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RETAIL FOOD, BAKERY, CANDY,
AND GENERAL MERCHANDISE AGREEMENT

July 27, 1981 - July 29, 1984

between

LOCALS 137, 324, 770, 899, 905, 1167, 1222, 1428 and 1442

and

FOOD EMPLOYERS COUNCIL, INC.

and

INDEPENDENT RETAIL OPERATORS

X 7/84

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PREAMBLE

THIS AGREEMENT is made and entered into between _____, referred to hereinafter as the "Employer" and LOCAL _____ (Retail Clerks) chartered by the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO-CLC, referred to hereinafter as the "UNION."

ARTICLE I

RECOGNITION OF THE UNION

A. BARGAINING UNIT.

1. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and terms and conditions of employment for the appropriate bargaining unit composed of all employees, including employees of lessees, licensees and concessionaires (sometimes herein referred to as "leased departments"), except as limited below, who perform work within food markets, discount stores, drugstores and shoe stores presently operated and hereafter established, owned or operated by the Employer within the geographical jurisdiction of the Local Union. The geographical jurisdiction of the Local Union as referred to in this Agreement is defined as set forth in Appendix C. Food markets are defined as those types of establishments covered by the collective bargaining agreement identified as Retail Food, Bakery, Candy and General Merchandise Agreement, July 31, 1978 to July 26, 1981.

2. All work or services not specifically excluded by this Agreement is hereby recognized as bargaining unit work. Such bargaining unit work shall not be subcontracted, except as provided herein. Employees of lessees, licensees, and concessionaires (hereinafter referred to as leased departments) shall be covered by this Agreement, and the Employer will at all times exercise and retain full control of the terms and conditions of employment within its stores of all employees of such leased departments. The employees of such leased departments shall be and remain members of a single overall unit encompassing all employees at the stores. This Agreement shall apply to all bargaining unit employees of such leased departments, except that if such leased department engages in a line of business which has not been historically and generally been of the type and kind engaged in by the Employer through its grocery, produce, drug, delicatessen, general merchandise, bakery, or liquor departments, then in such event, the Union and the operator of the leased department shall meet and negotiate appropriate wages for employees performing such work. If the Union and the operator of the leased department are unable to agree upon such appropriate wages, an arbitrator shall be selected to hear and determine the dispute with respect to such matter, in accordance with Article XIII of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein. The seniority of employees of leased departments shall be separate from the seniority of employees of the Employer and the employees of other leased departments. The obligation of the Employer under this Agreement with respect to any leased department shall be limited to the foregoing, and the Employer shall not be liable for any breach of contract or failure of a leased department to abide by any provision of this Agreement; provided that the Employer shall furnish to the Union written evidence of its agreement with the operator of the leased department that the operator of the leased department has assumed the obligations of this Agreement. With respect to leased departments which are in existence as of the effective date of this Agreement, this Paragraph 2 shall have no application to such leased departments and no claim of violation of this Agreement or any predecessor agreement shall be made or maintained with respect to any such leased departments in existence as of the effective date of this Agreement. It is agreed that in the event any legal proceeding is instituted against the Union, wherein the legality of this Paragraph 2 under the National Labor Relations Act is attacked, Food Employers Council, Inc., within its authority, will join in the defense of the legality of the said provision under the National Labor Relations Act, provided, however, that such obligation to join in such defense shall be limited solely to the said issues of legality.

3. It is recognized by the Employer and the Union that Paragraph 2 of this Section A is a single integral understanding and agreement, and further agreed that if and when a final decision of a court of competent jurisdiction or a decision of the National Labor Relations Board, if such decision becomes final without review in the courts, adjudges the said Paragraph 2, or any part thereof, to be in conflict with or in violation of any law, Paragraph 2 in its entirety shall be of no further force and effect and the parties shall, at the request of any party, meet for the purpose of renegotiation and agreement on the said Paragraph 2. This agreement with respect to said Paragraph 2 only, supersedes the provisions of Article XIX.

4. In the event that the Employer establishes a new department or creates new work in any of the stores or establishments operated by the Employer which are covered by this Agreement, for which wages are not specifically provided in this Agreement, it is agreed that, should the parties be unable to reach agreement upon wages for such work, the parties shall then submit the matter to arbitration in accordance with Article XIII of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein and shall be bound by the terms of the arbitration award.

5. In the event the signatory Employer should operate discount stores, drugstores, or shoe stores within the geographical jurisdiction of the Local Union, the appropriate terms and conditions of employment, as in existence with the other employers operating alike retail establishments, shall be immediately applied by the signatory Employer. Upon failure of the parties to agree on the wage rates, the rates shall be established by arbitration, again notwithstanding in this situation any provisions to the contrary contained therein.

6. It is recognized by the Employer and the Union that the bargaining unit as defined hereinabove is composed of several segments consisting of food markets, discount stores, drugstores and shoe stores. With reference to such segments, it is agreed that negotiations shall be conducted in each segment, separate and apart from any other segment and that any economic action undertaken by the Union or Employer shall not extend to or include or in any way involve any other segment. It is further agreed that with reference to any segment the Employer may join with any other employers in any collective bargaining negotiations covering such segment and may participate fully therein, including participation in any economic action which may occur, subject to the limitations hereinabove set forth regarding noninvolvement of other segments.

7. No restrictions or prohibitions shall be placed on the sale of any prepackaged or pretreated merchandise purchased from any source not directly related through ownership or management control to the Employer. It is understood, however, that the work involved in the sale of such merchandise will be performed in accordance with this Agreement.

B. FOOD MARKET EXCLUSIONS. Excluded from the segment for food markets are:

1. Persons exclusively working in a meat department, as defined by and resulting from that agreement of December 12, 1955, between the Retail Clerks International Association and the Amalgamated Meat Cutters and Butcher Workmen of North America.

2. Persons engaged exclusively in janitorial and/or maintenance work.

3. Persons presently under a collective bargaining agreement with the Culinary Workers Union, or persons employed in a complete restaurant.

4. Persons who confine their work solely to demonstration, offering of samples, assisting customers in the selection of merchandise being demonstrated, and activities of an advertising nature.

5. Persons who build promotional displays as long as such displays do not include merchandise for selection or pick-up by customers.

6. During any three (3) consecutive days preceding the reopening of an old food market, discount store, drugstore or shoe store of the Employer, which has been closed for remodeling for a period of thirty (30) days or less, upon prior notice to the Union, persons not in the bargaining unit may perform any work in such store.

7. The taking of inventories may be done by employees or persons who are not members of the bargaining unit and who are engaged exclusively in such work, provided that any such employees will become a part of the bargaining unit upon the signatory Union giving proof (cross-check) of its majority representation of such employees.

8. Notwithstanding any language to the contrary contained in this Agreement between the parties, it is agreed that this Agreement shall have no application whatsoever to any new food market, discount store, drugstore or shoe store until fifteen (15) days following the opening to the public of any such new establishment. Neither shall this Agreement have any application whatsoever to any food market, discount store, drugstore or shoe store which is reopened after it has been closed for a period of more than thirty (30) days until the fifteenth (15th) day following the date of such reopening to the public.

The Employer shall staff such new or reopened food market with a combination of both current employees and new hires, in accordance with current industry practices of staffing such stores with a cadre of current employees possessing the necessary skills, ability and experience, plus sufficient new hires to meet staffing requirements. Employees, who are thus transferred, upon whom contributions are made to the various trust funds shall continue to have contributions to the several trust funds made on their behalf in the same manner and in the same amount per hour as such contributions were made prior to their transfer.

Notwithstanding anything in this Agreement to the contrary, it is agreed that when the remodeling of an existing location occurs without such store being closed, the Employer shall only be obliged to give the members of the bargaining unit employed by him in such store an opportunity to perform the work required for such remodeling at the applicable contract rate except that such opportunity to perform such work shall not include any overtime hours. When members of the bargaining unit within such store are not available for such work, such work may be performed by persons not in the bargaining unit.

Notwithstanding anything to the contrary contained in this Agreement between parties, it is agreed and understood that the probationary period for any new hires in such new or reopened store(s) referred to above shall not begin until the fifteenth (15th) day following such opening or reopening of such store(s) to the public.

9. Persons engaged in the inspection of merchandise displayed for sale as to its condition or status of inventory for the purpose of recommending changes to be made or services to be performed by the employees within the bargaining unit.

10. Store office employees whose work is not directly connected to checkstand operation or procedures.

11. Employees or suppliers engaged in the handling of the following categories of merchandise:

- (a) Bread and cakes, when delivered by bakery drivers.
- (b) Potato chips, corn chips, and similar snack items, but no other delicatessen products.
- (c) Bulk and cello-wrapped candy when delivered by salesdrivers.
- (d) Items requiring immediate refrigeration may be placed under refrigeration but not displayed.

12. No bargaining unit work may be performed within the Employer's retail establishments by persons known as book salesmen or advance salesmen; except that, book salesmen and advance salesmen may check the condition of merchandise and may build initial promotional displays (at specifically designated locations, not to include normal shelf displays), which displays may include merchandise for selection or pick-up by customers; provided, however, that if such displays require replenishment of merchandise because of customer pick-up, such replenishment of merchandise shall be performed by members of the bargaining unit. The foregoing prohibition shall not be construed to apply to work on categories of merchandise which have heretofore been handled by employees of suppliers other than book salesmen and advance salesmen.

When book or advance salesmen or merchandisers employed by suppliers have performed bargaining unit work in a store, other than that permissible under this Agreement, the Union shall notify the Employer in writing. If within six (6) months after the receipt of such notification the Employer permits a further violation of this Agreement in this respect in the store, the Employer shall become liable for the payment of damages. Damages for each such willful violation shall be an amount equal to four (4) hours' pay at the contract rate for an experienced clerk to the Southern California Retail Clerks Unions and Food Employers Supplementary Unemployment and Supplementary Disability Benefit Fund. The written notices furnished the Employer after violations as described hereinabove shall be effective with respect to the damage provisions set forth above for a period of six (6) months from the date of receipt by the Employer of such notice. Thereafter, additional six-month periods within which said damage formula provisions shall be operative shall begin with a violation of this Paragraph, followed by a written notice of same from the Union. The damage formula shall begin anew for the six-month period with such violation followed by such notice. The foregoing damage formula has been agreed upon because the damages that may be sustained as a result of each such violation are not readily ascertainable and the sum provided for is intended as compensation for the damages suffered.

13. Any new work created by the Employer covered by the Retail Food, Bakery, Candy, and General Merchandise Agreement within his stores involving categories of merchandise not presently offered for sale is recognized and shall be deemed clerk's work and performed by members of the bargaining unit; except that, for a temporary period of tryout and familiarization, not to exceed six (6) months in each store following the introduction of such new category of merchandise, the Employer may contract for the performance of all or part of such work by nonbargaining unit persons; however, after the six-month period has expired, such work shall be and remain in any such store bargaining unit work exclusively subject to the terms of the collective bargaining agreement. The rate of pay for such new work shall be as provided in the several classifications of the collective bargaining agreement or as established pursuant to Article I, Section A-4.

14. Each Employer may maintain Company policies regarding performance of work by nonbargaining unit employees of suppliers as they existed on November 9, 1965; except as may be modified by Paragraphs 12, 13, or this Paragraph 14. Notwithstanding anything herein to the contrary, each Employer may, at his discretion, institute the handling by members of the bargaining unit of merchandise or products which were formerly handled by nonbargaining unit employees of suppliers. The Employer, after any such assignment to members of the bargaining unit, may, at his discretion, make further changes in work assignment as he may deem appropriate, including but not limited to reverting to his former policy. After any such

assignment of work to the members of the bargaining unit has been in effect for a period of six (6) months, said work shall be and remain bargaining unit work in those stores in which bargaining unit employees have performed the work during the period referred to herein. As to any other stores in which the Employer desires to assign said work to members of the bargaining unit, the trial period for each store shall be limited to six (6) months.

15. Overall Store Manager.

(a) Operation (a). Except as set forth in Subparagraph (b) below, only one (1) person commonly known as the overall store manager in each of the retail stores or store of the Employer is exempt from the present Agreement. The above provisions shall not apply to any person not having the full responsibility of management over all departments operated by the owner, nor shall it apply where the owner is actively engaged on the premises in the management of said store where there are three (3) or less persons employed. Except as set forth in Subparagraph (b) below nothing in this Agreement shall in any way be construed to interfere with any work which the overall store manager may perform.

(b) Operation (b). The Employer shall have the right at his discretion to employ in any individual store a manager and an assistant manager who shall be excluded from the bargaining unit, provided that in such instance neither of these employees shall be permitted to perform any work whatsoever beyond the supervision or direction of the bargaining unit employees. The permanent choice of either system shall be made by the Employer in writing to the Union no later than sixty (60) days after the effective date of this Agreement, or sixty (60) days after the opening of any new store. The choice of either (a) or (b) operation as hereinabove defined may be altered on the annual anniversary date of this Agreement. Operation (b) shall not apply to any store with less than ten (10) bargaining unit employees, excluding Clerk's Helpers.

16. Owner. There shall not be more than two (2) Employers in any store or group of stores having common ownership. In partnerships, "Employer" as used in this Paragraph means only bona fide partners who own an interest in the assets, and in the profits of, the partnership. In corporations, "Employer" as used in this Paragraph means only two (2) officers of the corporation who own capital stock of the corporation. No more than two (2) shareholders of a corporation, or more than two (2) bona fide partners, shall be deemed or classified as an Employer within the meaning of this Agreement. Employers as thus defined may do such work as is necessary in the conduct of the business.

C. DISCOUNT STORES EXCLUSIONS. Exclusions from the bargaining unit with respect to employees employed in discount stores are as set forth in the appropriate agreement.

D. DRUGSTORES (OR DEPARTMENTS) EXCLUSIONS. Exclusions from the bargaining unit with respect to employees employed in drugstores (or departments) are as set forth in the appropriate agreement.

E. SHOE STORES (OR DEPARTMENTS) EXCLUSIONS. Exclusions from the bargaining unit with respect to employees employed in shoe stores (or departments) are as set forth in the appropriate agreement.

F. CATEGORIES OF EMPLOYEES - FOOD MARKET. There shall be established by this Agreement six (6) categories of employees to be identified as follows:

1. Food Clerk. Subject to the exclusions from the bargaining unit described above, a Food Clerk is an employee who handles all foodstuffs, including liquor and other beverages, all household paper goods, and all household cleaning and laundry supplies. Store office employees whose work is directly connected to checkstand procedures or operations are also included in this category, as are traveling clerks of concessionaires who service health and beauty aids and houseware items or similar line or lines of merchandise.

2. Bakery, Health and Beauty Aids, and Household Hardware Clerk. Subject to the exclusions from the bargaining unit described above, a Bakery, Health and Beauty Aids, and Household Hardware Clerk hired prior to August 7, 1981, is an employee who handles bakery goods in a bakery department as defined in Section G-1 of this Article, and health and beauty aids and household hardware.

3. General Merchandise Clerk. Subject to the exclusions from the bargaining unit described above, a General Merchandise Clerk hired prior to August 7, 1981, is one who handles any merchandise or performs any function other than that included in the definition of Food Clerk, or Bakery, Health and Beauty Aids and Household Hardware Clerk, provided, however, that the General Merchandise Clerk also includes one who handles bulk or cello-packed candy, tobacco (except where the tobacco is displayed at the checkstand and the liquor departments), and service delicatessen and take-out food departments as set forth in Article VI, Section R-3.

4. General Merchandise Clerk. Subject to the exclusions from the bargaining unit described above, a General Merchandise Clerk hired on or after August 7, 1981, is one who

handles all merchandise presently being handled by Drug Clerks, by Health and Beauty Aids and Household Hardware Clerks, by Bakery Clerks, by General Merchandise Clerks, by clerks handling nursery and florist merchandise, and by clerks handling insecticides.

5. Clerk's Helper. A Clerk's Helper is an employee whose duties do not include any of the work of a regular clerk. Clerk's Helpers may perform cleanup work, except that they shall not perform floor stripping, waxing, or the periodic overall mopping and scrubbing of floors and shelves as distinguished from daily cleanup work, or the washing of windows which constitute exterior walls, which work shall be reserved for classifications other than that of Clerk's Helper. Clerk's Helpers may keep the checkstands stocked with supplies, such supplies not to include merchandise offered for sale. Clerk's Helpers may handle merchandise after it has become the property of the customer and may also assist the checker or cashier in removing merchandise from the baskets or pushcarts and may return carry-backs to the shelves. Clerk's Helpers may collect and line up pushcarts or baskets and return them to the market and may keep the parking lot orderly and free from refuse. Clerk's Helpers may carry empty bottles to a collection point, sort and account for same and may also carry refuse to a point of disposal. Clerk's Helpers may hang signs, and their duties include breaking up, removal and baling of cartons. The work to be performed by Clerk's Helpers is limited to the duties set forth in this Paragraph.

6. Snack Bar and Take-Out Food Department Employees. Snack Bar and Take-Out Food Department employees are employees whose duties include solely the work set forth in Article VI, Section R-1, 2 and 6.

