



#3359  
Full Agreement  
exp. 2008

## COLLECTIVE BARGAINING AGREEMENT

By and between

ACME MARKETS, INC

And

UNITED FOOD and COMMERCIAL WORKERS,  
LOCAL 1776

*Effective: February 6, 2005*

*Expires: February 2, 2008*

*TO: Local 1776 Acme Markets, Inc. Members*

*Dear Member:*

*This is a copy of your Collective Bargaining Agreement. This document establishes the rules and regulations that govern your workplace and details the pay and benefits to which you are entitled. Read it carefully.*

*Your contract is a living document only when each member knows it, lives by it and enforces it. Make sure you know your contract.*

*If you have any questions about your contract and how it is interpreted, be sure to contact your Shop Steward or your Union Representative.*

*With a contract we have the unity and the strength to forge ahead and meet the challenges of the future.*

*Together we can make it work,*

*Sincerely and Fraternaly,*

A handwritten signature in black ink, appearing to read 'Wendell W. Young, IV', written in a cursive style.

WENDELL W. YOUNG, IV  
President

## Table of Contents

	<b>Page</b>
Agreement.....	1
Bereavement Leave With Pay.....	9
Duration Of Agreement .....	39
Exhibit 1 - Addendum .....	41
Exhibit 2 - Addendum .....	42
Exhibit 3 - Miscellaneous Agreements.....	44
Exhibit 4 - Benefits At A Glance* .....	46
Exhibit 5 - Benefits At A Glance* .....	49
Exhibit 6 - Pension Improvements* .....	50
Exhibit 7 .....	51
Grievance And Arbitration Procedure .....	10
Health And Welfare .....	31
Hiring Employees .....	29
Holidays .....	23
Hours And Overtime .....	17
Housing Trust Fund .....	38
Job Security .....	37
Language Simplification .....	38
Leave Of Absence With Pay .....	9
Leave Of Absence Without Pay .....	8
Management Rights .....	3
Miscellaneous Working Conditions.....	27
No Strikes, No Lockouts .....	37
Payroll Deductions - Checkoffs .....	3
Pension Provisions .....	35
Personnel Transactions .....	5
Purpose .....	1
Recognition And Jurisdiction .....	1
Right Of Discharge And Appeal .....	11
Seniority.....	4
Separability .....	37
Store Closing .....	36
Sunday Work .....	22
Union Activities .....	4
Union Shop .....	3
Union Stewards, Enforcement Of Standards.....	29
Vacations .....	24
Wages .....	12

## **AGREEMENT**

THIS AGREEMENT made and entered into this 8th day of December 2005, by and between ACME MARKETS, INC. (hereinafter referred to as "Employer"), and UNITED FOOD AND COMMERCIAL WORKERS UNION NO. 1776, PHILADELPHIA DIVISION AND ALLENTOWN/READING DIVISION (hereinafter referred to as "UNION"), affiliated with the United Food and Commercial Workers International Union affiliated with the AFL-CIO.

### **ARTICLE 1 PURPOSE**

1.1 The employer and the Union have reached agreement with each other in regard to wages, hours, and other conditions of employment which are set forth, with particularity, in this Collective Bargaining Agreement.

1.2 There shall be no discrimination against any Employee because of race, color, creed, age, sex, sexual preference or union membership or activities. Whenever a word is used in the masculine gender, it is intended to and does include both men and women equally.

### **ARTICLE 2 RECOGNITION AND JURISDICTION**

2.1 The Employer recognizes Union as the exclusive representative of all employees, except meat, delicatessen, seafood employees, store director and supervisors, in all retail food stores served by Warehouses in the Employer's Philadelphia Region in accordance with past practice. (Documents clarifying intent of parties attached hereto as Exhibit 1 Addendum).

2.2 a. All work and services connected with or incidental to the handling or selling of merchandise offered for sale in the Employer's establishment with the exception of beverage, bread vendors, rack jobbers, and other vendors as clarified in Exhibit 2, shall be performed by employees referred to above. However, in the event of a crisis resulting in a reduction of hours or layoff the Union may revoke said relief in the affected store(s) in order to protect the hours and jobs of union members. This provision shall be waived during the initial six (6) months of a major remodel or a new store opening.

b. The following terms will be effective 01/01/2006 through 02/02/2008. All work and services connected with or incidental to the handling or selling of merchandise offered for sale in the Employer's store's shall be performed by the employees referred to above, except that the Employer may use any direct store delivery assistance available to the trade. Upon a written request by the Union, the Company will provide the Union with the total monthly hours and total monthly sales for a store for the preceding three months. If the proportion of hours compared to sales has been significantly reduced in the preceding 3 months, then restrictions on vendor utilization, for that store, shall revert back to the restrictions in place under the parties' contract dated 01/23/2000 through 02/05/2005.

This section 2.2b will expire on 02/02/2008. Effective 02/03/2008 all of the terms contained in 2.2 above that were in effect prior to 01/01/2006 will revert back into effect. The parties may extend the terms of 2.2b above by written mutual agreement.

The parties agree to incorporate the settlement between UFCW Local 1360 and Acme dated 06/10/2004, relevant to resets into this Agreement.

2.3 The parties agree to merge the Allentown/Reading bargaining unit with the Philadelphia bargaining unit to create one Collective Bargaining Agreement as described in Exhibit 7 of this Agreement.

2.4 In the event there is, during the term of this Agreement, a merger, transfer of members, assignment of representation responsibilities or other similar consolidation between Local 1776 and another Local, or part of another Local, of the United Food and Commercial Workers, involving the employees of Acme working within the geographic jurisdiction of Local 1776 as set forth in Article 2.1, the Company agrees to recognize the right of Local 1776 to represent said employees. The parties to this Agreement will establish a Special Committee to resolve any and all seniority and/or contractual questions which may arise as a result of such merger or consolidation. Unless otherwise agreed to by the parties shall be to continue, in effect, the wages, benefits, and all other conditions of employment that exist for Acme employees currently employed under another collective bargaining agreement. This section is limited to UFCW Locals 1776, 56, 1360, 1358 and 27 and their successor locals.

2.5 In furtherance of this Agreement the parties have agreed to continue with past practice concerning the relief granted in the Allentown - Reading Division.

**ARTICLE 3  
MANAGEMENT RIGHTS**

3.1 All rights and powers not expressly restricted or limited by the terms and conditions of this Agreement shall remain in and be exercised at the sole discretion of the Employer.

**ARTICLE 4  
UNION SHOP**

4.1 It shall be a condition of employment that all employees covered by this Agreement shall become and remain members in good standing in the Union. New employees shall become members of the Union on the thirty-first (31st) day following their date of employment. (All to be enforced and applied in accordance with the provisions of Section 8(A)3 of the National Labor Relations Act as amended). At time of hire all necessary Union forms will be completed and forwarded to the Union on a monthly basis.

4.2 Employer agrees to discharge any employee for nonpayment of dues and/or initiation fees, upon seven (7) days written notice from the Union to do so.

**ARTICLE 5  
PAYROLL DEDUCTIONS - CHECKOFFS**

5.1 The employer shall checkoff uniform initiation fees, regular union dues, and delinquent dues, upon presentation to it of a lawful checkoff authorization. The Union shall certify to the Employer the amount to be deducted. Said deductions shall be on a weekly basis and remitted to the Union in accordance with 5.4 below.

5.2 The Employer agrees to deduct authorized Credit Union payments from the wages of employees upon receipt of proper written authorization. All such deductions and remittances to the Credit Union shall be in accordance with 5.4 below.

5.3 It is further recognized that the Union has a Political Action Committee and is entitled to voluntary contributions by its members. Upon receipt of a proper written authorization from an employee, the Employer agrees to deduct weekly payments in the amount of twenty-five cents (\$.25) or more from the wages of said employee in accordance with 5.4 below.

5.4 The Employer agrees to transfer all payroll deductions electronically at the time payroll is issued, including union dues, P.A.C. and Credit Union deductions.

5.5 Union agrees to indemnify and save the Employer harmless against any and all claims, demands, suit or liability that might arise out of or by reason of action taken or not taken in respect to all deductions made pursuant to the provisions of this Agreement.

## **ARTICLE 6 UNION ACTIVITIES**

6.1 There shall be no discrimination against any employees because of Union membership or activities. It is agreed Union duties and activities will not be carried on during hours of work. During hours when store is closed, proper security measures shall be taken in each store. This shall not prevent Union officials from entering stores to satisfy themselves that this Agreement is being observed.

6.2 Complaints and grievances will be discussed with officials of the Employer, however, they will not be discussed with store employees during hours of work, except where there is an alleged violation of the Agreement.

6.3 Bulletin boards in the Employer's stores may be used by the Union provided any notices posted are first approved by the Employer's Human Resources Department, except for Union meeting notices which only contain time, place and date of meeting.

## **ARTICLE 7 SENIORITY**

7.1 Seniority lists shall be established twice (2x) each year and submitted to the Union separately. For purposes of this Agreement there shall be two separate and distinct seniority areas: Philadelphia Division and Allentown/Reading Division.

7.2 Seniority shall be calculated by continuous service from the last date of employment within the bargaining unit, within the Philadelphia and/or Allentown/Reading division. Employees who are involuntarily laid off and subsequently rehired shall retain their former seniority regardless of any change in their place of employment as follows:

- A. 1 Year and less than 2 Years of continuous service:  
One Year from layoff date

B. 2 Years and up to 10 Years of continuous service:  
Number of years equal to number of years of service.

C. 10 or more Years Service of continuous service:  
All former seniority.

7.3 Employees being recalled shall report for work no later than seventy two (72) hours after receiving notice. Any employee who refuses a notice of recall shall no longer retain their former seniority or right to recall.

7.4 A. Employees with six (6) months of continuous service absent on account of Ill health shall retain their seniority for a period of eighteen (18) months from the date of absence.

B. Employees absent due to a work related accident shall retain full seniority upon a duly authorized release from Worker's Compensation, a personal physician and Company physician.

7.5 In accordance with the current Veterans Reemployment Rights Act employees returning from military service shall have their wages and classification determined provided they apply for work within the required period.

7.6 When an employee is upgraded they will carry their seniority for purposes of wage rates, also, they will not suffer a reduction in their rate of pay.

## **ARTICLE 8 PERSONNEL TRANSACTIONS**

### **8.1 Promotions:**

A. All promotions shall be based on the employee's qualifications, availability, documented work record and seniority. A ninety (90) day probationary period will apply in case of all promotions.

B. An annual Promotional Survey will be conducted in each store, for each division, where employees will indicate their desire for advancement. Senior employees will be given notice of any job openings. For purposes of filling full time jobs only, part time employees will receive one (1) year full time seniority credit for each two (2) years of part time service. The offering of full time day jobs will be alternated between full time night crew and part time employees.

1) The Promotional Survey will be for the following:

Customer Service Attendant to Part Time Clerk  
Part Time Clerk to Full Time Night Crew  
Part Time Clerk to Full Time Day Work  
Part Time Clerk to Part Time Scan  
Full Time Night Crew to Full Time Day Work  
Full Time Day to Full Time Night Crew  
Full Time Clerk to Rated Classification  
Rated Classification to Rated Classification

2) The completed Promotional Survey will be reviewed by the Union, District Manager and Director of Human Resources. If during the term of this Agreement there is a reorganization of the Allentown Area a meeting will be held to discuss promotions by Local Union.

3) The Union will receive notification of the employees considered, the selected employee and the reason for said selection. While such selection is in process the Employer may temporarily assign an employee to the position.

4) The senior qualified employee(s) in the District determined by the Promotional Survey review shall be given the opportunity to receive training for the higher rated position. For the purpose of training the employee may be transferred, and/or have schedule changes.

5) Upon completion of this training, the employee will be given the opportunity to temporarily substitute in the job within the store when there is a need to replace the regular person assigned to that position.

6) Employer may temporarily assign an employee to the open position while the selection is in process.

7) Any employee who refuses training will remain in their current position until another survey is completed

8) When no employee has expressed a desire to fill the position(s) the Employer may fill the position from any source.

C. Full Time seniority shall commence the date the employee became full time. Upon such upgrading employees will receive full credit in determining their proper wage and vacation benefits.

D. Promotion from the bagger classification shall be by seniority and availability within each store. These employees must be given the opportunity for promotion before new employees are hired, unless such applicant possesses previous Industry experience. Upon promotion, employees shall go to the next higher rate on the Clerk progression, then continue on that progression.

8.2 **Demotions:** Demotions from a higher rated classification shall be worked out in conjunction with the Union.

8.3 **Layoffs:**

A. In case of layoff, due to lack of work, of a full time or part time employee, the Employer shall first recognize seniority within the job classification.

B. The employee with the least seniority in the store shall have the right to displace the least senior employee within (a) the District Manager's territory within the Union's divisional jurisdiction; (b) the adjoining District Manager's territory within the Union's divisional jurisdiction; (c) within the Union's divisional jurisdiction.

C. When an employee has exercised their rights in accordance with the above paragraphs, said employee shall have the right to return to that area if a similar position becomes available within a period of twelve (12) months.

