

**ST. PAUL, MINNESOTA
(MEAT)
UNITED FOOD AND COMMERCIAL WORKERS UNION
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, AFL-CIO, St. Paul, Minnesota and vicinity, hereinafter referred to as the "Union", and _____, its lessees, successors and assigns, hereinafter referred to as the "Employer".

ARTICLE I

UNION SECURITY

SECTION 1.1: RECOGNITION:

A. In order to assure the security of the benefits to be derived between the employer and the employee, the employer recognizes the Union as the sole collective bargaining agent for the following classifications of employees: Head Meat Cutters, Journeyman Meat Cutters, Journeyman Counter Salesmen, Apprentices, Meat Wrappers, Other Than Journeyman Employees, Sausage Makers and Poultry Workers in all current and future stores of the employer in St. Paul, Minnesota and vicinity.

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 date on which this agreement is signed shall remain members in good standing, and those who are not members on the date on which this agreement is signed shall, on the thirty- first (31st) day following the date on which this agreement is signed, 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 the date on which this agreement is signed shall, on the thirty-first (31st) day following the beginning date 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.

SECTION 1.3: HIRING PROCEDURE:

A. Local Union No. 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.

B. The Employer recognizes that the Union is in the best position to know the availability of experienced and competent workers in the classifications covered by this agreement, and agrees to cooperate with the Union in giving work opportunities to such qualified employees.

SECTION 1.4: OTHER AGREEMENTS:

No employee shall be asked or permitted to make any written or verbal agreement that will conflict with this agreement.

SECTION 1.5: 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.

SECTION 1.6: JURISDICTION:

A. All work performed in the meat department will be done by members of the bargaining unit except as provided below. For the purpose of this agreement the meat department is defined as the area occupied by the meat storage rooms, the meat production rooms (any area in the meat department not accessible to the customer) and the service and/or self-service display cases where fresh, smoked, cooked and frozen meats, poultry, fish or sea foods are offered for retail sale. Any work presently performed by retail employees in the stores covered by this Agreement must be done by members of the bargaining unit only and if transferred or done by the Employer elsewhere within the area of jurisdiction of this Agreement, the Agreement shall cover such work to the extent of recognition but wages and other conditions shall be negotiated.

B. It is understood that grocery employees' work includes marking, stocking, displaying, and weighing when necessary of all pre-processed, 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. Grocery employees shall not be allowed to work in the processing areas of the meat department including wrapping or service case. 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 the layoff who could perform this work at his or her normal rate of pay.

C. The Employer may sell any meat products including, but not limited to, all forms of pre-processed or case-ready meat, fish or poultry, subject to the provisions of the Meat Job Security Letter of Understanding dated March 17, 2002.

D. 1) As a condition of utilizing pre-sliced and frozen liver, pork rib ends, pork loins and sirloin

butts, center cut ham slices, half hams, cut and prepackaged smoked pork chops, smoked pork loins and pre-fabricated pre-wrapped (chill pack) chickens, the Employer agrees that no employee of the Employer as of February 1, 1986 shall have his/her work week reduced or be laid off as a result of the introduction into the company of any or all of these items enumerated in this Section D.1).

2) It is further agreed that in the event of a proven reduction in business, and the Employer determines it is necessary to lay off any of the protected employees in this ARTICLE I -SECTION 1.6 D.1), no employee hired or newly assigned to the meat department after February 1, 1986, will be allowed to work. It is further agreed that any employee protected under this Section 1.6 D.1) shall not lose his/her recall rights for a period of one year.

E. The Employer will provide the Union with a complete list of employees who were on the payroll, (including any employee currently on layoff continuing to have recall rights) on March 5, 1989.

F. Any proven violations of this ARTICLE 1, Section 1.6 shall be subject to the grievance and arbitration provisions contained in ARTICLE 15 of this Agreement.

G. It is specifically understood and agreed that the Employer, in consideration of all of the terms and conditions of this agreement, may receive into and utilize within the retail markets, primal and sub-primal beef cuts. It is also understood and agreed that the Employer, in consideration of all of the terms and conditions of this agreement may receive into, and utilize within the retail markets primal and sub-primal veal, pork lamb and mutton.

H. The preceding paragraph provides that the Employer may receive into, and utilize within the retail markets primal and sub-primal beef cuts. Such cuts are sometimes referred to as "boxed beef" and/or "block ready beef". It is therefore, specifically understood and agreed that the preceding paragraph permits the utilization within the retail markets of "boxed beef" and/or "block ready beef" which will include bone-in round, chucks, loins, ribs, tenders, briskets, flanks, course ground beef and other primal, sub-primal or available supplemental cuts including frozen multi-packs. It is further specifically understood and agreed that the Employer may receive into, and utilize within the retail markets, pre-fabricated primal and sub-primal veal, pork, lamb and mutton either bone-in or boneless, as such primal, sub-primal or supplemental cuts are available including frozen multi-packs.

ARTICLE 2

WAGES, HOURS AND WORKING CONDITIONS

SECTION 2.1: MINIMUM WAGE RATES:

A. 1) The minimum hourly rates of pay for full-time and part-time employees working in the various classifications of work covered by this agreement shall be listed in APPENDIX "A" which is made a part of this agreement.

2) 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.

B. Any market selling on a regular weekly basis, twenty-five percent (25%) or more fresh meat in a self-service counter, must compensate employees according to the self-service wage rates.

SECTION 2.2: WORK WEEK/WORKDAY:

The basic workweek shall be forty (40) hours to be worked in any five (5) days from Monday through Saturday. Eight (8) hours shall constitute the basic workday, between 7:00 A.M. and 9:00 P.M., except for employees hired after May 12, 1974, whose basic workday is eight (8) hours worked at any time in any one (1) day. Daily hours shall be consecutive.

SECTION 2.3: SIXTH WORKDAY:

A. Time and one-half (1 - 1/2) shall be paid to full-time employees for all work performed on the sixth (6th) day of a basic work week and the fifth (5th) day of a holiday week, except as modified

in ARTICLE 4, SECTION 4.5 "New Year's Day and Summer Holiday Operation Conditions".

