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AGREEMENT

between

ABCO MARKETS, INC.

and

**UNITED FOOD AND COMMERCIAL WORKERS
LOCAL 99R**

**Maricopa County, Arizona
Pima County, Arizona**

Clerk Agreement



2501 W Dunlap, #240
Phoenix, Arizona 85021
(602)997-8000

606 S Plumer
Tucson, Arizona 85719
(520) 884-9716

TERM OF AGREEMENT

Maricopa - September 18, 1994 through October 25, 1997
Pima - October 15, 1994 through October 25, 1997

Dear Union Member:

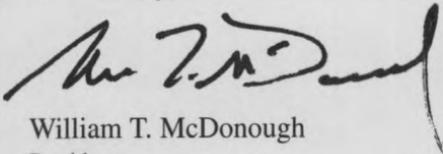
We have over the years created great strength through our unity. This unity enables us to obtain excellent wages and benefits, job security, and guaranteed working conditions undreamed of a generation ago in the industries we serve.

We dare not rest on achievements of the past. They did not come easily, nor will they continue as a matter of course. Nothing in our collective bargaining agreements was given out of the goodness of managements' hearts. Everything was fought for and won through solidarity, hard work, and many sacrifices. We pledge to work tirelessly for the preservation and protection of the jobs and benefits won so painstakingly.

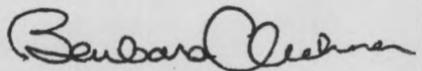
This contract negotiated between UFCW Local 99 and your employer is probably the most important document in your working life. With better wages, benefits, and working conditions, we take much pride in saying that your contract is the best negotiated contract reported in the Western states and the best economic package for Arizona workers in 10 years.

We are proud that you are a member of the UFCW Local 99 family of more than 13,000 members throughout Arizona. You belong to a powerful partnership - YOU AND YOUR UNION. We ask you always to remember and be proud of that. We are here for you. Together we can and will build an ever greater Union.

In solidarity,



William T. McDonough
President



Barbara Cleckner
Secretary-Treasurer

INDEX

ARTICLE	PAGE
	INTENT AND PURPOSE 1
1	RECOGNITION OF THE UNION 1
2	UNION STORE CARD 1
3	DISCHARGE OF AND DISCRIMINATION AGAINST EMPLOYEES 1
4	JOB POSTING/CAREER ADVANCEMENT 3
5	SENIORITY 3
6	WORKING RULES AND OVERTIME 6
7	VACATIONS 8
8	WAGES 9
9	JURY DUTY 11
10	GENERAL CONDITIONS 12
11	LEAVES 13
12	UNION DUES DEDUCTION 16
13	PAYROLL RECORDS 16
14	VISITS TO STORES 16
15	HOLIDAYS 17
16	BOND 19
17	GRIEVANCE AND ARBITRATION 19
18	VALIDITY OF PROVISIONS 21
19	NO STRIKE OR LOCKOUT 21
20	HEALTH AND WELFARE/DENTAL 21
21	PENSION 23
22	WAIVER 24
23	JOB STEWARDS 24
24	TERM OF AGREEMENT 24
	APPENDIX "A" - Wage Rates 26
	APPENDIX "B" 27
	LETTERS OF UNDERSTANDING 29

THIS AGREEMENT made and entered into this 18th day of September, 1994 (15th day of October, 1994) by and between ABCO, Inc., first party, hereinafter called "Employer", and UFCW Local 99R (Retail Clerks), chartered by United Food and Commercial Workers International Union, affiliated with the AFL-CIO, second party, hereinafter called the "Union".

INTENT AND PURPOSE

It is the intent and purpose of the Employer and the Union to promote and improve labor-management relations between them and to set forth herein the basic terms of agreement covering wages, hours, and conditions of employment to be observed in the retail establishments, and in providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

ARTICLE 1 - RECOGNITION OF THE UNION

(a) The Employer recognizes the Union as the exclusive representative for collective bargaining purposes of those employees employed within the stores, operated within the Union's jurisdiction within Maricopa County, Arizona, and Pima County; each to remain separate bargaining units. Excluded from the bargaining unit are Meat Department employees, Store Supervisors, Grocery Department Head, Produce Department Head and Assistant Grocery Manager.

(b) In the event the Employer opens new locations within the jurisdiction of the Union, the Agreement shall apply commencing on the 31st day following the opening of that store to the general public, except that employees of the Employer who are transferred to the new location shall have no interruption in the contributions made on their behalf into the Pension and Health and Welfare Funds, they shall suffer no reduction in rates of pay, and all terms of the current Agreement shall apply to such transferees.

(c) Notification - The Employer will notify the Union in writing as soon as possible within thirty (30) days from the date of employment, reinstatement, or transfer into the bargaining unit of any employee, of the first and last name of such employee, their current home address, store number, classification and social security number.

(d) Upon written request, the Union will be provided with a current list of laid off employees.

ARTICLE 2 - UNION STORE CARD

The Union Shop Card and/or Decal is the sole property of the United Food and Commercial Workers International Union, Local No. 99R, and is loaned to the Employer for public display who signs and abides by this Agreement. The Shop Card and/or Decal shall not be displayed in the meat section of the store. The Shop Card and/or Decal can be removed from any market by an authorized representative of Local 99R for any proven willful violation of this Agreement.

ARTICLE 3 - DISCHARGE OF AND DISCRIMINATION AGAINST EMPLOYEES

(a) No employee shall be discharged without just cause.

(b) The Employer shall not discriminate against an employee for upholding the terms of this Agreement, participation in legitimate Union activities, serving on a committee of the Union or any organization affiliated therewith, or failing or refusing to purchase stocks, bonds, securities or interest in partnership, corporation and/or company.

(c) The Employer and the Union recognize the responsibilities under federal, state, and local laws relating to fair employment practices. It is agreed that there shall be no discrimination in the application of the provisions of this Agreement based on factors of age, race, creed, color, religion, national origin, sex, or physical handicap.

All references to this Agreement to sex shall apply equally to both sexes; for example, any reference to "his", "he" or "him", shall also apply to "hers", "she" or "her", and vice versa. References to "they", "them" or "theirs" shall apply equally to both sexes. No employee will be subject to sexual harassment.

Sexual harassment is defined to include:

Unwelcomed sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when such conduct is made explicitly or implicitly a term or condition of employment, is used as a basis for employment decisions, or has the purpose or effect of interfering with work performance or creating an otherwise offensive working environment.

(d) Employees, past their probationary period, who are discharged for failure to perform work as required shall first have been warned, in writing, of a similar or related offense with a copy given to the employee.

The employee shall be required to initial such written notice, however, the initialing of the Company copy of the notice by the employee shall only be evidence of receiving notice and in no way shall be considered an admission of the contents of the written notice.

In the event an employee should file a grievance regarding the merit of a written warning, the Union shall be supplied a copy of the warning upon written request.

(e) Warning notices shall be voided after a period of time not to exceed nine (9) months, unless another similar warning notice on a related or similar offense occurs within the nine (9) month period, in which event all warning notices shall be retained until a nine (9) month period without a warning notice on the matter has occurred.

(f) The first ninety (90) calendar days of a new employee's employment shall be considered probationary. Notwithstanding the provisions of (a) and (b) above, the Employer shall have the right to discharge without cause any employee during the first ninety (90) calendar days of the employee's employment if said employee is not satisfactory to the Employer.

(g) Except for failure to call prices, a warning notice shall not be required in the case of

a discharge for cash register irregularities.

(h) The Union shall have the right to invoke the grievance and arbitration procedure as provided for in this Agreement in all cases of terminations, excluding probationary employees.

