMPUTATION OF HOLIDAY PAY:

- A. Full-time: Senior Retail Specialist employees and Retail Specialist employees shall be paid eight (8) hours times his/her straight time rate of pay for each of the listed holidays and personal holidays.
- B. Part-time: A regular part-time employee (less than thirty-two (32) hours), after ninety (90) days of employment, will receive four (4) hours of pay at his/her regular rate for the listed holidays irrespective of scheduled work days and also for one personal holiday. Prime time part-time employees shall have no entitlement to holiday pay.
- C. Bagger/Carry-out/Part-time Maintenance: A bagger/carry-out/part-time Maintenance employee who has completed one (1) year of continuous service with the Employer shall be entitled to four (4) hours pay at his/her regular rate of pay for the six (6) listed calendar holidays. This pay is due irrespective of scheduled work days.
- D. Eligibility For Holiday Pay: In order to qualify for holiday pay, an employee must have worked in one of the following: the week before the week in which a holiday occurs, the week in which the holiday occurs, or the week after the week in which the holiday occurs. In addition, the employee must work his/her scheduled workday before and his/her scheduled workday after the holiday unless excused by the Employer or unless absent due to proven illness.

SECTION 5.3: HOLIDAY WORK WEEK:

- A. 1) In weeks in which an entire day is celebrated as a holiday, the work week shall be four (4) days of eight (8) hours each, or a total of

thirty-two (32) hours. Those employees who are working under the four (4) day ten (10) hour schedules shall be scheduled to work three (3) day ten (10) hour schedules.

2) During a holiday week, if it is necessary to reschedule an employee on a four (4) day ten (10) hour work week to a five (5) day eight (8) hour schedule, such employee will receive ten (10) hours holiday pay at straight time if otherwise qualified.

B. During the week in which Christmas Eve occurs, the work week shall be twenty-nine (29) hours (twenty-seven (27) for the four (4) day ten (10) hour scheduled employees): provided, however, that in the event that Christmas Eve occurs in one work week and Christmas Day in the next work week, the first work week shall be thirty-seven (37) hours and the second work week thirty-two (32) hours (thirty (30) hours for the four (4) day ten (10) hour scheduled employees).

C. When Christmas Eve falls on Sunday, the preceding work week shall be forty (40) hours and the following work week will be thirty-two (32) hours (thirty (30) hours for the four (4) day ten (10) hour scheduled employees).

SECTION 5.4: NEW YEAR'S DAY AND SUMMER HOLIDAY OPERATION CONDITIONS:

A. Full-Time

1) Work on New Year's Day and the summer holidays shall be strictly voluntary for all Senior Retail Specialist and Retail Specialist employees. Holiday work shall be rotated among the volunteers.

2) A Senior Retail Specialist or Retail Specialist employee who works on these holidays shall receive time and one-half (1-1/2) for work performed on the sixth (6th) day of the holiday work week. A Senior Retail Specialist or Retail Specialist employee who does not work on these holidays shall receive time and one-half (1-1/2) for work performed on the fifth (5th) day of the holiday work week.

3) Senior Retail Specialist employees who work on New Year's Day shall be paid at time and one-half the regular rate of pay for all such hours worked. Compensation for work on the summer holidays shall be straight-time for all hours up to eight (8) in addition to holiday pay provided the employee is eligible for holiday pay based on the eligibility rules of this ARTICLE 5. Hours worked in excess of eight (8) on the summer holidays shall be compensated at time and one-half (1-1/2) the employee's straight-time rate.

B. Regular Part-Time and Bagger/Carry-Out/Maintenance

1) Hired before May 15, 1983

a. Work on the summer holidays shall be voluntary for all regular part-time and bagger/carry-out/part-time Maintenance employees. In the event more employees volunteer than are needed to staff the store, the work will be assigned on a store seniority basis among the volunteers. In the event there are insufficient volunteers to staff the store, the Employer may schedule the required number of employees by reverse order of store seniority by classification.

b. No employee shall be required to work on more than one (1) of the three summer holidays per year. The required maximum of work on one (1) of the summer holidays is considered to be fulfilled by the employee whether the employee volunteers or is scheduled by the Employer under the reverse seniority system outlined above.

2) Hired on or after May 15, 1983

Any regular part-time and bagger/carry-out/ part-time Maintenance employee hired on or after May 15, 1983, may be scheduled to work on the summer holidays.

3) All part-time and Bagger/Maintenance

a. Work performed on the summer holidays and on New Year's Day shall be outside the regular work week for the purposes of "Minimum Scheduled Hours" and "Temporary Full-Time" as set forth in ARTICLE 2 of this agreement.

b. Compensation for work on the summer holidays shall be straight-time for all hours up to eight (8) in addition to holiday pay provided the employee is eligible for holiday pay based on the eligibility rules of this ARTICLE 5. Hours worked in excess of eight (8) shall be compensated at time and one-half (1-1/2) the employee's straight-time rate.

4) Prime time part-time

In the event the holiday falls during the period from ten o'clock p.m. Thursday through six o'clock a.m. Monday, prime time part-time employees may be scheduled to work without regard to the New Year's Day and summer holiday restrictions as limitations set forth in this SECTION 5.4.

ARTICLE 6

DEFINITIONS

SECTION 6.1: SENIOR RETAIL SPECIALIST:

A Senior Retail Specialist employee shall be an employee who normally works thirty-two (32) hours or more per work week, exclusive of hours worked on Sundays or Holidays ("full-time"). At all times, a minimum of twenty percent (20%) of the Employer's total bargaining unit work force (as defined in SECTION 3.1) shall be Senior Retail Specialist employees.

SECTION 6.2: RETAIL SPECIALIST:

A Retail Specialist employee shall be an employee who normally works thirty-two (32) or more hours per work week, Monday through Sunday, inclusive of hours worked on Sundays but exclusive of hours worked on holidays. Retail Specialist employees shall not be entitled to receive any premium pay for hours worked on Sundays or on New Year's Day. These employees shall be scheduled to have two consecutive days off each week, except in those weeks affected by holidays. Retail Specialist employees may be scheduled and assigned on an interchangeable basis in either grocery or delicatessen operations. For purposes of assessing the Employer's compliance with the requirements of SECTION 3.1 (ratio), Retail Specialist employees shall be counted on the same basis as Senior Retail Specialist employees provided, however, that no more than twenty percent (20%) of the Employer's total full-time work force may be comprised of Retail

Specialist employees. Retail Specialist employees shall have seniority among themselves on a store by store basis for purposes of layoff and rehire.

SECTION 6.3: REGULAR PART-TIME:

A regular part-time employee shall be an employee who normally works less than thirty-two (32) hours per work week, exclusive of hours worked on Sundays or Holidays.

SECTION 6.4: BAGGER/CARRY-OUT/PART-TIME MAINTENANCE:

These employees may perform maintenance and cleaning in all areas inside and outside the store; clean and maintain all shelving, equipment and display cases (refrigerated and nonrefrigerated); remove cardboard from the shelf, case or display, and level product; collect and dispose of refuse or trash from all areas inside and outside the store; restock to the shelf or case all product returned, not purchased or otherwise moved by customers; remove product from shelf or case in the event of equipment breakdown or to clean the same and return product to the shelf or case thereafter, provided that this language shall not apply to those full-time employees whose primary duties are the performance of skilled or "hard" maintenance such as electrical repairs, refrigeration work, and provided further that none of these tasks may be performed by such employees in the store's meat production area (defined as any area in the meat department not accessible to the customer).

