UNITED FOOD AND COMMERCIAL WORKERS UNION

ABCO MARKETS, INC.
Clerk Agreement

Maricopa County and
Pima County, Arizona

Term of Agreement:
October 26, 1997 - October 29, 2000

Approximately 1,700 employees
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THIS AGREEMENT made and entered into this 26th day of October, 1997 by and between ABCO, Inc., first party, hereinafter called "Employer", and UFCW Local 99 (Retail Clerks), chartered by United Food and Commercial Workers International Union, affiliated with the AFL-CIO, second party, hereinafter called the "Union".

INTENT AND PURPOSE

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

ARTICLE 1 - RECOGNITION OF THE UNION

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

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

The Employer hereby agrees to continue, for the term of this Agreement, the existing, respective practices with respect to resolving issues of whether Local 99 represents a majority of the employees in a bargaining unit and granting the Union access to new hires.

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

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

ARTICLE 2 - UNION STORE CARD

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

ARTICLE 3 - DISCHARGE OF AND DISCRIMINATION AGAINST EMPLOYEES

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

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

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

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

Sexual harassment is defined to include:

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

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

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

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

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

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

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

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

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

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

**ARTICLE 4 - JOB POSTING/ CAREER ADVANCEMENT**

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

**ARTICLE 5 - SENIORITY**

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

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

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

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

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

(d) Courtesy Clerks shall have store seniority only.

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

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

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

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

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

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

(i) The most senior Courtesy Clerk who is available and qualified to perform the work shall be given first consideration for promotion to Apprentice Clerk openings.

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

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

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

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

In the event an employee transfers back to a previous classification, that
employee will retain previously acquired seniority within that classification.

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

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

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

ARTICLE 6 - WORKING RULES AND OVERTIME

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

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

A part-time employee who works at least forty (40) hours a week (in his/her “home” store) in sixteen (16) consecutive weeks shall become a full-time employee. A specific individual’s assignments to temporary vacancies caused by vacations, illness, injury or leave of absence shall neither count toward nor interrupt the aforesaid accumulation of sixteen (16) consecutive weeks.
(c) **Work Day:** The basic work day shall be eight (8) hours to be worked within a period of nine (9) consecutive hours, or ten (10) hours to be worked within a period of eleven (11) consecutive hours. A minimum of ten (10) hours shall elapse between the end of an employee's regularly scheduled straight-time shift and the start of an employee's next following regularly scheduled straight-time shift, provided however, this shall not apply in the event of an emergency. Employees who are scheduled to work without ten (10) hours between shifts shall be paid in addition to their regular straight-time hourly rate, a premium of one dollar and fifty cents ($1.50) per hour for such overlap time. There shall be no scheduled split shifts.

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

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

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

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

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

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

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

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

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

(j) **Holiday Week:** A basic holiday workweek shall consist of the holiday itself and four (4) other eight (8) hour days. A full-time employee not working on a holiday shall receive eight (8) hours' pay for the holiday, in addition to the pay specified in the Agreement for the four (4) days referred to above. All time worked over thirty-two (32) hours, exclusive of the holiday in the basic holiday week, shall be paid for at the rate of time and one-half (1 1/2x) the employee's regular rate of pay.

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

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

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

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

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

(o) **Twenty Hour Guarantee**

Effective June 28/29, 1998, except for (a) Courtesy Clerks, (b) employees who so limit their availability such that, consistent with the Employer's business
needs, the Employer cannot schedule that employee twenty (20) hours per workweek, and (c) employees in their current classification of employment for less than one (1) year, the employer shall schedule employees no less than twenty (20) hours per week, unless doing so will result in a violation of Arizona child labor laws.

ARTICLE 7 - VACATIONS

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

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

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

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

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

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

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

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

Employees eligible for vacation, who have completed one (1) year or more of continuous employment and who are laid off or terminate their employment with the Company, will receive any earned and unused vacation pay on a prorated basis unless said employees are discharged for just cause.