B. Employees called to work on the sixth (6th) day of the basic work week or fifth (5th) day of a holiday week shall be paid a minimum of four (4) hours, provided employee is scheduled to start when the store opens for retail trade or where another employee is absent or unable to complete a work shift.

SECTION 2.4: SCHEDULING OPTION:

All meat department employees shall have the option of working five (5) days (including Sunday at time and one-half (1- 1/2) the regular rate of pay) with two consecutive days off during the week, or working six days. The Employer will use its best efforts to schedule the meat department based on such employee elections, subject to the Employer's ability to schedule employees as needed to ensure adequate staffing and coverage. Meat department employees will make their scheduling elections four (4) times each year, to be effective for three (3) month periods. It is understood that no employee hired prior to May 1, 1983 may be required to work on Sundays.

SECTION 2.5: SUNDAY HOURS:

A. Journeyman to be on duty for a minimum of eight (8) hours, on a voluntary basis, to be rotated among Journeymen within the individual market. Provided, if the Employer determines there is at least one (1) eight (8) hour shift of wrapper work available on Sunday, such work shall be rotated among wrappers who volunteer before assigning to others. This provision is not required in markets where there are three (3) or less employees.

B. In the event there are not enough journeymen volunteers for Sunday work, the following steps shall be followed (in numerical order) to staff the meat department:

First Step: Apprentice Meat Cutter Volunteers

Second Step: Wrapper Volunteer

Third Step: Other than Journeyman Volunteers

Fourth Step: Part-time Grocery employee Volunteers

(No grocery employee will be scheduled until all full-time meat department employees hired before March 3, 2002, who have volunteered, are offered the Sunday work company wide.)

Fifth Step: Outside Extra Journeyman Meat Cutters or Employer can run dry.

C. Application of Steps 2 through 4 shall apply to Volunteers qualified to perform the duties.

D. 1) Employees hired after May 1, 1983, may be required to work on Sundays.

2) No full-time Meat Department employee may be required to work in excess of forty six (46) Sundays in a calendar year.

E. Hours worked on Sunday shall not be part of the regular work week (Monday through Saturday).

F. The Employer shall not operate the store on Easter Sunday.

SECTION 2.6 OVERTIME PAY:

A. Regular Week: All work performed in excess of eight (8) hours per day or forty (40) hours per week shall be paid for at one and one-half (1-1/2) times the employee's regular rate of pay, except as otherwise provided in this agreement.

B. Holiday Work and Overtime: All work after 12:00 midnight or before 5:00 A.M. shall be paid for at one and one-half (1-1/2) times the employee's regular rate of pay. Hours worked on Thanksgiving, and Christmas (on an emergency basis while the store is closed) shall be paid for at one and one-half (1 - 1/2) times the employee's regular rate of pay.

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

SECTION 2.7: SUNDAY RATE OF PAY:

A. All work performed on Sunday shall be compensated at one and one-half (1-1/2) times the employee's regular rate of pay.

SECTION 2.8: WORK SCHEDULES:

A. Posting Schedules: Subject to the provisions of Section 2.4, it is agreed the Employer will set up a schedule of work for the employees in the meat department which shall be regular each week. Two (2) weeks' notice will be given to employees in the meat department if changes are required in the basic scheduled work week.

B. Apprentices: One (1) apprentice may be employed for each two (2) journeymen employed by the Company.

C. 1) Presently employed Journeymen and Apprentices who were scheduled to work for the six (6) weeks prior to February 22, 1971, cannot be required to work more nights than scheduled to work during that six (6) week period.

2) Presently employed Journeymen and Apprentices who were on the seniority list prior to May 12, 1974, shall not be required to work any more than two (2) nights per week with the exception of:

a) Those on a schedule for the six (6) weeks prior to February 22, 1971, as per Paragraph No. 1 in this Section C, or

b) Those employees scheduled on a rotating basis within each individual market.

3) The above guarantee will not restrict the Employer's right to lay off by seniority, and may be affected by the reduction of store hours. (Example: If an employee is working on Monday night and the store closes on Monday night, that portion of his/her guarantee is eliminated).

4) Any Journeyman or Apprentice employed after May 12, 1974, may be scheduled as many nights as necessary.

5) Wrappers employed prior to May 12, 1974, may not be scheduled more than two (2) nights per week. Any Wrapper beginning work after May 12, 1974, may be scheduled as many nights as necessary.

D. There must be one (1) employee on duty at all times the store is open for business except between the hours of 9:00 P.M. and 7:00 A.M. Markets that employ three (3) or less employees need not have an employee on duty after 6:00 P.M. and before 7:00 A.M. provided the Employer has no employee covered under the job protection provision of ARTICLE 1, SECTION 1.6 out of work due to a lay off. Employee is defined to mean a Head Meat Cutter, Journeyman Meat Cutter, Apprentice, Wrapper or Other Than Journeyman in the case of self-service markets. This requirement will not apply to one (1) and two (2) person markets during meal periods.

E. 1) Store-to-Store Schedule: If any employees are to be scheduled to work in more than one store, such assignments shall be given to junior employees on the basis of company seniority within the bargaining unit. In case of daily transfer from one store because of absenteeism or emergency, the junior employee in the store shall be utilized.

2) When the employee is required to travel from one (1) store to another during his basic workday, the time spent traveling 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 IRS. If employees make a delivery of product to store at the Employer's direction, such time will be considered as time worked and mileage will also be paid.

F. 1) Extra Help: No extra help of any kind shall be called to work unless for a full day except Other Than Journeyman employees who shall be scheduled for Sundays and the summer holidays when Journeyman, Apprentices or Wrappers are not available to work.

2) It is further agreed that part-time Other Than Journeyman employees may be scheduled Monday through Friday no earlier than 1:00 P.M., but anytime on Saturday. This does not apply to full-time. Other Than Journeyman employees shall be guaranteed a minimum of four (4) hours work or four (4) hours pay each day they are scheduled to work.

G. Split Shifts: There shall be no split shifts.

H. Meal Period: The meal period will be a minimum of one-half (1/2) hour and a maximum of one (1) hour (exact amount of time to be worked out in each individual market by agreement between

the Employer and employees involved).

I. Any employee who has worked a regular full day's shift and is required to work over-time in night operations shall be entitled to twenty (20) minutes supper period paid for by the Employer.

