

AGREEMENT

between

FOOD 4 LESS OF CALIFORNIA, INC.

and

**UNITED FOOD & COMMERCIAL
WORKERS UNION**

Locals 135, 324, 770, 1036, 1167, 1428 and 1442

JUNE 4, 2007 - JUNE 5, 2011

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PREAMBLE

This Agreement, entered into this 4th day of June 2007 between Food 4 Less of California, Inc., (hereinafter referred to as the “Employer” or “Company”), and United Food and Commercial Workers Union Locals 135, 324, 770, 1036, 1167, 1428, and 1442 (hereinafter referred to as “the Union”), is the sole contract between the parties and no oral understanding shall serve to amend this Agreement unless incorporated herein.

SECTION 1 - RECOGNITION, HIRING AND UNION SECURITY

1.1 Recognition. The Employer recognizes the Union as the exclusive representative for collective bargaining purposes of all Journeyman Meat Cutter, Apprentice Meat Cutter, Meat Clerk, Warehouse Clerk, General Clerk, Service Clerk and Utility Clerk employees, but excluding office clerical employees, confidential employees, store director, two (2) store manager/supervisors, produce department manager and meat department manager, pharmacy manager (pharmacy manager’s hired prior to October 4, 2004 have the option to remain in the bargaining unit), guards and supervisors as defined in the National Labor Relations Act, as amended, employed by the Employer at the facilities now operated by it and at any other facility to be operated by it hereunder in the future.

1.1.1 Pharmacy Department. Pharmacy Technicians and Pharmacists employed in pharmacy departments in Food 4 Less stores shall be governed by terms and conditions that are identical to those set forth in Appendices E and F of the Retail Food and Meat Agreement.

1.2 The Employer agrees that should it establish, operate or obtain any new or additional warehouse food stores, this Agreement shall be applied to such facility or facilities. The Employer may temporarily transfer any employee covered by this Agreement to a new facility either just prior to or subsequent to its opening for the purpose of insuring the establishment of an efficient operation. No such temporary transfer may exceed five (5) weeks and any such temporarily transferred employee shall continue to be covered by all terms and conditions set forth in this Agreement. Transfers, either temporary or permanent, shall not require an employee to travel one way more than twenty-five (25) miles between the employee’s residence and the new location.

1.2.1 Warehouse Store Definition. A retail market, meeting the following criteria shall be subject to the Southern California Food 4 Less Warehouse Store Agreement’s wages and working conditions:

1.2.1.1 A newly built, acquired and/or converted store of a size equal to or greater than forty-five thousand (45,000) square feet. In the case of acquired or converted locations, the Union will not unreasonably deny the Employer’s request to allow the application of a warehouse format to a location smaller than forty-five thousand (45,000) square feet. Such request will be evaluated based upon business conditions, location, competition and other relevant considerations. This provision shall have no application to Food 4 Less stores subsisting or under lease on the effective date of this Agreement.

1.2.1.2 Absence of service departments offering products or services of a nature typically offered by supermarket-type operations, except for those expressly authorized by the Union such as tortillaria, prepared and/or hot foods and service meat and/or emplaced pursuant to Section 1.2.2 hereof.

1.2.1.3 Warehouse-type racking utilized in at least eighty percent (80%) of the grocery department.*

1.2.1.4 "S.K.U." count not exceeding seventy percent (70%) of conventional supermarket subject to the Southern California U.F.C.W./Ralphs Retail Food and Meat Agreement (1995-1999).

1.2.1.5 Seventy-five percent (75%) of grocery department* items displayed for sale in cut cases.

1.2.1.6 Checkstands shall include two (2) "takeaway lanes" for customer bagging.

1.2.1.7 Employees will not bag groceries, except in emergencies and in situations where the customer is unable to do so.

1.2.1.8 Every-day low pricing - acceptance of double coupons is prohibited.

1.2.1.9 Signage and decor on the walls of the warehouse store must be paint, styrofoam, plastic lettering or of other simple and inexpensive material only. Floors must be cement in future newly constructed locations.

1.2.1.10 The Employer will have thirty (30) days from the receipt of written notice from the Union of non-compliance with any of the provisions listed in this paragraph to achieve compliance with such provisions.

*Frozen Foods shall not be considered to be part of the Grocery Department for the purpose of meeting this criterion.

1.2.2 Leased Departments. The Employer agrees that prior to introducing a Leased Department to its warehouse stores, it will provide the Union with adequate advance notice and negotiate with the Union regarding the following appropriate matters: (1) Whether or not the products or services to be offered by that Leased Department are of a nature already covered under the terms of this collective bargaining agreement; (2) If that Leased Department is appropriate within the warehouse format; and (3) If appropriate, what conditions and/or limitations should apply to that lease operation in reference to work performed by employees of the Employer.

In the event the parties fail to reach accord and the Employer introduces the Leased Department, the Union may initiate economic action after providing thirty (30) days advance written notice to the Employer. Such action shall not be in violation of Article 13 of this Agreement and shall be the exclusive remedy for addressing disputes arising solely under this Section.

This provision shall not preclude the Union from invoking Section 15 of this Agreement should the Employer's action be in violation of any other provision of this Agreement.

1.3 Work Performed.

1.3.1 None other than employees covered by this Agreement shall be permitted to serve the trade in the cutting and sales of meat in meat departments or meat markets, except during the lunch period in markets where only one (1) journeyman is on duty, said lunch period not to exceed one (1) hour in length.

1.3.2 The Union shall have jurisdiction over all meats that are not cut or prepared for

immediate human consumption, including package items of fresh, frozen and smoked meats, fresh or frozen fish, poultry and rabbits.

1.3.3 Except as set forth below, it is agreed that all fresh unfrozen meat shall be cut, prepared, fabricated and wrapped on the premises. With regard to beef, veal, lamb, and/or pork in carcass form, it is agreed that an exception will be made and the same may be broken down into primal cuts such as rounds, ribs, chucks, plates and loins and sub-primal cuts off the premises, but said primal cuts and sub-primal cuts shall be reduced to retail cuts on the premises. It is further agreed that:

1.3.3.1 Lamb, offal, beef rib bones, short ribs, neck bones, shanks, and stew beef need not be cut on the premises.

1.3.3.2 All fresh pork (not to exceed fifty percent (50%) of the gross pork tonnage per store) need not be cut on the premises.

1.3.4 With regard to pre-sliced bacon, dissected and prefabricated fowls, ground beef and pork sausage in casings, fish and/or rabbits, along with all seasoned and/or smoked meats, frozen meats, or combination of such meat products, whether in bulk or package form, need not be cut on the premises but all the above products, along with fresh, frozen, or smoked sausages, shall be handled, displayed, dispensed and offered for sale by employees covered by this Agreement.

1.3.5 New Methods. Notwithstanding the above, it is agreed that should the Employer intend to institute any new method of operation that would result in a material change in any job presently being done and covered by this Agreement, the Employer shall give to the affected Union or Unions at least one hundred and twenty (120) days written advance notice by certified or registered mail, setting forth the nature of such intended changes and/or methods of operations.

Upon written request by the Union, negotiations on job classifications, wages, working conditions, and/or the disposition of displaced employees resulting from the institution of such new methods shall begin promptly.

1.4 Whenever the words “employee” or “employees” are used in this Agreement, they designate only such employees as are covered in this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

1.5 Hiring New or Additional Employees. When new or additional employees are required, the Employer may notify the Union of the number and classification of employees needed and the Union shall have twenty-four (24) hours to refer qualified applicants for the vacancies to be filled. Selection by the Union of applicants for referral to jobs shall be on a nondiscriminatory basis and shall not be based on, or in any way affected by, nonmembership in the Union, Union membership, Bylaws, rules, regulations, constitutional provisions or any other aspect or obligation of Union membership, policies or rules. The Employer reserves the right to reject any job applicant referred by the Union and said rejection shall not be subject to the grievance and arbitration provisions provided for herein. If the Union is unable to refer applicants satisfactory to the Employer within the time limits specified above, the Employer may hire from any and all outside sources.

1.5.1 Notification to Union. The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of hire or termination of any employee subject to this Agreement. Such notification shall include the name of such employee, mailing address, social security number, store number, the position for which employed, the date of employment or termination and the employee’s rate of pay.

The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of a Utility Clerk's, General Clerk's, Meat Clerk's or a Service Clerk's promotion to a higher classification. Such notification shall include the employee's name, social security number, store number, classification promoted into and date of promotion.

1.6 Union Security. It shall be a condition of employment that all employees shall remain members of the Union and all new employees shall become members of the Union on the thirty-first (31st) day following the commencement of their employment, or the effective date of this Agreement, whichever is later. Tender of the Union's periodic dues and the initiation fee uniformly required as a condition of acquiring or retaining such membership shall, for the purposes of this Section, be considered membership in the Union. In the event that an employee has failed to meet or maintain these membership requirements, the Union shall certify to both the Employer and to the said employee in writing, of the employee's failure to meet said obligations. If the employee has not tendered the dues or initiation fees owed within seven (7) calendar days after such certification, the employee shall be terminated.

1.7 Initiation Fees, Dues and Political Contributions. Employer agrees to deduct initiation fees, dues and political contributions from the wages of employees in the bargaining unit who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of one (1) year, or until the expiration date of this Agreement, or until the employee is no longer eligible for Union membership. Each Local Union shall decide the initiation fee and dues structures for the lifetime of this Agreement. Employees may elect payroll deductions for deposits or payments to a Federally chartered Credit Union.

1.8 Weekly Deductions. Such dues deductions shall be made in equal weekly amounts by the Employer from the wages of employees and will be transmitted to the Union no later than the fifteenth (15th) day of the month after such deductions are made, unless such deductions are unable to be made because of equipment breakdown or acts of God. Deductions for initiation fees shall be made upon the direction of the Union and at a frequency to be prescribed by the Union.

1.9 Employee Authorization. No deductions will be made from the wages of any employee until the Employer has received a signed copy of the voluntary written authorization for such deductions.

1.10 Union Indemnification. The Union hereby indemnifies and defends the Employer and holds it harmless against any and all suits, claims, demands and liabilities that may arise out of, or by reason of, any action that shall be taken by the Employer for the purpose of complying with the foregoing provisions of this Section, or in reliance on any list or certificate which shall have been furnished to the Employer under any of such provisions.

1.11 Bulletin Board. The Union may supply each store with one (1) bulletin board not to exceed two (2) feet by three (3) feet in size for the purpose of posting notices involving official Union business. Bulletin boards shall not be used to post notices of a political or adversarial nature. The utilization of this program shall be coordinated by the Employer's Labor Relations Department. The bulletin boards shall be placed in a non-sales area designated by the Employer but one generally frequented by all employees. Notices shall be posted by designated representatives of the Union.

1.12 Stewards. The Company recognizes the right of the Local Union to appoint one (1) steward per store. The Union will notify the labor relations department of the names and store number of the stewards. Upon two (2) weeks notice to the Company labor relations department, said steward will be scheduled off and paid, at the employee's daily straight-time rate based on the average daily hours worked

in the pay period preceding, not to exceed eight (8) hours, to attend one (1) one (1) day stewards' training seminar per calendar year. Full-time employees will be paid eight (8) hours. The parties agree that such time shall not be considered time worked for purposes of overtime, benefit contributions or other incidents of "time worked." Said stewards, who shall be designated by the Union, will not be subject to the provisions of Paragraphs 3.5 and 3.5.1 of this Agreement.