(i) An employee shall be notified by the Employer at the time of discharge of the reason for such discharge. Such reason will be stated in writing by the Employer's designated representative upon receipt of a written request by the employee or the Union within fifteen (15) days following the discharge.

(j) An employee who quits or is terminated for any reason shall be paid promptly all monies due.

ARTICLE 4 - JOB POSTING/ CAREER ADVANCEMENT

The Employer recognizes the desire on the part of many of its employees to make careers within the retail food industry. Moreover, it is the Employer's policy to employ, promote and transfer employees based on qualifications, merit and ability in order to effectively utilize its human resources. Therefore, the Employer hereby agrees to continue in place, and refine as it deems appropriate, its job posting/career advancement policies and procedures providing a mechanism for qualified employees to avail themselves of promotion opportunities within the Company. The Employer agrees to work with the Union with the objective of developing procedures consistent with the Employer's policies on non-discriminatory promotional opportunities. Notwithstanding, the Union expressly agrees that should the parties fail to reach mutual agreement with respect to the involved issues, the Union shall not seek recourse through the grievance or arbitration provisions of the agreement nor shall the Union file any unfair labor practice charge(s).

ARTICLE 5 - SENIORITY

(a) Seniority shall be defined as length of continuous employment with the Employer in the bargaining unit within the classification as set forth in Appendix A - Wages. (Maricopa County and Pima County are separate bargaining units).

(b) Seniority can only be lost or broken by the following:

1. Quit.
2. Discharge for just cause.
3. Layoff for a period of time equivalent to the employee's seniority, but in no event to exceed six (6) months.
4. Failure to return in accordance with the terms of a Leave of Absence.

5. Failure to return within the time limits specified herein, when recalled after a layoff.

(c) Layoffs and recalls shall be based on the employee's seniority with the Employer as defined in this Article.

An employee being recalled shall be required to report within seventy-two (72) hours after delivery or attempted delivery of notice by Certified Mail to the employee's last known address. In the event of employee's failure to report for any reason whatsoever, as required herein after receipt of proper notice, the employee shall be considered as having terminated service with the Employer. Copies of recall notices will be simultaneously mailed to the Union.

(d) Courtesy Clerks shall have store seniority only.

(e) All part-time employees shall be scheduled in accordance with classification seniority for scheduled shifts providing maximum hours of work up to and including eight (8) hours per day and forty (40) hours per week. Such scheduling must be in the same store, comparable job assignment and department; for example, Produce Department, Grocery Department, Bakery-Deli Department, Cake Decorator, Courtesy Clerk work, etc.

Any employee wishing special scheduling consideration (fewer hours per week, certain days off, preferential scheduled hours, and Sunday and Holiday hours) must make such needs known in writing prior to noon Tuesday to the store management. Such notices will remain in effect until revoked in writing by the employee. Store management will attempt to accommodate, by seniority, as many such requests as operationally practical.

Call-ins shall not be used to avoid maximizing hours. After the posting of the work schedule when any extra work hours become available within a classification, the Employer will offer such hours by seniority to qualified employees from a written list of employees pre-requesting call in for extra hours. A Senior employee's rejection of such extra hours shall not preclude such employee from future offers. A failed attempt to reach an off-duty employee shall be considered to be an offering.

(f) In the event a question exists on the individual employee's seniority, the Employer will make available the current seniority list.

(g) Grievances pertaining to the application of special scheduling considerations shall be filed in writing with the Store Management within forty-eight (48) hours of the posting of the schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week.

(h) It is not the intent of this Article to allow selection by the employee of job assignments.

(i) The most senior Courtesy Clerk who is available and qualified to perform the work

shall be given first consideration for promotion to Apprentice Clerk openings.

(j) Employees with one (1) or more years of service in a classification who desire assignment to a higher paying classification shall indicate their desire in writing to the store manager. When an opening in that store occurs, the most qualified employee will be considered. When fitness and ability are relatively equal, seniority shall be a primary factor in determining the selection. All such job openings shall be posted for seventy-two (72) hours before they are filled in order to give employees desiring consideration for the opening the opportunity to apply for such openings.

(k) The most senior part-time employee will receive consideration, along with other applicants, in filling permanent full-time job openings, provided however, the Employer has the sole right to exercise final judgment as to who shall be selected for the full-time opening, however, seniority shall be a primary factor in determining the selection.

(l) When seniority is invoked by an employee, qualifications for performing the work requested shall be one of the determining factors in establishing such rights.

(m) In the event an employee is transferred, within the Company, out of the bargaining unit for any reason and is later transferred back, the employee shall retain seniority previously acquired by employment with the same Employer under this Collective Bargaining Agreement. Employees promoted to a higher classification of work and then subsequently displaced within one (1) year by another employee exercising seniority rights under this Agreement, shall be returned to their previous classification with the seniority rights accumulated within that classification.

(n) Recognizing that changes in operations, conditions, etc., may occur during the life of this Agreement, the Employer and Union agree that if mutually agreed the parties may meet and, if appropriate, discuss or alter seniority to better suit the needs of the parties. This may include but is not limited to district seniority, area seniority, etc.

Any agreement reached must be reduced to writing and signed by the appropriate parties before it could be placed in effect.

(o) The Employer recognizes the desire on the part of many of its employees to make careers within the retail food industry. Moreover, it is the Employer's policy to employ, promote and transfer employees based on qualifications, merit and ability in order to effectively utilize its human resources. Therefore, the Employer hereby agrees to continue in place, and refine as it deems appropriate, its job posting/career advancement policies and procedures providing a mechanism for qualified employees to avail themselves of promotion opportunities within the Company. The Employer agrees to work with the Union with the objective of developing procedures consistent with the Employer's policies on non-discriminatory promotional opportunities. Notwithstanding, the Union expressly agrees that should the parties fail to reach mutual agreement with respect to the involved issues, the Union shall not seek recourse through the grievance or arbitration provisions of the

agreement nor shall the Union file any unfair labor practice charge(s).

ARTICLE 6 - WORKING RULES AND OVERTIME

(a) **Full-time Employee:** A full-time employee is defined as one who is scheduled to work at least forty (40) hours per week and is guaranteed a minimum of five (5) eight (8) hour days' work in that week when said employee works as scheduled. The schedule may include Sunday and/or holidays. The Employer may schedule (full time employees only) four (4) ten (10) hour shifts, and overtime shall be paid for work over ten (10) hours a day when overtime is paid for hours over forty (40) a week only.

(b) **Part-time Employee:** A part-time employee is defined as one who is scheduled to work less than forty (40) hours per week and is guaranteed at least four (4) hours per day when said employee works as scheduled. Courtesy Clerks shall be guaranteed a minimum of four (4) hours per day when said employees are scheduled, provided such employee is available for such hours.

A part-time employee who works at least forty (40) hours a week in sixteen (16) consecutive weeks shall become a full-time employee. 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 sixteen (16) consecutive weeks.

(c) **Work Day:** The basic work day shall be eight (8) hours to be worked within a period of nine (9) consecutive hours, or ten (10) hours to be worked within a period of eleven (11) consecutive hours. A minimum of ten (10) hours shall elapse between the end of an employee's regularly scheduled straight-time shift and the start of an employee's next following regularly scheduled straight-time shift, provided however, this shall not apply in the event of an emergency. Employees who are scheduled to work without ten (10) hours between shifts shall be paid in addition to their regular straight-time hourly rate, a premium of one dollar and fifty cents (\$1.50) per hour for such overlap time. There shall be no scheduled split shifts.

(d) **Meal Period:** Employees who work more than six (6) consecutive hours in a work day shall receive an uninterrupted lunch period on the employee's time of one full hour. Notwithstanding the foregoing, in a given store, deviations in lunch schedules may be made upon mutual agreement between the employee and the Employer. Such lunch period shall be scheduled no sooner than three (3) hours nor later than five (5) hours into the shift.