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

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

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

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

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

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

**ARTICLE 8 - WAGES**

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

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

(c) **Sunday Premium:** One and one-half times (1 ½) the straight-time hourly rate shall be paid to all employees for all work performed on Sunday. All Courtesy Clerks hired on or after January 1, 1984 will receive a premium of fifty cents ($ .50) per hour only for all work performed on Sunday. No Courtesy Clerk hired prior to
January 1, 1984 will be discriminated against with respect to Sunday Work. Sunday premium for employees (other than those listed below) shall receive time and one-half (1 1/2) for Sunday work provided:

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

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

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

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

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

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

(g) Prior Experience: Prior experience shall be defined as previous, provable, comparable work experience within the past three (3) years from the date of present employment and shall be the basis for determination of an employee's rate of pay. For credit to be given, the employee must indicate the experience at the time of employment on the application for employment furnished by the Employer. Comparable work experience shall be work of similar duties in a retail supermarket. Work in convenience stores, non-food retail (except for non-food clerks) and self-employment shall not be considered as comparable work experience. Employees
ABCO Markets, Inc.

whose prior experience was not at ABCO will start one step below the proper wage classification. Wage placement will be only in full increments and employees must complete the full required hours in each remaining step as set forth in Appendix A-Wages.

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

**ARTICLE 9 - JURY DUTY**

(a) Employees shall become eligible for the following after completion of twelve (12) consecutive months of continuous employment with the Employer. When an employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned, he shall be scheduled for a day shift on a Monday through Friday workweek and shall receive pay during such workweek for each day on such jury service at the rate of eight (8) hours times his straight time hourly rate (except in the case of a part-time employee) the number of hours regularly scheduled on the day in question, less any remuneration received by him for jury service.

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

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

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

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

**ARTICLE 10 - GENERAL CONDITIONS**

(a) **Cash Register Shortages:** No employee shall be held responsible for cash register shortages, unless he is given the privilege of checking the change and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash register during the work shift, except when management exercises its right to open the register during the employee's work shift, in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or all deposits. No employee shall be required to make good any bad checks cashed, unless said checks are cashed in violation of posted store rules and regulations.
(b) **Store Meetings:** Employees may be required to attend up to two (2) store meetings a year at their regular hourly rate for the actual time spent at the meeting. However, up to two (2) additional meetings may be held in a year for exceptional circumstances (e.g., introduction of new equipment) at the regular hourly rate, for the actual time spent at the meeting.

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

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

(e) Space will be provided by the Employer to the Union for the posting of official Union notices which have been previously approved by the designated representative of the Employer.

(f) No Employer shall require any employee to submit to or take a polygraph or electronic lie detector test or examination as a condition of continued employment.

(g) The Employer will not use the scheduling of work shifts as a disciplinary measure.

(h) Any employee who fails to report for work as scheduled and fails within twenty-four (24) hours thereafter to personally provide store management with sufficient reason to have prevented the employee from reporting to work shall be considered a voluntary quit. Notwithstanding the foregoing, in the event that an employee fails to report for work as scheduled or contact store management within twenty-four (24) hours thereafter, as required above, as a result of serious mitigating circumstances beyond his/her control, such employee shall be granted an additional twenty-four (24) hours to present the Employer with valid documentation or other persuasive evidence acceptable to the Employer confirming the employee's inability to report for work as scheduled or personally contact store management within the time limits set forth above. An employee satisfying this criteria shall have his/her voluntary termination vacated, with the involved time period considered an excused absence. Any dispute arising out of the application of this Section shall be subject to the Agreement's grievance and arbitration procedure.

**ARTICLE 11 - LEAVES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ARTICLE 12 - UNION DUES DEDUCTION**

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

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

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

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

Such Active Ballot Club deductions will be done weekly and remitted to the
Union monthly during the term of this Agreement unless the authorization is canceled with the Union, in writing, by the employee.

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

ARTICLE 13 - PAYROLL RECORDS

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

ARTICLE 14 - VISITS TO STORES

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

(b) In making visits to the store as provided in this Article, the Union representative shall not engage more than one (1) employee in conversation at the same time and discussion shall be limited to give ten (10) minutes with any employee during working hours.

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

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

ARTICLE 15 - HOLIDAYS

(a) Paid Holidays: The Employer agrees that the following days shall be considered holidays and granted without reduction in pay:
New Year's Day  Independence Day
Thanksgiving Day  Labor Day
Christmas Day  Employee's Birthday
Anniversary Date of Employment  Two (2) Floating Holidays

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

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

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

(b) **Holiday Premium:** All hours worked on any holiday shall be payable at the rate of one and one-half (1 ½) times the employee's regular hourly rate of pay in addition to holiday pay as provided for in the schedule below. Said rate shall include any premium pay or overtime that may be applicable.