G. DEFINITION OF BAKERY AND CANDY DEPARTMENTS.

1. Bakery Department. A bakery department is defined as an operation which sells freshly baked bakery products, including bread items, when the merchandise offered for sale carries the private label of the company offering such merchandise. No current employee on the payroll prior to April 1, 1969, shall be reclassified as a result of this Paragraph.

2. Bulk Candy and Cookies Department. A bulk candy and bulk cookies department is defined as an operation where the items sold are packaged on the premises of the retail store.

3. Wage Rates. The wage rates which shall apply to the employees of the departments designated above are specified in Appendix B.

4. Department Heads. The provision of of Article XV regarding Department Heads shall apply hereto.

H. DEFINITION OF DRUG DEPARTMENT.

1. Definition. A drug department is defined as an operation which sells products, other than food products and related items, that are customarily handled in a drugstore and where a pharmacy is operated. In a free standing drug operation, all employees of such departments shall be covered by the terms of this Agreement, except as provided in Appendix A covering drugstores or drug departments and the signatory Employer shall become a party to such Appendix A.

2. Pharmacist. Whenever the Employer employs a Pharmacist either within a store or in a free standing drugstore, such Pharmacist shall be covered by the terms of this Agreement as provided in Appendix A covering drugstores or drug departments and the signatory Employer shall become a party to such Appendix A.

3. No Reduction. Except for Pharmacists who are to be covered by the terms as specified in Paragraph 2 above, no employee shall suffer a reduction in wage rates or other wage benefits because of the operation of this Section.

I. UNION JURISDICTION. During the life of this Agreement, the Union will not engage in jurisdictional disputes on the premises of the Employer's places of business.

ARTICLE II

EMPLOYMENT PROCEDURES

A. UNION SHOP. All employees shall, as a condition of employment, become members of the Union not later than the thirty-first (31st) day following the date of their employment by the Employer who is signatory to this Agreement, or not later than the thirty-first (31st) day following the effective date of this Agreement, or the date of signature, whichever is later. Such employees shall remain members of the Union in good standing in regard to dues and initiation fees during the period of such employment.

B. NOTICE OF NEW HIRES. The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of first employment of any employee subject to this Agreement,

of the name of such employee, mailing address, store number, Social Security number, the position for which employed, the date of first employment and the rate of pay at which the person is employed.

C. CONDITIONS OF WORK FOR NEW EMPLOYEES. The Employer shall pay such person so employed during the period said person is not a member of the Union, the regular Union wages provided for in this Agreement for the class of work said person is doing, and shall in all other respects require said person to work under and live up to all of the provisions set forth in this Agreement.

D. PROBATIONARY PERIOD. The first thirty (30) calendar days of employment shall be considered a trial period, during which time an employee may be terminated for any reason and he shall have no recourse to the grievance procedure set forth in this Agreement concerning such termination, provided, however, that such thirty (30) day period may be extended for an additional fourteen (14) days at the option of the Employer so long as prior notification in writing is given to the Union and the employee.

Insofar as part-time employees are concerned, the probationary period shall be 174 hours of work, but in no event to exceed sixty (60) calendar days. This provision shall also apply to Clerk's Helpers promoted to an apprentice classification to the extent that such an employee may be returned to Clerk's Helper status during this period without recourse to the grievance procedure.

For employees hired with prior experience outside the State of California, or in a grocery store in California not under collective bargaining agreement, the probationary period shall be ninety (90) days.

E. TERMINATION - FAILURE TO PAY INITIATION FEE OR DUES. Upon the failure of any employee to tender his initiation fee or dues to the Union within the period, and under the conditions specified in Section A above, the Union shall notify the Employer in writing of such failure and the Employer shall, upon the receipt of such notice terminate that employee at the end of the current week's work schedule.

F. HIRING NEW EMPLOYEES. When new or additional employees are needed, exclusive of Clerk's Helpers, the Employer shall notify the Union of said need. The Employer reserves the right to select the particular applicant to be hired, but there shall be no discrimination against any applicant by reason of membership or nonmembership in the Union.

G. NONDISCRIMINATION. To the extent required by Federal or State laws, the Union and the Employer agree not to discriminate against any employee or applicant for employment because of race, creed, religion, color, national origin, handicap, age or sex.

H. GENDER REFERENCE. All references in this Agreement to sex; for example, reference to "his," "he" or "him" shall also apply to "her," "she" or "hers" and vice versa. References to "they," "them" or "theirs" shall apply equally to both sexes.

ARTICLE III

DISCHARGE, DISCRIMINATION, SENIORITY AND LEAVES OF ABSENCE

A. DISCHARGE FOR CAUSE.

1. Employees may be discharged for good cause.

2. Employees who are discharged for failure to perform work as required, or excessive absenteeism, shall first have had a prior warning, in writing, of 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. Except for failure to call prices, 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 the ringing of the accumulated cash.

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.

B. SENIORITY IN LAYOFFS. Except as specified herein, in terminating the employment of an employee, other than for good cause, the Employer agrees to abide by the seniority rule, which means the length of employment, and that the employment of the last employee employed by the Employer shall be the first to be terminated. Age, sex, or color shall not be grounds for the termination of an otherwise qualified employee, as long as those factors do not nullify Section A, above, nor any of the other provisions of this Article.

C. **TERMINATION FOR INCOMPETENCY AND LAYOFF.** It is understood that discharge for incompetency shall occur only at the end of the employee's current workweek. Discharges for reasons other than incompetency may occur at any time without reference to the work schedule. A layoff shall occur only at the end of an employee's posted schedule.

D. **NOTICE OF INTENTION TO QUIT.** An employee who intends to quit his job shall, to the extent possible, give two (2) weeks' notice of his intention to quit. An employee who gives any notice of his intention to quit his job shall not be terminated, except for good cause or seniority layoff, or otherwise discriminated against during the current workweek and the workweek following the date on which he gives such notice, but in no event can he insist upon working later than his designated quit date.

E. **TERMINATION PAYMENT.** An employee who quits or is terminated for any reason shall be paid promptly all monies due.

F. **TERMINATION PROCEDURE.**

1. Upon the termination of an employee for any reason, the Employer shall within seven (7) days thereafter notify the Union in writing of such termination, stating the reason therefor.

2. 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 protest by the Union is not filed with the Employer within the time limits specified herein, all rights possessed by said employee or by the Union to protest the discharge are waived.

3. Where the Employer fails to give said seven (7) days' notice to the Union, the Union may request a hearing not later than thirty (30) days from the date of termination.

G. **SENIORITY.**

1. Within the separate classifications as set forth in the wage section of this Agreement, there shall be created two (2) separate and distinct seniority lists identified as "available" and "self-restricted."

2. The "available" seniority list within the separate classifications set forth hereinafter is defined as a list composed of those employees who have declared that they are available for a forty (40) hour week to be worked in any five (5) days.

3. The "self-restricted" seniority list, within the separate classifications set forth herein, shall consist of all of employees who have declared their unavailability to work forty (40) hours per week in any five (5) days.

4. (a) Employees of the individual companies shall notify the Company, in writing, with a copy to the Union, of their individual selection as described in Paragraphs 2 and 3 above. Such selection by the employee shall be a permanent selection, except that two (2) times per year thereafter during the last seven (7) days of the months of January and July, the Employer shall notify all employees, in writing, that the employee may elect to change the option of original or subsequent selection of seniority lists. The selection made by the employee shall become effective on the first Monday in February and August of each year.

(b) In the event an employee fails to complete the form indicating his preference as to being on either the "available" or "self-restricted" list he shall have no seniority rights until he so declares and will be subject to disciplinary action, provided that he shall first have been given notice in writing, with a copy sent to the Union, warning him of that fact, after which the Union shall have fourteen (14) days to respond before any such disciplinary action may be taken.

(c) If a "self-restricted" employee is laid off, he cannot change his designation to "available" during the period of layoff, but must wait until recalled from the layoff and then can exercise his right during the next selection period.

5. (a) Within the classifications described above, seniority shall date from the day of assignment to that classification, regardless of hours worked. Such seniority within classifications shall be applied separately to the "self-restricted" and "available" seniority lists in the areas of layoff, transfers resulting from layoff, and additional hours, as specifically described below.

(b) 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.

6. 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 layoff or reduction in hours occur where the newly assigned employee is to be replaced or reduced in hours, 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.

7. Seniority can only be broken by the following:

(a) Quit.

(b) Discharge.

(c) Layoff for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months.

(d) Failure to return in accordance with the terms of a leave of absence or when recalled after a layoff.

H. LAYOFFS AND TRANSFERS RESULTING FROM LAYOFF.

1. (a) In terminating the employment of an employee on the "available" seniority list, other than for good cause or 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 districts if the Company has established and notified the Union of bona fide Company districts; and seniority in the employ of the Company within the geographical jurisdiction of the Union.

(b) When a layoff is necessary in a given store, the least senior employee within classifications, whether he is on the "available" list or the "self-restricted" list, is the person affected. If that person affected is on the "self-restricted" list, he has no bumping rights. If that person is on the "available" list, he may replace the least senior employee in his classification within twenty-five (25) miles of his place of residence or in the district or Company, whichever is applicable within the geographical jurisdiction of his Local Union if there is no person that he can replace within the twenty-five (25) mile limit.

(c) Insofar as layoffs are concerned for employees on the "self-restricted" list, the application of the seniority rule shall be confined to the store in which they work.

(d) If a "self-restricted" employee is laid off, he does not have any recall rights in any store other than the one from which he was laid off.

2. The principle of seniority regarding layoffs shall be applied to the "available" seniority list in the manner described below:

(a) When the transfer of such employee becomes necessary, due to slackening of business, the Employer shall not require said employee to travel one way more than twenty-five (25) miles between the employee's place of residence and the new location. In making transfers under Sections H-2 and I of this Article, the Employer will make every effort to assign employees to the store where such transfer will require the lesser travel. These transfer provisions shall not be applied in an arbitrary, capricious, or discriminatory manner, or for disciplinary purpose, and shall not be utilized as a device for creating hardship to the employee in order to force or provoke resignation. In the case of the "available" list employees in all classifications other than those of Clerk's Helpers, Snack Bar, and Combination Take-Out Bar, whose seniority is confined to the store in which they work such transfer shall be on a seniority rights basis. Subject to Subparagraphs (b), (c) and (d) below, refusal of such transfer by any affected employees shall be cause for termination.

(b) A senior employee on the "available" list can refuse a layoff transfer and in that event, the Employer can request a less senior employee to accept the transfer. This does not apply in cases involving operational transfers.

(c) If the employee does not have seniority over anyone whose position such employee can qualify for within the above-mentioned transportation limits, the only other job available shall be the position which such employee can qualify for, then filled by the employee with the least seniority in the district or Company, whichever is applicable, within the geographical jurisdiction of the Union. The employee replaced by such transfer shall then be laid off.

(d). In the event that the transferred employee establishes seniority in any store within the transportation limits, the employee replaced shall be entitled only to the position for which such employee can qualify, then filled by the employee with the least seniority in the store, district or Company, whichever is applicable, within the geographical jurisdiction of the Union.

I. OPERATIONAL TRANSFER.

1. 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 Company. This transfer rule shall have application to both the "available" and "self-restricted" seniority lists. Transfers referred to in this Section shall not require an employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location. Reasonable tolerance of these limits shall be allowed for temporary transfers such as vacation relief and store openings.

2. In cases involving operational transfers, the Employer must show either (a) business necessity or (b) the transfer's necessity to advance the Employer's equal employment opportunity program.

3. A senior 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.

4. If an employee, on either list, is transferred to another store for any reason, he carries his seniority with him, provided that no employee on the "available" seniority list is displaced or reduced in hours as a direct result of a transfer from the geographical jurisdiction of one Local Union party to this Agreement to the geographical jurisdiction of another Local Union party to this Agreement.

J. ADDITIONAL HOURS.

1. (a) Seniority in regard to claiming a schedule with more hours shall apply to Clerk's Helpers, Snack Bar employees, and Combination Take-Out Bar employees within their respective classifications and within the store in which they work, insofar as is practical and feasible. Such employees shall have no seniority over apprentices or experienced clerks, nor shall their seniority apply toward experienced clerk's status.

(b) An employee on the "available" list may exercise his seniority over other employees in accordance with the provisions of this Section regardless of whether such other employees are on either the "available" or "self-restricted" list. It is understood, however, that no part-timer can claim the hours from employees who are full-time employees scheduled for forty (40) or more hours.

2. (a) An employee on the "available" list may, within classification, claim a schedule with more hours, except as limited by Section J-4 of this Article, when one becomes available in the store in which said employee is employed, based on seniority rights. Except that, when such employee is employed by a Company not having a fixed retail place of business, seniority shall be Company-wide within the jurisdiction of the Local Union. When no employee on the "available" list claims a schedule with more hours as set forth above, an employee on the "self-restricted" list may claim such schedule for more hours when one becomes available in the store in which said employee is employed, based on seniority rights.

(b) An employee on the "self-restricted" list may exercise his seniority only over other "self-restricted" employees to claim an "available" schedule with more hours, but may not claim shifts as such and this claim for schedules can only be made after all the employees on the "available" list have exercised their seniority rights to claim such schedules. As to employees who are on the "available" list, they can select either schedules or shifts calling for more hours.

3. Within classifications, based on seniority, a part-time employee on the "available" list may claim upon request within his own store scheduled shifts calling for more hours up to eight (8) hours per day and forty (40) hours per week within any five (5) days, based on the employee's seniority over other part-time employees on the "available" list, provided such part-time employee has the qualifications and ability to perform the duties, and provided it can be accomplished without reducing store efficiency or interfering with necessary store manning.

4. (a) Within classifications, when a permanent schedule calling for a forty (40) hour workweek on any assignment or shift becomes available in a given store within the jurisdiction of the Local Union, such work schedule shall be offered on the basis of seniority and qualifications

to an experienced clerk, working less than forty (40) hours, from the "available" seniority list. The offer of the forty (40) hour week may be rejected if the new location is not within twenty-five (25) miles from the employee's residence. If the offer is rejected for any other reason, the employee, by such rejection, is automatically placed on the "self-restricted" seniority list and may not opt for the "available" seniority list until the second (2nd) selection period following the rejection.

(b) "Experienced clerk" shall mean a clerk entitled to the experienced rate of pay for his classification according to Article VI, Section F, of this Agreement; provided that, it is further understood that within classifications, if all experienced clerks as so defined, on the "available" seniority list, are working at least forty (40) hours per week, then the forty (40) hour work schedule shall be offered on the basis of seniority to an apprentice on the "available" seniority list who is qualified to do the work and who is working less than forty (40) hours per week.

(c) A "self-restricted" employee cannot claim a schedule in a store other than the one in which he works and no part-time schedule can be claimed by any employee outside the store in which he works.

K. SENIORITY GRIEVANCES. Grievances pertaining to the application of seniority shall be filed in writing with the Employer 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. Said time limitation shall not apply to grievances relating to the filling of permanent full-time vacancies, except as to claims on behalf of the employees employed in the store in which the vacancy occurs. In such cases where the said time limitation does not apply, when the Employer fills a permanent full-time vacancy, written notice to the Local Union shall be mailed within seven (7) days from that date advising of the name of the individual selected to fill such vacancy. The Local Union may file a protest or claim within seven (7) days of the receipt of such notice, provided that any such protests or claims filed after the expiration of such seven (7) day period shall be deemed null and void. Such claims shall not have retroactive application before the date that such claim is filed by the Local Union unless the Employer fails to give the seven (7) day notice described above and, in the event of such failure, retroactivity of any claim may begin as of the date of the challenged assignment to the permanent full-time vacancy. In the event that the notice of the filling of such permanent full-time vacancy is sent to the Local Union after the expiration of the seven (7) day period, the Local Union shall still have seven (7) days after the receipt of such tardy notice to file its protest or claim. As above, protests or claims not filed by the Local Union within such seven (7) day period shall be deemed null and void.

L. SENIORITY AND QUALIFICATIONS. When seniority is invoked by an employee, qualifications for performing the work claimed shall be one of the determining factors in establishing such rights.

M. It is not the intent of this Article to allow selection by the employee of job assignments or specific hours of duty. The employee declaration of the "available" or "self-restricted" list does not allow selection of job assignment or specific hours. Neither shall part-time jobs be created for the purpose of destroying the eight-hour day or the forty-hour week principle.

N. REINSTATEMENT.

1. 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.

2. 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.

O. PROMOTION. In the event an employee is transferred, within the Company, out of the bargaining unit for any reason and is later transferred back, he shall be returned to employment as an experienced clerk in a department in which he formerly qualified without loss of seniority from his last date of hire.

P. DEMOTION. No person shall be denied his seniority because of demotion.

Q. TRANSFER TO HIGHER CATEGORY.

1. With respect to Bakery, Health and Beauty Aids and Household Hardware Clerks and General Merchandise Clerks, when a permanent job is available for work to be performed in Food, any Bakery, Health and Beauty Aids and Household Hardware and General Merchandise

employees in the store shall be considered candidates. If a Bakery, Health and Beauty Aids and Household Hardware or General Merchandise Clerk is selected for the Food position, such employee shall be paid the rate of pay according to said employee's experience.