J. Rest Periods: All employees shall be granted a ten (10) minute rest period in the morning and afternoon without loss of pay.

SECTION 2.9: OTHER WORKING CONDITIONS:

A. Time Clocks: Where time clocks are installed, each employee shall, as a condition of employment, be required to punch their individual time card. Failure to properly punch time card shall be cause for discharge.

B. Meetings: When an employee is required to attend a meeting by the Employer, this time shall be considered as time worked.

C. Refusal to Work: No employee shall be discriminated against for refusal to work on his/her day off, provided qualified and experienced help acceptable to the Employer is available.

D. Uniforms and Equipment: No employee covered by this agreement shall be required to pay for linen or dry cleaning, nor shall they be asked to furnish tools of the trade. If a specific uniform is required by the Employer, that uniform will be provided by the Employer except for white shirts.

E. Payroll Records: A complete and correct record of all time worked by each employee and wages paid said employee shall be made by the Employer and record shall be made available to the representative of the Union upon demand.

SECTION 2.10: FOUR TEN HOUR DAY WORK WEEK:

A. Optional, to be worked out with each Company. Scheduling of a four 4 ten-hour day work week with two (2) consecutive days off. The scheduling of four (4) ten (10) hour days shall be based on the employee interest and the ability for employers to cover the necessary hours.

B. 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.

ARTICLE 3

SENIORITY

SECTION 3.1: DEFINITION:

A. Seniority shall be separate between Journeymen, Apprentices, Wrappers and Other Than Journeyman.

B. 1) Seniority is defined as length of employee's service with the Employer within the bargaining unit, and shall apply as to layoffs and rehire throughout the operations of the Company covered by this agreement. The Employee's seniority date is defined as the day the employee starts active employment for the Employer. In the event two (2) or more employees commence work on the same day, their seniority ranking will be determined by lot.

2) Head Meat Cutters selected from Journeymen covered by this agreement shall be promoted and/or retained in that position irrespective of seniority as Journeyman, provided that any newly selected Head Meat Cutters will acquire this seniority protection after one (1) year of employment (including time as Journeyman Meat Cutter and as Head Meat Cutter) with the Employer. Only Journeymen shall be promoted to the classification of Head Meat Cutter. Head Meat Cutters shall accumulate seniority as Journeymen.

SECTION 3.2: APPRENTICES:

After 2080 hours of training, Apprentices shall be dovetailed into the Journeyman seniority list with retroactive credit for time worked as an Apprentice for the Employer.

SECTION 3.3: ACQUIRING SENIORITY:

A. Seniority within the individual store and with the Employer shall become effective thirty (30) days after the date of hire and shall then date back to the original date of employment.

B. Prior to the end of the Thirty (30) day probationary period, the Employer may request in

writing an additional thirty (30) day probationary period in the case of an employee found questionable by management. If the Union approves, an additional thirty (30) day probationary period may be instituted after which time, if the employee remains in the employ of the Employer, the seniority date shall revert back to his/her original date of employment.

C. An employee working less than twenty-four (24) hours per week shall not acquire seniority.

SECTION 3.4: TERMINATION OF SENIORITY:

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 6 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 US Postal Service, or;
- e. absence from the job for any reason, other than sickness or injury, for a period in excess of one (1) year.

SECTION 3.5: APPLICATION OF SENIORITY:

A. 1) Layoff and Rehire: In case of layoff and rehire, Head Meat Cutters selected from Journeymen outside of the bargaining unit covered by this agreement shall be entitled to only such seniority as is acquired in accordance with length of service with the Employer within the bargaining unit.

2) The last employee hired shall be the first laid off and the last employee laid off shall be the first reinstated, provided the employee involved is qualified to do the work available.

3) Apprentices with less than 2080 hours of service shall be laid off before a Journeyman.

B. Job Posting: If a Journeyman Meat Cutter is interested in prospective openings in a new store to be opened within the area covered by this agreement, he/she will advise the personnel department in writing of his/her desire. Such requests will be honored in order of seniority provided the employees are qualified to perform the required work. If there is any problem concerning qualifications and/or store balance, the parties will meet to resolve such differences.

C. Promotions-Part-time Other Than Journeyman

1) Part-time Other Than Journeyman will acquire seniority within that classification on a company-wide basis for purposes of promotion to full-time Other Than Journeyman vacancies. Seniority shall be accumulated without regard to the number of hours worked.

2) A part-time employee shall have the option of notifying the Employer and the Union in writing of their desire to obtain full-time employment. 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.

3) The Employer agrees that fifty percent (50%) of the full-time positions in the classification of Other Than Journeyman/Wrapper will be filled by promotion from such part-time Other Than Journeyman employees. The Employer may fill the remaining fifty percent (50%) of the positions from outside the bargaining unit or from within the bargaining unit without regard to seniority.

D. Reduction in Hours: A full-time employee who is unavailable for reasons of his/her own convenience, but who requests part-time work shall lose his/her seniority rights.

SECTION 3.6: SENIORITY LIST:

A. The Employer agrees to provide the Union with a seniority list according to the foregoing principles. The Union shall have sixty (60) days following the receipt of the initial seniority list to file objections with the Employer as to the relative position of employees on the list. When an understanding has been reached on the initial list and all objections settled, the list shall be binding upon all parties. The Company seniority list will be posted at each store at twelve (12) month intervals.

B. At Six (6) month intervals thereafter, the Employer shall provide the Union with additions and deletions to the Employer seniority list including date of hire.

ARTICLE 4

HOLIDAYS

SECTION 4.1: 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 31.

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 for business 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 4.5.

F. 1) A regular full-time employee, after completion of his/her first (1st) year of employment with the Employer covered by this Agreement shall be entitled to four (4) personal holidays, in addition to the six (6) nationally recognized holidays listed.

2) A regular part-time employee after completion of his/her first (1st) year of employment with the Employer covered by this Agreement shall be entitled to one (1) personal holiday, in addition to the six (6) nationally recognized holidays listed.

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 their holiday pay for a floating holiday, to be utilized on the same basis as other floating holidays.

