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COLLECTIVE BARGAINING AGREEMENT

between

**ACME MARKETS, INC.
EASTERN SHORE**

and

**UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL 27**

SEPTEMBER 24, 2000

TO

SEPTEMBER 28, 2002

7/23/02

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AGREEMENT

THIS AGREEMENT made and entered into this 24th day of September, 2000, between ACME MARKETS, INC., EASTERN SHORE (hereinafter referred to as "Employer") and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 27, chartered by the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, CLC (hereinafter referred to as the "Union").

ARTICLE 1 - SUCCESSORS AND ASSIGNS

1.1 This Agreement shall be binding upon the successors and assigns of the Employer herein whether such status is created by sale, lease, assignment or any other type of transfer transaction, provided the transaction involves at least thirty-five percent (35%) of the Employer's facilities covered by this Agreement.

1.2 The documents evidencing the transfer must contain provisions which require the retention in employment by the successor or assignee of no less than fifty percent (50%) of the bargaining unit employees who would otherwise be displaced by the transaction. Employees retained by the successor or assignee shall be subject to an initial sixty (60) day probationary period, during or at the end of which the employee may be terminated without recourse to the grievances and arbitration procedure as contained in Article 21 of this Agreement. Employees retained after successful completion of their probationary period shall be credited with their seniority accrued as employees of the Employer herein and with full service credit for all purposes. The Employer shall not be a guarantor or be held liable for any breach by the successor or assignee of its obligations, and the Union will look exclusively to the successor or assignee for compliance with the terms of this Agreement.

1.3 The foregoing paragraphs shall not apply in cases of store closing (more than thirty (30) days).

ARTICLE 2 - MANAGEMENT AUTHORITY

2.1 The management of the business in all its phases shall remain vested in the Employer. The rights of the Employer and the employees shall be respected and the provisions of this Agreement for the orderly settlement of all questions regarding such rights shall be observed.

2.2 In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work within the Grocery Department, advance notice of such changes will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

ARTICLE 3 - RECOGNITION

3.1 The Employer recognizes the Union as the sole and exclusive collective bargaining representative for all of its employees (other than Store Director, Assistant Store Director I, Assistant Store Director II, and Pharmacists), coming under the jurisdiction of the United Food and Commercial Workers Union, Local 27, in the stores in the areas set forth in Attachments B and C attached hereto and made a part hereof.

3.2 All work and services connected with, or incidental to, the handling or selling of all merchandise offered for sale to the public in the Employer's retail establishments covered by this Agreement shall be performed only by employees of the Employer within the unit referred to above, for which the Union is recognized as the Collective Bargaining agency by the Employer except such work as may be performed at the point of delivery by driver-salesmen in servicing retail markets with products as described in paragraph B. below.

- A. The provisions of this article shall not be construed as restricting sales representatives from inspecting any and all merchandise for spoilage, proper rotation or replacement; such representatives may price, mark and stock their own products in stores covered within the jurisdiction of this collective bargaining agreement under the terms and conditions of the guarantees as set forth below.
- B. Merchandise referred to above shall include the following: Bread and perishable bakery, sodas, specialty foods, books and magazines, greeting cards, seasonal displays, resets, cookies, snacks and non-food rack jobbers.
- C. The application of this provision shall in no way restrict the work which may be performed by the Store Directors and Assistant Store Directors. The Employer agrees the application of this provision shall not cause bargaining unit employees to lose hours.

3.3 The Employer agrees that all meat products will be cut, packaged, prepared and sold by employees under the jurisdiction of this Union and that these employees will continue to handle such items as had been customarily handled in the past and which had been prepared and packed on or off the premises. Likewise all such products which heretofore customarily come to the Employer already packed by the producer or distributor shall be handled as heretofore. Exceptions may be made provided the Union is notified in advance and given written assurance that no member's job will be eliminated as a result of such exception. The Union agrees it will not withhold its Agreement.

3.4 A Bargaining Unit employee shall be on duty in the Meat Department from the time each store opens for business until 6:00 P.M. , except that a department need not be staffed during meal periods where there is only one employee in the unit on duty that day. In those stores with weekly Meat Department sales volume of less than \$30,000.00 the Employer shall not be required to staff the department on the Meat Manager's day off or on contract holidays. The Employer gives its assurance that this paragraph will not result in a reduction of hours for any current meat department employee.

3.5 The Employer further agrees that if the employer should establish a new store or stores within the jurisdiction of the Union as set forth in Attachment B, this Agreement shall apply to such new store or stores. In the event the Employer engages in department or discount type stores, then the Employer and the Union shall negotiate as to the terms for wages and hours for such employees. In the event the Employer in the future engages in a department or discount type store, commonly known as a general merchandise store, and an agreement between the Union and the Employer cannot be concluded, then the provisions of Article 24, No Strike or Lockouts, shall not be binding upon the Union and the Employer.

3.6 The Employer shall notify the Union thirty (30) days prior to a store closing. The Employer shall negotiate the effect on the employees of the store scheduled to be closed.

ARTICLE 4 - UNION SECURITY

4.1 All employees shall, as a condition of employment, become and remain members of the Union on and after the thirty-first (31st) day following the date of employment. For the purposes of this provision, membership in the Union shall mean that the employee either tenders the periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership or pays those fees and dues necessary to permit the Union to serve as an exclusive representative of employees.

4.2 Upon failure of any employee to become and remain a member of the Union within the period and under the conditions specified in Paragraph 4.1 above, the Union shall notify the Employer in writing of such failure and the Employer shall, within seven (7) days of receipt of such notice, discharge any such employee as provided in the Labor Management Relations Act of 1947 as amended.

4.3 The Employer will notify the Union in writing as soon as possible within twenty-five (25) days from the date of employment, reinstatement, or transfer into the bargaining unit of any employee, of the name of such employee, the home address, telephone number, assigned store, social security number and job classification (full time or part time), and the date of employment, reinstatement, transfer, termination, or change in status from part time to full time or full time to part time.

4.4 New employees, after ninety (90) days of service, shall receive two (2) hours paid leave to attend the Union's orientation program. In order to be paid for such leave, the employee must provide the Store Director with written evidence from the Union that he/she used the leave for the purpose for which the leave was intended.

ARTICLE 5 - SENIORITY

5.1 Seniority for the purpose of this Agreement shall be calculated by continuous service from the last date of employment (except as otherwise provided). A seniority list for all full time employees and a separate list for all part time employees shall be set up by the Employer and shall be furnished to the Union upon request. Seniority areas governing this Agreement are outlined in Attachment C attached hereto and made a part hereof. In connection with layoffs and store closings, seniority will first apply to the store, then geographic seniority area and last to the jurisdiction of this Agreement.

5.2 The Employer recognizes the principle of seniority by classification as being one in which the movement of an employee from one job to another or from one location to another through promotion, layoff, recall after layoff, or permanent transfer, shall be governed by the length of service of the employee, and in connection with such movement the Employer may take into consideration as to each employee involved, his/her ability to perform the work. For this purpose, first cutters shall be on the same seniority list as meat cutters. In matters of temporary transfer from one store to another, seniority will prevail with consideration given to job classification.

5.3 Full time employees to be laid off by classification shall have the option of part time employment, and shall be placed at the top of the part time seniority list, or may take a complete layoff. They shall have the right of recall on any full time opening, provided they can do the work. Full time employees reduced from full time to part time through no fault of their own will retain full time Health and Welfare and Pension coverage for a period of six (6) months. The Employer will continue the full

time Health and Welfare and Pension contribution for said period of time. When a full time employee is involuntarily reduced to part time, he/she shall continue to accrue seniority as though he/she was still full time. When a full time employee voluntarily reduces himself/herself in writing, his/her part time seniority is dated from the original date of hire.

5.4 Part time employees desiring full time work and lower classified employees desiring to upgrade in classification shall be given preference for such work in accordance with the following procedure.

Job Postings: WITHIN DISTRICT/AREA - Openings for Full Time Clerks and Department Manager positions will be posted for fourteen (14) days in the stores within the collective bargaining agreement's jurisdiction. The Shop Steward will sign the posting to verify that it was properly posted. The Union will be sent a copy of each posting. The most qualified senior employee(s) will be selected.

Job Postings: WITHIN A SPECIFIC STORE - In-store promotions are to be posted for seven (7) days in the store where the position becomes available. The most senior, qualified employee who completes a Job Request Form is to be selected for the position.

The Employer agrees to notify the Union and all applicants of the final selection. Employees with a record of disciplinary actions may be disqualified from receiving the promotions. If the employee fails to qualify within a reasonable time for the upgraded position, he/she shall be afforded the opportunity to return to his or her former classification without loss of seniority. Part time employees shall accumulate seniority eligibility when going to full time on a basis of one (1) month uninterrupted service being counted as one (1) month for full time service for determination of their proper seniority. Full Time night crew employees will be given priority consideration for available full time day vacancies within the clerk job classification.

5.5 Employees laid off due to the store closing or reduction of employment shall be laid off by order of the most recent hired and shall be rehired in the reversed order of the layoff, with due consideration given to job classification. Employees laid off and subsequently recalled within twelve (12) months will retain former seniority. In the event of a layoff due to a store closing all such laid off employees shall be entitled to recall rights for an additional twelve (12) months. If the available opening for a part time employee who is recalled is outside of the seniority area, the employee may refuse the opening without prejudice to future recall within the same seniority area.

5.6 The Employer agrees to give a week's notice or a week's pay in lieu of a week's notice to full time employees with six (6) months service and three (3) days notice or three (3) days pay to part time employees with twelve (12) months service who are laid off due to lack of work.

5.7 Any employee transferred into the Bargaining Unit from any other part of the Employer's operation shall retain their last employment date for the purpose of computing benefits, but their seniority date shall be the date they commenced working in the Bargaining Unit.

5.8 Employees involuntarily transferred from one seniority area to another as a result of store closing or layoffs, will be afforded the opportunity to return to their original seniority area before a permanent employee of the same job classification is hired in said seniority area. Said transfer opportunity shall exist for a period of twelve (12) months.

5.9 Meat Department heads with less than six (6) months as a department head will be considered in the same job classification as other employees in their classification for the purpose of layoff and recall.

5.10 A Meat Department Manager with at least two (2) years of continuous service in that classification who is demoted (involuntarily reduced in classification) for other than disciplinary reasons shall maintain his/her wage rate for a period not to exceed ten (10) weeks.

5.11 Before a Journeyman Meat Cutter can be reduced to part time or laid off within the seniority area, all apprentices must be laid off within the seniority area. Where the application of this provision creates a hardship or operational problem, the Union and the Employer agree to discuss and resolve the problem.

5.12 Effective September 24, 2000, the Employer will establish and maintain a percentage of full time bargaining unit employees of not less than twenty-seven percent (27%). Effective September 23, 2001, a minimum of twenty-six percent (26%) full time employment shall be maintained. Effective September 22, 2002, a minimum of twenty-five percent (25%) full time employment shall be maintained. Courtesy Clerk positions shall not be included in the formula used to calculate the minimum. No employee who is full time as of September 23, 2000 shall be involuntarily reduced during the life of this Agreement as a result of the implementation and maintenance of this Section.

5.13 Employees promoted to full time prior to January 1, 1990, who have not voluntarily reduced themselves, will not be involuntarily reduced to part time or laid off for the duration of this agreement. Part time employees hired prior to January 1, 1990 will not be laid off for the duration of this agreement.

ARTICLE 6 - HOURS AND OVERTIME

6.1 For the purpose of this Agreement, the basic work week shall be from Monday through Saturday, inclusive. Sunday work shall be isolated and shall not be part of the basic work week.

6.2 The Employer may establish as many shifts as necessary and the starting time of such shifts shall be optional with the Employer. There shall be no split shifts.

6.3 The guaranteed basic work week for all full time employees shall be forty (40) hours per week, consisting of five (5) eight (8) hour shifts. By mutual agreement, or to create a full time position, full time employees may be scheduled to work three (3) eight (8) hour days, one (1) six (6) hour day and one (1) ten (10) hour day; or four (4) ten (10) hour days per week.

6.4 A part time employee is one who works thirty-five (35) hours or less per week.

6.5 All eligible part time employees shall be scheduled a minimum hours work per day and per week as outlined below:

	<u>Minimum Daily Hrs</u>	<u>Minimum Weekly Hrs</u>
grocery, meat, service clerk hired before 9/28/97	4	20
grocery, meat hired on or after 9/28/97	3	16
service clerks hired on or after 9/28/97 and before 9/24/00	3	12
service clerks hired after 9/24/00	3	10
courtesy Clerks hired before 9/27/97	3	16
courtesy clerks hired on or after 9/27/97	3	10

The above minimums shall not apply to probationary employees, students, or employees not available.

6.6 The Employer shall combine existing part time assignments on a seniority basis, unless such hours duplicate each other, providing the employee can do the work, so as to provide the maximum part time employment per individual within the definition of part time employment, and further to create as many full time positions as possible. When a part-time employee is scheduled and/or works for forty (40) straight time hours per week for more than six (6) consecutive weeks and the work is not temporary (i.e., vacation and/or absence coverage), a full-time position shall be deemed to have been created. Such full-time position, within the store and department where the work was performed, will be filled in accordance with Article 5

6.7 The regular day's work for all full time employees shall be worked within eight and one-half (8½) consecutive hours and all employees shall receive one-half (½) hour off for lunch at approximately the middle of the shift. The meal period shall not begin before three (3) hours of work, nor later than five (5) hours of work. Part time employees who work six (6) hours or more in a work day shall be granted a meal period without pay of at least one-half (½) hour, if requested by the employee. By mutual agreement between Employer and employee, a meal period may be waived or can be one (1) hour. Any employees instructed to work and who works their meal period shall receive pay for that period of time at the overtime rate of time and one-half (½) their regular rate of pay.

6.8 Employees working six (6) hours or less in a day shall receive one (1) fifteen (15) minute rest period, without loss of pay, as near as possible to the middle of their shift. Employees working more than six (6) hours in a day shall receive two (2) rest periods of fifteen (15) minutes each, without loss of pay, one (1) rest period to be in the first half of the work day, the second rest period to be in the second half of the work day as near as possible to the middle of each shift. The Employer will not intentionally prepare a schedule to avoid the requirement of a second rest period.

6.9 All time worked by an employee in excess of eight (8) hours in any one (1) day, five (5) days in one (1) week, or forty (40) hours in any work week, or in excess of thirty-two (32) hours in any week in which one of the specified holidays fall, shall be deemed overtime, except as otherwise provided in this Article. Such overtime work shall be paid for at the rate of time and one-half (½) the employee's regular rate of pay. Part time employees who are scheduled for five (5) days in one (1) week, and who are called into work on their scheduled day off shall receive time and one-half (½) for all hours worked

on said scheduled day off, provided said employee remains available to work the remainder of his/her schedule for that week.

6.10 Overtime shall be worked at the designation of the Employer. The overtime pay shall be computed on a daily or weekly basis, but not for both. On days where overtime is worked, it shall be offered to employees on a seniority basis with due consideration being given to job classification and ability to do the work. An employee shall not be disciplined for his/her refusal to work unreasonable overtime.

6.11 Full time employees hired prior to July 25, 1971, shall be paid at the overtime rate for all hours worked after 6:00 p.m. except two (2) nights per week. Employees hired full time or advanced to full time on or after July 25, 1971, may work up to three (3) nights after 6:00 p.m. at the straight time rate of pay. Employees hired full time or advanced to full time on or after 9/24/00, may work up to five (5) nights after 6:00 p.m. at the straight time rate of pay. The scheduling of full time employees for nights (including Saturday night) past 6:00 p.m., if necessary, shall be assigned on a rotating basis, as nearly equal as practicable. There shall be no discrimination against full time employees in scheduling such work.

6.12 Any time worked after 1:00 a.m. or before 4:00 a.m. shall be paid at the overtime rate of time and one-half (1½) of the employee's regular rate of pay, except for those employees on the night shift.

6.13 Part time employees who report to work pursuant to instructions and are not given work shall be paid for their scheduled hours, but in no event for less than the minimum daily hours guaranteed in this Agreement. Full time employees reporting for work at their scheduled time shall be guaranteed a full day's work with pay. The guarantees set forth in this Section are contingent upon there being no conditions such as fire, flood, civil disorder or other catastrophe beyond the company's control.

6.14 In the event such employee is called to work on his/her predesignated day off, he/she shall be guaranteed a minimum of four (4) hours pay at the overtime rate of time and one-half (1½).

6.15 The Employer agrees to post a weekly work schedule, in ink, with employees full names listed in order of seniority, in a conspicuous place by 6:00 P.M. on Friday of the week preceding the week for which the schedule is effective of working hours specifying the starting and finishing times and regular days off. The schedule shall contain the scheduled hours of each employee totaled for the week. The schedule for the night crew and those scheduled off on Saturday must be posted prior to the end of those employees' scheduled shift on Friday of the week preceding the week for which the schedule is effective.

6.16 The schedule for all full time employees showing the starting and finishing time and regular days off shall not be altered after it is posted, except by mutual agreement. A part time schedule shall be complete and reflect the anticipated basic needs of the stores requirement for that week. The schedule for a part time employee may be changed by notification to the employee prior to store closing the previous day except for his/her predesignated day off. Each full time employee shall regularly receive the same day off each week. A seven (7) day written notice must be given in order for an employee's regularly scheduled day off to be changed. Employees required to work on their predesignated day off without receiving seven (7) days notice or who work outside their regularly scheduled hours shall be paid at the rate of one and one-half (1½) times their regular rate except in case of emergencies beyond the Employer's control or by mutual agreement. The seven (7) day written notice to change an employee's regular day off shall not apply to holiday weeks.

6.17 The Employer, consistent with the needs of the business, will endeavor to accommodate

employee requests to their immediate supervisor for early or late shift schedules in the morning, afternoon and evening based on their seniority.

6.18 There shall be no pyramiding of overtime and/or premium pay.

ARTICLE 7 - WAGES AND EMPLOYEE CLASSIFICATION

7.1 Wage scales are set forth in Attachment A attached hereto and made a part thereof.

7.2 It is understood that all newly hired employees shall be on probation for the first ninety (90) days of employment. If, during the probationary period, it is found that the new employee is not suitable for the business, his/her services may be terminated at the Employer's discretion.

7.3 When a higher classified employee is absent from his/her position for more than three (3) days and another employee performs the job of the higher classified employee, he/she shall receive the appropriate rate of pay of this higher classification, retroactive to the first day.

7.4 Department Heads may be assigned in stores where designated by the Employer, and where assigned, they will be paid the prevailing rates as listed in Attachment A of the Agreement.

7.5 The Relief Store Director shall receive his/her appropriate hourly rate plus overtime, or the store Director's rate of pay, whichever is the greater, when relieving for one (1) full week or more.

7.6 In stores with three (3) or more full time Journeyman Meat Cutters including the Meat Manager, one (1) shall be designated First Cutter. The First Cutter classification shall be assigned to the store only and not to the individual. Selection of the first Cutter shall be made in the same manner as the Meat Manager.

7.7 Only journeymen meatcutters and/or apprentice meat cutters shall be permitted to cut beef, pork, veal, lamb, poultry or fish with a knife or any other automatic device.

7.8 Employees entering the Apprentice Program shall suffer no reduction in their hourly rate of pay. The Apprentice Program shall be two (2) years. Apprentices shall cut meat at least twenty-five (25%) of the time. The apprentices shall be examined by a representative of the Employer and a representative of the Union on or before his/her twenty-third (23rd) month. Should the apprentice fail to qualify at this step, he/she shall continue in the wage progression and be given another examination at the end of six (6) months from the first examination date.