SECTION 2 - MANAGEMENT RIGHTS

2.1 Unless expressly provided otherwise in this Agreement, the Employer shall retain all rights of management and direction of its work force, including but not limited to the establishment of working conditions, the right to direct the work force, to select and determine the content of job classifications, to hire, transfer, promote, suspend, discipline, and discharge employees, establish and change work schedules and assignments, lay off employees for lack of work, expand or diminish services, establish production standards, determine the need and number of supervisors, and control the process to be employed.

2.2 The Union recognizes the unilateral right of the Employer to establish working rules as the Employer may deem necessary, provided that such rules are not in direct conflict with the terms and conditions of this Agreement. Said rules shall be in writing, made available to the employees or conspicuously posted and a copy sent to the Union.

SECTION 3 - SENIORITY

3.1 Definition. Seniority is defined as length of service with the Employer and shall be computed from the initial date of employment, or reemployment in the case of a break in service, in the bargaining unit covered by this Agreement. It is recognized that the affected employees must possess the necessary ability and qualifications to perform the work when they assert their seniority rights under these provisions.

3.1.1 Within classifications as listed in Appendix A, seniority shall date from the day of assignment to that classification, regardless of hours worked. Such seniority within classifications shall be applied to the areas of layoff and additional hours.

3.1.2 When an employee is promoted, he starts a new seniority date for that classification. For layoff purposes, he can bump back to his former classification carrying with him his total seniority. Company seniority is retained for vacation purposes. Thus, the seniority date of each employee commences with the date of hire with the Company; however, when that employee moves to a new classification his seniority will date, for seniority purposes within that classification, as the first date of his appointment to such new classification.

3.1.3 When an employee is assigned from one classification of work to another, the seniority acquired within the store and the Company shall be retained, and new seniority in the new classification shall commence as of the time of such assignment. Such assignment shall not be made for the purpose of displacing another employee. Should a layoff or reduction in hours occur where the newly assigned employee is to be replaced, such employee shall be permitted to reclaim the position formerly vacated, or whatever equivalent position entitled to by the combined seniority in the old and new classifications.

3.2 Probationary Employees. An employee shall not acquire seniority rights until he has been employed by the Employer for a period of sixty (60) calendar days on a regular and continuous basis. An employee shall, for this sixty (60) day period, be considered as a probationary employee and may be terminated at will by the Employer without recourse by such employee or the Union to the grievance

procedure. Probationary employees shall not be eligible for holiday pay benefits until such time as their probationary period is completed. Successful completion of the sixty (60) day probationary period will result in the employee's seniority date being considered his initial date of employment and all hours worked during the probationary period shall be credited to the length of service computations required for various fringe benefits provided for herein.

3.3 Application. In the reduction of forces due to slackness of work, the least senior employee in the classification in which the Employer is reducing the work force shall be the first laid off and in rehiring, the last employee laid off in the classification in which the Employer is rehiring shall be the first rehired until the list of current employees is exhausted. For purposes of this Section, classifications shall include Meat Cutters, Meat Clerks, Warehouse Clerks, General Clerks, Service Clerks and Utility Clerks. Separate lists of all such classifications shall be maintained for employees.

3.3.1 Notwithstanding anything in this Agreement to the contrary, it is recognized that business conditions may require reduction of hours and/or layoffs of employees.

3.3.2 In laying off an employee, other than during the probationary period, the Employer agrees to abide by the seniority rule as defined above in the following precedence: Seniority in the store, seniority in the Company District if the Company has established and notified the Union of such bona fide Company District. The Company will advise the Union of its Company Districts and any realignments thereof. If the Company does not have districts or in the case of meat department employees (Meat Cutters and Meat Clerks), seniority shall be on a Company-wide basis within the Local Union's geographical jurisdiction.

3.3.3 The least senior full-time employee(s) within an affected classification who is being reduced in hours or laid off from work in his store, may displace the least senior full-time employee in the same classification within twenty-five (25) miles of his place of residence within the Company District in which he is employed or in the case of a Meat Cutter and Meat Clerk, within the geographical jurisdiction of the Local Union. If such employee does not have sufficient seniority to displace the least senior full-time employee within the twenty-five (25) miles within such district, he may bump the least senior full-time employee in his classification within such Company District in which he is employed or in the case of a Meat Cutter and Meat Clerk such employee may bump the least senior full-time employee in his classification within the geographical jurisdiction of the Local Union.

3.3.4 The least senior full-time employee within the affected classification who is being displaced by the procedure in Paragraph 3.3.3 above, may bump the least senior full-time employee in his classification within the Company District or the geographical jurisdiction of the Local Union, whichever is applicable. If the affected employee is the least senior within the Company District, he shall be reduced to part-time within his own store or laid off based on seniority.

3.3.5 The least senior part-time employee within an affected classification who is being laid off from work in his store, may displace the least senior part-time employee in the same classification within the Company District in the same manner as set forth in Paragraphs 3.3.3 and 3.3.4 above. If the affected part-time employee is the least senior within the Company District, he shall be laid off and shall have no bumping rights.

3.3.6 The Employer will give the Union at least thirty (30) days written notice of their intentions to permanently close a store.

3.4 Reinstatement. The last employee(s) laid off, by reason of slackening of business, shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within ninety-six (96) hours, excluding Saturday and Sunday, from the postmarked date of a certified or registered letter to the employee's last known address, and such letter shall state that failure of such employee to present himself within the ninety-six (96) hour period shall cancel his seniority. Failure of such employee to present himself within ninety-six (96) hours shall cancel his seniority.

3.5 Operational Transfer. It is recognized that to meet the necessities of the business or to advance the Employer's equal employment opportunity program, transfer of employees, either within the geographical jurisdiction of a Union party to this Agreement or from the jurisdiction of one such Local Union to another such Local Union may be required. In such cases where such transfer is effected by the Employer, the transferred employee will carry to such employee's new assignment all seniority, as defined above, acquired in the employ of the Employer. This transfer rule shall not require an employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location.

3.5.1 An employee may refuse an operational transfer only if it is over twenty-five (25) miles from his place of residence; provided, however, that the employee is protected inasmuch as the operational transfer provisions shall not be applied in an arbitrary, capricious, or discriminatory manner, or for disciplinary purposes, and shall not be utilized as a device for creating hardship to the employee in order to force or provoke resignation.

3.6 Additional Hours. A part-time employee may, within classification, claim a schedule with more hours from a less senior part-time employee, when one becomes available in the store in which said employee is employed, based on seniority rights and the ability to perform the work claimed. No part-time employee can claim the hours from employees who are either full-time or designated as Receiver, Night Crew Leader or 4th Person.

3.6.1 Grievances pertaining to Paragraph 3.6 above, shall be filed in writing with the Employer within forty-eight (48) hours of the posting of the work schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week.

3.7 Seniority Breaks. Seniority shall be broken or terminated by: 1) voluntary termination; 2) discharge for cause; 3) layoff for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months; 4) nonoccupational disability in excess of six (6) months; 5) failure to report to work at the expiration of authorized leave of absence or vacation, unless an extension in writing is authorized in advance; 6) failure to report for work within three (3) working days; 7) an occupational disability in excess of twelve (12) months. However, upon request, the Employer shall review the circumstances of the occupational disability in light of the employee's prior duties at the end of the twelve (12) month period and may grant an extension of up to six (6) months at its sole discretion. With respect to this latter provision, the parties recognize that occupational disability absences in excess of twelve (12) months would disrupt the Employer's operation and there is no guarantee the former position would be available.

3.8 Promotions and Transfers. The parties contemplate that employees employed within the Utility Clerk, General Clerk, Meat Clerk, Service Clerk or any other classification may desire to seek promotions or transfers into other areas within the store. In the event an employee is promoted into a new classification, said employee will be treated as a probationary employee within that new classification pursuant to Paragraph 3.2 of this Agreement. An employee who is so promoted, but who is unable to perform the work of that classification to the satisfaction of the Employer as a probationary employee may return to his prior classification and wage rate without any loss of seniority in said classification. However,

if an employee is terminated for conduct unrelated to a simple inability to perform work, said employee shall have no right to return to his prior classification and shall be considered terminated for all purposes. In the event an employee passes the probationary period within the new classification, his seniority date for purposes of layoff and recall shall be the date of assignment within the new classification. Employees transferred to a new store shall retain their seniority rights. Employees shall state their preference for transfer to a new location upon request by the Employer. Employees shall be selected for transfer by seniority in classification.

3.8.1 All permanent job vacancies in the Warehouse Clerk classification shall be handled on a store-by-store basis. General Clerks, Meat Clerks or Service Clerks in each store who have worked in their respective classification for at least five hundred twenty (520) hours and are desirous of promotion and are otherwise reasonably qualified for promotional opportunity in accordance with this provision must file a semi-annual written request for promotion with their Store Manager during the first (1st) two (2) working weeks in February and August.

A General Clerk, Meat Clerk or Service Clerk who has made application shall be granted an available Warehouse Clerk position by seniority, provided they have the qualifications and availability to perform the required work. The employee selected for promotion to Warehouse Clerk under this provision shall be subject to the provisions of Paragraph 3.8 above.

All permanent job vacancies in the Warehouse Clerk, General Clerk, Service Clerk and Meat Clerk classifications shall be handled on a store-to-store basis. Utility Clerks who have actually worked at least five hundred twenty (520) hours, and who are desirous of promotion, and who are otherwise reasonably qualified for promotional opportunity in accordance with this provision must file a semi-annual written request for promotion (“Declaration of Interest”) with the Store Director during the first (1st) two (2) weeks of February and August.

3.8.2 All permanent job vacancies in the Apprentice Meat Cutter classification shall be handled on a store-by-store basis. Meat Clerks in each store who have worked in the Meat Clerk classification for at least one thousand five hundred (1500) hours and are desirous of promotion and are otherwise reasonably qualified for promotional opportunity in accordance with the provision must file a semi-annual written request for promotion with their Store Manager during the first (1st) two (2) working weeks in February and August.

A Meat Clerk who has made application shall be granted an available Apprentice Meat Cutter position by seniority, provided they have the qualifications and availability to perform the required work. The employee selected for promotion to Apprentice Meat Cutter under this provision shall be subject to the provisions of Paragraph 3.8 above.

It is not intended that Paragraphs 3.8.1 and 3.8.2 have any effect on the Employer’s right to transfer employees in any classification between stores.

3.8.3 All employees who are promoted to a higher rated classification of employment shall be subject to the wage progression schedule set forth in Appendix A and receive the next immediate higher rate of pay for that classification as set forth in Appendix A until such time as the employee has accumulated sufficient total credited hours of experience equal to two times (2x) the hours required for that step of the new classification rate before proceeding to the next progression schedule.

SECTION 4 - HOURS OF WORK AND OVERTIME

4.1 Full-Time Employee. A full-time employee is defined as one who is hired to work at least forty (40) hours per week [five (5) eight (8) hour days] or who works at least forty (40) hours a week [five (5) eight (8) hour days] in sixteen (16) consecutive weeks. Holidays not worked but paid for and vacations taken in full week increments shall not interrupt the sixteen (16) consecutive week requirement set forth in this Section. A specific individual's assignments to temporary vacancies caused by vacations, illness, injury or leave of absence shall neither count toward nor interrupt the aforesaid accumulation of the sixteen (16) consecutive weeks. Such full-time employee is guaranteed a minimum of five (5) eight (8) hour days' work, when said employee works as scheduled. With the exception of Meat Cutters, the accumulation of sixteen (16) weeks, as defined above, must be worked in a single store unless it is with the prior knowledge of the employee's home store manager or zone manager.

