

K# 9310

MEAT AGREEMENT

Between

ALBERTSON'S, LLC  
(Grand Junction, Colorado)

and

LOCAL NO. 7 OF THE UNITED FOOD AND  
COMMERCIAL WORKERS INTERNATIONAL  
UNION

CONTRACT TO EXPIRE November 25, 2013

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**MEAT AGREEMENT**

Between

**ALBERTSON'S, LLC.**  
(Grand Junction, Colorado)

and

**LOCAL NO. 7 OF THE UNITED FOOD AND  
COMMERCIAL WORKERS INTERNATIONAL  
UNION**

**TERM OF AGREEMENT: JULY 20, 2009 TO November 25, 2013**

THIS AGREEMENT has been made and entered into by and between Albertson's, LLC., hereinafter referred to as the "Employer," and Local No. 7, United Food and Commercial Workers International Union, hereinafter referred to as the "Union."

**WITNESSETH**

That for and in consideration of the mutual promises and conditions hereinafter set forth, and in order to assure and secure the benefits intended to be derived by the employees and the Employer under these Articles of Agreement herein, it is hereby expressly understood and agreed as follows:

**ARTICLE 1  
RECOGNITION AND UNION SECURITY**

Section 1. The Employer recognizes the Union as the sole collective bargaining representative for all meatcutters, meatcutter apprentices, butcher block and service deli employees, and wrappers employed by the Employer at its store located at 1830 North 12th, Grand Junction, Colorado; excluding the Meat Department Manager, Deli Department Manager, grocery and bakery employees, office clerical employees, guards, professional employees, Butcher Block Supervisor, and supervisors as defined in the National Labor Relations Act, as amended, and all other employees. Any new stores opened within the contractual boundaries of this contract shall be accreted to this Agreement.

Section 2. After the employees in the bargaining unit have ratified the following Union Security Provisions of this Article in a Colorado Labor Peace Act election conducted in accordance with Colorado law, Sections 3, 4, 5, 8, and 9 of this Article will become effective and binding upon the parties.

Section 3. Union Membership. It shall be a condition of employment that all employees covered by this Agreement shall, on the thirty-first (31st) day following the effective date of this Agreement, become and remain members in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members of the Union.

Section 4. For the purpose of Section 3 above, the execution date of this Agreement shall be considered as its effective date.

Section 5. Delinquent Members. Whenever the Union requires the Employer to discharge any employee for failure to join or maintain his membership in the Union in accord with the terms of this Article, the Union agrees to furnish the Employer an itemized copy of the delinquent's account with the Union together with a written request for discharge. The Employer will discharge any employee who falls within the bargaining unit as described in Section 1 hereof within ten (10) days after the receipt of said written request for discharge, unless within said ten (10) day period, the delinquent employee pays or tenders his delinquent initiation fee (or uniform reinstatement fee, where applicable) and/or delinquent union dues to an authorized agent of the Union.

Section 6. The Employer agrees to deduct the weekly Union dues (including initiation fees for new employees) and uniform assessments from the net amount due each employee in the bargaining unit as described in Section 1 hereof who has furnished the Employer (either directly or through the Union) with an individual written authorization for making such deductions on a form mutually agreed upon between the Employer and the Union. It is understood that the check-off authorization is to be entirely voluntary upon the part of each such individual employee and that any such employee may revoke his individual check-off authorization upon giving thirty (30) days' written notice to the Employer and the Union.

Section 7. The Employer agrees to remit all such deductions to the President of the Local Union within ten (10) days after the last pay period of each month.

The Union shall indemnify and hold the Employer harmless against any and all suits, claims, demands and liabilities which arise out of, or by reason of, any action which shall be taken by the Employer for the purpose of complying with the provisions of this Article.

Section 8. Completion of Forms for Benefits Programs. At the time of hiring, the Employer will advise each such employee of the fact that he must become a member of the Union within thirty-one (31) days and must remain a member of the Union as a condition of employment during the life of this Agreement. The Employer will likewise furnish each such employee with the address of the Union office and name of the Union representative. Completion of any necessary applications, forms and papers for qualification under the Health and Welfare Article or any other benefit programs provided by this Agreement, shall be completed on the first (1st) day of employment, but not later than the eligibility date of participation in the various plans.

**ARTICLE 2**  
**SERVICE IN MEAT-DELICATESSEN DEPARTMENTS, PLANTS**

Section 9. All work performed in the meat department and delicatessen department will be done by members of the bargaining unit. For the purpose of this Agreement, the meat department is defined as the area occupied by the meat storage rooms, the meat preparation rooms and the service and/or self-service display cases where fresh, smoked, cooked and frozen meats, poultry, fish or seafoods are offered for retail sale. With the exception of poultry products, the pricing of all meat products shall be done on the premises, except as provided herein. Notwithstanding, the Employer may have specialized sanitation work, such as cleaning of ceiling tiles, grease traps, drains, walls, etc., performed by personnel outside the bargaining unit.

Section 9A. Bargaining Unit Employees shall perform the work of cutting or preparation of meats that are cut, processed, or prepared on the Employer's premises for immediate human consumption. The Union agrees that the Employer has the right to bring in and sell Healthy Choice ground beef as packaged by the manufacturer. All fresh, cured, smoked, or frozen meat, refrigerated luncheon meats, fish, poultry and rabbits shall be handled by employees within the bargaining unit. No one other than employees covered by this Agreement shall be permitted to perform the cutting or preparation of meat in the meat department, meat market, or delicatessen department on the Employer's premises, except as set forth below:

- (1) This does not include the transaction of the checkstand.
- (2) No representative of Management above the level of Head Meatcutter (except for owners, partners, officers of the Employer) shall perform the work customarily assigned to employees in the bargaining unit, except
  - (a) When a bargaining unit employee who has been scheduled to work fails to report as scheduled;
  - (b) In connection with the instruction or training of an employee or employees;
  - (c) In connection with the opening of a new or remodeled store;
  - (d) In connection with the simple straightening of display cases;
  - (e) In connection with the removal of outdated, distressed, or damaged merchandise from display cases;
  - (f) In connection with floor maintenance work in the meat and deli departments;
  - (g) In response to a specific customer request.

Section 9B. AUTHORIZED WORK FOR VENDORS. All rack jobbers and driver salesmen will make deliveries to the back room at which time it will become bargaining unit work exclusively except as set forth below:

- (a) All salesmen or rack jobbers may:
  - (i) Set up promotional displays. A promotional display is a temporary display. It is set up because of special promotional allowances, new products, or is situation or season oriented.
  - (ii) Stock merchandise during the time period immediately preceding and the two (2) week period after a new store opening or the reopening of a store after a remodeling.
  - (iii) Stock beverages, specialty foods, gourmet foods, natural foods and chips, if delivered to the store, and all greeting cards and Dr. Brown's pop. Additionally, all vendors shall be allowed to stock and otherwise maintain any J-hook and clip strip program.
  - (iv) All vendors will be allowed to assist in one reset or remodel reset per section, per store, per year and one storewide reset per store per year. The Company will notify the Union as to these resets or remodels.
  - (v) All vendors may rotate stock, check code dates, remove out-of-date or damaged merchandise and properly realign and display the merchandise left on the shelves.
- (b) Rack jobbers or driver salesmen who deliver bread or bakery products, dairy products, or magazines, newspapers or paperback books shall be allowed to continue as they have in the past.
- (c) Products currently being stocked and displayed in the meat department and delicatessen department by employees of outside suppliers can be stocked and displayed by employees of such outside suppliers.
- (d) It is understood and agreed that the exceptions provided in this Section are based solely on the type of merchandise sold by the salesman and not the Union or non-Union status of the salesman.

- (f) Courtesy Clerks may assist in clean-up work not involving equipment.

Section 10. It is understood that the cutting of all retail cuts of fresh meat offered for sale will continue to be performed in the market, unless the Employer transfers said work, in which case the following paragraph will be applicable:

If the Employer transfers the cutting and fabricating of retail cuts of fresh meats presently being performed in its retail store or stores, covered by this Agreement to a location or locations outside of said retail store or stores, the Employer will continue to recognize the Union as the bargaining agent for the meatcutters, apprentices and wrappers employed by the Employer in the cutting and fabricating of retail cuts of fresh meat, and the seniority rights provided in Article 11 of this Agreement shall continue to apply throughout the bargaining unit, including said new location or locations of the Employer.

Section 11. No retail employee shall be required to maintain restrooms.

Section 12. Nothing contained in Article 2 of this Contract shall be construed to forbid in any fashion the performance by the Butcher Block Supervisor and the Deli Manager of their normal departmental duties.

### **ARTICLE 3 RIGHTS OF MANAGEMENT**

Section 13. The Employer retains the right to manage its business, to direct the working forces, to establish reasonable standards of dress, to demote employees other than for arbitrary, capricious or discriminatory reasons, and to make necessary rules and regulations for the conduct of the business, providing that said rules and regulations are not in conflict with the terms of this Agreement in any way.

### **ARTICLE 4 OVERTIME AND HOURS**

Section 14. The workweek shall coincide with the calendar week.

Forty (40) hours to be worked in any five (5) eight (8) hour days shall be the basic workweek for regular full-time employees.

A regular full-time employee is described as an employee who has been hired as such or scheduled or worked forty (40) hours or more a week for four (4) consecutive weeks, except for employees hired as or advanced to a full-time schedule between June 1st and September 15th. If the employee who has worked the four (4) forty (40) hour weeks is not the senior employee who has expressed his desire for full-time status, as set forth in Article 11, Section 32, such employee shall

remain in part-time status, and the senior qualified employee in that classification who has expressed his desire for full-time status shall be changed to full-time status.

An employee who has achieved the status of regular full-time shall retain that status unless he is scheduled for, or worked, less than forty (40) hours per week for twelve (12) consecutive weeks, at which time he shall be reclassified as part-time.

A full-time employee who has requested and has been assigned a part-time schedule shall immediately be classified as part-time.

Section 15. Overtime compensation at the rate of time and one-half (1½X) the employee's base hourly rate of pay shall be paid under the following conditions:

- (a) For all time worked in excess of eight (8) hours in any one (1) day.
- (b) For all time worked in excess of forty (40) hours in any one (1) workweek as described above.

Employees scheduled and working more than five (5) days in a workweek will receive time and one-half (1½X) for the day on which the least number of hours was worked.

Section 16. The Head Meatcutter will post the printed work schedule for the following week in each market not later than 9:00 a.m. on Friday. This schedule shall include the employee's first initial and last name. This work schedule will not be changed by Management for that particular workweek except where the change is predicated on circumstances beyond the control of Management such as, but not limited to, sickness, injury, wide fluctuations in volume, Acts of God. This clause shall not be construed as preventing Management from calling in employees for extra work outside of the posted schedule, from requiring overtime work outside of the posted schedule or from bringing in additional employees where it appears advisable in the opinion of Management.

Any changes in the work schedule will be reflected on the posted schedule at the time the change is made.

The Employer shall designate the starting time for employees. The employee shall be dressed and ready to go to work at his starting time.

Regular full-time employees shall be scheduled for at least forty (40) hours of work to be performed in five (5) days unless reduced in accordance with seniority. Regular full-time employees shall be scheduled for at least thirty-two (32) hours of work to be performed in four (4) days (exclusive of the holiday) during a week in which a holiday occurs, unless reduced in accordance with seniority.

Regular full-time employees called in on their scheduled day off shall not have the balance of their scheduled workweek altered as a result of such call-in.

No regular employee shall be scheduled for less than twenty (20) hours in a workweek, if the employee is available. An employee called in or scheduled for work shall be guaranteed four (4) hours of pay at the applicable rate, with the understanding that an employee may be called in or scheduled for less than four (4) hours if he is unavailable for the full four (4) hours.

Section 17. It is understood and agreed that overtime compensation shall not be paid twice for the same hours of overtime work.

Section 18. Lunch Periods. Each employee who is scheduled to work in excess of five (5) hours in a day shall receive, on his own time, a one (1) hour lunch period, or, upon mutual agreement between the employee and the Employer, a one-half (1½) hour lunch period at approximately the middle of his workday.

Individual employee's change of lunch period from one (1) hour to one-half (½) hour, or vice versa, shall occur only at the beginning of a new work schedule. There shall be no daily split shifts.

Employee's scheduled lunch periods will be set forth on the schedule, but the parties recognize it may be necessary to alter the lunch period schedule due to the needs of the business.

## **ARTICLE 5 SUNDAY WORK**

Section 19. The rate for work performed on Sunday as such shall be time and one-quarter (1¼X) the employee's regular straight-time rate of pay. The Sunday premium shall in no instance be offset against any weekly overtime which may be due under subparagraph (b) of Section 15 above because of the fact that the employee worked over forty (40) hours in the particular workweek. The Sunday premium shall not be averaged into the employee's straight-time rate for the purpose of determining the rate upon which daily or weekly overtime is based in any workweek under Section 15 above.

