

MEMORANDUM OF AGREEMENT

Between

STATER BROS. MARKET

And

UFCW LOCALS 135, 324, 1036, 1167, 1428 and 1442

All terms and conditions of the 2004 – 2007 Stater Bros. agreement shall remain in full force and effect except for some “clean up language”, and as follows:

1. Article 4 – **Seniority, Transfers & Layoffs** – Section J. – **Transfer to Higher Category**. Modify second paragraph of number 1 as follows: All employees who are promoted to a higher rated classification of employment shall be subject to the wage progression schedule as set forth in Appendix A and receive the next immediate higher rate of pay for that classification, and be credited with the hours for the progression to which the employee is placed. The employee shall then work 520 hours and continue to progress through the remaining steps each 520 hours thereafter.
2. Article 5 – **Working Hours and Overtime** – Section A (2) and (3). – **Full-time Employee**. Replace entire sections with the following: the Company shall maintain a percentage of full-time to part-time Food Clerks and General Merchandise Clerks by company district based upon the percentage of full-time to part-time Food Clerks and General Merchandise Clerks in the Company which exists on the effective date of the contract. Effective March 1, 2008 the percentage shall increase by 2 %. Effective March 1, 2009 the percentage shall increase by an additional 3 %. Stater Bros. agrees to provide to the Union a seniority list by store which includes the designation of number of full-time and part-time Food Clerks and General Merchandise Clerks during March and September of every year.
3. Article 5 – **Working Hours and Overtime** – Section Q. – **Sunday Guarantee**. Modify to provide that part-time food clerks may be scheduled for a four (4) hour minimum guaranteed shift on Sunday in a ratio of one (1) such shift to every one (1) eight (8) hour Food Clerk Sunday shift or fraction thereof.
4. Article 6 – **Wages** – Section B. (2) – **Sunday Premiums**.
  - a. **Clerks**. During the term of the Agreement all employees hired prior to March 1, 2004, except Clerk’s Helpers, Snack Bar employees and Combination Take-Out Bar employees as describe in Article 6(P) 1 and 5, shall be paid, for all hours worked on Sunday, time and one-half (1 ½) minus one (1) dollar the straight-time hourly rate of pay.
  - b. **Meat Cutters and Wrappers/Meat Clerks**. Delete “shall be paid in accordance with the wage schedule in Appendix I”, replace with “shall be paid, for all hours worked on Sunday, time and one-half (1 ½) minus one (1) dollar the straight-time hourly rate of pay”, for each covered classification.
  - d. **Employees hired or promoted on or after March 1, 2004**. Add second sentence to read as follows: “Employees, except Clerk’s Helpers, Snack Bar employees and Combination Take-Out Bar employees as described in Article 6(P) 1 and 5, upon reaching the experienced stage for their classification of employment shall be paid at time and one quarter (1 ¼) the straight time hourly wage rate for all hours worked on Sunday.
5. Article 6 – **Wages** - Section D. – **Apprenticeship (Clerks)**. Modify to provide that there shall be 19 progressions consisting of 520 hours. Experienced Food Clerk, General Merchandise Clerk and Meat Clerk shall be after 9880 hours worked.