SECTION 6.5: PRIME TIME PART-TIME:

A prime time part-time employee shall be an employee who may work no more than twenty (20) hours per week and may be assigned working hours only during the period from 10:00 p.m. on Thursday through 6:00 a.m. on Monday. Prime time part-time employees may be scheduled and assigned on an interchangeable basis between grocery and delicatessen operations. Notwithstanding the provisions of SECTION 2.1, the wage rates payable to prime time part-time employees shall be fixed at the level specified in the applicable scale of wages appearing in Appendix "A." For purposes of assessing the Employer's compliance with SECTION 3.1 (ratio), prime time part-time employees do not count as part of the Employer's bargaining unit work force. However, prime time part-time employees may not exceed a maximum of fifteen (15) percent of the Employer's total part-time work force company-wide. In the event of any ambiguities or conflicts between the terms of this section and any other provisions of this agreement, the terms of this section shall control any questions concerning the terms and conditions of employment in the prime time part-time position.

SECTION 6.4: NIGHT STOCKING CREW:

Employees may be assigned to a night stocking crew provided, however, no Senior Retail Specialist employee hired prior to February 23, 1965, may be required to accept such assignment.

SECTION 6.5: CLERK/MEAT STOCKER:

A. Grocery employee's work includes marking, stocking, displaying and weighing when necessary of all preprocessed, fresh, frozen and smoked, meat, poultry and fish, including receiving of meat products, fresh and frozen, the storage of all of the above mentioned products and the cleaning of cases. These employees shall not be allowed to work in the processing areas of the meat department including wrapping or service case.

B. No grocery employee shall perform this work as long as any meat department employee hired before March 3, 2002, is on layoff or partial layoff without offering this work to the employee who is on layoff who could perform this work at their normal rate of pay.

SECTION 6.6: DEPARTMENT HEAD:

Each Employer shall maintain a minimum of three Department Head positions in each of its stores. Each Employer shall have the option to designate a total of up to eight Department Head positions in each store, provided that the Employer must maintain and fill the basic five Department Head positions (i.e., Assistant Manager/Head, Produce Manager, Head Cashier, Dairy/Frozen Manager, Delicatessen Manager) within the store before it may fill any of the optional three Department Head positions provided for herein. No Employer shall be obligated to create any additional Department Head positions, beyond the minimum of three Department Head positions, by reason of these provisions.

Each Employer may designate for itself which positions or jobs it will recognize as one of the optional three Department Head positions for itself, recognizing that the positions so designated may vary from Employer to Employer and from store to store within an Employer's operations.

If the Employer chooses to designate an existing leadership position occupied by a bargaining unit employee as one of its optional Department Head positions, the incumbent employee will remain in that position and be promoted to Department Head status. The provisions set forth in SECTION 4.2B.1(a) and (b) and SECTION 4.2E with respect to the selection, seniority, demotion and retention of Department Heads shall continue to apply to all Department Head positions, including the three optional Department Head positions provided for herein.

Each Employer shall provide the local Union with two weeks' advanced notice of its intention to designate a position as one of the optional Department Head Positions. Notice to members shall be by store posting. This notice is intended to insure that the parties are aware of the Employer's actions and may identify any employee concerns which may arise. The requirement of notice does not reflect any requirement of local Union approval as a precondition to designating a Department Head position.

In those cases in which the Employer designates one or more optional Department Head positions as provided herein, then the maximum number of management trainees (as specified in SECTION 4.2.C of the labor agreement above) shall be reduced from five (5) by one position for each optional Department Head position designated by the Employer.

SECTION 6.7: PHARMACY TECHNICIAN:

The Pharmacy Technician classification shall consist of employees working in the Employer's pharmacy departments who have obtained or are actively in training for national certification as a pharmacy technician. The Employer agrees to reimburse each pharmacy technician for any registration fee required to be paid as a condition of obtaining or maintaining certification as a Pharmacy Technician.

The Employer agrees to provide for national certification of employees within the Pharmacy Technician classification on the following basis:

- a. Upon successful completion of the certification examination, the employee's application/examination fee and the cost of necessary training materials will be reimbursed by the Employer. Only one examination fee will be reimbursed per person.
- b. Employees who have obtained certification will be entitled to receive an hourly "certification premium" of \$.75 per hour for so long as the employee remains certified.
- c. Fees required to obtain recertification will be reimbursed by the Employer if recertification is obtained.
- d. Fees paid by the employee for attending required continuing education courses for renewal of certification will be reimbursed to the employee if recertification is obtained.
- e. The Employer reserves the right to approve in advance and potentially limit the numbers of those employees who obtain certification at its expense, together with accompanying premium pay.

ARTICLE 7

VACATIONS

SECTION 7.1: VACATION ALLOWANCE:

- A. An employee covered by this agreement who has had one (1) year of service with said Employer or in said store shall receive one (1) week vacation with pay as of the employee's anniversary date of employment.
- B. An employee with two (2) years of continuous service with said Employer shall receive two (2) weeks vacation with pay each year as of the employee's anniversary date of employment.
- C. An employee with eight (8) years of continuous service with said Employer shall receive three (3) weeks vacation with pay each year as of the employee's anniversary date of employment.
- D. An employee with sixteen (16) years of continuous service with said Employer shall receive four (4) weeks vacation with pay each year as of the employee's anniversary date of employment.
- E. An employee with twenty (20) years of continuous service with said Employer shall receive five (5) weeks vacation with pay each year as of the employee's anniversary date of employment.

SECTION 7.2: COMPUTATION OF VACATION PAY:

A. Senior Retail Specialist and Retail Specialist:

- 1) Vacations for these employees will be computed on the basis of average hours worked per week with straight-time pay up to forty (40) hours and time and one-half (1-1/2) pay on those hours over forty (40).
- 2) An employee in these classifications who has worked 1600 hours or more in his/her anniversary year of employment shall be entitled to a full vacation period with pay based on forty (40) hours. If the employee works less than 1600 hours in his/her anniversary year, he/she shall receive one-tenth (1/10th) of a full vacation for each 160 hours worked.

B. Regular Part-time:

- 1) A regular part-time or bagger/ carry-out/part-time Maintenance employee who works 1040 hours (including paid hours) during a twelve (12) month period from his/her anniversary date shall be entitled to a prorated vacation based upon his/her straight-time rate of pay at the time of taking vacation.
- 2) Paid vacations for: (a) any regular part-time employee, or (b) any bagger/carry out/part-time maintenance employee who has completed one (1) year of continuous service with the Employer who works less than 1040 hours (including paid hours) per anniversary year shall be granted based on average hours worked during the employee's anniversary year, but limited to not more than three (3) weeks.

C. Prime time part-time:

Prime time part-time employees are not eligible for vacation.

SECTION 7.3: TERMINATION OF EMPLOYMENT:

Unless discharged for just cause, a full-time employee who is permanently terminated shall receive vacation pay on a prorated basis as specified in 7.2 A, provided he/she has been employed for more than one (1) year of continuous employment.

SECTION 7.4 VACATION SCHEDULING:

- A. Vacations shall consist of consecutive working days. Vacation schedules in each store shall be posted by January 15th, and vacations selected on the basis of seniority by March 1st, of each year. The approved vacation schedule shall be posted in each store by April 1st, of each year.
- B. An employee who fails to select vacation by March 1st, will be placed at the bottom of the seniority list for the purpose of vacation selection.
- C. Employees who are eligible to take three (3) or more weeks of paid vacation per year shall be allowed to take up to a maximum of ten (10) days of such vacation in one (1) day increments. Employees who are eligible to take two (2), but less than three (3), weeks of paid vacation per year shall be allowed to take up to a maximum of five (5) days of such vacation in one (1) day increments. Requests to use these days must be made during the week prior to the posting of the two-week schedule for the period when the vacation is used. Requests made after the vacation posting period must be submitted in writing. These requests will be granted as mutually agreed to by the employee

and the Employer, provided that the Employer's consent shall not be withheld simply because the day requested is a weekend day or would result in an extended weekend.