4.2 Part-time Employee. A part-time employee is defined as one who works less than forty (40) hours per week. Part-time Warehouse Clerks, General Clerks, Meat Clerks and Service Clerks hired prior to October 4, 2004, will be guaranteed twenty-four (24) hours per week and any such employee shall be guaranteed four (4) hour's work per day. Utility Clerks hired prior to October 4, 2004, upon promotion to a higher classification shall be guaranteed twenty-four (24) hours per week and any such employee shall be guaranteed four (4) hour's work per day. Part-time Warehouse Clerks, General Clerks, Meat Clerks and Service Clerks hired on or after October 4, 2004, will be guaranteed twenty (20) hours of work per week and any such employee scheduled shall be guaranteed four (4) hours' work per day. Utility Clerks will be guaranteed sixteen (16) hours of work per week and any such employees scheduled shall be guaranteed four (4) hours' work per day. Part-time Meat Cutters will be guaranteed twenty-four (24) hours of work per week and any such employee scheduled shall be guaranteed eight (8) hours' work per day. Part-time employees shall not be hired to replace or avoid hiring full-time employees.

4.3 Workweek. The regular workweek shall commence on Monday and run through Sunday. Forty (40) hours shall constitute a normal workweek to be performed within a five (5) day period.

4.3.1 Full-time Workweeks. Appendix C, regarding full-time workweeks, which is attached hereto, shall be incorporated and made a part of this Agreement. A given store's "sales per week, excluding fuel sales" shall be its average weekly sales volume for the twenty-six (26) week period directly preceding the stated effective date of the annually-established quotient of forty (40) hour workweeks for that store.

4.4 Starting Times and Schedules. The parties expressly recognize that starting times must be staggered for various shifts due to the demands of the business. The Employer retains discretion to set such starting times and to schedule employees so as to fit its staffing requirements. Work schedules for all employees of various departments shall be posted by the Employer by 3:00 p.m. on Fridays for the following week, specifying start and finish of shifts and including surname and first initial. If the work schedule within any day is changed after Friday without reasonable cause, the matter may be subject to the grievance procedure. An employee shall be guaranteed pay for the specific days in a workweek upon which he is scheduled to work. It shall be the responsibility of each employee to check his work schedule.

4.5 Holiday Pay. Two and one-half (2½) times the hourly rate shall be paid for each hour worked on a holiday as defined herein. Employees hired on or after October 4, 2004 shall be paid two (2) times the hourly rate of pay for time worked on a holiday.

4.6 Overtime. Overtime shall be paid at the rate of one and one-half (1½) times the regular hourly rate for all work performed in excess of forty (40) hours in any calendar week, or in excess of eight (8) hours in any one (1) day. There shall be no pyramiding of overtime. No Meat Clerk or Meat Cutter shall be required to work seven (7) consecutive days in the workweek; however in case of emergency work

performed on the seventh (7th) day in the workweek, double time or two (2) times the employee's regular rate shall be paid.

4.7 Breaks and Meal Period. A meal period of sixty (60) minutes will be granted each shift in excess of six (6) hours but will not be considered part of the regular workday or compensated for. By mutual consent, the meal period may be reduced to thirty (30) minutes. All employees working four (4) hours per day shall receive one (1) ten (10) minute rest period. All employees working more than four (4) hours and up to and including six (6) hours per day shall receive one (1) fifteen (15) minute rest period. All employees working more than six (6) hours per day shall receive two (2) ten (10) minute rest periods.

4.7.1 The meal period shall normally begin no earlier than the third hour and no later than the fifth hour of that day's scheduled work shift.

4.8 Pay Day. Employees' paychecks will be available on a weekly basis no later than 3:00 p.m. on Friday.

4.9 Sunday Premium. All employees hired prior to October 4, 2004, shall be paid, for all hours worked on Sunday, time and one-half (1½) minus one dollar (\$1.00) the straight-time hourly rate of pay.

4.9.1 All employees, except for Utility Clerks, hired on or after October 4, 2004, shall be paid a one dollar (\$1.00) per hour premium for all time worked on Sunday.

4.9.2 All Utility Clerks hired on or after October 4, 2004 who have been continuously employed by the Employer for more than six (6) months will receive a premium payment of fifty cents (50¢) for each hour worked on Sunday.

4.10 Premium Pay. All employees except Utility Clerks hired prior to October 4, 2004, will receive a night premium of fifty cents (50¢) per hour for hours worked between 10:00 p.m. and 6:00 a.m., Monday through Saturday. Meat Clerks and Meat Cutters shall receive such premium for hours worked between 7:00 p.m. and 6:00 a.m. All employees except Utility Clerks hired after October 4, 2004, will receive a night premium of twenty-five cents (25¢) per hour for hours worked between 10:00 p.m. and 6:00 a.m.

4.11 Split Shifts. Employees will not be required to begin a shift within ten (10) hours of completing a shift. Work performed prior to the ten (10) hours' elapsed time shall be paid at the rate of time and one-half (1½).

SECTION 5 - WORK RESTRICTIONS

5.1 The parties expressly recognize that the efficient utilization of the warehouse concept in food and related product merchandising requires the coordination of outside suppliers, merchandisers, salesmen and in-store employees. No restrictions shall be placed on outside service merchandisers, service drivers, driver salesmen, salesmen or merchandisers who represent or otherwise handle products to be sold by the Employer. No bargaining unit employee shall be laid off or reduced in hours as a result of work being performed by any outside service merchandisers, service drivers, driver salesmen, salesmen or merchandisers. Demonstration work may, at the discretion of the Employer, be assigned to employees or subcontracted. During the term of this Agreement, the Employer agrees that no currently recognized department or major portion thereof shall be subcontracted or leased to others. Major departments shall be identified as Meat, Grocery, Produce and Front end.

5.2 Warehouse Clerk. Warehouse Clerks under this Agreement will perform those duties related to the warehousing, pricing, stocking and handling of food and non-food items.

5.3 General Clerk. General Clerks may perform all duties in the store not otherwise specifically reserved to employees in other classifications, including but not limited to, operating cash register, performing point of sale coordination duties, and handling, stocking, and pricing all items displayed at the checkstand, and including books, magazines and tobacco products wherever located within each store. In addition to duties listed above, General Clerks may perform all duties listed in Appendix D.

5.4 Service Clerk. A Service Clerk may perform all duties related to the operation of the Service Deli/Bakery Department, including but not limited to; the ordering, receiving, warehousing, preparation, processing, packaging, and displaying of all items offered for sale by the Service Deli/Bakery Department. Service clerks may perform the duties of a meat clerk at management's discretion. The employee will receive the higher rate if applicable. Except for the above, Service Clerks may not perform duties specifically reserved to other classifications of employees. The Service Clerk classification shall be implemented only in stores equipped with an oven used in the preparation of bakery products for sale.

5.5 Utility Clerk. A Utility Clerk is an employee whose duties do not include any of the work of a Warehouse Clerk, General Clerk, Meat Clerk or Service Clerk. Utility Clerks may be assigned to perform only clean-up work, cart collection, related front-end duties, baling and/or collection of cardboard and other refuse, and hanging advertisements or other related materials. If Utility Clerks are assigned to work in other classifications, they shall be paid at the appropriate rate of pay for that classification and all hours worked in the higher classification shall be credited to their progression steps.

5.5.1 Effective June 19, 2000, the maximum number of hours in any one (1) week, in any one (1) store, that Utility Clerks may work in a higher classification shall not exceed twenty percent (20%) of the total number of hours scheduled in the Utility Clerk classification for that week. In the event of a violation, the most senior part-time employee in the classification(s) in which the majority of that work was performed, shall receive pay for the number of additional hours that were worked over the twenty percent (20%) up to forty (40) hours. If any balance of hours remains then that balance shall be paid to the next senior part-time employee(s) in that classification until such balance is exhausted.

Three (3) violations of this provision in any one store within any ninety (90) day period shall result in that store being prohibited from using Utility Clerks in a higher classification for a period of ninety (90) days.

Maintenance forms will be kept for a minimum of six (6) weeks and made available at store level to Union Representatives, upon request. Grievances over this section must be filed within fourteen (14) days of the week in which the violation occurs. Claimed violations must be separately grieved to the Labor Relations Department to be considered as one (1) of the three (3) violations.

5.6 A store having laid off, reduced in class, or reduced to part-time its Warehouse Clerks, General Clerks or Service Clerks shall not, while such is the case, schedule the performance of such work by a Utility Clerk. Warehouse Clerks, General Clerks and Service Clerks will not be intentionally underscheduled to facilitate the use of Section 5.5 above.

5.7 Meat Cutter. Meat Cutters will perform those duties requiring the knowledge and traditional skills of the trade in performing the initial reduction of primal and subprimal cuts as may be delivered in that form to the retail store. They also shall perform the work of operating the large production grinder. A Meat Cutter may also perform any work in the meat department and shall perform such work as assigned.

5.8 Meat Clerk. Meat Clerks will perform those duties in the meat, service deli and self-service deli areas of the store not otherwise reserved to Meat Cutters in Paragraph 5.7 above. In addition, the Meat Clerk may keep the counter neat and clean; fill the counter and replace trays of meat including boating; wait on the trade; collect money; give change; excluding production, may cut a steak or roast which has already been processed by a Meat Cutter to size in order to serve a customer; and modify and prepare a cut to suit a customer; use the slicing machine, cube steak machines, and small front-end grinders. Meat Clerks hired prior to October 4, 2004, working in service meat departments, shall receive a twenty-five cents (25¢) per hour premium in addition to their regular straight-time hourly wage rate.

5.9 Prior Experience. Meat Cutters who have achieved Journeyman status under the Retail Meat Agreement between the UFCW and the Food Employers Council in Southern California and who have actively worked full-time under that Agreement during the two (2) years prior to being employed by the Employer shall be credited for such industry experience as follows:

5.9.1 The first (1st) sixty (60) calendar days of employment (probationary period) shall be considered as warehouse orientation pay and shall be at the 4th Apprentice rate of pay.

5.9.2 Upon successful completion of the probationary period such employees shall thereafter be paid the Journeyman rate of pay.

SECTION 6 - HOLIDAYS

6.1 The following days are recognized as paid holidays for qualifying employees:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Employee's Birthday
Labor Day	Anniversary Date of Employment
Personal Holiday	

6.1.1 Each qualifying employee shall give the Employer notice of his birthday and/or anniversary date at least two (2) weeks prior to the week in which the birthday and/or anniversary date occurs. Such birthday and/or anniversary date shall be enjoyed by the employee on the actual day of such holiday or on another day mutually agreeable to the employee and the Employer. If the employee's birthday and/or anniversary date falls on a day, which is otherwise considered as a holiday, he shall receive an additional day off for the birthday and/or anniversary date in addition to the holiday on which it falls.

6.1.2 An employee requesting a given workday date as a personal holiday must do so at least two (2) weeks in advance. The Employer shall endeavor to grant such requests subject to store operational requirements. A personal holiday date, once granted for that year, will become permanent and can only be changed by mutual agreement between the employee and the Employer.

6.1.3 Personal holidays are expected to be scheduled and taken. In cases where an employee has been scheduled for a personal holiday, and the Employer cancels such holiday, the employees will receive holiday pay in accordance with the provisions of Paragraph 4.5. Mutual rescheduling may be undertaken in lieu of holiday pay.