2. Where an employee is transferred from one category of work to another, the seniority acquired with the store and the Company shall be retained, and the new seniority in the new category shall commence as of the time of transfer. Transfers shall not be made for the purpose of displacing another employee. Should layoff or reduction in hours occur where the transferred employee is to be replaced or reduced in hours, he shall be permitted to reclaim the position he formerly vacated, or whatever equivalent position he is entitled to by his combined seniority in his old and new categories.

3. Clerk's Helpers, as well as employees employed in classifications other than Food Clerks, who accumulate one (1) year of service with the Employer under this Agreement, shall upon making application to the Employer, be considered candidates in the store for promotion to apprentice clerks, in the case of Clerk's Helpers, or to Food Clerks, in the case of the General Merchandise Clerk, based upon his ability and qualifications and his employment record.

4. Should such Clerk's Helpers and/or General Merchandise clerks, as a result of the application of the above, be assigned a permanent forty (40) hour per week schedule, such assignment shall be excluded from the "one-for-one" formula referred to in the seniority letter dated July 22, 1981. However, no Clerk's Helper or General Merchandise candidate shall be assigned to a permanent forty (40) hour per week schedule pursuant to this Paragraph unless his seniority qualifies him for that position.

SEE APPENDIX D - SENIORITY LETTER DATED JULY 22, 1981

R. LEAVES OF ABSENCE.

1. Pregnancy, Illness and Injury. Except as set forth in Article III, Section A, above, the Employer agrees to grant to any employee who has been with the Company for six (6) months or more, a leave of absence for certified illness, including pregnancy, and/or injury up to ninety (90) days, and to an employee who has been with the Company for one (1) year or more, a leave of absence for certified illness, including pregnancy, 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.

2. Other Purposes.

(a) Death in Family. At the request of the employee, the Employer may grant a leave of absence for other purposes. 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. 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.

(b) Funeral Leave. Leave for all employees, except Clerk's Helpers, Snack Bar and Take-Out Foods employees, shall be provided for the purpose of arranging for and attending the funeral of a member of the employee's immediate family. Pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence. The funeral leave shall be confined to a maximum of three (3) consecutive calendar days beginning with the date of death or the day immediately following the death. Verification of time required for such paid leave shall be supplied to the Employer by the employee if requested. Immediate family shall be defined as the employee's spouse, child, mother, father, brother, sister, mother and father of the current spouse, or other relative living in the employee's home.

3. Seniority After a Leave. 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 Company 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. In restoring such employee to employment with full seniority, no employee, who has actually worked a longer period of time for the Employer than the absentee has worked, shall be replaced.

4. Termination After a Leave. 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.

5. Verification. This Article shall not be used to justify or support excessive absenteeism, and, should the Company 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.

6. Employment. An employee may not accept other employment while on leave of absence and may be terminated for violation of this provision, except where written consent has been obtained from the Employer.

S. WORKING RULES. When an Employer establishes working rules, a copy of such rules shall be made available to all employees at the store and it shall be the responsibility of each employee to familiarize himself with those rules. Said working rules shall not be in conflict with the terms of this Agreement. Changes in the working rules shall also be made available to employees in the store and, upon request, the Union shall be furnished such rules and such changes.

T. CLARIFICATION. Nothing in this Article shall in any way hinder or prevent the application of Section A of this Article.

U. HIRING PROCEDURES. Nothing contained in this Article III shall impair any of the rights of the Employer to hire new or additional employees to meet the employment needs of the Employer, in accordance with the terms and provisions of the collective bargaining agreement or to meet the obligations of the Employer under Article II, Section G of this Agreement or to take affirmative steps to comply with any requirements under any applicable Federal or State law prohibiting discrimination in employment.

ARTICLE IV

WORKING HOURS AND OVERTIME

A. FULL-TIME EMPLOYEE. A full-time employee is defined as one who is hired to work at least forty (40) hours per week or who works at least forty (40) hours a week in sixteen (16) consecutive weeks. 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 or required.

B. PART-TIME EMPLOYEE. A part-time employee is defined as one who is hired to work less than forty (40) hours per week, and is guaranteed at least four (4) hours' work per day when said employee works as scheduled or required. Part-time students and/or Clerk's Helpers, Snack Bar employees, and Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6, shall be guaranteed at least two (2) hours' work per day when said employee works as scheduled or required.

C. WORKWEEK. The workweek shall be Monday through Sunday. For full-time employees, eight (8) hours shall constitute a day's work and forty (40) hours, consisting of any five (5) eight (8) hour days out of seven (7), shall constitute a regular week's work.

D. OVERTIME. All work performed in excess of eight (8) hours in any one day, or in excess of forty (40) hours in any one workweek, shall be deemed overtime and paid for at the overtime rate of time and one-half the employee's regular rate of pay.

E. SIXTH DAY. A full-time employee may be scheduled to work six (6) days in any workweek. In that event, and in addition to the guarantee of five (5) eight (8) hour days, he shall be guaranteed a minimum four (4) hours' work for such sixth (6th) day, as long as such sixth (6th) day is not Sunday. The four (4) hour day need not be the actual sixth (6th) day of work, but may be, at the Employer's discretion, any one of the six (6) days in the weekly work schedule, other than Sunday. Time and one-half shall be paid on such day if the employee is scheduled to work less than eight (8) hours, and contingent upon the employee's completion of his schedule, provided that all time over eight (8) hours in any one (1) day, or forty (40) hours in any one week, shall be paid at the overtime rate.

F. SIXTH OR SEVENTH DAY. No employee shall be required to work seven (7) days in any workweek except in an emergency. It shall not be a violation of this contract, nor shall it constitute cause for discharge, if said employee declines to work on the sixth (6th) or seventh (7th) day of the workweek unless scheduled to work on such days.

G. REGULAR WORKDAY.

1. The regular day's work for all employees shall be worked within nine (9) consecutive hours, and all employees shall receive one (1) hour off for lunch at approximately the middle of the working shift. No eight (8) hour employee shall be scheduled for more than five (5) hours or less than three (3) hours before a meal break. Where night stocking crews are required to work behind closed doors, a one-half ($\frac{1}{2}$) hour lunch period may be instituted. Notwithstanding the above, in a given store, deviations in lunch schedules may be made upon mutual agreement between an employee and the Employer with the approval of the Union.

2. There shall be no split shift except as provided in Article VI, Section R. Where the operation does not permit more than one employee in any single shift, a one-half ($\frac{1}{2}$) hour lunch period may be allowed in order to permit continuous coverage of the store and permit the employee to work a full eight (8) hour day. Relief for lunch periods shall be handled in the same manner as the relief for rest periods.

H. **READY FOR WORK.** All employees shall report for and be ready for work at their scheduled starting time. The term "ready for work" shall include appropriate or required dress.

I. **LEGAL PROCEEDINGS.**

1. Employees shall be paid as time worked under the terms of this Agreement for time spent at appearances in legal proceedings at the request of the Employer.

2. In addition, employees shall be paid as time worked under this contract for time spent at appearances in legal proceedings under subpoena issued at the request of any public authority and enforceable by a court when the event, or events, giving rise to the issuance of the subpoena occurred while the employee was on duty working for the Employer, and so long as the Employer is not a party defendant or respondent in such proceeding, and no relief of any kind is sought against the Employer nor the imposition of any penalty or punishment upon him.

3. Employees who at the time of the legal appearance are no longer employed by the Employer, shall be paid by such Employer at the rate of straight time for the time spent at the legal appearance, with a minimum guarantee of four (4) hours per day.

J. **WORK SCHEDULE.**

1. The Employer shall post a work schedule in ink for all employees, specifying start and finish of shifts and including surname and first initial, not later than 12:00 noon on Friday preceding the first day of the following workweek. 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, except as set forth in Article III, Section C, above. It shall be the responsibility of each employee to check his work schedule. In the event a new schedule is not posted, the previous week's schedule shall apply.

2. In formulating the work schedule of any employee, a minimum of ten (10) hours shall have elapsed between the two (2) consecutive work shifts unless the weekly rotation of Sunday and night shifts is involved; provided however, that this provision shall not apply to an employee predesignated on the work schedule by the Store Manager to act in his absence, nor shall it apply in the event of emergencies. Work performed prior to the ten (10) hours' elapsed time shall be paid at the rate of time and one-half. In no event will an employee be scheduled or required to work with less than eight (8) hours between shifts, except in the case of an emergency.

K. **FALSIFICATION OF TIME RECORDS.** The Employer and the employee shall be jointly required to maintain daily records of time worked on time cards or other forms furnished by the Employer and the employee shall be required to verify such report weekly. Such daily record shall be available for inspection at all times by the employee's supervisor, or upon request by the Union official entitled to such information.

1. No Employer Knowledge. In the event of proven falsification of such time records by an employee, where it is established that the Employer or his representative had no knowledge of such falsification, the employee may be summarily dismissed, and he shall be entitled only to pay for the time reported.

2. Collusion. In the event of falsification of time records where it is established that both the employee and the Employer or his representative had knowledge of such falsification, the employee may be disciplined, and he shall be paid for all time worked by check mailed to the Union. In such cases, where an employee receives pay for work that was not recorded on the time report, a sum equal to that amount shall be paid by the Employer to the Health and Welfare Fund. All claims under this Section shall be limited to the ninety (90) day period immediately prior to the date the claim is presented to the Employer.

3. Coercion. Where it is found that time worked without pay is the result of coercion on the part of the Employer or his representative, and provided that the employee has reported such coercion to the Union by the next following payroll period, payments to the Health and Welfare Fund shall be made as hereinabove set forth and the employee shall not be subject to discipline, and shall receive pay for all time due.

L. **CONSECUTIVE DAYS WORKED.** Where a five (5) day, full-time employee is scheduled to work more than seven (7) consecutive days in any combination of workweeks, said employee shall receive time and one-half (or such higher premium as may apply) for all time worked after the

seventh (7th) consecutive day, until such time as his consecutive days are interrupted by a prescheduled day off. The above shall not apply to regularly scheduled (6) day employees, provided that overtime and/or premium rates are paid where applicable. (15) years, 16 weeks per

M. **PREDESIGNATED DAY OFF GUARANTEE.** Whenever any full-time employee, including Clerk's Helpers, is called in for work on his predesignated day off, said employee shall be guaranteed a full day's work at the overtime rate of time and one-half, or the premium rate, whichever is applicable. Hours worked on such predesignated days off shall not be counted for the purpose of computing weekly overtime. Such predesignated days off, worked or not worked, shall interrupt the continuity of consecutive days worked.

N. **SUNDAY GUARANTEE.**

1. Except as provided below and exclusive of part-time Clerk's Helpers, when any employee is required to work on Sunday, he shall be guaranteed eight (8) hours' work at the Sunday premium rate. All Clerk's Helpers who are required to perform work on Saturday or Sunday shall be guaranteed four (4) hours' work on those days, as long as they are able and available to work those hours. Part-time Food Clerks may be scheduled for a four (4) hour minimum guaranteed shift on Sunday in a ratio of one such shift to every four (4) eight (8) hour Food Clerk Sunday shifts or fraction thereof.

2. Employees classified as Bakery, Health and Beauty Aids and Household Hardware Clerks and General Merchandise Clerks shall be guaranteed four (4) hours of work at the Sunday premium rate of pay when required to perform work on Sunday.

3. In those stores open for less than nine (9) hours on Sundays, full-time clerks who have been scheduled for five (5) eight (8) hour days will be permitted to work less than eight (8) hours on Sunday, but will be guaranteed the number of hours the store is open, less a lunch hour if the shift exceeds six (6) hours. Such clerks shall receive no less than five (5) hours' pay at the Sunday premium rate. If said employees perform work before the store opening and/or after the store closing, the eight (8) hour guarantee at the Sunday premium rate of pay shall apply and all hours worked in excess of eight (8) hours shall be compensated at the Sunday premium rate of pay or overtime, whichever is higher. This exemption from the Sunday guarantee shall apply to full-time clerks only unless no full-time clerks are available.

4. This clause shall be deemed to have been complied with if less than an eight (8) hour shift is worked on Sunday, but said hours are part of an eight (8) hour shift which includes hours on either Saturday or Monday.

O. **WORKDAY DEFINED.** For the purpose of this Agreement, a working day is the period from midnight to midnight. Where shifts overlap into two (2) working days, payment shall be made for the hours worked on each working day in accordance with the rates established for such days.

P. **ON CALL.** If the Employer requires an employee to remain at home "on call" on a Sunday or holiday, the Employer shall guarantee the employee four (4) hours' pay at the appropriate premium rate for such day. This Section shall not become operative prior to the Union giving the Employer a prior warning notice in writing of a specific violation.

Q. **PART-TIME EMPLOYEES - SIXTH DAY.** Exclusive of part-time Clerk's Helpers, Snack Bar employees, and Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6, part-time employees shall be paid time and one-half, or such premium rate as may apply, for all work performed on the sixth (6th) day of work as such, in any regular workweek, or on the fifth (5th) day of work in any week in which a holiday falls, excluding the holiday, as provided in this Agreement.

R. **WORK IN A HIGHER CATEGORY AND OTHER DEPARTMENTS.**

1. A Health and Beauty Aids and Household Hardware Clerk and General Merchandise Clerk shall be guaranteed four (4) hours of work in that category. Such clerk may work as a Food Clerk provided that any work as a Food Clerk shall be paid at the rate of experience accumulated as a Health and Beauty Aids and Household Hardware Clerk and General Merchandise Clerk and shall be for a period of not less than two (2) hours, provided the four (4) hour daily guarantee as a Health and Beauty Aids and Household Hardware Clerk and General Merchandise Clerk is fulfilled. After such clerk has accumulated nine (9) months' experience, or its equivalent, his hours worked as a Food Clerk shall be accumulated until he has the hourly equivalent of three (3) months' experience as a Food Clerk. At that time he shall be paid the experienced food rate of pay for all food work performed. During that three (3) month period, or its hourly equivalent, he shall be paid ninety percent (90%) of the experienced food rate for work performed in the food department.

2. In the temporary absence of a scheduled Food Clerk, a Health and Beauty Aids and Household Hardware Clerk or General Merchandise Clerk may be assigned to work as a Food Clerk for the full shift, or the remainder thereof, at the applicable rate provided herein.

any portion of an hour that is worked in a higher category shall require payment for an hour -- on the hour. (For example, a General Merchandise Clerk assigned to work as a Food Clerk at 10:15 A.M. shall be paid the applicable food rate starting at 10:00 A.M.)

S. Wherever the employee is required by the Employer to change from one store to another store during the same day, all time spent by such employee in travel between stores shall be considered and paid for as a part of the employee's regular duties.

T. 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 the interruption of work is caused by an Act of God, the foregoing guarantees shall not be applicable.

ARTICLE V

VACATIONS

A. FULL-TIME EMPLOYEES.

1. One Year. All full-time employees who have been continuously employed by the Employer for one (1) year shall receive one (1) week's vacation with full pay.

2. Two Years. All full-time employees who have been continuously employed by the Employer for two (2) years shall receive two (2) weeks' vacation with full pay.

3. Five Years. All full-time employees who have been continuously employed by the Employer for five (5) years shall receive three (3) weeks' vacation with full pay.

4. Fifteen Years. All full-time employees who have been continuously employed by the Employer for fifteen (15) years shall receive four (4) weeks' vacation with full pay.

5. Twenty Years. All full-time employees who have been continuously employed by the Employer for twenty (20) years shall receive five (5) weeks' vacation with full pay.

6. Full Pay Defined. The term "full pay" shall be defined as forty (40) hours' pay at the employee's straight-time hourly rate which was in effect at the time his vacation became due.

B. PART-TIME EMPLOYEES. Part-time employees, including Clerk's Helpers, shall be entitled to vacation pay on each anniversary date of their employment, prorated on the basis of the average straight-time hours worked during the preceding year, according to the vacation formula set forth above.

C. PRO RATA. Upon termination of employment for any reason other than discharge for proven or admitted dishonesty, an employee shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the employee has been in the continuous employ of the Company for six (6) months or longer. Said vacation pay shall be prorated according to the ratio that the straight-time hours actually worked bear to 2080 hours. The forfeiture of vacation pay for proven or admitted dishonesty shall not be retroactive beyond the employee's last anniversary date.

1. Employees whose employment is terminated, and who have been in the continuous employ of the Company more than six (6) months, but less than one (1) year, shall not be entitled to such pro rata pay where termination of employment is due to a discharge or to a voluntary quit, but shall receive prorated vacation only where termination of employment is due to a layoff.

2. Any employee who has been in the employ of the same Employer for twelve (12) consecutive calendar months, but not to exceed eighteen (18) consecutive calendar months, shall upon termination of employment be entitled to receive a pro rata of his earned vacation on the basis of one (1) workweek consisting of forty (40) hours at straight-time pay for all months for which no vacation has been paid.