D. The Employer shall give one (1) week's notice of an intended layoff of full time employees, and seventy-two (72) hours notice of a permanent layoff of part time employees to the Union and the employee.

E. In the case of temporary layoff caused by strikes, acts of God, power failure or other reasons beyond the control of the Employer, advance notice need not be given in regards to daily or weekly work schedules.

F. In the event of a reduction from full time to part time, due to lack of work, the least senior full time employee within the job classification shall be the first to be reduced. Such employees shall receive all available straight time hours up to the maximum part time hours within the store.

G. The Employer shall combine existing part time assignments within each store so as to provide the maximum part time employment per individual within the definition of part time employment and seniority of the employee (provided the part time employee is regularly and continuously available to work such hours); and further to create as many forty (40) hour positions as possible.

#### **8.4 Transfers:**

A. All transfers provided for herein shall be within the employee's job classification with the least senior qualified employee being transferred when necessary.

B. Permanent transfers shall be by seniority in conjunction with ability, practicability, transportation and travel time, where possible transfers will be within the District Manager's territory.

C. Temporary transfers will be based on the needs of the business. Employees will be reimbursed the difference in cost of transportation if there is an increase in their normal cost of carfare.

D. In stores where the labor cost is prohibitive and profitability is in jeopardy, Company and Union agree to meet to implement an employee mix designed to improve the operation of the store.

#### **8.5 Rehiring:**

A. Employees on layoff shall be the first to be rehired, within their classification, in the event of a job opening, in accordance with Article 8 - Seniority.

B. The Employer will notify the Union monthly of all new hires, promotions, demotions, layoffs, and permanent transfers occurring among the members of the Union during the previous weeks.

8.6 Return After Illness Or Accident: Where an employee has been absent from work due to illness or accident for one (1) week or more, employee shall be required to give Employer not less than forty-eight hours (48) notice, excluding Sunday, of his intention to return to work. Such employee shall have the right to displace a junior employee, either full or part time, regardless of the posted schedule, without notice.

## **ARTICLE 9 LEAVE OF ABSENCE WITHOUT PAY**

9.1 Employees who are appointed or elected to a Union position shall be granted a leave of absence upon proper written notice from the Union. At the end of such service with the Union, if physically qualified, they shall be returned without loss of seniority, and at their former wage rate, plus any increase or less any reduction that may have become effective during such absence.

9.2 Employees appointed to a management position may, at the discretion of the Employer, be returned to the bargaining unit following a meeting with the Union to determine their seniority and classification.

9.3 Any employee may be given a leave of absence not to exceed one (1) year for any reason acceptable to the Employer. This decision shall not be withheld arbitrarily or capriciously.

## **ARTICLE 10 LEAVE OF ABSENCE WITH PAY**

10.1 **Jury Duty.** All employees actually summoned and serving on juries will be granted time off, when needed, and will receive the difference between their straight time basic weekly pay and the amount received while on jury duty except on their normally scheduled day off. They will be expected to work when the jury is not in session, but under no circumstances shall the application of this clause result in a change in the basic weekly pay or normal weekly schedule. Night crew employees shall be excused from their daily or nightly schedule without loss of earnings.

10.2 **Union Orientation Leave.** Following the completion of sixty (60) days of employment the Employer will schedule employees two (2) hours off with pay to attend an Orientation Program. The employee will receive an explanation of the terms and conditions of their employment, fringe benefits, and union policy.

A. Proof of attendance from the Union must be presented to the Store Director.

B. Union agrees to indemnify and hold harmless the Employer from any claims arising out of injury to or by the employee while driving to or from the above session.

## **ARTICLE 11 BEREAVEMENT LEAVE WITH PAY**

11.1 In the case of a death of an employee's spouse or child they shall be granted four (4) days off. In the event of a death of the employee's parent, brother, sister, mother-in-law, father-in-law, grandparent or grandchild, they shall be granted three (3) days off. The time off shall be within the scheduled workweek, not counting Sunday or their regular day off. The application of this clause shall not result in a change in the employee's basic weekly pay.

## **ARTICLE 12**

### **GRIEVANCE AND ARBITRATION PROCEDURE**

12.1 The parties agree with the following principles, concepts, and expressions of intent:

A. To solve all disputes which may arise concerning the interpretation and application of the Agreement in as expeditious a fashion as possible.

B. To create an atmosphere of problem solving designed to contribute to the success of the Company and the well being of the Union's members and the protection of their contractual rights.

C. No changes in the actual procedural steps of this Article may be made without the approval of the Executive Board of Local 1776.

12.2 All Grievances or disputes arising during the term of this Agreement concerning the interpretation or application of the provisions of this Agreement shall be handled in the manner set forth below.

A. STEP ONE: All such grievances or disputes must be brought to the attention of the other party within two weeks after the occurrence.

B. STEP TWO: Should the matter remain unresolved either party may file its grievance in writing with the other party. (A party is defined as the Employer or Union, not an individual employee).

12.3 All unresolved grievances must be filed for Arbitration or withdrawn after 180 days.

12.4 If any such grievance cannot be resolved, upon (5) days written notice the matter may be submitted to an Impartial Arbitrator or to the American Arbitration Association, who shall handle the matter in accordance with its rules. The Arbitrator shall render a decision within thirty (30) days of the close of the hearing, unless extended by mutual consent of the parties.

12.5 The Arbitrator shall not have the authority to amend, modify, or in any manner change this Agreement. The cost of the Arbitrator shall be shared by the parties. The decision of the Arbitrator shall be final and binding on the parties and the employee(s) involved.

12.6 The right of the Employer or the Union to seek legal recourse against

action in breach of Article 26 without submission to the grievance and arbitration procedures of this Article is expressly recognized by the parties.

12.7 As determined by Company and Union Representatives certain grievances raised to the level of arbitration may be processed through an alternative method. Parties will select an Arbitrator from an established list. The case will be presented by employees of the parties.

12.8 In the alternative, either party in the event of an alleged or asserted breach of Article 26 may institute expedited arbitration by telegram to American Arbitration Association and the other party, and an Arbitrator shall be designated within twenty-four (24) hours. The hearing shall be held promptly, but not later than twenty-four (24) hours of the notice. The Arbitrator shall issue an award three (3) hours after the hearing, it shall be in writing, with or without an opinion, either party may request a written opinion. The Arbitrator may award injunctive or other relief. Enforcement of such an Award by a Court of Law is not precluded by election of this alternative procedure.

12.9 The question of damages shall be exclusively for the Arbitrator and not for a Court of Law, except as it may be part of an Award enforced by a Court.

12.10 This Article is the exclusive method of determining employee grievances or disputes concerning the interpretation or application of the provisions of this Agreement. No employee or former employee shall have any right under this Agreement of any claim, proceeding, action or otherwise on the basis or by reason of any claims that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution, or settlement of any grievance or other matter as to which the Union or any Union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

## **ARTICLE 13 RIGHT OF DISCHARGE AND APPEAL**

13.1 The employer shall have the right to discharge any employee for good and sufficient cause. Any employee working for a competitor while on vacation or time off shall be considered terminated.

13.2 Any employee with more than sixty (60) days of continuous service shall have the right to appeal a discharge to the Union, who must make an appeal in writing within two (2) weeks of the discharge. Failure to do so will result in the matter being considered closed.

13.3 Upon such appeal, the Employer and the Union shall jointly investigate the reasons and justification of the discharge. If the parties cannot reach an agreement then the matter shall be handled in accordance with Article 13.

13.4 In the event that the discharge is found not to be justified the employee may be reinstated with or without back pay and restoration of privileges and seniority.

## ARTICLE 14 WAGES

### 14.1 Wages:

#### Across-the-Board Increases:

The following across-the-board increases (ATB) shall be effective on the dates indicated for those employees and department heads at or above the top of their respective wage progression. Employees who reach the appropriate top rate during the term of the Agreement shall become eligible for any remaining across-the-board increases. All progression rates including start rates and top rates will be increased by the ATB on the same dates.

	<b>ATB Effective <u>2/04/05</u></b>	<b>ATB Effective <u>02/05/06</u></b>	<b>ATB Effective <u>02/04/07</u></b>
Department Heads Full-time, Part-time Clerks & General Maintenance Clerks	\$ .45/hr.	\$ .35/hr.	\$ .30/hr.
Non-checker qualified Clerks and CSA's	\$ .25/hr.	\$ .20/hr.	\$ .15/hr.

### 14.2 DEPARTMENT HEADS

#### A. Philadelphia Division Department Heads:

	<b>Effective <u>12/04/05</u></b>	<b>Effective <u>02/05/06</u></b>	<b>Effective <u>02/04/07</u></b>
Assistant	\$19.428	\$19.778	\$20.078
Produce	\$19.428	\$19.778	\$20.078
Head Cashier	\$18.477	\$18.827	\$19.127
Dairy	\$18.40	\$18.75	\$19.05

**B. Allentown/Reading Department Heads:**

	<b><u>Effective 12/04/05</u></b>	<b><u>Effective 02/05/06</u></b>	<b><u>Effective 02/04/07</u></b>
Assistant	\$17.03	\$17.38	\$17.68
Produce	\$17.03	\$17.38	\$17.68
Head Cashier	\$16.13	\$16.48	\$16.78
Dairy	\$16.00	\$16.35	\$16.65

**14.3 Clerks Wage Progressions**

**A. Full and Part Time Clerks [Philadelphia Division Only] hired prior to 1/24/93 and currently in progression:**

Modify wage progression as follows:

	<b><u>Effective 12/04/05</u></b>	<b><u>Effective 02/05/06</u></b>	<b><u>Effective 02/04/07</u></b>
After 48 Months			
After 54 Months			
After 60 Months	\$14.95	\$15.30	\$15.60

**B. The following wage progression scale shall apply to all full time and part time clerks [Philadelphia and Allentown/Reading Division] in progression between 01/24/93 and 01/23/00:**

	<b><u>Effective 12/04/05</u></b>	<b><u>Effective 02/05/06</u></b>	<b><u>Effective 02/04/07</u></b>
Start	\$ 6.70	\$7.05	\$7.35
After 60 days	\$ 6.95	\$7.30	\$7.60
After 6 months	\$ 7.20	\$7.55	\$7.85
After 12 months	\$ 7.45	\$7.80	\$8.10
After 18 months	\$ 7.70	\$8.05	\$8.35
After 24 months	\$ 8.20	\$8.55	\$8.85

**CHECKER QUALIFIED**

After 30 months	\$ 8.95	\$9.30	\$9.60
After 36 months	\$ 9.95	\$10.30	\$10.60

After 42 months	\$10.95	\$11.30	\$11.60
After 48 months	\$13.45	\$13.80	\$14.10

1) All clerks are entitled to progress to the 48 month rate. Those clerks who waive their right and/or fail to checker qualify will not progress past the 24 month rate. It is the Employer's responsibility to offer checker training and an opportunity to qualify prior to an above \$7.25 per hour before January 26, 1997 will not have their rate reduced or frozen as a result of this agreement. In accordance with past practice, employees who fail to checker qualify will be given additional opportunities on a reasonable basis.

2) Employees who are checker qualified after 24 months of seniority will advance to the progression rate that represents their length of service.

**C. The following wage progression scale shall apply to all full time and part time clerks [Philadelphia and Allentown/Reading Division] hired on or after 01/23/00:**

The minimum uniform rate of pay for full and part time clerks hired on or after 12/4/05 will be \$6.95 per hour. (02/5/06 will be \$7.30 per hour) (2/4/07 will be \$7.60 per hour). Each employee hired on or after 01/23/00 shall receive an increase of \$.25 per hour after sixty (60) days of service and on each six (6) month anniversary of employment through forty-two (42) months of employment. Upon reaching forty-eight (48) months of employment, the employee shall move to the appropriate top wage rate set forth below:

	<b>Effective <u>12/04/05</u></b>	<b>Effective <u>02/05/06</u></b>	<b>Effective <u>02/04/07</u></b>
Full-time and Part-time Clerks	\$11.60	\$11.80	\$12.00

Employees at \$11.40 per hour on or before 12/4/05 will receive \$.45 across the board increase.

D. The Employer may give new hires credit for prior supermarket industry experience consistent with Article 20. If the Employer finds it necessary to increase the new hire-starting rate, the Parties agree to meet and discuss implementation of the new hire-starting rate. In the event the Employer raises the uniform start rate in a store, employees in the same classification in that store who are below the new uniform starting rate shall be increased to the new hire rate plus \$.25 per hour, and then shall continue to progress \$.25 per hour as described above,

until reaching the top rate or forty-eight (48) months of service, whichever shall occur first.

E. Employees reaching the top of progression will be eligible for any remaining across the board increases in 14.1

**14.4 General Maintenance Clerks**

The wage progression for General Maintenance Clerks are as follows:

	<b>Effective <u>01/23/00</u></b>	<b>Effective <u>03/04/01</u></b>	<b>Effective <u>03/03/02</u></b>
Start	\$7.45	\$7.80	\$8.10
2 months	\$7.70	\$8.05	\$8.35
6 months	\$8.20	\$8.55	\$8.85
12 months	\$8.95	\$9.30	\$9.60
18 months	\$9.45	\$9.80	\$10.10
24 months	\$9.70	\$10.05	\$10.35
30 months	\$9.95	\$10.30	\$10.60
36 months	\$12.70	\$13.05	\$13.35

General Maintenance Clerks at or above top progression rates will receive the Across the board wage increases shown above.