7.9 "Red Circle" employees in all classifications shall maintain the existing dollar differentials over the new scales.

7.10 New employees shall be given credit for a maximum of three (3) years of previous similar supermarket experience for the purpose of establishing his or her wage rate, provided this experience is declared at the time of the application for employment and proven by verification and demonstrated ability.

7.11 Duties of a Service Clerk shall include stocking baby food, paper plates, napkins, light bulbs, brooms and mops and metal ware, Health and Beauty Aids and similar General Merchandise, fresh vegetable and fruit juices, fresh peanut butter, fruit/salad bar, flower shop, fruit/vegetable platters, pizza preparation, health foods, bulk foods, stuffed potato preparation, handling outdoor merchandise

display, preparation of quiche, bake off rolls in deli, assemble meat and cheese platters, bakery, porter, service center and coffee/candy/snack counter, make sandwiches, vacuum pack in deli express, cook hot foods and rotisserie items, cut vegetables for prepared foods, video sales/rentals, international cheese department, non-foods. Additional duties of a non-conventional nature may be assigned after agreement between Employer and the Union.

7.12 The Employer will have the right to select pharmacy technicians based on skill, experience, training and the needs of the business. Newly created pharmacy technicians will be selected in conjunction with the bid procedure. No bumping from outside classification, except for purposes of layoff. Those currently assigned to the pharmacy will remain in this position unless the parties mutually agree to a transfer.

7.13 Courtesy Clerks duties shall be limited to bagging, parcel pick up, handling cardboard, blocking shelves, cleaning up around the checkout stand and parcel pick up areas, replenishing bag racks, floor care and other cleaning duties anywhere in the store, returning unsold merchandise and handling recycled items. Courtesy Clerks may perform courtesy clerk duties while working any hours, including night crew. While working night crew they shall receive the night crew premium set forth in Section 8.3 of this Agreement. Courtesy Clerks shall be given first consideration in filling job vacancies within their store before considering new hires, provided said Courtesy Clerk satisfied job/age requirement.

ARTICLE 8 - NIGHT CREW EMPLOYEES

8.1 A night crew employee is one who is scheduled for work between the hours of 9:00 p.m. and 10:00 a.m. Employees hired before September 27, 1997 shall not be required to work a day and night shift in the same work week. Employees hired on or after September 27, 1997, may be scheduled for combination day and night shifts during the same work week, i.e., three (3) nights/two (2) days; two (2) nights/three (3) days, five (5) eight (8) hour nights, if scheduled on a regular basis. A night crew may work four (4) ten (10) hour shifts at straight time by mutual agreement. There shall be no changing of schedules to avoid paying overtime.

8.2 Any employee working on the night crew three (3) or more nights during the week shall receive the night premium for all hours worked during the entire week. Any employee working one (1) or two (2) nights on the Night Crew shall receive the night premium for those hours worked only. For employees hired on or after September 27, 1997, part time employees shall receive a premium only for those hours actually worked on night crew. Any time worked by a member of the night crew prior to 9:00 p.m. or after 10:00 a.m. shall be paid at time and one-half (1½) of the employee's regular rate of pay which shall be in addition to his/her night premium. When a majority of the night crew in any individual store, who by written mutual consent with the Employer elect to report to work before 9:00 p.m. or work beyond 10:00 a.m., they shall be deemed to have waived the premium provisions provided herein for those hours covered by such election.

8.3 Employees assigned to the night shift will receive an additional premium per hour as follows, which shall be over and above the regular rate of pay for the same or similar day job.

	<u>Effective</u> <u>9/24/00</u>	<u>Effective</u> <u>3/24/02</u>
Employees Assigned on or Before 9/24/94	\$0.80	\$0.90
Employees Assigned after 9/24/94	\$0.45	\$0.60

8.4 One (1) bargaining unit employee, shall be designated as the employee in charge of the night crew. This employee shall not be replaced by any employee in a higher wage classification. The employee in charge of night crew will receive in addition to his/her night premium, an additional twenty-five dollars (\$25.00) per week. A night crew captain in charge in a store which is open for business on a twenty-four (24) hour basis shall receive an additional ten dollars (\$10.00) per week night premium (in addition to the twenty-five dollars (\$25.00) per week night captain premium).

8.5 Part time employees may be assigned on a night shift, provided however, part time employees hired prior to 9/24/00, must be assigned for a full shift of not less than eight (8) hours. Part time employees hired on or after 9/24/00, must be scheduled a shift of no less than six (6) hours.

8.6 An employee who regularly and continuously works on the night crew shall receive his/her basic straight time hourly rate in addition to the night premium for the purpose of computing overtime, vacation pay and holiday pay.

ARTICLE 9 - WORKING CONDITIONS

9.1 The Employer will furnish and launder such store linens as it desires worn by its employees. In the event the employer provides Dacron or similar type uniforms for employees, these garments may be laundered by the employee. Since this item of expense is intended to make the Employer's service more attractive to customers, members agree to cooperate by presenting a neat, clean business-like appearance while on duty in the store.

9.2 The Employer has the right to discharge or discipline any employee for good and sufficient cause, including but not limited to, proven or acknowledged dishonesty, intoxication during working hours, provided however, that no employee shall be discharged or discriminated against because of membership in the Union or for Union activities.

9.3 In the event that an employee's work is unsatisfactory, he/she shall be given at least one (1) written notice before disciplinary action is taken, and a copy of the notice shall be sent to the Union at the same time. Notices and warnings shall become null and void after nine (9) months from date of issue.

9.4 No employee shall suffer a reduction of hourly wage rates, increase of hours, or reduced vacation time solely by the signing of this Agreement.

9.5 If a physical examination or health permit is required by the Employer or local government, all expenses attached to same shall be borne by the Employer.

9.6 The Employer agrees, in the event of a temporary transfer at the Employer's request, to reimburse the employee for increased transportation costs on the basis of twenty-eight cents (28¢) per mile, except, however, when an employee chooses public transportation, excluding taxicabs, he/she shall be reimbursed only for the actual cost of such increases in transportation. Temporary assignments will not exceed thirty (30) days except in cases of relief of an employee absent on extended sick leave. If any employee is required to work in more than one (1) store in the same day, the expenses for necessary transportation shall be borne by the Employer. The time required for travel between the stores shall be included as a portion of the employee's work day and considered as time worked for all purposes.

9.7 Employees shall be at their stores ready for work at their scheduled starting time, otherwise

they are reporting late. They shall remain at their work until their scheduled quitting time. Employees shall be paid for all time worked. There shall be a time recording device in each of the employer's stores for the purpose of recording time worked. The Employer and the Union agree that a proven violation of established time recording device rules, including working before punching in or after punching out, may subject such an employee to disciplinary action up to and including discharge. Furthermore, all time during which an employee is suffered, or permitted to work or is required to be on duty on the Employer's premises at a given work place shall be considered hours worked and recorded.

9.8 Except by mutual agreement between the employee and the Employer, employees shall have a minimum of eight (8) hours off between the end of their schedule and the starting of their next schedule. Any employee who works during this eight (8) hour period shall be paid for such time at the rate of time and one-half (1½) their straight time rate of pay.

9.9 The Employer will furnish all tools and personal protective equipment necessary to perform the job and shall maintain a first aid kit, fully equipped, in each store to be available for all shifts worked.

9.10 An employee who receives a pay rate which is higher than the pay rate provided in Schedule A for his/her classification, who is promoted to a department head and subsequently demoted to his/her former classification, shall receive the same pay rate differential which he/she previously received.

9.11 No employee shall be given a polygraph (lie detector test) unless the Union agrees in writing.

9.12 Time spent at legal proceedings at the request of the Employer or Employer's counsel shall be compensated. Such compensation shall also be paid for time spent at the request of any law enforcement agency, involving investigation or legal proceedings for the benefit of the Employer, provided that employee has given the Store Director prompt notice of the request.

9.13 Employees shall not be required to use their personal cars for the hauling of merchandise.

9.14 No employee shall be required to take a random drug or alcohol test, unless previously warned in writing except that the Union agrees the Employer may randomly drug test Pharmacy Technicians.

9.15 The Employer agrees to work jointly with the Union in resolving unsafe conditions or equipment within the employee's work area.

9.16 Employees who sustain an occupational injury requiring treatment by a doctor or hospital shall suffer no loss in pay for the day the injury occurs provided the employee returns to work unless otherwise instructed in writing by the attending doctor.

ARTICLE 10 - VACATIONS

10.1 Employees shall be granted vacations as follows:

<u>Length of Continuous On-the-job Service</u>	<u>Part Time Employees</u>	<u>Full Time Employees</u>
All Employees - More than three (3) months but less than one (1) year on May 1 st of the calendar year.	None	1/12th of a week's basic straight time wage for each full month's service prior to May 1.
All Employees - One (1) year or more but less than three (3) years on May 1 st of the calendar year.	The number of weekly hours normally worked.	One (1) week
Employees Hired Before 9/24/00 - Three (3) years or more but less than seven (7) years on the Saturday nearest September 30 th of the calendar year.	Twice the number of weekly hours normally worked.	Two (2) weeks
Employees Hired Before 9/24/00 - Seven (7) years or more but less than thirteen (13) years on the Saturday nearest September 30 th of the calendar year.	Three (3) times the number of weekly hours normally worked.	Three (3) weeks
Employees Hired Before 9/24/00 - Thirteen (13) years or more but less than twenty (20) years on the Saturday nearest September 30 th of the calendar year.	Four (4) times the number of weekly hours normally worked.	Four (4) weeks
Employees Hired on or after 9/24/00 - Three (3) years or more but less than eight (8) years on the Saturday nearest September 30 th of the calendar year	Twice the number of weekly hours normally worked.	Two (2) weeks

**Length of Continuous
On-the-job Service**

**Part Time
Employees**

**Full Time
Employees**

Employees Hired on or after 9/24/00 - Eight (8) years or more but less than fourteen (14) years on the Saturday nearest September 30th of the calendar year.

Three (3) times the number of weekly hours normally worked.

Three (3) weeks

Employees Hired on or after 9/24/00 - fourteen (14) years or more but less than twenty (20) years on the Saturday nearest September 30th of the calendar year.

Four (4) times the number weekly hours normally worked.

Four (4) weeks

All Employees - Twenty (20) years or more on the Saturday nearest September 30th of the calendar year.

Five (5) times the number of weekly hours normally worked.

Five (5) weeks

Employees who have two (2) or more weeks vacation entitlement may take half of those weeks in days. Said days shall be subject to mutual agreement between the employee and the Employer.

10.2 In the event the services of an eligible employee are terminated voluntarily or involuntarily for any reason whatsoever, except discharge due to dishonesty, before the vacation earned has been taken, there shall be paid to such employee the vacation pay for all full years for which no vacation has been given and one twelfth (1/12) of the annual vacation grant for each full month worked during the current vacation year.

10.3 Employees who for good and sufficient reason desires to take their three (3), four (4) or five (5) weeks uninterrupted vacation must request same in writing thirty (30) days prior to the date the vacation is to be taken. Such requests are subject to approval by both the Employer and the Union. The employee may take vacation in any of the fifty-two (52) calendar weeks, subject to management approval.

10.4 Vacation time shall be computed from date of employment or anniversary of vacation eligibility date, and shall be taken at a time convenient to both the employee and the Employer, and shall be paid at the rate of pay in effect at the time the vacation is taken. All vacation pay shall be calculated at the employee's basic straight time hourly rate, unless otherwise provided for in this Agreement.

10.5 Eligible employees absent from work due to on-the-job (Worker's Compensation) injury sustained during the vacation year, will nevertheless, be entitled to their vacation grant for that particular vacation year only. Eligible employees absent from work due to non-occupational accident or sickness for a cumulative period not to exceed six (6) months (six twelfths (6/12) within the vacation year) will, nevertheless, be entitled to their vacation grant for the particular vacation year only. In the

event of absence in excess of six (6) months, employees will be entitled to one-twelfth (1/12) of his/her vacation entitlement for each full month worked during the vacation year.

10.6 When a holiday designated in Section 11.1 occurs during the full time employee's vacation, the employee shall be entitled to an extra day's vacation or cash in lieu thereof, based on straight time pay for an eight (8) hour work day.

10.7 The vacation schedule of any employee cannot be changed, except by mutual agreement, when it is less than sixty (60) days to the date the employee has selected. The vacation schedule shall be available on request by an employee.

10.8 Vacation pay is to be paid to the employee prior to the day the vacation begins. If the employee's vacation pay is not available when he/she is scheduled to leave, he/she will be paid from store funds.

10.9 Part time employees shall be entitled to a vacation on or after each anniversary date of their employment pro-rated on the basis of the average straight time hours worked during the preceding year, according to the vacation formula set forth above and subject to the same conditions as pertains to full time employees.

10.10 When a holiday, designated in Section 11.1 occurs during a part time employee's vacation, and the part time employee would ordinarily have been scheduled for work on that day, he or she shall be paid as provided in Section 11.5.

10.11 An Employee may start his/her vacation on any day which is mutually agreed upon by the Employer and the employee.

10.12 A part time employee going to full time shall not suffer a reduction in the number of hours vacation he/she would have received as a part time employee for the first vacation of such change.

10.13 From January 1st to March 31st of each year, employees shall select their desired dates of vacation for that year. Said selection will be awarded on a seniority basis within the department. After March 31st employees may select vacant weeks by seniority but may not bump less senior employees who have exercised their vacation selection during the bid period. Vacations requested after the bid period will be honored on a first come first served basis.

10.14 An employee may carry over into the next vacation year one (1) week of unused vacation. Carryover vacation shall not be cumulative and must be used during the following vacation year. The first week of vacation taken in the subsequent year shall be considered the carryover week.

ARTICLE 11 - HOLIDAYS AND SUNDAYS

11.1 The Employer agrees that the following days or the days observed as such shall be holidays. When a holiday falls on a Sunday, the following Monday shall be observed.

New Year's Day
Memorial Day
Independence Day

Labor Day
Thanksgiving Day
Christmas Day

11.2 Work may be performed on any of the herein above mentioned holidays, however, work as such for employees hired before September 8, 1988 shall be compensated for at the rate of time and one-half (1½) the employee's regular straight time rate of pay, which shall be over and above the regular straight time rate of pay provided, except courtesy clerks shall receive a twenty-five cents (25¢) per hour premium for work performed on holidays. For employees hired on or after September 8, 1988 and Courtesy Clerks promoted after September 8, 1988 work performed on holidays shall be compensated at the lesser of time and one-half (1½) the employee's straight time hourly rate, or the employee's straight time hourly rate plus the following premium:

<u>YEARS OF</u>	<u>HOLIDAY</u>
0-3 years	\$1.00 per hour
3-8 years	\$2.00 per hour
6-9 years	\$3.00 per hour
9+ years	\$4.00 per hour

The Employer will not open the stores on Christmas Day for business, unless a major competitor opens. In the event the Employer is open on Christmas under no circumstances will any employee be required to work. The store will be staffed by volunteers only. Those employees who do volunteer to work on Christmas day will be paid for all hours worked on Christmas day at double time (2x).

11.3 A week which includes any specified holiday shall be a four (4) day week consisting of thirty-two (32) straight time hours, for which full time employees shall be paid forty (40) hours pay.

11.4 All time worked by full time employees in a holiday week in excess of thirty-two (32) hours shall be compensated for at the overtime rate of time and one-half (1½) the straight time hourly rate, except that employees may work forty (40) hours at straight time in addition to his/her holiday pay, provided it is mutually agreed upon between Employer and employee. Part time employees eligible for holiday pay may work five (5) days in a holiday week by mutual agreement. Part time employees not eligible for holiday pay may be scheduled to work five (5) days during the holiday week and shall be paid for at the straight time rate of pay.

11.5 Upon the completion of ninety (90) days of continuous service, employees shall be eligible for holiday pay. Part time employees with less than one (1) year of service shall be paid holiday pay provided the holiday falls on a day they would normally be scheduled. Part-time employees with one (1) or more years of continuous service shall be entitled to holiday pay, regardless of whether or not they are scheduled to work on that day. Employees shall be entitled to holiday pay at straight time, as follows:

- full time employees - eight (8) hrs
- courtesy clerks - three (3) hrs
- service clerks hired on or after 9/24/00 - three (3) hrs
- all other part time employees hired before 9/24/00 - five (5) hrs
- all other part time employees hired on or after 9/24/00 - four (4) hrs

11.6 Work schedules shall not be changed for the purpose of avoiding holiday pay.

11.7 No employee shall receive pay for any holidays not worked unless such employee has reported for work on his/her scheduled day before and after the holiday, Sunday excepted. Employee shall be deemed to have reported for work if absence on the day before or the day after said holiday is due to express permission from or action of the Employer, or death in the immediate family and also in case of certified illness, but in any event, employees off one (1) full week before a holiday and one (1) full week after a holiday would not be entitled to holiday pay, unless otherwise provided for in this Agreement. Part time employees must work one (1) day during the holiday week. Schedules will not be changed to avoid holiday pay.

11.8 In the Grocery Department, Sunday and holiday work shall be assigned on a rotating basis by seniority within classification and ability to do the work considered, except for that work required for the proper management of a department or store. In the event the Employer cannot schedule the necessary number of employees on a voluntary basis, then the employees in reverse order of seniority shall be obligated to work. Replacements for employees who are absent on their scheduled Sunday, for whatever reason, shall be replaced if necessary by the senior available employee(s) not already scheduled for that Sunday. The call-in replacement time will not affect the employee's regular turn on the rotation list. Employees scheduled for Sunday work shall be scheduled a minimum shift of four (4) hours. Sunday and holiday rotation shall be done from separate lists. Easter will be considered a separate Sunday for the purpose of rotation.

11.9 In the Meat Department, Sunday and/or holiday work in each store shall be rotated among qualified employees within the classification required by the Employer to perform the work. The work heretofore performed by part-time employees shall be first offered to full-time employees. The work so offered shall not be deemed to fall within the daily hourly guarantee of this contract. If full time employees refuse to work, it may then be offered to part-time employees. If scheduled employees refuse such work then the least senior employee within the classification will be required to do the work. Full-time employees involuntarily reduced to part-time will be included in the rotation for available Sunday or holiday work.

11.10 Part time employees on payroll prior to September 8, 1988, and all full time employees will be paid time and one-half (1½) for all time worked on Sunday. Part time employees, except courtesy clerks, hired or promoted on or after September 8, 1988 shall receive the lesser of time and one-half (1½) the employee's straight time hourly rate, or the employee's straight time hourly rate plus the following premiums for all work performed on Sunday:

<u>YEARS OF</u>	<u>SUNDAY PREMIUM</u>
0-3 years	\$1.00 per hour
3-6 years	\$2.00 per hour
6-9 years	\$3.00 per hour
9+ years	\$4.00 per hour

Courtesy clerks shall receive a twenty-five cents (25¢) per hour premium for work performed on Sunday.

The Employer may schedule part time employees to work at the straight time hourly rate on Sunday from 12:01 a.m. to 2:00 a.m., except that part time employees assigned to a night shift shall receive the applicable night premium.