(e) **Basic Workweek:** The basic workweek shall be any five (5) eight (8) hour days, Monday through Sunday except as provided in (a) above. The basic work days in any case need not necessarily be consecutive.

Recognizing that changes in operations, conditions, etc., may occur during the life of this Agreement, the Employer and Union agree, that if mutually agreed, the parties may meet and, if appropriate, discuss or alter the basic work day (6c) to better suit the needs of

the parties.

Any agreement reached must be reduced to writing and signed by the appropriate parties before it could be placed in effect.

(f) Overtime: All work performed in excess of eight (8) hours in any one work day, except as provided in (a) above and (1) below, or in excess of forty (40) hours in a basic workweek, shall be deemed overtime and paid for at the overtime rate of time and one-half (1 1/2) the employee's regular base rate of pay. There shall be no pyramiding of overtime and/or premium time.

(g) Sixth or Seventh Day: No employee shall be required to work seven (7) days in any week, except in an emergency.

A full-time employee may be scheduled to work six (6) days in any workweek. In that event, and in addition to the scheduled five (5) eight-hour days, he shall be guaranteed a minimum of four (4) hours' work for such sixth day. The four (4) hour day need not be the actual sixth day of work, but may be, at the employer's discretion, any one of the six days in the weekly work schedule.

(h) Work Schedule: Work schedules for the following week shall be posted not later than noon Friday. The work schedule may not be changed, except in cases of an absence of an employee or an emergency beyond the control of the Employer. The work schedule shall be written in ink and shall set forth the first and last names of the employees.

(i) Holiday Guarantee: All full-time employees, as defined in Article 5(a), scheduled to work on any designated holidays, prescribed in Article 14 of this Agreement, shall be guaranteed eight (8) hours' work.

(j) Holiday Week: A basic 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 the Agreement for the four (4) days referred to above. All time worked over thirty-two (32) hours, exclusive of the holiday in the basic holiday week, shall be paid for at the rate of time and one-half (1 1/2x) the employee's regular rate of pay.

(k) Change in Store: Whenever an employee is required by the Employer to change from one store to another during the same day, all time consumed by said employee in going either to or from one store to another shall be considered and paid for as part of the regular day's work.

(l) Transfers: Employees shall be allowed to request a transfer to a store by filling out a written request on a company provided form. The Employer will give consideration to all such requests and will not unreasonably deny such requests. If request is denied, the Employer will notify the employee of the reasons for not approving such requests.

Except for layoff transfers, a permanent reassignment by the Employer, which requires the employee to travel twenty (20) miles or more one way from home may be refused by the employee. An employee exercising this right of refusal must do so at the time of notification of reassignment and such refusal shall not jeopardize the employee's position with the Employer in any way.

(m) Interruption of Operations: In the event operations cannot commence or continue when so recommended by Civil Authorities; or Public Utilities fail to supply electricity, water or gas; or there is failure in the Public Utilities sewer system; or the interruption of work is caused by an Act of God, or other cause not within the Employer's control, the foregoing guarantees shall not be applicable.

(n) Employees (other than Courtesy Clerks), transferred to a different classification will be placed at the nearest rate (up or down) in the new classification rate of pay structure.

ARTICLE 7 - VACATIONS

(a) Full-time Employees: All full-time employees shall be granted a minimum of one (1) week's vacation after one (1) year of continuous service with the Employer.

All full-time employees shall be granted two (2) weeks vacation after three (3) years of continuous service with the Employer.

All full-time employees shall be granted three (3) weeks vacation after five (5) years of continuous service with the Employer.

All full-time employees shall be granted four (4) weeks vacation after fifteen (15) years of continuous service with the Employer.

All full-time employees shall be granted five (5) weeks vacation after twenty (20) years of continuous service with the Employer.

Full-time employees who have worked 1,840 hours or more during their anniversary year shall be entitled to forty (40) hours' pay for each week of vacation earned, provided the time lost from employment is due to sickness or other emergency. Full-time employees working less than 1,840 hours shall receive vacation pay prorated on the basis of the average number of straight-time hours worked during the preceding year according to the vacation formula set forth above.

(b) Part-time Employees: Part-time employees, including Courtesy Clerks, who have worked an average of twenty (20) or more hours per week during the year immediately preceding their anniversary day of employment, shall be entitled to vacation pay prior to taking the vacation ((e) below), prorated on the basis of the average number of straight-time hours worked during the preceding year, according to the vacation formula set forth above.

(c) Notice: In scheduling the vacation of any employee, the Employer shall give at least thirty (30) days notice prior to the date of beginning the vacation.

(d) Holiday During Vacation: If a holiday named under Article 14 of this Agreement falls within the vacation period of an employee, he shall be granted an additional day of vacation with full pay, or a day's pay in lieu thereof, at the Employer's option.

(e) Payment Date: Vacation pay shall be requested in writing by the employee at least three (3) weeks in advance of the vacation, and will be paid by the payday prior to start of the vacation (provided timely requested and the employee is otherwise eligible).

(f) Vacations: Vacations shall be scheduled on the basis of seniority preference whenever possible considering the efficient operation of the store during the Employer's established vacation period which will be January 1 through December 31. Each employee will make his/her vacation selection during the established company vacation period but in no event shall the selection take place later than February 28 in each store. Each employee shall be notified through posting of the schedule by the Employer as soon as possible as to the disposition of the employee requested vacation period, but in no event shall the notice be later than four (4) weeks after the selection period (provided that there are four (4) weeks or more between the time of the request and the vacation period requested). The Employer will not unreasonably deny access to any weeks.

Employees who do not select vacation schedules during the selection period and those employees whose vacation selection is denied will be required to select their vacation from remaining available vacation periods based upon individual seniority and the needs of the business. In no event shall this selection period under any circumstances exceed April 15.

If an employee's vacation period is not filled after completing the above process, the employee will be assigned a vacation period by the company.

Once assigned, an employee vacation period will not be changed except for legitimate business purposes.

ARTICLE 8 - WAGES

(a) Wage Rates: The following schedule of minimum hourly wage rates shall be maintained and paid by the Employer, party to this Agreement: SEE APPENDIX "A" ATTACHED.

The following Subsection (b) shall be inoperative for the life of this Agreement:

(b) Cost-of-Living Adjustment. All employees covered by this Agreement, except Courtesy Clerks, shall receive a cost-of-living adjustment.

Such adjustments in the hourly rates of pay shall be made on the basis of one cent

(\$.01) for each full .45 point increase in the Consumer Price Index for all Cities (1967=100) over and above the specified three (3) points corridor.

Using the December, 1979 Index as the base, the hourly rates of pay shall be adjusted effective on May 4, 1981, by one cent (\$.01 for each full .45 point increase that the December, 1980, Index exceeds three (3) points over the rates effective on May 4, 1981, will be limited to a maximum of twenty-five cents (\$.25).

Using the December, 1980 Index as the base, the hourly rates of pay shall be adjusted effective on May 3, 1982, by one cent (\$.01) for each full .45 point increase that the December, 1981, Index exceeds three (3) points over the Base Index of December, 1980. The adjustment in hourly rates effective on May 3, 1982, will be limited to a maximum of twenty-five cents (\$.25).

Using the December, 1981 Index as the base, the hourly rates of pay shall be adjusted effective on May 2, 1983, by one cent (\$.01) for each full .45 point increase that the December, 1982, Index exceeds three (3) full points over the Base Index of December, 1981. The adjustment in hourly rates effective on May 2, 1983, will be limited to a maximum of twenty-five cents (\$.25).