3. Where an employee has been in the employ of the same Employer in excess of eighteen (18) consecutive calendar months, he shall receive upon termination, a pro rata of accrued vacation pay on the basis of eighty (80) hours at straight-time pay for all months for which no vacation has been paid, but in no event shall vacation pay for the first year's employment exceed one (1) week's pay. It is further provided that employees who voluntarily quit after eighteen (18) consecutive calendar months of employment with the same Employer, and prior to two (2) years' employment with the same Employer, shall receive pro rata of accrued vacation pay on the basis of forty (40) hours at the straight-time rate of pay.

4. An employee who has been in the employ of the same Employer for five (5) years or more shall, upon termination, receive accrued vacation pay on the basis of three (3) weeks per year for all time in excess of five (5) years for which no vacation pay has been received.

5. An employee who has been in the employ of the same Employer for fifteen (15) years or more shall, upon termination, receive accrued vacation pay on the basis of four (4) weeks per year for all time in excess of fifteen (15) years for which no vacation pay has been received.

6. An employee who has been in the employ of the same Employer for twenty (20) years or more shall, upon termination, receive accrued vacation pay on the basis of five (5) weeks per year for all time in excess of twenty (20) years for which no vacation pay has been received.

D. VACATION TRUST. Additional vacation pay based on industry experience shall be provided in accordance with the provisions of the Vacation Trust Fund set forth in Article XXI, Section F. Said additional vacation pay shall be paid to the employee by the Employer together with the vacation pay that is due from the Employer as set forth above. The additional amount of vacation pay paid to the employee because of industry experience, plus any other amounts which the Employer is required to pay by law in connection with such payments, shall be reimbursed to the Employer from the Trust Fund as set forth in Article XXI, Section F, in accordance with the procedures established by the Trustees of said Fund.

E. ABSENCE. Absence from work up to seven (7) weeks within a period of fifty-two (52) consecutive weeks, due to sickness, injury, or temporary layoff, shall be considered as time worked for the purpose of determining eligibility for full vacation pay. In the event that an employee is absent from work in excess of seven (7) weeks, as set forth above, whatever vacation pay the employee is entitled to shall be prorated according to straight-time hours actually worked.

F. VACATION SCHEDULE.

1. Vacation periods shall be fixed by the Employer to suit the requirements of his business, but as far as possible and practicable, vacations will be given during the summer months, and for employees with school-age children, during the school vacations. Vacation periods shall be unbroken unless by mutual consent between Employer and employee, or where it is impractical. Grievances relating to this Section shall be subject to the Adjustment and Arbitration Procedure in this Agreement.

2. Time off, based upon service in the industry vacation plan, may be granted to an employee by mutual agreement between the Employer and employee.

G. NOTICE. In scheduling a vacation of an employee, the Employer shall give at least two (2) weeks' notice prior to the date of beginning the vacation.

H. NOT WAIVED. Vacations may not be waived by employees, nor may extra pay be received for work during the period; provided, however, that by prior mutual agreement between the Employer, employees, and the Union, this provision may be waived.

I. NOT CUMULATIVE. Vacations may not be cumulative from one year to another.

J. HOLIDAY DURING VACATION. If a holiday, named under Article XI of this Agreement, falls within the vacation period of an employee, he shall be granted an additional day's pay in lieu of the holiday.

K. PAYMENT DATE. The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year, either prior to taking the vacation or on the employee's anniversary date. The payment of an employee's vacation pay shall be by separate check or computed at same tax rate schedules as the computation of regular wages per week.

ARTICLE VI

WAGES

A. WAGE RATES.

1. Base Rates. Increase the experienced Food Clerk wage rate by 80¢ per hour effective July 27, 1981; by an additional 55¢ per hour effective July 26, 1982; and by an additional 55¢ per hour, effective August 1, 1983.

All other classifications, except General Merchandise Clerks hired on or after August 7, 1981, and Clerk's Helpers, shall receive wage adjustments on the dates specified above on the basis of the same percentage formula that was applied in the predecessor agreement.

The experienced rate of pay for the General Merchandise classification hired on or after August 7, 1981 shall be established at sixty-five percent (65%) of the experienced Food Clerk rate. Further, for the General Merchandise classification, there shall be three (3) progression periods of 520 straight-time hours each, beginning at seventy percent (70%) for the first 520, eighty percent (80%) for the second 520, and ninety percent (90%) for the third 520.

All Clerk's Helpers hired prior to August 7, 1981 shall receive a wage increase on the second and third anniversary dates of this Agreement of twenty-five cents (25¢) per hour, plus the appropriate interim increases.

Clerk's Helpers hired on or after August 7, 1981 shall be paid at the rate of \$4.00 for the first three (3) months, \$4.25 an hour for the next six (6) months of employment, and \$4.50 per hour thereafter, during the term of this Agreement.

The classifications and minimum wages under this Agreement shall be as set forth in Appendix B, which is attached hereto, and is expressly made a part of this Agreement. (These rates do not include night, holiday, or part-time premiums.)

All employees classified as Candy or General Merchandise Clerks prior to April 1, 1969, shall be "grandfathered," and paid the applicable rate in Appendix B, and shall suffer no reduction in these rates, regardless of work performed, as long as they are employed by any Employer signatory to this Agreement. Subject to the exclusions from the bargaining unit described in Article I, Section B, above, a General Merchandise Clerk shall be defined as one who is hired or promoted to this classification prior to April 1, 1969, and who handles any merchandise or performs any function as set forth in Article I, Section F-3.

All employees classified as Bakery, Health and Beauty Aids and Household Hardware Clerks prior to August 7, 1981, shall be "grandfathered," and paid the applicable rate in Appendix B, and shall suffer no reduction in these rates, regardless of work performed, as long as they are employed by the Employer signatory to this Agreement. Subject to the exclusions from the bargaining unit described in Article I, Section B, above, a Bakery, Health and Beauty Aids and Household Hardware Clerk shall be defined as one who is hired or promoted to this classification prior to August 7, 1981, and who handles any merchandise or performs any function as set forth in Article I, Section F-2.

All employees classified as General Merchandise Clerks prior to August 7, 1981, shall be "grandfathered," and paid the applicable rate in Appendix B, and shall suffer no reduction in these rates, regardless of work performed, as long as they are employed by the Employer signatory to this Agreement. Subject to the exclusions from the bargaining unit described in Article I, Section B, above, a General Merchandise Clerk shall be defined as who is hired or promoted to this classification prior to August 7, 1981, and who handles any merchandise or performs any function as set forth in Article I, Section F-3.

2. Cost-of-Living. Cost-of-living adjustments for Experienced Food Clerks shall be effective February 1, 1982, in the amount of 25¢ per hour, an additional 20¢ per hour effective January 31, 1983, and an additional 25¢ per hour effective January 30, 1984. The cost-of-living adjustments for all other classifications, except the General Merchandise Clerks and the Clerk's Helpers hired on or after August 7, 1981, shall be effective on these same dates and shall be the same percentage formula that was applied in the predecessor agreement.

B. NIGHT PREMIUMS.

1. Clerks. All employees except Clerk's Helpers, Snack Bar employees, and Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6, shall be paid a premium of fifty cents (50¢) per hour for all time worked after 6 P.M. and before Midnight and seventy-five cents (75¢) per hour for all time worked after Midnight and before 6 A.M.

2. Clerk's Helpers. During the period of this Agreement, Clerk's Helpers shall be paid a premium of twenty-five cents (25¢) per hour for all time worked after 6 P.M. and before 6 A.M.

C. SUNDAY PREMIUMS.

1. Clerks. During the period of this Agreement all employees except Clerk's Helpers, Snack Bar employees, and Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6, shall be paid for all hours scheduled or worked on Sundays the premium rates of time and one-half (1½) their straight-time hourly rate.

2. Clerk's Helpers. During the period of this Agreement, Clerk's Helpers shall be paid a premium of fifty cents (50¢) per hour for all time worked on Sunday.

D. PART-TIME PREMIUMS. The part-time worker is defined as an employee hired to work less than forty (40) hours per week, and shall be paid a premium of ten cents (10¢) per hour above the rate for the classification under which he works. When such part-time worker works forty (40) hours per week in five (5) days, such employee shall be designated as full-time and paid accordingly. The part-time premiums shall not apply to Clerk's Helpers, Snack Bar employees, Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6.

E. NONPYRAMIDING. There shall be no pyramiding or combination of one premium pay with another or of premium pay with overtime pay but only the highest applicable rate shall be paid except:

1. Where daily or weekly overtime and the night premium operate concurrently, the amount paid shall be time and one-half the straight-time hourly rate plus the night premium provided that this exception shall not apply to any work performed on Sundays or holidays.

2. Part-time premium pay, where applicable, shall be paid for all hours worked regardless of the rate of pay for those hours.

Overtime shall be computed on the base straight-time hourly rate.

F. APPRENTICESHIP.

1. Under this Agreement there shall be four (4) progression periods of 520 straight-time hours in order to reach the experienced Food Clerk rate at the end of 2080 straight-time hours.

2. The apprenticeship period for the Bakery, Health and Beauty Aids and Household Hardware Clerk, and the General Merchandise Clerk hired prior to August 7, 1981 shall be three (3) progression periods of 520 straight-time hours or 1560 straight-time hours, at the conclusion of which the experienced rate for this classification shall be paid.

3. The apprenticeship period for the General Merchandise Clerk hired on or after August 7, 1981 shall be three (3) progression periods of 520 straight-time hours each, or 1560 straight-time hours, at the conclusion of which the experienced rate for this classification shall be paid.

4. Experience up to nine (9) months in a Bakery, Health and Beauty Aids and Household Hardware Clerk position, and a General Merchandise Clerk position within a food store covered by this Agreement shall count toward experience in the Food Clerk classification.

5. Prior experience in a drugstore covered by a collective bargaining agreement with a United Food & Commercial Workers Union (Retail Clerks) in Southern California shall be given full recognition for bakery, health and beauty aids and household hardware work, and general merchandise work covered by this Agreement and for food work covered by this Agreement up to a maximum of nine (9) months.

6. Prior experience in a discount house covered by a collective bargaining agreement with a United Food & Commercial Workers Union (Retail Clerks) in Southern California shall be given full recognition toward the experienced rate of pay for the classification of work where the experience obtained in a discount house was the same as the work being applied for under this Agreement.

7. Prior experience in a grocery store covered by a collective bargaining agreement with a United Food & Commercial Workers Union (Retail Clerks) in California shall be given full recognition under this Agreement.

8. Prior experience in a liquor store or department covered by any collective bargaining agreement with a United Food & Commercial Workers Union (Retail Clerks) in Southern California shall be given full recognition for liquor department work covered by this Agreement.

9. Employees hired with prior experience outside the State of California, or in a grocery store in California not under collective bargaining agreement, shall be employed at the rate of pay one (1) bracket (520 straight-time hours) below that which their experience qualifies them for. For example, for employees hired with at least one (1) year's such experience, after three (3) months, or 520 straight-time hours of work at that rate, the employee shall receive the experienced rate of pay for his classification.

10. For the purpose of this Section F and except as set forth in Paragraph 4 through 8 above, credit for prior experience shall be limited to comparable experience. Claims for prior experience will not be recognized unless such experience is fully revealed on the employee's application.

11. For the purpose of determining appropriate rates of pay in the Bakery and Candy Departments, employees will be credited only with work experience in an industry or establishment of the same type and nature as the Bakery and Candy Departments. Experience acquired in the Bakery and Candy Departments shall apply toward experienced status in any other department, unless by mutual agreement between the Union and the Employer, a reclassification of a particular employee is established.

12. Notwithstanding anything to the contrary contained herein, experience acquired in Paragraphs 1 through 11 (exclusive of Paragraph 9) above, if acquired in a period ending more than five (5) years immediately prior to employment under this Agreement, shall entitle the employee to a rate of pay one (1) bracket (520 straight-time hours) below that for which their experience qualifies them.

Experience acquired in Paragraphs 1 through 11 (exclusive of Paragraph 9) above, if acquired in a period ending more than ten (10) years immediately prior to employment under this

Agreement, shall entitle the employee to the rate of two (2) brackets (1040 straight-time hours) below that for which their experience qualifies them.

13. The progression period for Clerk's Helpers hired on or after August 7, 1981 shall be one three (3) month period and one six (6) month period, at the conclusion of which the experienced rate for this classification shall be paid.

G. EMPLOYEE LISTS. The Employer agrees to permit the Union representative, upon request of the Union, to check the list or lists of employees available in the store and to check the respective wage scale of each employee.

H. WAGE DISCREPANCY.

1. Settlement Attempt. If a wage discrepancy is claimed to exist, the representative of the Union shall first attempt to settle it with the representative designated by the Employer.

2. Written Notification. Failing settlement at this level, the Union shall in writing notify the Employer of the alleged discrepancy and the names of the employees involved, and the period of time that such discrepancy is claimed to cover. Upon receipt of such written notice, the Employer agrees to promptly furnish the representative of the Union wage data pertaining to the alleged wage discrepancy.

I. NO REDUCTION IN RATES. No employee shall suffer any reduction in hourly rates or general working conditions by reason of the 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.

J. OVERTIME BASIS. The overtime rate for employees who receive a wage scale in excess of the rates in this Agreement shall be based on said employee's actual rate of pay.

K. DEPARTMENT HEAD TIME. When an employee is assigned by his superiors to the work and/or duties of a Department Head, as defined in Section A of Article XV, provided that the assignment is for more than fifty percent (50%) of the employee's total week's work, the Department Head rate shall be paid for the entire week. It shall not be the intent of this Section to require or create two (2) Department Heads in any one (1) department.

L. CLERK'S HELPERS WORKING AT APPRENTICE RATE.

1. Upon mutual agreement between the Employer and the Union as outlined in the Letter of Agreement effective July 1, 1964, "Clerk's Helper-Training Program," it shall be permissible to institute a plan in the individual stores whereby Clerk's Helpers may work a portion of their work period as apprentice clerks, as long as in so doing, such Clerk's Helpers are paid as apprentice clerks for those hours in which they perform work falling into that category, and as long as said Clerk's Helpers receive full credit for such hours worked toward their proper classification.

2. The number of Clerk's Helpers employed in any one (1) day in this manner shall not exceed a ratio of one (1) Clerk's Helper to every ten (10) Clerk's Helpers, or fraction thereof, according to the weekly payroll. The maximum number of hours in any one (1) week, in any one (1) store, that Clerk's Helpers may work as apprentices, is one-tenth (1/10) of the total number of hours of Clerk's Helper work scheduled for that week. This clause shall in no way restrict the number of hours that may be worked by regular apprentices.

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

4. Clerk's Helpers shall not work as clerks under this program on Sundays or holidays. If a Clerk's Helper performs such work on a Sunday or holiday, he shall be paid for eight (8) hours at the experienced Food Clerk premium rate for such day.

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

M. NEW CONTRACT. When a first contract is signed the period of employment for vacation and sick leave eligibility shall be measured from the last date of hire with the Employer, except as provided in Article XVIII, Section D hereof.

N: JURY DUTY.

1. 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 part-time employees the number of hours regularly scheduled on the day in question, less any remuneration received by him for jury service.

2. 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.

3. 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.

4. 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.

5. An employee shall be eligible for jury duty pay for one (1) tour of jury duty service only during the life of this Agreement. Jury duty pay shall not be required for Grand Jury service. In the event an employee is called for a second (2nd) tour of duty during the term of this Agreement, the Employer shall join the employee in seeking excuse from service if such service would cause a financial hardship to the employee.

O. INJURY ON THE JOB. When an employee is injured on the job, there shall be no deduction from the employee's pay for the day in which the employee was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedules without penalty to the Employer, to provide both the time for medical care and the number of hours of work for which the employee is regularly scheduled.

P. BONUS PAYMENTS. Bonus or lump sum payments to employees, other than regular wage payments, shall not be used to defeat the wage provisions of this Agreement.

Q. TRAVELING CLERKS. The rate of pay for the servicing of health and beauty aids and houseware items having been established at the Food Clerk rate by this and prior collective bargaining agreements with Certified Grocers of California, Inc., and Alfred M. Lewis, Inc., that rate shall apply to all other concessionaires servicing the same or similar line or lines of merchandise (health and beauty aids and/or housewares) with traveling clerks. In addition to the rate, travel time and other car or expense allowances shall be hereinafter negotiated, and in the event of failure to agree on the appropriate travel time and other car or expense allowances, they shall be established by arbitration under Article XIII of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein.

R. SNACK BAR AND TAKE-OUT FOOD AND SERVICE DELICATESSEN DEPARTMENTS.

1. Where a snack bar is exclusively a snack bar the Clerk's Helper rates shall apply, and the rate of pay for a Department Head, if any, shall be as set forth in Appendix B. The Clerk's Helper rates shall also apply where there is a combined snack bar and take-out food operation, provided that the monthly sales volume of the take-out food operation does not exceed two (2) times the monthly sales volume of the snack bar. The rate of pay for combined food Department Heads, if any, shall be as set forth in Appendix B. Split shifts and short shifts shall be permissible, and Sunday and part-time premiums shall not be applicable. Such employees shall participate in the following benefit program and shall receive: medical and hospitalization benefits, psychiatric and preventive medicine benefits, dental care, prescription benefits, death benefits, supplementary unemployment and supplementary disability benefits, and vacation trust benefits. They shall also receive double-time for holidays worked, and night premium of fifteen cents (15¢) per hour beginning at 7:00 P.M. Such employees shall receive the Clerk's Helper increases provided under this Agreement, or those negotiated by the hotel and restaurant industry, whichever are greater. Employees shall be entitled to receive three (3) meals during each eight-hour shift worked, two (2) meals during each six-hour shift worked, and one (1) meal during each four-hour shift worked. No apprentice rates shall be applicable for employees under this Paragraph 1. The Employer may schedule an employee for a straight eight-hour shift during which the employee shall have lunch on the premises.