Duties of this classification will include general cleaning, floor care, house-keeping and maintenance throughout the store and its premises.

**14.5 Customer Service Attendant.**

**A. The following wage progression scale shall apply to all Customer Service Attendants [Philadelphia and Allentown/Reading Division] hired on or after 01/23/00:**

The minimum uniform rate of pay for CSA's hired on or after 12/04/05 will be \$5.75 per hour (02/05/06 will be \$5.95 per hour) (02/04/07 will be \$6.10 per hour). Each employee hired on or after 01/23/00 shall receive an increase of \$.15 per hour after sixty (60) days of service and on each six (6) month anniversary of employment. In the event the Employer raises the uniform start rate in a store, employees in the same classification in that store who are below the new hire starting rate shall be increased to the new hire rate plus \$ .15 per hour and continue to progress every six (6) months as described above.

C. CONDITIONS.

Duties of this classification shall include: cleaning, bagging, filling bag bins, carrying out orders, returning shop backs, picking up carts, parcel pickup, bottle returns and general store cleaning, excluding waxing and buffing of store floors.

D. VIOLATIONS PROVISIONS

1) First violation within a store; the Union will have the right to issue a written warning.

2) Second violation within the same store; Union will have the right to grieve for back pay.

3) Third violation within the same store; the Union will have the right to eliminate the Customer Service Attendants position and all Customer Service Attendants in that particular store will be promoted to regular part time clerk.

**14.6 DEPARTMENT MANAGERS**

A. The Employer agrees to the establishment of the following uniform classifications:

Assistant Manager  
Produce Manager  
Head Dairy Clerk  
Head Cashier (front-end)

1) In stores with a volume of \$60,000.00 there shall be one (1) rated classification.

2) In stores with a volume of \$60,000.00 to 100,000.00 there shall be two (2) rated classifications.

3) In stores with a volume of 100,000.00 and over there shall be four (4) rated classifications.

4) Store volume to be determined on basis of six (6) consecutive months.

5) When reduction of store volume permits certain classifications in stores to be eliminated, the affected employees shall be removed only by attrition.

B. The following Department Managers are to receive an additional sixty (\$.60) cents hourly premium: Customer Service Representative and Frozen Food Manager in stores with an average weekly volume of \$275,000 or more, General Merchandise Manager, in store with an average weekly volume of \$35,000 in

general merchandise sales. Bakery Manager in stores with an oven and proofer will receive a seventy-five cent (\$.75) hourly premium.

C. Scan Coordinator: The scan coordinator will receive a sixty (\$.60) cents per hour premium. Those currently assigned as scan coordinators prior to 01/26/97 will remain in this position and current Full Time/Part Time status. Newly created scan coordinators will be selected by the same bid procedures as all other department heads. The parties agree that any store greater than 40,000 square feet will utilize a Full Time scan position.

D. Pharmacy Technician: Acme will have the right to select based on skill, experience, training and needs of the business. No bumping from outside classification except for purposes of layoff. Classification will carry a .30¢ per hour premium. Those currently assigned to the Pharmacy will be red circled unless the parties mutually agree to a transfer.

E. When any department manager or an employee in a higher rated job is absent from work for vacations, illness and temporary absences of three (3) days or more, they shall be replaced by another full time employee who shall be paid in accordance with the rates noted in this Article from the first day of replacement.

#### 14.7 DEPARTMENT HEAD REWARD SYSTEM

A. During the second full payroll week in December of each year the following Department Head Reward Payments will be issued. Where more than one employee has been appointed to these classifications during the year, except employees filling in for vacations or short-term illness, pro rata payments will be made to each eligible employee.

B.	<u>POSITION</u>	<u>AVERAGE ANNUAL WEEKLY VOLUME PAYMENT</u>	
	Assistant Manager	\$400,000	\$1,000.00
	Produce Manager	\$40,000 (in produce sales)	\$1,000.00
	Head Cashier	\$400,000	\$250.00
	Head Dairy Clerk	\$400,000	\$250.00

### ARTICLE 15 HOURS AND OVERTIME

15.1 Employees will be given opportunity to advise their Store Director of their preference for early/late, morning, afternoon or evening hour schedule. On a regular

and continuous basis the Store Director shall attempt to accommodate these requests based on employee seniority and subject to business requirements.

15.2 The basic straight time work for full time employees shall consist of forty (40) hours to be worked in five (5) eight (8) hour days, Monday through Saturday, (except Philadelphia Division employees hired after January 23, 1993, whose work week shall be Sunday through Saturday). By mutual agreement and/or for purposes of creating a full time job, employees may be scheduled three (3) eight (8) hour days, one (1) six (6) and one (1) ten (10) hour day.

15.3 Work between 5:00 a.m. (4:00 a.m. by mutual agreement) and 6:00 p.m. shall be at the straight time rate of pay, except as provided below.

15.4 Employer may schedule full time employees to work straight time night(s) within the forty hour (40) work week as follows:

**A. PHILADELPHIA DIVISION**

<u>HIRED/PROMOTED</u>	<u>NUMBER OF NIGHTS</u>
Before 9/9/73	One (1) to 10:00 p.m. to 1:00 am by mutual agreement, includes employees reduced to part time before September 9, 1973 and later restored to full time.
Between 9/9/73 and 3/29/87	Two (2) to 12:00 Midnight, 1:00 by mutual agreement.
After 3/29/87	Three (3) to 1:00 a.m. except when the needs of the business may require up to five (5) nights which will be rotated and scheduled by inverse seniority.

**B. ALLENTOWN/READING DIVISION**

<u>HIRED/PROMOTED</u>	<u>NUMBER OF NIGHTS</u>
Before 9/9/73	One (1) to 10:00 p.m. to 1:00 am by mutual agreement, includes employees reduced to part time before September 9, 1973 and later restored to full time.
Between 9/9/73 and 11/2/86	Two (2) to 12:00 Midnight, 1:00 by mutual agreement.
After 11/2/86	Any number of nights to 1:00 a.m.

15.5 The straight time work week for part time employees shall be Monday through Saturday, (except those Philadelphia Division Employees hired after January 23, 1993 whose work week shall be Sunday through Saturday), 5:00 a.m., (4:00 a.m. by mutual agreement) to 12:00 Midnight (1:00 a.m. by mutual agreement), except Sunday to 2:00 a.m., up to a maximum of thirty five (35) hours per week.

15.6 Time and one half (1 1/2) shall be paid to part time employees for hours in excess of thirty-five (35) hours and for work in excess of eight (8) hours in one (1) day, and for work in excess of five (5) days in any work week.

15.7 Employees may be scheduled to work up to thirty (30) minutes after store closing within the straight time limit for full and part time employees.

15.8 Employees regularly and continuously assigned to night crew shall receive a premium for actual hours worked as follows:

**A. PHILADELPHIA DIVISION:**

1. Employees assigned to night crew before January 23, 1993:

a) Up to three (3) years, ten percent (10%) of basic straight time hourly rate of pay.

b) Three (3) to six (6) years, eleven percent (11%) of basic straight time hourly rate of pay.

c) Six (6) or more years, twelve percent (12%), of basic straight time hourly rate of pay.

2. Employees regularly assigned to night crew on or after January 23, 1993:

A premium of ten percent (10%) of basic straight time hourly rate of pay.

3. The maximum amount payable under the night crew premium calculation will be one dollar and seventy cents (\$1.70) per hour.

**B. ALLENTOWN DIVISION**

1. Employees assigned to night crew before November 2, 1986:

a) Up to three (3) years, ten percent (10%) of basic straight time hourly rate of pay.

b) Three (3) to six (6) years, eleven percent (11%) of basic straight time hourly rate of pay.

c) Six (6) or more years, twelve percent (12%), of basic straight time hourly rate of pay.

2. Employees assigned to night crew after November 2, 1986:

a) Fifty cents (\$.50) per hour or ten percent (10%) of their basic straight time payroll rate, whichever is the lesser for actual hours worked on night crew.

### **C. READING DIVISION**

a.) Fifty cents (\$.50) per hour or ten percent (10%) of their basic straight time payroll rate, whichever is the lesser for actual hours worked on night crew.

15.9 The employee in charge and responsible for the work of the Night Crew shall receive an additional premium of [Philadelphia Division - Twenty dollars (\$20.00) and Allentown/Reading Division - Fifteen dollars (\$15.00) per week]. Employee filling in for this position for more than one (1) scheduled night in a week shall receive one-fifth (1/5th) of the rate per night.

15.10 Part-time employees may be assigned on a night crew shift of at least eight (8) hours per night up to four (4) nights at the straight time rate plus the applicable night premium.

15.11 Part-time employees may work any combination of day, evening, or night hours in the same work week provided there are no split shifts.

15.12 Full time employees assigned to the night crew (prior to July 29, 1984, for Philadelphia Division and prior to November 2, 1986 for Allentown/Reading Division) shall receive two (2) consecutive work nights off, one (1) of which shall be Sunday (10:00 p.m. Saturday to 9:00 a.m. Sunday).

15.13 Consistent with the above, to meet the needs of the business, part time employees may be scheduled by inverse seniority to the night crew shift. They will not lose day hours as a result of accepting or not accepting night crew work.

15.14 Night crew shift may not start before 10:00 p.m. and finish no later than 9:00 a.m. Full time night crew clerks may be scheduled to work five (5) eight (8) hour nights, three (3) nights, two (2) days or three (3) days and two (2) nights on a regular basis. Also by mutual agreement they may work four (4) ten (10) hour

nights and they may start work on Sunday at 10:00 p.m. at the straight time rate.  
15.15 There shall be no pyramiding of overtime or premium pay. Hours worked at premium pay on Sunday and holidays shall not be included in the computation of weekly overtime.

15.16 All meals periods may not be less than thirty (30) minutes nor more than one (1) hour. When required on a regular basis and upon the request of the employee, the meal period will be one (1) hour.

15.17 There shall be no split shifts worked by any employee.

15.18 Employees working more than six (6) hours in a work day shall receive two (2) daily rest periods of fifteen (15) minutes each, without loss of pay, one to be in the first half and one to the second half of the work day, as near as possible to the middle of the shift. Employees working six (6) hours or less shall receive one (1) fifteen (15) minute rest period as near as possible to the middle of the shift.

15.19 Part time employees shall receive a guarantee of four (4) hours per day, when scheduled, and a minimum of twenty (20) hours per week, provided the employee is available on a regular and continuous basis. The weekly minimum is not applicable to probationary employees, students, and employees holding another job.

15.20 A daily working schedule for each employee shall be prepared in ink and posted in a conspicuous place by Friday noon of the week preceding the week for which the schedule is effective.

15.21 Upon agreement with the Store Director and employee, exceptions to the provisions of this Article may be made, which shall be reduced to writing and approved by the Union.

15.22 Representatives of Acme Markets, Inc. and Local Union No. 1776, agree to meet and review and work out schedule changes between locations for the purpose of maximizing senior part time employee hours.

15.23 The above procedure will also apply in an effort to prevent major layoffs or reduction in full time employees to part time due to store closing.

#### 15.24 REASONABLE HOURS PROVISIONS

A. The Union and the Company recognize the need for employees to be available a reasonable number of hours. On a quarterly basis the Company will produce a

list of employees who work less than an average of 20 hours per week (including Sundays, holidays, vacations, etc.)

B. The Union and the Company will use its best efforts to encourage those employees to make themselves available for an average of 20 hours per week or more, consistent with current contract provisions.

C. The Company agrees it will make an effort to hire only employees who will be available an average of 20 hours or more per week.

D. The parties agree to establish a task force to attempt to reduce benefit costs from 5.15 percent of sales to 4.10 percent of sales.

## **ARTICLE 16 SUNDAY WORK**

16.1 For work performed on Sunday the following premiums shall apply:

**A. Philadelphia Division:**

1.) All full time employees and other employees, except CSA's hired before January 24, 1993: Time and one half (1 1/2) their straight time hourly rate.

2.) All other employees hired on or after January 24, 1993 will be eligible for premium noted -below:

Start	\$1.00 per hour
After 12 months	\$2.00 per hour
After 24 months	\$3.00 per hour
After 36 months	\$4.00 per hour

**B. Allentown/Reading Division**

1.) All full time employees and other employees hired before November 2, 1986:

Time and one half (1 1/2) their straight time hourly rate.

2.) Employees hired after November 2, 1986:

Two dollar (\$2.00) per hour premium.

3.) Employees hired after January 23, 1993 will receive:

Start	\$1.00
After 36 Months	\$2.00

16.2 Sunday work shall be rotated by classification, among those who are qualified to perform the work as determined by the Employer.