The adjustment which results from the above formula shall be applied to the Journeyman Food Clerk rate with the adjustment for all other included job classifications to be applied on the appropriate percentage relationship to the Journeyman Food Clerk rate.

(c) Night Premium: A premium of fifty cents (\$.50) per hour shall apply to all work performed after 12:00 midnight or before 5:00 a.m. over and above the regular hourly rate of pay and/or the overtime rate to which the employee may be entitled, except such premium shall not apply to Courtesy Clerks.

(d) Sunday Premium: One and one-half times (1 ½) the straight-time hourly rate shall be paid to all employees for all work performed on Sunday. All Courtesy Clerks hired on or after January 1, 1984 will receive a premium of fifty cents (\$.50) per hour only for all work performed on Sunday. No Courtesy Clerk hired prior to January 1, 1984 will be discriminated against with respect to Sunday Work. Sunday premium for employees (other than those listed below) shall receive time and one-half (1 ½) for Sunday work provided:

1. They have completed 3900 hours of work, including all hours except Courtesy Clerk hours.

Employees in the following classifications shall receive fifty cents (\$.50) per hour Sunday premium (except employees hired prior to November 13, 1986 who are paid currently in excess of fifty cents (\$.50)): Courtesy Clerk, Floral Clerk, Customer Service/Lottery Clerk and Pizza/Salad Bar Clerk.

(e) No Reduction in Rates: It is further agreed that no employee shall suffer any reduction

in hourly rates by reason of signing of this Agreement. No employee receiving hourly rates in excess of the rates herein shall be replaced by another employee at a lesser hourly rate for the purpose of avoiding any of the provisions of this Agreement. Provided, however, that if any employee receiving higher hourly rates than provided in this Agreement subsequently quits or is terminated, and is later re-hired, such employee shall be re-hired at the then prevailing rate under the terms of this Agreement. In the event, however, any employee desires to be reclassified into a classification whose rate of pay is less than he is receiving such reclassification may be made with the consent of the Employer, notwithstanding any of the foregoing provisions of this paragraph.

Special rates of pay may be arranged for superannuated or partially disabled employees by agreement between the Union, the Employer and the employee involved.

(f) Rest Break: All employees shall be allowed an uninterrupted, unscheduled ten (10) minute break in the first four (4) hours of work and an unscheduled ten (10) minute break in the second four (4) hours of work.

(g) Employment of Apprentice Clerks: In the event the Employer employs Apprentice Clerks, it is agreed that they shall be limited to the following ratio: One (1) to every three (3) experienced clerks or fraction thereof. This ratio shall be followed in succession, namely two (2) Apprentices for five (5) experienced clerks. It is provided that, the Employer may employ additional Apprentice Clerks if no experienced clerks satisfactory to the Employer are available.

(h) Prior Experience: Prior experience shall be defined as previous, provable, comparable work experience within the past three (3) years from the date of present employment and may be the basis for determination of an employee's rate of pay. For credit to be given, the employee must indicate the experience at the time of employment on the application for employment furnished by the Employer. Comparable work experience shall be work of similar duties in a retail supermarket. Work in convenience stores shall not be considered. Self-employment will not be credited. Employees will receive credit for previous experience in full increments set forth in Appendix A - Wages.

(i) Bonus Payments: Bonuses or prize money shall not be considered as part of an employee's regular wage.

ARTICLE 9 - JURY DUTY

(a) Employees shall become eligible for the following after completion of twelve (12) consecutive months of continuous employment with the Employer. When an 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 for a day shift on a Monday through Friday workweek and shall receive pay during such workweek for each day on such jury service at the rate of eight (8) hours times his straight time hourly rate (except in the case of a part-time employee) the number of hours regularly scheduled

on the day in question, less any remuneration received by him for jury service.

(b) 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.

(c) If an employee is excused, temporarily or permanently, 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.

(d) The Employer may require proof of attendance for jury service. An employee making a false claim for jury duty shall be subject to discharge.

(e) Jury Duty pay shall not be required for Grand Jury service.

ARTICLE 10 - GENERAL CONDITIONS

(a) Cash Register Shortages: No employee shall be held responsible for cash register shortages, unless he is given the privilege of checking the change and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash register during the work shift, except when management exercises its right to open the register during the employee's work shift, in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or all deposits. No employee shall be required to make good any bad checks cashed, unless said checks are cashed in violation of posted store rules and regulations.

(b) Store Meetings: Employees may be required to attend up to two (2) store meetings a year at their regular hourly rate for the actual time spent at the meeting. However, up to two (2) additional meetings may be held in a year for exceptional circumstances (e.g., introduction of new equipment) at the regular hourly rate, for the actual time spent at the meeting.

(c) Uniforms: The Employer agrees to furnish all uniforms, caps and/or aprons and to pay for the laundering and upkeep of same without cost to the employee, except that drip dry garments shall be laundered by the employee, and that no employee shall be required to purchase any special uniforms, clothes, etc., for the purpose of any sales promotions sponsored by the Employer.

(d) Charity: The Employer may conduct or handle any campaign or drive for charitable purposes among his employees where the cooperation and contributions of the employees are voluntary.

- (e) Space will be provided by the Employer to the Union for the posting of official Union notices which have been previously approved by the designated representative of the Employer.
- (f) No Employer shall require any employee to submit to or take a polygraph or electronic lie detector test or examination as a condition of continued employment.
- (g) The Employer will not use the scheduling of work shifts as a disciplinary measure.
- (h) Any employee who fails to report for work as scheduled and fails within twenty-four (24) hours thereafter to personally provide store management with sufficient reason to have prevented the employee from reporting to work shall be considered a voluntary quit. Notwithstanding the foregoing, in the event that an employee fails to report for work as scheduled or contact store management within twenty-four (24) hours thereafter, as required above, as a result of serious mitigating circumstances beyond his/her control, such employee shall be granted an additional twenty-four (24) hours to present the Employer with valid documentation or other persuasive evidence acceptable to the Employer confirming the employee's inability to report for work as scheduled or personally contact store management within the time limits set forth above. An employee satisfying this criteria shall have his/her voluntary termination vacated, with the involved time period considered an excused absence. Any dispute arising out of the application of this Section shall be subject to the Agreement's grievance and arbitration procedure.

ARTICLE 11 - LEAVES

- (a) Medical Leaves: Employees who have completed their probationary period shall be entitled to a leave of absence without pay, up to the total length of service of the employee with the Employer, without loss of seniority, provided there is medical evidence that the employee is disabled as a direct result of illness, injury or pregnancy including industrial illness or injury not to exceed twelve (12) months. In no event shall any leave exceed twelve (12) months.

Prior to being scheduled for work upon the termination of a leave of absence, the employee's physician must give written certification that the employee is fully released to perform all usual duties.

When this requirement has been met, the employee will be scheduled for work in the first full work week for which the work schedule has not been posted as provided in this Agreement following the receipt of the physician's release by the Employer's designated representative.

An employee who has taken a leave of absence or leaves of absence totaling twelve (12) months as provided above, upon returning to work must again be continuously employed for at least twelve (12) months before qualifying for another leave of absence.

After one (1) year of continuous service, in case of serious illness, serious injury, or death of a member of the employee's immediate family, a leave of absence of up to thirty (30) days without pay will be granted upon written application to the Employer's designated representative. Reasonable evidence of qualifications for this type of leave of absence may be required by the Employer. Only one such leave of absence will be granted an employee per cause in each anniversary year of employment.

For the purpose of this provision, a member of the immediate family shall be limited to: Spouse, child, stepchild, mother, father, mother and father-in-law, step-parents, and grandparents.

(b) Universal Military Leave: The Employer agrees to comply with the terms of Universal Military Training and Service Act, with reference to all provisions, providing for re-employment of persons entering Military Service. These provisions shall be deemed a contractual obligation under the terms of this Agreement.