D. If a holiday occurs during an eligible employee's vacation, the employee shall be paid an additional day's pay or given an additional day off with pay in addition to the vacation pay.

SECTION 7.5: VACATION PAY:

All employees shall receive their vacation pay at the time they take their vacation.

ARTICLE 8

LEAVE OF ABSENCE

SECTION 8.1: PERSONAL LEAVE OF ABSENCE:

An application for leave of absence must be in writing and directed to the attention of the personnel department. An application for leave of absence shall be answered in writing to the employee. No leave of absence under this SECTION 8.1 shall exceed ninety (90) calendar days in any one year of employment. The employee will be reinstated without loss of seniority.

SECTION 8.2: ACCIDENT. INJURY. PREGNANCY OR SICKNESS:

A. 1) In case of accident, injury, pregnancy or sickness which renders the employee unable to work, an automatic leave of absence shall be granted for the period of time that they are judged unable to work up to a period of one year.

2) Extensions of this time limit shall be granted upon certification that the employee is still unable to return to work, up to a period of three (3) years. The employee must be able to pass a physical examination upon return to work, if requested.

3) The employee shall advise the store manager of his intent to return to work two (2) weeks in advance. The employee may return earlier if a mutual agreement is reached and hours are available.

B. In case of injury on the job, the employee shall be paid for the full scheduled day, providing the doctor verifies that the employee was unable to return to work.

SECTION 8.3: FUNERAL LEAVE:

A. After completing the probationary period all employees, except prime time part-time employees, shall be entitled to a maximum of three (3) days paid leave when it is necessary to be absent on scheduled work days to arrange for, travel to, or attend the funeral of an immediate family member. Immediate family member is defined as the employees' spouse, parents, step-parents, children, brothers, sisters, mother-in-law, or father-in-law.

B. In the event of the death of a spouse, the employee shall be entitled to a maximum of four (4) days funeral leave. Employees are responsible for limiting their time away from work to those days that are reasonably required for the particular circumstance. Funeral leave may be taken from the day of death through the day after the funeral. The employee must attend the funeral to be eligible for the leave.

SECTION 8.4: JURY DUTY:

An employee shall immediately notify his/her Employer upon receiving a call for jury duty. When a full-time employee is required to serve on a petit jury, the Employer agrees to pay the difference between jury pay and the employee's earnings for a forty (40) hour week at his/her straight-time rate of pay. Such an employee must report for work whenever his/her presence is not required on jury duty. Hours spent on jury duty will be counted as time worked for the purposes of this agreement.

SECTION 8.5: MILITARY SERVICE:

An employee entering into the military service of the United States shall be entitled to reinstatement as an employee if required by law.

SECTION 8.6: FAMILY AND MEDICAL LEAVE ACT:

Employees shall not be required to use their paid vacation or personal paid holiday time during any leave period which is covered by the Family and Medical Leave Act.

SECTION 8.7: S.P.U.R.:

The Employer agrees that it will provide a leave of absence for a period of time, not to exceed one (1) year, for an employee requested by the Union to assist the UFCW International or the Local for temporary work as a Union Representative. It is understood that the Union would make any contributions necessary to continue the employee's participation in Health or Pension programs as provided by the Agreement during this leave of absence. The Employer would provide this leave without loss of seniority; however, a Department Head may not return to a Department Head position.

ARTICLE 9

DISCHARGE

A. No employee shall be discharged except for just cause.

B. The properly accredited officers or representatives of both parties of this agreement shall be authorized to settle any dispute arising out of a discharge. Complaints regarding unjust discharge must be filed in writing with the Union within seven (7) calendar days of such discharge or layoff or the member nullifies any further claims regarding same.

ARTICLE 10

PICKETING

It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line of a legally striking Union.

ARTICLE 11

STRIKE-LOCKOUT

The Union agrees that during the term of this Agreement, there shall be no strike by the Union or its members. The Employer agrees that there shall be no lockout during the term of this Agreement.

ARTICLE 12

UNION-EMPLOYER COOPERATION

SECTION 12.1: UNION STORE CARD:

The Union agrees to issue a Union store card and/or window decals to the Employer under the rules governing Union store cards set forth in the Constitution of the United Food and Commercial Workers International Union. Such Union store card and decals are, and shall remain, the property of said International Union and the Employer agrees to surrender said Union card and/or decals to the authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this agreement or the conditions under which said Union store card and/or decals are issued.

The Employer shall display such Union store cards and decals in conspicuous areas accessible to the public in each establishment covered by this agreement.

SECTION 12.2: STORE VISITATION:

The duly authorized representative of the Union shall be permitted access to the store at reasonable times provided the conduct of the representative does not interfere with the operation of the Employer's business.

SECTION 12.3: LABOR MANAGEMENT COMMITTEE:

A committee composed of representatives of the Union and the Employer shall be established for purposes of discussion and resolution of any problems occurring under the terms and conditions of this agreement. This language does not preclude the use of the normal grievance procedure contained in ARTICLE 14.

SECTION 12.4: FURNISH HELP:

Local 789 will at all times endeavor to furnish reliable, competent help and further agrees to promote the best interests of the Employer at all times.

SECTION 12.5: UNION MEMBERSHIP AND EMPLOYERS:

No individual Employer shall be required to belong to the Union. However, no more than two (2) partners or proprietors or bona fide officers of a corporation shall be permitted to work in a grocery department. All others are to be members of the Union.

SECTION 12.6: SHOP STEWARDS:

The Union shall have the right to appoint a steward. In no instance shall the steward be discriminated against for discharging Union duties, provided such duties do not interfere with the regular performance of work for the Employer or in any way interfere with the operation of the business.

SECTION 12.7: BULLETIN BOARD:

A space will be provided on a designated bulletin board in each store where official Union notices originating from the Union offices may be posted.

SECTION 12.8: STORE SECURITY:

The Employer will establish and publish a written policy setting out its guidelines for employee safety and store security. These guidelines shall make clear that no employee is required to take any action in response to theft or security incidents which may endanger the safety of the employee.

ARTICLE 13

VIOLATIONS OF AGREEMENT

The settlement of any one violation of this Agreement shall not constitute a waiver of the particular provisions violated or of any other provisions of this Agreement, and shall not constitute a waiver of any subsequent violation of any provision of this Agreement.

ARTICLE 14

GRIEVANCE AND ARBITRATION

SECTION 14.1: GRIEVANCE:

A. When a grievance arises in a store, the employee (with or without the Union representative) may attempt first to settle the matter with his/her immediate supervisor. In the event that this is unsuccessful, the representative of the Union shall be called so that the matter may be settled without loss of time to either party.

B. If the grievance cannot be resolved on a local level, a representative of the Employer and a representative of the Union shall, within seven (7) calendar days, attempt to reach a settlement of the controversy, dispute or disagreement.

C. In the case of wage discrepancies, the Employer agrees to submit to the Union upon request from the Union any and all wage data concerning same.