No employee who because of his religion has conscientious objections to working on his Sabbath will be required to work his Sabbath as a condition of employment. If the rights of the employees under this paragraph operate in conflict with the seniority provisions contained elsewhere in this agreement, the right of seniority shall prevail.

Section 20. Employees hired on or after May 1, 2005 shall not be eligible for Sunday Premium.

## **ARTICLE 6 TRAVEL PAY**

Section 21. Not applicable.

**ARTICLE 7  
STORE MEETINGS**

Section 22. All time spent by an employee actually attending any store meeting where his attendance is required by the Employer shall be counted as time worked with a minimum of one (1) hour at the applicable rate of pay when an employee is called back for such a meeting, notwithstanding the callback provisions set forth elsewhere herein.

**ARTICLE 8  
NIGHT PREMIUM**

Section 23. Each week, the Employer will alternate the schedules within a classification within each store after 6:00 p.m., so that such work may be evenly divided as far as it may be practical. The above shall not apply to employees who, of their own volition, want to work the hours after 6:00 p.m.

A premium of fifty cents (50¢) per hour shall be paid for all work performed between the hours of 12:00 midnight and 6:00 a.m. to all employees who work 24 hours or more in the workweek. Employees whose shifts are scheduled to end at 12:00 midnight need not be paid any premium under this Section, even where it is necessary for them to remain on the job for a short period in order for them to complete their work, provided that such additional period does not exceed fifteen (15) minutes.

Night premiums shall not apply where an employee is working at overtime or on Sunday or on a holiday.

**ARTICLE 9  
BREAK PERIODS**

Section 24. The Employer will give employees a break period of fifteen (15) minutes in their shift before the meal period and in their shift after the meal period.

**ARTICLE 10  
HOLIDAYS**

Section 25. All employees hired on or before April 30, 2005 who have completed their probationary period shall be paid for the following holidays whether or not they fall on what would normally be a workday for the employees involved: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. Such employees shall be entitled to two (2) personal holidays, which must be requested two (2) weeks in advance and approved by the Store Manager.

The Employer may operate its stores at its sole discretion on any of the holidays recognized in this Agreement. The Employer will staff on Christmas Day by voluntary sign up list only. To the extent the Employer does not receive sufficient volunteers in a store, the Employer may schedule by inverse seniority.

All employees hired on or after May 1, 2005 who have completed their probationary period shall be paid for the following holidays whether or not they fall on what would normally be a workday for the employees involved: Thanksgiving Day, Christmas Day. Such employees shall be entitled to one (1) personal holiday after two years of service, 2 personal holidays after 3 years of service, and 3 personal holidays after four years of service. Such holidays must be requested two (2) weeks in advance and approved by the Store Manager.

To be eligible for the personal holiday during each calendar year, an employee must be on the payroll as of January 1 of each year. Such holiday must be taken during the respective calendar year. An employee whose employment terminates prior to his having taken his personal holiday shall not be entitled to holiday pay in lieu thereof. In the event an employee fails to schedule his personal holiday by October 1 of the calendar year, the Employer will select a date and schedule such employee for his remaining personal holidays for that year. Further, personal holidays shall be granted by seniority, and classification.

As pay for an unworked holiday, regular full-time employees will be paid at straight time for the number of hours they would normally have worked on the day in question, but not to exceed eight (8) hours. If the holiday falls on a day which would normally have been such employee's scheduled day off, he shall be paid eight (8) hours at straight time as pay for the unworked holiday.

Holiday pay for part-time employees who have completed their probationary period, and who otherwise qualify, shall be based on the number of hours worked in the calendar week immediately prior to the week in which the holiday occurs, divided by five (5). Provided the employee actually performs work in the calendar week immediately prior to the holiday week (unless on vacation or receiving sick pay for time not worked during such week or during the first thirty (30) days of an absence for which an employee is receiving Workman's Compensation), the employee shall not receive less than three (3) hours' holiday pay.

The Employer will not reschedule the hours of work in the workweek immediately prior to the workweek in which the holiday occurs in order to defeat the purpose of this Agreement.

In order to qualify for pay for an unworked holiday an employee, otherwise eligible for such pay under the terms of this Article, must work his regularly scheduled day immediately preceding the holiday and his regularly scheduled day immediately following the holiday unless he has been previously excused from such work by the Employer or unless he was prevented from so working due to a bona fide illness. No employee on leave of absence shall be eligible for holiday pay.

An unworked holiday, even though paid for under the terms of this Article, shall not be counted as a day worked for the purpose of computing overtime pay in a holiday workweek.

Section 26. When a holiday falls on Sunday, the following day shall be observed.

For employees hired on or before April 30, 2005, when a holiday is worked, the employee shall be paid one and one-half (1½) times his regular base rate of pay in addition to the holiday pay provided herein.

Non probationary employees who are hired on or after May 1, 2005, who work on a holiday shall be paid one dollar (\$1.00) per hour worked on such holiday, in addition to the holiday pay provided herein.

## **ARTICLE 11 SENIORITY**

Section 27. Length of continuous service in the employ of the Employer shall govern in layoffs and rehires within a particular classification in the bargaining unit as described in Article 1, Section 1, whenever the ability of the employees involved is substantially equal.

New employees shall be on probation for a period of thirty (30) calendar days, during which time they may be discharged by the Employer for any reason whatsoever, and during this probationary period, they shall not acquire any seniority status. If an employee is retained in the employ of the Employer after said thirty (30) calendar days, his seniority shall then date back to the first (1st) day of said thirty (30) calendar day probationary period. This probationary period may be extended an additional thirty (30) calendar days by mutual agreement between the Employer and the Union.

Seniority shall terminate for any of the following reasons:

- (a) Voluntary quitting.
- (b) Overstaying a granted leave of absence or vacation.
- (c) Failure to report for work upon recall after a layoff within five (5) days after mailing of recall notice sent by registered letter to the last address furnished in writing to the Employer by the employee.
- (d) Discharge for just cause.
- (e) Continuous layoff for a period in excess of twelve (12) months.

Bargaining unit seniority lists shall be provided to the Union on no more than two (2) occasions during the calendar year, upon request by the Union.

Section 28. Layoff Procedure. When a reduction in the work force is necessary, as opposed to a reduction in hours, the following procedure shall be used.

1. A regular full-time employee being laid off may displace the shortest service regular full-time employee within his classification within the bargaining unit. The regular full-time employee so displaced may displace the shortest service part-time employee in the same classification in the bargaining unit. In the event there is no less senior employee performing work in the same classification, this displaced employee may displace the least senior employee in a lower classification in which he previously performed six (6) months of service in the classification for the Employer.
2. A part-time employee being laid off may displace the shortest service part-time employee within his classification within the bargaining unit.
3. Any employee with displacement rights under the procedures above shall be allowed to take a layoff in lieu of displacing any employee.
4. It is understood that, in any event, only a more senior employee can displace another employee under the procedure.
5. **It is expressly understood and agreed the following shall apply to all of the options set forth above. If the shortest service employee being bumped is within a ten (10) mile radius from the displaced employee's store, the shortest service employee will be bumped. If the shortest service employee is working at a store outside the ten (10) mile radius from the displaced employee's store, the displaced employee may displace a less senior employee.**

Journeyman and Apprentice Meatcutters will be considered one classification for the purpose of layoff.

Section 29. Recall Procedure. Laid off employees shall be recalled as needed, in the order of seniority, to jobs in the classification from which they were laid off. The Employer shall not hire a new employee into a classification in which there are laid off employees at that time. The Employer shall offer recall to a job in the classification from which an employee was laid off prior to promoting another employee into that classification.

A full-time employee accepting recall to a part-time position shall be reclassified to a part-time status. Similarly, a part-time employee recalled to a full-time position shall be reclassified to full-time status.

Section 30. Nothing in this Article shall be construed to require pay for time not worked.

Section 31. No employee shall be discharged without just and sufficient cause.

Section 32. Reduction In Hours. When a reduction in hours is necessary within the store, as opposed to a layoff in the work force, hours will be reduced from employees in the affected classification who have not requested additional hours in writing as set forth elsewhere in this Agreement, before any reduction shall occur in the employee group which has requested additional hours.

If, after all part-time employees in the affected classification in the store have either had their hours reduced to 24 or have been laid off, it is still necessary to reduce hours in the store, the least senior full-time employee in the store must have his hours reduced to 24 before the hours of any other full-time employee in the affected classification are reduced.

Section 33. Full-Time Request List. There shall be established a "full-time request" list. This shall be made up of the names of employees in the bargaining unit who have made written request during the first fifteen (15) days in January (to be effective from the first (1st) workweek in February until the first (1st) workweek in August) or in the first (1st) fifteen (15) days in July (to be effective from the first (1st) workweek in August until the first (1st) workweek in February) of each year in which they state their wish to receive a full-time assignment, regardless of the hours or shift. Such written request shall be submitted to the designated Employer representative. This request shall remain in effect until the following request period or until assigned full-time.

When an employee who has been assigned full-time status schedule for the immediately preceding twelve (12) or more weeks is terminated because of quit or discharge, or is transferred by the Employer, or when a new position of full-time is created, the job vacancy created by such quit, discharge, transfer or new job creation shall be filled by assignment of the most senior qualified employee in the same classification as the job vacancy who has signed the then-current "full-time request" list, when it is deemed necessary to fill the vacancy. It is understood, however, each employee who has made written request for a full-time assignment retains the right to revoke such request by written notice submitted to the designated Employer representative at any time prior to the time he is offered such full-time assignment. If an employee revokes such request, that employee cannot renew his request until the next regular request period.

This Section is intended to maximize the number of hours a senior employee can work, up to and including forty (40) hours per week, but shall not be construed to be a guaranteed workweek.

Section 34. Additional Hours. Additional hours are those created by increased schedules, termination or transfers within the classification which the Employer deems necessary to fill.

When it is necessary to work additional hours, the additional hours shall be assigned to employees in the same classification in the store who are scheduled for less than forty (40) hours in the week, in the order of seniority provided the employee possesses the ability and skill to perform the work required and provided the employee is available to work the necessary hours and has notified the department head in writing of his desire for additional hours. Such written notification

shall be furnished to the department head no later than the close of business on Wednesday to be implemented on the following week's schedule. Nothing herein shall be construed to require the scheduling of additional hours for any employee which will provide him more than forty (40) hours in a week, or five (5) days of work.

The employee being assigned the additional hours shall not have the right to accept such hours in part, but shall be obliged to accept the entire weekly schedule as written. It is understood, however, each employee who has made written request for additional hours may revoke such request by written notice to the department head no later than the close of business on Wednesday of the week preceding the week involved.

Written requests shall remain in effect until forty (40) hours is achieved or such request is revoked.

It is understood and agreed the Employer retains the right to require hours of work even though an employee has not requested additional hours.

Section 35. Employees who have requested additional hours or full-time status, in writing, as set forth above, shall have until noon on the Saturday following posting of the schedule to take issue with that schedule or his right to take issue shall be waived. Should he raise such issue in timely fashion and should it not be resolved, it shall be subject to the grievance procedure set forth elsewhere in this Agreement. It shall be the responsibility of each employee to make himself aware of the schedule and any changes made therein.

Full-time scheduled vacancies shall be filled as defined elsewhere in this Agreement.

The Employer agrees not to schedule two (2) part-time employees in the same classification back to back each day in their weekly schedules within an individual market or delicatessen where it is possible to combine their total posted weekly schedules so that one (1) full-time employee can be used.

Unscheduled Overtime Hours. Daily overtime not previously scheduled shall be offered in seniority order within the department, the classification, and the store to the employees present when the need for overtime arises. Nothing herein shall be construed to require the scheduling of overtime when another employee's scheduled hours can be extended, or part-time employees may be called in without overtime penalty. Hours unclaimed under this procedure may be assigned in reverse order of seniority among those employees within the department within the classification within the store present when the need for overtime arises.

Overtime assignments of four (4) hours or more may be filled by calling in employees, in seniority order, within the classification and the department on their non-scheduled day without violating this Section.

Section 36. Retail Promotion. When any employee is promoted to a higher classification, he shall be on probation for a period of thirty (30) days. The probationary period may be extended an

additional thirty (30) calendar days by mutual agreement between the Employer, employee and the Union. An employee disqualified during the probationary period shall be returned to his old classification.

A promotion is an assignment to a classification which has a higher top rate than the classification being vacated.

The Employer agrees to make promotion to lesser qualified jobs than First Cutter to the most senior qualified employee. The employee shall make such desire known to the Employer in writing.

Nothing herein shall be construed to prohibit the Employer from hiring into a Journeyman or top rate position should the Employer deem it necessary.

## **ARTICLE 12 LAUNDRY AND TOOLS**

Section 37. The Employer agrees to furnish all linens or uniforms required by the Employer for use in the markets and delicatessen and to launder same, except for wash and wear garments. It is further provided that all handsaw frames and handsaw blades shall be furnished by the Employer. The Employer will also furnish an oil stone in each market for the use of employees in sharpening all hand tools.