16.3 All employees scheduled for Sunday work will be scheduled for a minimum of four (4) hours.

## **ARTICLE 17 HOLIDAYS**

17.1 Work performed on the legal holidays shall be compensated at one and one-half time (1 1/2x) the straight time hourly rate, in addition to the straight time holiday pay.

17.2 Upon the completion of thirty (30) days service with the Employer, full time employees shall be eligible for eight (8) hours pay. Upon the completion of sixty (60) days, but less than one (1) year of continuous service part time employees shall be paid four (4) hours holiday pay provided the holiday falls on a day they would normally be scheduled. Part time employees with one (1) or more years of service regardless of whether or not they are scheduled to work shall receive four (4) hours holiday pay. All employees must work the scheduled day before and after the holiday, Sunday excepted. Part time employees must work one (1) day during the holiday week. Schedules will not be changed to avoid holiday pay.

17.3 The following holidays or the day observed as such shall be celebrated:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Fourth of July	Christmas Day

17.4 When requested, employees may schedule a personal holiday to celebrate Dr. Martin Luther King's birthday. Employer shall receive two (2) weeks notice, the day off shall be granted on a seniority basis within the store. Based on the needs of the business, temporary transfers will be arranged to meet scheduling needs of the stores.

17.5 Upon the completion of three (3) months service with the Employer, all

regular full time employees shall be entitled to three (3) personal holidays of eight (8) hours. One holiday shall be taken in each four month period, selection will be by mutual agreement and restricted to the first four working days of the week.

A. Part time clerks hired before [Philadelphia Division - July 29, 1984; Allentown/Reading Division - November 2, 1986] shall be entitled to three (3) personal holidays (four (4) hours each ) each calendar year, which may be taken in accordance with the same conditions as noted for full time employees.

B. Part time clerks hired after [Philadelphia Division - July 29, 1984; Allentown/Reading Division - November 2, 1986] shall upon the completion of [one (1) year of service - Philadelphia Division; three (3) months of service - Allentown/Reading Division] receive one (1) personal holiday of four (4) hours each calendar year, scheduling will be under terms noted above.

17.6 All time worked in excess of thirty-two (32) hours for full time (twenty-four (24) hours for employees who have Sunday in their work week - Philadelphia Division), and thirty one (31) hours for part time employees shall be compensated at the rate of time and one-half (1 1/2) the straight time hourly pay.

17.7 In a week which includes any of these holidays, the work week for full time employees shall be thirty two (32) hours of work in four (4) days, however by mutual agreement employees may work forty (40) hours at straight time, plus holiday pay. By mutual agreement a part time employee may work thirty-five (35) hours at straight time, plus holiday pay.

17.8 Holiday work will be offered by seniority with the least senior qualified employee being required to work.

17.9 The Employer may open the stores on Christmas Day for business. In the event the employer is open on Christmas, under no circumstances will any employee be required or compelled to work. The stores will be staffed by volunteers only. Those employees who do volunteer to work on Christmas will be paid for all hours worked on Christmas Day at double time (2x).

## **ARTICLE 18 VACATIONS**

18.1 The Employer will grant a paid vacation, as set forth below and subject to the conditions under Section B of this Article to eligible employees.

**SECTION A - TYPES OF VACATION GRANTS:**

<u>LENGTH OF CONTINUOUS ON THE JOB SERVICE</u>	<u>REGULAR FULL TIME EMPLOYEE</u>	<u>REGULAR PART TIME EMPLOYEE</u>
1.) More than three (3) months but less than one (1) year on May 1 of the calendar year.	1/12th of a week's basic straight time wage for each full month's service prior to May 1.	NONE
2.) One (1) year or more but less than three (3) years on May 1 of the calendar year.	One (1) Week	The number of weekly hours normally worked.
3.) Three (3) Years or more but less than eight (8) years on the Saturday nearest September 30th of the calendar year.	Two (2) Weeks	Twice the number of weekly hours normally worked.
4.) Eight (8) years or more but less than fourteen (14) years on the Saturday nearest September 30th of the calendar year.	Three (3) Weeks	Thrice the number of weekly hours normally worked.
5.) Fourteen (14) years or more but less than twenty (20) years on the Saturday nearest September 30th of the calendar year.	Four (4) Weeks	Quadruple the number of weekly hours normally worked.
6.) Twenty (20) years or more on the Saturday nearest September 30th of the calendar year.	Five (5) Weeks	Five times the number of weekly hours normally worked.

## **SECTION B - CONDITIONS**

1.) For vacation purposes only, a regular full time employee is defined as one who is regularly and continuously scheduled to work at least forty (40) hours a week; a part time employee is one who works less than forty (40) hours per week.

2.) The "vacation period" shall be defined as being May 1 through the Saturday nearest to September 30th, except that the third, fourth and fifth weeks vacation will be scheduled as business operations permit.

3.) Employees who are eligible for three (3) or more weeks of vacation may schedule one (1) week of vacation in days with the mutual consent of the Store Director. These days may not be scheduled the day before or the day after a scheduled holiday or vacation.

4.) Unused vacation grant may not be carried over to the next year.

5.) All vacation pay shall be calculated on the employee's straight time hourly rate, which shall include a fixed night differential.

6.) Eligible employees who have changed from a part time to a regular full time basis or vice-versa, will be entitled to a vacation grant consisting of the weekly credits earned for part time service and monthly credits for full time work during the vacation year.

7.) Vacation selections will be granted on a seniority basis, where possible. Vacation schedules must be arranged so as not to interfere with the efficient conduct of the business.

8.) Based on the needs of business vacation grants up to and including two (2) weeks will be in consecutive days within the vacation period.

9.) Employees whose vacations includes a paid holiday may be granted one (1) day's pay or an additional day of vacation, which would be scheduled immediately before or after the vacation.

10.) Eligible employees absent from work due to on the job (Worker's Compensation) injury sustained during the year will be entitled to their vacation grant for that particular vacation year.

11.) Eligible employees absent from work due to non-occupational accident and sickness, for a cumulative period not to exceed six (6) months (6/12ths) with-

in the vacation year will be entitled to their vacation grant for that particular vacation year.

12.) In the event of absence in excess of six (6) months, employees will be entitled to six twelfths (6/12ths) of the annual vacation grant, plus one twelfth (1/12th) for each full month actively on the job during the vacation year.

13.) Employee entering the U.S. Armed Forces will be paid their earned pro rata vacation grant through the last day of the month of active employment.

a.) Employee veterans who re-entered the Employer's service within the vacation period will be paid the full amount of their vacation grant as of the date of their scheduled vacation.

b.) Employee veterans returning after the final day of vacation period will become eligible for the payment of the full amount of their vacation grant in the next vacation period.

c.) Employee on the job service interrupted by induction in the U.S. Armed Forces will be considered as continuous in determining length of continuous on the job service.

## **ARTICLE 19 MISCELLANEOUS WORKING CONDITIONS**

19.1 The Employer will furnish all uniforms required to be worn in the store. Employees shall launder drip-dry uniforms.

19.2 The Company agrees that changes to the dress code will be reviewed with the Union and subject to negotiations.

19.3 No employee handling cash shall be held responsible for any shortage (being cash or cash equivalent) unless:

A. The employee is given their own register till.

B. The employee is given the opportunity to count their own cash and to initial the checker accountability readings at the beginning and close of the work day, to count all pickups and receive a receipt, and review their final balance report (if requested).

C. Only one employee shall be permitted to ring up on the cash drawer for which the clerk is responsible.

D. The employee has failed to secure the register when it is not in use.

19.4. All privileges not covered shall continue as before and shall not be eliminated by virtue of the signing of this Agreement.

19.5. Time clocks and time recording devices will be provided in all stores.

A. The employer and the Union agree that all employees must punch their time card and that a proven violation of established time clock rules, including working before punching in or after punching out, may subject such an employee to disciplinary action up to and including discharge.

B. Furthermore, all time during which an employee is suffered or permitted to work or is required to be on duty or on the Employer's premises or at a given work place shall be considered hours worked, and recorded on the time cards.

19.6 If a physical examination or health permit is required by the Employer or Local Government, the cost of the examination or permit shall be borne by the Employer.

19.7 No employee shall be required to take a polygraph test (lie detector) or any other similar examination.

19.8 A. Should the Employer intend to substitute scanning checkout systems for existing equipment in any store, the Employer agrees to notify the Union in advance and to provide the Union with a list of all employees regularly assigned to the store on the effective date of the utilization of said system.

B. Said employees shall not be removed from the Employer's payroll as a result of the installation of such a system. Employees may continue to be transferred, assigned to other work, or laid off in accordance with the seniority provisions of this Agreement provided the layoff is for reasons other than the installation of such a system.

19.9 During the term of this Agreement special addendums may be added to address non-profitable and experimental stores.

19.10 Coffee Bar Staffing: In order to implement and develop new full service Coffee Bars, non-checker qualified clerks may be assigned to the coffee bar and

will not be subject to bumping by checker qualified clerks for the purpose of maximizing hours or preferred schedules provided they are assigned to work exclusively in that department.

By mutual agreement the parties may extend the terms above to other newly created service departments.

## **ARTICLE 20 HIRING EMPLOYEES**

20.1 Employer may hire employees from any source. Employees with individual recall rights shall have first preference. Union has right to refer applicants, who shall not be rejected by the employer for arbitrary or capricious reasons.

20.2 The first sixty (60) days of employment shall be considered a probationary period. Employer may discipline or terminate any employee for any reason whatsoever within the first sixty (60) days of employment and there shall be no right of appeal.

20.3 The parties agree that there may be circumstances where applicants with similar prior experience in the area supermarket industry may need to be hired in classifications and/or wage/fringe benefits levels other than available new hires. The Employer and the Union will agree on any intent to implement this section, and such agreement will be reduced to writing and maintained in the Employee's file.

20.4 In the event marketplace conditions, competition, and/or state or federal minimum wage provisions should change during the term of this Agreement, the parties may agree to a modification in the wage rates. Such changes or modifications will be in writing and approved by the Executive Board of the Union.

20.5 All employees hired after ratification of this Agreement shall be given credit for previous similar supermarket retail food store experience acquired within four (4) years of the time in which application for employment is made, provided this experience is declared at the time of application for employment is made. However, the basic rate of pay as determined by the application of this clause shall not exceed the maximum rate of pay, which was paid in acquiring the previous experience.

## **Article 21 Union Stewards, Enforcement of Standards**

21.1 The Union will use its best efforts to secure as stewards a high caliber of

employee, who shall be required to conform to the standards and qualifications required by the Union and the Employer. Union Stewards shall be the last to be laid off within their full or part time classification if reasonably able to perform the work.

21.2 The Union shall furnish the Employer with a complete list of the stewards, which list shall be supplemented from time to time as necessary.

21.3 The Union shall do everything within its power to enforce the rules and regulations of the Employer and through advice, instructions and example to maintain the highest standard of work.

21.4 The Union shall furnish to the Employer at least one (1) official Union Emblem for each of the Employer's stores covered by the Agreement, to be displayed in the customer area of the premises. Such official emblems shall remain the property of and shall be surrendered to the Union on demand.

21.5 The stewards or other individual employees covered hereby shall not be considered agents of the Union for the purpose of calling strikes or slowdowns.

21.6 No transfers will be made without the consent of the Union, which shall not be withheld for arbitrary or capricious reasons.

21.7 Full time shop stewards shall be entitled to thirty-two (32) hours of leave and part time shop stewards to sixteen (16) hours of leave in each calendar year with pay for Shop Steward Training and Education. The Union will give the Employer two (2) weeks advance notice. The Shop Steward must upon returning from the leave present the Store Director with written evidence from the Union that the Steward has used the leave for the purpose for which it was intended.

21.8 Any person designated as a steward by the Union shall receive any and all rights, benefits, duties and privileges of such position and the Union agrees not to designate more than one (1) person per store unless such store is regularly open twelve (12) or more hours per day where the limit will be two (2) persons, one of which shall be part time (or alternate).

21.9 In addition to the other benefits for stewards, e.g. 32 hours yearly paid training for full time and 16 hours for part time, they shall have in order to ensure continuous enforcement of this Agreement, super-seniority for layoffs, vacation schedules and shifts, provided in the latter instance, it shall be applied only where mutually agreeable to Employer, based upon the qualifications and availability of such steward.

**ARTICLE 22  
HEALTH AND WELFARE**

22.1 During the term of this Agreement the Employer agrees to contribute to the United Food and Commercial Workers Local 1776 and Participating Employers Health and Welfare Fund. A summary of Plans J, I, II, III, and IV is located in Exhibit 4.