D. Any claimed grievance of any kind to be acted upon or accepted as valid for any reason, must be filed in writing with the Employer and the Union within thirty (30) calendar days of each alleged act of violation, except that back pay on grievances involving the failure of the Employer to grant wage increases in accordance with the Agreement, and those involving the failure to pay a bagger/ carry-out/part-time maintenance employee the proper rate of pay when he/she does stock work, shall be collectable over a period of time covering two (2) years or back to the effective date of the Agreement, whichever is more.

E. Any controversy over the interpretation of or the adherence to the terms and provisions of this agreement, including all claims for wages which cannot be settled by negotiations, shall be submitted to arbitration by either party notifying the other involved in writing of its

desire to do so.

Notification of desire to submit the grievance to arbitration must be made within thirty (30) calendar days following exhaustion of A, B, C, and D above.

SECTION 14.2 MEDIATION:

Any discharge or dispute that cannot be resolved under the provisions of SECTION 15.1 may be referred by mutual agreement to the Bureau of Mediation Services of Minnesota in an attempt to reach an agreement on a resolution. The party wishing to submit the dispute or discharge to nonbinding mediation shall do so in writing within fifteen (15) calendar days following the exhaustion of the remedies in SECTION 15. 1. The parties, by mutual agreement, may elect to bypass Mediation and refer the matter directly to Arbitration.

SECTION 14.3: ARBITRATION:

A. Board of Arbitration: The Board of Arbitration shall be composed of one (1) representative of the Union, one (1) representative of the Employer, and a third (3rd) neutral party selected by agreement of the first two (2). The parties must select their representatives within five (5) calendar days of receiving written notice of desire to arbitrate. If these two (2) cannot agree upon the selection of the third (3rd) neutral party within seven (7) calendar days from the date of their selection, either party may call on the Federal Mediation and Conciliation Service to submit a list of seven (7) arbitrators. The Union and the Employer representative shall alternately strike one (1) name from the list of seven (7) until only one (1) name remains, who then, shall be appointed the neutral member of the board. The party making the request for arbitration shall strike the first (1st) name. The Board of Arbitration shall meet promptly and shall hear all the evidence in the case or cases referred to it and render its majority decision thereon within seven (7) calendar days of the date of the final submission of the case to it. Each party shall bear the expense of presenting and preparing its own case and the expense, including any if such there be, in connection with the neutral member, to be borne equally by the parties. There shall be no recourse to any other method of settlement unless a party fails to accept and comply with the award, in which case, the award may be enforced by further action of the party in whose favor such award has been given. The majority decision of this Board of Arbitration shall be final and binding upon all parties involved.

B. Status Quo: During the period of adjustment or arbitration, as provided in this article, the conditions in effect at the time of the notification of the claimed grievance shall continue in effect pending final decision.

SECTION 14.4: LIMITATIONS ON ARBITRATOR:

The arbitrator shall not have the authority to decide questions involving the jurisdiction of any Local, or of the International, or which may in any way affect or change the Union security clause, nor shall the arbitrator have the authority to effect a change in, modify or amend any of the provisions of this agreement.

SECTION 14.5: TIME LIMITS:

The time limits set forth above may be extended by mutual agreement.

ARTICLE 15

SHELF STOCKING

See attached Letter of Understanding dated March 17, 2002.

SECTION 15.1:

A. The following items may be stocked by suppliers:

Beer, Pop, Water,
Bakery Goods, Cookies,
Books, Cards, Magazines,
Crackers, Chips,
Cosmetics, Household Wares, Baby Foods, Spices,
Pet Supplies, Photo Supplies, Pizza stocked by driver salesman

B. The stocking of these items will be held to the minimum consistent with good operation. The above limitations shall not apply to the setting up of an initial display. In the instance of displays which exceed ten (10) cases of merchandise, one employee within the bargaining unit will assist the display man.

SECTION 15.2:

A. Any violations of the shelf stocking provisions stated above in 15.1 shall be subject to the grievance and arbitration procedure as set forth in ARTICLE 14 of this agreement, at the option of either party. The full costs of the neutral party will be borne by the losing party.

B. The parties have the right to an alternative method of settlement based on payment of a charitable contribution by the Employer in the amount of two hundred dollars (\$200.00) for each violation.

C. The above contribution will be paid to a charity designated by the Union.

ARTICLE 16

AUTOMATION

SECTION 16.1:

A. The parties recognize that automated equipment and technology is now available for the Retail Food Industry. The Employer recognizes that there is a desire to protect and preserve work opportunities. At the same

time the Union recognizes that the Employer has a right to avail itself of modern technology. With this common objective the parties agrees as follows: In the event the Employer introduces major technological changes which for the purpose of this article is defined as price marking and electronic scanners which would have a direct material impact affecting bargaining unit work, sixty (60) days advance notice of such a change will be given to the Union. Less than sixty (60) days advance notice will be appropriate if the Employer is unable, due to sales or marketing difficulties, to provide such notice, but, in such case, the Employer will give as much advance notice as possible.

B. In addition the Employer agrees:

- 1) Any retraining necessary will be furnished by the Employer at no expense to the employees.
- 2) Where retraining is not applicable, the Employer will make every effort to effect a transfer to another store.
- 3) In the event an employee is not retrained or transferred and permanently displaced as a direct result of major technological changes, as defined above, the employee will be eligible for severance pay in accordance with APPENDIX "C" attached hereto and made a part of this agreement.

C. An employee shall be disqualified for severance pay in the event the employee:

- 1) Refuses retraining.
- 2) Refuses a transfer within the bargaining unit.
- 3) Voluntarily terminates employment.

ARTICLE 17

LEGAL ISSUES

A. Discrimination: No employee shall be discriminated against because of race, creed, sex, age, color, national origin, disability, marital status, status with regard to public assistance or affectional preference.

B. Conflicting Agreements: No employee shall be asked or permitted to make any written or verbal agreement that will conflict with this Agreement. No employee shall have his/her wage reduced who maybe paid over the minimum wage called for in this agreement, nor shall any employee be reclassified to defeat the purpose of this Agreement.

C. Separability:

- 1) Nothing contained in this agreement is intended to violate any Federal law, rule or regulations made pursuant thereto. If any part of this agreement is construed to be in such violation, then that part shall be made null and void and the parties agree that they will within thirty (30) days begin negotiations to replace said void part with a valid provision. It is agreed however, that either party to this agreement shall have the right to appeal any decision that a provision of this contract violates a Federal law, rule or regulation.
- 2) It is also understood that if a provision is deemed in violation by the final appellate court, the parties will negotiate with the intention of replacing the void part with a valid provision, but, however, should negotiations fail, the matter will be subject to arbitration according to SECTION 14.2 of this contract.

ARTICLE 18

HEALTH CARE PLAN

SECTION 18.1:

A. The Employer agrees to make contributions to the United Food and Commercial Workers Union, Local 789 and St. Paul Food Employers Health Care Plan on behalf of any Senior Retail Specialist employee or Retail Specialist employee who has worked thirty-two (32) or more hours per week or averaged thirty-two (32) or more hours per week for the reporting period ("Full-time Contributions"). These hours are exclusive of hours worked on Sunday and Holidays, except that in the case of Retail Specialist employees, hours worked on Sunday shall be counted.

B. The Employer further agrees to make contributions to the Fund on behalf of any regular part-time employee (excluding bagger-carry-out/ part-time maintenance employees and prime time part-time employees) working less than thirty-two (32) hours per week ("Part-time Contributions"). It is further agreed that if the

aforementioned part-time employee works thirty-two (32) or more hours in any one week and averages thirty-two (32) hours or more per week for the reporting period he/she will have a full-time contribution made for any week he/she worked thirty-two (32) hours or more during that reporting period. The hours used to determine payments will be exclusive of hours worked on Sunday and Holidays.