## **ARTICLE 13 NO REDUCTION**

Section 38. No employee shall have his hourly wage reduced who may now be receiving more than the minimum wage called for in this Agreement, nor shall his hours be lengthened unless he is properly compensated therefore in accord with the terms of this Agreement, and employees shall not be reclassified to defeat the purpose of this Agreement unless otherwise agreed between the parties. No employee shall be asked to make any verbal or written agreement that shall conflict with this Agreement in any way.

## **ARTICLE 14 NO DISCRIMINATION**

Section 39. No employee shall be discharged or threatened for refusing to cross or work behind any primary picket line established by any labor organization at the Employer's premises, nor shall the Union be deemed to be in violation of this Agreement if its members choose to honor any such picket line.

The Employer and the Union agree that each will fully comply with the applicable laws and regulations regarding discrimination against any employee because of such person's race, religion, color, national origin, sex, age, or disability.

The Employer hereby agrees not to discriminate against any employee or discharge him because of membership in the Union and/or for upholding Union principles.

## **ARTICLE 15 VACATIONS**

Section 40. All regular employees covered by this agreement, who were hired on or before April 30, 2005 and who have worked eight hundred and thirty two (832) or more hours in their anniversary year, shall receive one (1) week's paid vacation after one (1) year continuous service, two (2) weeks paid vacation after two (2) years continuous service, three (3) weeks paid vacation after five (5) years continuous service, four (4) weeks paid vacation after twelve (12) years continuous service and five (5) weeks paid vacation after twenty (20) years continuous service.

All regular employees, who are hired on or after May 1, 2005 and who have worked one thousand forty (1,040) or more hours in their anniversary year, covered by this agreement, shall receive one (1) week's paid vacation after one (1) year continuous service, two (2) weeks paid vacation after three (3) years continuous service, and three (3) weeks paid vacation after eight (8) years continuous service.

Such vacation shall be paid at straight-time rates. The number of hours for which such employees shall be paid for a vacation week shall be the average number of weekly hours worked during the twelve (12) months immediately preceding the employee's anniversary date of employment, not to exceed 40 hours pay for each week of vacation. Hours paid for vacations, holidays and sick leave shall be considered as hours worked for the purpose of computing vacation amounts. No pro-rata vacation will be paid at termination.

Section 41. The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year prior to the taking of the vacation (if requested in writing at least two (2) weeks in advance of vacation).

Section 42. The Employer retains the right to determine the number of employees who may be on vacation at any given time. If a dispute arises between employees as to vacation preference, Company seniority within the classification in the market shall govern. For the purposes only of this Section and Article, Journeyman Meatcutters, First Cutters and Head Meatcutters shall be considered one (1) classification.

Section 43. Employees who are entitled to more than two (2) weeks of vacation may elect to schedule their vacations at two (2) different times during the year in amounts of no less than one (1) week at a time.

Section 44. The Employer will post a roster by January 1st of each year. Employees shall sign the roster as to their preference for vacation, in that year, no later than March 1st.

## **ARTICLE 16 VISITATION**

Section 45. The President or the Business Representative of Local #7 shall have the right of entering the premises of the Employer for the purposes of interviewing employees, except such representatives shall not in any way interfere with or disrupt any employee's production or ability to service customers. The said representatives shall make their presence known to the supervisory person in charge upon entering the premises. The Employer shall, upon the request of an authorized Union representative, furnish satisfactory evidence to ascertain whether employees are being paid in accordance with the terms of this Agreement. The Chief Executive Officer, or his Deputy, may inspect the dues books of employees during working hours.

## **ARTICLE 17 SHOP CARD**

Section 46. The Union Shop Card is the property of the United Food and Commercial Workers, International Union, and is loaned to the Employers for display who sign and abide by this Agreement. The Shop Card may be removed from any market by the Chief Executive Officer of Local No. 7 or his deputy for any violation of this Agreement.

## **ARTICLE 18 BULLETIN BOARD**

Section 47. The Employer agrees to furnish a bulletin board for the use of the Union within each store. Material placed upon the bulletin board shall be restricted to the following types of notices:

- a. Notices of Union recreational and social affairs.
- b. Notices of Union elections, Union appointments, and the results of Union elections.
- c. Notice of Union meetings.

The bulletin board is not to be used by the Union or its members for disseminating propaganda of any kind whatsoever, and among other things, it shall not be used for the posting of material of a political or controversial nature or for advertising purposes. Any document placed on the bulletin board must be signed by an officer or official representative of the Union.

## **ARTICLE 19 DONATIONS**

Section 48. It is recognized that the Employer may sponsor donations to worthy charitable organizations of a non-political nature. However, no employee shall be required to make contributions, nor shall any employee be told a specific amount he must contribute. There shall be no compulsion with regard to contributions.

## **ARTICLE 20 TIMEKEEPING**

Section 49. Each employee is required to record his own time, using the system provided by the Employer, prior to starting work and upon completion of work and before and after lunch periods. No employee shall have the right to record any other employee's time. Any employee violating these provisions, working off the clock or giving free time may be discharged.

## **ARTICLE 21 PAY DAY**

Section 50. Employees shall receive their pay each week. In case of discharge from employment of any employee, upon request, the final paycheck will be made available within seventy-two (72) hours after the discharge.

## **ARTICLE 22 GRIEVANCE AND ARBITRATION PROCEDURE**

Section 51. Should any dispute or complaint arise over the interpretation or application of this Agreement, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps, and failure to follow the procedures set forth below shall result in forfeiture of the grievance.

Step 1. By conference during scheduled working hours between the Steward, if requested by the employee or the Employer, and/or the Union's Business Representative and/or the aggrieved employee and the designated Employer representative.

Step 2. If the grievance cannot be satisfactorily resolved under Step 1 above, the grievance shall be reduced to writing and submitted to the representative designated by the Employer to handle such matters. Such submission shall be made within twenty (20) days of the date of the occurrence of the event which gives rise to the grievance and shall clearly set forth the issues and

contentions of the aggrieved party or parties and must reasonably allege a specific violation of an express provision of this Agreement. (In the case of a discharge the time limits shall be fourteen (14) days.) The Employer designee and the Union Business Representative shall meet within ten (10) days after receipt of written notice of the grievance and attempt to resolve the grievance. In the event the Employer designee assigned to handle grievances does not have an office in the area where the grievance arises, this meeting may be discussed by phone; furthermore, the time limits on this meeting may be postponed by mutual agreement of the parties.

Within thirty (30) days of the Union's receipt of a written response from the Company to the written grievance, the Union representative and the grievant will contact the appropriate Company representative by conference telephone call.

In an instance where an employee feels he has not been paid in accordance with the wage progression scales set forth herein, such employee shall have an obligation to bring this to the attention of the Store Manager as soon as the employee first has knowledge of such alleged error. In the event the employee has been improperly paid, said payment error shall be corrected on a retroactive basis but not beyond ninety (90) days prior to the date on which the grievance is presented in writing.

Step 3.

A. If the grievance is not satisfactorily adjusted in Step 2, either party may, with reasonable promptness, but in no event later than thirty (30) days from the date of the Step 2 meetings, in writing, request arbitration and the other party shall be obliged to proceed with arbitration in the manner hereinafter provided. The Chief Executive Officer of the Union shall have the exclusive right to determine whether or not the employee's grievance shall be submitted to arbitration by the Union. The parties shall forthwith attempt to agree upon an impartial arbitrator.

The parties agree to conduct quarterly grievance resolution meetings (alternating between the Company's headquarters and the Union's offices) for the purpose of attempting to resolve outstanding grievances between the parties. The parties will reach agreement on a hearing date for otherwise arbitrable grievances requested to be set for arbitration by the Union within sixty (60) days of the Union's request to set such a hearing date. The parties specifically agree that the actual hearing itself may occur outside of this sixty (60) day period, but within six (6) months from the date the Union has requested such a hearing date. The parties can extend such deadlines by mutual agreement.

- B. In the event the parties are unable to reach agreement upon the selection of an arbitrator within fifteen (15) days of the written request for arbitration, the party requesting arbitration may, with reasonable promptness, request a panel of five (5) arbitrators from the Federal Mediation and Conciliation Service. The parties shall agree upon at least two (2) additional geographical areas to submit to the FMCS for purposes of requesting panels of arbitrators. From this panel of five (5) names, each party shall alternately strike two (2) names, the moving party striking first. The remaining arbitrator from the list shall be the impartial arbitrator. A finding or award of the arbitrator shall be final and conclusive upon the parties hereto.
- C. The arbitrator shall have all the rights, power, and duties herein given, granted and imposed upon him; but his award shall not change, alter or modify any of the terms and conditions set forth in this Agreement. The parties specifically agree that the hearing shall be conducted in accordance with recognized, formal arbitration practices and procedures. The parties also agree that post hearing briefs shall be written and submitted to the arbitrator in all discharge and contract interpretation cases unless otherwise mutually agreed to by the parties. In those cases where the grievance is sustained, the Employer will pay the arbitration expenses. In those cases where the grievance is denied, the Union will pay the arbitration expenses. If the grievance is denied in part and sustained in part, the parties will share the expenses equally. The arbitrator will issue his decision within thirty (30) calendar days after the close of the proceedings. This thirty (30) day calendar time limit may be extended by mutual agreement between both parties.
- D. In the event either party refuses to arbitrate on demand of the other party and an order compelling arbitration is obtained in Federal Court on the basis contended by the moving party, the refusing party will pay to the moving party reasonable legal fees incurred, up to Two Hundred Dollars (\$200.00). Similarly, if the moving party fails to prevail in such an issue, the moving party will pay reasonable legal fees incurred up to Two Hundred Dollars (\$200.00) to the refusing party.

**ARTICLE 23  
UNION STEWARD**

Section 52. The Union shall have the right to designate one Steward per store who shall perform their Steward duties in such a way as not to interfere with the service of the Employer. Such Stewards shall have top seniority for the purpose of layoff within their classification in that store. The designated representative of the Employer must be advised in writing by the Union of the name of the Steward in the Store before the employee will be recognized as a Steward.

**ARTICLE 24  
NO STRIKE - NO LOCKOUT**

Section 53. During the life of this Agreement, there shall be no lockout, strike, picketing, boycotting, stoppage of work, anti-Company publicity, corporate campaign activity, or other economic action of whatsoever nature against the Company.

It is understood that it shall be a violation of this Agreement for the Union or its agents to require its members to observe picket lines set up by any labor organization at the premises of the Employer.

It also is recognized that various monies from Local 7 are paid to the UFCW International Union funds. The local does not control such funds. Consequently, the UFCW International Union's use of those funds for corporate campaign purposes will not be a violation of this Agreement.

**ARTICLE 25  
SAVING CLAUSE**

Section 54. If, during the term of this Agreement, or during any renewal or extension of the same, any Federal or State Law is enacted, or any rule or regulation is issued under any Federal or State Law, which would make compliance by the Union, the Employer, employees, or any of them, with the terms, provisions or condition of this Agreement a violation of any of said laws, rules or regulations, then such terms, provisions or conditions shall become inoperative and of no effect from the effective date of any such law, regulation or rule. The remainder of this Agreement not in conflict with any of said laws, rules or regulations shall continue in full force and effect.

In the event of any such terms, provisions or conditions becoming inoperative and of no effect, either party to this Agreement may open the same for bargaining only as to substitute provisions, if any, for those provisions made inoperative upon a thirty (30) day written notice to the other party.

It is specifically understood that the no-strike and no-lockout provision set forth elsewhere in this Agreement shall remain in effect throughout the term of this Agreement.

**ARTICLE 26  
GENDER**

Section 55. Wherever the masculine gender is used in this Agreement, it shall be deemed to include the feminine gender.

**ARTICLE 27  
TEMPORARY ASSIGNMENTS**

Section 56. Temporary assignments of employees may be made by the management to perform work in higher or lower classifications within the department.

Employees assigned to perform higher classification work for periods in excess of four (4) hours in a day will receive the higher classification rate of pay. Employees assigned to perform lower classification work on a temporary basis will not have their pay reduced unless an actual demotion is involved.

It is expressly understood and agreed work in a higher classification shall first be offered to workers in that classification who are in the store and available before lower classified employees are temporarily assigned thereto if the need arises the same day. In the event the need arises one (1) day or more in advance, the work shall be offered to all workers in the higher classification before lower classified employees are temporarily assigned thereto.

**ARTICLE 28  
BEREAVEMENT LEAVE**

Section 57. Upon request an employee covered by this Agreement shall be granted the necessary time off with pay at his regular straight-time rate of pay in order to make arrangements for and/or attend a funeral occasioned by a death in his immediate family. Such time off with pay shall in no event exceed three (3) regularly scheduled working days, and the amount of such paid time off actually granted shall normally depend upon the distance involved. The immediate family is defined as the employee's father, mother, spouse, children, step-child residing with the employee, father-in-law, mother-in-law, brother, sister, step-parents, grandparents or grandchildren. In the event of the death of a grandparent of the employee's spouse, the Company shall allow the affected employee to take one (1) day funeral leave with pay to attend the funeral. Payments shall not be made hereunder where the relative's death occurs while the employee is on vacation or on a leave of absence.