22.2 Effective May 1, 2005 the rates of contributions shall be for Part Time employees hired prior to January 23, 2000 and all Customer Service Attendants and Full Time employees:

**A. Philadelphia Division**

<u>Plan</u>	<u>Eligibility</u>	<u>Rate of Contribution</u>
<b>Part Time</b>		
Plan I	6 Months through 2 Years	\$176.32
Plan II After	2 Years Service	\$818.02
<b>Full Time</b>		
Plan III	6 Months through 4 Years of Full Time Service	\$1150.91
Plan IV	After 4 Years Full Time Service	\$1201.88
<b>Customer Service Attendants</b>		
Plan J	After 6 Months Service	83.15

**B. Allentown/Reading Division**

<u>Plan</u>	<u>Eligibility</u>	<u>Rate of Contribution</u>
<b>Part Time</b>		
Plan I	6 Months through 2 Years	\$176.32
Plan II	After 2 Years Service	\$676.91
<b>Full Time</b>		
Plan III	6 Months through 4 Years of Full Time Service	\$1150.91
Plan IV	After 4 Years Full Time Service	\$942.77
<b>Customer Service Attendants</b>		
Plan J	After 6 Months Service	\$83.15

CSA's promoted to the Clerk classification shall receive credit for the Clerk contribution based on their original hire date.

C. (1) Effective 1/1/06 modify Employer contribution rates as follows:

	For Employees hired <u>After 1/23/00 thru 12/3/05</u>	For Employees <u>hired after 12/3/05</u>
After 6 months	\$135.29	\$117.25
After 18 months	\$270.57	\$234.49
After 30 months	\$473.49	\$410.35
After 42 months	\$595.25	\$515.88
After 48 months	\$642.60	\$556.92

Employee Payments	<u>Single</u>	<u>Family</u>
After 6 months	\$80.00	\$150.00
After 18 months	\$50.00	\$120.00
After 30 months	\$25.00	\$80.00
After 42 months	\$15.00	\$50.00
After 48 months	none	none

(2) Maintenance of Benefits increase shall be applied only to the Employer contributions each May 1st.

(3) The Employer agrees to weekly payroll deduction of premium co-payments for part time employees hired on or after 01/23/00.

(4) All Employees hired on or after 01/23/00 will receive Plan II at forty-eight (48) months, and there will be no requirement as of forty-eight (48) months for employee premium co-payments. (Exhibit 4).

(5) Benefits for employees hired after 01/23/00 will be provided as described in the attached memo from AON dated 10/14/99.

(6) Benefit schedules will remain the same unless the parties mutually agree to modify plans and/or eligibility.

D. The terms of the Agreement of the parties identified as UFCW Local 1776 and Contributing Employers Health and Welfare Fund and Acme Markets executed on February 8, 2002 is incorporated as if fully set forth herein, including but

not limited to, the annual 10% cap on MOB rates effective on May 1st of each year. In accordance with the 2/8/02 M.O.B. agreement the employer will increase contributions by up to ten (10%) each May first of this agreement. The supplemental reserve contribution provision of the 2/8/02 agreement will be waived for the term of this Collective Bargaining Agreement.

E. Effective 10/1/05 the current Personal Choice plans provided in Plans II, III and IV will be changed to "Personal Choice C1-F1-01". A summary of this plan is contained in Exhibit 5 of this Agreement.

F. During negotiation for this Successor Agreement the parties have discussed cost containment initiatives including but not limited to the following:

1. Prescription plan formulary
2. Spouse and dependent coverage for part time employees hired after a certain date being considered supplemental by making the Dual Income Option mandatory if other benefit coverage is available.
3. Expanding the Choice Plan
4. Establishing Health Care spending or reimbursement accounts
5. The parties agree to continue discussions relevant to establishing and transitioning to a defined contribution retiree health & welfare plan (DCR plan) for certain current and future full time employees.

If mutually agreed to by the bargaining parties these and other cost containment issues may be implemented in order to ensure the integrity of the plan on behalf of the Members.

G. Health and Welfare Fund Eligibility - the following provisions will become effective 1/1/06:

In order to be eligible for benefits, full time employees must work or be paid for and average of 120 hours per month in any rolling two month period. Part time employees must work or be paid for an average of 56 hours per month in any rolling two month period. The parties agree to the terms of the memo in addendum I of this agreement regarding administration of this section.

22.3 The parties agree to revise the current maintenance of benefits ("MOB") memorandum of agreement to provide that Acme shall increase contributions to the Fund to maintain the current level of benefits and to maintain a minimum fund reserve which shall be at least four months of operating expenses for the Fund. Such contribution increases shall be determined by the Fund actuary. Furthermore this will include the terms of the Independence Blue Cross and Pennsylvania Blue

Shield (IBS-PSB) contract approved by the fund trustees on October 30, 1995 in respect to the medical portion of the maintenance of benefits costs.

22.4 Beginning with the M.O.B. increase of 05/01/01, any unused M.O.B. increase percentage may be rolled forward on a cumulative basis and used in future years in addition to the maximum M.O.B. for that particular year provided the M.O.B. increase in any given year does not exceed twelve (12%) percent.

22.5 Contributions for part time employees upgraded to full time will be required the first of the month following upgrading. For newly hired full time employees contributions will be required the first of the month following completion of six (6) months of service. Contributions for part time employees and baggers will be required the first of the month following completion of six (6) months of continuous service. Employees will be eligible for contributions if they have actual hours worked during the previous month. Hours worked shall include time paid for reasons such as vacation, personal holiday, funeral and jury leave.

22.6 The Plan shall conform to the legal requirements of the law, both State and Federal. It shall include coverage under New Jersey Temporary Disability Law.

22.7 The Health and Welfare Fund and Plan shall be governed by a Board of Trustees consisting of equal numbers from the employers and the Unions.

22.8 An eligible full time employee who is reduced to part time status shall continue to receive Health and Welfare Benefits for a period of six (6) months following his reduction in status.

22.9 In the event any benefits provided by the contribution required under the terms of this Article are at any time in the future provided in full or in part, individually or collectively, by any other source as a result of Federal or other legislation, the contribution applicable to the benefit provided by such legislation shall be applied, commencing with the effective date of such legislation in the following manner:

A. **First:** In the case of Employers who do not also participate in the United Food and Commercial Workers Union and Participating Food Industry Employers Tri State Pension Fund, contributions applicable to the benefit replaced by legislation shall be applied to offset any operating deficit in the Welfare Fund or, if no deficit then exists, to increase the reserves of the Welfare Fund.

B. **Second:** In the case of Employers who participate in the United Food and Commercial Workers Union and Participating Food Industry Employers Tri State Pension Fund, contributions applicable to the benefits replaced by legislation shall be applied to offset any operating deficit in the Welfare Fund and if any of

such amounts so released are not required to offset the operating deficit of the Welfare Fund, the remainder shall be added to then current Pension contribution rate to accelerate the payments of Past Service Costs.

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

22.11 It is understood that the parties agreeing to the provisions of this Article - Health and Welfare - have waived any option with regard to HMO consideration.

22.12 The parties have agreed to the Flexible Benefits Plan and the 401(k) Savings and Retirement Plan as provided in the attached Amendment to the Collective Bargaining Agreement.

## **ARTICLE 23 PENSION PROVISIONS**

23.1 The Employer shall contribute to the United Food and Commercial Workers and Participating Food Industry Employers Tri State Pension Fund for eligible employees in accordance with Appendix "E" of the Fund, as follows. Employees will be eligible for contributions if they have actual hours worked during the previous month, hours worked shall include time paid for vacations, personal holiday, funeral and jury leave.

**A. Full Time Employees.** First of the month following completion of ninety (90) Days of continuous full time service. There shall be no more than twelve such monthly contributions during any twelve consecutive calendar months.

90 Days to 4 Years	\$ 125.00
4 Years to 10 Years	\$ 188.00
Over 10 Years	\$ 214.00

**B. Part Time Employees.** First of the month following completion of ninety (90) days of continuous service. For C.S.A's/Baggers the first of the month following completion of six (6) months of continuous service. There shall be no more than twelve such monthly contributions during any twelve consecutive calendar months.

90 Days (or 6 Months for CSA's) to 4 Years	\$ 15.00
4 Years to 10 Years	\$ 47.00
Over 10 Years	\$ 59.00

A summary of the Pension Plan may be found in Exhibit 5.

C. Baggers promoted to the Clerk classification shall receive credit for the Clerk contribution based on their original hire date.

23.2 For purposes of this paragraph a full time employee is defined as an employee who is regularly and continuously scheduled to work a forty (40) hour week.

23.3 It is further understood and agreed that the Pension Plan as amended shall be considered as Appendix I of the Agreement and Declaration of Trust.

23.4 The industry wide Pension Plan as adopted must have the continuing approval of the Internal Revenue Service as an exempt plan.

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

23.6 The parties agree to modify paragraph 1 of Exhibit 6 of the current Agreement in accordance with the 12/18/03 resolution of the Pension trustees and the 6/17/04 Cheiron letter which are contained in attachments A and B, of this agreement. These terms may be further modified by mutual agreement of the bargaining parties.

## **ARTICLE 24 STORE CLOSING**

24.1 Employer shall give the Union twenty (20) days advance written notice when it intends to close permanently or dispose of any store or group of stores, except where a closed store will be replaced.

24.2 The parties agree to meet as soon as possible to negotiate the effect of the store(s) closing on employees.

24.3 If the Employer fails to give notice, all affected employees shall be paid their regular weekly pay for the period between the notice and the twenty (20) days before the closing. Also appropriate monthly contributions will be made to the Health and Welfare and Pension Funds for the same period.

24.4 The Union agrees to maintain this information as confidential. It will only be used for purposes of negotiations and any assistance given to the affected employees.

**ARTICLE 25**  
**NO STRIKES, NO LOCKOUTS**

25.1 The parties agree that there shall be no authorized strikes, stoppages of work, slowdowns, lockout or any other interferences of whatever nature during the life of this Agreement.

25.2 Nothing herein contained, however, shall compel any employee to walk through a picket line set up by Philadelphia Teamsters Locals Nos. 500, 169, Bakery, Confectionery and Tobacco Workers Locals No. 6 and United Food and Commercial Workers Union Locals No. 56, 27(1349), 1358 and 1360; provided said strike has received written approval of the International Unions affiliated with the Local Unions indicated above.

25.3 In the event of a threat of, preparation for, or the actuality of an unauthorized work stoppage, walk out or strike, the Union and all of its officials will take every reasonable action to prevent and to stop such proceedings by any of its members.

**ARTICLE 26**  
**SEPARABILITY**

26.1 Should any article,, part or paragraph of this Agreement be declared by a Federal or State Court of competent and final jurisdiction in the premises to be unlawful, invalid, ineffective or unenforceable, said Article, part or paragraph shall not affect the validity and enforceability of any other Article, part or paragraph hereof, and the remainder of the Agreement shall continue in full force and effect.

**ARTICLE 27**  
**JOB SECURITY**

27.1 Philadelphia Division employees with four (4) or more years of service hired prior to March 3, 1997, calculated each year from their anniversary date of employment, shall not be laid off or reduced from full to part time for the duration of this Agreement provided that:

A. The employee is qualified and continuously available to perform the available work consistent with the provisions of Article 8 - Seniority.

B. This provision will not be valid in unusual situations beyond the employer's

control, such as fire, flood or a catastrophe affecting several of the employer's facilities. Store closings for business reasons shall not be construed as a catastrophe.

C. Neither shall this provision apply in case of a strike against the Employer in the area covered by Article 25 of this Agreement. In case of a strike by one or more U.F.C.W. Local Unions in this jurisdiction this provision will not apply for the duration of the strike.

D. If the number of stores covered by this Agreement at the time of its ratification is reduced by any means by more than 50% or more, this no lay-off provision shall have no force and effect. Any full-time employees reduced to part-time shall be guaranteed the maximum part-time employment of 35 hours per week.

27.2 First right of offer language in event of a sale of Acme Markets consistent with discussion by the parties relating to notification and confidentiality.

27.3 Effective 1/1/2006 a minimum of 24% full-time employment shall be maintained and effective 1/1/2007, a minimum of 23% full-time employment shall be maintained. The specified reductions in the minimum full-time percentage may only be achieved through attrition, and thus under no circumstances may they be achieved through any type of forced reduction or layoff of personnel.

## **ARTICLE 28 LANGUAGE SIMPLIFICATION**

28.1 In accordance with the intent of the parties to reduce formalities, the language of this Collective Bargaining Agreement has been simplified. This simplification, however, was undertaken for the purposes of making the Agreement more easily read and understandable, and was not intended to change the meaning of the language. Therefore, with the exception of that language which was changed as a result of newly negotiated terms, which shall be interpreted as stated, where a dispute arises over otherwise simplified language, the language set forth in the replaced agreement may be referred to for purposes of interpretation.

## **ARTICLE 29 HOUSING TRUST FUND**

29.1 Effective February 1, 1997, the Employer agrees to contribute one dollar (\$1.00) per Full time employee and fifty cents (\$.50) per Part time employee per month to the U.F.C.W. Local 1776 Housing Trust Fund.

**ARTICLE 30**  
**DURATION OF AGREEMENT**

30.1 This Agreement shall be effective from **February 6, 2005** and shall continue in full force and effect through **February 2, 2008** and shall continue from year to year thereafter unless or until either party serves notice, in writing at least sixty (60) days prior to the expiration of the original or any subsequent period of a desire to change, modify or terminate this Agreement. In the event either party serves notice with respect to changes in or modification or termination of the Agreement, it is agreed that the parties shall begin negotiations promptly. Pending the outcome of such negotiations, this Agreement shall continue in full force and effect beyond the expiration date, subject, however to the right of either party to terminate the entire Agreement upon at least seven (7) days' prior written notice to the other party.