2. Where there is a combined snack bar and take-out food operation, and where the monthly sales volume of the take-out food operation exceeds two (2) times the monthly sales volume of the snack bar, combination rates as set forth in Appendix B shall apply. The rate of

pay for, the Department Head of such operations, if any, shall be as set forth in Appendix B: Split shifts and short shifts shall be permissible and Sunday and part-time premiums shall not be applicable. Such employees shall participate in the following benefit program and shall receive: medical and hospitalization benefits, psychiatric and preventive medicine benefits, dental care, prescription benefits, death benefits, supplementary unemployment and supplementary disability benefits, and vacation trust benefits. They shall also receive double-time for holidays worked, and night premium of fifteen cents (15¢) per hour beginning at 7:00 P.M. Such employees shall receive the Clerk's Helper increases provided under this Agreement, or those negotiated by the hotel and restaurant industry, whichever are greater. Employees shall be entitled to receive three (3) meals during each eight-hour shift worked, two (2) meals during each six-hour shift worked, and one (1) meal during each four-hour shift worked. Inexperienced employees shall progress in three (3) steps over a period of six (6) months (1040 straight-time hours), as set forth in Appendix B. The Employer may schedule an employee for a straight eight-hour shift during which the employee shall have lunch on the premises.

3. The General Merchandise rate shall be applicable when the Employer operates a service delicatessen, a take-out food operation alone, or a combination service delicatessen and take-out food operation. In addition to the General Merchandise rate all other terms and conditions of the Food Agreement shall be applicable to all employees of such department. It is the intent of the parties to distinguish between an operation coming under Paragraph 2 on the one hand and Paragraph 3 on the other hand.

4. It is intended that Paragraph 2 shall apply to what is a combination snack bar take-out food operation, and Paragraph 3 to what is either a service delicatessen, a take-out food operation alone, or a combination service delicatessen and take-out food operation. With respect to employees employed in operations governed by Paragraph 3, the apprentice progression rates for General Merchandise Clerks shall apply.

5. Wherever the service of a full-time cook is required, a competitive rate shall be negotiated. In the event that the parties are unable to agree upon such rate the matter shall be submitted to arbitration in accordance with Article XIII of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein. A cook employed in departments covered by Paragraphs 1 and 2, above, shall be entitled to the fringe benefits provided by those Paragraphs, and a cook employed in a department covered by Paragraph 3, above, shall be entitled to the benefits provided by that Paragraph.

6. Insofar as miscellaneous kitchen employees are concerned, the rates and conditions provided in Paragraph 1, above, shall be applicable.

7. With respect to Paragraphs 1 and 2 above, except for the benefits specifically set forth above, the overtime provisions of this Agreement, and the noncost conditions of this Agreement, no benefits or conditions in excess of the prevailing Culinary Agreement in each area shall be applicable.

S. COMBINATION FOOD MARKET AND DISCOUNT STORE.

1. In a combination food market and discount store operation, where the health and beauty aids and houseware items are located behind the checkstand, the discount store rate shall apply to these items provided their display and location is not immediately contiguous to the food section of the operation. Such items to be so classified must be separated by other items which constitute non-food merchandise.

2. Where a liquor department is located within an establishment as above described and is located behind the food checkstands, or immediately contiguous to the food department, the food rate shall apply; except where, in the geographic jurisdiction of any Local Union, contrary practices are or have been established by collective bargaining agreements.

T. MAN IN CHARGE. An experienced clerk who is not a Department Head and who is designated by the Employer to open or close the store to the public shall be paid a premium of one dollar (\$1.00) per day for any day in which he performs that duty.

ARTICLE VII STORE MEETINGS

No store meetings shall be held as to conflict with the regular meetings of the Union, and upon three (3) days' notice to the Employer of a special meeting, the Employer agrees to hold no store meetings in conflict therewith.

ARTICLE VIII UNIFORMS

The Employer shall furnish all gowns, aprons, and uniforms, and, except where the garment is of a drip-dry material, shall pay for the laundering and upkeep of same. The Union members

shall have the right to wear their Union buttons. The Employer shall provide a jacket for use by employees working in store walk-in freezer boxes.

ARTICLE IX

CHARITY

The Employer shall not conduct or handle any campaign or drive for charitable purposes among his employees except where the cooperation and contributions of the employees are voluntary.

ARTICLE X

VISITS TO STORES

It is the general policy of the Union for its representatives not to visit the stores during the busy afternoon hours, Saturdays, or days preceding holidays. However, upon the receipt of reported violations, the Union representative shall have the privilege of visiting such store for the purpose of investigating such violations. The Union further agrees that it will arrange with the store manager for such investigation, and that any meetings between employees and Union representatives shall be limited to one (1) employee at a time and shall be conducted with the least possible interference with store operations. Such meetings shall be held on the premises in a place designated by the store manager. Further, the Union representative and employees shall not engage in Union activities during working hours. The Employer agrees that the Union may appoint a steward. In instances where employees are working during hours that the stores are closed to the public, Union representatives shall be admitted to the premises if they are identified or recognized by the employees on duty.

ARTICLE XI

HOLIDAYS

A. PAID HOLIDAYS.

1. The Employer agrees that the following days shall be considered holidays and granted without reduction in pay:

New Year's Day
Washington's Birthday
Easter Sunday
Memorial Day
Independence Day

Labor Day
Veterans' Day
Thanksgiving Day
Christmas Day

2. Except for Easter Sunday, when a holiday falls on a Sunday, the following Monday shall be observed.

3. Should Washington's Birthday, Memorial Day, Independence Day or Veterans' Day fall on a Saturday, it will be observed on the following Monday provided that this shall not be effective until the Food Employers Council, Inc., has negotiated similar understandings with other major unions in the wholesale and retail areas of the Southern California Food Industry.

4. Any employee hired within thirty (30) days of any holiday shall not be entitled to pay for time not worked on the holiday.

B. HOLIDAY PREMIUM. Work can be performed on any of the hereinabove mentioned holidays with the exception of Thanksgiving Day and Christmas Day. However, work as such shall be compensated for at three (3) times the straight-time hourly rate of pay for all hours worked. Said triple-time shall include any premium pay or overtime that may be applicable, and includes pay for the holiday itself. Holiday pay for Easter Sunday when not worked shall be at the straight-time hourly rate and not at the Sunday rate. It is expressly understood that no employees coming under the terms of this Agreement will be required to work on Thanksgiving and Christmas calendar days.

C. HOLIDAY WEEK. 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 the employee's regular rate of pay, except when Sunday is worked, and in that event, the higher rate shall apply.

D. PART-TIME EMPLOYEES. Regular part-time employees shall be entitled to pay in accordance with this Article 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 four-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. A part-time employee, as used in this Section, is defined to include an employee regularly scheduled for thirty-six (36) hours per week or less.

E. REQUIREMENTS. 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.

F. VOLUNTARY CLOSING. When the Employer voluntarily closes his store to the public on any holiday other than those set forth in Section A above, it is agreed that the employees shall suffer no reduction in straight-time weekly earnings on account of such closing. Neither shall the employees suffer a reduction in straight-time weekly earnings in the event the Employer chooses to close his store in memory of or in tribute to any individual or event.

G. HOLIDAY GUARANTEE.

1. Full-time employees scheduled to work on a holiday shall be guaranteed eight (8) hours' work on such holiday. A part-time employee may be scheduled to work on a holiday for a number of hours not less than those usually worked by him on the day on which the holiday falls. All Clerk's Helpers who are required to perform work on any of the holidays enumerated in Article XI shall be guaranteed four (4) hours' work on those days as long as they are able and available to work those hours.

2. The eight (8) hour guarantee shall be deemed to have been complied with if less than an eight (8) hour shift is worked on the holiday, but said hours are part of an eight (8) hour shift which includes hours on either the day before or the day after the holiday. Hours worked during the twenty-four (24) hour period of the holiday shall be compensated at the triple-time rate of pay and each hour so compensated shall apply toward the eight (8) hour holiday guarantee.

3. In those stores open for less than nine (9) hours on holidays, full-time clerks who have been scheduled for four (4) eight (8) hour days will be permitted to work less than eight (8) hours on the holiday, but will be guaranteed the number of hours the store is open, less a lunch hour if the shift exceeds six (6) hours. Such clerks shall receive no less than five (5) hours' pay at the holiday premium rate. If said employees perform work before the store opening and/or after the store closing, the eight (8) hour guarantee at the holiday premium rate of pay shall apply and all hours worked in excess of eight (8) hours shall be compensated at the holiday premium rate of pay. This exemption from the holiday guarantee shall apply to full-time clerks only, unless no full-time clerks are available.

ARTICLE XII

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. Should an employee be refused bond by a bonding company, after his first thirty (30) days of employment, the Employer agrees to make a reasonable effort to secure a bond in an appropriate case.

ARTICLE XIII

ADJUSTMENT AND ARBITRATION

A. CONTROVERSY, DISPUTE OR DISAGREEMENT. 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, except as may be otherwise provided in Section D of this Article, shall be settled and resolved by the procedures and in the manner hereinafter set forth.

B. ADJUSTMENT PROCEDURE.

1. Store Level. 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 in the manner indicated in Article X of this Agreement.

2. Meeting of Representatives. Upon receipt of a written notice from either party, the representatives of the Employer and the representatives of the Union shall meet within a calendar week and attempt to settle or resolve the matter.

3. Food Employers Council, Inc. The Union hereby recognizes the Food Employers Council, Inc., as the authorized representative of its members in matters pertaining to the negotiations and administration of this Agreement. In the event of a dispute, it shall be the duty of the Employer to notify the Food Employers Council, Inc., of the existing dispute if said Employer desires said Food Employers Council, Inc., to represent it in the dispute. Should a grievance or dispute be settled between the Union and any Employer signatory to this Agreement without the participation of the Food Employers Council, Inc., and if in such settlement, an interpretation of any language or phrase of this Agreement is involved in order that such settlement be reached, the Union shall, within ten (10) days of such settlement notify the Food Employers Council, Inc., in writing, of the dispute, the language or the phrase interpreted, the settlement reached, and the date of such settlement. Should the Union fail to notify the Food Employers Council, Inc., as set forth above, the fact of settlement and the interpretation of the language or phrase of the Agreement involved in the settlement shall not be used in evidence for any purpose whatsoever. No such settlement or interpretation shall be binding upon the Food Employers Council, Inc., or its members unless the Council or its members thereof participated in arriving at such settlement or interpretation.

4. After a grievance is settled with the Union under Paragraph 2 above involving adjustment in compensation, the Union shall be notified in writing of the settlement, including the amount thereof.

C. ARBITRATION.

1. (a) Any matter not satisfactorily settled or resolved in Section B hereinabove 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 Section B-2, hereinabove, to the meeting of representatives. Failure to comply with the time limits set forth in this Section and in Section B-2 above, shall render such grievance null and void.

(b) If an arbitrator is selected from the list furnished by the Federal Mediation and Conciliation Service in accordance with the procedures set forth in Section C-2 below, such selection shall be made within ten (10) days of the receipt of such list. Failure of the Union to make such selection within such ten-day period shall render the grievance null and void, and failure of the Employer to make such selection within such ten-day period shall result in the grievance being sustained.

(c) Any of the time limits set forth in this Article XIII may be extended by mutual agreement.

2. The representatives of the Union and the representatives of the Employer shall meet for the purpose of selecting an impartial arbitrator within the ten (10) day period following the demand for arbitration. If no agreement upon an arbitrator is reached during this period, either party may then request a list of fifteen (15) persons qualified to act as arbitrators under this Agreement, from the Federal Mediation and Conciliation Service and upon receipt of this list the parties shall immediately thereafter select the arbitrator by alternately striking names from the list until the last name remains. The parties shall draw lots to determine who shall make the first deletion from the list.

3. Should either party desire, a board of arbitration shall be convened in lieu of a single arbitrator, consisting of an equal number of arbitrators appointed by each party (not to exceed two (2) appointed by each) and the impartial arbitrator who shall be chairman. The board shall hear and determine the matter by majority vote of the members of the board.

4. The arbitrator or board of arbitration shall be empowered to hear and determine the matter in question and the determination shall be final and binding upon the parties, subject only to their rights under law. The hearings shall be held within thirty (30) days after the selection of the arbitrator, or board, which shall have the power to decide the date or dates upon which the arbitration is to be held if agreement cannot be reached by the parties.

D. POWERS, LIMITATIONS AND RESERVATIONS.

1. Arbitrator. The arbitrator or board of arbitration 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 or board of arbitration 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 or board. Neither party to this Agreement shall refuse to proceed to arbitration upon the grounds that the matter in question is not arbitrable.

2. Work Stoppages. Matters subject to the procedures of this Article 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 Article or refuses or fails to abide by, accept or perform a decision or award of an arbitrator or board.

3. Wage Claims. 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.

E. STATUS QUO. During the period of adjustment or arbitration as provided in this Article, the conditions in effect at the time of receipt of written notice specified in Section C above, shall continue in effect pending final decision.

F. EXPENSES. The expenses of the arbitrator shall be borne equally by both the Employer and the Union.

G. TIME LIMITS. The time limits set forth above may be extended by mutual agreement between the parties.

H. REPORTING DISCREPANCIES. It shall be the responsibility of the employee to report any claimed discrepancy to the Union promptly upon discovery and it shall then become the responsibility of the Union to notify the Employer promptly of such claimed discrepancy. In any event, so long as this does not conflict with any other Article in this Agreement, all complaints must be filed in writing within thirty (30) days after the matter in dispute or disagreement is first reported to the Union. Complaints not filed within the limits herein specified shall be deemed null and void.

ARTICLE XIV

SICK LEAVE

A. SICK LEAVE ENTITLEMENT.

1. Eligibility. All employees covered by this Agreement who have been continuously employed by the Employer for a period of at least one (1) year shall be entitled to six (6) days' sick leave with pay and on each anniversary date of employment thereafter, he shall be entitled to six (6) days' sick leave with pay; however, such sick leave benefits shall not accumulate from year to year. Sick leave shall be payable beginning with the second (2nd) working day's absence due to nonhospitalized illness or injury and until the employee has received or is entitled to receive Workers' Compensation disability benefits or State disability benefits. In any event, sick leave shall be payable only during the first week of absence and shall not be payable if the employee is receiving supplementary disability benefits under this Agreement.

2. Supplementary Disability Benefits. Supplementary disability benefits will be provided in accordance with the provisions of Section D of Article XXI hereof.

3. Sick Pay Defined. For the purpose of this Section, sick pay shall mean pay at the employee's regular classification rate for those days and hours which the employee would have worked had the disability not occurred, calculated at straight time.

B. DOCTOR'S CERTIFICATE. A doctor's certificate or other authoritative verification of illness may be required by the Employer.

C. WAITING PERIODS. The waiting period herein provided before sick leave pay commences shall apply for each illness, in case the sick leave benefit allowance has not been used up in previous illnesses. A day shall not be considered a waiting period day if the employee has worked more than one-half of his scheduled shift.

D. PRO RATA. Sick leave shall be paid to all full-time and part-time employees, including Clerk's Helpers, on the basis set forth above, but shall not be paid to Snack Bar employees and Combination Take-Out Bar employees as described in Article VI, Section R-1, 2 and 6. The total number of hours of accrued sick leave benefits shall be calculated on the ratio of total hours worked during the year preceding his anniversary date of employment to 2080 hours.

E. UNUSED SICK LEAVE PAID. For the employee's second (2nd) and succeeding anniversary dates of employment, any unused sick leave to which an employee may be entitled shall be paid on the employee's anniversary date of employment. After a year's employment, the employee in the event of termination, shall be entitled to a payoff of unused sick leave entitlement and to pro rata payment of accumulated sick leave since his last anniversary date. The pro rata payment of

accumulated sick leave, since his last anniversary date, shall not be paid to an employee who is discharged for proven or admitted dishonesty or who quits voluntarily.

ARTICLE XV

DEPARTMENT HEAD

A. DEFINITION. A Department Head is an employee who, in addition to the duties of a regular clerk, is assigned by his superiors to the direction of a particular department and the employees therein in the store in which he is employed. To be classified as a Department Head, an employee must be vested with sufficient authority by his superiors to direct the operation of the department and to exercise supervision over the other employees in the department to the extent that he has effective influence over hiring and/or discharge and/or transfer and/or discipline of those employees. In addition to the above, the exercise of independent judgment in the operation of the department shall be a primary criterion in establishing Department Head status. Department Heads shall not be mandatory, but any employee having the authority and duties as described herein shall be paid as a Department Head. No more than one (1) Department Head shall be required for any one (1) department. The provisions of this Section shall not nullify Section K of Article VI. No Department Head 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.