If an employee is notified of the death of his spouse, parent, child or grandchild while at work, he shall be granted the remainder of the day off and paid for scheduled work hours that day. This shall not be counted as part of the above three (3) days. Employees must attend the funeral in order to qualify for pay, and the Employer may require satisfactory evidence confirming the relationship of the deceased person. **Additional time, without pay, shall be granted as needed by the employee up to seven (7) days.**

No schedule shall be changed for the express purpose of making the employee's day off replace a day that otherwise would have been paid for under these provisions.

## **ARTICLE 29 JURY DUTY**

Section 58. Whenever any employee covered by this Agreement is required to serve on a petit jury during his regular working hours, the Employer agrees to pay such employee the difference between what he is paid for serving on the jury and what he would have received from the Employer in straight-time pay had said jury duty not prevented him from being at work. On any scheduled workday, the employee shall promptly report to complete any remaining hours of his scheduled workday; provided, no employee shall be required to so report for work on any day on which he has served and been compensated by the Court for at least eight (8) hours' jury duty, nor shall any employee who reports back to work under this Section be required to work more than ten (10) hours, less the number of hours for which served and was compensated for jury duty by the Court on that day.

When the Employer requests an employee to appear in Court, he shall be compensated at his regular straight-time hourly rate of pay for such time.

The Employer may require a statement from the Court Clerk certifying attendance.

## **ARTICLE 30 INJURY ON THE JOB**

Section 59. When an employee is injured on the job, there shall be no deduction from the employee's pay for the day in which the employee was injured and reported for medical care. In no case shall the Employer's obligation exceed eight (8) hours, and there shall be no payment for any overtime hours missed because of the injury.

## **ARTICLE 31 SICK LEAVE**

Section 60.

- (a) All employees covered by this Agreement who normally work one hundred four (104) hours a month or more and who have been continuously employed by their Employer for a period of at least one (1) year, shall be entitled to six (6) days of sick leave with pay.

Employees hired on or after May 1, 2005 who have completed three (3) consecutive years of employment shall commence accumulating sick leave credit of up to two (2) hours for each month that such employee works at least one hundred twelve (112) hours in a four week month or one hundred forty (140) hours in a five week month. Such credit shall be determined by dividing the actual hours worked for such month by one hundred sixty (160) hours (in a four week month) or two hundred (200) hours in a five week month times two (2). Unused sick leave shall not exceed a maximum accumulation of sixty (60) hours.

- (b) For Employees hired on or before April 30, 2005, unused sick leave shall be cumulative, and, after the first (1st) year of continuous employment, said employees shall accumulate unused sick leave at the rate of one-half ( $\frac{1}{2}$ ) day per month of continuous employment in which they work one hundred four (104) hours, but not to exceed a maximum accumulation of six hundred (600) hours. (An otherwise eligible employee shall get no credit toward accumulation of sick leave for any continuous service prior to May 1, 1958, which was the date used for the beginning of accumulation under the sick leave plan instituted by the Employer and the Union in a prior Labor Agreement which was signed December 19, 1958.)
- (c) A doctor's certificate or other authoritative verification of illness may be required by the Employer. Upon request from the employee, said sick leave is to commence with the second (2nd) day of absence, employees hired on or after May 1, 2005, said sick leave is to commence on the third (3) scheduled workday's absence, due to sickness or injury (except in the case of occupational injury in which event sick leave shall commence on the first (1st) day following injury which the employee would have worked had the injury not occurred) and shall be paid at the rate of one (1) day of pay until such sick benefit allowance is used up.
- (d) For the purpose of this Article one (1) day of pay shall mean eight (8) hours of pay at the employee's regular classification rate for those days which the employee would have worked had the disability not occurred, calculated at straight-time. No employee shall receive pay, under any combination of sick leave and Worker's Compensation or Weekly Indemnity which exceeds the lesser of his regular pay or eight (8) hours per day or forty (40) hours per week at his straight-time hourly rate of pay. The waiting period herein provided before sick pay commences, shall apply for each illness or injury in case the sick benefit allowance has not been used up in previous illnesses.
- (e) Sick leave shall be paid to part-time employees who normally work one hundred and four (104) hours a month or more on the basis set forth above on a pro rata of total hours worked during the year preceding the anniversary date as a ratio to two thousand eighty (2,080) hours, but can accumulate only for a maximum of six (6) years.
- (f) Sick leave benefits are not convertible to cash.

**ARTICLE 32  
LEAVES OF ABSENCE**

Section 61. Leaves of absence without pay for reasonable periods shall be granted by the Employer to employees who have completed three (3) months of service for reasons of bona fide illness or disability.

Personal leaves of absence without pay for reasonable periods not to exceed thirty (30) days may be granted by the Employer to employees who have completed one (1) year of service for other reasons mutually agreed to between the Employer and the employee. The thirty (30) day period may be extended by an additional thirty (30) days by mutual agreement between the Employer and employee.

All seniority granted employees under the terms of this Agreement shall be subject to the rights granted by law to the employees volunteering, called or conscripted for active military service under the National Guard Act of 1940 and the Selective Service Act of 1942, and any additions or amendments thereto, or rulings and interpretations thereof by any authorized court or agency.

Leaves of absence without pay for Union business not to exceed thirty (30) days may be granted by the Employer to employees who have completed one (1) year of service. The thirty (30) day period may be extended by an additional thirty (30) days by mutual agreement between the Employer and employee.

All leaves of absence must be requested in writing to the person designated by the Employer, unless the employee is physically disabled to the extent that such advance request is not possible, and shall state: (1) the reason, (2) date leave is to begin, and (3) expected date of return to work. Leaves of absence shall be granted in writing in advance, and a copy shall be given to the employee.

The employee must be qualified to resume his regular duties upon return to work from an approved leave of absence. A doctor's certificate verifying that the employee is able to resume his normal duties may be required. The employee shall be returned to the job previously held, or to a job comparable with regard to rate of pay no later than on the first weekly schedule made up after the department designated by the Employer has received notice in writing of the employee's availability, provided the Employer received such notice no later than Wednesday immediately prior to the Friday scheduling.

Section 61a. Leave of Absence for Care of Newborn or Adopted Child. For employees with one (1) year of continuous service in the bargaining unit, a Leave of Absence for either parent shall be granted without pay for a period of up to twelve (12) months for the purpose of Newborn or Adopted Child Care. The employee shall be guaranteed reinstatement in accordance with their seniority. An employee who wishes to change his or her date of return to work shall notify the Store Director two (2) weeks in advance and shall be returned to work as set forth above. The Leave of Absence for either parent must end no later than twelve (12) months from the date birth or the date

of adoption. The Employer may require verification of the parent relationship to the newborn or to the adopted child.

**ARTICLE 33  
HEALTH BENEFITS PLAN**

Section 62. Trust Fund. The Rocky Mountain UFCW Unions and Employers Health Benefit Trust ("Health Benefit Trust") is a trust fund jointly administered by an equal number of Trustees representing the Employer and the Union. All contributions provided for in this Article will be paid into the Health Benefit Trust. The Trust Fund is to be jointly administered by an equal number of Trustees representing the Employer and the Union. There shall be three (3) Plans of benefits, Plan A, Plan B and Plan C with contributions as provided herein. As a condition of receiving the contributions provided above, the Trustees of the Plan will:

1. Establish Plan(s) of benefits, which can be supported by the contributions provided in this Agreement, and
2. Maintain the Trust in a fully funded status as provided herein and in the Trust Agreement.

The Trustees shall establish a separate accounting of income and expenses for participants of the Fund who agree in their collective bargaining Agreements to a fixed contribution rate as described below. The Trustees are expressly prohibited from using the contributions of the Employers contributing on fixed contribution rate basis to pay benefits for participants of other employers who have not adopted these fixed contributions.

Section 63. Employer Contributions and Benefit Levels - The Employer agrees to contribute the following amounts per month for each eligible employee:

Employees hired on or before April 30, 2005

	PLAN A	PLAN B
Effective January 1, 2008	\$755.42	\$604.33
<b>Effective June 1, 2009 (May hrs)</b>	<b>\$379.02</b>	<b>\$303.21</b>
<b>Effective June 1, 2010 (May hrs)</b>	<b>\$447.63</b>	<b>\$358.10</b>
<b>Effective June 1, 2011 (May hrs)</b>	<b>\$602.71</b>	<b>\$482.17</b>
<b>Effective June 1, 2012 (May hrs)</b>	<b>\$807.14</b>	<b>\$645.70</b>

Employees hired on or after May 1, 2005

	PLAN A	PLAN B	PLAN C
Effective January 1, 2008	\$649.84	\$519.88	\$327.51
Effective June 1, 2009 (May hrs)	\$326.04	\$260.84	\$164.32
Effective June 1, 2010 (May hrs)	\$385.07	\$308.06	\$194.07
Effective June 1, 2011 (May hrs)	\$518.48	\$414.79	\$261.30
Effective June 1, 2012 (May hrs)	\$694.33	\$555.47	\$349.93

Section 64. Employee Co-Premiums: Effective July 1, 2005, employees who are eligible to participate and enroll in the Health Plan shall as a condition of such participation make a monthly co-premium payment equal to \$5.00 per week if enrolled in employee only coverage, \$10.00 per week if enrolled as employee plus spouse or employee plus children and \$15.00 per week if enrolled in family coverage. Such co-premiums shall be made by payroll deduction and forwarded to the Trust Fund on a monthly basis by the Employer.

Section 65. Enrollment and eligibility: Effective calendar year enrollment period beginning January 1, 2010, the Plan shall conduct an annual enrollment in accordance with the following procedure.

General Rule

• **Currently Enrolled**

- If enrolled for 2009 and no changes desired – need not do anything – terms of enrollment for 2009 remain in effect until coverage under the Plan terminates or until a change is desired.
- If enrolled and a change is desired – need to timely complete new enrollment form on same basis as in prior years.
- If not enrolled in 2009, but want to enroll for 2010 or for a subsequent year, need to timely complete enrollment form on same basis as in prior years.
  - Newly eligible employee must initially make a positive election to enroll in the Plan. Terms of initial enrollment will remain in effect until coverage under the Plan terminates or until a change is desired.

Special Rules

- **Newly eligible employees – must enroll within 90 days.**
- **Currently special enrollment event rules that remain in effect.**
- **Newly acquired dependent – must enroll within 30 days. The effective date of coverage will be:**
  - **Marriage – the date of marriage.**
  - **Birth of a dependent – the date of birth.**

- **Adoption or Placement for Adoption of Dependent – date of adoption or placement for adoption.**
  - **Employee or dependent lose coverage under another plan – must enroll within 30 days (Exception: if loss of coverage is under this Plan, individual has 60 days to enroll under Plan). The effective date of coverage will be the first day of the month following the termination of coverage.**
  - **Special disenrollment rules that remain in effect:**
    - **Dependent spouse becomes covered under spouse’s employer’s plan or employment status so that the spouse is no longer eligible to participate in a health plan sponsored or maintained by his/her employer – Plan must be notified within 60 days of spouse’s coverage to discontinue payment of working spouse fee. The cessation of the working spouse fee is prospective only.**
    - **Disenrollment – if dependent loses status as eligible dependent or an employee or dependent becomes covered under another plan – must disenroll within 60 days of event causing loss of coverage or effective date of coverage under another plan. The reduction in the weekly payroll deduction is prospective only.**
  - **New Procedures/rules.**
    - **Administration office will need to do semi-annual verification of continuation of student status of known students plus any child who attains age 19 in the spring and fall of each calendar year.**
    - **For first claim filed by spouse each calendar year, administration office will need to verify working status of spouse and if working, determine if covered by employer’s plan.**
  - **Continuation of Rule Regarding Special Enrollment Events**
    - **Employees currently enrolled in the Plan shall continue to be enrolled in the Plan unless they make a positive election to discontinue their enrollment or change their coverage. A discontinuation in coverage may be made within sixty (60) days of a special enrollment event as defined by the Plan. Administration Office will need to do semi-annual verification.**

**Employees must initially make a positive election to enroll in the Plan. Enrollment is for the entire plan of benefits for the Plan and an employee’s failure to make an initial positive enrollment into the Plan shall result in such employee being ineligible for all benefits of the Plan for the remainder of the calendar year or until there has been a special enrollment event as provided in the Plan’s Rules and Regulations, whichever occurs first.**

The administrator of the fund will use the enrollment data in order to establish the eligibility of employees and their dependents for participation in plan coverage. None other than those employees contained on the enrollment report shall receive benefits from the Trust without the express authorization of the Trustees. The administrator will promptly notify the Trustees in writing of any instances where coverage has been provided to persons who are not included in the enrollment data, or where a claim for payment has been submitted by or on behalf of such person.

The Fund will audit its enrollment and claims records at least once within each 24 month period to ensure that no employees of the Employer, or the dependents of such employees, are participating in plan coverage for which they are not eligible and to ascertain that claims and other plan expenses are being paid in accordance with the Plan's provisions.