C. No contribution should be made for bagger/carry-out/ part-time maintenance unless such employee performs work which requires the part-time rate of pay as provided under SECTION 6.3 of ARTICLE 6 and who works on at least one day each week during the previous month which requires the part-time rate of pay, and in that case, the contribution to the Fund on behalf of such employee shall be required for each week the employee performed work which required the part-time rate of pay. No contribution shall be made for prime time part-time employees.

D. Such Trust Fund is jointly administered, is a part of this agreement, and is in lieu of all Employer established programs including life insurance, sickness and accident insurance, hospitalization insurance, or any other said forms of insurance now in practice.

SECTION 18.2:

The schedule of contributions are as follows:

Effective March 3, 2002:

Full-time Contributions: \$66.88 per week

Part-time Contributions: \$21.73 per week

Effective September 1, 2002:

Full-time Contributions: \$70.88 per week.

Part-time Contributions: \$25.73 per week.

Effective September 7, 2003:

Full-time Contributions: \$74.88 per week.

Part-time Contributions: \$27.73 per week.

Further, effective March 3, 2002, in the event the Trust Fund's net reserves should reach the level of seven (7) months, the Employer shall be obliged to make additional contributions to the Fund, as determined by the Fund Trustees, up to a maximum of \$5.00 per week for Full-time Contributions and a maximum of \$2.50 per week for Part-time Contributions (excluding bagger/carry-out/part-time maintenance and prime time part-time employees). Any additional contributions which may be determined by the Fund Trustees to be required by this section shall be paid on the same basis as set forth in SECTION 18.1 above.

In addition to the contributions provided for above, the Employer shall, effective March 7, 2004, make "Benefit Fund" contributions as follows:

Full-time Contributions: \$8.00 per week.

Part-time Contributions: \$3.00 per week.

The "Benefit Fund" contributions specified above shall be designated for distribution among the Health and Welfare Fund, the Defined Benefit Retirement Plan provided for in SECTION 19.1 below, and the Defined Contribution Retirement Plan provided for in SECTION 19.2 below, as determined by decision of the Board of Trustees. In the event that the "Benefit Fund" contributions are designated for distribution to the Defined Benefit Retirement Plan and/or the Defined Contribution Retirement Plan, it is understood that the contribution amounts specified in this paragraph equate to twenty cents (\$.20) per hour for full-time employees and fifteen (\$.15) per hour for part-time employees.

Notwithstanding the foregoing, it is agreed that, in the event that an actuarial analysis of the Health and Welfare Fund to be completed prior to the third year of the contract term (i.e., prior to March 7, 2004) should project that Health and Welfare Fund reserves will fall below the seven (7) month level at any time during the remainder of the contract term, then the amounts specified above as "Benefit Fund" contributions during the third year shall be designated for contribution exclusively to the Health and Welfare Fund to the full extent

required to attempt to maintain a seven (7) month level of reserves in that Fund.

SECTION 18.3:

The Employer agrees to make Full-time Health and Welfare contributions for Senior Retail Specialist and Retail Specialist employees only who work thirty (30) or more hours during the week if the employee is on a four (4) day ten (10) hour regular schedule.

SECTION 18.4:

The program of benefits of this full-time plan and of this part-time plan are as agreed to between the Employer and the Union Trustees and will be maintained for the life of this labor agreement at no contribution cost to employees. Benefits may be modified by mutual agreement of the board of trustees.

SECTION 18.5:

The Employer is bound by the existing Trust Agreement covering the aforesaid Trust Fund and any amendments thereto. It is agreed that the Trust Agreement shall be amended to provide: (1) subsidized retiree health insurance benefits consistent with the terms of the Letter of Understanding Regarding Retiree Health Insurance dated March 17, 2002; (2) conversion of participants' existing "grace weeks" to a "benefit bank" measured in dollars; (3) that part-time employees hired on or after March 18, 2002 shall become eligible for coverage only as of a date 180 days following the date of hire; (4) electronic transmission of Employer Contribution payments; and (5) a "best efforts" attempt by the Trustees to develop a mechanism for participating employees to self-fund accounts to be used for paying the costs of retiree coverage.

ARTICLE 19

RETIREMENT PLANS

SECTION 19. 1: DEFINED BENEFIT PLAN:

A. Effective March 3, 2002, the Employer agrees to pay One Dollar and twenty-five cents (\$1.25) per hour for all Senior Retail Specialist and Retail Specialist employees' hours worked, up to and including forty (40) hours per week, and fifty-five cents (\$0.55) per hour for all hours worked up to and including forty (40) hours per week by regular part-time members of the bargaining unit (except bagger/carry-out/part-time Maintenance employees) including hours of holiday and vacation pay into the Milwaukee Area Retail Food Clerks Pension Fund which is jointly administered by the Union and the Employer as provided in a trust agreement establishing such pension fund.

B. No contributions to any retirement plan shall be made by the Employer for any employees off the job for any reason other than the above mentioned holidays and vacation periods. Effective March 1, 1998, no contribution shall commence for any part-time employee until the employee has been employed for fifty-two (52) full calendar weeks in a position in which a defined benefit plan contribution is required.

C. Purpose of Fund: Said pension fund shall be used to provide pension benefits for eligible employees of the Employer as provided in a pension plan, the terms and provisions of which are to be agreed upon by the trustees of the fund, said pension plan shall, among other things, provide that all benefits under the plan and costs, charges and expenses of administering the plan and all taxes levied or assessed upon or in respect of said plan or trust or any income therefrom shall be paid out of the pension fund.

D. Trust Agreement: The Employer hereby agrees to execute and be bound by the existing trust agreement or joinder agreement covering the aforesaid fund and any amendments thereto, without delay.

E. Other Plans: It is agreed by and between the parties hereto, that when the Employer begins contributions to the pension fund, those employees covered by this agreement shall automatically cease to participate in the Employer's retirement plan then in effect.

SECTION 19.2: DEFINED CONTRIBUTION PLAN:

A. 1) Effective February 28, 1999, the Employer agrees to contribute on all bargaining unit employees (except part-time Bagger-Carry-Out/Maintenance and prime time part-time employees) for all hours worked, together with hours of holiday and vacation pay, up to forty (40) hours per week into the Local 789 Defined Contribution

Fund. The Fund is jointly administered by the Union and the Employers as provided for in a Trust Agreement which establishes such Fund. The Employer is bound by the Trust Agreement as it is developed by the parties and any amendments thereto.

2) No contribution shall be due to such Fund for any regular part-time employee until the employee has been employed for fifty-two (52) full calendar weeks in a position for which a contribution to such Fund is required.

B. The schedule of contributions are as follows:

1) Full-Time

03/03/02 \$.05 / hour

2) Regular Part-Time

03/03/02 \$.25 / hour*

*Some or all of this contribution amount may be distributed to other trusts as determined by trustees.

C. Effective February 28, 1999 all bargaining unit employees who are eligible under the Trust Agreement will be allowed to make pre-tax contributions into a 401K plan which shall be jointly administered by the Union and the Employers as provided for in a Trust Agreement which establishes such Plan. The Employer is bound to the Trust Agreement as it is developed by the parties and any amendments hereto. It is understood that the Employer shall have no obligation to make any contribution to such 401K plan, to match any employee contributions to such plan, or otherwise to fund that plan.