AGREED TO THIS 8TH DAY OF DECEMBER 2005.

ACME MARKETS, INC.:

U.F.C.W. LOCAL 1776:

\_\_\_\_\_  
John Calleri, Vice President  
Labor Relations and Employment Law

\_\_\_\_\_  
Wendell W. Young, IV  
President

\_\_\_\_\_  
Michele Kessler  
Secretary-Treasurer

\_\_\_\_\_  
Nicholas J. Farina  
Executive Vice President

The above terms are subject to ratification by the bargaining unit members.

For UFCW Local 1776:

For Albertson's/Acme:

~~Donald W. [unclear] 12/15/05~~ John Collins <sup>12/15/05</sup>  
Myranda [unclear] Robertson  
Carlos M. Douglas  
Roberto Spada  
Walter [unclear]  
Charles B. Young  
Patricia Jones  
Samuel [unclear]  
Raymond [unclear]  
John [unclear]  
C. [unclear]  
William B. [unclear]  
[unclear]  
[unclear]  
Cal [unclear]  
Robert C. [unclear]  
[unclear]  
[unclear]

## EXHIBIT 1 - ADDENDUM

United Food and Commercial Workers Local No. 1776 affiliated with the United Food and Commercial Workers International Union, AFL-CIO.

The undersigned Employer hereby agrees that if it or any of its subsidiaries owns or operates any food store (like Plus), non- food department stores (like K-Mart), or convenience stores in the jurisdictional area of the Union, it will recognize the Union as collective bargaining agent for all employees in said store, provided, however, that the employees to be included in the unit and the terms and conditions of employment to be applied to such employees shall be only such as may be expressly agreed upon between the Employer and the Union. It is agreed that such agreement shall be based upon the competitive wages and benefits being paid for comparable stores in the jurisdictional area of the Union.

It is understood that if the parties are unable to reach agreements as to any matters as to which agreement is required by this letter, the Union may strike or picket only the specific food store (like Plus), non food store department store (like K-Mart) or convenience store involved but may not engage in any strike or picketing of or engage in any interference whatsoever with any other stores, operating facilities or establishments of the employer or any of its subsidiaries.

The terms of this letter constitute a separate and distinct side agreement between the parties and shall not in any way be subject to arbitration.

This letter shall not apply to any food store (like Plus), non-food department store (like K-Mart) or convenience stores whose employees are represented by other Unions at the time such specified operation is acquired.

Very truly yours,  
Acme Markets, Inc.

## **EXHIBIT 2 - ADDENDUM**

### **ARTICLE 3 - Recognition and Jurisdiction**

A. Representatives of Acme Markets, Inc. and Local No. 1776 have met and will continue to meet on a regular basis, as circumstances require, to discuss competitive differences in language and administrative practices affecting the clerks work clause in other collective bargaining agreements.

The Union shall not arbitrarily or capriciously withhold relief from this Agreement and the Employer may grieve any adverse decision in this area.

B. If a shop steward or union representative finds a salesman stocking or pricing merchandise or performing any other clerks' work that is not an exception provided by the clerks work clause relief, Local 1776 will immediately send a letter to the Employer setting forth the particular specified incident. The Employer at its option may request a meeting with a union representative on the alleged violation. If this alleged violation is substantiated by the facts, then the Employer will acknowledge the Union's letter as a formal warning.

Should a shop steward or union representative find a salesman stocking or pricing merchandise or performing any other clerks' work within six (6) months from the date of the warning letter citing the original violation, then Local 1776 will seek compensation time to be paid to members of the bargaining unit.

#### **For Philadelphia Division Only:**

#### **RULES GOVERNING CLERKS' WORK CLAUSE RELIEF**

##### **BEVERAGE**

Pepsi Cola, 7-Up, Franks, Coca Cola, Canada Dry, A-Treat

##### **BREADS AND CAKES**

Amoroso, Tasty-Kake, Wonder Bread, Schmidts, Entenmanns  
Hostess, Mrs. Fly's, Drakes, Stroehmann,  
Arnolds, Pepperidge Farms, Thomas English Muffins

##### **RACK JOBBERS**

Leggs, Greeting Cards, Book & Magazines Distributors,  
Shoes, Soft Goods, Ethnic HABA (in stores where serviced)

**COOKIES**

Nabisco, Keebler, Sunshine, Pepperidge Farms, Archway,  
Stella D'Ora

**SNACKS**

Frito-Lays, Herrs, Snyders, Groffs, Utz, Gibbles,  
Wise, Bachman

**MISCELLANEOUS SALESMAN**

Goya - Special ethnic products that are only distributed  
in certain stores.

**OTHER** - only those products previously processed by Zukerman

Passover displays and merchandise (both holiday displays and in the aisles)

No salesman may work putting up any dairy or frozen food products  
whatsoever.

## EXHIBIT 3 - MISCELLANEOUS AGREEMENTS

### 1. CONSECUTIVE NIGHTS OFF GUARANTEE

The Company and the Union agree to resolve this issue consistent with the terms and intent of Article 9.4 Paragraph D, of the current agreement as per our discussions in negotiations concerning the Company's desire to meet the needs of the business, and deal with warehouse in transition.

The Company also agrees to maintain a certain percentage of schedules with the consecutive nights off.

### 2. PRODUCTIVITY

The Union and Company agree that bargaining committees will continue to meet to establish store wide productivity goals involving ergonomics, buy union, job training, and thresholds for incentives.

### 3. JOB TRAINING

The Company and the Union recognize the need for education and training. It will be the purpose of this plan to train new employees through scheduled practical and related classroom assignments to qualify them to fill clerk and department head positions. And thus, to provide the Company with the skilled employees and to foster standards for training of future clerks.

In order to foster sound standards for training, all courses will continue to contain practical and classroom instructions necessary to provide fully qualified skilled employees.

The parties within thirty (30) days following the effective date of this agreement shall establish a job training opportunities committee. This committee will consist of two (2) members appointed by the Union and two (2) members appointed by the Company.

The purpose of the committee will be to provide opportunity for employees to gain entry level and additional employment skills. It shall establish a program to meet this purpose subject to the final approval of both parties.

#### Method to establish an education and training fund

Preamble

Purpose of Intent  
Definition of Terms  
Qualification of Enrollment  
Administration of Courses  
Financing  
Progress Review  
Eligibility  
Extent of Instruction  
Certification  
Requirement and availability of courses

4. New Full Time Position: The parties agree to continue discussions relevant to the development of a new full time classification. In the event an agreement is reached the parties are authorized to implement such a position.

5. Integrated Disability - Workers' Compensation Management: The parties have discussed the costs associated with the Disability and Workers' Compensation benefits and have agreed to continue these discussions in an effort to reduce costs. The parties are authorized to implement an integrated disability management program if mutually agreeable.

**EXHIBIT 4 - BENEFITS AT A GLANCE\***  
 For Employees hired prior to January 23, 2000

<b>PLAN J (Part Time) C.S.A.'s/ Baggers after 6 Months</b>	<b>PLAN II (Part Time) Clerks after 2 years</b>	<b>PLAN III (Full Time) First 4 Years</b>	<b>PLAN IV (Full Time) After 4 Years</b>
Dental	Personal Choice C1-F1-O1	Personal Choice C1-F1-O1	Personal Choice C1-F1-O1
Vision Care	Dental	Employee/Member Assistance	Employee/Member Assistance
Allergy Testing	Vision Care	Dental	Dental
Physical Well Being	Employee/Member Assistance	Prescription Benefits	Prescription Benefits
	Prescription Benefits	Vision Care	Vision Care
	Child Care	Disability (Weekly Accident and Sickness)	Disability (Weekly Accident and Sickness)
	Educational Benefit Program	Life Insurance	Life Insurance
	Disability (Weekly Accident and Sickness)	Accidental Death & Dismemberment	Accidental Death & Dismemberment
	Legal Service	Child Care Assistance	Child Care Assistance
	Life Insurance	Legal Service	Legal Service
	Accidental Death & Dismemberment	Physical Well Being	Physical Well Being
	Physical Well Being	Educational Benefit Program	Educational Benefit Program

\*The above is a summary of benefits. For details refer to your summary plan description or contact the Health and Welfare Fund office at 1-800-458-8618 or (610) 941-9400.

## BENEFITS AT A GLANCE\*

For Employees hired on or after January 23, 2000  
through December 2, 2005

Length of Service	Benefits	Employee Contribution	Employer Contribution 5/1/06
0 through 6 months	None	None	None
6 through 9 months	None	None	\$148.82/month
9 through 17 months	Education, Childcare, Physical Well Being KPOS C2-F1-01	None Single \$80/month; Family \$150/month	\$148.82/month
18 through 29 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being KPOS C2-F1-01 and Prescription	None Single \$50/month; Family \$120/month	\$297.63/month
30 through 41 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being. KPOS C2-F1-01 and Prescription	None Single \$25/month; Family \$80/month	\$520.84/month
42 through 47 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being KPOS C2-F1-01 and Prescription	None Single \$15/month; Family \$50/month	\$654.77 /month
48 months and more	KPOS C2-F1-01 and Prescription, Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being	None	\$706.86/month
60 months	Personal Choice C2-F1-01 and Prescription, Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being	None	\$706.87/month

Employee contributions remain unchanged. M.O.B. increases will only apply to Employer contributions.

NOTE: The above is a summary of benefits. For details refer to your summary plan description or contact the Health and Welfare Fund office at 1-800-458-8618 or (610) 941-9400.

## BENEFITS AT A GLANCE\*

For Employees hired on or after December 3, 2005

Length of Service	Benefits	Employee Contribution	Employer Contribution 5/1/06
0 through 6 months	None	None	None
6 through 9 months	None	None	\$128.97/month
9 through 17 months	Education, Childcare, Physical Well Being KPOS C2-F1-01	None Single \$80/month; Family \$150/month	\$128.97/month
18 through 29 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being KPOS C2-F1-01 and Prescription	None Single \$50/month; Family \$120/month	\$257.94/month
30 through 41 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being. KPOS C2-F1-01 and Prescription	None Single \$25/month; Family \$80/month	\$451.38/month
42 through 47 months	Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being KPOS C2-F1-01 and Prescription	None Single \$15/month; Family \$50/month	\$567.47 /month
48 months and more	KPOS C2-F1-01 and Prescription, Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being	None	\$612.61/month
60 months	Personal Choice C2-F1-01 and Prescription, Member Assistance, Dental, Vision, Disability, Life Insurance, AD&D Insurance, Legal, Education, Childcare, Physical Well Being	None	\$612.62/month

Employee contributions remain unchanged. M.O.B. increases will only apply to Employer contributions.

NOTE: The above is a summary of benefits. For details refer to your summary plan description or contact the Health and Welfare Fund office at 1-800-458-8618 or (610) 941-9400.

**EXHIBIT 5**

UFCW LOCAL 1776 PARTICIPATING EMPLOYERS HEALTH WELFARE FUND

NEW MEDICAL PLAN EFFECTIVE OCTOBER 1, 2005

Services Covered	New Plan	
	In-Network	Out of Network
<b>Services Covered</b>	Personal Choice C1-F1-01	
<b>INPATIENT SERVICES</b>		
1. Hospital Inpatient Services	100% - unlimited days	70% after ded (70 days)
<b>OUTPATIENT SERVICES</b>		
2. Diagnostic lab. & pathology	100%	70% after ded
3. Surgery - Same Day SFU	100%	70% after ded
4. Outpatient Private Duty Nursing (850 hrs/yr)	80%	70% after ded
5. Radiology (Diagnostic, MRI, CAT Scans, etc.)	\$20 copay (routine), \$40 (MRI, CAT scan, etc.)	70% after ded
<b>EMERGENCY ROOM</b>		
6. Emergency Room Visits	\$100 copay - NOT waived if admitted	\$100 copay - NOT waived if admitted
<b>PREVENTIVE CARE</b>		
7. Visits to Family/Primary Care Dr. (PCP)	\$10/visit	70% after ded
8. Visits to Specialty Dr.	\$20/visit	70% after ded
9. Mammogram - 1/yr any age	100%	70% no ded
10. Routine Gyn Exam - 1/yr any age	\$10 copay	70% no ded
11. Routine Adult Preventive Care	\$10/visit	70% after ded
12. Children's immunizations (to age 17)	100%	70% no ded
13. Well Child Care (to age 17)	\$10/visit	70% no ded
<b>THERAPY</b>		
14. Chemo, Radiation and Renal Dialysis	100%	70% after ded
15. Occupational & Physical	\$20/visit 20 visits/yr combined	70% after ded
16. Speech	\$20/visit 20 visits/yr	70% after ded
17. Cardiac - 36 visits/yr	\$20/visit 36 visits/yr	70% after ded
18. Pulmonary	\$20/visit 20 visits/yr	70% after ded
19. Chiropractic Services	100% - end with office visit	70% after ded
20. Standard Injections	\$50 copay	70% after ded
21. Biotech/Specialty Injections		
<b>MISCELLANEOUS</b>		
22. Skilled Nursing Facility - 120 days/yr	100%	70% after ded
23. Hospice Care	100%	70% after ded
24. Home Health Care	100%	70% after ded
25. Durable Medical Equipment & Prosthetics	70%	50% after ded (\$2,000/yr max)
26. Dependent Coverage After Age 19		You to 24 - if a certified full-time student ****
<b>DEDUCTIBLES, LIFETIME MAX, ETC.</b>		
27. Annual Deductible	None	\$5001.500
28. Annual Out-of-Pocket \$ Max	None	\$3,000.000
29. Lifetime \$ Max/Person	Unlimited	\$1 million

\*\*\*\* FULLTIME EMPLOYEES ONLY - PARTTIME EMPLOYEES DEPENDENT COVERAGE TO AGE 19

## EXHIBIT 6 - PENSION IMPROVEMENTS\*

**The following benefit improvements will be implemented effective 1/1/2002:**

- increase pre-94 multiplier for full-time service by 6-2/3% from \$30 to \$32;
- increase pre-94 multiplier for part-time service by 12.5% from \$16 to \$18;
- increase post-1993 multipliers for members with between 10-20 years of service by 12.5% from \$40 to \$45 for full-time service and \$20 to \$22.50 for part-time service; and
- increase the post-1993 benefit for members with between 20-30 years of service by 11.1% from \$45 to \$50 for full-time service, and \$22.50 to \$25 for part-time service.