SECTION 4.2 HOLIDAY WORK WEEK:

A. 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) ten (10) hour days.

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 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 4.3: COMPUTATION OF HOLIDAY PAY:

A. Full-time: A regular full-time employee shall be paid eight (8) hours at straight-time rate for each of the listed holidays.

B. Part-time: A regular part-time employee shall be compensated four (4) hours pay at his/her regular rate for the six (6) calendar holidays set forth in SECTION 4.1.

SECTION 4.4: ELIGIBILITY FOR HOLIDAY PAY:

In order to be entitled to holiday pay, an employee must have worked in the week before the week in which the holiday occurs, in the week in which the holiday occurs or in the week after the week in which the holiday occurs. In addition, the employee must work his/her scheduled workday

before and after the holiday, unless excused by the Employer or unless absent due to proven illness.

SECTION 4.5: NEW YEAR'S DAY AND SUMMER HOLIDAY OPERATION CONDITIONS:

A. Work on New Year's Day and on Memorial Day, Fourth of July and Labor Day (the "summer holidays") shall be voluntary for all employees who were hired prior to May 2, 1983. The stores shall be staffed by volunteers according to the following steps (in numerical order).

- 1) Journeyman Meat Cutter Volunteers,
- 2) Apprentice Meat Cutter Volunteers.
- 3) Wrapper volunteers.
- 4) Other Than Journeyman volunteers.
- 5) Outside Extra Journeyman Meat Cutters or the Employer can run dry.
- 6) Application of Steps 3 through 5 shall apply to volunteers qualified to perform the duties.

B. Employees hired after May 1, 1983, may be required to work on New Year's Day and on the summer holidays.

C. All employees who work on a summer holiday shall be paid straight time for all hours worked up to eight (8) hours in addition to holiday pay, if qualified, based on the holiday language set forth in SECTION 4.2 and 4.3. Hours worked on a summer holiday in excess of eight (8) hours shall be paid for at time and one-half (1-1/2) the employee's regular rate of pay.

D. A full-time employee who works on New Year's Day will receive time and one-half (1- 1/2) for all work performed on that day. A full-time employee who works on a summer holiday shall receive time and one-half (1- 1/2) for all work performed on the sixth (6th) day of the holiday work week. A full-time employee who does not work on a summer holiday shall receive time and one-half(1-1/2) for work performed on the fifth day of the holiday work week.

E. Work performed on New Year's Day and on the summer holidays shall be outside the basic work week.

ARTICLE 5

VACATIONS

SECTION 5.1: VACATION ALLOWANCE:

A. An employee covered by this agreement who has one (1) year's service on his/her anniversary date with said Employer or in said shop shall receive one (1) week vacation with pay.

B. An employee covered by this agreement who has two (2) years' service on his/her anniversary date with said Employer or in said shop shall receive two (2) weeks' vacation with pay.

C. An employee covered by this agreement who has eight (8) years' service on his/her anniversary date with said Employer or in said shop shall receive three (3) weeks' vacation with pay.

D. An employee covered by this agreement who has sixteen (16) years' service on his/her anniversary date with said Employer or in said shop shall receive four (4) weeks' vacation with pay.

E. An employee covered by this agreement who has twenty (20) years' service on his/her anniversary date with said Employer or in said shop shall receive five (5) weeks' vacation with pay.

SECTION 5.2: COMPUTATION OF VACATION PAY:

A. Full-time: A full-time employee who has worked 1600 hours or more in his/her anniversary year shall be entitled to a full vacation period. If an employee works less than 1600 hours in an anniversary year, he/she shall receive one-tenth (1/10th) of a full vacation period for each 160 hours worked.

B. 1) Part-time: (1040 hours and above) A part-time employee who works (including paid hours) 1040 hours during a twelve (12) month period from his/her anniversary date shall be entitled to a prorated vacation based on his/her straight-time rate of pay at the time of taking vacation.

2) Part-time: (less than 1040 hours) Pro rated vacation for a part-time employee working (including paid hours) less than 1040 hours per year shall be granted based on his/her average hours worked during his/her anniversary year. The maximum vacation in any year shall be three (3) weeks at twenty (20) hours pay per week.

C. Vacation pay to be paid on the average of hours worked in full work weeks worked in the previous calendar year, at the employee's present rate of pay.

SECTION 5.3: TERMINATION OF EMPLOYMENT

A. A full-time employee whose employment is terminated after one (1) year for any reason except for just cause shall be paid vacation earned on the same prorated basis as set forth in SECTION 5.2, A.

B. Unless discharged for just cause, a full-time employee who has been employed six (6) months, but less than one (1) year and is permanently terminated shall receive vacation pay on the same prorated basis as set forth in SECTION 5.2, A.

SECTION 5.4: VACATION SCHEDULING:

A. Vacations shall consist of consecutive working days. Vacations shall be scheduled during the summer months to the greatest extent possible.

B. Vacation schedules in each market 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 market by April 1st of each year. An employee who fails to select by March 1st will be placed at the bottom of the seniority list for the purpose of vacation selection. Vacation scheduling shall be done in two (2) rounds, each in seniority order. During the first round, no employee may select more than one week of vacation time before other meat department employees have had an opportunity to select. During the second round, each employee may schedule the entire balance of his/her vacation eligibility. Vacation scheduling will be done in rounds to ensure that, to the greatest extent possible, each employee will have an opportunity to schedule some vacation time during the summer months. The process of vacation scheduling historically observed by the Employer (i.e., either by store or company-wide) shall remain in effect.

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 at least 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 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. When a holiday occurs during an employee's vacation, such employee shall be granted an additional day off with pay.

SECTION 5.5: VACATION PAY:

An employee shall receive their vacation pay prior to the time he/she takes vacation. At the request of the employee, state and federal tax deductions on vacation checks will be computed on an individual week's basis.

ARTICLE 6

LEAVE OF ABSENCE

SECTION 6. 1: GENERAL CONDITIONS:

Leave of absence not to exceed six (6) months may be granted by mutual agreement between the Employer, employee and the Union. All leaves of absence shall be requested and confirmed in writing. Failure to return at the end of a leave of absence shall result in loss of seniority. The

Employer will use reasonable and fair judgment in determining whether or not an employee shall be granted a leave of absence and further, the Union may not unreasonably deny a requested leave of absence.