B. INTENT. The industry's proposals regarding the Department Head classification and any conversations, arguments, discussions, and documents relating to the negotiations thereof do not contemplate the exclusion of Department Heads from the bargaining unit, nor does the industry's negotiating committee contemplate invoking the Taft-Hartley Act in this respect.

ARTICLE XVI

STORE HOURS

The Employer shall have the sole right to fix and determine the opening and closing hours of his market.

ARTICLE XVII

NEW LOCATIONS

When an Employer establishes a new location within the geographical jurisdiction of Locals 137, 324, 770, 899, 905, 1167, 1222, 1428 and 1442, and recruits part of the crew from one of his places of business already under Agreement with any of the above-named Unions, all rights as to seniority and as to other provisions of this Agreement shall apply to such employees.

ARTICLE XVIII

SUCCESSORS AND ASSIGNS

A. PARTNERSHIP DISSOLUTION. In cases of dissolution of a partnership, the remaining partner shall be expressly obligated to carry out the terms of this Agreement, regardless of whether or not he was signatory to the original Agreement.

B. NEW OWNER. This Agreement shall be binding upon the successors and assigns of the parties hereto. In the event of bona fide sale or transfer of any store covered by this Agreement during the period hereof, the new owner or such transferee shall be notified of the obligation of this Agreement and be required to become a party hereto. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Agreement.

C. ACCRUED VACATION. It is further agreed by the parties hereto that, upon sale or transfer of ownership of any store or upon dissolution of business, vacation pay for all months worked for which no vacation pay has been given shall be immediately paid to all employees coming under this Agreement, regardless of length of time said employee has been with the Employer.

D. SALE OR TRANSFER.

1. In the event of a sale or transfer of a store or stores, an employee shall be allowed a seven (7) day period from the date of announcement to the employees of the sale or transfer during which time he may determine whether he wishes to stay with the seller or whether he wishes to make application for employment with the new owner or transferee. In the event the employee chooses to remain with the seller, such choice shall not be construed as any guarantee of employment over and beyond the terms of this Agreement.

2. In the event of a sale or transfer of a store or stores, the new owner or transferee shall make every effort to fill his employment needs in such store or stores from those employees of the seller or transferor who were employed in the stores sold or transferred.

3. Such new owner or transferee, however, shall not be required to retain in his employ any of the employees of the seller or transferor. Any employee of the seller or transferor, who is employed within the thirty (30) day period referred to immediately below by the new owner or transferee, shall be employed on a probationary basis for a period of thirty (30) days from the date the new owner or transferee assumes responsibility for the management and operation of the store or stores, subject to termination within such thirty (30) days with or without cause and without reference to seniority. Any termination within such thirty (30) day period shall not be reviewable through the grievance or arbitration procedures except for a violation of Section D-2 of this Article XVIII.

4. Any employee of the seller or transferor who is employed by the new owner or transferee within such thirty (30) day period and who is retained on the payroll of the new owner or transferee for a period in excess of such thirty (30) day period, shall be credited with and retain all seniority acquired while in the employ of the seller or transferor since his most recent date of hire by such seller or transferor, for the purpose of determining benefits to which he is entitled under the collective bargaining agreement with the new owner or transferee by virtue of such seniority, as if his employment were continuous, including retention of anniversary date of employment, vacation and sick leave benefits, provided that the employees of the seller or transferor shall for the purposes of termination be credited with no more seniority than that of the most senior employee employed by the new owner or transferee covered by an agreement with a United Food & Commercial Workers Union (Retail Clerks) Local on the date of assumption of responsibility, and provided further that the new owner or transferee shall not be liable for any benefits or payments owed to the employee because of employment with the seller or transferor. "Seller or transferor" is defined to include prior owners of the same store since January 1, 1956.

ARTICLE XIX

SEPARABILITY CLAUSE

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 this Agreement in its application between the Union and the undersigned Employer to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect, provided further, that in the event any provision or provisions are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of renegotiation and agreement on provision or provisions so invalidated.

ARTICLE XX

GENERAL CONDITIONS

A. TRAINING SCHOOL FEES. Where, as a condition of employment, the Employer requires attendance at a school or training establishment, and where a fee is charged for such instruction or training, the fee shall be borne by the Employer.

B. REGISTER SHORTAGES.

1. No employee may be required to make up 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 as specified below.

2. No employee may be required to make up register shortages when management exercises its right to open the register during the employee's work shift, unless the register is opened in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or deposits.

C. RELIEF PERIODS. All employees working an eight (8) hour day shall receive two (2) ten-minute rest periods, one (1) prior to the lunch period and one (1) after the lunch period. Employees working more than three and one-half (3½) hours and up to and including six (6) hours per day shall receive one (1) ten-minute rest period.

D. TITLES. The titles and subtitles used in this Agreement are for the sole purpose of identification and shall have no bearing on the construction or meaning of the Sections or Paragraphs to which they refer.

E. ALTERATIONS. This contract can only be altered, amended, or changed by an instrument in writing signed by the Union and the Employer and any oral statements or agreements shall be of no force and effect whatsoever.

F. **POLYGRAPH TESTS.** No Employer shall demand or require any applicant for, employment or, prospective employment or any employee to submit to or take a polygraph lie detector or similar test or examination as a condition of employment or continued employment.

G. **UNION PRINCIPLES.**

1. It shall not be a violation of this Agreement and it shall not be the cause for discharge or disciplinary action in the event an employee refuses to go through or work behind any lawful, sanctioned, primary picket line, including the lawful, sanctioned, primary picket line of the Union party to this Agreement, and including such picket lines at the Employer's place of business.

2. For the purposes of this Section, a sanctioned picket line shall be one which is sanctioned by the Local Union signatory to this Agreement and the Southern California Food and Drug Council.

3. The Union shall not command, order or direct employees to exercise their rights under the foregoing clause but shall have the right to advise employees whether the strike or picket line is sanctioned, as to the facts of the particular labor dispute, and as to the employee's rights under the foregoing clause. Neither shall the Employer command, order or direct employees to refuse to exercise their rights under the foregoing clause.

4. Each individual employee shall have the right to make his free choice to cross or not to cross any sanctioned picket line as defined above. The Union shall not abridge or interfere with the employee's individual privilege of decision with respect to this matter.

ARTICLE XXI

TRUST FUNDS

A. **BENEFIT FUND.**

1. The Employer and the Union agree to maintain the existing Retail Clerks Unions and Food Employers Benefit Fund for the purpose of providing benefits specified herein to eligible employees, employed by the Employers, their spouses and their unmarried dependent children under the age of nineteen (19) years or under the age of twenty-four (24) years if full-time students and dependent on employee for support, and fully dependent children who become unemployable because of physical or mental disability regardless of age. All such student dependents who are between the ages of nineteen (19) and twenty-four (24) years shall be covered under the Indemnity Program. The Board of Trustees of the Trust shall be composed of an equal number of Trustees appointed by Local Unions Nos. 137, 324, 770, 899, 905, 1167, 1222, 1428 and 1442 on the one hand and Food Employers Council, Inc., on the other hand. Each Local Union shall be empowered to designate a Trustee to said board and the Food Employers Council, Inc., shall be empowered to appoint the equal number of Employer Trustees. The Declaration of Trust shall provide for voting by proxy, and for alternate Trustees, and shall further provide that the tenure of Trustees, method of removal, and successor Trustees shall be designated by the parties empowered to appoint such Trustees. The Trustees shall amend the existing Agreement and Declaration of Trust as may be required to accomplish the purposes of this Article XXI-A and all parties to this collective bargaining agreement agree to be bound by the terms and provisions thereof.

2. Funds and Accounts.

(a) Records. The Trustees shall continue to maintain separate accounting records with respect to the payment of benefits in each of the said various programs.

(b) Reserves. The Trustees are directed to establish a funding policy as determined necessary on a sound actuarial basis consistent with the following:

(1) Cash reserves no less than approximately one (1) month's cost are to be maintained.

(2) In order to fulfill the obligation of the Employers under this Agreement, it is agreed that if a time should come when this Agreement is terminated, and if at such time, or thereafter, the Employer no longer has a legal duty under the National Labor Relations Act to make contributions into the Benefit Fund, the Employer shall continue to make contributions, in accordance with an equitable formula developed by the Trustees, which will be sufficient to provide accrued benefits under this Agreement or until the date a new collective bargaining agreement providing for contributions is executed, whichever occurs first.

(c) Investment of Reserves and Surplus Funds. The Trustees are authorized and directed to continue the existing investment program, with professional guidance when appropriate, of the trust funds.

3. Benefit Programs. The Trustees are authorized and directed under this contract and under the Agreement and Declaration of Trust, to establish and maintain rules of eligibility of beneficiaries to participate in the benefits provided for in this Article, and to continue and maintain the existing benefit program with the following improvements:

(a) Improvements. The Trustees are authorized and directed to implement the following improvements in the active plan, effective September 4, 1978:

(1) Indemnity Plan Improvements.

(aa) Normal Maternity Benefits to be interchangeable between hospital and doctor (flat benefit) up to a maximum of \$1,800.

(bb) Maternity Benefits to include newborn nursery charges.

(cc) Laboratory and x-ray increased to \$15.00 per unit up to a maximum of \$500 per accident and all illness per calendar year.

(dd) The Major Medical R.V.S. conversion factor to be increased from \$4.50 to \$10.00. (The combined basic and major medical conversion factor will be \$20.00 per unit).

(ee) The Major Medical lifetime benefit is to be increased from \$20,000 to \$250,000.

(ff) The dental care plan is to be expanded to cover Temporomandibular Joint problems up to \$2,000 for surgery by an oral surgeon as well as hospital benefits under the regular hospital benefit program, provided such surgery is approved by the Trust Fund's medical or dental consultant.

(2) Medical Groups. The Trustees are authorized and directed to continue, expand and maintain where possible and feasible the alternate choice medical group programs.

(3) The Trustees are authorized and directed to make an annual actuarial review of the experience under the hospital-medical, psychiatric, preventive (predictive), prescription, vision care, drug, dental and orthodontic programs in order to determine if the Employer contributions, the fund reserves and the investment accounts, are sufficient to maintain the benefits and eligibility rules provided above. Maintenance of benefits shall mean that allowances under the program shall be increased when necessary to reflect increases in the cost of providing the benefits under this Agreement. The allowances shall be adjusted in such manner that the beneficiaries will continue to pay approximately the same percentage of the total cost of their medical and dental care. The Trustees in adjusting such fee allowance shall rely on the actual experience of the Trust Fund in the previous six (6) months as well as on the Bureau of Labor Statistics -- Medical Price Index for Los Angeles or other information regarding changes in medical care costs. It is understood and agreed that the Trustees are not obligated to make item by item adjustments but may adjust on a package basis.

(4) In the event that the Employer contributions are insufficient to continue to provide the established hospital-medical, major medical, psychiatric, preventive, prescription drug, vision care, dental and orthodontic, retired health and welfare, death, and vacation benefits under this Article XXI the Trustees shall on the advice of the Fund consultants increase the Employer contribution as may be necessary to maintain said benefits during the term of this Agreement. The Trustees shall not consider the contribution insufficient until and unless the cash reserves drops below the minimum specified in Section A-3 of this Article.

(5) Workers' Compensation -- State Disability. The Trustees shall be authorized and directed to provide extended coverage of benefits, as set forth below, to employees who are disabled and receiving temporary benefits as defined in the Workers' Compensation or State Disability laws. Said employees shall be entitled to the benefits under Section A-3-(a), (b), (c) and Section E of this Article XXI during the period of illness or injury which is compensable under either law, in the same manner as though the Employer were making the contributions on behalf of such employees, for a period not to exceed six (6) months in the case of State Disability or one (1) year in the case of Workers' Compensation cases.

(b) Dental Care.

(1) The Trustees are authorized and directed to continue and maintain the existing indemnity dental care program and to continue, maintain and expand the alternate choice dental clinic program where feasible.

The orthodontic benefit to be provided shall be 75% of the cost of the orthodontic care up to a maximum of twelve hundred dollars (\$1,200) payable by the Trust.

(2) The indemnity dental care program shall continue the *75%-25% co-participation figure. In addition, the Trustees shall maintain existing, and encourage additional, prepaid service plans with private dental clinics.

(3) The Trustees are authorized and directed to require pre-authorization of all dental care claims in excess of five hundred (\$500), or any other specific basis where prior review may be desirable.

(c) Prescriptions. The Trustees are authorized and directed to continue and maintain the existing prescription program for eligible beneficiaries based upon the payment of 90% of the cost determined by the formula adopted by the Trustees. The payment for pharmaceuticals other than those which can only be obtained under a doctor's prescription, shall be limited to those pharmaceuticals approved by the Trustees and obtained pursuant to a doctor's instructions. The Trustees may continue the present and make additional alternate arrangements for the providing of prescription drugs under this plan.

In the event the Employer operates a pharmacy or pharmacies, it is agreed that to the extent possible, the employees of such Employer will utilize such pharmacy or pharmacies for the acquisition of any prescription or pharmaceuticals of this program.

4. Contributions.

(a) Medical Benefits. The Employer will continue to contribute sixty-two cents (62¢) for each hour worked, exclusive of overtime hours, by each employee covered by the collective bargaining agreement to the Trust established hereunder, for the purpose of providing the established hospital-medical, major medical, psychiatric, preventive, prescription drug, vision care, dental and orthodontic benefits. Such contributions shall be increased during the term of this Agreement only in the manner and under the conditions hereinabove set forth in Paragraph 3-(a)-(4) above.

(b) In order to fulfill the obligation of the Employers pursuant to the award of Impartial Umpire Morris L. Myers dated March 26, 1972, and in complete discharge thereof, it is agreed that if a time should come when this Agreement is terminated and, if at such time, or thereafter, the Employer no longer has a legal duty under the National Labor Relations Act to make contribution into the Retail Clerks Unions and Food Employers Benefit Fund, then and in that event, the Employer shall continue to make contributions to the Trust for a period of three (3) months thereafter or until the date a new collective bargaining agreement providing for contributions is executed, whichever is the shorter, in an amount each month equal to the contributions made by each such Employer during the last month in which such duty to contribute existed. The dispute among the Trustees of the said Trust Fund over the deadlocked resolution of March 29, 1972, before Impartial Umpire Morris L. Meyer, is hereby settled and withdrawn, in consideration of the above.

(c) Effective with straight-time hours worked on and after August 2, 1982, payable in September 1982, the Employer agrees to increase contributions to the Retail Clerks Union and Food Employers Benefit Fund by four and one-half cents (4½¢) for the sole purpose of restoring benefit levels which are proven to have deteriorated from pre-existing levels of benefits during the period of the most recent expired agreement.

5. Administration.

(a) The Trustees shall continue a central administration office for the administration of the Trust, including but not limited to bookkeeping, tabulating, collection of contributions, record keeping and payment of claims and shall acquire appropriate office equipment and hire necessary personnel.

(b) As a part of the function of the central administration office, the Trustees shall establish a department to provide professional advice and to collect, gather and analyze statistical information.

(c) In addition to the central administration office, the Trustees shall provide for the performance of the following functions within each Local Union Office:

(1) The issuance of claim forms and all printed material authorized by the Trust.

(2) Issuing eligibility information from lists of hours worked provided by the central administration office.

(3) Necessary liaison work with the central administration office, including the furnishing of necessary information to employees relating to benefits and claims filed.

The employees performing the Local Union office functions of the Trust shall be employees of the Union and the Local Unions shall be reimbursed monthly on a cost basis.

The central administration office shall furnish the Local Unions all necessary data regarding eligibility, claims, and benefits provided to beneficiaries. Benefit forms to be completed by prospective beneficiaries shall identify the Local Union by name and number. A copy of all claims generated in each Local Union office shall remain on file with the Local Union. All checks issued to beneficiaries shall carry the identification of the Local Union to which the beneficiary belongs and shall carry the name of Employer by whom the beneficiary is employed at the time the claim is paid. The central administration office shall forward benefit checks to the appropriate Local Unions and such benefit checks shall, upon receipt by the Local Unions, be mailed immediately to the payee, the mailing to the payee to contain only the check and voucher that may be attached.

6. Benefits. Conditions of eligibility and benefits in respect to classifications of employees shall be set forth with particularity in the Trust Agreement or Agreements.

7. Other Benefit Plans. It is understood that the Employer retains any existing rights which he may have, in his exclusive discretion, to alter, amend, cancel or terminate any existing employee benefit plan or plans or part thereof.

8. Pooled and Consolidated Funds. The presently existing Retail Clerks Employers Joint Death Benefit Fund, the retired employees health-and-welfare segment only of the Southern California Retail Clerks Unions and Food Employers Supplementary Unemployment, Supplementary Disability and Retired Employees Benefit Fund, and the Southern California Retail Clerks Unions and Food Employers Joint Vacation Fund shall be forthwith merged and consolidated into the Southern California Retail Clerks Unions and Food Employers Benefit Fund. After such merger and consolidation, contributions shall be made to the Retail Clerks Unions and Food Employers Benefit Fund in the form of a single lump sum contribution. All reserves and contributions shall be pooled and consolidated and shall be available to provide benefits without regard to the Benefit Plan or program from which derived. All assets of said funds shall be transferred to the Retail Clerks Unions and Food Employers Benefit Fund and said Benefit Fund shall assume all liabilities of all of the predecessor merged trust funds. Separate accounting records for the several benefit programs shall be maintained.