D. Notwithstanding the terms of this SECTION 19.2, the Employer's obligation to make contributions to any retirement plans or funds other than the Milwaukee Pension Plan in effect at the time of ratification of this agreement shall be contingent upon and subject to a determination that such contributions may be made by the Employer without violation of any laws or regulations applicable to it or of any trust agreements or participation agreements to which it is a party or by which it is otherwise bound.

ARTICLE 20

VACATION RELIEF AND SUMMER WAIVER PERIOD:

Employees hired or scheduled for vacation relief purposes and working thirty-two (32) hours or more per week between Memorial Day week through the second Saturday in September shall not have payments made on their behalf as required for those employees averaging thirty-two (32) hours or more per week. If such an employee is retained on such a schedule after that period of time a contribution to the Pension fund will be made in September based on hours worked in August. Contributions to the Health and Welfare fund will begin with the start of the next week after the second Saturday in September.

ARTICLE 21

RETROACTIVITY

The provisions of this agreement shall be effective the Monday following the ratification of this agreement except as otherwise provided, and all wage increases for the first year will be retroactive to March 3, 2002 on all hours including overtime hours. Employees who have terminated will have until sixty (60) days following the signing of this agreement to apply in writing to the Employer for retroactive compensation.

ARTICLE 22

SUCCESSOR

In the event of sale of any store or stores covered by this agreement, the new owner shall recognize the Union and the agreement with all its provisions, and grant to all employees all rights and benefits provided for thereunder, including all seniority and service time accumulated, except that the new owner shall have a thirty (30) day probation period applied to all employees and may request, in addition thereto, another thirty (30) days in respect to any individual employee whom the Employer has reason to doubt his/her performance.

ARTICLE 23

TERM OF AGREEMENT

This agreement and any Addendums shall take effect March 3, 2002, and shall continue in full force and effect

through March 5, 2005, and shall continue from year to year thereafter unless either party serves notice in writing upon the other party sixty (60) days prior to the expiration date of its desire to terminate, modify or amend provisions of this agreement. Appendices "A", "B", "C" and "D" are attached hereto and made a part hereof

DATED THIS DAY OF , 2002.

FOR THE EMPLOYER: FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 789

APPENDIX "A" WAGE RATES

CLASSIFICATION Effective Effective Effective
3/3/2002 3/2/2003 3/7/2004

DEPARTMENT HEAD

ASST. MGR. / HEAD \$ 20.87 \$ 21.42 \$ 21.87

STOCK

ALL OTHER MANAGERS \$ 20.47 \$ 21.02 \$ 21.47

HEAD PRODUCE \$ 20.47 \$ 21.02 \$ 21.47

SENIOR RETAIL SPECIALIST EMPLOYEES -
INCLUDES DELI HIRED AFTER
MARCH 1, 1998

0 - 6 MONTHS \$ 14.50 \$ 14.85 \$ 15.10

6 - 12 MONTHS \$ 15.00 \$ 15.35 \$ 15.60

1 - 2 YEARS \$ 15.50 \$ 15.85 \$ 16.10

2 - 3 YEARS \$ 16.50 \$ 16.85 \$ 17.10

3 - 4 YEARS \$ 17.00 \$ 17.35 \$ 17.60

4 - 5 YEARS \$ 17.50 \$ 17.85 \$ 18.10

5 YEARS + \$ 19.63 \$ 20.08 \$ 20.43

SENIOR RETAIL SPECIALIST DELICATESSEN
HIRED BEFORE MARCH 1, 1998

0 - 6 MONTHS \$ 13.91 \$ 14.27 \$ 14.54

6 - 12 MONTHS \$ 14.43 \$ 14.79 \$ 15.06

1-2 YEARS \$ 15.61 \$ 15.97 \$ 16.23

2-3 YEARS \$ 15.99 \$ 16.51 \$ 16.77

3-4 YEARS \$ 16.53 \$ 17.05 \$ 17.31

4 YEARS AND OVER \$ 17.77 \$ 18.57 \$ 19.18

TO EQUALIZE TOP RATED

DELI WITH GROCERY - THE

FOLLOWING ADDITIONAL

INCREASES WILL OCCUR: 2/28/1999 3/5/2000 9/5/2000

\$.25 \$.25 \$.20

RETAIL SPECIALIST

CLASSIFICATION Effective Effective Effective

3/3/2002 3/2/2003 3/7/2004

RETAIL SPECIALIST

0 - 1040 HOURS \$ 12.25 \$ 12.55 \$ 12.75

1041 - 2080 HOURS \$ 12.75 \$ 13.05 \$ 13.25

2081 - 3120 HOURS \$ 13.30 \$ 13.60 \$ 13.80

3121 - 4160 HOURS \$ 13.55 \$ 13.85 \$ 14.05

4160 - 5200 HOURS \$ 14.05 \$ 14.45 \$ 14.75

5201 + Inc. .30 Inc. .40 Inc. .30

FULL-TIME MAINTENANCE

CLASSIFICATION Effective Effective Effective

3/3/2002 3/2/2003 3/7/2004

FULL-TIME

MAINTENANCE

0 - 6 MONTHS \$ 9.49 \$ 9.79 \$ 9.99

7 - 12 MONTHS \$ 9.99 \$ 10.29 \$ 10.49

1 - 2 YEARS \$ 10.54 \$ 10.84 \$ 11.04

2 - 3 YEARS \$ 11.88 \$ 12.18 \$ 12.38

3 - 4 YEARS \$ 12.73 \$ 13.03 \$ 13.23

4 - 5 YEARS \$ 13.58 \$ 13.88 \$ 14.08

5 + YEARS \$ 15.28 \$ 15.63 \$ 15.88

The Employer agrees that promotion opportunities for regular full-time positions shall not hereafter be limited to vacancies in full-time maintenance jobs Full-time maintenance positions shall count as regular full-time positions for purposes of ratio compliance.

COURTESY AND CUSTODIAL

CLASSIFICATION Effective Effective Effective

3/3/2002 3/2/2003 3/7/2004

BAGGER/CARRYOUTS/

PART TIME

MAINTENANCE

HIRE \$ 6.05 \$ 6.15 \$ 6.25

6 MONTHS \$ 6.25 \$ 6.35 \$ 6.45

12 MONTHS \$ 6.45 \$ 6.55 \$ 6.65

ABOVE SCALE \$ +.30 \$ +.20 \$ +.20

INCREASES

At no time during the life of this Agreement will any of the bagger/carry-out rates be less than twenty-five (\$0.25) cents an hour above the Federal minimum wage.