SECTION 6.2: ACCIDENT, INJURY, PREGNANCY OR SICKNESS:

A. 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.

B. 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.

C. The employee shall advise the store manager of his/her 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.

SECTION 6.3: FUNERAL LEAVE:

Each employee, after thirty (30) calendar days employment, shall be entitled to up to a maximum of three (3) days of leave with pay in the event of a death occurring within his/her immediate family. Immediate family is defined as including only the employee's spouse, parents, step-parents, children, brothers, sisters, mother and father-in-law. The last day of the leave will be the day of the funeral provided, however, that the last day of the leave can be the day after the funeral if the funeral was two hundred (200) miles or more from the employee's residence, and employees will not be entitled to pay for intervening scheduled days off. Payment will not be made when death occurs while the employee is on vacation or leave of absence. One (1) day leave of absence with pay in the event of death of any other relative living in employee's home at time of death.

SECTION 6.4: JURY DUTY:

An employee shall immediately notify his/her Employer upon receiving a call for jury duty. When a regular full-time employee is required to serve on petit jury, the Employer agrees to pay the difference between the jury pay and 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. Time spent on jury duty will be counted as time worked for the purposes of this agreement.

SECTION 6.5: 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 6.6: 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 7

HEALTH AND SAFETY

SECTION 7. 1: HEALTH AND SAFETY CONDITIONS:

A. The Employer shall continue to make reasonable provisions for the health and safety of its employees in the store during working hours of their employment in accordance with the laws of the State of Minnesota. The parties are to establish a labor-management committee that will cooperate on industry problems including safety.

B. 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.

SECTION 7.2: WORKERS COMPENSATION:

Where an employee is injured on the job and such accident is compensable under workers compensation, the Employer agrees to pay one hundred percent (100%) of the employee's regular straight-time rate of pay up to three (3) days. If workers compensation reverts to payment from the first day of injury, then the above mentioned one hundred percent (100%) will not be paid. An employee will be paid in full for the day they receive such compensable injury.

SECTION 7.3:

The Labor Management Committee will study a shorter work week for senior meat cutters.

SECTION 7.4:

The Employer will comply with any local, state or federal regulations relative to the temperatures in the meat cutting rooms.

SECTION 7.5:

The Employer shall provide and completely stock first aid kits in all meat departments.

ARTICLE 8

PICKETING

It shall not be considered a violation of this agreement for an employee to refuse to cross a legal picket line, nor shall an employee be disciplined or discharged for refusal to cross a legal picket line of a striking union when such picketing has the approval of the United Food and Commercial Workers International Union. The Union shall give forty-eight (48) hours notice in writing to the Employer of its intention to sanction or approve the picket line. It is further agreed that the Employer reserves the right to close his place of business if a legal picket line is established and it shall not be considered a violation of this agreement.

ARTICLE 9

STRIKE-LOCKOUT

The Union agrees that during the terms of this agreement, there shall be no strike by the Union of the members. The Employer agrees there shall be no lockout except as provided for in ARTICLE 8.

ARTICLE 10

VISITATION

SECTION 10.1

Business representatives of the Union shall be admitted to the workrooms at all times employees of the bargaining unit are at work to collect union dues and to satisfy themselves that the terms of the agreement are being complied with.

SECTION 10.2

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.

ARTICLE 11

DEFINITION OF EMPLOYER

SECTION 11. 1:

In all markets where no help is employed, the proprietor may become a member of the Union or of the St. Paul Food Retailers' Association.

SECTION 11.2:

A. An Employer shall mean an individual, partnership or corporation conducting a retail meat market.

B. No individual Employer shall be required to belong to the Union.

D. If an individual owner is working in the capacity of a Journeyman, he/she shall have the privilege of hiring one (1) apprentice.

ARTICLE 12

DEFINITION OF EMPLOYEES

SECTION 12.1: HEAD MEAT CUTTER:

The Head Meat Cutter shall be a qualified Journeyman Meat Cutter. He/she shall perform all of the duties of a Journeyman in the meat department. Because of the greater working skill and experience that the Head Meat Cutter must possess, he/she shall, in the performance of his/her work, direct the movement and operations of the other employees in the meat department.

SECTION 12.2: JOURNEYMAN:

A Journeyman is a skilled meat cutter who has either served his/her apprenticeship in accordance with the period of time as set forth in this agreement or who has qualified as a skilled meat cutter. His/her duties shall consist of receiving, handling, cutting, selling, processing, wrapping and displaying of meat, poultry, sausage or fish; fresh, frozen, chilled or smoked, as further described in Section 12.4.

SECTION 12.3: APPRENTICE:

An Apprentice is a person learning all the details in developing manual skill for performing, after a stated training period, the duties of a Journeyman Meat Cutter. In the course of his/her duties, he/she shall be under the supervision of a Journeyman or Head Meat Cutter.

SECTION 12.4: PRODUCTION CUTTING:

Only Journeyman and Apprentice Meat Cutters may perform the production cutting of fresh meat, defined to include:

- 1) Reduction from primal or subprimal cuts to retail cuts of meat;
- 2) Boning, trimming, scraping, grinding and leaning out of product, as well as traying of product they cut;
- 3): Cutting of fresh and frozen fish from whole or chunked product;
- 4): Production of "value-added" meat items.

Journeyman and Apprentice Cutters may also perform any other work in the meat department as assigned.

SECTION 12.5: WRAPPER:

A. 1) A Wrapper is a person employed in a market engaged in the type of work activities described in Section 12.7. A Wrapper hired after May 1, 1986 shall be paid the Other Than Journeyman rate and may be used at any time during the day or evening provided he/she is scheduled a minimum of eight (8) hours each day.

SECTION 12.6: OTHER THAN JOURNEYMAN:

The Other Than Journeyman employee shall be an employee whose duties shall be the same as the duties of a Wrapper. The Employer shall not employ any Other Than Journeyman employees while the Employer has any Journeyman, Apprentices or Wrappers who are involuntarily laid off or working reduced hours.