2. If, during the term of the collective-bargaining agreement, the actuary to the UFCW Tri-State Pension Plan determines that the plan's funding period is 10 years or less, the parties will implement benefit improvements to the Plan that would extend the funding period to 15- years. Unless otherwise negotiated, one-half the value of the benefit improvement will be allocated to past service. For purposes of making the funding period determination, the actuary will rely on un-audited assets provided by the Plan's investment consultant and administrator, together with a roll-forward of liabilities from the most recent actuarial valuation.

3. During the 3-year period ending January 1, 1999, the Plan's average investment return has been 12.9% vs. the assumed rate of 8%. If, during the 3-year period January 1, 1999 through December 31, 2001, the plan were to experience the same average rate of return (12.9%), the fund would have approximately \$55 million of additional assets, which means that there would be no unfunded accrued liability. If, at that time, the trustees chose to extend the funding period to 15-years from that point forward, it could be possible to increase these benefits to the following levels:

• pre-1994 service:	full-time.....	\$38,	part-time.....	\$21
			<u>FT</u>	<u>PT</u>
• service from 1994 forward	0 to 10 years -	\$45.00		\$22.50
	10 to 20 years -	\$50.00		\$25.00
	20 to 30 years -	\$55.00		\$27.50
	30 years or more -	\$60.00		\$30.00

4. Acme Markets makes quarterly contributions to the Plan at the end of each quarter. Acme will take a contribution holiday for four quarters as follows:

- 4th quarter 1999      • 4th quarter 2000
- 1st quarter 2001     • 2nd quarter 2001

5. If in the three year period January 1, 2002 through December 31, 2004 the same assumptions set forth in 3 above for that period are met the parties agree to meet and discuss what if any changes can be made as a result of the attainment of those assumptions.

\*The above is a summary of benefits. For details refer to your summary plan description or contact the Pension Fund office 1-800-228-7484.

**EXHIBIT 7**  
**ALLENTOWN/READING -**  
**PHILADELPHIA CONSOLIDATION**

The parties agree to merge the Allentown/Reading bargaining unit with the Philadelphia bargaining unit in the following manner:

A. Following the merger, there will be one collective bargaining agreement covering the same geographic area that the two separate agreements represented prior to the consolidation.

B. Within the newly merged collective bargaining unit, there will be two separate divisions representing the formerly separate collective bargaining units. Divisions will continue to be referred to as the Philadelphia and the Allentown/Reading Divisions.

C. Those terms in the two current collective bargaining agreements that are identical will in effect be merged and applied to both divisions. Those current terms and practices in addition to newly negotiated terms contained herein that are not identical will continue to apply only to the respective divisions and not to the entire bargaining unit.

D. Seniority for all purposes will continue to be determined within two separate divisions, except as modified by this agreement in Section F.4 Seniority rights can only be exercised within the employees' respective divisions with the above exception.

E. Following the ratification of this Agreement and an early retirement option offering, the Acme may close a significant number of stores in the Allentown/Reading Division. In order to prevent a closure of all the Allentown/Reading Division stores, the parties have agreed to the following terms in order to create a labor mix that will provide an opportunity for the Allentown/Reading Division to be profitable.

F. 1. Minimum full time percentage - 25%

2. Twenty-four (24) month checker qualified line on the wage progression moved to thirty-six (36) months. Modify Article 14.3 as follows:

\*\*All clerks are entitled to progress to the 48 month rate. Those employees who are not checker qualified by 24 months of service will have their rate frozen at the 24 month rate. It is the Employer's responsibility to offer checker training and an opportunity to qualify prior to an employee reaching the 36 month of seniority. Those clerks who waive their right and/or fail to checker qualify will not progress past the 24 month rate. Employees who have attained a rate at or above \$7.25 per hour before the implementation of this agreement will not have their rate reduced or frozen as a result of this agreement. In accordance with past practice, employees who fail to checker qualify will be given additional opportunities on a reasonable basis.

3. Maximum fifteen percent (15%) of the store hours per store to consist of non-checker qualified clerks and C.S.A.'s.

4. Article 27 and Exhibit 3-Miscellaneous Agreements -Delete 1.A and B of the Allentown/Reading Division only.

5. Newly constructed store locations must be staffed by a minimum of 50% from existing bargaining unit employees including those on layoff and those employees in the "Philadelphia bump zone".

6. Replacement stores must be staffed by a minimum of 75% of employees from the existing bargaining unit including those on layoff and those employed in the in the "bump zone"

G. Allentown/Reading Division employees will have four (4) options offered other than involuntary layoff as the company reorganizes and eliminates a number of stores in the Allentown/Reading Division. The options are as follows:

1. Early retirement with benefit improvements - detailed in attached memo.

2. Exercise seniority and bumping rights within the Allentown/Reading Division which may result in transfers, involuntary layoffs, and / or demotions.

3. Volunteer to be laid off regardless of seniority with current contract recall rights.

4. Exercise bump rights into one of the thirteen (13) stores in the Philadelphia Division "bump zone".

a. The "bump zone" will consists of the following stores:

1594-Lansdale	1894-Exton
1784-Doylestown	1767-Thorndale
1774-Horsham	1660-Parksburg
1522-Warrington	1710-Ambler
1756-King of Prussia	1622-Dresher
1821-Phoenixville	1724-East-Norriton
1655-Collegeville	

b. Allentown/Reading employees may only bump part time Philadelphia Division employees with less than five (5) years of seniority at the time of the bump. A maximum of 60 Allentown/Reading employees may transfer into the Philadelphia Division in accordance with 4,a. above.

c. The status of Allentown/Reading employees who exercise their transfer rights into the Philadelphia "bump zone" will be that of part time employee temporarily transferred while working in the "bump zone". These employees will not be entitled to travel pay.

d. While working in the Philadelphia "bump zone", employees will be covered under all of the Allentown/Reading Division terms of the newly negotiated collective bargaining agreement.

e. While working in the Philadelphia "bump zone" Allentown/Reading Division employees will be guaranteed the minimum of 26 regular hours weekly regardless of seniority.

H. As new and replacement stores are opened in the Allentown/Reading Division, employees on involuntary layoff, voluntary layoff and employed within the "bump zone", will be offered recall to the Allentown/Reading Division in accordance with the recall and seniority rights under the contract.

For UFCW 1776

For Acme Markets Inc.

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**AMENDMENT TO THE  
COLLECTIVE BARGAINING AGREEMENT**

This Amendment to the collective bargaining agreement ("CBA") is made and entered into as of December 13, 2000, by and between ACME MARKETS, INC., (hereinafter referred to as "Employer"), and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1776 (hereinafter referred to as "Union"), affiliated with the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO. It is hereby agreed by and between the parties hereto, intending to be legally bound hereby, that:

1. The CBA shall be, and hereby is, amended to provide that the Employer shall make monthly contributions and provide remittance reports and such other information as may be requested to the UFCW Local 1776 and Participating Employers Flexible Benefits Plan ("Flexible Benefits Plan"), the UFCW Local 1776 and Participating Employers Retirement and Savings Plan (the "401(k) Plan") or the UFCW Local 1776 and Participating Employers Health and Welfare Fund ("Health and Welfare Fund"), as such contributions are required to be divided in accordance with the terms of the affected employee's election in accordance with the terms of the CBA, for so long as the Flexible Benefits Plan is in existence. In addition to the amounts payable to the Flexible Benefits Plan pursuant to employee elections, there shall be paid to such Plan an additional amount equal to eleven percent of the amounts elected to be contributed to the Paid Time-Off option and the Medical Spending Account option. From the contribution received in November, 2000, an amount equal to four dollars and sixty cents multiplied by the total number of employees with respect to whom a contribution is made under this Agreement shall be paid to the 401(k) Plan rather than to the Health and Welfare Fund. From the contributions received for December 31, 2000 through December 31, 2002, an amount equal to thirty-five cents multiplied by the total number of employees with respect to whom a contribution is made under this Agreement shall be paid to the 401(k) Plan rather than to the Health and Welfare Fund.

2. The Employer contributions to the Plans (not including the amount of any pre-tax elective deferrals made by employees) shall be in the same amounts as made, or required to be made, to the Health and Welfare Fund, and shall include any MOB adjustments as required by the CBA.

3. The Employer shall make contributions in the form of a single check, made payable to Healthcare Strategies, Inc. ("HSI") and it shall designate HSI as its agent with respect to the transmittal of contributions from the Employer to such Plans and, in the case of the Flexible Benefits Plan, with respect to the operation of such Plan. The Employer shall execute the Agency and Administrative Services Only Agreement with HSI.

4. The Employer shall withhold from employee wages on a pre-tax basis such monies as the employee elects or designates as voluntary salary deferrals to the 401(k) Plan.

5. The Employer agrees to comply with the provisions of the Flexible Benefits Plan and the 401(k) Plan and with the rules and regulations duly adopted by the Union and the Employer or the Boards of Trustees of the Health and Welfare Fund or the 401(k) Plan, as the case may be.

6. The Employer shall remit to the 401(k) Plan all such monies withheld from employees, pursuant to paragraph no. 4 above, along with a remittance report, within 15 days of the end of the month during which contributions were withheld or otherwise as required by law.

7. All other terms of the CBA, and any appendices thereto, shall remain in full force and effect.

8. If the Flexible Benefits Plan is terminated, or otherwise ends, the Employer's obligation to make monthly contributions to the Flexible Benefits Plan pursuant to this amendment and provide remittance reports shall automatically end, and the amounts otherwise payable to such Plan shall instead be paid to the Health and Welfare Fund.

9. In the case of contributions to the Flexible Benefits Plan which an employee elects to have credited to the Paid Time-Off option, the Employer shall reduce the total amount of the contributions to the Health and Welfare Fund by an amount equal to the tax liabilities with respect to the Paid Time-Off option and have such monies instead contributed to HSI as its agent for purposes of withholding, paying, and reporting such tax liabilities.

Agreed to and accepted by:

UNITED FOOD AND COMMERCIAL  
WORKERS, LOCAL 1776

ACME MARKETS, INC.

\_\_\_\_\_  
Wendell W. Young, IV

  
\_\_\_\_\_  
Michele A. Murphy

Effective Date: \_\_\_\_\_, 2000

Z:\My Documents\Fund\May2000CBA Amendmentfor401kPlanExpense.doc

**AGENCY AND ADMINISTRATIVE SERVICES  
ONLY AGREEMENT**

THIS AGREEMENT, made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2000 by and between HEALTHCARE STRATEGIES, INC., a Pennsylvania corporation with a registered office at 46 Tunbridge Road, Haverford, Pennsylvania 19041 (“HSI”) and \_\_\_\_\_ (the “Employer”).

WHEREAS, the Employer has determined to participate in the UFCW Local 1776 and Participating Employers Restated Flexible Benefits Plan (“Choice Plan”), a multiemployer cafeteria plan, offered to those of its employees (“Employees”) who participate in the UFCW Local 1776 and Participating Employers Health and Welfare Fund (the “Fund”);

WHEREAS, the Employer desires to engage the services of HSI as its agent in order to make the required allocations and payments of the Employer’s contributions with respect to the Choice Plan pursuant to (1) the terms of a collective bargaining agreement as amended on \_\_\_\_\_ by and between the Employer and United Food and Commercial Workers Union No. 1776, affiliated with the United Food and Commercial Workers International Union, affiliated with AFL-CIO (the “Union”), as it may be amended from time to time and any successor collective bargaining agreement thereto (the “Collective Bargaining Agreement”), and (2) the elections made by Employees under the Choice Plan for the various benefits offered thereunder;

WHEREAS, the Employer has requested that HSI receive its contributions made pursuant to the Collective Bargaining Agreement and pay such amounts to the UFCW Local 1776 and Participating Employers Retirement and Savings Plan (“401(k) Plan”), the Fund or the Choice Plan, as applicable; and

WHEREAS, HSI is willing to provide such services on behalf of the Employer.