6.1.4 The Company agrees that no employee will be denied a birthday, anniversary or personal holiday to which he would otherwise be entitled as a result of the employee's failure to request such a holiday in advance. Rather employees who fail to request the birthday, anniversary, or personal holiday in advance shall be entitled to another mutually agreeable day off with pay within thirty (30) days of the request. It is further understood that no employee is entitled to holiday pay for any holiday, which falls after the employee's termination date.

6.2 A regular holiday workweek shall consist of the holiday itself and four (4) other eight (8) hour days. A full-time employee, not working on a holiday, shall receive eight (8) hours' pay for the holiday in addition to the pay specified in this Agreement for the other four (4) days referred to above. All time worked over the thirty-two (32) hours, exclusive of the holiday, shall be paid for at the rate of time and one-half (1½) the employee's regular rate of pay. A full-time employee scheduled to work on a holiday shall be guaranteed eight (8) hours' work on such holiday.

6.3 Regular part-time employees shall be entitled to pay in accordance with this Section only if said holiday falls on their scheduled workday or if such employee is scheduled for forty (40) hours' work during the holiday week. Holiday pay for any such regular part-time employee shall be computed by averaging the number of hours worked by the employee on the day of the week on which the holiday falls for the six-week period immediately prior to the holiday week. Work schedules shall not be changed for the purpose of avoiding holiday payments. The determining factor shall be the employee's prior work schedules.

6.4 No employee shall receive pay for any holidays not worked unless such employee has reported for work on his regular working day next preceding and next following said holiday. Employees shall be deemed to have reported for work if absence on said day before and the said day after said holiday is due to express permission from or action of the Employer, and also in case of certified illness, provided the employee has worked during the holiday week.

6.5 Hours worked on the above holiday shall be computed at two and one-half (2½) times the employee's regular hourly rate of pay as set forth in Appendix A or B. When a holiday occurs during a qualified employee's vacation, he shall be paid for the unworked holiday in addition to his vacation pay.

6.6 Holidays for Employees hired on or after October 4, 2004. Sections 6.1, 6.2, 6.4 and 6.5 of Section 6 do not apply to employees hired on or after October 4, 2004.

6.6.1 After an employee has worked six (6) months under the terms and conditions of this Agreement, he will be entitled to two (2) holidays: Thanksgiving and Christmas. After completing one (1) year of employment under this Agreement, the employee shall be entitled to one (1) more holiday, 4th of July. After completing eighteen (18) months of employment, under this Agreement, the employee shall be entitled to an additional holiday, Labor Day. After an employee has completed a second (2nd) year of employment under this Agreement, the employee shall be entitled to New Year's Day. After the employee has completed three and one-half (3½) years of employment under this Agreement, the employee shall be entitled to Memorial Day.

6.6.2 In order for an employee to be paid for a holiday not worked, he must have completed his probationary period, have worked the scheduled workday immediately before, and the scheduled workday immediately following the holiday (unless his absence was expressly permitted by the Employer) and must have worked during the payroll period in which the holiday occurred.

6.6.3 All hours worked on a listed holiday shall be payable at the rate of double-time (2x) the employee's regular straight-time hourly rate of pay (includes holiday pay).

6.6.4 All contractual holidays shall be observed on the holiday itself.

6.7 Work on Thanksgiving and Christmas. Work on these calendar days shall be purely voluntary, provided that if a store has insufficient volunteers to competently staff operational needs, it shall assign such work in inverse order of seniority to those fully qualified to perform needed functions.

SECTION 7 - VACATIONS

7.1 Employees shall be entitled to annual vacation periods as follows, subject to the pro rata provisions of Paragraphs 7.2 and 7.3:

After one (1) year's continuous employment, one (1) week paid vacation;

After two (2) years' continuous employment, two (2) weeks paid vacation;

After five (5) years' continuous employment, three (3) weeks paid vacation;

After fifteen (15) years' continuous employment, four (4) weeks paid vacation; and

After twenty (20) years' continuous employment, five (5) weeks paid vacation.

7.2 Vacations for Employees Hired on or after October 4, 2004. Sections 7.1 and 7.3 of Section 7 do not apply to employees hired on or after October 4, 2004. The provisions set forth below are the only vacation provisions applicable to employees hired on or after October 4, 2004.

7.2.1 All employees shall receive a paid vacation in accordance with the following schedule:

One (1) week of vacation after completing one (1) year of service

Two (2) weeks of vacation after completing three (3) years of service

Three (3) weeks of vacation after completing seven (7) years of service

7.2.2 Employees must work at least one (1) year to be eligible for any vacation entitlement.

7.2.3 Part-time employees shall be entitled to vacation pay prorated on the basis of the average weekly straight-time hours worked during the preceding year to 1,940 hours.

7.3 Part-time employees shall be entitled to a vacation benefit on a pro-rata basis. Eligibility for vacation shall be computed from the original date of employment of the employee, unless in the interim, as specified in Section 3, the continuity of service has been broken, in which case eligibility shall date from the time of reemployment. In determining whether an employee qualifies for the full vacation benefit, holidays, vacation and used sick leave shall be credited as hours worked.

7.4 Vacation pay for full-time employees shall be calculated on the basis of the employees' straight-time hourly rate times forty (40) hours, for each week of vacation eligibility. Employees who have worked less than one thousand eight hundred (1800) hours in any year of continuous service shall have their vacation prorated on the basis of the average number of hours worked per week during the year of continuous service.

7.5 Vacations will normally be scheduled in minimum units of one (1) week. Vacations shall be taken during a time mutually agreed upon by the employee and the Employer after the annual anniversary date entitling an employee to such vacation. There shall be no accumulation of earned vacation time or pay from one year to the next.

7.6 Seniority is to be considered in the choice of vacation period by employees within various classifications. In arranging vacations, the Employer will take the employee's preferences into account, but operating needs are controlling as to when a vacation may be taken. All employees will be given an opportunity to state their preferences for a vacation in January of each year.

7.7 Employees who have been in the continuous employ of the Employer for six (6) months or less at the time of termination shall not be eligible for pro rata vacation pay. Employees who have been in the continuous employ of the Employer more than six (6) months but less than one (1) year at the time of layoff shall be eligible for pro rata vacation pay. All employees who have been in the continuous employ of the Employer for more than one (1) year at the time of termination, voluntary quit or layoff shall be eligible for pro rata vacation pay.

Notwithstanding the above, employees who are discharged for proven or admitted dishonesty shall forfeit any pro rata vacation pay earned subsequent to their last anniversary date.

Such vacation pay shall be pro rated according to the ratio that straight-time hours actually worked bear to two thousand eighty (2080) hours.

SECTION 8 - LEAVES OF ABSENCE

8.1 The Employer agrees to grant to any employee who has been with the Employer for six (6) months or more, a leave of absence for certified illness and/or injury, up to ninety (90) days, and to an employee who has been with the Employer for one (1) year or more, a leave of absence for certified illness and/or injury up to six (6) months. In cases of Workers' Compensation, the employee's leave of absence shall be continuous until such time as said employee has been released from his period of temporary disability and is available and qualified for work, provided, however, such leave of absence shall not exceed one (1) year.

The Employer agrees to grant to any pregnant employee who has been with the Employer for less than one (1) year, a leave of absence for that pregnancy, childbirth, or related medical conditions, pursuant to the California Fair Employment Practices and Housing Act, Sec. 12945-(b)(2), for a reasonable period, not to exceed four (4) months. If the employee has been with the Employer for one (1) year or more, the leave may be up to six (6) months.

8.2 At the request of the employee, the Employer may grant a leave of absence for other purposes, but said leave of absence shall not exceed thirty (30) days. The terms and conditions of all leaves of absence shall be set forth in writing. The Employer shall grant an automatic leave of absence, if so desired, not to exceed two (2) weeks, in cases of critical illness or injury or death in the employee's immediate family as defined in Section 10. Any period in excess of two (2) weeks shall require the written consent of the Employer. When possible, the employee shall request such leaves of absence; but in any event, the Employer shall be notified within twenty-four (24) hours.

8.3 At the end of any period of such leave of absence for illness and/or injury, an employee shall be restored to employment with the Employer with full seniority to a position comparable to the one he held immediately prior to such leave of absence, provided that the employee is physically able to efficiently perform work comparable to that which he performed prior to such leave of absence.

8.4 Should an employee exceed the leave of absence granted by the Employer, vacation pay, which has accrued for time worked to such employee as of the date of the beginning of such leave of absence shall be computed and a check for same shall be forwarded to the employee with a notice that his employment has been terminated.

8.5 This Section shall not be used to justify or support excessive absenteeism, and, should the Employer wish to verify an employee's illness or his ability and/or inability to perform the work required, it may employ a doctor of its own choosing for such purpose, paying all charges for such doctor's services.

8.6 Any employee who undertakes other work or employment of any nature during any leave of absence, without first securing written permission from the Employer and the Union, automatically cancels such leave of absence and will be treated as a voluntary quit.

8.7 Union Business. An employee selected for a Union position which takes him from his employment with the Employer shall, upon written request to the Employer by the Union, receive a leave of absence for a period of his services for the Union, but not in excess of two (2) years and upon his return shall, if he left the Company in good standing, be reemployed at work similar to that in which he was engaged immediately prior to his leave of absence. However, not more than one (1) employee shall be given leave from the same store during the same period of time, nor shall more than three (3) employees in the Company be on such a leave at one time.

SECTION 9 - JURY DUTY

9.1 When a non-probationary, full-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned, he shall be scheduled a Monday through Friday workweek between the hours of 8:00 a.m. and 5:00 p.m. and paid for each day on such jury service at the rate of eight (8) hours times his straight-time hourly rate, less any remuneration received by him for jury service.

9.2 When a non-probationary, part-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned during the Monday through Friday portion of his normal workweek, he shall be scheduled a shift between the hours of 8:00 a.m. and 5:00 p.m. He will be paid for that part of his normal workweek based upon his average hours worked or paid for in each workweek, Monday through Friday, in the four (4) such workweeks immediately preceding the week(s) in which jury duty is required, less any remuneration received by him for such jury service. Utilization of such an employee on the Saturday and/or Sunday portion of his normal workweek shall continue to be at the discretion of the Employer; provided the minimum weekly hour guarantee is satisfied.

9.3 If such employee in addition works for the Employer on Saturday, he shall be paid at the rate of straight-time. If he works for the Employer on Sunday, he shall be paid at the Sunday rate of pay.

9.4 If an employee is temporarily excused from jury service on any scheduled day, i.e., Monday through Friday, he shall immediately report for work to complete the remaining hours of his scheduled work shift. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit him to return to work prior to one (1) hour before the end of his shift.

9.5 If an employee is permanently excused from jury service he shall immediately report for work to complete the remaining hours of his scheduled work shift that day. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit him to return to work prior to one (1) hour before the end of his shift. If the employee is not required to report, he shall call the manager to inform him that he has been permanently released. Thereafter, the manager may place him on a work schedule similar to which he normally works.

9.6 The employee shall notify the Employer as soon as he receives his jury duty summons. Failure to provide such summons prior to the posting of the schedule shall relieve the Employer from the scheduling requirements set forth above. The Employer will verify eligibility if provided with a timely summons. The Employer may require proof of attendance for jury service. An employee making a false claim for jury duty pay shall be subject to discharge.