SECTION 12.7: WRAPPER/OTHER THAN JOURNEYMAN WORK ACTIVITIES:

Other Than Journeyman/Wrapper employees may perform any work in the Meat Department except for those skilled functions expressly reserved to Journeyman and Apprentice as described in Section 12.4. Their work may include:

- 1) Wrapping, labeling and stocking of fresh and case-ready meat products;
- 2) Waiting upon trade and using the knife or slicer to finish retail cut to meet the particular needs of an individual customer;
- 3) Receiving product and cleaning all areas of the Meat Department, including the power equipment.

ARTICLE 13

In the event any ARTICLE or SECTION of this agreement violates any applicable state or federal law, then such conflicting ARTICLE or SECTION shall be null and void without, however, affecting the balance of this agreement. It is further agreed that in the event any provisions are invalidated, the parties to this agreement shall meet and negotiate substitute provisions. The Employer and the Union agree that no employee will be discriminated against because of race, creed, color, sex, age, union activities, national origin, disability, marital status, status with regard to public assistance or affectional preference.

ARTICLE 14

UNION SHOP CARD

The union shop card is the property of the United Food and Commercial Workers Union, AFL-CIO-CLC and is loaned for display to Employers who sign and abide by the terms of this agreement.

ARTICLE 15

GRIEVANCE AND ARBITRATION

SECTION 15.1: GRIEVANCE:

- A. When and if a grievance arises in a market, the representative of the Union shall be called so that the matter may be settled without loss of time to either party.
- B. 1) A grievance covering discharge or discipline must be raised in writing within ten (10) calendar days of the date of discharge or discipline. Other grievances must be raised in writing within fifteen (15) calendar days of the occurrence giving rise to the grievance. These time periods shall be absolutely mandatory and failure to comply will mean the grievance is void and no consideration will be given to it.
- 2) Any controversy raised within the time limit and arising over the interpretation of or adherence to the terms and provisions of this Agreement, including all claims for wages, which cannot be mutually resolved shall be subject to the provisions of Section 15.2 and 15.3.
- C. 1) Employer Violations:
Any Employer who intentionally violates any part of this agreement shall be penalized for such violation, such as paying less than the established rate of pay or violating hours of employment, etc. If such violations are proven, the Employer shall pay double (2) times the amount involved.
- 2) No such case shall be recognized after sixty (60) calendar days of said violation. However, in case of a dispute, such dispute shall be decided in accordance with the regular arbitration provisions contained in Section 15.2 and 15.3.

SECTION 15.2 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 non-binding 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 15.3: ARBITRATION:

- A. If a dispute or discharge is not resolved by the provisions of SECTION 15.1 and 15.2, either party may refer the matter to Arbitration by notification to the other party, in writing of their desire to arbitrate the issue.
- B. A representative of the Union and a representative of the Employer shall meet and attempt to agree on a neutral third (3rd) party to hear and decide the Grievance. If within seven (7) calendar days of notification, the parties cannot agree on a neutral party, either party may petition the Federal Mediation and Conciliation Service (FMCS) for a list of seven (7) neutral arbitrators. The parties shall alternately strike from this list until one (1) name remains that person shall be the one (1) to hear and decide the grievance.

C. The neutral party shall meet with the parties to the dispute, hear all evidence in the case or cases referred and render a decision as soon as possible.

D. Each party shall bear the expenses of preparing and presenting its own case. The expenses of the neutral party shall be equally shared by the parties.

E. 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.

F. The decision of the Arbitrator shall be final and binding upon all parties to the dispute.

ARTICLE 16

WARNING NOTICES AND DISCHARGE

In all instances of discipline, except where the grounds are sufficient to constitute just cause for immediate discharge, the Employer will give the employee at least one (1) warning notice in writing, with a copy to the Union.

ARTICLE 17

VIOLATIONS OF AGREEMENT

SECTION 17.1:

The settlement of any one (1) 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.

SECTION 17.2:

It is expressly understood and agreed by and between all parties to this agreement that any violation of this agreement by either of the parties hereto will give rise to a labor dispute between the parties hereto.

ARTICLE 18

HEALTH CARE PLAN

SECTION 18.1:

A. The Employer agrees to make contributions into the United Food and Commercial Workers Union Local 789 and St. Paul Food Employers Health Care Plan on behalf of any regularly classified full-time 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.

B. The Employer further agrees to make contributions into the Plan on behalf of any regular part-time employee (excluding bagger-carry out/ part-time maintenance 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 (32) hours or more during that reporting period. The hours used to determine payments will be exclusive of hours worked on Sunday and Holidays.

SECTION 18.2:

A. 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.

Further, effective March 3, 2002, in the event the Trust Fund's net reserves 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. 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.

B. In addition to the contributions provided for in Section 18.2 A., 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, and the Defined Contribution Retirement Plan provided for in SECTION 19.2, 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 Section 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 Contributions for Full Time employees only who work thirty (30) or more hours during the week if the employee is on a four (4) ten (10) hour day 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) 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; (3) electronic transmission of Employer Contribution payments; and (4) 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:

A. Contributions: Meat Department employees and participating full-time Delicatessen employees: Effective for all hours worked on or after April 1, 2002, the Employer shall pay two hundred forty-six dollars (\$246.00) per month for the above employees who work an average of

twenty-four (24) hours or more per week into the United Food and Commercial Workers International Union-Industry Pension fund.

B. Full-time Delicatessen: For the purposes of this SECTION 19. 1, a participating full-time Delicatessen employee is defined as one who is regularly scheduled thirty-two (32) or more hours per week and was previously covered under this Meat Agreement for purposes of pension contribution.

C. Trust Agreement: Payment to the United Food and Commercial Workers International Union Industry Pension Fund is conditioned upon the continued qualification of said plan under Internal Revenue regulations.

D. Eligibility For Pension: Contributions for new employees will not be paid until the first (1st) of the month following a full thirty (30) calendar days of employment.

E. Pension Maintenance of Benefits Reopener: At any time prior to the expiration of this agreement, the Union shall have the right to re-open negotiations solely for the purpose of negotiating the amount of contributions to be paid to the pension fund; provided, however, that any increase in contributions to the pension fund shall not exceed the rate determined by the Board of Trustees in order to maintain the benefit schedule in effect as of March 5, 1989. For the purpose of SECTION 19.1 E. the parties agree that the provisions of ARTICLE 9 shall not apply. The Union shall have the right to strike if a settlement cannot be achieved through negotiation.