(c) Sick Leave: All employees coming under the jurisdiction of this Agreement who have been employed by the Employer for a period of one (1) year and have worked at least 1,664 hours during that year shall be entitled to six (6) days' paid sick leave.

After one year of continuous employment, sick leave shall be cumulative for seven (7) years, to a maximum of forty-two (42) days until used, at the following rates, based on the hours worked during the employee's preceding anniversary year. Those employees who have worked at least 1,664 hours, shall receive six (6) days per year. Those employees who have worked at least 1040 hours, but not more than 1664 hours, shall receive prorata paid sick leave at the ratio of 48 hours to 2,080 hours (.023). Those employees who have worked less than 1,040 hours are not entitled to paid sick leave.

Sick leave may be applied beginning with employee's second scheduled work day during a period of illness. The number of days of sick leave applied during any week shall be based on the number of days the employee was scheduled to work during the week immediately preceding the illness. The Employer may only require a doctor's certificate for absences of three (3) days or more, except for absences that are suspicious in nature. Sick leave benefits, as provided herein, may be used by the employee for either sickness or accident.

Notwithstanding anything in this section to the contrary, if an employee is hospitalized as a registered bed patient, on the first scheduled work day of disability, there shall be no waiting period.

Sick leave pay shall be integrated with the State of Arizona Industrial Compensation and the Trust Fund Disability Income so that the sum of daily sick leave allowance hereunder and the aforesaid State Industrial compensation and the Trust Fund Disability Income, exclusive of the daily hospital benefits which may be payable to an employee, shall not exceed one hundred percent (100%) of the employee's regular daily wage at straight-

time. If the sick leave pay allowable to an employee hereunder when so combined with any such State Industrial Compensation daily benefits or Trust Fund Disability Income received by the employee exceeds one hundred percent (100%) of his regular daily rate at straight-time, for any one (1) day, then such sick leave pay for that day shall be reduced accordingly. Any portion of the sick leave pay allowance not received by the employee by reason of any such reduction shall be retained in the employee's sick leave pay account as a part of his accumulated sick leave pay credits.

Sick pay must be requested by an employee in writing. Effective January 1, 1996, sick and accident benefits shall be deemed payable only as above provided and shall not be convertible to cash, except cash payments shall be made on the employee's anniversary date for sick leave earned, but not used, in excess of forty-two (42) days.

(d) Funeral Leave: Employees hired after ratification shall become eligible for the following after completion of twelve (12) consecutive months of continuous employment with the Employer. Upon request, an employee covered by this Agreement shall be granted the necessary time off with pay at the employee's regular straight-time rate of pay in order to make arrangements for and/or attend the funeral occasioned by a death in the employee's immediate family.

Such time off with pay, shall in no event exceed three (3) regularly scheduled working days. The immediate family is defined as the employee's father, mother, spouse, children, father-in-law, mother-in-law, brother, sister, grandparents, grandchildren, step-parents, or step-children. Payments shall not be made hereunder where the relative's death occurs while the employee is on vacation or on a leave of absence.

Payment shall be made for regular scheduled work days lost and proof of relation to deceased, attendance at funeral and travel time needed may be requested by the Employer.

(e) Personal Leave: Employees with one or more years of continuous service may request a leave of absence of up to thirty (30) days duration for personal reasons. The Employer will consider such request, and the employee's justification on an individual basis, and will not unreasonably deny such leave.

(f) Union Leave - The Employer shall grant an unpaid Union leave of absence to employees. Such leave shall not exceed twelve (12) months, unless extended by mutual agreement between the Employer and Union. The employee shall not suffer a loss of seniority rights. The employee shall accrue seniority while on leave. The employee shall, upon returning to work, receive any wage increase or reduction that may have become effective during such absence and shall be returned to the geographical area where he was assigned at the time of commencement of the leave, provided the Employer is given at least two (2) weeks notice in writing of his intent to return. Should the employee's return require lay offs, the regular lay off provisions of the Collective Bargaining Agreement shall apply.

ARTICLE 12 - UNION DUES DEDUCTION

(a) The Employer will deduct an amount equivalent to dues, initiation fees and assessments each week from the wages of the employees who voluntarily authorize such deductions in writing, and will forward same to the Union monthly during the term of this contract unless the authorization is canceled in writing by the employee to the Union and the Union notifies the Employer. No deduction will be made on any employee until receipt by the Employer of a signed copy of a voluntary deduction authorization.

The Union agrees to submit to the Employer a list of employee's names and deduction amount for the current month no later than the first day of each month.

(b) The Union shall indemnify and hold harmless the Employer against any and all claims, damages or suits or other forms of liability which may arise out of or by reason of any action taken by the Employer for the purposes of complying with this Article.

(c) The Employer will make a deduction for the Union's Active Ballot Club from the wages of the employees who voluntarily authorize such deduction in writing, based on authorizations received two (2) weeks prior to the deduction date and will forward the Active Ballot Club deduction to the Local Union.

Such Active Ballot Club deductions will be done once during each calendar year during the term of this Agreement unless the authorization is canceled with the Union, in writing, by the employee.

(d) The Employer and Union will explore the implementation of electronic exchange of information as soon as practical, equipment permitting.

ARTICLE 13 - PAYROLL RECORDS

The Employer agrees to furnish each employee weekly with a wage statement showing the period covered, name of the employee, hours worked, overtime if any, total amount of wages paid, and list of deductions made.

ARTICLE 14 - VISITS TO STORES

(a) The authorized business representative of the Union shall have the privilege of entering the premises of the Employer for the purpose of interviewing the employees so long as such visits do not unduly interfere with the duties of the employees. And such Union representative shall have the privilege of examining the Employer's payroll account of any employee covered by this Agreement where there is a dispute concerning the wage of such employee.

(b) In making visits to the store as provided in this Article, the Union representative shall not engage more than one (1) employee in conversation at the same time and discussion shall

be limited to give ten (10) minutes with any employee during working hours.

(c) In the interest of promoting cooperative relations, at the first opportunity within the first thirty (30) days of employment of a new employee, the Store Manager, Department Manager or during new hire training classes, such new employee shall be introduced to the Union Field Representative during working hours and shall give the Field Representative time, not to exceed twenty (20) minutes, to explain the Union contract, to answer any questions, and to sign the new employee for Union membership.

Management will provide the Union Store Steward or Field Representative with new hire slips. The Field Representative shall arrange with management in charge a convenient time to meet with new hires in an effort as not to interfere with customer service during peak business times. If possible, such meetings shall be scheduled during new employee training.

ARTICLE 15 - HOLIDAYS

(a) Paid Holidays: The Employer agrees that the following days shall be considered holidays and granted without reduction in pay:

- | | |
|--------------------------------|---------------------------|
| New Year's Day | Independence Day |
| Thanksgiving Day | Labor Day |
| Christmas Day | Employee's Birthday |
| Anniversary Date of Employment | Two (2) Floating Holidays |

New employees will become eligible for holiday pay and premium after completion of their probationary period.

When a holiday falls on a Sunday, the following Monday shall be observed as the holiday.

The Anniversary Holiday shall be taken in accordance with the current Birthday Holiday language, Article 14 (c).

(b) Holiday Premium: In the event the store is open on Thanksgiving and/or Christmas, the Company shall first take volunteers, by seniority. If there are insufficient volunteers to staff the store the employees shall be scheduled in inverse seniority order. All hours worked on any holiday shall be payable at the rate of one and one-half (1 1/2) times the employee's regular hourly rate of pay in addition to holiday pay as provided for in the schedule below. Said rate shall include any premium pay or overtime that may be applicable.