9.7 An employee shall be eligible for jury duty pay for three (3) tours of jury duty service only during the life of this Agreement. The total number of days that an employee may receive jury duty pay is

limited to fifteen (15) days through the life of the Agreement. An employee shall no longer be eligible for jury duty pay when three (3) tours are served or when fifteen (15) days have been compensated, whichever occurs first. Jury duty pay shall not be required for Grand Jury service. In the event an employee is called for jury service for which he would not be eligible for pay, the Employer shall join the employee in seeking excuse from service if such service would cause a financial hardship to the employee.

SECTION 10 - FUNERAL LEAVE

10.1 In the event of a death in the immediate family of an employee he shall, upon written request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed three (3) regularly scheduled working days. This provision does not apply if the death occurs during the employee's paid vacation, or while the employee is on leave of absence, layoff or sick leave. Said funeral leave shall be paid on the basis of the then-applicable straight-time hourly rate.

10.2 For purposes of this provision, the immediate family shall be defined as father, mother, brother, sister, spouse, child, grandmother and grandfather, grandchildren or any of the above related to the employee by marriage. At the request of the Employer, the employee shall furnish a death certificate and proof of relationship.

10.3 Funeral leave applies only in instances in which the employee attends the funeral, or is required to make funeral arrangements, but this benefit is not applicable for other purposes such as settling the estate of the deceased.

SECTION 11 - SICK LEAVE

11.1 Any employee who has been in the active and continuous service of the Employer for a period of one (1) year and who has accumulated two thousand eighty (2080) hours of service with the Employer shall be entitled to six (6) days or forty-eight (48) straight-time hours of sick leave with pay. Said sick leave shall be accrued at the rate of one-half ($\frac{1}{2}$) day per month actually worked. This benefit shall be prorated for employees working less than two thousand eighty (2080) hours.

11.2 Sick leave with pay shall be applicable and available only in cases of bona fide illness or accident and shall be paid commencing the first (1st) day of absence unless the employee has been hospitalized. The Employer may require a doctor's certificate as proof of illness if in the sole discretion of the Employer it is determined that an employee or employees have abused such sick leave pay. In the absence of such a certificate, the employee shall not qualify for this benefit.

11.3 Sick leave may not be accumulated from year to year. However, unused sick leave will be paid to the employees on a "cash out" basis at the then-applicable straight-time hourly rate of pay during the week immediately following the second and succeeding anniversary dates of employment with the Employer.

11.4 When the absence is due to an industrial injury, Workers' Compensation and sick leave benefit allowances shall be paid separately. In the event Workers' Compensation payments cover all or part of the period during which the earned sick leave benefit allowances are paid, the sum of the two (2) may not and shall not exceed the sick leave benefit payable for said period as provided herein. The same rule shall apply to unemployment compensation disability payments.

11.5 Unused sick leave will not be paid to employees who are discharged or quit.

SECTION 12 - HEALTH AND WELFARE PLAN AND PENSION

12.1 **Benefit Fund:** The Employer shall make contributions to the United Food and Commercial Workers Union and Food Employers Benefit Fund to provide Plan B (as such plan is currently designed except the parties agree to direct the Trustees of the Fund to modify Plan B as provided in 12.1.1 below) and Plan 110 benefit coverage based on the same eligibility criteria (including Graduation and Step-up) as Plan(s) A and 110 and with same employee co-premiums, respectively, are provided under the standard program of benefits as defined in the master industry agreement for the entire term of this successor agreement. The Employer agrees to contribute the following amounts to the Benefit Fund for Plan B and New Hire Plan 110):

Effective with June 2007 hours, payable in July 2007, the employer shall contribute an amount equal to 75% of the hourly contribution rate applicable to employees under the master industry agreement for straight time hours worked.

12.1.1: The Trustees of the Plan shall be directed to modify the benefit provided under Plan B as follows:

	PLAN B CURRENT		PLAN B PROPOSED NEW CONTRACT	
	Single	Family	Single	Family
PPO MEDICAL				
Deductible	\$275	\$825	\$1,000	\$2,000
Coinsurance	75%	75%	75%	75%
OOP	\$2,500	\$5,000	\$2,000	\$4,000
Lifetime Max			\$2,000,000	2,000,000
HRA Funding	N/A	N/A	\$525	\$925
HRA Incentives	N/A	N/A	\$200	\$250
Net Deductible	\$275	\$825	\$275	\$825
Preventive Care	Varies	Varies	100%	100%
HMO MEDICAL				
Office Visits		\$25		\$25
Inpatient		\$250/admit		\$250/admit
Emergency Room		\$100/visit		\$100/visit
PRESCRIPTIONS				
Deductible		\$50 (3x)		\$0
Co-pays (at Retail)		\$10-\$25-\$40 (G-FB-NF)		\$10-\$25-\$40 (G-FB-NF)
Mail		2x retail		2x retail Rx Co-pays may be paid from HRA funds
Maintenance Rx's		N/A		\$7-\$15-\$25 (G-FB-NF) - 30 days \$14-\$30-\$50 (G-FB-NF) - 90 days

available for hypertension, asthma,

	PLAN B		PLAN B	
	CURRENT		PROPOSED NEW CONTRACT	
	Single	Family	Single	Family
CHIROPRACTIC MAX		\$500		\$1,000
VISION				high cholesterol, diabetes control, glaucoma, osteoporosis and related supplies
Exam/materials		100% to \$94		100% to \$125
DENTAL				
Deductible		\$50 (3x)		\$50 (3x)
Annual Max.		\$1,250		\$1,250
Preventive		100%*		100%*
Basic		70%*		80%*
Major		60%*		70%*
* schedule applies				
ORTHO				
Plan Payment		75%		75%
LTM		\$1,250		\$1,500

12.2 Pension Fund: The Employer agrees to contribute to the Southern California United Food and Commercial Workers Unions and Food Employers Joint Pension Trust Fund the amounts listed below. Said contribution shall provide those pension benefits specified under the Alternate Program of Benefits established by the Trustees of the Pension Fund for said hourly contribution pursuant to that certain Resolution Regarding Establishment of Alternate Benefit Programs. The Employer and the Union agree to be bound by the terms and conditions of said Resolution.

Beginning with hours worked in June 2007, payable in July 2007, the Employer agrees to contribute to the Pension Fund for the term of this Agreement forty-five cents (\$0.45) per straight-time hour worked for all Employees covered by this Agreement.

12.3 General Provisions Regarding Trust Funds. The Employer and the Union acknowledge and agree that participation in the Benefit and Pension Funds is conditioned upon the approval of the Boards of Trustees of such Funds. In the event either Board does not approve such participation, the parties agree to meet to resolve the issue. Further, the Employer and the Union hereby accept the terms of the existing Benefit and Pension Funds, together with the terms and conditions of all applicable Trust Agreements and related documents, and agree to be bound thereby. By this acceptance the Employer agrees to and shall become a party to each of said Funds with the same force and effect as though the Employer had executed each original Declaration of Trust.

SECTION 13 - NO STRIKE OR LOCKOUT

13.1 This Section and all rights hereunder are separable from all rights and obligations that exist under the grievance procedure set forth hereinbelow. Accordingly, this no-strike, no-lockout pledge prohibits all strikes, work stoppages, slowdowns, coordinated withholding of services or lockouts for any cause whatsoever, irrespective of whether an underlying dispute, if any, may properly be processed through

the grievance procedure set forth hereinbelow and irrespective of whether or not such question of whether such dispute is properly arbitrable is in and of itself found to be arbitrable.

13.2 This no-strike pledge also prohibits alleged sympathy strikes and it is expressly understood that employees may not refuse to cross or work behind any picket line placed at any facility of this Employer during the life of this Agreement. Notwithstanding the above, it shall not be a violation of this Agreement or cause for disciplinary action in the event an employee refuses to go through or work behind any lawful primary picket line approved by the Local Union signatory to this Agreement and the United Food and Commercial Workers International Union. The Union agrees not to strike or to permit a work stoppage or slowdown affecting this Employer and no employee shall encourage other employees to take part in any work stoppage during the life of this Agreement.

13.3 The Union agrees that the Employer may enforce this Section in any State Court of competent jurisdiction and further, that it will not seek to oppose said action by removal into Federal Court and finally, that any order obtained from a State Court will not be opposed on the basis of any federal precedent.

SECTION 14 - DISCHARGE AND SUSPENSION

14.1 Employees may be discharged for good cause. Employees who are discharged for failure to perform work as required, or excessive absenteeism, shall first have had a prior warning, in writing, of a related or similar offense, with a copy sent to the Union. The employee so notified shall be required to initial such notice, but such initialing shall in no way constitute agreement with the contents of such notice. A warning notice shall not be required in the case of a discharge for cash register irregularities, but such alleged irregularities must constitute good cause for the purpose of sustaining said discharge. When a condition arises necessitating a bunching of sales, it shall be mandatory that the checker or cashier involved call the person in charge to supervise in the ringing of the accumulated cash.

14.1.1 The Employer recognizes that chemical dependency is an illness and as such, agrees to encourage and assist employees with chemical dependencies to seek treatment and/or rehabilitation. Any employee who is experiencing alcohol or drug dependency will be afforded the opportunity to make use of the Union's Membership Assistance Program and/or such disability plans, rehabilitation programs and health coverage plans as are appropriate.

14.2 Any employee so disciplined may request an investigation of his discharge or suspension and the Union shall have the right to protest any such discharge or suspension. A discharged employee has seven (7) days from the date of discharge within which to file written protest with the union. Following receipt of such written notice to the Union by the employee, the Union has fourteen (14) days in which to file a protest in writing to the Employer. If such a protest is not so filed, the right of protest and access to the grievance procedure as set forth below is lost. Upon the filing of a timely protest, the matter shall be handled in accordance with the provisions set forth in Section 15 below.

14.3 Any employee who is discharged shall be informed at the time of discharge of the immediate cause of discharge. Such information shall be confirmed in writing promptly upon request.

SECTION 15 - GRIEVANCE PROCEDURE

15.1 Any and all matters of controversy, dispute or disagreement of any kind or character existing between the parties and arising out of or in any way involving the interpretation or application of the terms of this Agreement shall be settled and resolved by the procedures and in the manner hereinafter set forth.

15.1.1 A grievance, other than employee discipline, shall be initiated and delivered to the Employer in writing within fifteen (15) calendar days after the occurrence of the event giving rise to the grievance or otherwise the claim shall be waived.

15.2 The Union through its representatives shall attempt to settle or resolve any such matter with the appropriate store supervisor or person designated by the Employer.

15.3 Upon receipt of a written notice setting forth the exact nature of the grievance from either party, the representatives of the Employer and the representatives of the Union may meet within a calendar week and attempt to settle or resolve the matter. Such meeting may be accomplished by telephone at the option of either party. After a grievance is settled the Union shall be notified in writing of the terms of the settlement, including the amount thereof.

15.4 Any matter not satisfactorily settled or resolved in Paragraphs 15.2 and 15.3 above shall be submitted to arbitration for final determination upon written demand of either party. The written demand for arbitration may be made at any time after the expiration of fifteen (15) days but not later than sixty (60) days from the date of the notice, submitting the matter under Paragraph 15.3 above, to the meeting of representatives. Failure to comply with the time limits set forth in this Section and in Paragraph 15.3 above, shall render such grievance null and void.

15.5 The arbitrator shall be selected from a panel of fifteen (15) persons provided by the Federal Mediation and Conciliation Service or upon mutual agreement. Such selection shall be made immediately thereafter.

15.6 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, or to make decisions on provisions covering wages or working conditions to be incorporated either in a new Agreement or any subsequent annual Agreement. If a question of the arbitrability of an issue is raised by either party, such question shall be determined in the first instance by the arbitrator. Neither party to this Agreement shall refuse to proceed to arbitration upon the grounds that the matter in question is not arbitrable.