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

Such Birthday Holiday shall be enjoyed by the employee on the actual date of his birth, or on another day mutually agreeable to the employee and the Employer during the week preceding, the week of, or the week following the actual week of the employee's birthday.

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Average Hours</th>
<th>Holiday Pay</th>
</tr>
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<tbody>
<tr>
<td>20 to 24 hours</td>
<td>4 hours</td>
</tr>
<tr>
<td>Over 24 hours</td>
<td>6 hours</td>
</tr>
<tr>
<td>Over 31 hours</td>
<td>8 hours</td>
</tr>
</tbody>
</table>

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

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

(h) In the event the store is open on Thanksgiving and/or Christmas, the Company shall first take volunteers, by seniority. If there are insufficient volunteers to staff the store the employees shall be scheduled in inverse seniority order.

The Employer further agrees that no employee will be required to work after 7:00 p.m. on Christmas Eve unless principal competition in the area is open.

**ARTICLE 16 - BOND**

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

**ARTICLE 17 - GRIEVANCE AND ARBITRATION**

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

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

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

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

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

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

(d) **Grievance Procedure:**

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

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

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

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

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

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

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

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

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

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

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

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

(l) Disciplinary arbitrations (generated after the date of ratification) shall be heard without the use of a court reporter or briefs. The parties will present their evidence and witnesses and argue orally. At the conclusion of the arbitration hearing but before issuance of the bench decision, the Union and Employer shall meet in a good faith attempt to resolve the grievance. If the parties are unable to settle the grievance, the arbitrator shall announce his/her bench decision. The above mentioned understanding shall be implemented for a twelve (12) month trial period or for three (3) arbitrations, whichever occurs first. At the conclusion of this period, this provision shall automatically become null and void unless mutually extended by the parties.
ARTICLE 18 - VALIDITY OF PROVISIONS

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

ARTICLE 19 - NO STRIKE OR LOCKOUT

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

ARTICLE 20 - HEALTH AND WELFARE/DENTAL

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

For the purpose of this Article, hours worked shall include hours paid directly by the Company for: straight-time, overtime, premium hours, sick leave, jury duty pay, and vacation pay.

Contributions

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

During the term of this Agreement, the employer agrees to contribute the rate necessary to maintain the benefits in effect as of December 1, 1997, as modified herein, plus maintain a two month cash reserve. The contribution rate of Plan B shall remain at 80% of the Plan A rate.

Effective for contributions due for the work month of July 1998, and thereafter, the Trustees shall convert the monthly contribution rates otherwise payable in accordance with the above paragraphs to a cents per hour contribution rate. The cents per hour contribution rate shall be determined so as to produce the

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same contribution income to the health and welfare plan from the industry as a whole as the appropriate monthly contribution rates would have produced. Contributions shall not be paid for hours worked during the existing six month waiting period. The Trustees shall adjust the cents per hour contribution rate as frequently as necessary, but no less than every six months, to assure the above stated equivalence.

Employees hired after December 17, 1994 and qualifying for the first time for health and welfare coverage will be covered under Plan B. Said employees will continue to be covered under this plan for the first year after becoming eligible. After that time, said employees will be covered under Plan 501-A.

Employees hired on or after January 1, 1998 and qualifying for the first time for health and welfare coverage will be covered under Plan B. Said employees will continue to be covered under Plan B for the first 2 years after becoming eligible. After that time, said employees will be covered under Plan 501-A

**Courtesy Clerk Coverage:**

Courtesy Clerks shall remain covered under the terms of Plan B at all times in accordance with the provisions herein.


A promoted courtesy clerk shall remain covered by the terms of Plan B for a period of not less than two years from such employee's initial date of eligibility.

* The Trustees are directed to investigate all reasonable cost containment measures and implement those which the Trustees jointly agree on.

* The Trustees shall be instructed to review and evaluate the current plan design and funding arrangements for all other plans offered by the Fund to ensure that the plan design can be reasonably supported by the funding available. These plans shall be modified as necessary so that the funding available will support the benefit plan design from an actuarial standpoint without regard to actual experience.

**Legislation:** In the event of legislation providing health and welfare or sick leave benefits which are also provided for under this Agreement, the Trustees are directed to immediately amend the plan document deleting duplicated benefits reducing the Employer contributions by an amount which is not attributable to contributions which may be required from the employee. Any cost reductions attributable to employee contributions will be passed on to the employee through other benefit changes or as appropriate.
ARTICLE 21 - PENSION

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

Effective October 1, 1997 the contribution rate shall be fifty-eight cents ($0.58) per straight-time compensable hour, except as it may be affected by contribution suspensions as provided for herein. No contribution shall be required for hours worked by an employee during his probationary period as provided for in the Agreement.