11.11 - PERSONAL HOLIDAYS

- A. Employees shall receive personal holidays off with pay as follows:
- Employees on the payroll as of 1/1/78 - five (5) days per calendar year
 - Employees hired after 1/1/78 and before 7/16/84 - one (1) day for each ten (10) weeks of service up to a maximum of five (5) days per calendar year
 - Employees hired on or after 7/16/84 having one (1) year of continuous service - one (1) day
 - Employees hired on or after 7/16/84 having two (2) years of continuous service - two (2) days
 - Employees hired on or after 7/16/84 having three (3) or more years of continuous service - one (1) day for each four (4) months of service up to a maximum of three (3) days per calendar year
- B. Personal days may be used for the purpose of mini-vacations.
- C. Employees shall notify the Store Director at least two (2) weeks in advance of his/her intention to take a personal day off and the employee shall receive such day off or a mutually agreed upon day off. In the event of a conflict of employee choice, seniority shall prevail. Management reserves the right to determine the number of employees permitted to be off on any given day.
- D. An employee who separates or is separated from the Employer's service, shall on separation, be paid for unused personal days on a pro-rata basis.
- E. Employees may use personal days for absence due to illness not otherwise compensated for under this Agreement.
- F. Such holiday shall be paid on the basis of:
- full time employees - eight (8) hrs
 - courtesy clerks - three (3) hrs
 - service clerks hired on or after 9/24/00 - three (3) hrs
 - all other part time employees hired before 9/24/00 - five (5) hrs
 - all other part time employees hired on or after 9/24/00 - four (4) hrs

ARTICLE 12 - LEAVE OF ABSENCE

Subject to the following conditions, employees shall be granted a leave of absence which shall not interrupt their service records, providing such request is made by the employee, in writing, to the Human Resources Department seven (7) days prior to commencing such leave.

12.1 The Employer agrees that any members of the Union, employed by the Employer during the period of this Agreement who is elected to office in the Union or is assigned by the Union to any Union activity necessitating temporary leave of absence, shall be granted such leave of absence and shall, be guaranteed re-employment at his/her former wage rate plus any increase or less any reduction that may have become effective during his/her absence, provided that he/she applies for re-employment forthwith upon leaving the Union. Any employee returning from a leave of absence, or a former bargaining unit employee returning from a management position shall retain all seniority rights as if he/she has never left the Bargaining Unit and shall be reinstated to his/her former position provided he/she has the ability to perform the work of such position.

12.2 Leaves of absence shall be granted up to one (1) year without pay when an employee with six (6) or more months of continuous service is unable to work because of sickness, or accident, and this leave shall become effective after the final sick benefit payment is made. The disability must be attested to by a registered physician. However, in the event such employee is unable to work at the expiration of his/her leave period, he/she shall be entitled to an additional leave of six (6) months (twelve (12) months for workers compensation leave) if he/she submits satisfactory medical evidence that he/she will be able to return to his/her regular duties within the said additional period. The employee must give two (2) weeks notice in writing prior to the date he/she intends to return to work.

12.3 In the case of a death in the immediate family of the employee, namely, of a parent, spouse, child, brother, sister, parent-in-law, or grandparent, requiring the employee's absence from his/her regularly scheduled assignments, the employee shall be granted a leave of absence up to three (3) days beginning with the day of death. Neither Sunday nor the scheduled day off of a full-time employee shall be counted. When an employee's normal time off falls within the three (3) day period, he/she shall be reimbursed for that portion of the time normally scheduled for work, but under no circumstances shall the application of this clause result in a change in the employee's weekly salary.

12.4 Any employee may be given a leave of absence not to exceed one (1) year for any reason acceptable to the Employer. This decision shall not be arbitrable, nor will such leave interrupt the employee's service record.

ARTICLE 13 - JURY DUTY

13.1 Employees who are required to report for jury service or serve on a jury shall receive the difference between their straight time weekly basic pay and the amount received while on jury duty. They will be expected to work their regularly posted schedule on days when the jury is not in session. The schedule of a part-time employee shall not be altered solely for the purpose of avoiding jury duty pay. The above provisions shall be limited to thirty (30) working days of jury duty per year unless the employee is summoned for a Federal Grand Jury.

13.2 An employee reporting for jury service or serving on the jury shall not be required to work hours other than those during which the employee is normally scheduled and in no case shall they be required to report for less than four (4) hours.

13.3 When a night crew employee is called to serve on jury duty he/she shall be excused from his/her schedule without loss of weekly earnings.

ARTICLE 14 - STORE CARD OR DECAL

The Union agrees to furnish to the Employer, Union Store Cards and/or Decals for each of the Employer's stores. The Employer shall display such Union Cards or Decals in a conspicuous area accessible to the public in each establishment covered by this Agreement.

ARTICLE 15- SHOP STEWARDS

15.1 The Union shall have the right to appoint two (2) Shop Stewards in each store, whose duties shall be to report any irregularities to the Union. In no instances shall the Shop Steward be discriminated against for discharging such duties, provided such duties do not unreasonably interfere with the regular performance of their work for the Employer. Shop Stewards shall report all irregularities to the Store Director prior to reporting same to the Union. Shop Stewards shall have the right to inspect time records of employees covered by this agreement.

15.2 Shop Stewards may not be transferred from store or job assignment without written consent of the Union, except in cases of promotion. The Shop Stewards shall have super-seniority among all other employees for the purpose of layoff and recall only in their store. Further, the Shop Stewards shall not be threatened, coerced or intimidated for performing Union activities.

15.3 The Union shall furnish to the Employer a complete list of Shop Stewards, which shall be amended from time to time as may be necessary.

15.4 Shop Stewards shall be entitled to a leave of two (2) days each calendar year with pay, for Shop Steward Training and Education. The Union must notify the Employer at least two (2) weeks in advance thereof. The Shop Steward must upon returning from the leave present the Store Director with written evidence from the Union that the Steward has used the leave for the purpose for which the leave was intended.

15.5 A Shop Steward shall be permitted to accompany the government inspector at no loss of pay.

ARTICLE 16- HEALTH AND WELFARE

16.1 The Employer shall contribute to the United Food and Commercial Workers Union and Participating Food Industry Employers Tri State Health and Welfare Fund (the "Fund") for eligible employees on payroll the first day of each month as follows:

- A. Monthly contributions shall be made to maintain current level of benefits for each full-time employee, commencing with the month following completion of six (6) months of continuous full time service with the Employer and who is active during the first fiscal week of that month.
- B. Monthly contributions shall be made to maintain current level of benefits for each part-time employee, commencing with the month following completion of eighteen (18) months of continuous part-time service with the Employer and who is active during the first fiscal week of that month.

C. Employer contributions shall be as follows:

	Plan	Effective 10/1/00
- Full time grocery employees hired or promoted before 3/6/83 - Full time meat department employees hired or promoted before 7/16/84	PC 20/30/70 w/100% hospitalization outpatient radiology	\$521.80
- Full time grocery employees hired or promoted on or after 3/6/83 and before 9/28/97* - Full time meat employees hired or promoted on or after 7/16/84 and before 9/28/97* - Full time courtesy clerks promoted to higher classification after 3/6/83 and before 9/28/97* - Full time service clerks hired or promoted after 7/16/84 and before 9/28/97*	Plan 10	\$342.46
- Full time employees hired or promoted on or after 9/28/97	G-AE-F	\$323.72
- Part time grocery employees hired or promoted before 3/6/83 - Part time meat department employees hired or promoted before 7/16/84	PC 20/30/70 w/100% hospitalization outpatient radiology	\$491.34
-Part time grocery employees hired or promoted on or after 3/6/83 and before 9/28/97* - Part time meat employees hired or promoted on or 7/16/84 and before 9/28/97* - Part time courtesy clerks promoted to higher classification after 3/6/83 & before 9/28/97* Part time service clerks hired or promoted after 7/16/84 and before 9/28/97*	Plan 10	\$273.62
Part time employees hired or promoted on or after 9/28/97 with 18 but less than 30 mos*	Opt 1 or 2**	\$78.03
Part time employees hired or promoted on or after 9/28/97 with 30 months or more*	G-AE-P	\$183.45

*Full time and part time employees hired or promoted on or after 9/28/97 and before 9/24/00, who are receiving or were scheduled to receive Plan 10 or Plan G-AE-F shall continue to do so.

**Part-time employees with a least eighteen (18), but less than thirty (30), months of continuous part-time service, will elect to receive either Option 1 or Option 2 plan of benefits from the Fund (but not both), the process of benefit plan selection to be governed by the provisions of the Plan as set forth in the Summary Plan Description

The benefits provided under each Plan are specified in the Summary Plan Description, a copy of which may be obtained by contacting the Fund office.

- D. All employees eligible for prescription benefits will have mandatory mail order for maintenance drugs with \$0 co-pay. Prescription co-payments will be as follows for non-mail-order prescriptions:

	<u>Effective</u> <u>10/1/00</u>	<u>Effective</u> <u>5/1/01</u>	<u>Effective</u> <u>5/1/02</u>
<u>In Network:</u>			
Generic	5%	6%	7%
Preferred	10%	12%	14%
Non-preferred	20%	24%	28%
<u>Out of Network:</u>			
Generic	10%	12%	14%
Preferred	20%	24%	28%
Non-preferred	40%	44%	48%

- E. Effective October 1, 2000, the Employer will increase its contribution rates for retirees by twelve and one-half percent (12.5%). Retiree contributions shall increase by the same percentage. Effective October 1, 2001, the Employer will increase its contribution rates, for active employees and retirees, no more than twelve percent (12%). If the cost of benefits exceeds the contributions the parties will meet to develop measures so that benefits can be covered within such limits on contribution rates. The Employer will be entitled to a refund effective 10/1/01 and/or 10/1/02 of any surplus monies generated as the result of M.O.B. payments and actual cost of benefits. The Employer will reimburse the Tri-State Health and Welfare Fund for any deficit created as a result of a shortfall between contractual payments and cost of benefits and services incurred before 10/1/00.
- F. If a comparable provider of benefits can be found that would create a saving, the parties agree to meet to discuss the benefits and providers. The parties agree that medical and surgical benefits will be administered through the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Health and Welfare Fund.

- G. Dependent coverage may be purchased by eligible part-time employees. For employees hired before September 27, 1997, the monthly rate to be paid by the employee shall be ninety-nine dollars (\$99.00). For employees hired on or after September 27, 1997, the employee's contribution shall be calculated by subtracting the cost of benefits for a Fund participant receiving individual coverage from the cost of benefits for a Fund participant receiving family coverage. Employees wishing to purchase dependent coverage must sign the appropriate forms authorizing the Employer to deduct such employee contribution from their pay on a weekly basis. The processing of electing, or canceling the election of, dependent coverage is governed by the provisions of the Plan as set forth in the Summary Plan Description, a copy of which may be obtained by contacting the Fund office. Effective October 1, 2001, employee contributions shall increase by the same percentage rate as the Employer's contribution increase.
- H. In each year, the Employer and retiree contributions shall increase the same percentage.
- I. The Employer will not be obligated to make any Health and Welfare contributions on behalf of Courtesy Clerks.
- J. Any change in contribution shall be preceded by a thirty (30) day written notice from the Board of Trustees to the Employer.
- K. The contributions provided for in this Agreement shall be in lieu of any obligation on the part of the Employer to provide any Health and Welfare benefits other than those provided by the Trust Agreement and Plan governing the Fund.
- L. The Fund shall be governed by a Board of Trustees consisting of equal numbers to be designated by the Fund.

ARTICLE 17- PENSION

17.1 The Employer shall contribute to the FELRA and United Food and Commercial Workers Pension Fund (hereinafter called Fund) as follows:

- Full time employees hired before March 6, 1983 - \$168.38 per month
- Part time employees hired before March 6, 1983 - \$62.34 per month
- Pharmacy Clerk/Tech employees hired after 7/16/84 - 8¢ per straight time hour worked
- All other employees - 15¢ per straight time hour worked

17.2 All employees who are hired by the Employer and have more than ten (10) years of credited service in the FELRA and UFCW Pension Fund are to have contributions made in their behalf at the level described for employees on payroll prior to March 6, 1983.

17.3 The contributions referred to above shall not be required on behalf of employees hired and classified as Courtesy Clerks or Service Clerks.

17.4 The above contributions by the Employer will commence the first full payroll month following the completion of twelve (12) months of continuous employment with the Employer from the date of employment.

17.5 The Pension Fund and Plan shall be governed by a Board of Trustees.

17.6 It is understood and agreed that the Pension Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contributions paid hereunder.

17.7 It is agreed that all questions involving pension not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Plan.

17.8 The Employer agrees to be bound by all the decisions made by the Trustees in accordance with the Declaration of Trust.

ARTICLE 18- SEVERANCE

18.1 Effective July 1, 2000, the United Food and Commercial Workers and Food Employers Labor Relations Association Severance Fund shall cease to exist as a separate entity and its assets and liabilities shall be merged into and become a part of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund (hereinafter referred to as the "Welfare Fund"). The Welfare Fund will maintain a separate accounting of the assets and liabilities attributable to the provision of severance benefits under the Welfare Trust and such separate account shall be referred to as the "United Food and Commercial Workers and Food Employers Labor Relations Association Severance Fund."

18.2 The Severance Fund and Plan shall be governed by the Board of Trustees of the Welfare Fund.

18.3 It is understood and agreed that the Welfare Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contributions paid hereunder.

18.4 It is agreed that all questions involving severance benefits not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Welfare Fund and the Severance Plan.

18.5 An Employer at its discretion, may or may not be required to designate a representative on the Board of Trustees, but in any event the Employer agrees to be bound by all decisions made by the Trustees in accordance with the Declaration of Trust.

18.6 Effective April 1, 2000, the Employer shall make contributions in amounts determined by the Board of Trustees of the Welfare Fund so as to maintain current and existing benefits (as established in the FELRA negotiations of March, 2000), in accordance with the formula agreed upon by the Union and the Employer.

18.7 Employees hired on or after September 27, 1997 through September 23, 2000, and still employed on September 24, 2000, shall be eligible for benefits under the Severance Fund. Severance benefits for such Employee shall be based on Service Credited calculated in accordance with the Severance Plan as if the Employee had participated in the Plan from the Employee's first Hour of Service for the Employer on or after September 27, 1997 though their Severance from Service Date. The above contributions shall not be applicable to those employees classified as Courtesy Clerks nor to Service Clerks hired after July 16, 1984.

ARTICLE 19- PRE-PAID LEGAL

19.1 Effective July 1, 2000, the United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefits Fund shall cease to exist as a separate entity and its assets and liabilities shall be merged into and become a part of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund (hereinafter referred to as the "Welfare Fund"). The Welfare Fund will maintain a separate accounting of the assets and liabilities attributable to the provision of legal benefits under the Welfare Trust and such separate account shall be referred to as the "United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefits Fund." Effective October 1, 2000, The Employer shall contribute to the United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefit Fund (hereinafter referred to as the "Fund") a total of fifteen dollars (\$15.00) per month for each appropriate employee who is on the Employers payroll on the first day of each month. Effective October 1, 2001, the Employer shall increase such contribution to fifteen dollars and twenty-five cents (\$15.25) per month, to maintain existing benefits. For employees hired before September 24, 2000, contributions shall commence the first (1st) of the month following completion of twenty-four (24) months of continuous service with the Employer. For employees hired on or after September 24, 2000, contributions shall commence the first (1st) of the month following completion of thirty (30) months of continuous service with the Employer.

19.2 The Fund shall be governed by the Board of Trustees of the Welfare Fund.

19.3 It is understood and agreed that the Welfare Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contribution paid hereunder.

19.4 It is agreed that all questions involving legal benefits not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Welfare Fund and the Legal Benefits Plan.

19.5 The Employer agrees to be bound by all the decisions made by the Trustees in accordance with the Declaration of Trust.

19.6 The above contributions shall not be applicable to those employees classified as Courtesy Clerks.

ARTICLE 20- CHECKOFF

20.1 The Employer shall check off the initiation fees and dues from all employees who authorize, in writing, such deductions and shall remit amounts so deducted within thirty (30) days after their collection to the Financial Secretary or designated officer of the Union. Dues will be checked off weekly and remitted monthly.

20.2 The Employer agrees to deduct fifty cents (50¢) per week and remit monthly to the Local Union's Active Ballot Club from employees who are Union members and who have signed deduction authorization cards _

20.3 The Employer agrees to honor regular deductions to the Chessie Federal Credit Union from employees who are Union members and who have signed deduction authorization cards in the amounts specified on the deduction authorization cards. The sums so deducted by the Employer shall be submitted to the Union on a mutually agreeable basis, but not less than monthly _

20.4 The Employer will submit all check-offs on computer media _

20.5 The Union agrees to hold the Employer harmless from all legal claims, or liabilities that might arise out of any erroneous deductions as a result of the above checkoff provisions _

ARTICLE 21- ARBITRATION AND ADJUSTMENTS

21.1 Should a controversy, dispute or disagreement arise during the period of this Agreement concerning the interpretation of the provisions of this Agreement, except that liability for wage claims shall not be subject to arbitration unless involving a disputed interpretation of the provisions of the Agreement, there shall be no cessation or stoppage of work or lockout because of such controversy, dispute, or disagreement, but the difference shall be adjusted in the following manner _

21.2 Any difference which an employee has not been able to adjust informally with his/her immediate supervisor may be made the subject of a grievance. All grievances must be filed, in writing, within thirty (30) days after occurrence of the matter in dispute or disagreement, provided that any grievances in reference to dismissal must be filed, in writing, to the Employer within ten (10) days from the date of dismissal. Grievances not filed within the limits herein specified shall have no right of appeal by any party involved. Grievances shall be processed in the following manner:

Step 1 The aggrieved employee (s) and Shop Steward(s) shall present the grievance, in writing, to the Store Director. The Shop Steward(s) with the employee(s) involved shall meet on such grievance with the Store Director to resolve the grievance. The Store Director shall furnish the Shop Steward(s) and the employee(s) with an answer to the grievance. If the grievance is not settled satisfactorily within ten (10) days, the grievance shall proceed to Step 2 _

Step 2 No later than five (5) days after the answer is furnished in Step 1, or should have been furnished, the grievance shall be presented by the Business Representative(s) of the Union, in writing, to the local District Manager. The District manager and the Union will meet to resolve the grievance. If the grievance is not settled satisfactorily within ten (10) days, the grievance shall proceed to Step 3 _

Step 3 No later than five (5) days after the answer is furnished in Step 2, or should have been furnished, the grievance shall be presented by the Business Representative(s) of the Union, in writing, to the Director of Human Resources or designee. The Union and the Director of Human Resources or designee shall meet within ten (10) days from receipt of the grievance. The Employer shall provide a written answer to said grievance within ten (10) days of the meeting. If the grievance is not settled satisfactorily, the grievance shall proceed to Step 4 _

Step 4 No later than ten (10) days after the written answer is furnished in Step 3, or should have been furnished, the grievance shall be presented by the Business Representative of the Union, in writing, to the Director of Labor Relations. The Union shall meet with the Director of Labor Relations or designee within ten (10) days from receipt of the grievance. The Employer shall provide a written answer to said grievance within five (5) days of the day of the meeting. If the grievance is not settled satisfactorily, the Union or the Employer may request the grievance be submitted to arbitration as outlined in Section 21.3 of this Article.