15.7 In the case of direct wage claim or a claim for contributions to employee benefit plans which does not involve an interpretation of any of the provisions of this Agreement, either party may submit such claim for settlement to either the grievance procedure provided for herein or to any other tribunal or agency which is authorized and empowered to effect such a settlement. Except as may be provided otherwise in this Agreement, wage claims shall be limited to a maximum of a six-month period.

15.8 With the exception of arbitrations involving suspension and/or discharge, the expenses of the arbitrator shall be borne equally by both the Employer and the Union. All jointly incurred expenses (i.e., transcripts, reporters' costs, arbitrator's fees, room rental) of arbitrations involving suspension and/or discharge shall be borne by the loser. Unless the grievance, which has been submitted to the arbitrator, is totally sustained or denied, it shall be deemed split and the jointly incurred expenses shall be borne equally between the Employer and the Union.

15.9 Matters subject to the procedures of this Section shall be settled and resolved in the manner provided herein. During the term of this Agreement, there shall be no cessation or stoppage of work, lockout, picketing or boycotts, except that this limitation shall not be binding upon either party hereto if the

other party refuses to perform any obligation under this Section or refuses or fails to abide by, accept or perform a decision or award of an arbitrator.

SECTION 16 - RATES OF PAY

16.1 Base Rates. The classifications and minimum hourly rates for employees shall be as set forth in Appendix A or B which is attached hereto and is expressly made a part of this Agreement.

16.2 Rates of Pay. For employees in the classifications of Warehouse Clerk, Meat Cutter, General Clerk, Service Clerk, Meat Clerk, and Utility Clerk, the straight-time hourly wage rates are set forth for each respective classification in Appendix A and B.

16.3 All current rates of pay and all future rates of pay resulting from the above-referenced increases shall be rounded off to the nearest cent.

16.4 Lead Positions. During the term of this Agreement the Employer may implement up to three (3) Lead Positions in each store. The Lead Positions are to be identified as Receiver, Night Crew Leader and 4th Person. The individual designated to Lead Position shall be vested with sufficient authority to direct and control his or her area of responsibility, including, but not limited to, the direction of other employees, compliance with store and company policies, customer and vendor relations and the timely completion of all tasks assigned by supervisors. In addition to the above, the exercise of independent judgment in carrying out Lead Position responsibilities shall be a primary criterion of the assignment. No Receiver, Night Crew Leader or 4th Person shall be demoted from that position because of deficient performance in the job without first having received a prior warning notice in writing, copy to the Union, calling attention to his deficiencies.

If the Lead Position is eliminated for any reason the individual may reclaim his or her former position without loss of seniority.

16.4.1 Employees designated a Receiver, Night Crew Leader and 4th Person shall receive an additional seventy-five cents (75¢) per hour above the appropriate Warehouse Clerk hourly rate of pay established in Appendix A or Appendix B.

16.4.2 Deli/Bakery Lead Person. Every store with a Service Clerk classification must have one (1) full-time deli/bakery lead person who shall be paid as an experienced General Clerk.

16.4.3 General/Non-foods Head Clerk. Employees designated as a “General/Non-foods Head Clerk” will be paid as a Warehouse Clerk on Appendix A or B depending upon their date of hire and at full-time status.

16.4.4 POS Coordinator. Employees designated as a “POS Coordinator” will be paid as a Warehouse Clerk on Appendix A or B depending upon their date of hire.

16.5 No employees shall suffer any reduction in their hourly rates of pay by reason of the signing of this Agreement.

SECTION 17 - SEPARABILITY

It is not the intent of the parties to violate any laws, rulings or regulations of any governmental authority or agency having jurisdiction over them. Accordingly, in the event that any provision of this

Agreement is finally held and determined to be illegal by a court of last resort, such decision shall not affect the validity of the remaining provisions of this Agreement, but rather such remaining provisions shall continue in full force and effect. Additionally, in the event that any provision or provisions are so declared to be in conflict with a law or rule or regulation, the parties shall immediately meet for the purpose of renegotiation and agreement on provisions so invalidated.

SECTION 18 - NO REOPENING DURING CONTRACT TERM

The Employer and the Union hereby acknowledge that during the negotiations which resulted in this Agreement each party had the unlimited right and opportunity to make demands and proposals with respect to any subject not removed by law from the area of collective bargaining. This Agreement constitutes the entire agreement of the parties and concluded collective bargaining for its term unless specifically provided for elsewhere herein. The parties, for the life of this Agreement, voluntarily and unqualifiedly waive the right to require the other to bargain collectively with respect to any subject or item not specifically referred to or covered by this Agreement.

However, should the format of any Food 4 Less store be modified from a warehouse store to any other format (i.e., conventional), all of the terms and conditions of this Agreement shall be immediately open for negotiations insofar as all terms and conditions of employment applicable to/for said stores as they apply to that particular location. In the event the parties are unable to reach agreement, Article 13 - No Strike or Lockout, shall be null and void.

SECTION 19 – FUEL STATIONS

All employees of Fuel Stations shall be covered by the terms of this Agreement, except as provided in the November 27, 2002 Food 4 Less Fuel Stations side letter of agreement which is incorporated herein as Appendix E.

SECTION 20 - EXPIRATION AND RENEWAL

This Agreement shall be in effect from June 4, 2007 to and including June 5, 2011 and shall continue from year to year thereafter unless either party shall give written notice to the other at least sixty (60) days prior to the expiration date of June 5, 2011 or at least sixty (60) days prior to any subsequent June 5 of any succeeding year of its desire to alter, amend, or terminate this Agreement.

SIGNED THIS _____ DAY OF _____, 2007.

FOR THE EMPLOYER:

FOR THE UNION:

Food 4 Less of California, Inc.
Stephen DiCroce, Ralphs
Group VP of Labor Relations

UFCW Local 135
Mickey Kasparian, President

Leroy D. Westmoreland
Director of Labor Relations

UFCW Local 324
Greg M. Conger, President

William R. Edwards
Senior Labor Relations Rep

UFCW Local 770
Ricardo F. Icaza, President

UFCW Local 1036
George Hartwell, President

UFCW Local 1167
Bill Lathrop, President

UFCW Local 1428
Connie Leyva, President

UFCW Local 1442
Michael A. Straeter, President

LETTER OF AGREEMENT
BETWEEN
FOOD 4 LESS AND UFCW LOCAL UNIONS: 135, 324, 770, 1036 and 1167

NEW METHODS OF OPERATION

The Union and the Employer expressly agree that, notwithstanding anything in this Agreement or any supplemental agreement(s) to the contrary, implementation of new methods of operation, including pre-packaged (case ready) fresh meat shall be covered under the New methods provision of the Collective Bargaining Agreement.

Executed this _____ day of September 2007.

For the Employer:

Stephen J. DiCroce, Food 4 Less
Group VP of Labor Relations

Leroy D. Westmoreland
Director Labor Relations

William R. Edwards
Senior Labor Relations Rep

For the Union:

Mickey Kasparian
President UFCW Local 135

Andrea Zinder
UFCW Local 324

Rod Diamond
UFCW Local 770

Martel Fraser
UFCW 1036

Rick Bruer
UFCW Local 1167

APPENDIX A – HOURLY WAGE RATES FOR EMPLOYEES HIRED
PRIOR TO OCTOBER 4, 2004 AND ASSIGNED AS OF OCTOBER 12, 2007
(There shall be no further assignments to these classifications.)

	<u>Current Rates</u>	<u>Effective June 4, 2007</u>	<u>Effective June 2, 2008</u>	<u>Effective December 1, 2008</u>	<u>Effective June 1, 2009</u>	<u>Effective December 7, 2009</u>	<u>Effective June 7, 2010</u>	<u>Effective December 6, 2010</u>
<u>Meat Cutters and Apprentices:</u>								
1st 520 hours	\$8.87	\$8.87	\$8.87	\$8.87	\$8.87	\$8.87	\$8.87	\$8.87
2nd 520 hours	\$10.49	\$10.49	\$10.49	\$10.49	\$10.49	\$10.49	\$10.49	\$10.49
3rd 520 hours	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10	\$12.10
4th 520 hours	\$13.71	\$13.71	\$13.71	\$13.71	\$13.71	\$13.71	\$13.71	\$13.71
Journeyman	\$18.03	\$18.53	\$18.73	\$18.93	\$19.13	\$19.28	\$19.48	\$19.68
<u>Warehouse Clerks & Apprentices, Lead Positions, POS Coordinator and General Non-Foods Head Clerk</u>								
1st 288 hours	\$7.50	\$7.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Next 690 hours	\$7.93	\$7.93	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Next 690 hours	\$9.26	\$9.26	\$9.26	\$9.26	\$9.26	\$9.26	\$9.26	\$9.26
Next 690 hours	\$10.73	\$10.73	\$10.73	\$10.73	\$10.73	\$10.73	\$10.73	\$10.73
Next 690 hours	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98
Next 690 hours	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31
Experienced Clerk	\$16.81	\$17.31	\$17.51	\$17.71	\$17.91	\$18.06	\$18.26	\$18.46
<u>General Clerk and Apprentice</u>								
1st 288 hours	\$7.50	\$7.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Next 690 hours	\$7.63	\$7.63	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Next 690 hours	\$8.78	\$8.78	\$8.78	\$8.78	\$8.78	\$8.78	\$8.78	\$8.78
Next 690 hours	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94
Next 690 hours	\$11.05	\$11.05	\$11.05	\$11.05	\$11.05	\$11.05	\$11.05	\$11.05
Next 690 hours	\$12.28	\$12.28	\$12.28	\$12.28	\$12.28	\$12.28	\$12.28	\$12.28
Experienced Clerk	\$14.75	\$15.25	\$15.45	\$15.65	\$15.85	\$16.05	\$16.30	\$16.55
<u>Meat Clerk and Apprentice</u>								
1st 690 hours	\$8.82	\$8.82	\$8.82	\$8.82	\$8.82	\$8.82	\$8.82	\$8.82
2nd 690 hours	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94	\$9.94
Experienced Clerk	\$12.92	\$13.42	\$13.62	\$13.82	\$14.02	\$14.22	\$14.47	\$14.72
<u>Service Clerks and Apprentice</u>								
1st 288 hours	\$7.50	\$7.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Next 690 hours	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45
Next 690 hours	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60
Experienced Clerk	\$13.17	\$13.67	\$13.87	\$14.07	\$14.27	\$14.47	\$14.72	\$14.97
<u>Utility Clerks</u>								
1st 690 hours	\$7.50	\$7.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Experienced Rate	\$8.36	\$8.66	\$9.16	\$9.16	\$9.16	\$9.16	\$9.16	\$9.16

APPENDIX B - HOURLY PAY RATES AND PROGRESSIONS FOR EMPLOYEES

In order to establish the progressions provided herein the initial placement of employees within the wage schedule for the Warehouse Clerk, General Clerk or Meat Clerk classifications shall be to the closest progression rate based upon the wage rate the employee is working at the time of conversion. If the closest wage rate is less than \$0.20 cents per hour higher than the rate the employee is currently at, the employee will be moved up one additional step and will then progress based on the hours of that step.