* Courtesy Clerks shall become covered by the terms of the pension plan beginning January 1, 1998. The employer's contribution obligation to the pension plan shall not be increased (i.e., no contributions will be paid on courtesy clerk hours).

* There shall be a seven-month suspension of contributions beginning January 1, 1998 (hours worked) and the contribution year shall be adjusted accordingly.

* Beginning with January 1, 1999 plan year, contributions shall be suspended based upon a seventeen (17) year amortization. No such suspension shall continue beyond the expiration of the Agreement.

The Trustees of Desert States Employers and UFCW Union Pension Plan shall be authorized and directed to modify the pension plan as follows:

* For each year that the benefit accrual rate is now thirty dollars ($30.00) or thirty-one dollars and fifty cents ($31.50), the accrual rate shall be increased to thirty-five dollars ($35.00).

* For years of Benefit Credit accrued on and after January 1, 1997, the benefit accrual rate shall be forty dollars ($40.00) until such time the participant has accumulated a total of ten years of Benefit Credit (including years that are less than forty dollars ($40.00)). For each year of Benefit Credit accrued thereafter, the benefit accrual rate shall be fifty dollars ($50.00).

The improvements outlined above shall not apply to benefits earned prior to a break in service, and shall only apply to participants who retire on or after January 1, 1998.

* Effective January 1, 1997, the actuarial value of plan assets shall be written up to equal the market value of assets as of that date. In subsequent years, the actuaries shall utilize the same asset valuation method that has been used with a floor equal to ninety percent (90%), and a ceiling of one hundred ten percent (110%) of the market value of assets.
* During each year of this Agreement, the trust fund shall pay a 13th check to retirees who retired prior to January 1, 1998. Thirteenth checks shall be payable in February 1998, 1999 and 2000.

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

ARTICLE 22 - WAIVER

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

ARTICLE 23 - JOB STEWARDS

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

ARTICLE 24 - TERM OF AGREEMENT

This AGREEMENT shall be in effect from October 26, 1997, to and including October 29, 2000 and from year to year thereafter, subject to amendment, alteration or termination by either party upon sixty (60) days written notice given prior to the anniversary date of October 29 of any year beginning with the year 2000. All rights of the Employer not specifically limited by the terms of this Agreement are hereby reserved to the Employer.

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

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Denise Brownell
Vice President Associate Relations

FILE COPY
### APPENDIX "A"

#### WAGE RATES

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<th>CLASSIFICATION</th>
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<td>Next 780 Hours</td>
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<td>Journeyman Clerk</td>
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**PIC** Thirty-five cents ($0.35) per hour premium over Journeyperson Food Clerk rate.

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<tr>
<th></th>
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<tr>
<td>1st 90 Days</td>
<td>5.29</td>
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<td>Next 780 Hours</td>
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<td>*Grandfather</td>
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**Certified Pharmacy Technician** Sixty-five cents ($0.65) per hour premium over Journeyperson over GMC rate.

**GM Department Manager** $2.00 per hour above Journeyperson GMC rate.

**Service Deli/Bakery Department Manager**

| 13.07 | 13.42 | 13.77 |

**Custodians**

| 8.39 | 8.74 | 9.09 |

**Courtesy Clerk**

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<thead>
<tr>
<th>Minimum wage</th>
<th>Minimum wage + $0.15</th>
<th>Minimum wage + $0.30</th>
<th>Minimum wage + $0.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st 90 Days</td>
<td>Minimum wage</td>
<td>Minimum wage + $0.15</td>
<td>Minimum wage + $0.30</td>
</tr>
<tr>
<td>Next 780 Hours</td>
<td>Minimum wage</td>
<td>Minimum wage + $0.15</td>
<td>Minimum wage + $0.30</td>
</tr>
<tr>
<td>Thereafter</td>
<td>Minimum wage</td>
<td>Minimum wage + $0.15</td>
<td>Minimum wage + $0.30</td>
</tr>
</tbody>
</table>
APPENDIX "B"

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

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

(b) **Courtesy Clerks Working at Apprentice Rate**:

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

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

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

4. Courtesy Clerks shall not work as Clerks under this program on Sundays, holidays or the four (4) consecutive lowest sales volume months in the involved stores with the Employer and Union meeting to agree on such four (4) month period applicable to each store. If a Courtesy Clerk performs such work on a Sunday or holiday or during the established four (4) consecutive month period,
he/she shall be paid for eight (8) hours at the journeyman premium rate of pay for the classification in which he/she worked. Further, it is agreed that a Courtesy Clerk shall not be allowed to perform checking duties.