21.3 If the matter is not amicably settled under 21.2 above, then either party may, on giving five (5) days notice to the other party:

1. Submit the matter to the Federal Mediation and Conciliation Service for a list of fifteen (15) arbitrators and the parties shall select therefrom one (1) arbitrator as follows: Each of the parties shall strike one (1) name from the list until a last name remains, each of the parties drawing lots to determine who shall be entitled to the first strike.
2. The arbitrator shall not have the authority to decide questions involving the jurisdiction of any local or of the International or which may in any way affect or change the union Security Clause, nor shall the arbitrator have the authority to effect a change in, modify, or amend any of the provisions of this Agreement or to make decisions or provisions covering wages or working conditions to be incorporated either in a new Agreement or any subsequent annual Agreement, except as hereinafter provided.
3. In the event that one party should fail to make their selection of arbitrators within two (2) weeks after receipt of notification by the other party that their choices have been submitted, then the first choice of the selecting party shall be binding on the non-selecting party.
4. In the further event, should one (1) party fail to participate in the scheduled arbitration proceeding, the other party may proceed unilaterally and the decision of the arbitrator shall be final and binding upon all parties.
5. As determined by the Union and the Employer, certain grievances raised to the level of arbitration may be processed through an alternative method. In such use, the parties will select an arbitrator from an established list which can include the Federal Mediation and Conciliation Service (F.M.C.S.) and the case will be presented by staff representatives of the parties.
6. Arbitrations shall be submitted within ninety (90) days after the occurrence of the matter in dispute.

21.4 The provisions of Article 24, No Strikes or Lockouts, shall not be binding on either party if the other fails to abide by the decision of the arbitrator.

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

ARTICLE 22- UNION ACTIVITIES

22.1 There shall be no discrimination against any employee because of Union membership. The Employer further agrees there shall be no discrimination against any stewards of the Union as a result of their activities and performance of their responsibilities.

22.2 The Union agrees that neither it nor its members will engage in Union activities on the Employer's time or in the Employer's stores if such activities interfere with the peaceful operation of the Employer's business, provided, however, that representatives of the Union shall have free access to the Employer's stores for the purpose of determining that the terms of this Agreement are being complied with including but not limited to inspecting work schedules, investigating the standing of employees and inspecting the pay records, which shall be available for a reasonable length of time.

22.3 The Employer shall not be held liable for any injuries to Union Representatives while on the premises.

22.4 Notices concerning Union business will be posted in a designated location in the stores after approval by management.

ARTICLE 23- MILITARY SERVICE

23.1 The Employer will comply with the applicable laws of the United States concerning the re-employment of persons returning from military service of the United States. A person so re-employed shall be paid at the current rate for the appropriate job classification and shall assume his/her original employment date and be entitled to his/her pro-rata vacation. At the time the employee leaves for military service, he/she shall receive whatever vacation pay is due him/her. The application of this provision will comply with the Uniformed Services Employment and Re-employment Rights Act.

23.2 Employees, full-time or part-time, who serve in the National Guard or military reserve units, which require annual training, shall be granted the necessary leave either without pay or, at the employee's option, eligible vacation time, to fulfill the annual training requirements of the units in which they serve. Such employee shall furnish a copy of their orders and two (2) weeks prior notice to the Employer.

ARTICLE 24- NO STRIKES OR LOCKOUTS

It is mutually agreed by the parties of this Agreement that there shall be no strikes or stoppages of work by the employees or by the Union, nor shall there be any lockout by the Employer during the life of this Agreement, and that any difference of opinion or misunderstanding concerning the interpretation of the provisions of this Agreement which may arise between the contracting parties shall be amicably adjusted by and between the parties themselves, and if the parties cannot amicably adjust the difference, then the matter shall be referred to an Arbitrator as provided in Article 21. Nothing contained herein, however, shall compel any employee to walk through a legal picket line, provided such picket line has the sanction of his/her own International Union.

ARTICLE 25- INVALIDATION

Should any article, section, or portion thereof, of this Agreement be held unlawful and unenforceable by any court of competent jurisdiction, such decisions of the court shall apply only to the specific article, section, or portion thereof directly specified in the decision, provided, however, that

upon such a decision the parties agree immediately to negotiate a substitute for the invalidated article, section, or portion thereof.

ARTICLE 26- DURATION OF AGREEMENT

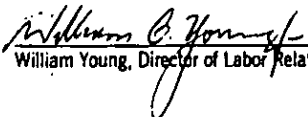
This Agreement shall be effective commencing September 24, 2000, and shall remain in force until and including September 28, 2002, and from year to year thereafter, with the right of either party to reopen upon written notice, not less than sixty (60) days prior to September 28, 2002, or the 28th day of September of any subsequent year of a desire either to change or terminate this Agreement. In the event either party serves notice, it is agreed that the Employer and the Union shall immediately begin negotiations on the proposed changes and that, pending the results of such renegotiations, neither party shall change the conditions existing at the time under the contract. If during the period of negotiations the Union decides to terminate this Agreement it agrees, however, that it will not strike or cause stoppage of work by the employees, unless notice of strike action is given at least two (2) days notice prior to the strike which shall be set forth in the notice. If the strike does not take place upon the date set forth in the notice, said notice shall be null and void and a new notice required before strike action can be taken.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed hereto by their duly authorized officers and representatives as of this day and year first above written.

FOR THE EMPLOYER:

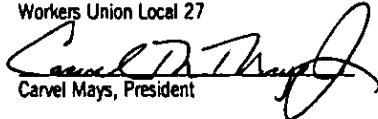
ACME Markets, Inc.



Michele Murphy, Esquire, Vice President of
Labor Relations and Employment Counsel

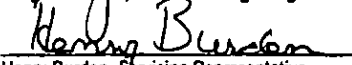

William Young, Director of Labor Relations

FOR THE UNION:

United Food and Commercial
Workers Union Local 27


Carvel Mays, President


Margaret Bohon, Collective Bargaining


Henry Burden, Servicing Representative

ATTACHMENT A - WAGES

Effective September 24, 2000, all employees currently working in the Millsboro store will be raised to the contractual wage rates for their classification and length of service, and will receive all wage increases provided for during the length of the contract.

	<i>Current Top Rate*</i>	<i>Effective 9/24/00</i>	<i>Effective 9/23/01</i>
<i>Across-the-Board to Top Rate</i>		<i>\$0.30</i>	<i>\$0.30</i>
Bakery Clerk Hired or Promoted on or Before 9/8/88	<i>\$11.65</i>	<i>\$11.95</i>	<i>\$12.25</i>
Bakery Manager Hired or Promoted after 3/6/83	<i>\$12.10</i>	<i>\$12.40</i>	<i>\$12.70</i>
Clerk (Meat/Grocery) Hired or Promoted on or Before 3/6/83	<i>\$14.24</i>	<i>\$14.54</i>	<i>\$14.84</i>
Clerk (Meat/Grocery) Hired or Promoted after 3/6/83 and on or Before 9/8/88	<i>\$13.15</i>	<i>\$13.45</i>	<i>\$13.75</i>
Clerk (Meat/Grocery) Hired or Promoted after 9/8/88 and on or Before 10/30/94	<i>\$12.05</i>	<i>\$12.35</i>	<i>\$12.65</i>
Clerk (Meat/grocery) Hired or Promoted after 10/30/94 and on or Before 9/27/97	<i>\$10.20</i>	<i>\$10.50</i>	<i>\$10.80</i>
Deli Manager Hired or Promoted on or Before 3/6/83	<i>\$15.43</i>	<i>\$15.73</i>	<i>\$16.03</i>
Deli Manager Hired or Promoted after 3/6/83	<i>\$15.35</i>	<i>\$15.65</i>	<i>\$15.95</i>
First Cutter Hired or Promoted on or Before 3/6/83	<i>\$15.68</i>	<i>\$15.98</i>	<i>\$16.28</i>
First Cutter Hired or Promoted after 3/6/83	<i>\$15.35</i>	<i>\$15.65</i>	<i>\$15.95</i>
Grocery Manager Hired or Promoted on or Before 3/6/83	<i>\$15.83</i>	<i>\$16.13</i>	<i>\$16.43</i>
Grocery Manager Hired or Promoted after 3/6/83	<i>\$15.60</i>	<i>\$15.90</i>	<i>\$16.20</i>
Meat Cutter (Full Time) Hired or Promoted on or Before 3/6/83	<i>\$15.44</i>	<i>\$15.74</i>	<i>\$16.04</i>
Meat Cutter (Part Time) Hired or Promoted on or Before 3/6/83	<i>\$15.37</i>	<i>\$15.67</i>	<i>\$15.97</i>
Meat Cutter (Full Time & Part Time) Hired or Promoted after 3/6/83	<i>\$15.10</i>	<i>\$15.40</i>	<i>\$15.70</i>

ATTACHMENT A - WAGES
continued

	Current Top Rate*	Effective 9/24/00	Effective 9/23/01
Meat Manager Hired or Promoted on or Before 3/6/83	\$16.48	\$16.78	\$17.08
Meat Manager Hired or Promoted after 3/6/83	\$16.10	\$16.40	\$16.70
Office Coordinator (Formerly Head Cashier) Hired or Promoted on or Before 3/6/83	\$15.20	\$15.50	\$15.80
Office Coordinator (Formerly Head Cashier) Hired or Promoted after 3/6/83	\$14.90	\$15.20	\$15.50
Pharmacy Clerk Hired or Promoted Before 7/16/84	\$10.80	\$11.10	\$11.40
Pharmacy Clerk Hired or Promoted Between 7/16/84 and 6/19/88	\$9.80	\$10.10	\$10.40
Across-the-board to Top Rate		\$0.30	\$0.30
Pharmacy Clerk Hired or Promoted Between 6/19/88 and 6/23/91	\$9.60	\$9.90	\$10.20
Porter Hired or Promoted on or Before 3/6/83	\$12.44	\$12.74	\$13.04
Porter Hired or Promoted after 3/6/83	\$11.40	\$11.70	\$12.00
Produce Manager Hired or Promoted on or Before 3/6/83	\$15.66	\$15.96	\$16.26
Produce Manager Hired or Promoted after 3/6/83	\$15.35	\$15.65	\$15.95
Across-the-board to Top Rate		\$0.20	\$0.20
Service Clerk Hired or Promoted Before 7/16/84	\$10.80	\$11.00	\$11.20
Across-the-board to Top Rate		\$0.20	\$0.20
Service Clerk Hired or Promoted Between 7/16/84 and 6/19/88	\$9.80	\$10.00	\$10.20
Service Clerk Hired or Promoted Between 6/19/88 and 6/23/91	\$9.60	\$9.80	\$10.00

ATTACHMENT A - WAGES

continued

	<i>Current Top Rate*</i>	<i>Effective 9/24/00</i>	<i>Effective 9/23/01</i>
<i>Across-the-board to Top Rate</i>		<i>\$0.20</i>	<i>\$0.20</i>
Service Clerk Hired or Promoted after 6/23/91 and Before 10/30/94	\$7.85	\$8.05	\$8.25
Service Clerk Hired or Promoted after 10/30/94 and Before 9/27/97	\$7.70	\$7.90	\$8.10

*The above rates do not include the cost of living increases any current employee has received.

PROGRESSION SCALES EMPLOYEES HIRED OR PROMOTED ON OR AFTER 9/27/97**

	<u>COURTESY CLERK</u>	<u>SERVICE CLERK</u>	<u>CLERK</u>	<u>PHARMACY TECH</u>	<u>MEAT APPRENTICE</u>
Start	\$5.15	\$5.15	\$6.15	\$6.50	\$7.95
60 days	\$5.30	\$5.30			
6 months	\$5.45	\$5.60	\$6.25	\$6.60	\$9.45
12 months	\$5.70	\$5.80	\$6.45	\$6.80	\$10.90
18 months	\$5.85	\$6.00	\$6.65	\$7.00	\$12.30
24 months	\$6.25	\$6.35	\$6.85	\$7.20	
30 months		\$6.50	\$7.05	\$7.40	
36 months		\$6.75	\$7.25	\$7.60	
42 months		\$7.00	\$7.50	\$7.85	
48 months			\$8.00	\$8.35	
54 months			\$8.50	\$8.85	
60 months			\$9.00	\$9.35	

**New hire start rates shall be determined by the Employer subject to the needs of the business. Such rates shall under no circumstances be less than minimum wage. In the event employees are hired at a rate above the start rate per hour for the employees' classification, they shall receive a twenty cent (20¢) per hour increase every six (6) months until such time as they reach their normal progression level.

ATTACHMENT A - WAGES
continued

ACROSS THE BOARD INCREASES***

<u>CLASSIFICATION</u>	<u>9/24/2000</u>	<u>9/23/2001</u>
Courtesy Clerk	\$0.15	\$0.15
Service Clerk	\$0.20	\$0.20
All Others	\$0.30	\$0.30

***All across-the-board increases apply to all employees who are at or above the top rates of their wage progressions on the effective dates of the increases.

The Employer agrees to establish the above classifications in those stores where in the sole opinion of Employer the needs of the store require such employees. A department head is any employee held responsible by the Employer for the proper operation of a specified department.

The Employer agrees to provide for full-time Front End Managers in stores doing a volume greater than \$200,000 per week. Front End Managers will receive fifty cents (50¢) per hour over top rate.

The Employer agrees to establish General Merchandise Manager in stores doing more than \$30,000 per week in general merchandise business. General Merchandise Managers shall receive fifty cents (50¢) per hour over their regular rate.

ATTACHMENT B - CONTRACT AREA

The Employer recognizes the Union as the sole and exclusive collective bargaining representative for all of its employees (other than Store Directors, Assistant Store Directors, Pharmacists, and Supervisory Employees) coming under the jurisdiction of United Food and Commercial Workers Union, Local No. 27, in the stores in the areas set forth below, except in those areas where other duly chartered Locals exist.

State of Maryland:

Washington (East of Cumberland and Canal), Frederick, Carroll, Baltimore, Harford, Cecil, Howard, Anne Arundel (South to South River from Chesapeake Bay to U.S. Highway 50), Kent, Queen Anne, Talbot, Caroline, Dorchester, Wicomico, Somerset, Worcester Counties.

State of Delaware:

Newcastle (South of the C&D Canal), Kent and Sussex Counties;

State of Virginia:

North Hampton and Accomack Counties

State of West Virginia:

Berkley and Jefferson Counties.

ATTACHMENT C - SENIORITY AREAS

<u>STORE #</u>	<u>ADDRESS</u>
<u>AREA A</u>	
6723	2315 C-7 Belair Rd. Fallston, MD 21047
6711	1000 Pulaski Hwy., Havre-de-Grace, MD 21078
6733	Rts. 272 & 40, North East, MD. 21901
6762	101 Big Elk Mall, Elkton, MD. 21921
6214	1719 West Green Street, Middletown, DE 19709
<u>AREA B</u>	
6212	115 East Glenwood Ave., Smyrna, DE. 19977
6213	1001 North Dupont Highway, Dover DE 19901
6849	U.S. Rt. 213, Chestertown, MD. 21620
6727	211 East Water Street, Centerville, MD. 21617
<u>AREA C</u>	
6860	Rt. 50, Kent Island Shp. Ctr., Stevensville, MD. 21666
6845	307 Civic Avenue, Salisbury, MD. 21801
6218	Rt. 113, Millsboro, DE. 19966
6203	31 North Dupont Blvd., Milford, DE. 19963
6800	114 Talbot Street, St. Michaels, MD 21663
6739	U.S. Rt. 50 & Crusader Road, Cambridge, MD. 21613
6740	200 W. Marlboro Road, Easton, MD. 21601

Employees may be transferred from any area except between A & C. At such tir additional stores come under the jurisdiction of this Agreement the Parties will discuss appro seniority areas.

UFCW LOCAL 27
21 WEST ROAD
BALTIMORE, MD 21204

K# 6784

1025 es

ATTACHMENT C - SENIORITY AREAS

<u>STORE #</u>	<u>ADDRESS</u>
AREA A	
6723	2315 C-7 Belair Rd. Fallston, MD 21047
6711	1000 Pulaski Hwy., Havre-de-Grace, MD 21078
6733	Rts. 272 & 40, North East, MD. 21901
6762	101 Big Elk Mall, Elkton, MD. 21921
6214	1719 West Green Street, Middletown, DE 19709
AREA B	
6212	115 East Glenwood Ave., Smyrna, DE. 19977
6213	1001 North Dupont Highway, Dover DE 19901
6849	U.S. Rt. 213, Chestertown, MD. 21620
6727	211 East Water Street, Centerville, MD. 21617
AREA C	
6860	Rt. 50, Kent Island Shp. Ctr., Stevensville, MD. 21666
6845	307 Civic Avenue, Salisbury, MD. 21801
6218	Rt. 113, Millsboro, DE. 19968
6203	31 North Dupont Blvd., Milford, DE. 19963
6800	114 Talbot Street, St. Michaels, MD 21663
6739	U.S. Rt. 50 & Crusader Road, Cambridge, MD. 21613
6740	200 W. Marlboro Road, Easton, MD. 21601

Employees may be transferred from any area except between A & C. At such time as additional stores come under the jurisdiction of this Agreement the Parties will discuss appropriate seniority areas.

UFCW LOCAL 27
21 WEST ROAD
BALTIMORE, MD 21204



3600
+ 4

4000

COLLECTIVE BARGAINING AGREEMENT

between

**ACME MARKETS, INC.
EASTERN SHORE**

and

**UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL 27**

SEPTEMBER 24, 2000

TO

SEPTEMBER 28, 2002

7/23/02

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AGREEMENT

THIS AGREEMENT made and entered into this 24th day of September, 2000, between ACME MARKETS, INC., EASTERN SHORE (hereinafter referred to as "Employer") and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 27, chartered by the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, CLC (hereinafter referred to as the "Union").

ARTICLE 1 - SUCCESSORS AND ASSIGNS

1.1 This Agreement shall be binding upon the successors and assigns of the Employer herein whether such status is created by sale, lease, assignment or any other type of transfer transaction, provided the transaction involves at least thirty-five percent (35%) of the Employer's facilities covered by this Agreement.

1.2 The documents evidencing the transfer must contain provisions which require the retention in employment by the successor or assignee of no less than fifty percent (50%) of the bargaining unit employees who would otherwise be displaced by the transaction. Employees retained by the successor or assignee shall be subject to an initial sixty (60) day probationary period, during or at the end of which the employee may be terminated without recourse to the grievances and arbitration procedure as contained in Article 21 of this Agreement. Employees retained after successful completion of their probationary period shall be credited with their seniority accrued as employees of the Employer herein and with full service credit for all purposes. The Employer shall not be a guarantor or be held liable for any breach by the successor or assignee of its obligations, and the Union will look exclusively to the successor or assignee for compliance with the terms of this Agreement.

1.3 The foregoing paragraphs shall not apply in cases of store closing (more than thirty (30) days).

ARTICLE 2 - MANAGEMENT AUTHORITY

2.1 The management of the business in all its phases shall remain vested in the Employer. The rights of the Employer and the employees shall be respected and the provisions of this Agreement for the orderly settlement of all questions regarding such rights shall be observed.

2.2 In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work within the Grocery Department, advance notice of such changes will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

ARTICLE 3 - RECOGNITION

3.1 The Employer recognizes the Union as the sole and exclusive collective bargaining representative for all of its employees (other than Store Director, Assistant Store Director I, Assistant Store Director II, and Pharmacists), coming under the jurisdiction of the United Food and Commercial Workers Union, Local 27, in the stores in the areas set forth in Attachments B and C attached hereto and made a part hereof.

3.2 All work and services connected with, or incidental to, the handling or selling of all merchandise offered for sale to the public in the Employer's retail establishments covered by this Agreement shall be performed only by employees of the Employer within the unit referred to above, for which the Union is recognized as the Collective Bargaining agency by the Employer except such work as may be performed at the point of delivery by driver-salesmen in servicing retail markets with products as described in paragraph B. below.