(c) Employee's Birthday: Each employee shall give his Employer notice of his birthday at least two (2) weeks prior to the week in which the birthday occurs.

Such Birthday Holiday shall be enjoyed by the employee on the actual date of his birth,

or on another day mutually agreeable to the employee and the Employer during the week preceding, the week of, or the week following the actual week of the employee's birthday.

If an employee's birthday falls on a day which is otherwise considered as a holiday, he shall receive an additional day off for the birthday in addition to the holiday on which it falls.

(d) Floating Holidays: Floating holidays shall be taken by eligible employees as follows:

1. Employee's must request scheduling preference of floating holidays two (2) weeks in advance. The actual day selected shall be by mutual agreement. Any floating holidays not scheduled by October 1st of each year shall be assigned or paid by the Company before December 31st of each year.

2. The Company will approve a minimum of one per department in any week, by seniority. Floating holidays shall not be taken in a week which contains another holiday.

3. New hires before April 1 of each year will be eligible for two (2) floating holidays in that calendar year. New hires hired after April 1 of each year but before July 1 will be eligible for one (1) floating holiday in that calendar year. Those hired after July 1 shall not be eligible for floating holidays until January 1 of the next calendar year.

(e) Part-time Employees: Part-time employees shall receive holiday pay based on the average number of hours worked during the week prior to the holiday week and the week in which the holiday occurs according to the following schedule:

<u>Average Hours</u>	<u>Holiday Pay</u>
20 to 24 hours	4 hours
Over 24 hours	6 hours
Over 31 hours	8 hours

(f) Requirements: No employee shall receive pay for any holidays not worked unless such employee has reported for work on his or her 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 said day after said holiday is due to expressed permission from or action of the Employer and/or Employer's representative, and also, in case of certified illness, provided the employee has worked during the holiday week.

(g) Voluntary Closing: If any store is closed because of observance of other holidays not listed herein, no full-time employee of the store shall suffer a reduction in pay below forty (40) hours' pay for that workweek.

The Employer further agrees that no employee will be required to work after 7:00 p.m. on Christmas Eve.

ARTICLE 16 - BOND

Whenever the Employer requires the bonding of any employee or the carrying of any insurance for the indemnification of the Employer, the premiums for the same shall be paid for by the Employer.

ARTICLE 17 - GRIEVANCE AND ARBITRATION

(a) Exclusive Remedy: The grievance procedure provided herein shall be the exclusive means for the disposition of all grievances.

(b) Definitions: The term "grievance" shall mean any dispute between the Employer and the Union as to the meaning, application, or interpretation of any provisions of this Agreement and the parties shall exercise every amicable means to settle or adjust such dispute or grievance as follows:

(c) Time Requirements: A grievance shall be taken up as follows:

1. Discharge or Layoff: Upon the discharge or layoff of any employee, other than a probationary employee, the Union may dispute the basis for such discharge or layoff by taking it up as a written grievance no later than nine (9) days from the date of discharge or layoff. Failure of the Union to dispute the basis of any discharge or layoff within the time limit herein provided shall constitute waiver of all rights under this Agreement to dispute such discharge or layoff.

2. Pay Discrepancy: Any grievance or dispute claiming alleged errors in computing amount of pay due an employee shall be limited to one-hundred-twenty (120) calendar days immediately preceding the date of the filing of the grievance.

3. All other grievances must be submitted in writing not later than fifteen (15) days from date of occurrence of the incident which led to the grievance.

4. Timeliness: Failure of either party to submit grievances in writing within the time limits herein provided shall constitute waiver of all rights under this Agreement to file such grievances.

(d) Grievance Procedure:

Step 1: Prior to filing a grievance, the matter in dispute may be taken up orally between a designated Union representative and a designated Employer representative. If the grievance is taken up by conference between the aggrieved employee and/or the store steward, Union Field Representative, and the Store Manager, the parties shall make every effort to resolve any grievance at this level. Settlements at this level shall not establish any precedent.

Step 2: If a timely grievance has been filed, the matter in dispute shall be taken up between a designated Union representative and the Employer's designated representative. The Employer representative shall respond to the Union representative in writing within fifteen (15) calendar days after the written grievance has been timely filed. Failure of the Employer to respond within the fifteen (15) day time limit shall be deemed a rejection of the Union's position and shall then enable the Union to proceed to arbitration as specified in paragraph (e) except as outlined in Step 3.

Step 3: The parties may agree to establish a grievance panel. The decision of such panel shall be final and binding on all parties. Should the parties establish a grievance panel, the process and rules governing that panel shall be mutually agreed to by the parties.

(e) Arbitration: If a grievance is not satisfactorily adjusted in Step 2, either party may submit the grievance to arbitration for final determination by notifying the other party, in writing, no later than fifteen (15) days following receipt or non-receipt of the written answer in Step 2. If a grievance panel is established, the time limits for filing for arbitration will be within fifteen (15) days following a deadlock decision rendered at the grievance pre-arbitration hearing.

(f) Selection of the Arbitrator: The party initiating the arbitration shall forthwith request the Federal Mediation and Conciliation Services to submit a list of seven (7) disinterested persons qualified and willing to act as impartial arbitrators, and simultaneously mail a copy of such request to the other party. From this list, within seven (7) days after receipt of the panel, the Employer and the Union shall each alternately strike one (1) name until six (6) names have been eliminated and the person whose name remains shall be selected as impartial arbitrator. The parties shall draw lots to determine who shall make the first selection from the list.

(g) Award: The arbitrator shall hear the submitted grievance as expeditiously as possible and shall render an award within thirty (30) days after the conclusion of the last hearing unless extended by mutual agreement.

(h) Final and Binding: The award shall be final and binding upon all parties.

(i) Limitations on Arbitrator: The arbitrator shall have no power to:

1. Alter, change, modify, or add to, or subtract from this Agreement or any provision thereof.

2. Determine any provision to be incorporated in a new Agreement or an extension or renewal of this Agreement.

(j) Expenses: The jointly incurred costs of arbitration shall be paid by the "loser". In all disputes, the arbitrator shall determine the "loser." Any other expenses shall be paid by the

party incurring them.

(k) Time Limits: All time limits provided in this Article may be extended by mutual agreement of the parties, in writing.

(l) Disciplinary arbitrations (generated after the date of ratification) shall be heard without the use of a court reporter or briefs. The parties will present their evidence and witnesses and argue orally. At the conclusion of the arbitration hearing but before issuance of the bench decision, the Union and Employer shall meet in a good faith attempt to resolve the grievance. If the parties are unable to settle the grievance, the arbitrator shall announce his/her bench decision. The above mentioned understanding shall be implemented for a twelve (12) month trial period or for three (3) arbitrations, whichever occurs first. At the conclusion of this period, this provision shall automatically become null and void unless mutually extended by the parties.

ARTICLE 18 - VALIDITY OF PROVISIONS

The provisions of this Agreement are deemed to be separable to the extent that if and when a court of last resort adjudges any provisions of the Agreement, its applications between the Union and the undersigned Employer, to be in conflict with any law, such decisions shall not affect the validity of the remaining provisions of the Agreement, but such remaining provisions shall continue in full force and effect, providing further, that in the event any provisions or provision are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of re-negotiation and agreement on provisions or provision so invalidated.

ARTICLE 19 - NO STRIKE OR LOCKOUT

During the term of this Agreement, or any extension thereof, the Employer will not lock out the employees covered by this Agreement and the Union will not instigate, encourage, engage in or take part in any strike, slowdown, or stoppage of work in Employer's operations. The Employer has the right, in its discretion, to discipline employees who take part in any strike, slowdown, or stoppage of work in the Employer's operations.