Section 66. Initial Eligibility – Part-time employees hired before May 1, 2005 who on April 30, 2005 have met the initial eligibility requirement for benefits under the Trust will continue to be eligible for coverage provided the employee enrolls in the Plan beginning in 2005, and further provided the employee has made the required employee co-premium payment. Such employees shall continue to be eligible for Plan A if such employee was eligible for Plan A on April 30, 2005. Employee's who were eligible for and were participating in Plan B on April 30, 2005, shall participate in Plan B until such employee has been covered under such Plan B for 24 months. Thereafter, such employee may advance to Plan A provided they continue to enroll and meet the eligibility requirements of the Plan. Employees hired on or before April 30, 2005, who are not eligible for coverage as of April 30, 2005 shall be required to meet initial eligibility for Plan B, and subsequent eligibility to begin participation in Plan A, as provided in the predecessor agreement which terminated in 2004.

**All part-time employees (excluding Courtesy Clerks) hired on or after May 1, 2005 shall, beginning the first of the month following 12 calendar months of employment (but not before January 1, 2010 with regard to their eligible dependents), be eligible to enroll and participate in the Health Plan, under the Health Plan C. Upon completion of the first (36) months of eligibility under Plan C, such employee and their eligible dependents may enroll in Plan B for the next (36) months of eligibility under Plan B. Thereafter, provided the employee continues to maintain eligibility, such employee and their eligible dependents may enroll and participate in Plan A.**

Full-time employees shall on the first of the month after 3 months of employment, be eligible to enroll with their eligible dependents in Plan B, and after (36) months of eligibility under Plan B, shall be allowed to enroll with their eligible dependents in Plan A.

Section 67. On-going Eligibility – After satisfying initial eligibility requirement provisions and enrollment in the Health Plan, the employee must continue to meet the monthly on-going eligibility requirements as a condition of continued participation in the Health Plan. Enrolled employees who work (80) hours in a (4) week month or (100) hours in a (5) week month shall be eligible for coverage on a lag month basis. For the purpose of this Article, hours

worked shall include hours paid directly by the Company for holiday and vacation, **jury duty, bereavement leave and sick pay.**

Employees shall continue to be eligible for benefits provided they enroll for coverage in accordance with this Article. In any event, all employees must continue to meet all eligibility requirements of the Plan as a condition of continued eligibility.

Section 68. Trust Plan Changes. The Trustees on the earliest date possible shall revise the plan of benefits to include:

- The Plan's current coordination of benefit provision and credit balance system shall be replaced with a coordination of benefit provision that limits payment to the maximum payable under the Plan.
- The Plan shall adopt a fee of \$100 per month for a spouse of a covered employee who is eligible to enroll in health coverage at their employer, but fails to do so, as a condition of enrollment in this Plan.
- Adopt the long term funding policy contained herein.
- The Parties agree to adopt true managed care approaches to providing mental/nervous and physical benefits under the Plan. The Plan Administrator should not perform such managed care.
- The Parties will adopt cost control measures that will aid the Fund in managing costs within the contributions provided by the Employers and Participants to this Plan.

**Effective January 1, 2010, the Trustees of the Plan shall be directed to adopt the following modifications to the active plan(s) of benefits:**

### **Health and Care Management**

**Direct Trustees to Implement Integrated Health and Care Management Programs. The programs shall be designed to progress over the term of the Agreement to "best-in-class" levels with respect to the key characteristics listed below:**

- **Quality education campaign for all participants**
- **Superior participant communications, including robust web tools**
- **Superior participant information tools**
- **Analytics measuring participation, compliance, and results**
- **Very strong comprehensiveness of programs**
- **High levels of integration**
- **Strong physician behavior change mechanisms**

- **Significant levels of medical and drug trend reduction**
1. **Establish a health risk assessment questionnaire to be completed annually. If employee and spouse complete annually, such employee's co-premium to the Plan shall be reduced \$5 per month for each employee and spouse (max \$10) for that enrollment's calendar year. An HRQ must be completed each year during enrollment to be eligible to receive the HRQ incentive for each year. During the term of this Agreement, the Trustees may, by mutual agreement, reallocate the HRQ incentive amounts provided above.**
  2. **Establish 24-hour nurse call-in line and/or medical decision support.**
  3. **Develop a medical management program that targets high-risk participants with chronic diseases such as diabetes, obesity, asthma and cardiovascular disease. In order to encourage participant engagement in such programs and to enhance the goal of improving health status a series of incentives must be developed.**

**There is recognition that incentives may take various forms and will likely evolve and change over time based on program experience with a goal of maximizing program effectiveness and reducing health costs and medical trend. The initial focus will be a thorough educational campaign in connection with program roll out.**

4. **Establish free and/or reduced cost educational programs such as:**
  - a. **Weight management**
  - b. **Smoking cessation**
  - c. **High Cholesterol**
5. **Reduce prescription drug co-pays as shown below for participants taking maintenance drugs (and related supplies which require a prescription) for certain disease states which would include categories of drugs such as:**
  - a. **Hypertension**
  - b. **High cholesterol**
  - c. **Diabetes control drugs**
  - d. **Asthma**
  - e. **Glaucoma**
  - f. **Osteoporosis**

<b>Drug Class</b>	<b>Co-Pay</b>
<b>Generic</b>	<b>\$2.50</b>

<b>Formulary Brand</b>	<b>\$10</b>
<b>Nonformulary Brand</b>	<b>\$20</b>

It is understood that the Plan's consultants will continue to evaluate the effectiveness of including these scheduled drug categories on Plan costs and based on their recommendations the Trustees may remove drugs from this list and/or add other categories of drugs consistent with the objective of increasing compliance with prescribed drug therapies which will lower plan costs and trend.

6. **Complex/Catastrophic Care Management to provide case management of the entire health care and treatment for participants with high-risk health conditions.**
7. **Preventive health care at medically appropriate times (see below)**

<b>Service</b>	<b>PPO coverage (In-network)</b>
<b>Mammography</b>	<b>Plan pays 100%</b>
<b>Routine Annual Physical Exam</b>	<b>Plan pays 100%</b>
<b>Well-baby care</b>	<b>Plan pays 100%</b>
<b>Childhood Immunizations</b>	<b>Plan pays 100%</b>
<b>Papanicolaou (Pap) smear and pelvic examination</b>	<b>Plan pays 100%</b>
<b>Prostate specific antigen (PSA) testing</b>	<b>Plan pays 100%</b>
<b>Colonoscopy</b>	<b>Plan pays 100%</b>

**Utilize nationally recognized guidelines as a basis for coverage.**

Section 69. Long Term Funding Policy

1. The parties recommend to the trustees that a Minimum Reserve Requirement be established equal to IBNR reserves plus a lag month reserve. The Fund consultants shall calculate the IBNR and lag month reserve requirement at least once every twelve months beginning on (date to be set by trustees) and report these amounts to the Trustees at their next regularly scheduled meeting. Any withdrawing employer shall reimburse the Fund for their participants claims run off.
2. If the market value of the assets at any twelve-month review point is ever below the calculated minimum reserve requirement level as calculated by the Fund consultants, then the Fund consultants shall prepare recommendations for benefit plan redesign and/or employee co-premium contributions such that the dollar amount of any such deficiency will be fully recovered by the end of the 12-month period beginning after the trustee meeting in which the deficiency is first projected.

3. No changes are permitted that would violate any contractual agreement between the Fund and any third party vendor.
4. If the Fund consultants cannot agree on a recommended plan of benefit redesign and/or employee co-premium contributions, and the Trustees cannot agree to a corrective action plan, by virtue of deadlock motions, then the trustees must act to adopt the recommended corrective action plan that has the least adverse impact on plan participants, however, one set of Trustees may exercise the Fund's dispute resolution procedure on an expedited basis to determine if other corrective actions must be taken.
5. The minimum reserve target defined above is solely meant to be a "floor". It is not also a "ceiling". That is, no Trustee action is required or expected in the event that reserve levels are above the minimum reserve target.
6. Deleted.

Section 70. Extended Benefits. An employee who has been eligible for benefits for six (6) months or more immediately prior to becoming physically disabled and thereby unable to work, shall continue to be eligible for benefits during his continuing period of disability, up to a maximum of six (6) months.

Section 71. Retiree's Benefits. The Employer will contribute eighteen dollars and thirty-four cents (\$18.34) per month per eligible active bargaining unit employee, covered under this Agreement, in the Health Plan to subsidize the self pay costs of providing Health and Welfare benefits to eligible retirees under the Rocky Mountain UFCW Unions and Employers Health Benefit Plan (the "Retiree's Health Plan.").

Effective for employees who retire on or after October 1, 1996, the eligibility requirements for participation in Retiree's Health Plan shall be:

Employees retiring on or after October 1, 1996, must have a combined total of 15 years of service and have attained age 50, or be totally disabled, at the time of his termination of employment.

## ARTICLE 34 PENSION FUND

Section 72. Employer Contributions. Effective January 1, 2010 (December hours) for all employees covered by this Agreement, the Employer shall pay eighty-nine cents (\$0.89) per hour for all hours worked at straight time (including hours worked on Sunday, vacation and

holiday hours paid) into the Denver Area Meatcutters UFCW Union and Employers Pension Fund, which shall be jointly administered by the Union and the Employer by an equal number of trustees as provided in an agreement establishing such Pension Fund. Though no contributions are required on Courtesy Clerks, except as set forth below, they shall be granted past service credits if promoted from the Courtesy Clerk classification.

In the event the New Hire Benefit goes into effect as provided therein, then effective with hours worked after the adoption of such Benefit, the Employer shall pay an additional ten cents (\$0.10) per hour for all hours worked at straight time (including hours worked on Sunday, vacation and holiday hours paid) to fund the Plan.

### New Hire Benefit

If the Trustees adopt the Alternate Schedule described herein, and such Schedule becomes fully effective, the Trustees are authorized to amend the Plan (if they believe it is appropriate to do so) in order to provide the following Benefit for those participants whose employers have adopted the Alternate Schedule herein. Newly hired employees hired on or after March 6, 2005 shall be eligible to receive an accrual rate per month for each year of credited service earned by such employees, commencing on January 1, 2010 (i.e. for service on or after January 1, 2010) subject to the following terms, conditions and limitations:

- Funding through an employer supplemental contribution of ten cents (\$0.10) per hour;
- Normal retirement age of 65;
- The accrual rate shall be ten dollars (\$10) per month for each year of credited service earned between January 1, 2010 and December 31, 2012;
- The accrual rate shall be fifteen dollars (\$15) per month for each year of credited service earned on or after January 1, 2013;
- Any adjustable benefits otherwise provided by the Plan, including but not limited to Rule of 80 Pension, are applicable to this "new hire" benefit, and

Agreement by the Plan's co-actuaries that the "new hire" benefit can be funded by the ten cents (\$0.10) per hour employer contribution, otherwise the benefit shall be in the amount, up to \$10 or \$15 per month per year of credited service as specified above, the co-actuaries agree can be provided by said funding.

### Section 73. Funding Policy.

1. The Trustees shall, no later than April 1, 2005, adopt the following Long Term Funding Policy. Such Long Term Funding Policy shall be applicable for plan year 2005 and subsequent plan years. Effective with the January 2005 contribution payment, the Employer will increase the hourly contribution provided for above by \$0.15 per hour from \$1.16 to \$1.31 for employees hired on or before April 30, 2005. Effective with the first contribution payment after ratification,

the Employer will increase the hourly contribution from \$1.31 to \$1.51 for employees hired on or before April 30, 2005.

This \$0.15 per hour increase in contribution is a "supplemental" contribution dedicated solely to improving the funding of the pension plan, will not be used to increase benefits and will be discontinued at the times set forth in paragraph 2.

2. This supplemental contribution shall continue to be made until the earlier of such time the Plan reaches a financial state whereby either: (i) the funding ratio of the Plan (actuarial value of assets over actuarial liability) is at least 100%; or any contribution of the employers would not be deductible for federal income tax purposes in the year in which it is required to be made. However, unless changes are needed to support contribution deductibility, no changes shall be made when the Plan has withdrawal liability.

**Effective January 1, 2010 (December hours) the supplemental contribution provided above in subsections 1 and 2 shall no longer apply and shall be replaced by any supplemental contribution that may be provided in the Pension Protection Act section of this Agreement.**

3. If as of any valuation date commencing with the 01/01/06 valuation, a funding deficiency is projected to occur in less than 5 years, the Trustees will reduce benefits such that a projected funding deficiency will not occur within any of the 8 years following the valuation date. The parties agree to apply for section 412(e) relief if available before the benefit reductions are enacted. It is understood that application for section 412(e) requires the parties to reduce benefits as a condition of the application. Such section 412(e) application, if approved, must cure the funding deficiency as prescribed above.

If the section 412(e) application is not approved, or not acted on, within 18 months of the valuation date (for example 01/01/06 valuation), then the Trustees will immediately enact benefit reductions to cure the funding deficiency as prescribed above.