SECTION 19.2: DEFINED CONTRIBUTION

A. 1. Effective February 28, 1999, the Employer agrees to contribute on all bargaining unit employees for all hours worked, together with hours of holiday and vacation pay, up to a maximum of 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 hereto.

2) No contribution shall be due to such Fund for any part-time employee until the employee has been employed for 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

3/03/2002 \$.05/hour

2) Part-Time

3/03/2002 \$.25/hour

The parties have agreed to authorize the Trustees of the Local 789 Defined Contribution Plan to direct up to twenty-five cents (\$.25) per hour from the contributions due to that Plan into the Defined Benefit Plan referenced in Section 19.1 in order to purchase benefit improvements within the Defined Benefit Plan. Upon action by the Trustees pursuant to that authorization, the amount of Employer contribution due to the Defined Contribution Plan shall be reduced by the amount approved by the Trustees for diversion to the Defined Benefit Plan provided that, in no event, shall the contribution rate to the Defined Contribution Plan for either full-time or part-time employees be reduced below a minimum level of five cents (\$.05) per hour.

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 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 thereto. 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 International Union-Industry Pension Fund 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

RETROACTIVE

SECTION 20. 1:

Wage rates provided herein shall be paid on all straight-time and overtime hours effective on the dates as listed. Employees not on the payroll, however, the week the agreement is executed must apply for back pay in writing to the Employer within the next three (3) weeks from the date of execution of this agreement. If such application is not so received, retroactivity shall be forfeited.

SECTION 20.2:

No employee shall have his or her wages reduced to defeat the purpose of this agreement.

ARTICLE 21

MANAGEMENT'S RIGHTS

The Company's right to manage is retained and preserved except as abridged or modified by the restrictive language of this labor agreement.

ARTICLE 22

SEASONAL VACATION RELIEF AND EMERGENCY WAIVERS

A. Seasonal vacation relief employees are those part-time employees who work between May 15 and the second Saturday in September. Such employees will be paid the applicable hourly wage rate but there will be no full-time health and welfare or pension contributions made on behalf of such employees. Such employees will not be eligible for holiday pay except for the July 4 holiday provided that the employee is otherwise eligible pursuant to ARTICLE 4, SECTION 4.3.

B. 1) In the event that a full-time employee in the Meat Department is absent or unavailable to work on an unplanned basis (e.g., as a result of injury, illness, surgery, FMLA leave, etc.) for a period of longer than one week, a replacement employee may be assigned for a period not to exceed twelve (12) weeks per occurrence. The replacement employee shall be paid at the beginning full-time rate applicable to the classification utilized and shall be scheduled for a minimum of forty (40) hours per week for the duration of the replacement period. During the replacement period, the employee will not accrue any benefits other than the wage rate, except in the case of a bargaining unit employee who is reassigned from a position with the Employer in which that employee currently receives benefits as provided for under either the current Meat or Grocery collective bargaining agreement, in which case those benefits will continue to be paid.

2) A special waiver explaining the terms of employment in this situation will be signed by the employee and submitted to the Union.

ARTICLE 23

DELICATESSEN EMPLOYEES

SECTION 23. 1:

A. The parties agreed in negotiations to cover all full-time and part-time Delicatessen Employees under the area grocery contract including all wages, hours and working conditions. The parties further agree to dovetail seniority with the seniority of the Delicatessen Employees covered under the area grocery contract however 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 19.1 of this contract.

B. Current 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.

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 whom the Employer has reason to doubt his/her performance.

ARTICLE 25

TERM OF AGREEMENT

SECTION 25.1:

This agreement shall take effect this 3rd day of March, 2002, and continue in full force and effect up to 12:01 AM the 5th day of March 2005, and thereafter from year to year unless written notice of desire to change or modify the agreement is given by either party to the other party at least sixty (60) days prior to the annual date of expiration, at which time either party desiring a change shall notify the other party in writing of the specific paragraphs or articles they are desirous of changing so that negotiations may be started as early as possible during the sixty (60) day notice period.

SECTION 25.2:

The parties acknowledge that during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this agreement. Therefore, the Employer and the Union, for the life of this agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this agreement, or with respect to any subject or matter not specifically referred to, or covered in this agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this agreement.

EXECUTED BETWEEN THE PARTIES THIS DAY OF , 2002

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 789

FOR THE EMPLOYER FOR THE UNION

NAME NAME

TITLE TITLE

APPENDIX "A" WAGES

SELF-SERVICE MARKETS

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

(Per Hour) (Per Hour) (Per Hour)

CLASSIFICATION

HEAD MEAT CUTTER \$21.56 \$22.16 \$22.62

JOURNEYMAN \$20.94 \$21.49 \$21.95

APPRENTICES

FIRST 1040 HOURS \$15.00 \$15.35 \$15.60

1041 - 2080 HOURS \$15.85 \$16.20 \$16.45

2081 - 3120 HOURS \$17.40 \$17.75 \$18.00

3121 - 4160 HOURS \$19.40 \$19.75 \$20.00

4161+ HOURS \$20.94 \$21.49 \$21.95

WRAPPERS -

HIRED BEFORE MAY 2, 1986

FIRST 1040 HOURS \$14.47 \$14.82 \$15.07

1041 - 2080 HOURS \$14.99 \$15.34 \$15.59

2081 - 3120 HOURS \$16.01 \$16.36 \$16.61

3121+ HOURS \$18.93 \$19.48 \$19.94

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

(Per Hour) (Per Hour) (Per Hour)

OTHER THAN

JOURNEYMAN / F.T.

WRAPPERS HIRED

AFTER MAY 1, 1986

FIRST 1040 HOURS \$13.08 \$13.43 \$13.68

1041 - 2080 HOURS \$14.06 \$14.41 \$14.66

2081+ HOURS \$16.53 \$16.88 \$17.34

SAUSAGE MAKER

FIRST 1040 HOURS \$12.70 \$12.94 \$13.19 \$13.37

1041 - 1560 HOURS \$13.39 \$13.63 \$13.88 \$14.06

1561 - 2080 HOURS \$14.17 \$14.52 \$14.88 \$15.14

2081 - 2600 HOURS \$14.71 \$15.06 \$15.42 \$15.68

2601 - 3120 HOURS \$15.30 \$15.65 \$16.01 \$16.27

OVER 3121 HOURS \$16.27 \$16.82 \$17.37 \$17.77

APPENDIX "A" ADDENDUM

A. An employee taking the place of the Head Meat Cutter for one (1) week or more shall be paid the Head Meat Cutter rate for each full week of replacing the Head Meat Cutter.