ARTICLE 20 - HEALTH AND WELFARE/DENTAL

The Employer will contribute to a health and welfare/dental plan for each employee who has worked at least eighty (80) hours for the Employer in the preceding month. This contribution will be applicable to each clerk who has been employed with the Employer for a period of six (6) calendar months.

This Health and Welfare and Dental Plan shall not be applicable to Courtesy Clerks.

For the purpose of this Article, hours worked shall include hours paid directly by the

Company for: straight-time, overtime, premium hours, sick leave, holiday pay, and vacation pay.

(a) The Employer contribution rate for this Agreement shall be established as follows:

Effective the first month following ratification the contribution for qualifying employees to the existing grocery industry health and welfare plan (501-A) will be \$275.00.

With October hours (payable in November) 1995, this amount increases to two-hundred ninety five dollars (\$295.00).

With October hours (payable in November) 1996, this amount increases to three-hundred twenty dollars (\$320.00).

With September hours (payable in October) 1997, this amount increases to three-hundred forty dollars (\$340.0).

In the event such contribution rates are insufficient to maintain benefits during the term of this agreement the Trustees of the Joint Health & Welfare Trust Fund, herein after referred to as the "Trustees" for the purposes of this Article, are instructed and required to reduce the level of such benefits to a level that can be funded on an actuarially sound basis by such then current contribution rate.

The Trustees are instructed to examine and evaluate the plan benefits to determine optimum benefits available through the level of contributions. No special interest group will be advantaged as the revisions are to provide the "best" coverage for the greatest number of eligible participants. No benefit revision is to result in the plan reserve being less than six (6) months.

Employees hired after ratification (December 17, 1994) and qualifying for the first time for health and welfare coverage will be covered under a new Plan B at a contribution rate of eighty (80) percent of the above stated amounts with the benefits to be determined by the Trustees. Employees will continue to be covered under this plan for the first year after becoming eligible. After that time, employees will be covered under Plan 501-A. Should the above contribution rates prove to be insufficient to fund the levels of benefits in existence as of September 18, 1994, the Trustees are instructed to evaluate the funding and benefit level options as presently set forth in the above referenced Articles..

Legislation: In the event of legislation providing health and welfare or sick leave benefits which are also provided for under this Agreement, the Trustees are directed to immediately amend the plan document deleting duplicated benefits reducing the Employer contributions by an amount which is not attributable to contributions which may be required from the employee. Any cost reductions attributable to employee contributions will be passed on to the employee through other benefit changes or as appropriate.

ARTICLE 21 - PENSION

(a) The Parties agree to accept and be fully bound by the terms of the Declaration of Trust and Plan Document of the Desert States Employers and UFCW Unions Pension Fund and any amendments thereto.

(b) With the express understanding that this shall not result in the reduction of any current employees pension benefit, and in order to protect against the possibility that the plan could jeopardize its tax exempt status, effective with the hours worked beginning January 1, 1995, the Employer will contribute the amount of forty (40) cents per straight-time compensable hour to the Desert States Employers and UFCW Unions Pension Plan for employees covered by this labor Agreement, excluding Courtesy Clerks. Effective October 1, 1997 this contribution shall be increased to fifty-eight (58) cents per straight-time to compensable hours except for hours worked by an employee during his probationary period as provided for in the Agreement.

Contribution rates for employees (other than Courtesy Clerks) hired on or after November 13, 1986 shall be: \$0.00 for the first 1560 hours of work; \$.10 per hour for hours worked beyond 1560 up to and including 2600 hours; and \$.40 per hour thereafter (\$.58 per hour effective October 1, 1997.)

(c) In the event that the funding standard account should drop to zero, the collective bargaining parties are mandated to take appropriate action to remedy the situation

(d) The collective bargaining parties agree to direct the Trustees of the Pension Fund to conduct an actuarial evaluation of the impact of contributions on all straight-time compensable hours.

(e) The parties understand and agree that the contribution schedule set forth herein providing for a reduction in contribution rate(s) of less than fifty cents (\$.50) per straight-time compensable hours is expressly conditioned on the Plan's receipt of written receipt of a favorable tax qualification letter from the Internal Revenue Service for the Desert States Employers and Unions Pension Plan and written approval by the Pension Benefit Guarantee Corporation of the spinoff from the Rocky Mountain Employers and UFCW Unions Pension Plan and, further, that the implementation of such contribution rate(s) of less than fifty (\$.50) per straight-time compensable hours shall not be effective until the first month following the month such written approval is received by the Plan. In the event that the implementation of the contribution rate(s) of less than fifty cents (\$.50) per straight-time compensable hours is delayed beyond January 1, 1995, the reduced contribution rate level shall continue for a period sufficient to compensate for the delay, or, in the alternative, the contribution rate itself shall be adjusted with the same objective.

To the extent funding permits, it is the intent of the Parties to provide a future service benefit of forty dollars (\$40.00) per month effective January 1, 1997. In no event shall any modifications to the benefits in effect as of September 18, 1994 occur prior to January 1,

1997. Any improvements in benefits shall require approval of the Board of Trustees relying on the advice of the Plan's co-consultants. If the fifty-eight cents (\$.58) per straight-time compensable hour would be sufficient to maintain benefits at thirty dollars (\$30.00) past and forty dollars (\$40.00) future, the contribution rate shall be reduced to the hourly rate sufficient to maintain benefits at said levels.

Further, the parties agree the contribution rate(s) provided for herein shall be paid effective October 1, 1997 on all straight-time compensable hours except for hours worked by an employee during his probationary period as provided for in the Agreement.

Further, the parties agree should the Pension Benefit Guarantee Corporation and/or the Internal Revenue Service fail to approve the establishment of the Desert States Employers and UFCW Unions Pension Plan as submitted or should the parties otherwise be unable to implement contribution rates of less than fifty cents (\$.50) per straight-time compensable hour, the economic provisions of the Agreement (wages, Health and Welfare and Pension contributions) shall at that time immediately be reopened for further negotiations so as to provide the Employer alternative methods to recover the cost(s) resulting from its inability to implement such lower contribution rate(s) on the date(s) and in the amount(s) set forth in the schedule contained in paragraph (b) above or as a consequence of Pension Benefit Guarantee Corporation and/or Internal Revenue Service required Plan modifications resulting in an increase in the Employer's cost(s).

(f) Rules and regulations as established by the Trustees of the Plan will be accepted by both parties to this Agreement.

ARTICLE 22 - WAIVER

The Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

ARTICLE 23 - JOB STEWARDS

The Employer recognizes the right of the Union to designate job stewards and alternates from the Employer's seniority list. No designated job steward will be discriminated against because of such designation. Such steward duties shall not interfere with the employee's duties.

ARTICLE 24 - TERM OF AGREEMENT

This AGREEMENT shall be in effect from September 18, 1994, to and including October 25, 1997 (Pima County - October 15, 1994 to and including October 25, 1997) and

from year to year thereafter, subject to amendment, alteration or termination by either party upon sixty (60) days written notice given prior to the anniversary date of October 25, of any year beginning with the year 1997. All rights of the Employer not specifically limited by the terms of this Agreement are hereby reserved to the Employer.

Further, it is understood by the parties that the negotiations resulting in this Agreement provided ample opportunity for all matters to be considered and this Agreement shall not be construed to contain any matter not specifically set forth herein.

FOR THE UNION:

FOR THE COMPANY:

UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 99R

ABCO MARKETS, INC.