6. Article 6 – **Wages** Meat Apprentices there shall be two three month and three six month apprenticeship brackets (60%, 65%, 70%, 80%, 90%) at the conclusion of which the employee shall receive the Journeyman Meat Cutter rate of pay. Absence due to illness or injury lasting 30 or more days shall interrupt and not count toward time credited in an apprenticeship progression stage.
7. Article 6 – **Wages** In order to establish the progressions provided in section D of this Article, at the time of ratification of this agreement, initial placement of employees in all classifications will be to the closest progression, based upon the wage rate at the time of placement. If the closest wage rate is less than 20¢ higher than the rate the employee is currently at, the employee will bump one additional step up and continue to progress each 520 hours.
8. Article 7 – **Holidays** – Section I. – **Holidays for Employees hired on or after March 1, 2004.** Modify paragraph 1(a) to provide that employees hired on or after March 1, 2004 shall be entitled to the Christmas holiday after an employee completes probationary period. Further modify to provide that an employee hired on or after March 1, 2004 shall be entitled to the Memorial Day holiday after an employee has completed three (3) years of employment.
9. Article 7 – **Holidays** – Eliminate Section I. (1) (e). (Section A. (2) shall apply to all employees.
10. Article 7 – **Holidays** – Section I. (1) (f) Modify to provide that no employee shall be required to work on Christmas Day.
11. Article 8 – **Vacations** – Section C. - **Vacations for Employees Hired on or After March 1, 2004.** Add four weeks of vacation after 15 years.
12. Article 15 – **Trust Funds** Section A. – **Benefit Fund.** The parties have agreed to the following contribution rates based on all hours worked: Effective March 1, 2007 hours payable in April 2007 - \$4.15 / hour; effective March 1, 2008 hours payable in April 2008 - \$4.80 / hour; effective March 1, 2009 hours payable in April 2009 - \$5.40 / hour. Effective October 1, 2009 hours payable in November 2009 - \$5.75 / hour. The Unions along with the Union Consultant shall design the plan.
13. Article 15 – **Trust Funds** Section B. – **Pension Fund.** The contribution on all hours worked shall be: beginning March 2007 – \$1.45 / hour; beginning March 2008 - \$1.50 / hour; beginning in March 2009 - \$1.60 / hour.
14. Article 15 – **Trust Funds.** The parties agree that Stater Bros. will be entitled to adopt the same modifications, including any such contributions rates and dates, to Sections A.– **Benefit Fund.** and B.– **Pension Fund.** of Article 15 as are negotiated with Albertsons, Ralphs and Vons for the term of the 2007 Retail Food and Meat Agreement.
15. Article 15 – **Trust Funds** Section H. – **Trustees.** Modify first sentence as follows: Local Union Nos. 135, 324, 770, 1036, 1167, 1428 and 1442 on the one hand, and Albertsons, Inc., Gelsons Markets, Ralphs Grocery Company, Stater Bros. Markets and Vons, A Safeway Company on the other hand, shall each appoint one trustee. Eliminate last sentence (block voting) and replace with language providing for individual, weighted voting for all for Employer and Union Trustees.

16. Article 15 – **Trust Funds** Section E. – **Administration**. Stater Bros. agrees to support the unions’ efforts to change the Employer of the employees in the satellite offices from the Trust Fund to the respective Union (with a reimbursement from the Trust Fund) provided no significant additional cost is incurred.
17. Article 20 – **Expiration and Renewal**. Modify to provide for a new 3 year term March 6, 2007 – March 5, 2010.
18. Appendix F – **Pharmacists**. A separate bargaining unit shall be established for pharmacists of Stater Bros. The Pharmacist Agreement shall be based on Appendix F.

## MEAT CUTTERS

Stages	3/5/2007	3/3/2008	3/2/2009
	<b>Rates</b>		
<b>Head Cutter</b>	\$20.68	\$21.08	\$21.43
Journeyman	\$19.68	\$20.08	\$20.43
Next 6 months	\$17.71	\$18.07	\$18.39
Next 6 months	\$15.74	\$16.06	\$16.34
Next 6 months	\$13.78	\$14.06	\$14.30
Next 3 months	\$12.79	\$13.05	\$13.28
First 3 months	\$11.80	\$12.04	\$12.26

## Wrappers

**(active on payroll of their current employer as of 11/3/85)**

3/5/2007	3/3/2008	3/2/2009
\$18.40	\$18.80	\$19.15

## CLERKS

### *20 Stage Scale*

Stages	3/5/2007	3/3/2008	3/2/2009	
	<b>Rates</b>			
1	0-520	\$9.20	\$9.40	\$9.40
2	521-1040	\$9.40	\$9.60	\$9.60
3	1041-1560	\$9.65	\$9.85	\$9.85
4	1561-2080	\$9.90	\$10.10	\$10.10
5	2081-2600	\$10.15	\$10.35	\$10.35
6	2601-3120	\$10.45	\$10.65	\$10.65
7	3121-3640	\$10.75	\$10.95	\$10.95
8	3641-4160	\$11.15	\$11.35	\$11.35
9	4161-4680	\$11.55	\$11.75	\$11.75
10	4681-5200	\$11.95	\$12.15	\$12.15
11	5201-5720	\$12.35	\$12.55	\$12.55
12	5721-6240	\$12.85	\$13.05	\$13.05
13	6241-6760	\$13.35	\$13.55	\$13.55
14	6761-7280	\$13.85	\$14.05	\$14.05
15	7281-7800	\$14.45	\$14.65	\$14.65
16	7801-8320	\$15.30	\$15.35	\$15.35
17	8321-8840	\$16.00	\$16.20	\$16.20
18	8841-9360	\$16.85	\$17.05	\$17.05
19	9361-9880	\$17.70	\$17.90	\$17.90
20	9881 thereafter	\$18.40	\$18.80	\$19.15
<b>Dept. Head</b>		\$19.40	\$19.80	\$20.15