	<u>Current Rates</u>	<u>Effective June 4, 2007</u>	<u>Effective June 2, 2008</u>	<u>Effective December 1, 2008</u>	<u>Effective June 1, 2009</u>	<u>Effective December 7, 2009</u>	<u>Effective June 7, 2010</u>	<u>Effective December 6, 2010</u>
<u>Meat Cutters and Apprentices:</u>								
	\$ 9.25							
	\$10.25							
1st 6 months	\$11.25	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50
	\$12.25	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Next 6 months	\$13.25							
Next 6 months	\$14.25	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50
Next 6 months	\$15.50	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Thereafter		\$18.53	\$18.73	\$18.93	\$19.13	\$19.28	\$19.48	\$19.68
<u>Warehouse Clerks & Apprentices, Lead Positions, POS Coordinator and General Non-Foods Head Clerk</u>								
First 800 hours	\$ 8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
Next 800 hours	\$ 8.90	\$8.70	\$8.70	\$8.70	\$8.70	\$8.70	\$8.70	\$8.70
Next 1000 hours	\$ 9.40	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10
Next 1000 hours	\$ 9.90	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60
Next 800 hours	\$10.40	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10
Next 800 hours	\$10.90	\$10.60	\$10.60	\$10.60	\$10.60	\$10.60	\$10.60	\$10.60
Next 800 hours	\$11.40	\$11.10	\$11.10	\$11.10	\$11.10	\$11.10	\$11.10	\$11.10
Next 800 hours	\$12.40	\$11.60	\$11.60	\$11.60	\$11.60	\$11.60	\$11.60	\$11.60
Next 800 hours	\$14.45	\$12.60	\$12.60	\$12.60	\$12.60	\$12.60	\$12.60	\$12.60
Next 800 hours		\$13.60	\$13.60	\$13.60	\$13.60	\$13.60	\$13.60	\$13.60
Next 800 hours		\$14.65	\$14.65	\$14.65	\$14.65	\$14.65	\$14.65	\$14.65
Next 600 hours		\$15.25	\$15.25	\$15.25	\$15.25	\$15.25	\$15.25	\$15.25
Next 600 hours		\$16.45	\$16.45	\$16.45	\$16.45	\$16.45	\$16.45	\$16.45
Thereafter		\$17.31	\$17.51	\$17.71	\$17.91	\$18.06	\$18.26	\$18.46
<u>General Clerk and Apprentice</u>								
First 800 hours	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35
Next 1000 hours	\$8.60	\$8.55	\$8.55	\$8.55	\$8.55	\$8.55	\$8.55	\$8.55
Next 1000 hours	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Next 1000 hours	\$9.10	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05
Next 1000 hours	\$9.40	\$9.30	\$9.30	\$9.30	\$9.30	\$9.30	\$9.30	\$9.30
Next 800 hours	\$9.75	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60
Next 800 hours	\$10.15	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95
Next 800 hours	\$11.00	\$10.35	\$10.35	\$10.35	\$10.35	\$10.35	\$10.35	\$10.35
Next 800 hours	\$12.40	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20
Next 600 hours		\$12.60	\$12.60	\$12.60	\$12.60	\$12.60	\$12.60	\$12.60
Next 600 hours		\$13.40	\$13.40	\$13.40	\$13.40	\$13.40	\$13.40	\$13.40
Next 600 hours		\$14.20	\$14.20	\$14.20	\$14.20	\$14.20	\$14.20	\$14.20
Thereafter		\$15.25	\$15.45	\$15.65	\$15.85	\$16.05	\$16.30	\$16.55

<u>Current Rates</u>	<u>Effective June 4, 2007</u>	<u>Effective June 2, 2008</u>	<u>Effective December 1, 2008</u>	<u>Effective June 1, 2009</u>	<u>Effective December 7, 2009</u>	<u>Effective June 7, 2010</u>	<u>Effective December 6, 2010</u>
<u>Meat Clerk and Apprentice</u>							
First 800 hours	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25
Next 1000 hours	\$8.60	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45	\$8.45
Next 1000 hours	\$8.90	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Next 800 hours	\$9.20	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10	\$9.10
Next 800 hours	\$9.50	\$9.40	\$9.40	\$9.40	\$9.40	\$9.40	\$9.40
Next 800 hours	\$10.25	\$9.70	\$9.70	\$9.70	\$9.70	\$9.70	\$9.70
Next 800 hours		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Next 800 hours		\$10.45	\$10.45	\$10.45	\$10.45	\$10.45	\$10.45
Next 800 hours		\$11.05	\$11.05	\$11.05	\$11.05	\$11.05	\$11.05
Next 800 hours		\$11.65	\$11.65	\$11.65	\$11.65	\$11.65	\$11.65
Next 800 hours		\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Next 600 hours		\$12.85	\$12.85	\$12.85	\$12.85	\$12.85	\$12.85
Thereafter		\$13.42	\$13.62	\$13.82	\$14.02	\$14.22	\$14.47

<u>Service Clerks and Apprentice</u>		<u>1/1/2008</u>					
First 600 hours	\$7.50	\$7.70	\$8.10	\$8.10	\$8.10	\$8.10	\$8.10
Next 1000 hours	\$7.80	\$8.00	\$8.30	\$8.30	\$8.30	\$8.30	\$8.30
Next 1000 hours	\$8.30	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
Next 800 hours	\$8.80	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Next 800 hours	\$9.30	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Next 800 hours	\$10.25	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Next 800 hours		\$10.45	\$10.45	\$10.45	\$10.45	\$10.45	\$10.45
Next 800 hours		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Next 800 hours		\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50
Next 800 hours		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Next 800 hours		\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Next 800 hours		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Thereafter		\$13.67	\$13.87	\$14.07	\$14.27	\$14.47	\$14.97

<u>Utility Clerks</u>			<u>1/1/2008</u>				
First 700 hours	\$7.50	\$7.60	\$8.10	\$8.10	\$8.10	\$8.10	\$8.10
Next 700 hours	\$7.50	\$7.70	\$8.20	\$8.20	\$8.20	\$8.20	\$8.20
Next 700 hours	\$7.80	\$7.90	\$8.30	\$8.30	\$8.30	\$8.30	\$8.30
Experienced Rate	\$8.36	\$8.66	\$9.16	\$9.16	\$9.16	\$9.16	\$9.16

Letter of Agreement

In the event the State or Federal minimum wage increases during the term of this Agreement (2007-2011) to a rate greater than eight dollars (\$8.00), each rate will be at least twenty cents (\$0.20) above the minimum wage and each rate will be at least ten cents (\$0.10) higher than the previous rate in the progression schedule. This letter of Agreement expires June 5, 2011.

APPENDIX C - FULL TIME POSITIONS

Warehouse stores will provide full-time union positions in all stores, excluding Fuel Station sales, based upon the following sales per week formula:

Sales Per Week, Excluding Fuel Stations	Number of Forty Hour Workweeks	Sales Per Week	Number of Forty Hour Workweeks
0 – 150K	0	501 - 550K	15
151 - 200K	5	551 - 600K	17
201 - 250K	7	601 - 650K	18
251 - 300K	8	651 - 700K	20
301 - 350K	10	701 - 750K	21
351 - 400K	11	751 - 800K	23
401 - 450K	13	801 - 850K	24
451 - 500K	14	851 - 900K	26
		>900K	27

APPENDIX D – GENERAL CLERK

In addition to the duties provided in Section 5.3, the following duties have been determined to be General Clerk work.

Price significant shelf tags on non-foods items

Unloading non-foods merchandise and breaking down non-foods pallets

One who handles any non-food merchandise including but not limited to:

- Air fresheners
- Aluminum foil, plastic wrap, sandwich and trash bags and wax paper
- Automotive
- Carpet cleaning supplies and deodorizers
- Disposable diapers
- Dyes
- Feminine napkins
- Health products and beauty aids
- Household cleaners, soaps, cleaning and laundry supplies
- Household hardware
- Household paper goods
- Insecticides
- Nursery and florist merchandise
- Pet food and supplies
- Picnic merchandise and fire supplies
- Rock salt
- Special purpose party plates and napkins
- Tobacco

One who handles the following merchandise:

- Alcoholic beverages and products located in the liquor department including drink mixes and related items
- Replenishment (conditioning and restocking) of bakery items
- Bottled water and ice
- Promotional/seasonal candy

The Employer agrees that no experienced or apprentice warehouse clerk employed as of October 4, 2004 shall be laid off or reduced in classification as a direct result of the implementation of this provision in a store.

APPENDIX E – FUEL STATIONS

1. *Add to Section 1.1:*

1.1.2 Fuel Station. The Company may have one (1) exclusion per Fuel Station location. Excluded employees may perform bargaining unit work.

2. *Delete Section 1.12 and replace with the following:*

1.12 The union shall have the right to have a Steward in each of the Employer's stores covered by this Agreement. In no instance shall Stewards be discriminated against for lawfully discharging their duties. The Company recognizes that the Stewards will periodically require time off to attend such Union certified functions as Stewards training and agrees to make reasonable accommodations; however, their Store Managers must be notified at least two (2) weeks in advance so that appropriate scheduling arrangements can be made.

3. *Delete Section 1.2.1 in its entirety.*

4. *Delete Section 2 in its entirety and replace with the following:*

2.1 The management of the business, including the right to determine store operations and hours, and the right to schedule and direct the work force, are reserved to management, where not in conflict with this Agreement.

2.2 The Company has the right to establish reasonable working rules as it may deem necessary, provided that such rules are not in direct conflict with the terms and conditions of this Agreement. Such rules shall be in writing and posted, with a copy sent to the Union.

5. *Delete Section 3 in its entirety and replace with the following:*

3.1 Each new or rehired employee shall be on probation for the first three hundred (300) hours of work after employment or reemployment in the bargaining unit. Upon satisfactory completion of said probationary period, seniority will be computed from the date of hire, or most recent date of rehire, with the Company. At any time during the probationary period, an employee may be discharged for any reason and shall not have recourse to the grievance procedure.

3.2 Seniority for the purposes of this Agreement is defined as the length of continuous service with the Company starting from date of hire.

Seniority shall be recognized on a Company-wide basis within the jurisdictional area of the Union covering all employees from the date of employment and shall prevail in layoffs and rehiring.

3.3 Employees may only be disciplined or discharged for good cause.

3.4 Employees discharged for good cause, except theft, gross insubordination, falsification of company records and flagrant violation of posted Company rules, shall first have been progressively disciplined.

3.5 In cases of layoffs, the principle of seniority by classification shall apply, providing qualifications are relatively equal. In assigning employees to higher paying jobs, the Company shall select

those employees who are best qualified to be promoted with consideration being given to such factors as ability, attendance and the principle of seniority. Layoffs will be administered on a Union jurisdictional basis within each major job classification.

3.6 Notwithstanding anything in this Agreement to the contrary, it is recognized that business conditions may require reduction of hours and/or layoffs of employees. In such an event, the following shall apply to employees.

3.6.1 In laying off an employee, other than during the probationary period, the Employer agrees to abide by the seniority rule as defined above in the following precedence: Seniority in the store, seniority in the company within Union jurisdiction, seniority in the Company.

The Employer will give the union advance notice of a permanent store closing.

3.6.2 The least senior full-time employee(s) being reduced in hours in the store may bump the least senior full-time employees within twenty-five (25) miles of his place of residence within the Company. If such employee does not have sufficient seniority to displace the least senior full-time employee within the twenty-five (25) miles, he may bump the least senior full-time employee within the Company.

3.6.3 The affected full-time employee may elect not to bump the least senior full-time employee in his classification in the Company and may take a reduction to part-time within his own store based on seniority and the hours available for which he is qualified and available to work.