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

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

(d) Certified Pharmacy Technician: The Employer shall have the right to establish the classification of Certified Pharmacy Technician in its pharmacy departments. This classification shall be held by employees successfully completing the National Technician Certification Exam administered by the Arizona Pharmacy Technician Certification Board. Employees assigned by the Employer to the classification of Certified Pharmacy Technician shall be paid a straight-time hourly wage rate which at all times exceeds the contractual straight-time hourly wage rate for non-certified Pharmacy Clerks by sixty-five cents ($0.65) per hour. Certified Pharmacy Technicians successfully completing the probationary period provided for herein shall be eligible for reimbursement by the Employer for expenses associated with taking the National Technician Certification Exam and achieving such certification. Upon written request by the Certified Pharmacy Technician to his/her Pharmacy Manager, and written verification of certification, the Employer shall reimburse a Certified Pharmacy Technician fifty percent (up to $75.00) of the coast for certification one hundred eighty (180) days following receipt by the Pharmacy Technician of such certification, provided such Certified Pharmacy Technician is at that time still employed by the Employer in the Certified Pharmacy Technician classification. Upon written request by the Certified Pharmacy Technician to his/her Pharmacy manager, and written verification of certification, the Employer shall reimburse a Certified Pharmacy Technician the remaining fifty percent (up to $75.00) of the cost for certification three hundred sixty-five (365) days following receipt by the Pharmacy Technician of such certification, provided such Certified Pharmacy Technician is at that time still employed by the Employer in the Certified Pharmacy Technician classification. Nothing contained herein shall prevent the Employer from utilizing employees as non-certified Pharmacy Clerks to perform pharmacy department duties not expressly reserved by statute to the classifications of Pharmacist and/or Certified Pharmacy Technician.
ABCO (MARICOPA AND PIMA COUNTY) AGREEMENT

LETTER OF UNDERSTANDING

Between

ABCO MARKETS, INC.

And

UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 99

COMPETITIVE OPERATIONS

Notwithstanding the provisions of the current collective bargaining agreement between the parties October 26, 1997 through October 29, 2000, either party upon thirty (30) days written notice may, with mutual agreement, reopen the agreement to negotiate its provisions in the event that a competitor in any major line of services comparable to the Company's commences an operation wherein a competitive advantage is enjoyed.

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Denise Brownell
Vice President Associate Relations
LETTER OF UNDERSTANDING

Between

ABCO MARKETS, INC.

And

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

STEWARD SEMINARS

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

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

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Denise Brownell
Vice President Associate Relations
LETTER OF UNDERSTANDING

between

ABCO MARKETS, INC.

and

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

CHRISTMAS DAY STAFFING

Recognizing that a majority of its employees are desirous of not working on Christmas Day, the Employer agrees that unless principle competition in the area remains open for business on December 25, the Employer intends to remain closed for business on December 25, 1998, and December 25, 1999. In the event that principle competition is open on Christmas Day, the Employer will meet with the Union to discuss Christmas Day staffing requirements if the Employer intends to open for business on Christmas Day. If the parties do not agree on staffing, the contract language of Article 14 (b) shall apply.

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Denise Brownell
Vice President Associate Relations
LETTER OF UNDERSTANDING

between

ABCO MARKETS, INC.

and

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

It is agreed that during the life of the current Clerk’s contract that ABCO Markets, Inc. shall maintain the twenty cent ($0.20) differential over the Journeyman General Merchandise Clerk rate of pay for the grandfathered General Merchandise Clerk.

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

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Vice President Associate Relations
LETTER OF UNDERSTANDING

between

ABCO MARKETS, INC.

and

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

1. ABCO agrees to meet with UFCW Local 99 within ninety (90) days of ratification of the new contract to resolve the matter of setting the number of PIC's per store.

2. ABCO agrees not to use propane powered equipment in its stores for the purpose of cleaning the floors

FOR THE UNION:

UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL 99

William T. McDonough
President

FOR THE COMPANY:

ABCO MARKETS, INC.

Denise Brownell
Vice President Associate Relations