- A. The provisions of this article shall not be construed as restricting sales representatives from inspecting any and all merchandise for spoilage, proper rotation or replacement; such representatives may price, mark and stock their own products in stores covered within the jurisdiction of this collective bargaining agreement under the terms and conditions of the guarantees as set forth below.
- B. Merchandise referred to above shall include the following: Bread and perishable bakery, sodas, specialty foods, books and magazines, greeting cards, seasonal displays, resets, cookies, snacks and non-food rack jobbers.
- C. The application of this provision shall in no way restrict the work which may be performed by the Store Directors and Assistant Store Directors. The Employer agrees the application of this provision shall not cause bargaining unit employees to lose hours.

3.3 The Employer agrees that all meat products will be cut, packaged, prepared and sold by employees under the jurisdiction of this Union and that these employees will continue to handle such items as had been customarily handled in the past and which had been prepared and packed on or off the premises. Likewise all such products which heretofore customarily come to the Employer already packed by the producer or distributor shall be handled as heretofore. Exceptions may be made provided the Union is notified in advance and given written assurance that no member's job will be eliminated as a result of such exception. The Union agrees it will not withhold its Agreement.

3.4 A Bargaining Unit employee shall be on duty in the Meat Department from the time each store opens for business until 6:00 P.M., except that a department need not be staffed during meal periods where there is only one employee in the unit on duty that day. In those stores with weekly Meat Department sales volume of less than \$30,000.00 the Employer shall not be required to staff the department on the Meat Manager's day off or on contract holidays. The Employer gives its assurance that this paragraph will not result in a reduction of hours for any current meat department employee.

3.5 The Employer further agrees that if the employer should establish a new store or stores within the jurisdiction of the Union as set forth in Attachment B, this Agreement shall apply to such new store or stores. In the event the Employer engages in department or discount type stores, then the Employer and the Union shall negotiate as to the terms for wages and hours for such employees. In the event the Employer in the future engages in a department or discount type store, commonly known as a general merchandise store, and an agreement between the Union and the Employer cannot be concluded, then the provisions of Article 24, No Strike or Lockouts, shall not be binding upon the Union and the Employer.

3.6 The Employer shall notify the Union thirty (30) days prior to a store closing. The Employer shall negotiate the effect on the employees of the store scheduled to be closed.

ARTICLE 4 - UNION SECURITY

4.1 All employees shall, as a condition of employment, become and remain members of the Union on and after the thirty-first (31st) day following the date of employment. For the purposes of this provision, membership in the Union shall mean that the employee either tenders the periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership or pays those fees and dues necessary to permit the Union to serve as an exclusive representative of employees.

4.2 Upon failure of any employee to become and remain a member of the Union within the period and under the conditions specified in Paragraph 4.1 above, the Union shall notify the Employer in writing of such failure and the Employer shall, within seven (7) days of receipt of such notice, discharge any such employee as provided in the Labor Management Relations Act of 1947 as amended.

4.3 The Employer will notify the Union in writing as soon as possible within twenty-five (25) days from the date of employment, reinstatement, or transfer into the bargaining unit of any employee, of the name of such employee, the home address, telephone number, assigned store, social security number and job classification (full time or part time), and the date of employment, reinstatement, transfer, termination, or change in status from part time to full time or full time to part time.

4.4 New employees, after ninety (90) days of service, shall receive two (2) hours paid leave to attend the Union's orientation program. In order to be paid for such leave, the employee must provide the Store Director with written evidence from the Union that he/she used the leave for the purpose for which the leave was intended.

ARTICLE 5 - SENIORITY

5.1 Seniority for the purpose of this Agreement shall be calculated by continuous service from the last date of employment (except as otherwise provided). A seniority list for all full time employees and a separate list for all part time employees shall be set up by the Employer and shall be furnished to the Union upon request. Seniority areas governing this Agreement are outlined in Attachment C attached hereto and made a part hereof. In connection with layoffs and store closings, seniority will first apply to the store, then geographic seniority area and last to the jurisdiction of this Agreement.

5.2 The Employer recognizes the principle of seniority by classification as being one in which the movement of an employee from one job to another or from one location to another through promotion, layoff, recall after layoff, or permanent transfer, shall be governed by the length of service of the employee, and in connection with such movement the Employer may take into consideration as to each employee involved, his/her ability to perform the work. For this purpose, first cutters shall be on the same seniority list as meat cutters. In matters of temporary transfer from one store to another, seniority will prevail with consideration given to job classification.

5.3 Full time employees to be laid off by classification shall have the option of part time employment, and shall be placed at the top of the part time seniority list, or may take a complete layoff. They shall have the right of recall on any full time opening, provided they can do the work. Full time employees reduced from full time to part time through no fault of their own will retain full time Health and Welfare and Pension coverage for a period of six (6) months. The Employer will continue the full

time Health and Welfare and Pension contribution for said period of time. When a full time employee is involuntarily reduced to part time, he/she shall continue to accrue seniority as though he/she was still full time. When a full time employee voluntarily reduces himself/herself in writing, his/her part time seniority is dated from the original date of hire.

5.4 Part time employees desiring full time work and lower classified employees desiring to upgrade in classification shall be given preference for such work in accordance with the following procedure.

Job Postings: WITHIN DISTRICT/AREA - Openings for Full Time Clerks and Department Manager positions will be posted for fourteen (14) days in the stores within the collective bargaining agreement's jurisdiction. The Shop Steward will sign the posting to verify that it was properly posted. The Union will be sent a copy of each posting. The most qualified senior employee(s) will be selected.

Job Postings: WITHIN A SPECIFIC STORE - In-store promotions are to be posted for seven (7) days in the store where the position becomes available. The most senior, qualified employee who completes a Job Request Form is to be selected for the position.

The Employer agrees to notify the Union and all applicants of the final selection. Employees with a record of disciplinary actions may be disqualified from receiving the promotions. If the employee fails to qualify within a reasonable time for the upgraded position, he/she shall be afforded the opportunity to return to his or her former classification without loss of seniority. Part time employees shall accumulate seniority eligibility when going to full time on a basis of one (1) month uninterrupted service being counted as one (1) month for full time service for determination of their proper seniority. Full Time night crew employees will be given priority consideration for available full time day vacancies within the clerk job classification.

5.5 Employees laid off due to the store closing or reduction of employment shall be laid off by order of the most recent hired and shall be rehired in the reversed order of the layoff, with due consideration given to job classification. Employees laid off and subsequently recalled within twelve (12) months will retain former seniority. In the event of a layoff due to a store closing all such laid off employees shall be entitled to recall rights for an additional twelve (12) months. If the available opening for a part time employee who is recalled is outside of the seniority area, the employee may refuse the opening without prejudice to future recall within the same seniority area.

5.6 The Employer agrees to give a week's notice or a week's pay in lieu of a week's notice to full time employees with six (6) months service and three (3) days notice or three (3) days pay to part time employees with twelve (12) months service who are laid off due to lack of work.

5.7 Any employee transferred into the Bargaining Unit from any other part of the Employer's operation shall retain their last employment date for the purpose of computing benefits, but their seniority date shall be the date they commenced working in the Bargaining Unit.

5.8 Employees involuntarily transferred from one seniority area to another as a result of store closing or layoffs, will be afforded the opportunity to return to their original seniority area before a permanent employee of the same job classification is hired in said seniority area. Said transfer opportunity shall exist for a period of twelve (12) months.

5.9 Meat Department heads with less than six (6) months as a department head will be considered in the same job classification as other employees in their classification for the purpose of layoff and recall.

5.10 A Meat Department Manager with at least two (2) years of continuous service in that classification who is demoted (involuntarily reduced in classification) for other than disciplinary reasons shall maintain his/her wage rate for a period not to exceed ten (10) weeks.

5.11 Before a Journeyman Meat Cutter can be reduced to part time or laid off within the seniority area, all apprentices must be laid off within the seniority area. Where the application of this provision creates a hardship or operational problem, the Union and the Employer agree to discuss and resolve the problem.

5.12 Effective September 24, 2000, the Employer will establish and maintain a percentage of full time bargaining unit employees of not less than twenty-seven percent (27%). Effective September 23, 2001, a minimum of twenty-six percent (26%) full time employment shall be maintained. Effective September 22, 2002, a minimum of twenty-five percent (25%) full time employment shall be maintained. Courtesy Clerk positions shall not be included in the formula used to calculate the minimum. No employee who is full time as of September 23, 2000 shall be involuntarily reduced during the life of this Agreement as a result of the implementation and maintenance of this Section.

5.13 Employees promoted to full time prior to January 1, 1990, who have not voluntarily reduced themselves, will not be involuntarily reduced to part time or laid off for the duration of this agreement. Part time employees hired prior to January 1, 1990 will not be laid off for the duration of this agreement.

ARTICLE 6 - HOURS AND OVERTIME

6.1 For the purpose of this Agreement, the basic work week shall be from Monday through Saturday, inclusive. Sunday work shall be isolated and shall not be part of the basic work week.

6.2 The Employer may establish as many shifts as necessary and the starting time of such shifts shall be optional with the Employer. There shall be no split shifts.

6.3 The guaranteed basic work week for all full time employees shall be forty (40) hours per week, consisting of five (5) eight (8) hour shifts. By mutual agreement, or to create a full time position, full time employees may be scheduled to work three (3) eight (8) hour days, one (1) six (6) hour day and one (1) ten (10) hour day; or four (4) ten (10) hour days per week.

6.4 A part time employee is one who works thirty-five (35) hours or less per week.

6.5 All eligible part time employees shall be scheduled a minimum hours work per day and per week as outlined below:

	<u>Minimum Daily Hrs</u>	<u>Minimum Weekly Hrs</u>
grocery, meat, service clerk hired before 9/28/97	4	20
grocery, meat hired on or after 9/28/97	3	16
service clerks hired on or after 9/28/97 and before 9/24/00	3	12
service clerks hired after 9/24/00	3	10
courtesy clerks hired before 9/27/97	3	16
courtesy clerks hired on or after 9/27/97	3	10

The above minimums shall not apply to probationary employees, students, or employees not available.

6.6 The Employer shall combine existing part time assignments on a seniority basis, unless such hours duplicate each other, providing the employee can do the work, so as to provide the maximum part time employment per individual within the definition of part time employment, and further to create as many full time positions as possible. When a part-time employee is scheduled and/or works for forty (40) straight time hours per week for more than six (6) consecutive weeks and the work is not temporary (i.e., vacation and/or absence coverage); a full-time position shall be deemed to have been created. Such full-time position, within the store and department where the work was performed, will be filled in accordance with Article 5

6.7 The regular day's work for all full time employees shall be worked within eight and one-half (8½) consecutive hours and all employees shall receive one-half (½) hour off for lunch at approximately the middle of the shift. The meal period shall not begin before three (3) hours of work, nor later than five (5) hours of work. Part time employees who work six (6) hours or more in a work day shall be granted a meal period without pay of at least one-half (½) hour, if requested by the employee. By mutual agreement between Employer and employee, a meal period may be waived or can be one (1) hour. Any employees instructed to work and who works their meal period shall receive pay for that period of time at the overtime rate of time and one-half (½) their regular rate of pay.

6.8 Employees working six (6) hours or less in a day shall receive one (1) fifteen (15) minute rest period, without loss of pay, as near as possible to the middle of their shift. Employees working more than six (6) hours in a day shall receive two (2) rest periods of fifteen (15) minutes each, without loss of pay, one (1) rest period to be in the first half of the work day, the second rest period to be in the second half of the work day as near as possible to the middle of each shift. The Employer will not intentionally prepare a schedule to avoid the requirement of a second rest period.

6.9 All time worked by an employee in excess of eight (8) hours in any one (1) day, five (5) days in one (1) week, or forty (40) hours in any work week, or in excess of thirty-two (32) hours in any week in which one of the specified holidays fall, shall be deemed overtime, except as otherwise provided in this Article. Such overtime work shall be paid for at the rate of time and one-half (½) the employee's regular rate of pay. Part time employees who are scheduled for five (5) days in one (1) week, and who are called into work on their scheduled day off shall receive time and one-half (½) for all hours worked

on said scheduled day off, provided said employee remains available to work the remainder of his/her schedule for that week.

6.10 Overtime shall be worked at the designation of the Employer. The overtime pay shall be computed on a daily or weekly basis, but not for both. On days where overtime is worked, it shall be offered to employees on a seniority basis with due consideration being given to job classification and ability to do the work. An employee shall not be disciplined for his/her refusal to work unreasonable overtime.

6.11 Full time employees hired prior to July 25, 1971, shall be paid at the overtime rate for all hours worked after 6:00 p.m. except two (2) nights per week. Employees hired full time or advanced to full time on or after July 25, 1971, may work up to three (3) nights after 6:00 p.m. at the straight time rate of pay. Employees hired full time or advanced to full time on or after 9/24/00, may work up to five (5) nights after 6:00 p.m. at the straight time rate of pay. The scheduling of full time employees for nights (including Saturday night) past 6:00 p.m., if necessary, shall be assigned on a rotating basis, as nearly equal as practicable. There shall be no discrimination against full time employees in scheduling such work.

6.12 Any time worked after 1:00 a.m. or before 4:00 a.m. shall be paid at the overtime rate of time and one-half (½) of the employee's regular rate of pay, except for those employees on the night shift.

6.13 Part time employees who report to work pursuant to instructions and are not given work shall be paid for their scheduled hours, but in no event for less than the minimum daily hours guaranteed in this Agreement. Full time employees reporting for work at their scheduled time shall be guaranteed a full day's work with pay. The guarantees set forth in this Section are contingent upon there being no conditions such as fire, flood, civil disorder or other catastrophe beyond the company's control.

6.14 In the event such employee is called to work on his/her predesignated day off, he/she shall be guaranteed a minimum of four (4) hours pay at the overtime rate of time and one-half (½).

6.15 The Employer agrees to post a weekly work schedule, in ink, with employees full names listed in order of seniority, in a conspicuous place by 6:00 P.M. on Friday of the week preceding the week for which the schedule is effective of working hours specifying the starting and finishing times and regular days off. The schedule shall contain the scheduled hours of each employee totaled for the week. The schedule for the night crew and those scheduled off on Saturday must be posted prior to the end of those employees' scheduled shift on Friday of the week preceding the week for which the schedule is effective.

6.16 The schedule for all full time employees showing the starting and finishing time and regular days off shall not be altered after it is posted, except by mutual agreement. A part time schedule shall be complete and reflect the anticipated basic needs of the stores requirement for that week. The schedule for a part time employee may be changed by notification to the employee prior to store closing the previous day except for his/her predesignated day off. Each full time employee shall regularly receive the same day off each week. A seven (7) day written notice must be given in order for an employee's regularly scheduled day off to be changed. Employees required to work on their predesignated day off without receiving seven (7) days notice or who work outside their regularly scheduled hours shall be paid at the rate of one and one-half (1½) times their regular rate except in case of emergencies beyond the Employer's control or by mutual agreement. The seven (7) day written notice to change an employee's regular day off shall not apply to holiday weeks.

6.17 The Employer, consistent with the needs of the business, will endeavor to accommodate

employee requests to their immediate supervisor for early or late shift schedules in the morning, afternoon and evening based on their seniority.

6.18 There shall be no pyramiding of overtime and/or premium pay.

ARTICLE 7 - WAGES AND EMPLOYEE CLASSIFICATION

7.1 Wage scales are set forth in Attachment A attached hereto and made a part thereof.

7.2 It is understood that all newly hired employees shall be on probation for the first ninety (90) days of employment. If, during the probationary period, it is found that the new employee is not suitable for the business, his/her services may be terminated at the Employer's discretion.

7.3 When a higher classified employee is absent from his/her position for more than three (3) days and another employee performs the job of the higher classified employee, he/she shall receive the appropriate rate of pay of this higher classification, retroactive to the first day.

7.4 Department Heads may be assigned in stores where designated by the Employer, and where assigned, they will be paid the prevailing rates as listed in Attachment A of the Agreement.

7.5 The Relief Store Director shall receive his/her appropriate hourly rate plus overtime, or the store Director's rate of pay, whichever is the greater, when relieving for one (1) full week or more.

7.6 In stores with three (3) or more full time Journeyman Meat Cutters including the Meat Manager, one (1) shall be designated First Cutter. The First Cutter classification shall be assigned to the store only and not to the individual. Selection of the first Cutter shall be made in the same manner as the Meat Manager.

7.7 Only journeymen meatcutters and/or apprentice meat cutters shall be permitted to cut beef, pork, veal, lamb, poultry or fish with a knife or any other automatic device.

7.8 Employees entering the Apprentice Program shall suffer no reduction in their hourly rate of pay. The Apprentice Program shall be two (2) years. Apprentices shall cut meat at least twenty-five (25%) of the time. The apprentices shall be examined by a representative of the Employer and a representative of the Union on or before his/her twenty-third (23rd) month. Should the apprentice fail to qualify at this step, he/she shall continue in the wage progression and be given another examination at the end of six (6) months from the first examination date.

7.9 "Red Circle" employees in all classifications shall maintain the existing dollar differentials over the new scales.

7.10 New employees shall be given credit for a maximum of three (3) years of previous similar supermarket experience for the purpose of establishing his or her wage rate, provided this experience is declared at the time of the application for employment and proven by verification and demonstrated ability.

7.11 Duties of a Service Clerk shall include stocking baby food, paper plates, napkins, light bulbs, brooms and mops and metal ware. Health and Beauty Aids and similar General Merchandise, fresh vegetable and fruit juices, fresh peanut butter, fruit/salad bar, flower shop, fruit/vegetable platters, pizza preparation, health foods, bulk foods, stuffed potato preparation, handling outdoor merchandise

display, preparation of quiche, bake off rolls in deli, assemble meat and cheese platters, bakery, porter, service center and coffee/candy /snack counter, make sandwiches, vacuum pack in deli express, cook hot foods and rotisserie items, cut vegetables for prepared foods, video sales/rentals, international cheese department, non-foods. Additional duties of a non-conventional nature may be assigned after agreement between Employer and the Union.

7.12 The Employer will have the right to select pharmacy technicians based on skill, experience, training and the needs of the business. Newly created pharmacy technicians will be selected in conjunction with the bid procedure. No bumping from outside classification, except for purposes of layoff. Those currently assigned to the pharmacy will remain in this position unless the parties mutually agree to a transfer.

7.13 Courtesy Clerks duties shall be limited to bagging, parcel pick up, handling cardboard, blocking shelves, cleaning up around the checkout stand and parcel pick up areas, replenishing bag racks, floor care and other cleaning duties anywhere in the store, returning unsold merchandise and handling recycled items. Courtesy Clerks may perform courtesy clerk duties while working any hours, including night crew. While working night crew they shall receive the night crew premium set forth in Section 8.3 of this Agreement. Courtesy Clerks shall be given first consideration in filling job vacancies within their store before considering new hires, provided said Courtesy Clerk satisfied job/age requirement.

ARTICLE 8 - NIGHT CREW EMPLOYEES

8.1 A night crew employee is one who is scheduled for work between the hours of 9:00 p.m. and 10:00 a.m. Employees hired before September 27, 1997 shall not be required to work a day and night shift in the same work week. Employees hired on or after September 27, 1997, may be scheduled for combination day and night shifts during the same work week; i.e., three (3) nights/two (2) days; two (2) nights/three (3) days, five (5) eight (8) hour nights, if scheduled on a regular basis. A night crew may work four (4) ten (10) hour shifts at straight time by mutual agreement. There shall be no changing of schedules to avoid paying overtime.