4. In no event will benefit reductions be delayed to or beyond a time that would expose the employers to liability beyond the supplemental contribution including but not limited to liability for the payment of excise taxes or additional contributions. Any deadlocked issue over the enactment of benefit reductions and/or the application of this policy shall be submitted to expedited arbitration ahead of any other matter pending arbitration. Such expedited arbitration shall occur within 60 days of the request for arbitration and the arbitrator shall render his decision within 60 days following the close of the hearing in the matter.

5. The parties authorize and direct the Trustees of the Plan to develop Maintenance of Equity Policy for employers that do not adopt this agreement upon renewal of the collective bargaining agreement (or for new agreements).

6. If the Plan experiences a minimum funding deficiency, any excise tax that is levied against the employers will be allocated amongst such employers in a way that first makes all employers

not contributing the full amount of the supplemental contribution responsible for fully paying any accumulated missed supplemental contributions with interest. Thereafter, the balance of any excise tax remaining will be allocated to all employers in proportion to their non-supplemental contribution rate. Finally, for any employer not adopting this agreement, future benefits will be based on the assumption that \$. 15 of the current rate being contributed are deemed to be supplemental.

7. The parties recognize there is a possibility of merger of the Denver Area Meatcutters Pension Fund with the Rocky Mountain UFCW Union and Employers Pension Plan and give full authority to effectuate such merger to the Board of Trustees of the two pension plans without further approval of the parties of this Agreement.

**Section 73 (b).** The Employer will direct its trustee to expedite the adoption of new prohibitive employment rules which restrict employment while drawing pension.

**Section 73 (c). Pension Protection Act (“PPA”)** The bargaining parties agree and understand the Employer may be obligated to make pension contributions in addition to the base contribution rate specified in the Employer Contributions Section. The amount of any such supplemental contribution shall be determined as follows:

- (i) **Alternate Schedule Contribution Rate:** In the event the Trustees of the Plan adopt the Rehabilitation Plan Alternate Schedule attached hereto as Alternate Schedule, the Employer shall pay the contribution rate required in Alternate Schedule (modified only as provided herein) of one dollar and fifty one cents (\$1.51) per hour effective January 1, 2010 (on December hours) which includes the rate of eighty nine cents (\$0.89) per hour described in the Employer Contribution section above and a supplemental contribution of sixty two cents (\$0.62) per hour. In the event the New Hire Benefit goes into effect as provided herein, then effective with hours worked after the adoption of such Benefit, the Employer shall pay a total of contribution rate of one dollar and sixty one cents (\$1.61) per hour which reflects the sum of the contribution rate required in the Employer Contribution section, the supplemental contribution rate of this section and the new hire benefit contribution rate provided herein.
- (ii) **Default Schedule Contribution Rate:** In the event the Trustees of the Plan do not adopt the Rehabilitation Plan Alternate Schedule, but instead adopt a legally valid “Default Schedule” within the meaning of the PPA, the Employer shall pay the contribution rate required under the Default Schedule effective January 1, 2010 (on December hours); provided that in no event shall such contribution rate be payable prior to the effective date of all of the benefit adjustments required under the Default Schedule. For example, if the Default Schedule benefit adjustments do not become effective until the start of the Rehabilitation Period under the PPA, the Employer shall not be required to pay the Default Schedule contribution rates until that time.

If any required Default Schedule contribution rate exceeds the rate provided for under subsection (i) above, then each annual increase in the top pay rate provided for in this contract shall be permanently reduced by fifteen cents (\$0.15) per hour, and ten cents (\$0.10) per hour in the case of Courtesy Clerks, effective with the next scheduled pay rate increase following the implementation of the Default Schedule contribution rate. The permanent reductions provided for herein shall continue year after year. It is understood that each annual top rate increase will be reduced until either sufficient reductions have occurred so as to equal the amount of the increase to the supplemental contribution rate of subsection (i) caused by the implementation of the Default Schedule or until the date on which the Employer implements contribution rates which are reduced to, or below, the contribution rates under subsection (i) above and in accordance with subsection (vii) below, whichever occurs first, but in no event shall any such wage reductions made be restored.

- (iii) **Long Term Funding Policy Contribution Rates:** In the event the Alternate Schedule in subsection (i) above and the Default Schedule in subsection (ii) above are not applicable during the term of this Agreement, but the Long Term Funding Policy is implemented, the Employer shall not be obligated to pay a supplemental contribution under any other provision of this Agreement, but shall continue to pay the base contribution specified in the Employer Contribution Section plus a supplemental contribution under this subsection (iii) that shall not exceed sixty two cents (\$0.62) per hour. This supplemental contribution shall be a contribution amount which as the same proportionate value relative to the value of the benefit adjustments under the Long Term Funding Policy as the value of the supplemental contribution of sixty two cents (\$0.62) per hour under subsection (i) has to the value of the benefit adjustments under the Alternate Schedule. This approach shall be accomplished by utilizing the following formula: a) the present value of benefit adjustments under the Long Term Funding Policy, divided by b) the present value of benefit adjustments under the Alternate Schedule, multiplied by c) the supplemental contribution of sixty two cents (\$0.62) per hour under subsection (i). These calculations shall be made by the employer consultants and shall be final and binding on all parties.

For example: If \$5M is the present value of benefit adjustments under the Long Term Funding Policy and if \$10M is the present value of benefit adjustments under the Alternate Schedule and sixty two cents (\$0.62) per hour is the supplemental contribution under subsection (i), then the supplemental contribution under this subsection (iii) is \$0.62 times \$5M divided by \$10M, or thirty one cents (\$0.31) per hour.

- (iv) It is understood and agreed that the Employer may reduce the amount of any of the above supplemental contributions due the Trust (but not below zero) by the amount

of any surcharge, deficiency or excise tax required to be paid by the Employer any time after entering Critical Status. The supplemental contribution provided for herein shall be dedicated solely to improving the funding of the Plan, and shall not be used to increase or improve benefits, and will be reduced or discontinued upon determination by the Plan's Trustees, based on projections provided by the Plan's actuaries, that such supplemental contributions are no longer needed to support the level of benefits provided for under the Plan in accordance with the provisions of subsection (vii) below.

- (v) As a result of the Plan's having been certified as being in Critical Status for the Plan Year beginning January 1, 2009, the Trustees are authorized to adopt the Rehabilitation Plan Alternate Schedule attached as Alternate Schedule hereto (if they believe it is appropriate to do so). If the Alternate Schedule is adopted by the Trustees, it is hereby deemed approved by the bargaining parties and automatically incorporated into this Agreement.
- (vi) In no event shall any contribution increases be required during the term of this Agreement as a result of any annual updates or other changes to the Rehabilitation Plan Alternate Schedule or, if applicable, to any Default Schedule.
- (vii) In the event the Trustees determine, based on projections provided by the actuaries for the Plan, that, at any time during the term of this Agreement, an Alternate Schedule or Default Schedule with lesser contribution rates and/or benefit reductions would be sufficient to reasonably enable the Plan to emerge from Critical Status by the end of the Rehabilitation Period, the Trustees may amend the Alternate Schedule or Default Schedule in a manner that, to the extent possible, would restore reduced benefits and would reduce the Employer's supplemental contribution in an equal manner and amount, based on actuarial equivalence, provided that such modifications to the Alternate Schedule or Default Schedule would still allow the Plan to emerge from Critical Status by the end of the Rehabilitation Period, taking into account to the extent legally permitted any relief available under IRC Section 431(d). In the event the Trustees amend the Alternate Schedule or Default Schedule as provided in this subsection (vii), then the parties agree to adjust the supplemental contribution rates provided above to reflect the lower rates in the amended Alternate Schedule or Default Schedule. Notwithstanding the foregoing, if, prior to the effective date of any benefit cuts specified in the Alternate Schedule or the Default Schedule, the Trustees determine that (a) such benefit cuts are no longer required to avoid Critical Status or to have a valid Rehabilitation Plan, and (b) supplemental contributions could be reduced or eliminated, then the Employer shall be further entitled to recoup the value of any supplemental contribution paid prior to the effective date of the benefit reductions set forth in the Alternate Schedule or Default Schedule. This provision shall apply regardless of the reason for the Trustees' determination, including a change in the law (e.g. a further extension of the Plan's green status) and/or improved investment

**returns. The value of the contributions shall be recouped via a suspension of contributions in an amount equal to the amount of the supplemental contribution paid.**

- (viii) The Board of Trustees is authorized to take all reasonable measures to cooperate and assist in achieving the objectives set forth in this section.**

## ALTERNATE SCHEDULE

### Denver Area Meatcutters UFCW Unions and Employers Pension Fund Schedule of Contributions and Benefits

#### REHABILITATION PLAN – 2009 PLAN YEAR ALTERNATE SCHEDULE

#### Contribution and Benefit Adjustments

- **Total contribution rate of one dollar and fifty one cents (\$1.51) per hour on January 1, 2010 (December hours). All contributions are deemed to be inclusive of any surcharges, deficiency, and/or excise tax any time after entering Critical Status.**
- **In the event the Board of Trustees adopts a New Hire benefit, the total contribution rate will increase to one dollar and sixty one cents (\$1.61) per hour effective January 1, 2010 or with the adoption of such benefit.**
- **Elimination of 100% of the value of all adjustable benefits on all accrued benefits and future benefit accruals to the maximum permitted by law, except as noted below. Adjustable benefits to be eliminated include the following:**
  - **Rule of 85 Pension;**
  - **Subsidized Early Retirement Reduction Factors;**
  - **Age 60 Supplement;**
  - **Post-Retirement Death Benefits in Excess of QJSA (including Three Year Certain & Life benefit and the Five Year Certain & Life benefit);**
  - **Pre-retirement Death Benefits in Excess of QPSA (including the \$2,000 lump sum return of contributions death benefit);**
  - **Payment options other than Single Life Annuity and QJSA; and**
  - **All other adjustable benefits within the meaning of Code section 432(e)(8)(A)(iv) (other than Disability Pension and modified Rule of 80 Pension as described below).**
- **The following adjustable benefits shall be retained:**
  - **Disability Pension; and**
  - **Rule of 80 Pension, except that this benefit will be modified to require that a Participant must have attained age 55 at his Termination Date in order to be eligible**
- **Reduction of future benefit accruals to \$30 per month of credited service for credited service on or after January 1, 2010.**

- **Benefit reductions effective January 1, 2010**

**Rehabilitation Period**

**January 1, 2010 through December 31, 2022.**

**Plan to Emerge from the Red Zone and Annual Benchmarks to Assess Progress Toward Emergence**

**The Plan's actuaries certify that the Contribution and Benefit Adjustments shown above are sufficient for the Plan to emerge from the Red Zone at the end of the Rehabilitation Period based on the funded status of the Plan as of January 1, 2009 before the addition of any New Hire benefits. In the event that the New Hire benefits are implemented, the Plan's actuaries certify that with the additional contributions specifically designated to fund the New Hire benefits, the plan is still reasonably expected to emerge from Critical Status after such benefit increases, as shown in the annual benchmarks including the New Hire benefits.**

**These schedules will be updated as needed throughout the Rehabilitation Period. Progress toward emergence from the Red Zone will be measured by the Plan's Funding Standard Account Credit (Deficiency) Balance being greater than (less than) the amounts in the following projections. These projections have been made in accordance with the provisions of the Pension Protection Act of 2006 including:**

- **Contribution rates in accordance with the Collective Bargaining Agreement effective for hours worked in December 2009 payable in January 2010.**
- **An assumption of the same number of contributable hours as reported for the actuarial valuation as of 1/1/2008. The reasonableness of this assumption has been verified by the Trustees.**
- **No market related investment gains or losses from 9/30/2009 forward and no other actuarial gains or losses from 1/1/2009 forward.**

**ALTERNATE SCHEDULE**

**Denver Area Meatcutters UFCW Unions & Employers Pension Plan  
Annual Benchmarks for Emergence from the Red Zone**

<b>As of</b>	<b>Funding Standard Account Credit (Deficiency) Balance</b>	<b>Funding Standard Account Credit (Deficiency) Balance With New Hire Benefits</b>
12/31/2010	\$ 20,082,000	\$ 20,219,000
12/31/2011	22,099,000	22,345,000
12/31/2012	21,184,000	21,514,000
12/31/2013	17,344,000	17,735,000
12/31/2014	12,909,000	13,340,000
12/31/2015	6,771,000	7,222,000
12/31/2016	1,174,000	1,624,000
12/31/2017	(2,294,000)	(1,865,000)
12/31/2018	(3,510,000)	(3,122,000)
12/31/2019	(2,483,000)	(2,157,000)
12/31/2020	(1,808,000)	(1,565,000)
12/31/2021	(1,329,000)	(1,190,000)
12/31/2022	51,000	65,000
12/31/2023	783,000	648,000
12/31/2024	5,395,000	5,090,000
12/31/2025	7,826,000	7,549,000
12/31/2026	12,275,000	12,019,000

Section 74. Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Employer as provided in a Pension Plan, the terms and provisions of which are to be agreed upon by the parties hereto; said Pension Plan shall, among other things, provide that all benefits under the Plan and costs, charges and expenses of administering the Plan and all taxes levied or assessed upon or in respect of said Plan or Trust or any income there from shall be paid out of the Pension Fund.