REGULAR PART-TIME GROCERY / DELICATESSEN

CLASSIFICATION Effective Effective Effective
3/3/2002 3/2/2003 3/7/2004

REGULAR PART TIME

EMPLOYEES

0 - 200 HOURS \$ 7.00 \$ 7.15 \$ 7.35
201 - 520 HOURS \$ 7.10 \$ 7.25 \$ 7.45
521 - 1040 HOURS \$ 7.30 \$ 7.45 \$ 7.65
1041 - 1560 HOURS \$ 7.55 \$ 7.70 \$ 7.90
1561 - 2080 HOURS \$ 7.75 \$ 7.90 \$ 8.10
2081 - 2600 HOURS \$ 8.05 \$ 8.20 \$ 8.40
2601 - 3120 HOURS \$ 8.45 \$ 8.60 \$ 8.80
3121 - 3640 HOURS \$ 9.00 \$ 9.15 \$ 9.35
3641 - 4160 HOURS \$ 9.60 \$ 9.75 \$ 9.95
4161 - 4680 HOURS \$ 10.75 \$ 10.90 \$ 11.10
4681 - 5200 HOURS \$ 11.15 \$ 11.30 \$ 11.50
5201 + \$ 11.95 \$ 12.40 \$ 12.70
OVERSCALE \$.45 \$.45 \$.30

INCREASES

CLASSIFICATION Effective Effective Effective
3/3/2002 3/2/2003 3/7/2004

PRIME TIME PART

TIME EMPLOYEES

0 - 500 HOURS \$ 10.00 \$ 10.00 \$ 10.00

521 - 1040 HOURS \$ 10.50 \$ 10.50 \$ 10.50

1041 - 1560 HOURS \$ 11.00 \$ 11.00 \$ 11.00

1561 - 2080 HOURS \$ 11.50 \$ 11.50 \$ 11.50

2081 - 2600 HOURS \$ 12.00 \$ 12.00 \$ 12.00

2601 - 3120 HOURS \$ 12.50 \$ 12.50 \$ 12.50

3121 - 3640 HOURS \$ 13.00 \$ 13.00 \$ 13.00

3641 - 4160 HOURS \$ 13.50 \$ 13.50 \$ 13.50

4161 + \$ 14.00 \$ 14.00 \$ 14.00

APPENDIX "A" ADDENDUM

A. Regular Part-time employees who had 3120 hours or more on February 24, 1974 shall receive the following conditions:

- 1) A minimum schedule of twenty-four (24) hours per week.
- 2) Five (5) hours of holiday pay if they elect a twenty (20) or more hour per week

schedule.

3) Opportunity to declare a desire for twenty-four (24) or more hours per week each six (6) months.

B. It is agreed that there will be a head produce clerk and either an assistant manager or head stock clerk in each store.

C. An employee assigned to be in charge of the dairy and frozen food department shall be designated as head dairy and frozen food clerk. Where an Employer has an employee in charge of the dairy case and another in charge of frozen food, one or the other must be designated as filling the head classification and paid the head rate of pay.

D. An Employee regularly assigned to record keeping and bookkeeping functions in addition to the normal duties of a cashier will be designated as the head cashier. There shall be no more than one (1) head cashier per store and only in instances where the described additional duties have been assigned to an employee.

APPENDIX "B"

SUNDAY OPERATION

Retail operation on Sundays, except Easter Sunday, shall be permitted and the following provisions shall apply:

1) Employees hired on or before March 15, 1971

a) Work on Sundays shall be voluntary on the part of the employee and no employee in this category shall suffer any duress or discrimination for the purpose of influencing such employee to volunteer for Sunday work.

b) For those who do volunteer, Sunday work shall be rotated among qualified employees so as to distribute the Sunday work equally between volunteers.

2) Employees hired after March 15, 1971

a) Work on Sundays may be required.

b) For those who do volunteer, Sunday work shall be rotated among qualified employees so as to distribute the Sunday work equally between volunteers.

3) No less than one (1) Senior Retail Specialist employee shall be given the opportunity to work each Sunday the store is open for operation and they shall be guaranteed eight (8) hours of work or pay in lieu thereof. In the event Senior Retail Specialist employees do not wish to work, thereby leaving the full-time shifts unfilled the Employer will not be obligated to fill the vacant shift with a part-time employee.

Effective September 1, 1991 an Employer may not be required to guarantee eight (8) hours of work or pay in lieu thereof in a store where four (4) or less Senior Retail Specialist employees are employed in the grocery, produce and frozen food department.

4) Rates of pay shall be as follows: Time and one-half (1 - 1/2) the straight time rate of pay for Senior Retail Specialist employees. Straight-time rate of pay plus fifty cents (\$0.50) per hour premium for regular part-time and bagger/carry-out.

5) Time worked on Sunday during retail store operations shall be outside of the basic work week. The basic work week is considered Monday through Saturday for the purpose of this APPENDIX "B."

6) The provisions of this Appendix shall not apply to persons employed in the Retail Specialist and prime time part-time job classifications. However, no Senior Retail Specialist employee who has regularly worked on Sundays in the past and who requests to continue to work Sundays on a regular basis shall be displaced from working his/her historical Sunday schedule by the assignment of a Retail Specialist or prime time part-time employee to work those hours. For purposes of implementing this arrangement, the Employer shall determine

the amount and frequency of Sunday hours worked by any Senior Retail Specialist employees who make such requests by reviewing the employee's history of work on Sundays during the six month period ending March 1, 1998. Based upon the pattern of Sunday hours actually worked during that period by such employee, the Employer will refrain from displacing that employee from its Sunday work schedules by assigning any Retail Specialist or prime time part-time employee in his/her place. This practice shall continue until such time as the Senior Retail Specialist employee shall establish a pattern of declining or otherwise failing to work Sunday hours scheduled for him/her. In that event, the right of such Senior Retail Specialist employee to prevent the assignment of Sunday hours to any other employee shall terminate.

APPENDIX "C" STORE CLOSING

The Employer and the Union agree as follows:

- 1) In the event the Employer permanently discontinues operations at a store whose employees are covered by a collective bargaining Agreement with the Union, severance pay shall be paid to eligible employees in the manner and to the extent set forth in this agreement.
- 2) A regular employee other than a prime time part-time employee having four (4) or more years of continuous employment whose employment is terminated on or before the date of the Employer's permanent discontinuance of operations at a store and by reason of such discontinuance of operations shall be eligible for severance pay except in the following situations:
 - a. The employee voluntarily terminates his/her employment or is discharged for just cause prior to the date operations are discontinued; or
 - b. The employee is offered employment at the same location by a successor Employer or is offered employment at another location by the Employer or any other Company having a collective bargaining Agreement with these Unions or with another Union having a labor contract covering similar work in the Twin City Metro area; or
 - c. The employee is eligible for and actually receives benefits under any retirement plan to which the Employer makes contributions on the employee's behalf, or
 - d. The employee engages in any conduct which has the effect or is intended to disrupt or otherwise interfere in any way with the Employer's discontinuance of operations.
- 3) The amount of severance pay for any employee eligible therefor shall be one (1) week's average pay with a maximum of forty (40) hours' pay for each completed year of continuous employment in excess of four (4) but not to exceed a maximum of six (6) weeks' pay. Payment of severance pay shall be subject to any Federal or State withholding requirements.
- 4) Severance pay shall be paid at the rate of one (1) week's pay per week commencing with the second week following the number of weeks or parts thereof for which vacation pay is paid: Provided, that any severance pay shall cease in the event the employee is recalled or offered employment by any Employer who is covered by a collective bargaining Agreement with these Unions, (or with another Employer having a labor contract covering similar work in the Twin City Metro area), or who accepts the collective bargaining Agreement in effect with these Unions.
- 5) Upon acceptance of his/her last payment of severance pay, an employee shall lose any and all seniority or recall rights or credit for previous experience under the collective bargaining Agreement with the Union.
- 6) The Employer shall continue contributions to the Health and Welfare Plan for four (4) weeks following the employee's termination of employment pursuant to ARTICLE 18 of the contract.
- 7) Except for unemployment compensation and vacation payments due under the collective bargaining Agreement, any payment received other than payments provided pursuant to this agreement because of an employee's termination of employment shall be deducted from any severance pay made hereunder.
- 8) The Employer shall give two (2) week's notice in advance of discontinuance of operations at a store to the

Union and the employees employed at such store except when such notice is impossible due to circumstances beyond the Employer's control.