8.2 Any employee working on the night crew three (3) or more nights during the week shall receive the night premium for all hours worked during the entire week. Any employee working one (1) or two (2) nights on the Night Crew shall receive the night premium for those hours worked only. For employees hired on or after September 27, 1997, part time employees shall receive a premium only for those hours actually worked on night crew. Any time worked by a member of the night crew prior to 9:00 p.m. or after 10:00 a.m. shall be paid at time and one-half (1½) of the employee's regular rate of pay which shall be in addition to his/her night premium. When a majority of the night crew in any individual store, who by written mutual consent with the Employer elect to report to work before 9:00 p.m. or work beyond 10:00 a.m., they shall be deemed to have waived the premium provisions provided herein for those hours covered by such election.

8.3 Employees assigned to the night shift will receive an additional premium per hour as follows, which shall be over and above the regular rate of pay for the same or similar day job.

	<u>Effective</u> <u>9/24/00</u>	<u>Effective</u> <u>3/24/02</u>
Employees Assigned on or Before 9/24/94	\$0.80	\$0.90
Employees Assigned after 9/24/94	\$0.45	\$0.60

8.4 One (1) bargaining unit employee, shall be designated as the employee in charge of the night crew. This employee shall not be replaced by any employee in a higher wage classification. The employee in charge of night crew will receive in addition to his/her night premium, an additional twenty-five dollars (\$25.00) per week. A night crew captain in charge in a store which is open for business on a twenty-four (24) hour basis shall receive an additional ten dollars (\$10.00) per week night premium (in addition to the twenty-five dollars (\$25.00) per week night captain premium).

8.5 Part time employees may be assigned on a night shift, provided however, part time employees hired prior to 9/24/00, must be assigned for a full shift of not less than eight (8) hours. Part time employees hired on or after 9/24/00, must be scheduled a shift of no less than six (6) hours.

8.6 An employee who regularly and continuously works on the night crew shall receive his/her basic straight time hourly rate in addition to the night premium for the purpose of computing overtime, vacation pay and holiday pay.

ARTICLE 9 - WORKING CONDITIONS

9.1 The Employer will furnish and launder such store linens as it desires worn by its employees. In the event the employer provides Dacron or similar type uniforms for employees, these garments may be laundered by the employee. Since this item of expense is intended to make the Employer's service more attractive to customers, members agree to cooperate by presenting a neat, clean business-like appearance while on duty in the store.

9.2 The Employer has the right to discharge or discipline any employee for good and sufficient cause, including but not limited to, proven or acknowledged dishonesty, intoxication during working hours, provided however, that no employee shall be discharged or discriminated against because of membership in the Union or for Union activities.

9.3 In the event that an employee's work is unsatisfactory, he/she shall be given at least one (1) written notice before disciplinary action is taken, and a copy of the notice shall be sent to the Union at the same time. Notices and warnings shall become null and void after nine (9) months from date of issue.

9.4 No employee shall suffer a reduction of hourly wage rates, increase of hours, or reduced vacation time solely by the signing of this Agreement.

9.5 If a physical examination or health permit is required by the Employer or local government, all expenses attached to same shall be borne by the Employer.

9.6 The Employer agrees, in the event of a temporary transfer at the Employer's request, to reimburse the employee for increased transportation costs on the basis of twenty-eight cents (28¢) per mile, except, however, when an employee chooses public transportation, excluding taxicabs, he/she shall be reimbursed only for the actual cost of such increases in transportation. Temporary assignments will not exceed thirty (30) days except in cases of relief of an employee absent on extended sick leave. If any employee is required to work in more than one (1) store in the same day, the expenses for necessary transportation shall be borne by the Employer. The time required for travel between the stores shall be included as a portion of the employee's work day and considered as time worked for all purposes.

9.7 Employees shall be at their stores ready for work at their scheduled starting time, otherwise

they are reporting late. They shall remain at their work until their scheduled quitting time. Employees shall be paid for all time worked. There shall be a time recording device in each of the employer's stores for the purpose of recording time worked. The Employer and the Union agree that a proven violation of established time recording device rules, including working before punching in or after punching out, may subject such an employee to disciplinary action up to and including discharge. Furthermore, all time during which an employee is suffered, or permitted to work or is required to be on duty on the Employer's premises at a given work place shall be considered hours worked and recorded.

9.8 Except by mutual agreement between the employee and the Employer, employees shall have a minimum of eight (8) hours off between the end of their schedule and the starting of their next schedule. Any employee who works during this eight (8) hour period shall be paid for such time at the rate of time and one-half (1½) their straight time rate of pay.

9.9 The Employer will furnish all tools and personal protective equipment necessary to perform the job and shall maintain a first aid kit, fully equipped, in each store to be available for all shifts worked.

9.10 An employee who receives a pay rate which is higher than the pay rate provided in Schedule A for his/her classification, who is promoted to a department head and subsequently demoted to his/her former classification, shall receive the same pay rate differential which he/she previously received.

9.11 No employee shall be given a polygraph (lie detector test) unless the Union agrees in writing.

9.12 Time spent at legal proceedings at the request of the Employer or Employer's counsel shall be compensated. Such compensation shall also be paid for time spent at the request of any law enforcement agency, involving investigation or legal proceedings for the benefit of the Employer, provided that employee has given the Store Director prompt notice of the request.

9.13 Employees shall not be required to use their personal cars for the hauling of merchandise.

9.14 No employee shall be required to take a random drug or alcohol test, unless previously warned in writing except that the Union agrees the Employer may randomly drug test Pharmacy Technicians.

9.15 The Employer agrees to work jointly with the Union in resolving unsafe conditions or equipment within the employee's work area.

9.16 Employees who sustain an occupational injury requiring treatment by a doctor or hospital shall suffer no loss in pay for the day the injury occurs provided the employee returns to work unless otherwise instructed in writing by the attending doctor.

ARTICLE 10 - VACATIONS

10.1 Employees shall be granted vacations as follows:

<u>Length of Continuous On-the-job Service</u>	<u>Part Time Employees</u>	<u>Full Time Employees</u>
All Employees - More than three (3) months but less than one (1) year on May 1 st of the calendar year.	None	1/12th of a week's basic straight time wage for each full month's service prior to May 1.
All Employees - One (1) year or more but less than three (3) years on May 1 st of the calendar year.	The number of weekly hours normally worked.	One (1) week
Employees Hired Before 9/24/00 - Three (3) years or more but less than seven (7) years on the Saturday nearest September 30 th of the calendar year.	Twice the number of weekly hours normally worked.	Two (2) weeks
Employees Hired Before 9/24/00 - Seven (7) years or more but less than thirteen (13) years on the Saturday nearest September 30 th of the calendar year.	Three (3) times the number of weekly hours normally worked.	Three (3) weeks
Employees Hired Before 9/24/00 - Thirteen (13) years or more but less than twenty (20) years on the Saturday nearest September 30 th of the calendar year.	Four (4) times the number of weekly hours normally worked.	Four (4) weeks
Employees Hired on or after 9/24/00 - Three (3) years or more but less than eight (8) years on the Saturday nearest September 30 th of the calendar year	Twice the number of weekly hours normally worked.	Two (2) weeks

<u>Length of Continuous On-the-job Service</u>	<u>Part Time Employees</u>	<u>Full Time Employees</u>
Employees Hired on or after 9/24/00 - Eight (8) years or more but less than fourteen (14) years on the Saturday nearest September 30 th of the calendar year.	Three (3) times the number of weekly hours normally worked.	Three (3) weeks
Employees Hired on or after 9/24/00 - fourteen (14) years or more but less than twenty (20) years on the Saturday nearest September 30 th of the calendar year.	Four (4) times the number of weekly hours normally worked.	Four (4) weeks
All Employees - Twenty (20) years or more on the Saturday nearest September 30 th of the calendar year.	Five (5) times the number of weekly hours normally worked.	Five (5) weeks

Employees who have two (2) or more weeks vacation entitlement may take half of those weeks in days. Said days shall be subject to mutual agreement between the employee and the Employer.

10.2 In the event the services of an eligible employee are terminated voluntarily or involuntarily for any reason whatsoever, except discharge due to dishonesty, before the vacation earned has been taken, there shall be paid to such employee the vacation pay for all full years for which no vacation has been given and one twelfth (1/12) of the annual vacation grant for each full month worked during the current vacation year.

10.3 Employees who for good and sufficient reason desires to take their three (3), four (4) or five (5) weeks uninterrupted vacation must request same in writing thirty (30) days prior to the date the vacation is to be taken. Such requests are subject to approval by both the Employer and the Union. The employee may take vacation in any of the fifty-two (52) calendar weeks, subject to management approval.

10.4 Vacation time shall be computed from date of employment or anniversary of vacation eligibility date, and shall be taken at a time convenient to both the employee and the Employer, and shall be paid at the rate of pay in effect at the time the vacation is taken. All vacation pay shall be calculated at the employee's basic straight time hourly rate, unless otherwise provided for in this Agreement.

10.5 Eligible employees absent from work due to on-the-job (Worker's Compensation) injury sustained during the vacation year, will nevertheless, be entitled to their vacation grant for that particular vacation year only. Eligible employees absent from work due to non-occupational accident or sickness for a cumulative period not to exceed six (6) months (six twelfths (6/12) within the vacation year) will, nevertheless, be entitled to their vacation grant for the particular vacation year only. In the

event of absence in excess of six (6) months, employees will be entitled to one-twelfth (1/12) of his/her vacation entitlement for each full month worked during the vacation year.

10.6 When a holiday designated in Section 11.1 occurs during the full time employee's vacation, the employee shall be entitled to an extra day's vacation or cash in lieu thereof, based on straight time pay for an eight (8) hour work day.

10.7 The vacation schedule of any employee cannot be changed, except by mutual agreement, when it is less than sixty (60) days to the date the employee has selected. The vacation schedule shall be available on request by an employee.

10.8 Vacation pay is to be paid to the employee prior to the day the vacation begins. If the employee's vacation pay is not available when he/she is scheduled to leave, he/she will be paid from store funds.

10.9 Part time employees shall be entitled to a vacation on or after each anniversary date of their employment pro-rated on the basis of the average straight time hours worked during the preceding year, according to the vacation formula set forth above and subject to the same conditions as pertains to full time employees.

10.10 When a holiday, designated in Section 11.1 occurs during a part time employee's vacation, and the part time employee would ordinarily have been scheduled for work on that day, he or she shall be paid as provided in Section 11.5.

10.11 An Employee may start his/her vacation on any day which is mutually agreed upon by the Employer and the employee.

10.12 A part time employee going to full time shall not suffer a reduction in the number of hours vacation he/she would have received as a part time employee for the first vacation of such change.

10.13 From January 1st to March 31st of each year, employees shall select their desired dates of vacation for that year. Said selection will be awarded on a seniority basis within the department. After March 31st employees may select vacant weeks by seniority but may not bump less senior employees who have exercised their vacation selection during the bid period. Vacations requested after the bid period will be honored on a first come first served basis.

10.14 An employee may carry over into the next vacation year one (1) week of unused vacation. Carryover vacation shall not be cumulative and must be used during the following vacation year. The first week of vacation taken in the subsequent year shall be considered the carryover week.

ARTICLE 11 - HOLIDAYS AND SUNDAYS

11.1 The Employer agrees that the following days or the days observed as such shall be holidays. When a holiday falls on a Sunday, the following Monday shall be observed.

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

11.2 Work may be performed on any of the herein above mentioned holidays, however, work as such for employees hired before September 8, 1988 shall be compensated for at the rate of time and one-half (1½) the employee's regular straight time rate of pay, which shall be over and above the regular straight time rate of pay provided, except courtesy clerks shall receive a twenty-five cents (25¢) per hour premium for work performed on holidays. For employees hired on or after September 8, 1988 and Courtesy Clerks promoted after September 8, 1988 work performed on holidays shall be compensated at the lesser of time and one-half (1½) the employee's straight time hourly rate, or the employee's straight time hourly rate plus the following premium:

YEARS OF	HOLIDAY
0-3 years	\$1.00 per hour
3-6 years	\$2.00 per hour
6-9 years	\$3.00 per hour
9+ years	\$4.00 per hour

The Employer will not open the stores on Christmas Day for business, unless a major competitor opens. In the event the Employer is open on Christmas under no circumstances will any employee be required to work. The store will be staffed by volunteers only. Those employees who do volunteer to work on Christmas day will be paid for all hours worked on Christmas day at double time (2x).

11.3 A week which includes any specified holiday shall be a four (4) day week consisting of thirty-two (32) straight time hours, for which full time employees shall be paid forty (40) hours pay.

11.4 All time worked by full time employees in a holiday week in excess of thirty-two (32) hours shall be compensated for at the overtime rate of time and one-half (1½) the straight time hourly rate, except that employees may work forty (40) hours at straight time in addition to his/her holiday pay, provided it is mutually agreed upon between Employer and employee. Part time employees eligible for holiday pay may work five (5) days in a holiday week by mutual agreement. Part time employees not eligible for holiday pay may be scheduled to work five (5) days during the holiday week and shall be paid for at the straight time rate of pay.

11.5 Upon the completion of ninety (90) days of continuous service, employees shall be eligible for holiday pay. Part time employees with less than one (1) year of service shall be paid holiday pay provided the holiday falls on a day they would normally be scheduled. Part-time employees with one (1) or more years of continuous service shall be entitled to holiday pay, regardless of whether or not they are scheduled to work on that day. Employees shall be entitled to holiday pay at straight time, as follows:

- full time employees - eight (8) hrs
- courtesy clerks - three (3) hrs
- service clerks hired on or after 9/24/00 - three (3) hrs
- all other part time employees hired before 9/24/00 - five (5) hrs
- all other part time employees hired on or after 9/24/00 - four (4) hrs

11.6 Work schedules shall not be changed for the purpose of avoiding holiday pay.

11.7 No employee shall receive pay for any holidays not worked unless such employee has reported for work on his/her scheduled day before and after the holiday, Sunday excepted. Employee shall be deemed to have reported for work if absence on the day before or the day after said holiday is due to express permission from or action of the Employer, or death in the immediate family and also in case of certified illness, but in any event, employees off one (1) full week before a holiday and one (1) full week after a holiday would not be entitled to holiday pay, unless otherwise provided for in this Agreement. Part time employees must work one (1) day during the holiday week. Schedules will not be changed to avoid holiday pay.

11.8 In the Grocery Department, Sunday and holiday work shall be assigned on a rotating basis by seniority within classification and ability to do the work considered, except for that work required for the proper management of a department or store. In the event the Employer cannot schedule the necessary number of employees on a voluntary basis, then the employees in reverse order of seniority shall be obligated to work. Replacements for employees who are absent on their scheduled Sunday, for whatever reason, shall be replaced if necessary by the senior available employee(s) not already scheduled for that Sunday. The call-in replacement time will not affect the employee's regular turn on the rotation list. Employees scheduled for Sunday work shall be scheduled a minimum shift of four (4) hours. Sunday and holiday rotation shall be done from separate lists. Easter will be considered a separate Sunday for the purpose of rotation.

11.9 In the Meat Department, Sunday and/or holiday work in each store shall be rotated among qualified employees within the classification required by the Employer to perform the work. The work heretofore performed by part-time employees shall be first offered to full-time employees. The work so offered shall not be deemed to fall within the daily hourly guarantee of this contract. If full time employees refuse to work, it may then be offered to part-time employees. If scheduled employees refuse such work then the least senior employee within the classification will be required to do the work. Full-time employees involuntarily reduced to part-time will be included in the rotation for available Sunday or holiday work.

11.10 Part time employees on payroll prior to September 8, 1988, and all full time employees will be paid time and one-half (1½) for all time worked on Sunday. Part time employees, except courtesy clerks, hired or promoted on or after September 8, 1988 shall receive the lesser of time and one-half (1½) the employee's straight time hourly rate, or the employee's straight time hourly rate plus the following premiums for all work performed on Sunday:

<u>YEARS OF</u>	<u>SUNDAY PREMIUM</u>
0-3 years	\$1.00 per hour
3-6 years	\$2.00 per hour
6-9 years	\$3.00 per hour
9+ years	\$4.00 per hour

Courtesy clerks shall receive a twenty-five cents (25¢) per hour premium for work performed on Sunday.

The Employer may schedule part time employees to work at the straight time hourly rate on Sunday from 12:01 a.m. to 2:00 a.m., except that part time employees assigned to a night shift shall receive the applicable night premium.

11.11 - PERSONAL HOLIDAYS

A. Employees shall receive personal holidays off with pay as follows:

- Employees on the payroll as of 1/1/78 - five (5) days per calendar year
- Employees hired after 1/1/78 and before 7/16/84 - one (1) day for each ten (10) weeks of service up to a maximum of five (5) days per calendar year
- Employees hired on or after 7/16/84 having one (1) year of continuous service - one (1) day
- Employees hired on or after 7/16/84 having two (2) years of continuous service - two (2) days
- Employees hired on or after 7/16/84 having three (3) or more years of continuous service - one (1) day for each four (4) months of service up to a maximum of three (3) days per calendar year

B. Personal days may be used for the purpose of mini-vacations.

C. Employees shall notify the Store Director at least two (2) weeks in advance of his/her intention to take a personal day off and the employee shall receive such day off or a mutually agreed upon day off. In the event of a conflict of employee choice, seniority shall prevail. Management reserves the right to determine the number of employees permitted to be off on any given day.

D. An employee who separates or is separated from the Employer's service, shall on separation, be paid for unused personal days on a pro-rata basis.

E. Employees may use personal days for absence due to illness not otherwise compensated for under this Agreement.

F. Such holiday shall be paid on the basis of:

- full time employees - eight (8) hrs
- courtesy clerks - three (3) hrs
- service clerks hired on or after 9/24/00 - three (3) hrs
- all other part time employees hired before 9/24/00 - five (5) hrs
- all other part time employees hired on or after 9/24/00 - four (4) hrs

ARTICLE 12 - LEAVE OF ABSENCE

Subject to the following conditions, employees shall be granted a leave of absence which shall not interrupt their service records, providing such request is made by the employee, in writing, to the Human Resources Department seven (7) days prior to commencing such leave.

12.1 The Employer agrees that any members of the Union, employed by the Employer during the period of this Agreement who is elected to office in the Union or is assigned by the Union to any Union activity necessitating temporary leave of absence, shall be granted such leave of absence and shall, be guaranteed re-employment at his/her former wage rate plus any increase or less any reduction that may have become effective during his/her absence, provided that he/she applies for re-employment forthwith upon leaving the Union. Any employee returning from a leave of absence, or a former bargaining unit employee returning from a management position shall retain all seniority rights as if he/she has never left the Bargaining Unit and shall be reinstated to his/her former position provided he/she has the ability to perform the work of such position.

12.2 Leaves of absence shall be granted up to one (1) year without pay when an employee with six (6) or more months of continuous service is unable to work because of sickness, or accident, and this leave shall become effective after the final sick benefit payment is made. The disability must be attested to by a registered physician. However, in the event such employee is unable to work at the expiration of his/her leave period, he/she shall be entitled to an additional leave of six (6) months (twelve (12) months for workers compensation leave) if he/she submits satisfactory medical evidence that he/she will be able to return to his/her regular duties within the said additional period. The employee must give two (2) weeks notice in writing prior to the date he/she intends to return to work.

12.3 In the case of a death in the immediate family of the employee, namely, of a parent, spouse, child, brother, sister, parent-in-law, or grandparent, requiring the employee's absence from his/her regularly scheduled assignments, the employee shall be granted a leave of absence up to three (3) days beginning with the day of death. Neither Sunday nor the scheduled day off of a full-time employee shall be counted. When an employee's normal time off falls within the three (3) day period, he/she shall be reimbursed for that portion of the time normally scheduled for work, but under no circumstances shall the application of this clause result in a change in the employee's weekly salary.