William T. McDonough
President

Richard Jennings
Vice President, Human Resources

**APPENDIX "A"
WAGE RATES**

<u>CLASSIFICATION</u>	<u>Eff.</u> <u>11\01\94</u>		<u>Eff.</u> <u>11\06\95</u>		<u>Eff.</u> <u>11\04\96</u>	
<u>Food Clerks</u>						
1st 90 Days	5.319 ¹	5.454 ²	5.319 ¹	5.589 ²	5.319 ¹	5.724 ²
Next 780 Hours	6.382 ¹	6.544 ²	6.382 ¹	6.706 ²	6.382 ¹	6.868 ²
Next 780 Hours	7.446 ¹	7.635 ²	7.446 ¹	7.824 ²	7.446 ¹	8.013 ²
Next 780 Hours		8.484		8.694		8.904
Next 780 Hours		9.090		9.315		9.540
Next 780 Hours		9.574		9.811		10.048
Next 780 Hours		10.302		10.557		10.812
Next 780 Hours		11.146		11.422		11.698
Journeyman Clerk		12.120		12.420		12.720

G.M.C. (Bakery/Deli - G.M. - Floral - Customer Service Lotto)

1st 90 Days	5.083 ¹	5.212 ²	5.083 ¹	5.341 ²	5.083 ¹	5.470 ²
Next 780 Hours	5.4372 ¹	5.575 ²	5.4372 ¹	5.713 ²	5.4372 ¹	5.851 ²
Next 780 Hours	5.91 ¹	6.060 ²	5.91 ¹	6.210 ²	5.91 ¹	6.360 ²
Next 780 Hours		6.545		6.706		6.869
Next 780 Hours		7.150		7.327		7.505
Next 780 Hours		7.878		8.070		8.268
Next 780 Hours		8.362		8.569		8.777
Thereafter		9.20		9.50		9.80
*Grandfather		*9.40		*9.70		*10.00

¹Hired after 12\14\94 (ratification)

²Hired before 12\14\94

Service Deli/Bakery Department Manager

	12.12	12.42	12.72
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Pizza/Salad Bar Clerks

1st 90 Days	4.484	4.595	4.706
Next 780 Hours	4.606	4.720	4.834
Thereafter	5.696	5.837	5.978

Courtesy Clerk

1st 90 Days	Minimum wage
Next 780 Hours	Minimum wage + \$.15
Next 780 Hours	Minimum wage + \$.30
Thereafter	Minimum wage + \$.40

Custodians

First 60 days	Minimum wage	Minimum Wage	Minimum Wage
Thereafter	7.659	7.849	8.039

APPENDIX "B"

(a) Courtesy Clerks: Courtesy Clerks are those employed to perform duties excepting the stocking of merchandise (including produce), operating cash registers or receiving merchandise. The prohibition of stocking work includes the handling of back room merchandise, except as follows:

Courtesy Clerks may move back room and sales floor stock for cleaning purposes, return go-backs and misplaced items, perform in-store demonstrations, and fill soda pop machine, ice box, and water vending machines.

(b) Courtesy Clerks Working at Apprentice Rate:

1. As mutually agreed between the Employer and the Union, it shall be permissible to institute a plan in the individual stores whereby Courtesy Clerks may work a portion of their work period as Apprentice Clerks as long as in so doing such Courtesy Clerks are paid as Apprentice Clerks for those hours in which they perform work falling into that category, and as long as said Courtesy Clerks receive full credit for such hours worked toward their proper classification.

2. The number of Courtesy Clerks employed in any one (1) day in this manner shall not exceed a ratio of one (1) Courtesy Clerk to every ten (10) Courtesy Clerks, or fraction thereof, according to the weekly payroll. The maximum number of hours in any one (1) week, in any one (1) store that Courtesy Clerks may work as Apprentices, is one-tenth (1/10th) of the total number of hours of Courtesy Clerk work scheduled for that week. This clause shall in no way restrict the number of hours that may be worked by regular Apprentices. Combo clerks shall not be utilized to the detriment of other bargaining unit employee's hours. Such aggrieved employees shall be made whole for hours and wages lost in the event of such violation.

3. The names of the Courtesy Clerks to be employed in this capacity and their apprentice work schedules shall be posted alongside the store's work schedules. Any Courtesy Clerk assigned to clerk's work, not in accordance with such plan shall be paid the Journeyman rate of pay for the entire day in which such change of classification or duty occurs. Any Courtesy Clerk scheduled for apprentice work, who does not do any such work on a scheduled day, shall be paid at Courtesy Clerk rates.

4. Courtesy Clerks shall not work as Clerks under this program on Sundays, holidays or Easter through Labor Day. If a Courtesy Clerk performs such work on a Sunday or holiday or Easter through Labor Day, he/she shall be paid for eight (8) hours at the journeyman premium rate of pay for the classification in which he/she worked. Further, it is agreed that a Courtesy Clerk shall not be allowed to perform checking duties.

5. In selecting additional Courtesy Clerks to participate in the Courtesy Clerk Apprenticeship Training Program, seniority shall be a primary factor to be considered along with intention to seek a career in the food industry and qualification for the work. On any particular day when a Courtesy Clerk who is in the above set forth program is absent, the most senior Courtesy Clerk on duty may be assigned work as an Apprentice Clerk in accordance with the terms of this Agreement.

(c) General Merchandise Clerk: In addition to regular duties, General Merchandise Clerks may stock, and otherwise handle pet food and pet supplies.

ABCO (MARICOPA AND PIMA COUNTY) AGREEMENT

LETTER OF UNDERSTANDING

Between

ABCO MARKETS, INC.

And

UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 99R

COMPETITIVE OPERATIONS

Notwithstanding the provisions of the current collective bargaining agreement between the parties September 18, 1994 through October 25, 1997, (October 15, 1994 - October 25, 1997) either party upon thirty (30) days written notice may, with mutual agreement, reopen the agreement to negotiate its provisions in the event that a competitor in any major line of services comparable to the Company's commences an operation wherein a competitive advantage is enjoyed.

FOR THE UNION:

UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 99R

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Richard Jennings
Vice President, Human Resources

LETTER OF UNDERSTANDING

Between

ABCO MARKETS, INC.

And

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99R

STEWARD SEMINARS

It is agreed that the Company will grant a paid leave of one (1) day per year for two (2) employees per store to attend a steward seminar. Payment shall be based on the employee's normal daily schedule and such hours shall not count toward computation of overtime.

The names of those selected to attend the seminar shall be given to the Employer a minimum of two (2) weeks in advance of the meeting date.

FOR THE UNION:

UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 99R

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Richard Jennings
Vice President, Human Resources

LETTER OF UNDERSTANDING

between

ABCO MARKETS, INC.

and

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99R

CHRISTMAS DAY STAFFING

Recognizing that a majority of its employees are desirous of not working on Christmas Day, the Employer agrees that unless principle competition in the area remains open for business on December 25, the Employer intends to remain closed for business on December 25, 1994, December 25, 1995 and December 25, 1996. In the event that principle competition is open on Christmas Day, the Employer will meet with the Union to discuss Christmas Day staffing requirements if the Employer intends to open for business on Christmas Day. If the parties do not agree on staffing, the contract language of Article 14 (B) shall apply.

FOR THE UNION:

FOR THE COMPANY:

UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 99R

ABCO MARKETS, INC.

William T. McDonough
President

Richard Jennings
Vice President, Human Resources

LETTER OF UNDERSTANDING

between

ABCO MARKETS, INC.

and

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99R

It is agreed that during the life of the current Clerk's contract that ABCO Markets, Inc. shall maintain the twenty cent (.20) differential over the Journeyman General Merchandise Clerk rate of pay for the grandfathered General Merchandise Clerk.

FOR THE UNION:

FOR THE COMPANY:

UNITED FOOD & COMMERCIAL
WORKERS UNION, LOCAL 99R

ABCO MARKETS, INC.

William T. McDonough
President

Richard Jennings
Vice President, Human Resources

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