Section 75. Said Pension Plan and Trust Agreement establishing the Pension Fund have been submitted to the United States Treasury Department and the United States Department of Labor for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. Section 401, et seq. and that no part of such payments shall be included in the regular rate of pay of any employee.

Section 76. If, for any reason, the United States Treasury Department and the United States Department of Labor withholds approval and rulings satisfactory to the Employer, the parties to this Agreement hereto agree to negotiate other fringe benefits or wage increases in the amount equal to the cents per hour provided for in this Article for all hours worked at straight-time in lieu of payments into the Pension Fund.

Section 77. The Employer shall be represented by its employees, or some other representative on the Board of Trustees administering such Pension Plan. A copy of the Trust Agreement and any amendments thereto shall be made a part hereto as if herein at length set forth, when adopted.

### **ARTICLE 35 HEALTH AND WELFARE OR PENSION DELINQUENCIES**

Section 78. If the Employer fails to make monthly health and welfare or pension contributions, as set forth herein, he shall be notified by Certified or Registered Mail of his delinquency, either by the Health and Welfare Administrator or the Pension Plan Administrator, and if said remittance is not paid within ten (10) days, notwithstanding any provision of this Agreement, the Union, without the necessity of giving any other or further notice shall have the right to strike or to take such action as it shall deem necessary until such delinquent payments are made. The Employer hereby waives the requirement of any other notice or notices being given by the Health and Welfare Administrator or the Pension Plan Administrator or by the Union to him or to anyone else other than such notice or notices expressly provided for in this Article.

### **ARTICLE 36 NON-DUPLICATION OF BENEFITS**

Section 79. In the event any law or governmental regulation requires any payment from the Employer for benefits which would replace, supplement or modify the Medical, Surgical and

Hospital Service, Dental Plan, Pension Plan, Prescription Plan, Vision Plan or other benefit provided under this Agreement, the amount of such payments shall be deducted from the contributions for such benefits required under the terms and conditions of this Agreement.

### ARTICLE 37 STORE OR PLANT CLOSING

Section 80. In the event the Employer closes or sells a store or plant and employees are terminated as a result thereof, such employees are entitled to pay equal to one (1) week's pay for each year of continuous service commencing with the third (3rd) year of continuous service up to, but not to exceed eight (8) weeks' pay at their regular rate. However, those employees who have an incomplete year of continuous service as an employee will receive pro rata severance pay for that year as follows:

0 - 3 months equals twenty-five (25) percent of a week's pay.

3 - 6 months equals fifty (50) percent of a week's pay.

6 - 9 months equals seventy-five (75) percent of a week's pay.

Over 9 months equals one week's pay.

Severance pay shall be computed on the average hours worked per week for the fifty-two (52) weeks preceding a voluntary layoff or termination.

The Employer shall continue contributions to the Pension and Health and Welfare Trust Funds for three (3) full months following termination on an hourly basis in direct relationship to the severance pay received for those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Funds.

All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

An employee who is terminated and who is eligible for severance pay, and accepts severance pay, forfeits his seniority and has no recall rights. However, an employee may elect to accept a voluntary layoff not to exceed ninety (90) days. At the end of the ninety (90) day period, if he has not been recalled, he will be paid severance pay and forfeit his seniority. Any extensions of this ninety (90) day period must be agreed upon in writing and signed by the employee, a representative of the Union and the Employer. In no case will such extension exceed a total of six (6) months from the date the employee accepted the layoff.

If an employee is offered a transfer or other employment with the Employer within forty (40) miles of the store or plant in which he was last working and he refuses to accept the transfer or other employment with the Employer he forfeits his rights to severance pay and Pension and Health and Welfare contributions.

If a store or plant is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Article and the new job is comparable, then no provisions of this Article shall apply.

The Employer agrees to give the employees and the Union two (2) weeks' notice in advance of a store or plant closing or sale. When such notice is given, an employee shall remain with the Employer until the plant or store closes, or forfeit his rights under this Article, unless mutually agreed to by the employee, Employer and Union.

No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell a store or plant. If a store or plant closing is caused by fire, flood, storm, land condemnation or remodeling, then this Article shall not apply.

## **ARTICLE 38 WAGES AND CLASSIFICATIONS**

Section 81. The classifications, wages and special conditions applicable to employees are set forth in Appendix "A," attached hereto, and, by this reference made a part hereof.

When a new job is created by the Employer, the Union shall be notified immediately, and a new wage rate for such job shall be determined by the Employer and the Union.

## **ARTICLE 39 HOURLY RATES**

Section 82. During the life of this Agreement, the Employer shall not raise or lower hourly rates of pay except as dictated by the wage scales set forth elsewhere in this Agreement.

**ARTICLE 40  
TERM OF AGREEMENT**

Section 83. The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the Union, for the life of this Agreement each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement or with respect to any subject or matter not specifically referred to or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

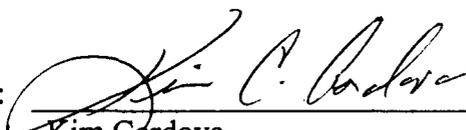
THIS AGREEMENT shall be in full force and effect from 12:01 a.m. **July 20, 2009**, and shall remain in full force and effect until midnight, **November 25, 2013**, and shall automatically be renewed from year to year thereafter unless either party desires change or termination at the expiration of said Agreement. In such event the party desiring such change or termination shall notify the other party in writing sixty (60) days prior to the expiration date.

IN WITNESS WHEREOF, the parties above-named have signed their names and/or affixed the signatures of their authorized representatives this 10 day of February, 2011.

ALBERTSON'S, LLC.

UFCW LOCAL NO. 7, DENVER,  
COLORADO, Chartered by the UNITED  
FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION

By:   
\_\_\_\_\_  
Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By:   
\_\_\_\_\_  
Kim Cordova  
President

## MEAT AGREEMENT

### APPENDIX "A" (Grand Junction, Colorado)

The minimum hourly rates of pay for the indicated classifications shall be as set forth below on the dates indicated. The Employer may hire any employee at any rate in the progression schedule at its sole discretion.

#### Rate Determination

Employees hired before May 1, 2005 who remain in their classification after commencement of this Agreement shall be paid in accordance with the "Employees Hired and Assigned in the Bargaining Unit Prior to 5/1/05" wage schedule while they remain in that classification.

Demotions, Step Downs and layoffs: An employee who is demoted, steps down, or who is laid off in accordance with this Agreement, shall be placed back in the same wage schedule in which the employee was working immediately prior to their assignment into management or promotion into the classification from which they are being demoted, stepping down or laid off. In determining the proper progression level for an employee demoted, stepping down, or laid off from a classification with a higher "thereafter" hourly rate to a classification with a lower "thereafter" hourly rate, such affected employee shall be placed in the appropriate progression level in the rate schedule referenced in this paragraph based on their experience in the newly assigned classification, regardless of whether such assigned rate results in a reduction in hourly rate. In determining prior experience hereunder, the Employer will give recognition to the verified number of hours of actual work experience in the same classification which said employee may have performed for the Employer and the verified number of hours of actual work experience on a comparable job which said employee may have performed within the previous five (5) years for any other employer in a similar retail grocery operation.

#### Promotions, new hires and new entrants into the bargaining unit:

Employees hired into, or assigned to, or promoted to a different classification in the bargaining unit on or after May 1, 2005 shall be assigned to the "Employees Hired into the Bargaining Unit or assigned or promoted on or after 5/1/05" wage scale. Employees who are promoted to a different classification after April 30, 2005 shall not receive a reduction in their hourly rate of pay if when promoted to such classification they are being paid an hourly rate of pay greater than the minimum, unless they are above the "thereafter" hourly rate in which case they will immediately be paid the "thereafter" hourly rate. When such employee is paid less than the "thereafter" hourly rate, prior to receiving an increase in their hourly rate of pay, they must work 1,040 hours at their current rate before promotion to the hourly rate in the new classification that would give them an increase in their hourly rate of pay.

**Wages Grand Junction**

<u>Employees Hired and assigned in the Bargaining Unit Prior to 5/1/05</u>	<u>September 9, 2007</u>	<u>First Sunday after Ratification</u>	<u>November 21, 2010</u>	<u>November 20, 2011</u>	<u>November 25, 2012</u>
<b><u>Meatcutter</u></b>					
1 <sup>st</sup> 1040 Hours	\$10.29	\$10.29	\$10.29	\$10.29	\$10.29
2 <sup>nd</sup> 1040 Hours	\$11.10	\$11.10	\$11.10	\$11.10	\$11.10
3 <sup>rd</sup> 1040 Hours	\$11.88	\$11.88	\$11.88	\$11.88	\$11.88
4 <sup>th</sup> 1040 Hours	\$12.68	\$12.68	\$12.68	\$12.68	\$12.68
5 <sup>th</sup> 1040 Hours	\$13.46	\$13.46	\$13.46	\$13.46	\$13.46
6 <sup>th</sup> 1040 Hours	\$14.27	\$14.27	\$14.27	\$14.27	\$14.27
Journeyman	\$16.46	\$16.76	\$17.01	\$17.26	\$17.51
<b><u>First Cutter</u></b>	\$16.58	\$16.88	\$17.13	\$17.38	\$17.63
<b><u>Butcher Block Clerk</u></b>					
1 <sup>st</sup> 1040 Hours	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47
2 <sup>nd</sup> 1040 Hours	\$7.65	\$7.65	\$7.65	\$7.65	\$7.65
3 <sup>rd</sup> 1040 Hours	\$8.81	\$8.81	\$8.81	\$8.81	\$8.81
4 <sup>th</sup> 1040 Hours	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Thereafter	\$12.37	\$12.67	\$12.92	\$13.17	\$13.42
<b><u>Service Deli Clerk</u></b>					
1 <sup>st</sup> 1040 Hours	\$7.24	\$7.24	\$7.24	\$7.24	\$7.24
2 <sup>nd</sup> 1040 Hours	\$7.65	\$7.65	\$7.65	\$7.65	\$7.65
3 <sup>rd</sup> 1040 Hours	\$8.81	\$8.81	\$8.81	\$8.81	\$8.81
4 <sup>th</sup> 1040 Hours	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Thereafter	\$12.37	\$12.67	\$12.92	\$13.17	\$13.42
<b><u>Meat Wrapper</u></b>					
1 <sup>st</sup> 1040 Hours	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
2 <sup>nd</sup> 1040 Hours	\$8.29	\$8.29	\$8.29	\$8.29	\$8.29
3 <sup>rd</sup> 1040 Hours	\$9.65	\$9.65	\$9.65	\$9.65	\$9.65
4 <sup>th</sup> 1040 Hours	\$10.91	\$10.91	\$10.91	\$10.91	\$10.91
Thereafter	\$13.48	\$13.78	\$14.03	\$14.28	\$14.53
<b><u>Meat Cleanup</u></b>					
1 <sup>st</sup> 520 Hours	\$6.11	\$6.11	\$6.11	\$6.11	\$6.11
2 <sup>nd</sup> 520 Hours	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53
Thereafter	\$7.33	\$7.63	\$7.88	\$8.13	\$8.38

<u>Employees Hired into the Bargaining Unit or assigned or promoted on or after 5/1/05</u>	<u>September 9, 2007</u>	<u>Sunday after Ratification</u>	<u>November 21, 2010</u>	<u>November 20, 2011</u>	<u>November 25, 2012</u>
<b>Meatcutter</b>					
1st 1040 Hours	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72
Next 1040 Hours	\$10.53	\$10.53	\$10.53	\$10.53	\$10.53
Next 1040 Hours	\$11.34	\$11.34	\$11.34	\$11.34	\$11.34
Next 1040 Hours	\$12.15	\$12.15	\$12.15	\$12.15	\$12.15
Next 1040 Hours	\$12.96	\$12.96	\$12.96	\$12.96	\$12.96
Next 1040 Hours	\$13.77	\$13.77	\$13.77	\$13.77	\$13.77
Next 1040 Hours	\$14.58	\$14.58	\$14.58	\$14.58	\$14.58
Next 520 Hours	\$15.39	\$15.39	\$15.39	\$15.39	\$15.39
Thereafter	\$16.46	\$16.76	\$17.01	\$17.26	\$17.51
First Cutter	\$16.58	\$16.88	\$17.13	\$17.38	\$17.63
<b>Butcher Block Clerk</b>					
1st 1040 Hours	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45
Next 1040 Hours	\$7.22	\$7.22	\$7.22	\$7.22	\$7.22
Next 1040 Hours	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44
Next 1040 Hours	\$7.61	\$7.61	\$7.61	\$7.61	\$7.61
Next 1040 Hours	\$7.88	\$7.88	\$7.88	\$7.88	\$7.88
Next 1040 Hours	\$8.11	\$8.11	\$8.11	\$8.11	\$8.11
Next 1040 Hours	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Next 520 Hours	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Thereafter	\$12.37	\$12.67	\$12.92	\$13.17	\$13.42
<b>Service Deli Clerk</b>					
1st 1040 Hours	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45
Next 1040 Hours	\$7.22	\$7.22	\$7.22	\$7.22	\$7.22
Next 1040 Hours	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44
Next 1040 Hours	\$7.61	\$7.61	\$7.61	\$7.61	\$7.61
Next 1040 Hours	\$7.88	\$7.88	\$7.88	\$7.88	\$7.88
Next 1040 Hours	\$8.11	\$8.11	\$8.11	\$8.11	\$8.11
Next 1040 Hours	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Next 520 Hours	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Thereafter	\$12.37	\$12.67	\$12.92	\$13.17	\$13.42
<b>Meat Wrapper</b>					
1st 1040 Hours	\$7.05	\$7.05	\$7.05	\$7.05	\$7.05
Next 1040 Hours	\$7.61	\$7.61	\$7.61	\$7.61	\$7.61
Next 1040 Hours	\$7.88	\$7.88	\$7.88	\$7.88	\$7.88