9) In consideration of the benefits provided by this Agreement, the Union agrees to cooperate fully in the Employer's discontinuance of operations and agrees not to engage in any strike, slowdown, or other concerted activity or to commence any legal action or to in any other way disrupt or otherwise interfere with the Employer's discontinuance of operations.

10) The Employer shall have no further obligations or liabilities arising from discontinuance of operations at any store other than as provided under this Agreement or under any other collective bargaining agreement with the Union. In the event the provisions of any other collective bargaining agreement are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

11) This Agreement shall expire one (1) year following the expiration date of the current collective bargaining agreement.

APPENDIX "D"

The parties agreed in negotiations to cover all regular full-time and part-time delicatessen employees under the area grocery contract including all wages, hours and working conditions except as specifically modified by the written provisions of the grocery contract. The parties further agree to dovetail seniority with the seniority of the delicatessen employees covered under the area grocery contract.

Regular full-time delicatessen employees covered under the preceding area meat contract will continue to have pension contributions made on their behalf into the United Food and Commercial Workers International Union-Industry Pension Fund, as set forth in ARTICLE 19 of the St. Paul Area Retail Meat Contract.

All delicatessen employees shall be given credit for all accumulated hours or service time when determining their hourly rate and other benefits under the area grocery contract.

LETTER OF UNDERSTANDING

between

UNITED FOOD AND COMMERCIAL
WORKERS UNION

LOCAL 789

and

ST. PAUL GROCERY EMPLOYERS

regarding the

GROCERY INDUSTRY CONTRACT

3/03/02 THROUGH 3/05/05

Item #1. When a regular part-time employee works thirty-two (32) hours or more in any one (1) week, Monday through Saturday, (refer to ARTICLE 2, SECTION 2. 1, sub-section C) it is agreed that he/she is entitled to the Senior Retail Specialist rate of pay and at time and one-half (1-1/2) the Senior Retail Specialist rate of pay for hours worked on Sunday as under Sunday operation APPENDIX B, POINT 4. However, if the individual's regular part-time rate is higher than the beginning Senior Retail Specialist rate, the regular part-time rate shall apply, and at time and one-half (1-1/2) for the Sunday.

Item #2. A Senior Retail Specialist employee who is part-time and is working at Senior Retail Specialist rates will continue at Senior Retail Specialist rates until such time as regular full-time employment is offered.

Item #3. This Letter of Understanding shall have no application whatsoever to persons employed in the position of Retail Specialist.

SIGNED THIS DAY OF , 2002.

FOR THE COMPANY:

NAME

TITLE

FOR THE UNION:

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL #789

NAME

TITLE

LETTER OF UNDERSTANDING

BETWEEN

UFCW LOCAL 789

AND

ST. PAUL GROCERY EMPLOYERS

REGARDING THE

GROCERY INDUSTRY CONTRACT

In regard to Article 4, Section 4.2, paragraph D(2), "Regular Part-time to Retail Specialist":

It is understood and agreed that regular part-time employees who are absent during the five (5) calendar posting period may be given up to an additional five (5) calendar days within which to respond to any such posting.

March 17, 2002

LETTER OF UNDERSTANDING

(Shelf Stocking)

This Letter of Understanding is intended to reflect the agreement adopted by the parties during collective bargaining for the terms of the Grocery Articles of Agreement for the term March 3, 2002 through March 5, 2005, regarding the terms of Article 15 relating to Shelf Stocking. The provisions of Article 15 restricting the stocking of items by vendors or suppliers are hereby suspended for the duration of these Articles of Agreement. It is agreed that Employer will not contract with third-party service providers to perform shelf stocking work. It is recognized, however, that Employer's vendors/suppliers may, on their own behalves, contract for help from third-party service providers in performing shelf stocking activities for the Employer.

As a condition of utilizing vendor/supplier shelf stocking which would otherwise be prohibited under the terms of Article 15 of the Articles of Agreement, the Employer agrees that there will be no layoff or reduction of hours for any full-time grocery or delicatessen employee (Senior Retail Specialist) on the Employer's seniority list as of March 17, 2002. These job protection provisions, however, shall not apply to any layoff or reduction in hours affecting such employees which is due to store closure.

This Letter of Understanding is intended to replace the May 29, 1988 Letter of Understanding regarding Shelf Stocking.

FOR THE EMPLOYER: FOR THE UNION:

XYZ COMPANY UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 789

By By

Its Its

March 17, 2002

LETTER OF UNDERSTANDING
(Retiree Health Insurance)

This Letter of Understanding is intended to reflect the agreement of the parties reached during collective bargaining for the terms of the Grocery and Meat Articles of Agreement for the term March 3, 2002 through March 5, 2005, regarding subsidization of retiree health insurance costs within the Health and Welfare Plan (the "Plan") provided for in the Articles of Agreement. It is agreed that the terms of the Health and Welfare Trust Agreement shall be amended to provide as follows:

1. Eligibility for participation in the retiree health insurance program (the "retiree program") shall be limited to individuals who retire from positions covered by the collective bargaining agreement and who make an election to participate in the retiree program during a fixed period to be defined by the Trustees immediately prior to their retirement, without any break in the employee's participation in medical coverage under the Plan. Eligibility will likewise be extended to current retirees who are presently participating in the existing retiree medical coverage provided under the Plan or who have elected COBRA continuation and are presently continuing to receive benefits during the COBRA continuation period.

2. Further, all participants must be receiving a pension pursuant to the retirement plans provided for in the Articles of Agreement. In addition, eligibility will be limited to those who have a minimum of 25 years as a participant in the Plan and who have attained a minimum age of 55 years. Eligibility will likewise be limited to those individuals who have, for a continuous period of five (5) years immediately prior to retirement, been (a) employed in a bargaining unit position covered by the Articles of Agreement referenced above, and (b) a participant in the Plan. The eligibility criteria established by this Letter of Understanding are intended to be applied cumulatively, not in the alternative.

3. It is understood that a Plan participant who wishes to participate in the retiree program as provided herein shall first elect COBRA continuation of Plan benefits and retain participation throughout the COBRA continuation period at basic plan rates and at the participant's sole cost.

4. The benefits to be provided under the retiree program shall consist of the medical benefits provided under the Plan to retirees.

5. The claims/utilization experience of all retiree program participants shall be separately documented and calculated in order to maintain an ongoing ability to identify and measure the impact upon Plan funding of the retiree program.

6. The cost of coverage for eligible retiree program participants shall be subsidized from the assets of the Plan as follows: For participants with 30 years or more of Plan participation, the Plan shall subsidize the participant's cost of coverage at a rate of 100 % of the difference between the Plan COBRA continuation rate and the retiree self-pay rate; for participants with 25 or more, but fewer than 30, years of Plan participation, the Plan shall subsidize the participant's cost of coverage at a rate of 80 % of the difference between the Plan COBRA continuation rate and the retiree self-pay rate. The foregoing subsidies shall cease when the participating employee becomes eligible for Medicare benefits. In all cases, the retiree program participant shall continue to pay the Plan COBRA continuation rate as determined from time to time as a minimum cost of participation.

The parties mutually agree that there is no intention to create vested rights for any employee or any Plan participant by adopting this Letter of Understanding or by amending the terms of the Plan as provided in this Letter. Rather, the terms of the Plan remain subject to change by the Trustees as provided in the Health and Welfare Trust Agreement, and the terms of this Letter of Understanding remain subject to change through the collective bargaining process.

FOR THE EMPLOYER: FOR THE UNION:
XYZ COMPANY UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 789

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