3.6.4 The least senior full-time employee who is being displaced by the procedure in Paragraph 3.6.2 above, may bump the least senior full-time employee within the Company. If the affected full-time employee is the least senior within the Company, he shall be reduced to part-time within his own store or laid off based on seniority and qualifications.

3.6.5 The least senior part-time employee who is being laid off from work in his store, may displace the least senior part-time employee within the Company in the same manner set forth in Paragraph 3.6.2 and 3.6.4 above, if the affected part-time employee is the least senior within the Company, he shall be laid off and shall have no bumping rights.

An employee will obtain layoff/recall rights as set forth herein upon completion of his probationary period. Before hiring any new employee or promoting an employee, the Company will first offer recall rights to employees on the layoff list in accordance with seniority. Employees not accepting recall will forfeit their recall rights. Non-probationary employees will have recall rights for a period of time equivalent to their seniority but in no event to exceed twelve (12) months from layoff.

The last employee(s) laid off, by reason of slackening of business, shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within ninety-six (96) hours, excluding Saturday or Sunday, from the postmarked date of a certified or registered letter to the employee's last known address, and such letter shall state that failure of such employee to present himself within the ninety-six (96) hour period shall cancel his seniority. Failure of such employee to present himself within ninety-six (96) hours shall cancel his seniority.

An employee who has been reduced to part-time employment because of slackening of business or for medical reasons, must be offered the first full-time job that opens in the store in which he is employed, provided that his ability and skill equip him to fill that job.

3.8 Employees shall lose all seniority rights and their employment shall cease for any of the following reasons:

3.8.1 Resignation.

3.8.2 Discharge for cause.

3.8.3 Failure to report for work within three (3) days after recall from layoff.

3.8.4 Absence due to layoff for a period equivalent to the employee's seniority but in no event to exceed twelve (12) months.

3.8.5 If the employee overstays a leave of absence.

3.8.6 If the employee gives a false reason for a leave of absence, or engages in other employment during such leave, except where specifically authorized.

3.8.7 If the employee is absent from work for any reason, including non-work related illness or injury in excess of six (6) calendar months or in the case of an on-the-job injury in excess of twelve (12) calendar months.

3.9 The Company shall have the right to operationally transfer employees for legitimate business purposes. Said transfers shall not be discriminatory applied and shall not be used for disciplinary purposes. In implementing said transfers, the Company shall not require employees to travel excessive distances from their place of residence.

3.10 When the Employer finds it necessary to make operational transfers, the employees will not be required to travel more than twenty (20) miles one way from their current store. The only exception shall be promotions and/or a situation wherein a personality clash has developed between the employees and management in the current store.

6. *Delete Section 4 in its entirety and replace with the following:*

4.1 A full-time employee is defined as one who is routinely scheduled to work at least forty (40) straight-time hours per week [five (5) - eight (8) hour days]. A part-time employee is defined as one who is routinely scheduled to work less than forty (40) hours per week.

4.1.1 Each part-time employee shall be scheduled for at least twenty (20) hours' work in each week.

4.1.2 The aforementioned weekly guarantees shall not apply if one or more of the following type of conditions exist:

4.1.2.1 The store is normally open for business six (6) days or less in the workweek.

4.1.2.2 A week in which one of the holidays named in this Agreement falls.

4.1.2.3 Employees scheduled to work are absent.

4.1.2.4 Work is not available due to Acts of God.

4.1.2.5 The part-time employee requests and the Company agrees that the employee may work less than the guaranteed number of hours per week.

4.1.2.6 An unanticipated, significant business fluctuation.

4.1.2.7 During the week an employee is hired, recalled from layoff or returns from leave of absence.

4.1.3 Part-time employees who work a minimum of forty (40) hours [five (5) - eight (8) hours] a week for a twelve (12) consecutive week period will be redesignated as full-time. Employees scheduled to work forty (40) hours in more than one (1) store, the above shall also apply.

4.2 Employees will be given breaks as follows: one (1) ten (10) minute break for a four (4) hour shift and a second ten (10) minute break between the fifth (5th) and eighth (8th) hour.

4.3 Employees who are scheduled to work more than six (6) hours shall receive a thirty (30) minute unpaid meal period between the third and fifth hours, except by mutual agreement between the manager and the employee a longer meal period may be granted.

4.4 Nothing herein shall be construed as a limitation on the Company's right to require overtime work. If required to work overtime, the employee will be expected to do so.

4.5 Any employee who reports to work as scheduled shall receive a minimum of four (4) hours work at his regular rate of pay, provided he is available for said hours and performs whatever work is assigned to him. The provision of this Section shall be inapplicable in the event of Acts of God and other circumstances not within the control of the Company.

4.6.1 The parties recognize that the successful operation of a store requires a mix of full-time and part-time employees and flexibility in scheduling hours. The Company, consistent with legitimate business principles, will endeavor to maximize the opportunity for full-time employment. In this regard, employees will be permitted within their own store, on a seniority basis, to claim the schedule of less senior employee working in their same classification.

4.6.2 Employees shall be paid one and one-half (1½) times their regular straight-time hourly rate for all hours worked in excess of forty (40) hours in a week or eight (8) hours in a day.

4.6.3 There shall be no pyramiding of premium pay.

4.7 Work schedules shall be posted no later than 3:00 p.m. on the Friday preceding the start of the workweek. Once the schedule has been posted it shall not be changed except in the event of an Act of God or other circumstances not within the control of the Company. Employees requesting a given workday off for personal reasons must do so in writing to the Store Manager by noon on the Wednesday preceding the workweek. To the extent possible, these employee requests shall be accommodated.

7. *Delete Section 6 in its entirety and replace with the following:*

6.1 After an employee has worked six (6) months under the terms and conditions of this contract, he will be entitled to two (2) holidays: Thanksgiving and Christmas. After completing one (1) year of

employment under this contract, the employee shall be entitled to one (1) more holiday, 4th of July. After completing eighteen (18) months of employment, under this contract, the employee shall be entitled to an additional holiday, Labor Day. After an employee has completed a second year of employment under this contract, the employee shall be entitled to New Year's Day. After the employee has completed three and one-half (3½) years of employment under this contract, the employee shall be entitled to Memorial Day.

6.2 In order for an employee to be paid for a holiday not worked, he must have completed his probationary period, have worked the scheduled workday immediately before, and the scheduled workday immediately following the holiday (unless his absence was expressly permitted by the Company), and must have worked during the payroll period in which the holiday occurred,

6.3 All hours worked on a listed holiday shall be payable at the rate of double time (2x) the employee's regular straight-time hourly rate of pay (includes holiday pay).

6.4 For holidays not worked, full-time employees shall receive eight (8) hours of pay at the straight-time hourly rate. Part-time employees shall receive holiday pay up to eight (8) hours prorated to the number of hours worked in the holiday week to forty (40) hours.

6.5 New Year's Day, Christmas Day, and Thanksgiving Day shall be observed on the actual holiday. If any other holiday falls on a Saturday or a Sunday, management may choose to observe the following Monday as the holiday.

6.6 If a sufficient number of employees volunteer, then no employee shall be required to work on Thanksgiving or Christmas days. If an insufficient number volunteer, then employees will be scheduled to work by inverse seniority.

8. *Delete Section 7 in its entirety and replace with the following:*

7.1 All employees shall receive a paid vacation in accordance with the following schedule:

7.1.1 One (1) week of vacation after completing one (1) year of service.

7.1.2 Two (2) weeks of vacation after completing three (3) years of service.

7.1.3 Three (3) weeks of vacation after completing seven (7) years of service.

7.2 Employees with more than one (1) year's serviced who are terminated for reasons other than dishonesty or insubordination to a supervisor shall receive prorated vacation pay. Employees working less than one (1) year who resign or are terminated for any reason, forfeit any vacation entitlement.

7.3 Part-time employees shall be entitled to vacation pay prorated on the basis of the average weekly straight-time hours worked during the preceding year to 1,940 hours.

7.4 The Employer agrees to post a vacation schedule for the year during the first week of January. Employees shall indicate their vacation choice for the year by March 1. Seniority shall prevail where multiple employees in any department request the same weeks, taking into consideration the needs of the business. Vacations shall be scheduled by individual stores.

7.5 Vacations will normally be scheduled in minimum units of one (1) week. Vacations shall be taken during a time mutually agreed upon by the employee and the Employer after the annual anniversary date entitling an employee to such vacation. There shall be no accumulation of earned vacation time or pay from one year to the next.

9. *Delete Section 8 in its entirety and replace with the following:*

8.1 Upon written application from an employee, the Company may grant a written leave of absence without pay where good cause is shown for a period not to exceed thirty (30) calendar days. Where the same good cause exists an illness/injury leave or Union certified leave may be extended or renewed for additional periods of thirty (30) calendar days not to exceed six (6) calendar months in total and requests for such leaves will not be denied where proper certification for the leave is provided. The Company will exercise its discretion reasonably and fairly.

10. *Delete Section 10 in its entirety and replace with the following:*

10.1 In the event of a death in the immediate family, the employee shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed three (3) consecutively scheduled working days of which one must be the day of the funeral.

10.2 The immediate family of an employee is defined as: spouse, mother, father, grandmother, grandfather, mother and father of current spouse, sister, brother and all children,

10.3 The employee shall furnish proof of eligibility for this benefit.

11. *Delete Section 11 in its entirety and replace with the following:*

11.1 All employees who have been continuously employed by the Company for a period of at least one (1) year shall be entitled to two (2) days of sick leave with pay, for the subsequent twelve (12) month period. On each anniversary date of employment thereafter, the employee shall be reimbursed for the excess earned over two (2) days with pay. The two (2) days shall be increased to three (3) days on the employee's third anniversary date. Unused sick leave will not be paid to employees who are discharged or quit.

11.1.2 Sick leave to begin on the first (1st) day of illness or injury.

11.2 A doctor's certificate of illness may be required by the Company as a condition of sick leave payment.

11.3 Sick leave shall be paid to all full-time and part-time employees. The total number of hours of accrued sick leave benefits shall be calculated on the ratio of total hours worked during the year preceding the employee’s anniversary date of employment to 2,080 hours.

12. *Delete Section 9 in its entirety*

13. *Section 13 to remain intact.*

14. *Delete Section 17 in its entirety and replace with the following:*

It is not the intent of the parties to violate any laws, rulings, or regulations of any governmental authority or agency having jurisdiction over them. Accordingly, in the event that any provision of this Agreement is finally held and determined to be illegal by a court of last resort, such decision shall not affect the validity of the remaining provisions of this Agreement, but rather such remaining provisions shall continue in full force and effect. Additionally, in the event that any provision or provisions are so declared to be in conflict with a law or rule or regulation, the parties shall immediately meet for the purpose of renegotiation and agreement on provisions so invalidated.

15. *Delete Appendix A in its entirety and replace with the following:*

	Current Rates	Effective June 4, 2007	Effective June 2, 2008	Effective December 1, 2008	Effective June 1, 2009	Effective December 7, 2009	Effective June 7, 2010	Effective December 6, 2010
<u>Fuel Clerks</u>								
First 800 hours	\$7.50	\$7.75	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25
Next 800 hours	\$7.50	7.85	8.35	8.35	8.35	8.35	8.35	8.35
Next 1000 hours	\$7.50	7.95	8.45	8.45	8.45	8.45	8.45	8.45
Experienced Rate	\$7.80	8.40	8.55	8.70	8.85	8.95	9.15	9.25

No employee shall be reduced in wages as a result of this Section.

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