The Trustees are authorized and directed to do all things necessary and appropriate in order to carry out the foregoing, including but not limited to, the adoption of Amendments to the various Declarations of Trust and Resolutions of Merger and Consolidation to accomplish the foregoing.

9. Resolution of Differences. Differences between the Employer and the Union as to the interpretation or application of the provisions of the Trust Agreement or Agreements, relating to employee benefits shall not be subject to the grievance or arbitration procedure established in any collective bargaining agreement. All such differences shall be resolved in the manner specified in the Trust Agreement or Trust Agreements.

10. It is agreed that the Unions and the Food Employers Council, Inc., shall undertake an investigation of new health plan alternatives.

B. PENSIONS.

1. The Employer agrees to continue to contribute sixty and three-tenths cents (60.3¢) per hour on all straight-time hours worked by all employees covered by this Agreement (except as otherwise specifically provided elsewhere in this Agreement) into the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund. Effective September 1, 1982, based on hours worked commencing August 2, 1982, the Employer agrees to increase the contribution rate from sixty and three-tenths cents (60.3¢) per straight-time hour to seventy-five and three-tenths cents (75.3¢) per straight-time hour worked. Effective July 1, 1984, based on hours worked commencing June 4, 1984, the Employer agrees to increase the contribution rate from seventy-five and three-tenths cents (75.3¢) to eight-five and three-tenths cents (85.3¢). The Employer contribution shall be for the sole purpose of providing pensions for eligible employees and the administration of said pension program.

Effective August 2, 1982, the Trustees are authorized to utilize fifteen cents (15¢) of the increased contributions to provide improved benefits. Effective in June 1984, the Trustees are directed to utilize the remaining ten cents (10¢) of the additional contributions to reduce unfunded vested benefit liabilities and unfunded accrued liabilities. The Trustees are not authorized to use any of the additional contribution for any purpose other than herein described.

The Trustees are directed to develop within the contribution rate set forth above a plan of benefits which conforms to the requirements under the Employee Retirement Income Security Act of 1974, as amended, based on sound actuarial recommendations.

2. Amended Trust Agreement and Pension Plan. The Agreement and Declaration of Trust providing for the Pension Trust Fund and the Pension Plan shall be amended, as may be required, to conform with the provisions of this Article XXI-B.

3. Retirement. Before the Employer may require an employee to retire on attaining the age of sixty-five (65) years, the Union shall be notified by the Employer of the anticipated retirement and the Employer agrees to confer with the Union upon request regarding such retirement. An employee who has attained age sixty-five (65) shall be given the option of working up to one (1) additional year, if such is necessary to acquire the minimum vesting period of ten (10) years, before he may be required to retire from active employment, provided that, subject to the foregoing exceptions, nothing contained herein shall be construed to deprive the Employer of his existing right in accordance with company policy to require an employee to retire from active employment upon attaining age sixty-five (65).

4. Other Pension Plans. The Employer retains the exclusive right to alter, amend, cancel or terminate any presently existing company-sponsored pension plan or employee retirement plan which existed prior to the establishment of this Pension Fund.

5. Laws and Regulations. The Trust and the benefits to be provided from the Pension Trust Fund hereinabove referred to and all acts pursuant to this Agreement and pursuant to such Trust Agreement and Pension Plan shall conform in all respects to the requirements of the Treasury Department, Internal Revenue Service, California Franchise Tax Board, and to any other applicable state or federal laws and regulations.

C. RETIREE MEDICAL AND PRESCRIPTION COVERAGE.

1. The Employer agrees to continue to contribute seven cents (7¢) per straight-time hour worked into the Southern California Retail Clerks Unions and Food Employers Supplementary Unemployment, Supplementary Disability and Retired Employees Benefit Fund to provide medical and prescription coverage for employees retired under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund and their spouses and their unmarried dependent children under the age of nineteen (19) or under the age of twenty-four (24) years if full-time students and dependent for support.

For retirees who retired prior to April 1, 1972, the Trustees are authorized and directed to continue the hospital and medical and prescription programs that were in effect on that date. (Now known as "A" coverage.)

For retirees who retired after April 1, 1972, and prior to July 27, 1975, the Trustees are authorized and directed to continue the hospital and medical and prescription programs that were in effect on July 28, 1975. (Now known as "B" coverage.)

For retirees who retired on or after July 28, 1975, the Trustees are authorized and directed to continue the improved hospital and medical and prescription programs which became effective on September 1, 1975 (now known as "C" coverage) including subsequent modifications made by agreement between the parties and by action of the Trustees.

The Trustees are directed to establish a funding policy as determined necessary on a sound actuarial basis consistent with the following:

(a) Cash reserves no less than approximately one (1) month's cost are to be maintained.

(b) In order to fulfill the obligation of the Employers under this Agreement, it is agreed that if a time should come when this Agreement is terminated, and if at such time, or thereafter, the Employer no longer has a legal duty under the National Labor Relations Act to make contributions into the Benefit Fund, the Employer shall continue to make contributions in accordance with an equitable formula developed by the Trustees, which will be sufficient to provide accrued benefits under this Agreement or until the date a new collective bargaining agreement providing for contributions is executed, whichever occurs first.

D. SUPPLEMENTARY UNEMPLOYMENT AND DISABILITY BENEFITS.

1. The Employer agrees to continue to contribute four cents (4¢) on all straight-time hours worked by all employees covered by this Agreement into the Southern California Retail Clerks Unions and Food Employers Supplementary Unemployment, Supplementary Disability and Retired Employees Benefit Fund for the purpose of providing supplementary unemployment benefits and supplementary disability benefits to employees. The coverage to be provided shall be determined by the Trustees of such Fund and limited to such benefits as can be purchased by the contributions provided for above, after payment of the amount necessary to provide the health and welfare benefits set forth in Section D-2, except that combined state and supplementary benefits for unemployed persons shall not exceed sixty-five percent (65%) of the weekly straight-time earnings or eighty percent (80%) of the weekly straight-time earnings for disabled persons who receive benefits under the State Disability or Workers' Compensation laws. The Trustees of the Fund shall adopt rules and regulations, in addition to the eligibility requirements of the state program, to prevent excessive drain on the Fund. Effective with straight-time hours worked on and after August 3, 1981, the Employer agrees to increase contributions by one cent (1¢) per hour. It is understood and agreed that this is the

Employer's entire obligation for the life of this Agreement and the SUB-SDB fund is not covered by the maintenance of benefits provision of this Agreement. Specifically excluded from eligibility for supplementary unemployment benefits shall be:

(a) Employees unemployed because of a strike by employees covered hereby.

(b) Employees unemployed because they are discharged for proven dishonesty, intoxication, or gross misconduct or quit when proof has been furnished.

The Trustees may, by unanimous action only, modify the above provisions to achieve administrative efficiency as long as there is no substantive change in basic purpose or intent.

2. Unemployed persons who are eligible to receive supplementary unemployment benefits under this Agreement shall have full coverage under the Health and Welfare program set forth under Article XXI-A, and the Death Benefit set forth under Section E below. The Supplementary Fund shall pay for such benefits an amount equal to the current hourly contribution established by such plans, multiplied by 150 times the number of employees eligible to receive said benefits.

E. DEATH BENEFIT FUND.

1. Effective July 27, 1975, the Employer agrees to contribute one and three-quarters cents (1.75¢) on all straight-time hours worked by all employees covered by this Agreement. Effective October 1, 1975, based on hours worked in September 1975, the Employer agrees to contribute one cent (1¢) on all straight-time hours worked by all employees covered by this Agreement. Such contributions shall be made to the Southern California Retail Clerks Unions and Food Employers Joint Death Benefit Fund to be trustee and administered in accordance with existing law and in accordance with the Declaration of Trust. Such Trust shall be administered by the administration office of the Southern California Retail Clerks Unions and Food Employers Pension Trust Fund; provided, however, that it shall be and remain at all times a separate trust entity. Said contributions shall be for the sole purpose of providing death benefits for eligible employees. Such Trust shall provide benefits to employees, their spouses and dependents, who are eligible under the eligibility rules of the Health and Welfare Trust Fund provided for in this Agreement, on the basis of a five thousand dollar (\$5,000) death benefit for such employees, with an additional one thousand dollar (\$1,000) death benefit to eligible employees for each additional completed year of industry service up to a maximum of ten thousand dollars (\$10,000) beginning as of the employee's sixth (6th) anniversary as follows:

Number of Years of Completed Industry Service	\$5,000 Basic Plus Additional Death Benefit
6	\$ 6,000
7	7,000
8	8,000
9	9,000
10	10,000

Such Trust shall additionally provide the standard (employees only) accidental death and dismemberment benefit equal in an amount to that which is provided under the Death Benefit Fund.

There shall be a one thousand dollar (\$1,000) death benefit for such spouse and dependents.

2. (a) For persons receiving pension benefits prior to March 31, 1969, and eligible to receive retiree health and welfare benefits, said Trust shall also provide death benefits for retired employees receiving benefits under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund, based on the formula of fourteen (14) times such employee's monthly basic pension benefit, provided that the death benefit for retired employees shall not be less than one thousand dollars (\$1,000) or more than two thousand five hundred dollars (\$2,500) in any event. The above formula applies to the basic pension benefit for the individual and is not to be affected by the retiree's election of any alternative pension payment of coannuity, Social Security integration or early retirement.

(b) For persons whose pension benefits start on or after April 1, 1969, but prior to April 1, 1972, and eligible to receive retiree health and welfare benefits, said Trust shall provide death benefits for retired employees receiving benefits under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund, based on the formula of eleven (11) times such employee's monthly basic pension benefit, provided that the death benefit for retired employees shall not be less than one thousand dollars (\$1,000) or more than two thousand five hundred dollars (\$2,500) in any event. The above formula applies to the basic pension benefit for the individual and is not to be affected by the retiree's election of any alternative pension payment of coannuity, Social Security integration or early retirement.

(c) For persons whose pension benefits start on or after April 1, 1972; but prior to August 1, 1975, and eligible to receive retiree health and welfare benefits, said Trust shall provide death benefits for retired employees receiving benefits under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund, based on the formula of eight (8) times such employee's monthly basic pension benefit, provided that the death benefit for retired employees shall not be less than one thousand dollars (\$1,000) or more than two thousand five hundred dollars (\$2,500) in any event. The above formula applies to the basic pension benefit for the individual and is not to be affected by the retiree's election of any alternative pension payment of coannuity, Social Security integration or early retirement.

(d) For persons whose pension benefits start on or after August 1, 1975, and eligible to receive retiree health and welfare benefits, said Trust shall provide death benefits for retired employees receiving benefits under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund, based on the formula which is equal to the sum of eight (8) times seven and one-half ($7\frac{1}{2}$) for service credits earned in the first ten (10) years and eight (8) times thirty-two and one-half ($32\frac{1}{2}$) for service credits earned in the second ten (10) years, provided that the death benefit for retired employees shall not be less than one thousand dollars (\$1,000) or more than two thousand five hundred dollars (\$2,500) in any event. The above formula applies to the basic pension benefit for the individual and is not to be affected by the retiree's election of any alternative pension payment of coannuity, Social Security integration or early retirement.

(e) The rules and requirements regarding break in service resulting in loss of credited service shall be identical to those established in the Southern California Retail Clerks Unions and Food Employers Joint Vacation Trust Fund.

3. The death benefits to be provided by this Fund shall be maintained for the duration of this Agreement, and the Employer agrees to contribute whatever amount is determined to be necessary by the Trustees of said Fund to provide for such maintenance.

4. In the event that a beneficiary having at least four (4) years of credited service under the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund becomes permanently and totally disabled and the same is established to the satisfaction of the Trustees, such beneficiary shall retain his right to be paid a sum equal to the death benefit provided herein, which upon his death shall be paid to his designated beneficiary. This provision shall not apply to spouses, dependents, or retirees.

5. The Trustees are directed to establish funding policy as determined necessary on a sound actuarial basis consistent with the following:

In order to fulfill the obligation of the Employers under this Agreement, it is agreed that if a time should come when this Agreement is terminated and, if at such time, or thereafter, the Employer no longer has a legal duty under the National Labor Relations Act to make contributions into the Death Benefit Fund, the Employer shall continue to make contributions, in accordance with an equitable formula developed by the Trustees, which will be sufficient to provide accrued benefits under this Agreement or until the date a new collective bargaining agreement providing for contributions is executed, whichever occurs first.

F. VACATION TRUST FUND.

1. The Employer agrees to continue to contribute two and one-half cents ($2\frac{1}{2}\text{¢}$) per hour, on all straight-time hours worked by all employees covered by this Agreement. Such contributions shall be made to the Southern California Retail Clerks Unions and Food Employers Joint Vacation Trust Fund, to be trustee and administered in accordance with existing law and in accordance with the Declaration of Trust. Such Trust shall be administered by the administrative office of the Southern California Retail Clerks Unions and Food Employers Joint Pension Trust Fund, provided, however, that it shall be and remain at all times a separate trust entity. Said contributions shall be for the sole purpose of providing vacation pay for eligible employees.

2. For the purpose of providing vacation pay, service in the food industry is defined as credited service with Employers signatory to this Agreement, or predecessor agreements covering retail food stores in Southern California. Credited service means the regular, continuous employment in the Southern California Food Industry and is based on straight-time hours worked in a position covered by a union contract. If 1800 hours or more are worked in a calendar year a full year's credit will be given for that year. If less than 1800 hours are worked in a calendar year, a credit of one-twelfth of a year will be given for each 150 hours worked. This credited service determines the industry vacation date. Benefits shall be provided by the Vacation Trust Fund to eligible employees on the basis of two (2) weeks' vacation pay after two (2) years' service in the food industry, as defined above; three (3) weeks' vacation pay after five (5) years of such service; four (4) weeks' vacation pay after fifteen (15) years of such service; and five (5) weeks' vacation pay after twenty (20) years of such service; provided, however, that no employee shall be eligible for benefits from the Vacation Trust Fund unless and until said employee has qualified to receive a vacation under Article V, Sections A, B, or C,

from his Employer; and provided further, that no employee shall be entitled to benefits from the Vacation Trust Fund to the extent that he is entitled to receive vacation benefits directly from his Employer on account of service with that Employer. In no event shall there be any duplication of vacation pay by the Trust with respect to vacation benefits received from the individual Employer. The rules and requirements regarding breaks in service resulting in loss of credited service shall be identical to those in effect in the Vacation Trust Fund on March 31, 1972.

3. The Vacation Trust Fund shall not provide benefits to an employee who is terminated for admitted or proven dishonesty.

4. The vacation pay benefits to be provided by the Vacation Trust Fund shall be maintained for the duration of this Agreement, and the Employer agrees to contribute whatever amount is determined to be necessary by the Trustees of said Fund to provide for such maintenance.

5. The Trustees are directed to establish a funding policy as determined necessary on a sound actuarial basis consistent with the following:

In order to fulfill the obligation of the Employers under this Agreement, it is agreed that if a time should come when this Agreement is terminated and, if at such time, or thereafter, the Employer no longer has a legal duty under the National Labor Relations Act to make contributions into the Vacation Trust Fund the Employer shall continue to make contributions, in accordance with an equitable formula developed by the Trustees, which will be sufficient to provide accrued benefits under this Agreement or until the date a new collective bargaining agreement providing for contributions is executed, whichever occurs first.

The Trustees shall annually review and actuarially evaluate the condition of the Fund and in the event that surplus monies over and above those required, and reasonably foreseen to be required to provide the benefits are on hand, the Trustees are directed to suspend contributions for the required period of time that will result in the establishment of reserves no greater than the equivalent of three (3) months' claims cost.

G. PAYMENT OF CONTRIBUTIONS. Payment of contributions by the Employer required to be made to one or more of the Trusts established under this Article XXI shall be made on or before the twentieth (20th) day of each month based upon hours worked exclusive of overtime hours during the preceding calendar month by each employee covered by the collective bargaining agreement. Such payments shall be accompanied by a list of the names of the employees for whom such contribution is made, showing the number of hours worked, exclusive of overtime hours, by each such employee during the preceding calendar month. Time during vacation periods, sick leave, jury duty and holiday absences which is paid for as provided for under the collective bargaining agreement herein referred to and all work performed on Sundays and holidays, exclusive of daily or weekly overtime, shall be considered as time worked, to which the provisions of this Article shall apply. Contributions shall not be made for payments made on the basis of industry experience as set forth in Article V, Section D, and unused sick leave paid in accordance with Article XIV, Section E. The Employer, by payment of the amounts provided for in this Article, shall be relieved of any further liability and shall not be required to make any further contributions to the cost of the benefits, either in connection with the administration of the plans or otherwise. The last payment due under this Agreement shall be made on or before the twentieth (20th) day of August 1984, for the month of July 1984, except as provided in Section A-4-(b) of this Article.