## GMC/MEAT CLERKS

<i>20 Stage Scale</i>				
<b>Stages</b>		<b>3/5/2007</b>	<b>3/3/2008</b>	<b>3/2/2009</b>
<b>Rates</b>				
1	0-520	\$8.15	\$8.40	\$8.40
2	521-1040	\$8.35	\$8.60	\$8.60
3	1041-1560	\$8.55	\$8.80	\$8.80
4	1561-2080	\$8.75	\$9.00	\$9.00
5	2081-2600	\$8.95	\$9.20	\$9.20
6	2601-3120	\$9.15	\$9.40	\$9.40
7	3121-3640	\$9.35	\$9.60	\$9.60
8	3641-4160	\$9.55	\$9.80	\$9.80
9	4161-4680	\$9.75	\$10.00	\$10.00
10	4681-5200	\$9.95	\$10.20	\$10.20
11	5201-5720	\$10.20	\$10.45	\$10.45
12	5721-6240	\$10.45	\$10.70	\$10.70
13	6241-6760	\$10.70	\$10.95	\$10.95
14	6761-7280	\$10.95	\$11.20	\$11.20
15	7281-7800	\$11.20	\$11.45	\$11.45
16	7801-8320	\$11.45	\$11.70	\$11.70
17	8321-8840	\$11.70	\$11.95	\$11.95
18	8841-9360	\$11.95	\$12.45	\$12.45
19	9361-9880	\$12.35	\$12.85	\$12.85
20	9881 thereafter	\$12.75	\$13.25	\$13.60
<b>Dept. Head</b>		\$13.85	\$14.35	\$14.70

## CLERK'S HELPERS

<b>Stages</b>	<b>3/5/2007</b>	<b>3/3/2008</b>	<b>3/2/2009</b>
<b>Rates</b>			
<b>After 9 months</b>	\$8.25	\$8.75	\$8.75
Next 6 months	\$8.00	\$8.50	\$8.50
First 3 months	\$7.75	\$8.25	\$8.25

## PHARMACIST WAGES

<b>Stages</b>	<b>3/5/2007</b>	<b>3/3/2008</b>	<b>3/2/2009</b>
<b>Rates</b>			
<b>Pharmacists</b>	\$51.00	\$52.50	\$54.00
<b>Head Pharmacists</b>	\$51.50	\$53.00	\$54.50

## PHARMACY TECHNICIAN

<b>Stages</b>	<b>3/5/2007</b>	<b>3/3/2008</b>	<b>3/2/2009</b>
<b>Rates</b>			
<b>Experienced</b>	\$15.20	\$16.00	\$16.40
<b>4<sup>th</sup> 26 weeks</b>	\$12.05	\$12.85	\$13.25
<b>3<sup>rd</sup> 26 weeks</b>	\$11.05	\$11.85	\$12.25
<b>2<sup>nd</sup> 26 weeks</b>	\$10.55	\$11.35	\$11.75
<b>1<sup>st</sup> 26 weeks</b>	\$9.80	\$10.60	\$11.00

Agreed to and executed this \_\_\_\_\_ day of January 2007, subject to ratification by the affected membership.

FOR THE EMPLOYER:

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Stater Bros.  
George Frahm, Group Senior Vice President  
Retail Operations and Administration

FOR THE UNIONS:

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UFCW LOCAL 135  
Mickey Kasparian, President

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UFCW LOCAL 324  
Greg M. Conger, President

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UFCW LOCAL 770  
Ricardo F. Icaza, President

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UFCW LOCAL 1036  
George Hartwell, President

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UFCW LOCAL 1167  
Bill Lathrop, President

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UFCW LOCAL 1428  
Connie Leyva, President

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UFCW LOCAL 1442  
Michael Straeter, President