12.4 Any employee may be given a leave of absence not to exceed one (1) year for any reason acceptable to the Employer. This decision shall not be arbitrable, nor will such leave interrupt the employee's service record.

ARTICLE 13 - JURY DUTY

13.1 Employees who are required to report for jury service or serve on a jury shall receive the difference between their straight time weekly basic pay and the amount received while on jury duty. They will be expected to work their regularly posted schedule on days when the jury is not in session. The schedule of a part-time employee shall not be altered solely for the purpose of avoiding jury duty pay. The above provisions shall be limited to thirty (30) working days of jury duty per year unless the employee is summoned for a Federal Grand Jury.

13.2 An employee reporting for jury service or serving on the jury shall not be required to work hours other than those during which the employee is normally scheduled and in no case shall they be required to report for less than four (4) hours.

13.3 When a night crew employee is called to serve on jury duty he/she shall be excused from his/her schedule without loss of weekly earnings.

ARTICLE 14 - STORE CARD OR DECAL

The Union agrees to furnish to the Employer, Union Store Cards and/or Decals for each of the Employer's stores. The Employer shall display such Union Cards or Decals in a conspicuous area accessible to the public in each establishment covered by this Agreement.

ARTICLE 15- SHOP STEWARDS

15.1 The Union shall have the right to appoint two (2) Shop Stewards in each store, whose duties shall be to report any irregularities to the Union. In no instances shall the Shop Steward be discriminated against for discharging such duties, provided such duties do not unreasonably interfere with the regular performance of their work for the Employer. Shop Stewards shall report all irregularities to the Store Director prior to reporting same to the Union. Shop Stewards shall have the right to inspect time records of employees covered by this agreement.

15.2 Shop Stewards may not be transferred from store or job assignment without written consent of the Union, except in cases of promotion. The Shop Stewards shall have super-seniority among all other employees for the purpose of layoff and recall only in their store. Further, the Shop Stewards shall not be threatened, coerced or intimidated for performing Union activities.

15.3 The Union shall furnish to the Employer a complete list of Shop Stewards, which shall be amended from time to time as may be necessary.

15.4 Shop Stewards shall be entitled to a leave of two (2) days each calendar year with pay, for Shop Steward Training and Education. The Union must notify the Employer at least two (2) weeks in advance thereof. The Shop Steward must upon returning from the leave present the Store Director with written evidence from the Union that the Steward has used the leave for the purpose for which the leave was intended.

15.5 A Shop Steward shall be permitted to accompany the government inspector at no loss of pay.

ARTICLE 16- HEALTH AND WELFARE

16.1 The Employer shall contribute to the United Food and Commercial Workers Union and Participating Food Industry Employers Tri State Health and Welfare Fund (the "Fund") for eligible employees on payroll the first day of each month as follows:

- A. Monthly contributions shall be made to maintain current level of benefits for each full-time employee, commencing with the month following completion of six (6) months of continuous full time service with the Employer and who is active during the first fiscal week of that month.
- B. Monthly contributions shall be made to maintain current level of benefits for each part-time employee, commencing with the month following completion of eighteen (18) months of continuous part-time service with the Employer and who is active during the first fiscal week of that month.

C. Employer contributions shall be as follows:

	Plan	Effective 10/1/00
- Full time grocery employees hired or promoted before 3/6/83 - Full time meat department employees hired or promoted before 7/16/84	PC 20/30/70 w/100% hospitalization outpatient radiology	\$521.80
- Full time grocery employees hired or promoted on or after 3/6/83 and before 9/28/97* - Full time meat employees hired or promoted on or after 7/16/84 and before 9/28/97* - Full time courtesy clerks promoted to higher classification after 3/6/83 and before 9/28/97* - Full time service clerks hired or promoted after 7/16/84 and before 9/28/97*	Plan 10	\$342.46
- Full time employees hired or promoted on or after 9/28/97	G-AE-F	\$323.72
- Part time grocery employees hired or promoted before 3/6/83 - Part time meat department employees hired or promoted before 7/16/84	PC 20/30/70 w/100% hospitalization outpatient radiology	\$491.34
-Part time grocery employees hired or promoted on or after 3/6/83 and before 9/28/97* - Part time meat employees hired or promoted on or 7/16/84 and before 9/28/97* - Part time courtesy clerks promoted to higher classification after 3/6/83 & before 9/28/97* Part time service clerks hired or promoted after 7/16/84 and before 9/28/97*	Plan 10	\$273.62
Part time employees hired or promoted on or after 9/28/97 with 18 but less than 30 mos*	Opt 1 or 2**	\$78.03
Part time employees hired or promoted on or after 9/28/97 with 30 months or more*	G-AE-P	\$183.45

*Full time and part time employees hired or promoted on or after 9/28/97 and before 9/24/00, who are receiving or were scheduled to receive Plan 10 or Plan G-AE-F shall continue to do so.

**Part-time employees with a least eighteen (18), but less than thirty (30), months of continuous part-time service, will elect to receive either Option 1 or Option 2 plan of benefits from the Fund (but not both), the process of benefit plan selection to be governed by the provisions of the Plan as set forth in the Summary Plan Description

The benefits provided under each Plan are specified in the Summary Plan Description, a copy of which may be obtained by contacting the Fund office.

- D. All employees eligible for prescription benefits will have mandatory mail order for maintenance drugs with \$0 co-pay. Prescription co-payments will be as follows for non-mail-order prescriptions:

	Effective 10/1/00	Effective 5/1/01	Effective 5/1/02
<u>In Network:</u>			
Generic	5%	6%	7%
Preferred	10%	12%	14%
Non-preferred	20%	24%	28%
<u>Out of Network:</u>			
Generic	10%	12%	14%
Preferred	20%	24%	28%
Non-preferred	40%	44%	48%

- E. Effective October 1, 2000, the Employer will increase its contribution rates for retirees by twelve and one-half percent (12.5%). Retiree contributions shall increase by the same percentage. Effective October 1, 2001, the Employer will increase its contribution rates, for active employees and retirees, no more than twelve percent (12%). If the cost of benefits exceeds the contributions the parties will meet to develop measures so that benefits can be covered within such limits on contribution rates. The Employer will be entitled to a refund effective 10/1/01 and/or 10/1/02 of any surplus monies generated as the result of M.O.B. payments and actual cost of benefits. The Employer will reimburse the Tri-State Health and Welfare Fund for any deficit created as a result of a shortfall between contractual payments and cost of benefits and services incurred before 10/1/00.
- F. If a comparable provider of benefits can be found that would create a saving, the parties agree to meet to discuss the benefits and providers. The parties agree that medical and surgical benefits will be administered through the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Health and Welfare Fund.

- G. Dependent coverage may be purchased by eligible part-time employees. For employees hired before September 27, 1997, the monthly rate to be paid by the employee shall be ninety-nine dollars (\$99.00). For employees hired on or after September 27, 1997, the employee's contribution shall be calculated by subtracting the cost of benefits for a Fund participant receiving individual coverage from the cost of benefits for a Fund participant receiving family coverage. Employees wishing to purchase dependent coverage must sign the appropriate forms authorizing the Employer to deduct such employee contribution from their pay on a weekly basis. The processing of electing, or canceling the election of, dependent coverage is governed by the provisions of the Plan as set forth in the Summary Plan Description, a copy of which may be obtained by contacting the Fund office. Effective October 1, 2001, employee contributions shall increase by the same percentage rate as the Employer's contribution increase.
- H. In each year, the Employer and retiree contributions shall increase the same percentage.
- I. The Employer will not be obligated to make any Health and Welfare contributions on behalf of Courtesy Clerks.
- J. Any change in contribution shall be preceded by a thirty (30) day written notice from the Board of Trustees to the Employer.
- K. The contributions provided for in this Agreement shall be in lieu of any obligation on the part of the Employer to provide any Health and Welfare benefits other than those provided by the Trust Agreement and Plan governing the Fund.
- L. The Fund shall be governed by a Board of Trustees consisting of equal numbers to be designated by the Fund.

ARTICLE 17- PENSION

17.1 The Employer shall contribute to the FELRA and United Food and Commercial Workers Pension Fund (hereinafter called Fund) as follows:

- Full time employees hired before March 6, 1983 - \$168.38 per month
- Part time employees hired before March 6, 1983 - \$62.34 per month
- Pharmacy Clerk/Tech employees hired after 7/16/84 - 8¢ per straight time hour worked
- All other employees - 15¢ per straight time hour worked

17.2 All employees who are hired by the Employer and have more than ten (10) years of credited service in the FELRA and UFCW Pension Fund are to have contributions made in their behalf at the level described for employees on payroll prior to March 6, 1983.

17.3 The contributions referred to above shall not be required on behalf of employees hired and classified as Courtesy Clerks or Service Clerks.

17.4 The above contributions by the Employer will commence the first full payroll month following the completion of twelve (12) months of continuous employment with the Employer from the date of employment.

17.5 The Pension Fund and Plan shall be governed by a Board of Trustees.

17.6 It is understood and agreed that the Pension Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contributions paid hereunder.

17.7 It is agreed that all questions involving pension not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Plan.

17.8 The Employer agrees to be bound by all the decisions made by the Trustees in accordance with the Declaration of Trust.

ARTICLE 18- SEVERANCE

18.1 Effective July 1, 2000, the United Food and Commercial Workers and Food Employers Labor Relations Association Severance Fund shall cease to exist as a separate entity and its assets and liabilities shall be merged into and become a part of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund (hereinafter referred to as the "Welfare Fund"). The Welfare Fund will maintain a separate accounting of the assets and liabilities attributable to the provision of severance benefits under the Welfare Trust and such separate account shall be referred to as the "United Food and Commercial Workers and Food Employers Labor Relations Association Severance Fund."

18.2 The Severance Fund and Plan shall be governed by the Board of Trustees of the Welfare Fund.

18.3 It is understood and agreed that the Welfare Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contributions paid hereunder.

18.4 It is agreed that all questions involving severance benefits not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Welfare Fund and the Severance Plan.

18.5 An Employer at its discretion, may or may not be required to designate a representative on the Board of Trustees, but in any event the Employer agrees to be bound by all decisions made by the Trustees in accordance with the Declaration of Trust.

18.6 Effective April 1, 2000, the Employer shall make contributions in amounts determined by the Board of Trustees of the Welfare Fund so as to maintain current and existing benefits (as established in the FELRA negotiations of March, 2000), in accordance with the formula agreed upon by the Union and the Employer.

18.7 Employees hired on or after September 27, 1997 through September 23, 2000, and still employed on September 24, 2000, shall be eligible for benefits under the Severance Fund. Severance benefits for such Employee shall be based on Service Credited calculated in accordance with the Severance Plan as if the Employee had participated in the Plan from the Employee's first Hour of Service for the Employer on or after September 27, 1997 though their Severance from Service Date. The above contributions shall not be applicable to those employees classified as Courtesy Clerks nor to Service Clerks hired after July 16, 1984.

ARTICLE 19- PRE-PAID LEGAL

19.1 Effective July 1, 2000, the United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefits Fund shall cease to exist as a separate entity and its assets and liabilities shall be merged into and become a part of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund (hereinafter referred to as the "Welfare Fund"). The Welfare Fund will maintain a separate accounting of the assets and liabilities attributable to the provision of legal benefits under the Welfare Trust and such separate account shall be referred to as the "United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefits Fund." Effective October 1, 2000, The Employer shall contribute to the United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefit Fund (hereinafter referred to as the "Fund") a total of fifteen dollars (\$15.00) per month for each appropriate employee who is on the Employers payroll on the first day of each month. Effective October 1, 2001, the Employer shall increase such contribution to fifteen dollars and twenty-five cents (\$15.25) per month, to maintain existing benefits. For employees hired before September 24, 2000, contributions shall commence the first (1st) of the month following completion of twenty-four (24) months of continuous service with the Employer. For employees hired on or after September 24, 2000, contributions shall commence the first (1st) of the month following completion of thirty (30) months of continuous service with the Employer.

19.2 The Fund shall be governed by the Board of Trustees of the Welfare Fund.

19.3 It is understood and agreed that the Welfare Fund referred to herein shall be such as will continuously qualify for approval by the Internal Revenue Service, so as to allow the Employer an income tax deduction for the contribution paid hereunder.

19.4 It is agreed that all questions involving legal benefits not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Welfare Fund and the Legal Benefits Plan.

19.5 The Employer agrees to be bound by all the decisions made by the Trustees in accordance with the Declaration of Trust.

19.6 The above contributions shall not be applicable to those employees classified as Courtesy Clerks.

ARTICLE 20- CHECKOFF

20.1 The Employer shall check off the initiation fees and dues from all employees who authorize, in writing, such deductions and shall remit amounts so deducted within thirty (30) days after their collection to the Financial Secretary or designated officer of the Union. Dues will be checked off weekly and remitted monthly.

20.2 The Employer agrees to deduct fifty cents (50¢) per week and remit monthly to the Local Union's Active Ballot Club from employees who are Union members and who have signed deduction authorization cards.

20.3 The Employer agrees to honor regular deductions to the Chessie Federal Credit Union from employees who are Union members and who have signed deduction authorization cards in the amounts specified on the deduction authorization cards. The sums so deducted by the Employer shall be submitted to the Union on a mutually agreeable basis, but not less than monthly.

20.4 The Employer will submit all check-offs on computer media.

20.5 The Union agrees to hold the Employer harmless from all legal claims, or liabilities that might arise out of any erroneous deductions as a result of the above checkoff provisions.

ARTICLE 21- ARBITRATION AND ADJUSTMENTS

21.1 Should a controversy, dispute or disagreement arise during the period of this Agreement concerning the interpretation of the provisions of this Agreement, except that liability for wage claims shall not be subject to arbitration unless involving a disputed interpretation of the provisions of the Agreement, there shall be no cessation or stoppage of work or lockout because of such controversy, dispute, or disagreement; but the difference shall be adjusted in the following manner.

21.2 Any difference which an employee has not been able to adjust informally with his/her immediate supervisor may be made the subject of a grievance. All grievances must be filed, in writing, within thirty (30) days after occurrence of the matter in dispute or disagreement, provided that any grievances in reference to dismissal must be filed, in writing, to the Employer within ten (10) days from the date of dismissal. Grievances not filed within the limits herein specified shall have no right of appeal by any party involved. Grievances shall be processed in the following manner:

Step 1 The aggrieved employee (s) and Shop Steward(s) shall present the grievance, in writing, to the Store Director. The Shop Steward(s) with the employee(s) involved shall meet on such grievance with the Store Director to resolve the grievance. The Store Director shall furnish the Shop Steward(s) and the employee(s) with an answer to the grievance. If the grievance is not settled satisfactorily within ten (10) days, the grievance shall proceed to Step 2.

Step 2 No later than five (5) days after the answer is furnished in Step 1, or should have been furnished, the grievance shall be presented by the Business Representative(s) of the Union, in writing, to the local District Manager. The District manager and the Union will meet to resolve the grievance. If the grievance is not settled satisfactorily within ten (10) days, the grievance shall proceed to Step 3.

Step 3 No later than five (5) days after the answer is furnished in Step 2, or should have been furnished, the grievance shall be presented by the Business Representative(s) of the Union, in writing, to the Director of Human Resources or designee. The Union and the Director of Human Resources or designee shall meet within ten (10) days from receipt of the grievance. The Employer shall provide a written answer to said grievance within ten (10) days of the meeting. If the grievance is not settled satisfactorily, the grievance shall proceed to Step 4.

Step 4 No later than ten (10) days after the written answer is furnished in Step 3, or should have been furnished, the grievance shall be presented by the Business Representative of the Union, in writing, to the Director of Labor Relations. The Union shall meet with the Director of Labor Relations or designee within ten (10) days from receipt of the grievance. The Employer shall provide a written answer to said grievance within five (5) days of the day of the meeting. If the grievance is not settled satisfactorily, the Union or the Employer may request the grievance be submitted to arbitration as outlined in Section 21.3 of this Article.

21.3 If the matter is not amicably settled under 21.2 above, then either party may, on giving five (5) days notice to the other party:

1. Submit the matter to the Federal Mediation and Conciliation Service for a list of fifteen (15) arbitrators and the parties shall select therefrom one (1) arbitrator as follows: Each of the parties shall strike one (1) name from the list until a last name remains, each of the parties drawing lots to determine who shall be entitled to the first strike.
2. The arbitrator shall not have the authority to decide questions involving the jurisdiction of any local or of the International or which may in any way affect or change the union Security Clause, nor shall the arbitrator have the authority to effect a change in, modify, or amend any of the provisions of this Agreement or to make decisions or provisions covering wages or working conditions to be incorporated either in a new Agreement or any subsequent annual Agreement, except as hereinafter provided.
3. In the event that one party should fail to make their selection of arbitrators within two (2) weeks after receipt of notification by the other party that their choices have been submitted, then the first choice of the selecting party shall be binding on the non-selecting party.
4. In the further event, should one (1) party fail to participate in the scheduled arbitration proceeding, the other party may proceed unilaterally and the decision of the arbitrator shall be final and binding upon all parties.
5. As determined by the Union and the Employer, certain grievances raised to the level of arbitration may be processed through an alternative method. In such use, the parties will select an arbitrator from an established list which can include the Federal Mediation and Conciliation Service (F.M.C.S.) and the case will be presented by staff representatives of the parties.
6. Arbitrations shall be submitted within ninety (90) days after the occurrence of the matter in dispute.

21.4 The provisions of Article 24, No Strikes or Lockouts, shall not be binding on either party if the other fails to abide by the decision of the arbitrator.

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

ARTICLE 22- UNION ACTIVITIES

22.1 There shall be no discrimination against any employee because of Union membership. The Employer further agrees there shall be no discrimination against any stewards of the Union as a result of their activities and performance of their responsibilities.

22.2 The Union agrees that neither it nor its members will engage in Union activities on the Employer's time or in the Employer's stores if such activities interfere with the peaceful operation of the Employer's business, provided, however, that representatives of the Union shall have free access to the Employer's stores for the purpose of determining that the terms of this Agreement are being complied with including but not limited to inspecting work schedules, investigating the standing of employees and inspecting the pay records, which shall be available for a reasonable length of time.

22.3 The Employer shall not be held liable for any injuries to Union Representatives while on the premises.

22.4 Notices concerning Union business will be posted in a designated location in the stores after approval by management.

ARTICLE 23- MILITARY SERVICE

23.1 The Employer will comply with the applicable laws of the United States concerning the re-employment of persons returning from military service of the United States. A person so re-employed shall be paid at the current rate for the appropriate job classification and shall assume his/her original employment date and be entitled to his/her pro-rata vacation. At the time the employee leaves for military service, he/she shall receive whatever vacation pay is due him/her. The application of this provision will comply with the Uniformed Services Employment and Re-employment Rights Act.

23.2 Employees, full-time or part-time, who serve in the National Guard or military reserve units, which require annual training, shall be granted the necessary leave either without pay or, at the employee's option, eligible vacation time, to fulfill the annual training requirements of the units in which they serve. Such employee shall furnish a copy of their orders and two (2) weeks prior notice to the Employer.