Next 1040 Hours	\$8.38	\$8.38	\$8.38	\$8.38	\$8.38
Next 1040 Hours	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Next 1040 Hours	\$9.64	\$9.64	\$9.64	\$9.64	\$9.64
Next 1040 Hours	\$10.96	\$10.96	\$10.96	\$10.96	\$10.96
Next 520 Hours	\$11.79	\$11.79	\$11.79	\$11.79	\$11.79
Thereafter	\$13.48	\$13.78	\$14.03	\$14.28	\$14.53
<u>Meat Clean-up</u>					
1st 520 Hours	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90
2 <sup>nd</sup> 520 Hours	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
Thereafter	\$8.24	\$8.54	\$8.79	\$9.04	\$9.29

**Effective not later than the second Sunday following ratification, all employees who have been continuously employed for one consecutive year, to the date of ratification, shall receive a gift card (net of taxes) equal to \$1,000 for top rate FT employees, \$500 for top rate PT employees, \$400 for employees in wage progression and \$150 for Courtesy Clerks.**

Albertson's LLC will pay an additional fifteen cents (15¢) per hour bonus (five cents [5¢] for meat clean-up), payable on all hours worked each fiscal quarter to employees employed throughout the entire fiscal quarter and within thirty (30) days of the end of the quarter. Converted .20¢ of bonus to current pension contribution.

Section 84. If, in the opinion of management (management means higher management than the Head Meatcutter) an apprentice is fully qualified to perform the duties of a Journeyman Meatcutter prior to three (3) years of service with a minimum of six thousand, two hundred and forty (6,240) hours of actual work experience on the job, the Employer may advance such apprentice to the duties and pay of a Journeyman Meatcutter.

For employees hired on or before April 30, 2005, when apprentices have worked three (3) years, and the equivalent hours as set forth above, they automatically become Journeymen and shall be paid as such.

During an apprentice's three (3) years training period, he shall be assigned from time to time to all jobs normally done in the particular market.

One (1) apprentice shall be allowed to every two (2) Journeymen or a fraction thereof in each market, and one (1) additional apprentice to every two (2) additional Journeymen in said market. This limitation on apprentices may be relaxed during emergency periods when the Union is unable to furnish qualified Journeymen to the Employer.

Section 85. In markets where there are three (3) Journeymen or apprentices or more, in addition to the Head Meatcutter, the Employer may at its sole discretion select a qualified Journeyman to be the First Cutter. A First Cutter need not be replaced while temporarily relieving a Head Meatcutter or while absent from work.

Section 86. When a Journeyman relieves a Head Meatcutter for one (1) week or longer, he shall be paid the contract rate of pay for Head Meatcutter for such time spent in relief.

Section 87. The salary of superannuated members of the Union to be employed by the Employer shall be decided upon between the Employer, the superannuated employee and a representative of the Union.

Section 88. The work allotted to employees falling in the classification of "wrappers" shall be strictly confined to wrapping, weighing, pricing and tagging the packages and clean-up work in this particular department as well as cleaning cases and pans, traying of rewraps, ordering of merchandise, receiving, checking and putting away loads. Wrappers may also be required to stock and rotate cases with fresh meat, cooked and smoked meats and frozen food. Additionally, meat wrappers may use the tools of the trade, except the band saw, to perform work in response to a specific customer request.

Butcher Block Sales Clerks. Butcher Block sales persons shall be allowed to perform all work in connection with the processing and sale of product in a specialty meat or seafood department. It is further understood that a Butcher Block Sales Clerk may perform all duties of a meat wrapper. Butcher Block sales persons will be considered a separate group for purposes of applying the seniority provisions in Sections 27 through 31. It is further understood that Butcher Block Sales Clerks may perform all work necessary for the handling and sale of product in their department, including the cutting and processing of all meat and, in response to a specific customer request.

Work Between Classifications. It is understood that employees may perform incidental work in another classification without violating this Agreement.

Section 89. Employees assigned as "Clean-up Personnel" shall clean all work areas of the meat and delicatessen departments, including walls, freezer, wall-in box, hold box, cutting room and wrapping area, as well as cleaning blocks, meat and delicatessen cases and disassembled power tools and equipment.

Clean-up personnel shall not disassemble or reassemble power tools or equipment nor handle meat or delicatessen products in display cases.

If a Clean-up employee is found to be doing any work other than set forth above, all hours so spent shall be paid for at the starting apprentice rate.

The Employer retains the right to schedule such employees for a minimum of two (2) hours per day.

Section 90. The employees holding the position of Meat Manager as of the date of ratification of the 1999-2004 Agreement may elect to remain in the bargaining unit for the period during which they occupy the position.

Payroll checks will be provided to the workers in an envelope from the Employer that can be reused by the Employer (employees must return the envelope to the Employer immediately after having received their payroll checks).

MEAT AGREEMENT  
LETTER OF UNDERSTANDING  
TRANSFER/SENIORITY  
(Grand Junction, Colorado)

Letter of Understanding made by and between ALBERTSON'S, LLC. and UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 7.

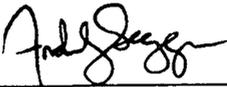
An Albertson's employee transferring from one bargaining unit shall retain his seniority based on his most recent date of hire with the Company anywhere.

It is understood and agreed that an employee can transfer into the new said bargaining unit provided such employee does not bump another employee from his job or take hours being worked by another employee.

Signed this 10 day of February, 2011.

ALBERTSON'S, LLC.

UFCW LOCAL NO. 7, DENVER,  
COLORADO, Chartered by the UNITED  
FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION

By:   
\_\_\_\_\_  
Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By:   
\_\_\_\_\_  
Kim Cordova  
President

**LETTER OF UNDERSTANDING  
RETAIL MEAT PRACTICES  
(Grand Junction, Colorado)**

ALBERTSON'S, LLC. (hereinafter referred to as the "Employer") and LOCAL NO. 7, UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, (hereinafter referred to as the "Union") are parties to a Labor Agreement which has as its terms 12:01 a.m., **July 20, 2009**, through **November 25, 2013**.

During the course of the negotiations of said Labor Agreement, the parties agree that despite any language in the Labor Agreement which may appear to be contradictory, the Employer may engage in practices set forth below:

1. Buying trimmed beef consisting of front quarters and hind quarters without brisket, navel, flank, and kidneys.
2. Buying primal cuts as follows:
  - Chuck
  - Packhouse Rib
  - Full Loin
  - Round
3. Buying supplemental items and retail cuts as follows:

Flank Steaks	Brains
Hearts	Tails
Blocked, Skinned, and/or Sliced Livers	Trepas
	Tripe
4. Buying beef in the following forms:
  - (a) Forequarter:
    - Blade Chuck
    - Arm Chuck
    - Boneless Chuck
    - Boneless 3-Way Chucks
    - Boneless Chucks Netted or Tied
    - Chuck Tenders
    - 4 x 3 Primal Rib
    - Boneless Rib Eye
    - 2" Lip or Rib
    - Boneless Rolled and Tied Clods
    - Boneless Briskets
    - Inside Skirts
    - Outside Skirts
    - Cube Meat - All Types
    - Stew Beef - All Types
    - Any type wholesale Short Ribs, Clod, Prime, Flanker, etc.

(b) All types of coarse and fine grind ground meats including:  
Beef Patties

(c) Hindquarters:  
Whole Boneless Rounds  
Gooseneck Rounds  
Inside Rounds  
Eye of Round  
Boneless Bottom (Flat)  
Regular Knuckles  
Peeled Knuckles  
Whole Tenderloins  
Tenderloin Butts  
Boneless Top Loin Strip (N.Y.)  
Bone-In Strip Loin (1 x 1)  
Hanging Tenders

(d) All Corned, Pickled, and/or Smoked Beef Items

(e) All Frozen Beef Items

5. Buying any and all cuts of meats which at any time during the life of this Agreement are offered for sale in 10% or more of the retail meat departments in the geographic area covered by the Labor Agreement referred to above and which are covered by labor agreements of the Union.
6. The foregoing Paragraph 5 shall not apply if the Employer establishes a meat plant for the production of retail cuts within the geographic jurisdiction of the Union.
7. In consideration of the foregoing, the Employer agrees that no employee employed by it on September 28, 1978, covered by the Labor Agreement referred to above, shall have his or her present regular, weekly hours of work of up to forty (40) hours per week reduced as a direct result of any changes or contemplated changes in buying practices resulting from this Agreement.

Signed this 10 day of February, 2011.

ALBERTSON'S, LLC.

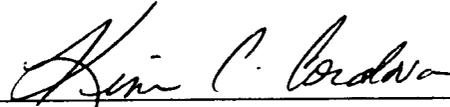
UFCW LOCAL NO. 7, DENVER,  
COLORADO, Chartered by the UNITED  
FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION

By:



Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By:



Kim Cordova  
President

LETTER OF UNDERSTANDING  
AMICABLE RELATIONSHIP  
(Grand Junction, Colorado)

As evidence of a good faith working relationship between UFCW Local 7 and Albertson's, and for the purpose of encouraging Alternative Dispute Resolution (ADR), Local 7 agrees to counsel any employee with a complaint(s) and/or allegation(s) of illegal employment discrimination or violation of other state or federal law of Local 7's policy to address and resolve such issues through utilization of the collective bargaining agreement's grievance process. Local 7 will counsel any employee with such a complaint that the employee also may have rights under applicable civil rights and/or other laws enforced by state and federal agencies and that the employee can exercise his/her discretion to utilize either, or both, processes.

Signed this 10 day of February, 2011.

ALBERTSON'S, LLC.

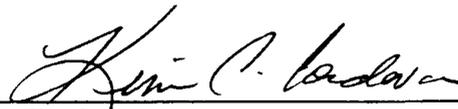
UFCW LOCAL NO. 7, DENVER,  
COLORADO, Chartered by the UNITED  
FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION

By:



Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By:



Kim Cordova  
President

LETTER OF UNDERSTANDING  
EMPLOYEE BUY OUT  
(Grand Junction, Colorado)

The Employer, at its discretion, may establish a buyout program as follows:

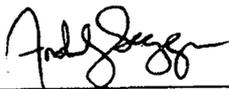
1. Employees with ten (10) or more years of service who elect this buyout by a date determined by the Employer and who work through their release date.
  - \$500 per year of service – Part-time employees
  - \$1,000 per year of service - Full-time employees
2. Employer retains the right upon notification to the Union to:
  - establish offer dates and release dates
  - terminate or extend the program
  - require employees to sign a waiver and release
  - limit the maximum payout under this program to any employee to 20 years of service
3. The employer may limit, by bargaining unit, the number of employees who can take this buyout at each store or facility. If more employees elect than permitted – Go by seniority.
4. Program not subject to Grievance and Arbitration Procedure

Signed this 10 day of February, 2011.

ALBERTSON'S, LLC.

UFCW LOCAL NO. 7, DENVER,  
COLORADO, Chartered by the UNITED  
FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNION

By:



Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By:



Kim Cordova  
President

**LETTER OF UNDERSTANDING  
ABC CHECKOFF (2002)  
(Grand Junction, Colorado)**

The Employer agrees to deduct amounts designated by employees for the Active Ballot Club ("ABC") when the Employer has been furnished an individual written authorization for making such deductions on a form mutually agreed upon between the Employer and the Union. It is agreed that the ABC authorization is to be entirely voluntary upon the part of each individual employee and that any such employee may revoke his ABC check off authorization upon giving thirty (30) days written notice to the Employer and the Union.

Signed this 10 day of February, 2011.

ALBERTSON'S, LLC.

UFCW LOCAL NO. 7, DENVER, COLORADO,  
Chartered by the UNITED FOOD AND  
COMMERCIAL WORKERS  
INTERNATIONAL UNION

By: \_\_\_\_\_



Andrew Scoggin  
Senior Vice President, Labor Relations  
& Human Resources

By: \_\_\_\_\_



Kim Cordova  
President