APPENDIX B

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. Discontinuance of operations due to fire, flood, or other acts of God shall not be deemed discontinuance of operations by the Employer for any purpose of this agreement.
2. A regular full-time employee having four (4) or more years of continuous full-time employment

whose employment is terminated on or before the date of the Employer's permanently 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. For all purposes of this agreement, a regular full-time employee is any employee who averaged more than (24) hours during his/her basic work week for the fifty-two (52) week period immediately preceding his/her termination of employment and continuous full-time employment shall mean employment as a regular full-time employee. One (1) week's average pay shall mean one (1) week's pay at the employee's straight time hourly rate based on his/her average weekly hours worked during such fifty-two (52) week period.

4. 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 full-time 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.

5. 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 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.

6. Upon acceptance of his/her last payment of severance pay, the employee shall lose any and all seniority or recall rights or credit for previous experience under the collective bargaining agreement with the Union.

7. 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.

8. 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 the employee's termination of employment shall be deducted from any severance pay made hereunder.

9. 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.

10. 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.

11. 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.

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

APPENDIX C
LETTER OF UNDERSTANDING
BY AND BETWEEN
THE PARTIES TO THIS AGREEMENT

During the negotiations for the 1992-95 Collective Bargaining Agreement, the parties eliminated any restrictions on the employer scheduling meat department employees to work between the hours of 5:00 a.m. and 7:00 a.m. It was agreed, however, that it was the intent of the employer to accommodate to the extent possible employees placed in a hardship position because of being unable to obtain child care between 5:00 a.m. and 7:00 a.m. by endeavoring not to schedule such an employee to work between these hours. Any employee scheduled between these hours who is placed in a hardship situation because of an inability to obtain suitable child care commitments shall substantiate that need for the employer, and the employer will endeavor to reschedule the employee such as by substituting another employee on the schedule for those particular hours. It is understood that the employer retains the right to schedule employees to perform necessary work.

APPENDIX "D"
LETTER OF UNDERSTANDING
BY AND BETWEEN
THE PARTIES TO THIS AGREEMENT

During the negotiations for the 1992-95 Collective Bargaining Agreement, the parties converted to a weekly system of health and welfare contributions using the same language in Article 18 of the contract that is contained in the health and welfare language set forth in the Minneapolis Retail Grocery and Meat Contract. As a consequence, full-time contributions are only made on behalf of employees who work thirty-two (32) or more hours per week under the 1992-95 Agreement. In previous contracts, such contributions had been made on behalf of employees who averaged more than twenty-four (24) per week. The parties have agreed that should any full-time employee hired prior to March 1, 1992, covered by the Retail Meat Contract be scheduled to work more than twenty-four (24) but less than thirty-two (32) hours in a work week, the employee will still receive the full-time contribution specified in Section 18.2 of the Contract. Effective March 5, 1995, the average of thirty-two (32) hours per week during the reporting period as listed in SECTION 18.1, shall be applied to employees covered by this Letter of Understanding by using the twenty-four (24) hour criteria.

LETTER OF AGREEMENT #1
JURISDICTIONAL COMMITTEE

It is hereby agreed by and between United Food and Commercial Workers, Local 789 Jurisdictional Committee and the St Paul Meat Industry Jurisdictional Committee, that the following meat products shall be allowed.

LAMB VEAL PORK

Chops Ground Veal Case Ready

Rack of Lamb Veal Slices Offal

Lamb Stew Veal Stew

Leg of Lamb Veal Shanks

(bone in-bone out) Veal Cutlets

Lamb Shoulder Chuck Rolls

(bone in-bone out) (bone in-bone out)

Lamb Loin

(bone in-bone out)

No Meat Department employee on the seniority list of the Company on March 5, 1995, may be laid off or reduced in hours while utilizing the above mentioned products.

SIGNED AND DATED THIS DAY OF 1998.

St Paul Meat Industry Jurisdictional Committee

UFCW Local 789 Jurisdictional Committee

(For historical reference purposes only.)

LETTER OF AGREEMENT #2
JURISDICTIONAL COMMITTEE

It is hereby agreed by and between United Food and Commercial Workers, Local 789 Jurisdictional Committee and the St. Paul Meat Industry Jurisdictional Committee, that the following meat products shall be allowed.

Case Ready

Ground Beef

No Meat Department employee on the seniority list of Company on March 1, 1998, may be laid off or reduced in hours while utilizing the above mentioned products.

Signed and dated this day of , 1998.

St. Paul Meat Industry Jurisdictional Committee

UFCW Local 789 Jurisdictional Committee

(For historical reference purposes only.)

March 17, 2002

MEAT JOB SECURITY
LETTER OF UNDERSTANDING

During negotiations for the March 3, 2002 through March 5, 2005 collective bargaining agreement, the Union and Employer agreed as follows:

- A. As a condition of the employer's expanded right to sell any and all case-ready and pre-processed products as provided in Article 1, Section 1.6 C. of the Articles of Agreement, Employer agrees that no regular full-time or regular part-time Meat Department employee who has accrued seniority on Employer's seniority list as of March 3, 2002 (effective date of the new Articles of Agreement) may be laid off or involuntarily reduced in hours while the Employer retains the ability to utilize the case-ready and pre-processed products as provided above.
- B. This provision shall have no application to: part-time employees having no seniority, retirees, "Sunday Only" employees, or employees working on "waivers" in the Meat Department.
- C. This provision shall have no application to layoffs or reduction in hours in the event of store closure or resulting from proven loss of business (excluding seasonal fluctuations), nor to cases of retirement, death, voluntary quit, discharge for just cause, inability to perform the essential functions of the job due to disability, termination prior to the completion of the probation period, or interruption of business due to "act of God."

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

By By

Its Its