ARTICLE 24- NO STRIKES OR LOCKOUTS

It is mutually agreed by the parties of this Agreement that there shall be no strikes or stoppages of work by the employees or by the Union, nor shall there be any lockout by the Employer during the life of this Agreement, and that any difference of opinion or misunderstanding concerning the interpretation of the provisions of this Agreement which may arise between the contracting parties shall be amicably adjusted by and between the parties themselves, and if the parties cannot amicably adjust the difference, then the matter shall be referred to an Arbitrator as provided in Article 21. Nothing contained herein, however, shall compel any employee to walk through a legal picket line, provided such picket line has the sanction of his/her own International Union.

ARTICLE 25- INVALIDATION

Should any article, section, or portion thereof, of this Agreement be held unlawful and unenforceable by any court of competent jurisdiction, such decisions of the court shall apply only to the specific article, section, or portion thereof directly specified in the decision, provided, however, that

upon such a decision the parties agree immediately to negotiate a substitute for the invalidated article, section, or portion thereof.


ARTICLE 26- DURATION OF AGREEMENT

This Agreement shall be effective commencing September 24, 2000, and shall remain in force until and including September 28, 2002, and from year to year thereafter, with the right of either party to reopen upon written notice, not less than sixty (60) days prior to September 28, 2002, or the 28th day of September of any subsequent year of a desire either to change or terminate this Agreement. In the event either party serves notice, it is agreed that the Employer and the Union shall immediately begin negotiations on the proposed changes and that, pending the results of such renegotiations, neither party shall change the conditions existing at the time under the contract. If during the period of negotiations the Union decides to terminate this Agreement it agrees, however, that it will not strike or cause stoppage of work by the employees, unless notice of strike action is given at least two (2) days notice prior to the strike which shall be set forth in the notice. If the strike does not take place upon the date set forth in the notice, said notice shall be null and void and a new notice required before strike action can be taken.

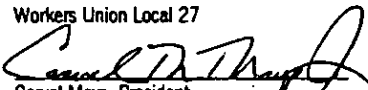
IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed hereto by their duly authorized officers and representatives as of this day and year first above written.


FOR THE EMPLOYER:
ACME Markets, Inc.

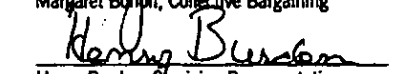

Michele Murphy, Esquire, Vice President of
Labor Relations and Employment Counsel


William Young, Director of Labor Relations

FOR THE UNION:
United Food and Commercial
Workers Union Local 27


Carvel Mays, President


Margaret Bohon, Collective Bargaining


Henry Burden, Servicing Representative

ATTACHMENT A - WAGES

Effective September 24, 2000, all employees currently working in the Millsboro store will be raised to the contractual wage rates for their classification and length of service, and will receive all wage increases provided for during the length of the contract.

	Current Top Rate*	Effective 9/24/00	Effective 9/23/01
Across-the-Board to Top Rate			
Bakery Clerk Hired or Promoted on or Before 9/8/88	\$11.65	\$11.95	\$12.25
Bakery Manager Hired or Promoted after 3/6/83	\$12.10	\$12.40	\$12.70
Clerk (Meat/Grocery) Hired or Promoted on or Before 3/6/83	\$14.24	\$14.54	\$14.84
Clerk (Meat/Grocery) Hired or Promoted after 3/6/83 and on or Before 9/8/88	\$13.15	\$13.45	\$13.75
Clerk (Meat/Grocery) Hired or Promoted after 9/8/88 and on or Before 10/30/94	\$12.05	\$12.35	\$12.65
Clerk (Meat/grocery) Hired or Promoted after 10/30/94 and on or Before 9/27/97	\$10.20	\$10.50	\$10.80
Deli Manager Hired or Promoted on or Before 3/6/83	\$15.43	\$15.73	\$16.03
Deli Manager Hired or Promoted after 3/6/83	\$15.35	\$15.65	\$15.95
First Cutter Hired or Promoted on or Before 3/6/83	\$15.68	\$15.98	\$16.28
First Cutter Hired or Promoted after 3/6/83	\$15.35	\$15.65	\$15.95
Grocery Manager Hired or Promoted on or Before 3/6/83	\$15.83	\$16.13	\$16.43
Grocery Manager Hired or Promoted after 3/6/83	\$15.60	\$15.90	\$16.20
Meat Cutter (Full Time) Hired or Promoted on or Before 3/6/83	\$15.44	\$15.74	\$16.04
Meat Cutter (Part Time) Hired or Promoted on or Before 3/6/83	\$15.37	\$15.67	\$15.97
Meat Cutter (Full Time & Part Time) Hired or Promoted after 3/6/83	\$15.10	\$15.40	\$15.70

ATTACHMENT A - WAGES

continued

	Current Top Rate*	Effective 9/24/00	Effective 9/23/01
Meat Manager Hired or Promoted on or Before 3/6/83	\$16.48	\$16.78	\$17.08
Meat Manager Hired or Promoted after 3/6/83	\$16.10	\$16.40	\$16.70
Office Coordinator (Formerly Head Cashier) Hired or Promoted on or Before 3/6/83	\$15.20	\$15.50	\$15.80
Office Coordinator (Formerly Head Cashier) Hired or Promoted after 3/6/83	\$14.90	\$15.20	\$15.50
Pharmacy Clerk Hired or Promoted Before 7/16/84	\$10.80	\$11.10	\$11.40
Pharmacy Clerk Hired or Promoted Between 7/16/84 and 6/19/88	\$9.80	\$10.10	\$10.40
Across-the-board to Top Rate		\$0.30	\$0.30
Pharmacy Clerk Hired or Promoted Between 6/19/88 and 6/23/91	\$9.60	\$9.90	\$10.20
Porter Hired or Promoted on or Before 3/6/83	\$12.44	\$12.74	\$13.04
Porter Hired or Promoted after 3/6/83	\$11.40	\$11.70	\$12.00
Produce Manager Hired or Promoted on or Before 3/6/83	\$15.66	\$15.96	\$16.26
Produce Manager Hired or Promoted after 3/6/83	\$15.35	\$15.65	\$15.95
Across-the-board to Top Rate		\$0.20	\$0.20
Service Clerk Hired or Promoted Before 7/16/84	\$10.80	\$11.00	\$11.20
Across-the-board to Top Rate		\$0.20	\$0.20
Service Clerk Hired or Promoted Between 7/16/84 and 6/19/88	\$9.80	\$10.00	\$10.20
Service Clerk Hired or Promoted Between 6/19/88 and 6/23/91	\$9.60	\$9.80	\$10.00

ATTACHMENT A - WAGES

continued

	Current Top Rate*	Effective 9/24/00	Effective 9/23/01
Across-the-board to Top Rate		\$0.20	\$0.20
Service Clerk Hired or Promoted after 6/23/91 and Before 10/30/94	\$7.85	\$8.05	\$8.25
Service Clerk Hired or Promoted after 10/30/94 and Before 9/27/97	\$7.70	\$7.90	\$8.10

*The above rates do not include the cost of living increases any current employee has received.

PROGRESSION SCALES EMPLOYEES HIRED OR PROMOTED ON OR AFTER 9/27/97**

	COURTESY CLERK	SERVICE CLERK	CLERK	PHARMACY TECH	MEAT APPRENTICE
Start	\$5.15	\$5.15	\$6.15	\$6.50	\$7.95
60 days	\$5.30	\$5.30			
6 months	\$5.45	\$5.60	\$6.25	\$6.60	\$9.45
12 months	\$5.70	\$5.80	\$6.45	\$6.80	\$10.90
18 months	\$5.85	\$6.00	\$6.65	\$7.00	\$12.30
24 months	\$6.25	\$6.35	\$6.85	\$7.20	
30 months		\$6.50	\$7.05	\$7.40	
36 months		\$6.75	\$7.25	\$7.60	
42 months		\$7.00	\$7.50	\$7.85	
48 months			\$8.00	\$8.35	
54 months			\$8.50	\$8.85	
60 months			\$9.00	\$9.35	

**New hire start rates shall be determined by the Employer subject to the needs of the business. Such rates shall under no circumstances be less than minimum wage. In the event employees are hired at a rate above the start rate per hour for the employees' classification, they shall receive a twenty cent (20¢) per hour increase every six (6) months until such time as they reach their normal progression level.

ATTACHMENT A - WAGES
continued

ACROSS THE BOARD INCREASES***

<u>CLASSIFICATION</u>	<u>9/24/2000</u>	<u>9/23/2001</u>
Courtesy Clerk	\$0.15	\$0.15
Service Clerk	\$0.20	\$0.20
All Others	\$0.30	\$0.30

***All across-the-board increases apply to all employees who are at or above the top rates of their wage progressions on the effective dates of the increases.

The Employer agrees to establish the above classifications in those stores where in the sole opinion of Employer the needs of the store require such employees. A department head is any employee held responsible by the Employer for the proper operation of a specified department.

The Employer agrees to provide for full-time Front End Managers in stores doing a volume greater than \$200,000 per week. Front End Managers will receive fifty cents (50¢) per hour over top rate.

The Employer agrees to establish General Merchandise Manager in stores doing more than \$30,000 per week in general merchandise business. General Merchandise Managers shall receive fifty cents (50¢) per hour over their regular rate.

ATTACHMENT B - CONTRACT AREA

The Employer recognizes the Union as the sole and exclusive collective bargaining representative for all of its employees (other than Store Directors, Assistant Store Directors, Pharmacists, and Supervisory Employees) coming under the jurisdiction of United Food and Commercial Workers Union, Local No. 27, in the stores in the areas set forth below, except in those areas where other duly chartered Locals exist.

State of Maryland:

Washington (East of Cumberland and Canal); Frederick, Carroll, Baltimore, Harford, Cecil, Howard, Anne Arundel (South to South River from Chesapeake Bay to U.S. Highway 50), Kent, Queen Anne, Talbot, Caroline, Dorchester, Wicomico, Somerset, Worcester Counties.

State of Delaware:

Newcastle (South of the C&D Canal), Kent and Sussex Counties;

State of Virginia:

North Hampton and Accomack Counties

State of West Virginia:

Berkley and Jefferson Counties.



Effective 9/28/03 - 9/27/08

PROPOSED CHANGES TO THE COLLECTIVE BARGAINING AGREEMENT BETWEEN UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 27 AND ACME EASTERN SHORE/COMBO

36 (1-)
7 mwa
40 -

October 31, 2003 -

The Union's collective bargaining representatives have received a tentative agreement for a new contract between ACME Markets, Inc. and the Union. The Employer's offer is subject to ratification by the employees who are covered by the contract. One purpose of the ratification meeting is to explain what is proposed. You have the right to ask questions about the Employer's offer. To assist you, this memorandum is intended to present in summary the terms of the Employer's proposal. As with any tentative agreement or final offer, the complete terms of the new collective bargaining agreement remain subject to editing and clarification after ratification. If you vote yes to approve the offer, with your vote you also authorize the Union to clarify and correct the terms agreed as necessary to complete the full written agreement without prior or added approval of the membership.

6/15/04

Strikeout is current contract language to be deleted
Double underlined is new language to be added
Italics are comments

Articles/paragraphs that do not appear as changed in this proposal remain as they are in the current Agreement. Only areas of change have been addressed in this document.

This is a complete Collective Bargaining Proposal. It must be accepted or rejected in its

- 1. Section 2.2 ADD: Should the Employer intend to substitute a self-checkout system(s) for existing equipment in any store or add a self-checkout system(s), the Employer agrees to notify the Union in advance and to provide the Union with a list of all employees regularly assigned to the store on the effective date of the utilization of said checkouts. Said employees shall not be removed from the Employer's payroll as a result of the installation of such a system. Employees may continue to be transferred, assigned to other work, or laid off in accordance with the seniority provisions of this Agreement provided the layoff is for reason(s) other than the installation of such a system.
2. Section 3.2(B) AMEND: sales representatives may price, mark and stock their own products in stores including and direct store delivery ice cream, direct store delivery ice cream novelties, and direct store delivery frozen pizza.
3. Section 5.3 DELETE: Full time employees reduced from full time to part time through no fault of their own will retain full time Health and Welfare and Pension coverage for a period of six (6) months. The Employer will continue the full time Health and Welfare and Pension contribution for said period of time.
4. Section 5.6 ADD: In the case of temporary layoff caused by strikes, acts of God, power failure or other reasons beyond the control of the Employer, advance notice of layoff nor pay in lieu of notice

need not be given.

5. **Section 5.13 AMEND AS FOLLOWS:** Full time Employees promoted to full time prior to January 1, 1990, who have not voluntarily reduced themselves, will not be involuntarily reduced to part time or laid off for the duration of this agreement. Part time employees hired prior to January 1, 1990 will not be laid off for the duration of this agreement. This Section shall not apply if the number of stores covered by this Agreement falls below seven (7) stores.
6. **Section 6.6 AMEND AS FOLLOWS:** When a part-time employee is scheduled and/or works for forty (40) straight time hours per week for more than six (6) consecutive weeks and the work is not temporary (i.e., as a result of vacation, and/or absence coverage and/or new or remodeled store openings), a full-time position shall be deemed to have been created. Such full-time position, within the store and department where the work was performed, will be filled in the contract area in accordance with the language in Article 5 pertaining to job postings within district/area.
7. **Section 7.5 DELETE:** The Relief Store Director shall receive his/her appropriate hourly rate plus overtime, or the store Director's rate of pay, whichever is the greater, when relieving for one (1) full week or more:
8. **Section 7.7 AMEND AS FOLLOWS:** Only journeymen meatcutters and/or apprentice meat cutters shall be permitted to cut beef, pork, veal, lamb, or poultry or fish with a knife or any other automatic device.
9. **Section 8.3 AMEND AS FOLLOWS:** Effective September 28, 2003, Employees assigned to the night shift will receive an additional ninety cents (\$.90) premium per hour (*currently employees assigned after 9/24/94 are at 60¢*)
10. **Section 9.6 AMEND AS FOLLOWS:**reimburse the employee for increased transportation costs on the basis of twenty-eight cents (28¢) the IRS mileage rate per mile....,
11. **Section 9.6 AMEND:** Temporary assignments will not exceed thirty (30) days except in cases of relief of an employee absent on extended sick leave, or in the event that an associate is temporarily assigned to a newly opened or newly remodeled store.
12. **Article 16- Health and Welfare DELETE AND REPLACE WITH:**

Effective November 1, 2003, the Company shall continue to contribute to the Local 56 Health & Welfare Fund for each eligible employee as follows:

- Full time grocery employees hired or promoted before 3/6/83 and Full time meat employees hired or promoted before 7/16/84 \$760 per month (Plan C)
- All other full time employees \$600 per month (Plan B)
- Part Time Employees with twenty-four (24) or more months \$400 per month (Plan D)
- Part-time employees with twelve (12) to twenty four (24) months \$220 per month (Plan N)
- Courtesy Clerks shall not be eligible for participation in the Local 56 Health and Welfare Fund.
- The above rates will remain in effect until October 31, 2004. Max rate increases of six percent (6%) effective 11/1/04, seven percent (7%) effective 11/1/05, six percent (6%) effective 11/1/06, seven percent (7%) effective 11/1/07.

- Monthly contributions shall be made for each full time employee the month following the completion of ~~six (6)~~ nine (9) months of continuous full time service with the Employer. Employees must have worked and/or received pay for at least one hundred twenty (120) hours during the preceding fiscal month to remain eligible for benefits,
 - The provisions of the preceding paragraph will permit any employee who is otherwise eligible, and who has had within ninety (90) days of hire creditable service as an employee of a Company with comparable coverage and who is under the jurisdiction of Local 27 to be credited with his/her prior service in determining his/her eligibility for participation in the Local 56 Health and Welfare Fund. Contributions in behalf of the employee will become effective on the first of the month following the completion of combined service from the previous and present Employer which satisfies the conditions of the preceding paragraph.
 - Monthly contributions shall be made for each part time employee the month following completion of twelve (12) months of continuous part time service with the Employer. Employees must have worked and/or received pay for at least fifty-six (56) hours during the preceding fiscal month to be eligible for benefits,
 - Part time employees with twelve (12) or more months of continuous part time service, permanently promoted to full time status shall be eligible for hospital, surgical benefits as of the first day of the following month.
 - A regular part time employee shall be eligible to receive full time Health and Welfare benefits when he or she has worked one hundred and forty (140) hours per month for six (6) consecutive months. The employee must continue to work continuously at that monthly rate to continue the full time benefits..
 - The Trustees of the Fund shall work out the benefit program within the money provided on an actuarially sound basis.
 - When an employee is absent due disability or Workers Compensation, the Employer shall continue Health and Welfare contributions for such employee for a period not to exceed six (6) months.
13. **Section 17.1 AMEND AS FOLLOWS:** Increase Tier 2, 15¢ per straight time hour rate by 10¢ each year of contract beginning November 1, 2003 (from 15¢ to 55¢) and, open contract 2004 to negotiations as it pertains to Article 17 - Pension.
14. **Article 26- Duration of Agreement** Five (5) year agreement to expire September 27, 2008,
15. **Attachment A - Wages** The following across-the-board (ATB) increases shall apply to employees at or above the top of their progression on the date of the increase:
- | | | | |
|----------------|-----------------|----------------|----------------|
| <u>9-28-03</u> | <u>10-24-04</u> | <u>1-29-06</u> | <u>4-29-07</u> |
| \$0.35 | \$0.30 | \$0.30 | \$0.30 |
16. New hire start rates shall be determined by the Employer subject to the needs of the business. Such rates shall under no circumstances be less than minimum wage. Any employee who is in a progression scale or who is hired at a rate higher than the starting rate listed in the Agreement, shall receive a rate of pay that is specifically listed in the appropriate progression scale. Any employee

in a progression scale who is not at a rate listed in a progression scale, shall be moved to the closest higher rate at the time at which they are scheduled to receive their next raise in the progression scale. Employees shall thereafter receive a raise every six (6) months as they advance through the progression scale, until they reach the top rate of the progression scale.

17. Front End Managers will receive ~~fifty cents (50¢)~~ sixty cents (60¢) per hour over top rate.
18. The Employer agrees to provide for a full-time Scan Coordinator in stores doing a volume greater than \$200,000 per week. Scan Coordinators will receive sixty cents (60¢) per hour over top rate.
19. General Merchandise Managers shall receive ~~fifty cents (50¢)~~ sixty cents (60¢) per hour over their regular rate.
20. **Attachment C - Seniority Areas** *UPDATE:*
21. **ADD Attachment D - SIDE LETTER AGREEMENT - Fuel Centers** *Clerk progression scale. No participation in H&W, Pension, Severance*
22. **SIDE LETTER - Health & Welfare – Part-time Employees** Current part time employees who have dependent coverage will be “grandfathered” and maintain their dependent coverage at the same rate formulas as previous (Tier 1 part time employees at no cost to the employee, Tier 2 & 3 part time employees the difference between family and single coverage, (now \$150/month).
22. **SIDE LETTER - Health and Welfare Benefits for Retirees** Retirees who are under age 65 shall be covered by the Plan in which they were enrolled on the last day of active employment with the Employer. Health and Welfare contributions shall be at the specified rate for the applicable Plan. Coverage shall be terminated if contributions are not received on or before the 10th of the month of coverage, or if the retiree obtains any employment in the industry except as permitted, or upon death of the retiree, or if the retiree ceases to receive retirement benefits from the Pension Fund. The retiree co-payment schedule shall be as follows:

<u>CREDITED YEARS OF SERVICE</u>	<u>RETIREE CO-PAY</u>
At Least 20 Years	<u>40%</u>
Retired as of 9/1/92 with Less than 20 Years	50%

The Company shall not make any contributions for retirees over the age of 65.