The parties recognize and acknowledge that the regular and prompt filing of accurate Employer reports and the regular and prompt payment of correct Employer contributions to the Trusts is essential to the proper management of the Funds, and that it would be extremely difficult, if not impossible, to fix the actual expense and damage to the Trusts which would result from the failure of an individual Employer to make such accurate reports and to pay such accurate monthly contributions in full within the time specified above. Therefore, the amount of damage to the Trusts resulting from failure to file accurate reports or pay accurate contributions within the time specified shall be presumed to be the sum of fifteen dollars (\$15.00) or ten percent (10%) of the amount of the contribution or contributions due, whichever is greater, for each inaccurate or delinquent report or contribution. These amounts shall become due and payable to the Trusts as liquidated damages and not as a penalty upon the day immediately following the date on which the report or the contribution or contributions become delinquent. Liquidated damages shall be paid for each delinquent or inaccurate report or contribution and shall be paid in addition to any contributions due. In the event the Trustees shall incur any cost for the collection of said delinquency, the delinquent Employer hereby agrees to pay said additional cost including reasonable attorney's fees. The imposition of the liquidated damages described above shall require affirmative action of the Trustees following examination of periodic delinquency reports from the Administrator.

H. BUSINESS EXPENSES. It is understood that the provisions of this Article are being entered into upon the condition that the payments made by the Employer hereunder shall be deductible as business expenses under the Internal Revenue Code as it presently exists or as it

may be amended subsequent to the date of this Agreement and under any similar applicable state revenue or tax laws.

I. TRUSTEES.

1. The Board of Trustees of the Benefit Fund, Supplementary Unemployment and Supplementary Disability Benefit Fund, and the Joint Pension Trust Fund, provided for in Sections A, B, C, D, E, and F, shall be composed of an equal number of Trustees appointed by Locals Unions Nos. 137, 324, 770, 899, 905, 1167, 1222, 1428 and 1442, on the one hand and Food Employers Council, Inc., on the other hand. Each Local Union shall be empowered to designate a Trustee to said Board and the Food Employers Council, Inc., shall be empowered to appoint an equal number of Employer Trustees.

2. Notwithstanding anything to the contrary contained in this Agreement, Food Employers Council, Inc., shall have the option, at all times hereunder, to designate no less than three (3) or more than nine (9) Employer-appointed Trustees as the Employer-appointed Trustees, on any or all of the Trust Funds provided for in Sections A, B, C, D, E and F of this Article. If Food Employers Council, Inc., should exercise this option, such Trustees shall have voting and all other powers equal to the nine (9) Union-appointed Trustees. In such event, each of the Employer-appointed Trustees shall have an equal number of votes so that the Employers and the Unions shall be equally represented in the administration of the Trust.

3. The Trustees of the respective Trust Funds are hereby authorized and directed to make any necessary or desirable amendments to the respective Agreements and Declarations of Trust so as to provide for the foregoing.

J. PRESERVATION OF TRUST FUNDS. The Employer and the Union hereby agree that each and all of the existing Trust Funds provided for in Sections A, B, C, D, E and F, respectively of this Article, shall be continued for the life of this Agreement. In order to preserve and maintain the existence of these Trust Funds, the parties hereto expressly agree that neither the Employer nor the Union shall enter into any agreement or understanding nor undertake to dissolve, sever, partition or divide any of these Trust Funds. It is also agreed and understood between the parties hereto that during the term of this Agreement each and all of these Trust Funds shall continue to be administered at a central neutral location.

K. ACCEPTANCE OF TRUSTS.

1. The Employer and the Union hereby accept the terms of the existing Benefit Fund, Supplementary Unemployment and Supplementary Disability Benefit Fund, and the Joint Pension Trust Fund, together with the terms of all other existing Trust Agreements referred to in this Article XXI. By this acceptance the Employer agrees to and shall become a party to each of said Trusts with the same force and effect as though the Employer had executed the original Declarations.

2. Any amendments that from time to time may be made thereto, including the creation of supplementary trusts to handle any of the funds referred to in this Agreement, shall be binding upon the Employer.

3. The Employer and the Union hereby agree to amend the Trust Agreements of the various funds referred to in Paragraph 1 above in order to comply with the terms of this Article XXI.

4. The Employer hereby accepts and designates the existing Employer Trustees and any additional or successor Trustees under these Trust Agreements as may be appointed under these Trust Agreements by the Food Employers Council, Inc., in accordance with the procedures set forth in such Trust Agreements.

ARTICLE XXII

OPERATIONAL CHANGES

It is agreed that should the Employer intend to institute electronic checkout systems which result in the removal of price-marking from the stores which would have direct, material impact on employment covered by this Agreement, the Employer shall give to the affected Union or Unions at least sixty (60) 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 shall commence with respect to the following subjects: rates of pay for new jobs which might be created; transfer to comparable work, within or outside the bargaining unit or the disposition of displaced employees resulting from the institution of such new methods.

In the event the parties do not reach agreement within such period, then all unresolved issues as set forth above shall be submitted to final and binding arbitration. It is not the intent of the

parties that such negotiations or arbitrations will in any way jeopardize the efficiencies and increased productivity to be gained by the installation of such systems. The arbitrator shall be selected in accordance with the provisions of Article XIII.

The parties further agree that the arbitrator's decision shall be final and binding, and that there will be no strikes, work stoppages, lockout, or economic action of any sort or form employed by either party in connection with or arising out of any dispute concerning or related in any way to the operation of this Article.

It is agreed and expected that the parties will exert every effort to accomplish the foregoing within the sixty (60) day allotted period, but failing to do so, shall not prohibit or in any way impede the Employer from installing or effectuating any such new methods, systems, or equipment upon the expiration of the allotted sixty (60) day time period, unless such period is extended by mutual written agreement. The decision of the arbitrator or the parties shall be effective on or retroactive to the date such new methods are installed. The cost of the impartial arbitrator shall be borne equally by the parties.

ARTICLE XXIII

EXPIRATION AND RENEWAL

This Agreement shall be in effect from July 27, 1981, to and including July 29, 1984, 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 July 29, 1984, or at least sixty (60) days prior to any subsequent July 29, of any succeeding year of its desire to alter, amend, or terminate this Agreement.

SIGNED _____ DAY OF _____, 198_____

FOR THE EMPLOYER:

FOR THE UNION:

LOCAL _____

dba _____

By _____
(name)

By _____
(name)

(title)

(title)

Address _____

City _____ Zip _____

Phone _____

NAMES OF PARTNERS:

APPENDIX B

Hourly Wage Rates

	<u>7-27-81</u>	<u>2-1-82</u>	<u>7-26-82</u>	<u>1-31-83</u>	<u>8-1-83</u>	<u>1-30-84</u>
FOOD CLERK						
Department Head	\$ 10.745	\$ 10.995	\$ 11.59	\$ 11.79	\$ 12.385	\$ 12.635
Experienced Clerk	9.9025	10.1525	10.7025	10.9025	11.4525	11.7025
<u>Apprentices:</u>						
4th 520 straight-time hours	8.9125	9.1375	9.6325	9.8125	10.3075	10.5325
3rd 520 straight-time hours	7.9225	8.1225	8.5625	8.7225	9.1625	9.3625
2nd 520 straight-time hours	6.9375	7.1125	7.4975	7.6375	8.0225	8.1975
1st 520 straight-time hours	5.945	6.095	6.425	6.545	6.875	7.025
Clerk's Helpers	4.9525	5.0775	5.3275	5.4275	5.6775	5.8025
*Clerk's Helpers	4.50	4.50	4.50	4.50	4.50	4.50
2nd 6 months	4.25	4.25	4.25	4.25	4.25	4.25
1st 3 months	4.00	4.00	4.00	4.00	4.00	4.00
BAKERY, HEALTH & BEAUTY AIDS & HOUSEHOLD HARDWARE CLERKS (Hired prior to 8-7-81)						
Department Head	9.4125	9.65	10.1725	10.3625	10.885	11.1225
Experienced Clerk	8.4875	8.7025	9.175	9.3475	9.82	10.035
<u>Apprentices:</u>						
3rd 520 straight-time hours	7.9225	8.1225	8.5625	8.7225	9.1625	9.3625
2nd 520 straight-time hours	6.9375	7.1125	7.4975	7.6375	8.0225	8.1975
1st 520 straight-time hours	5.945	6.095	6.425	6.545	6.875	7.025
GENERAL MERCHANDISE CLERKS (Hired prior to 8-7-81)						
Department Head	7.82	8.0175	8.4525	8.61	9.045	9.2425
Experienced Clerk	6.92	7.095	7.48	7.62	8.005	8.18
<u>Apprentices:</u>						
3rd 520 straight-time hours	6.2225	6.38	6.725	6.85	7.195	7.3525
2nd 520 straight-time hours	5.5175	5.6575	5.965	6.0775	6.385	6.525
1st 520 straight-time hours	4.845	4.9675	5.2375	5.335	5.605	5.7275
**GENERAL MERCHANDISE CLERKS (Hired on or after 8-7-81)						
Department Head	7.275	7.4575	7.8625	8.01	8.4125	8.5975
Experienced Clerk	6.4375	6.60	6.9575	7.0875	7.445	7.6075
<u>Apprentices:</u>						
3rd 520 straight-time hours	5.795	5.94	6.2625	6.38	6.70	6.8475
2nd 520 straight-time hours	5.15	5.28	5.565	5.67	5.955	6.085
1st 520 straight-time hours	4.505	4.62	4.87	4.96	5.2125	5.325
SNACK BAR, TAKE-OUT FOOD RATES						
<u>Category 1 (see Article VI, Paragraph R-1)</u>						
Department Head - Combined Food	5.5025	5.6425	5.9475	6.0575	6.3625	6.5025
Department Head - Snack Bar	5.295	5.4275	5.7225	5.83	6.125	6.2575
Snack Bar	4.9525	5.0775	5.3525	5.4525	5.7275	5.8525
<u>Category 2 (see Article VI, Paragraph R-2)</u>						
Department Head -						
Combined Snack Bar	7.135	7.315	7.7125	7.8575	8.255	8.435
After 1040 straight-time hours	6.4875	6.6525	7.0125	7.1425	7.5025	7.6675
2nd 520 straight-time hours	6.185	6.34	6.6825	6.8075	7.15	7.305
1st 520 straight-time hours	5.8775	6.025	6.3525	6.47	6.7975	6.945
GENERAL MERCHANDISE CLERKS HIRED PRIOR TO 4-1-69						
Department Head	9.4125	9.65	10.1725	10.3625	10.885	11.1225
Experienced Clerk	8.4875	8.7025	9.175	9.3475	9.82	10.035

* Clerk's Helper rate for employees hired on or after August 7, 1981.

** General Merchandise rate for employees (classification shall include all merchandise presently being handled by Drug Clerks, by Health and Beauty Aids and Household Hardware Clerks, by Bakery Clerks, by General Merchandise Clerks, by clerks handling nursery and florist merchandise, and by clerks handling insecticides) hired on or after August 7, 1981.

APPENDIX C
GEOGRAPHICAL JURISDICTION OF THE
UFCW (RETAIL CLERKS) UNION LOCALS

The geographical jurisdiction of the Local Unions as referred to in Article I of this Agreement is defined as follows:

LOCAL 137

Kern, Inyo and Mono Counties.

LOCAL 324

Orange County and Long Beach, California, including Orange County, Long Beach area west to Alameda, Alameda north to 168th Street, west to Central Avenue, north to Rosecrans Avenue, east to Alameda, north to Pacific Electric tracks, southeast on Pacific Electric tracks to the Los Angeles River, north to San Gabriel Boulevard, southeast from San Gabriel Boulevard to Orange County line at Fullerton Road.

LOCAL 770

From Ventura County line east along the line on jurisdictional map south of Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset Boulevard to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to line marked on jurisdictional map, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, to Alameda Street, Alameda Street north to Pacific Electric tracks, Pacific Electric tracks southeast to Los Angeles River, north to Rio Hondo River, Rio Hondo River north as outlined on jurisdictional map, continuing to Kern County. Kern County line west to Ventura County line. South along Ventura County line to the line on the jurisdictional map.

LOCAL 899

Santa Barbara, Ventura and San Luis Obispo Counties.

LOCAL 905

South to Imperial Boulevard, south on Crenshaw Boulevard, south to Newton Street, west to the Pacific Ocean and south to the Pacific Ocean, north on Alameda Boulevard to Greenfield Street, west on Greenfield Street to Central Avenue to Rosecrans, east to Alameda and north on Alameda to Imperial Boulevard. Also included is Catalina Island.

LOCAL 1167

Imperial County, Riverside County, and San Bernardino County west to Archibald Avenue, extending due north and south.

LOCAL 1222

San Diego County.

LOCAL 1428

Archibald Avenue in San Bernardino County, extending due north and south, the Orange County line to the Rio Hondo River, the Rio Hondo River north through Crystal Lake to the Kern County line, the Kern County line east to Archibald Avenue.

LOCAL 1442

Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton, and west to the Pacific Ocean.

NOTE: The above boundaries do not include all of the detail shown on the jurisdictional map which is the final authority.

APPENDIX D

JULY 22, 1981, SENIORITY LETTER

1. The Employer will supply the Union with a list of "available" clerks within sixty (60) days subsequent to ratification. The list will designate availability for any full-time opening as follows:
 - a. Within their own store only.
 - b. Within twenty-five (25) miles of their home, including their own store.
 - c. Within the Union's jurisdiction.

The list will be resubmitted subsequent to the contract option dates. The Employer will continue to notify the Union of changes of status and hires, indicating full-time and part-time, as well as availability or self-restricted. The availability designation will also indicate the availability area expressed above.

2. An "available" clerk to be laid off may exercise seniority within twenty-five (25) miles of the employee's last known address. If the employee cannot exercise seniority within twenty-five (25) miles, the employee's seniority shall be applied to the least senior employee within the Local Union's jurisdiction. An employee bumped by the more senior employee exercising seniority within the twenty-five (25) mile area shall exercise seniority only over the least senior position in the Local Union's jurisdiction.
3. Skills and ability are recognized for the Employer's assignment of Department Heads, third (3rd) persons, and P.I.C.'s (persons-in-charge), who shall be designated on the schedule. The P.I.C.'s to be excused from the application of seniority must be in charge for eighty (80) hours, or more, per calendar month (100 hours in a five-week month). The aforesaid exclusions from the remedy shall apply only to employees promoted to that position from a former clerk's position with his present Employer.
4. In the event an employee attains sixteen (16) consecutive full-time weeks of employment, the one-for-one remedy shall apply. The Employer's obligation to promote the most senior "available" part-time clerk commences upon the Union's written notification to the Employer of the fact.
5. The Employer shall have the right to transfer full-time employees from one Local Union's jurisdiction to another Local Union's jurisdiction, without penalty. Such transferred employees shall retain all their seniority rights. There shall be no layoffs or reduction in hours as a direct result of such transfer.

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006707

DECEMBER 15, 1981

This report is authorized by law 29 U.S.C. 2.
Your voluntary cooperation is needed to make
the results of this survey comprehensive,
accurate, and timely.

Form Approved
O.M.B. No. 1220-0001

RECEIVED
FOOD EMPLOYERS
COUNCIL, INC.
LOS ANGELES, CALIF.

JUL 6 1982 -R

DEC 17 1981

OFFICE OF THE PRESIDENT
FOOD EMPLOYERS COUNCIL INC
~~2599 SOUTH FLOWER STREET~~
LOS ANGELES, CA. 90007

PLEASE
CHANGE ADDRESS

PREVIOUS AGREEMENT EXPIRED
JULY 26, 1981

Respondent:

We have in our file of collective bargaining agreements a copy of your agreement(s):

FOOD EMPLOYERS CNCL INC & IND RETAIL OPERS CALIF LUS WITH RETAIL CLERKS
CALIFORNIA

Would you please send us a copy of your current agreement—with any supplements (e.g., employee-benefit plans) and wage schedules—negotiated to replace or to supplement the expired agreement. If your old agreement has been continued without change or if it is to remain in force until negotiations are concluded, a notation to this effect on this letter will be appreciated.

I should like to remind you that our agreement file is open for your use, except for material submitted with a restriction on public inspection. You may return this form and your agreement in the enclosed envelope which requires no postage.

Sincerely yours,

Janet L. Norwood

JANET L. NORWOOD
Commissioner

9-30-85
changed address
of 2852
9-4-85

PLEASE RETURN THIS LETTER WITH
YOUR RESPONSE OR AGREEMENT(S).

If more than one agreement, use back of form for each document. (Please Print)

1. Approximate number of employees involved 65,000
2. Number and location of establishments covered by agreement various food retailers in Southern California
3. Product, service, or type of business retail food industry
4. If your agreement has been extended, indicate new expiration date _____

Delfina Vives
Your Name and Position

(213) 538-5010
Area Code/Telephone Number

Food Employers Council P.O. Box 4587 Carson, CA 90749
Address City/State/ZIP Code