NOW, THEREFORE, the parties hereto, in consideration of the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, each intending to be legally bound, do agree as follows:

1. The Employer’s Duties. Pursuant to the terms and conditions set forth in the Collective Bargaining Agreement concerning the Choice Plan, the 401(k) Plan and the Fund and the elections made under the Choice Plan by the Employees, the Employer

shall forward a check payable to "Healthcare Strategies, Inc. (or its designee) as Agent" in the amount required under the Collective Bargaining Agreement.

2. HSI's Duties. Promptly, upon receipt of each check from the Employer pursuant to Section 1 above, HSI shall allocate the amount paid in the Employer's check as follows:

(i) in accordance with Employees' elections under the Choice Plan, HSI shall remit a check to the 401(k) Plan in an amount equal to the aggregate sum allocated by Employees for such purpose, plus, an amount equal to the other monies the Employer has agreed to pay to the 401(k) Plan in the Collective Bargaining Agreement;

(ii) in accordance with Employees' elections under the Choice Plan, HSI shall remit a check to the Fund in an amount equal to the aggregate sum allocated by the Employees for medical coverage under the Fund (other than the UFCW Local 1776 and Participating Employers Restated Medical Expense Reimbursement Plan (the "MERP")), supplemental group-term life insurance coverage under the Fund and extended medical, dental, vision or prescription coverage under the Fund (the Extended Eligibility Bank);

(iii) in accordance with Employees' elections under the Choice Plan, HSI shall maintain and administer those amounts paid by the Employer equal to the aggregate sum ("Aggregate Sum") allocated by Employees to the Paid Time-Off Bank and the MERP under the Choice Plan together with an amount equal to (1) the Employer share of FICA taxes attributable thereto and (2) an amount equal to eleven percent of the Aggregate Sum; and

(iv) the balance of the check shall be paid to the Fund.

3. The Paid Time-Off Bank. HSI shall make payments to those Employees who elect the Paid Time-Off Bank option under the Choice Plan in accordance with the terms and conditions set forth in the Choice Plan. Amounts allocated to the Paid Time-Off Bank shall be held in a non-interest bearing escrow account in the name of HSI as an agent of the Employer. HSI may commingle contributions made by all Employers participating in this Plan, so long as separate records are maintained and assets of one Employer are not used for any other Employer. If the bargaining parties agreed that an amount equal to applicable taxes would be retained by HSI as Employer's agent, then HSI shall prepare Forms W-2 and other required reporting forms and either file the same together with applicable withholding tax on behalf of the Employer or at the written request of the Employer give such documents and the withholding amounts to the Employer for filing and payment. It is understood and agreed by the parties hereto that HSI is acting as an agent of the

Employer with respect to its holding of Employer contributions relating to the Paid Time-Off Bank and is merely responsible for the safekeeping of the Employer's contributions relating thereto and making payments of Time Paid-Off benefits to Employees in accordance with the Choice Plan. It is expressly agreed by the parties hereto that any disputes of fact or law in connection with the payment of benefits from the Paid Time-Off Bank shall be determined by the Union and the Employer pursuant to the Collective Bargaining Agreement.

4. The MERP. HSI shall make payments to those Employees who elect the MERP option under the Choice Plan in accordance with the terms and conditions set forth in the Choice Plan. Amounts allocated to the MERP shall be held in a non-interest bearing account in the name of HSI as agent for the Employer. HSI may commingle contributions made by all Employers participating in this Plan, so long as separate records are maintained and assets of one Employer are not used for any other Employer. It is understood and agreed by the parties hereto that HSI is acting as an agent of the Employer with respect to its holding of Employer contributions relating to the MERP and is merely responsible for the safekeeping of the Employer's contributions relating thereto and making payments of MERP benefits to Employees in accordance with the Choice Plan. It is expressly agreed by the parties hereto that any disputes of fact or law in connection with the payment of benefits from the MERP shall be determined by the Union and the Employer pursuant to the Collective Bargaining Agreement.

5. Terms. This Agreement shall be effective from \_\_\_\_\_ and shall end when the Collective Bargaining Agreement expires or is modified with respect to the operation of the Choice Plan or when the Union and the Employer otherwise agree to terminate the Choice Plan. This Agreement may be terminated for cause immediately by either party. For purposes of this Section 5, "cause" against HSI means (1) fraud, theft or embezzlement or gross negligence with respect to the handling of funds or (2) material continuing breach of this Agreement that is not cured after ten (10) business days' advance written notice, and "cause" against the Employer means failure of the Employer to pay amounts due to HSI hereunder after written notice of failure to remit same. Notice required under this Paragraph shall be sent by certified mail, return receipt requested or by United Parcel Service as follows:

If to HSI:

Healthcare Strategies, Inc.  
3031 Walton Road, Building B  
Norristown, Pa 19401  
Attention: Regina Reardon, Esquire

If to the Employer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With Copies to:

Wendell W. Young, III, Chairman  
UFCW Local 1776 and Participating Employers Health and Welfare Fund  
3031 Walton Road, Building A  
Norristown, PA 19401  
Michele Murphy, Secretary

UFCW Local 1776 and Participating Employers Health and Welfare Fund  
c/o Albertsons, Inc.  
General Offices  
250 Parkcenter Boulevard  
Boise, ID 83726

Upon receipt of written request from the Employer, HSI shall deliver to the Employer or its designee copies of all files prepared by or documents or other materials accumulated by HSI under this Agreement. The requirements of the previous sentence do not include HSI's corporate or business records, except to the extent that such records relate to this Agreement or to the business of the Employer or are required to be reviewed or audited under the rules or standards imposed by the American Institute of Certified Public Accountants for the audit of funds covered under ERISA.

6. Fiduciary Capacity. It is expressly understood by the parties hereto that in carrying out its administrative and agency duties hereunder that HSI is not acting as a "fiduciary" under the Choice Plan within the meaning of ERISA and is acting solely as an administrative services only provider.

7. Inspection and Removal of Records. It is understood that all records, accounts, checks, canceled checks, correspondence, files, forms, stationery, booklets and documents prepared by or accumulated by HSI under or relating to this Agreement including, but not limited to, records stored in a computer or on computer tapes and/or cards, are subject to audit by the Employer or the Union or their designees upon reasonable notice to HSI.

8. Indemnification and Hold Harmless.

(a) HSI shall indemnify and save harmless the Employer, its employees, agents and representatives against any claim or legal action for injunctive relief or damages of any type where such a claim or legal action arises as a result of acts or omissions of HSI, its directors, officers, employees, agents or representatives under the terms and conditions of this Agreement to the extent the Employer did not act or fail to act in a manner so as to contribute to such claim or damages. HSI shall maintain a policy of insurance sufficient to cover any indemnity obligations hereunder, as more fully set forth Paragraph (c) below.

The Employer shall promptly give HSI written notice of any claim that may involve HSI's indemnity obligations under this section. The determination of the action to be taken to defend or compromise any such claim, as well as selection of defense counsel, shall be in the sole discretion of HSI.

(b) The Employer shall indemnify and save harmless HSI, its directors, officers, employees, agents or representatives against any claim or legal action for injunctive relief or damages of any type where such a claim or legal action arises as a result of acts or omissions of the Employer under the terms and conditions of this Agreement. In the event any claim or legal action relates to continuation coverage under the Consolidated Omnibus Bud

(c) get Reconciliation Act of 1985 ("COBRA"), the Employer shall be liable if it failed to timely notify HSI of a "qualifying event" within the meaning of Section 4980B of the Code, or failed to provide to HSI accurate information concerning the Participant or an eligible dependent thereof and such failure in any way contributed to or caused the alleged COBRA violation.

HSI shall promptly give the Employer written notice of any claim that may involve the Employer's indemnity obligations under this section. The determination of the action to be taken to defend or compromise any such claim, as well as selection of defense counsel, shall be in the sole discretion of the Employer.

(d) HSI shall maintain during the term of the Agreement, and any extension thereof, errors and omissions insurance, and a fidelity bond in an amount sufficient to cover all funds handled by HSI pursuant to this Agreement.

9. Arbitration of Dispute. When a dispute arises between the parties over any matter arising under or related to this Agreement or the duties of the parties under it, either party may submit the dispute to final and binding arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association.

Each party shall pay one-half of the arbitrator's and American Arbitration Association's expenses, as well as its own costs, and each shall be responsible for its own attorneys', witness and expert fees.

10. Reimbursement for Costs. Any amounts forfeited by Participants under the MERP shall be used to defray direct costs incurred by HSI in administering the MERP and the Paid-Time Off option. To the extent the amount of the forfeitures exceeds such direct costs, the balance shall be paid per capita to each Eligible Employee who participated in the MERP during the Plan Year with respect to which the forfeitures arose.

11. Further Terms.

(a) HSI shall not assign all or any part of its duties under the Agreement without the prior written approval of the Employer, which consent shall not be unreasonably withheld.

(b) Nothing contained in this Agreement shall be construed as creating the relation of employer and employee between the parties, and HSI shall be deemed to be at all times an independent contractor of the Employer. HSI shall at all times disclose that it is an independent contractor of the Employer whose authority is expressed exclusively by this Agreement.

(c) The terms and provisions contained in this Agreement constitute the entire Agreement between the Employer and HSI. This Agreement supersedes all prior communications, representations or agreements, verbal or written, between the Employer and HSI with respect to the subject matter hereof.

(d) This Agreement may be modified or amended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

(e) All statements, representations, facts, figures, data and reports presented to any representatives of the Employer shall be prepared in accordance with applicable accounting, financial or other business or professional standards or procedures and shall be true and correct in all material respects.

(f) Nothing herein shall be construed so as to limit HSI's ability to engage in other business ventures, except as may be a violation of ERISA, professional ethics or standards or applicable state or federal law, provided that such ventures are disclosed to the Employer upon request.

12. Applicable Law. This Agreement shall be governed by applicable federal law and, where not preempted, by the law of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Employer and HSI have duly executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2000.

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

By: \_\_\_\_\_  
**HEALTHCARE STRATEGIES, INC.**  
Regina C. Reardon  
President

ATTACHMENT -A  
(Approved April 16, 2004)

UNITED FOOD AND COMMERCIAL WORKERS UNION  
AND PARTICIPATING FOOD INDUSTRY EMPLOYERS  
TRI-STATE PENSION FUND

MINUTES OF SPECIAL BOARD OF TRUSTEES MEETING  
DECEMBER 18, 2003

I. ROLL CALL

A Special Meeting of the Board of Trustees of the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Pension Fund was called to order at 6:40 p.m. by Acting Secretary John Calleri at the offices of Tri-State Administrators, Inc., Mount Laurel, New Jersey.

**Trustees present were:**

Nicholas Farina	-Union Trustee
Sam Ferraino	-Union Trustee
Brian String	-Union Trustee
Bernadette Williams	-Union Trustee
Wendell W. Young, IV	-Union Trustee
John Calleri	-Employer Trustee, Acting Secretary
Diane Hauser	-Employer Trustee
William Moss	-Employer Trustee
Joan Williams	-Employer Trustee
William G Young, Jr.	-Employer Trustee

**Also present were:**

Mark Belland, Esq.	-O'Brien, Belland, Bushinsky, Special Collections Counsel
Stuart Davidson, Esq.	-Willig, Williams & Davidson Co-Counsel to the Fund
Deborah Lerner, Esq.	-Willig, Williams & Davidson Co-Counsel to the Fund
Kim Gost, Esq.	-Morgan, Lewis & Bockius LP Co-Counsel to the Fund
Steven Spencer, Esq.	-Morgan, Lewis & Bockius LP Co-Counsel to the Fund
William Bishop	-The Savitz Organization, Inc. Fund Actuary
Frank M. Vaccaro	-Tri-State Administrators, Inc. Contract Administrator
Anne Karpin	-Tri-State Administrators, Inc.
Rosemary Milewski	-Tri-State Administrators, Inc.
John Rongione	-Tri-State Administrators, Inc.

**II. RESIGNATION OF TRUSTEES**

The Trustees reviewed letters of resignation as Trustee received from Carvel M. Mays, Jr. and Michele Murphy.

**UPON A MOTION DULY MADE, properly seconded and unanimously passed, the Board of Trustees accepted the resignations of Carvel M. Mays, Jr. and Michele Murphy as Trustees.**

**III. APPOINTMENT OF TRUSTEE**

The Trustees reviewed letters appointing Bernadette Williams and Joan Williams as Trustees.

**UPON A MOTION DULY MADE, properly seconded and unanimously passed, the Board of Trustees accepted the appointment of Bernadette Williams and Joan Williams as Trustees.**

**IV. BENEFIT, CONTRIBUTION AND MINIMUM FUNDING ISSUES**

Acting Chairman Calleri stated that after numerous Trustee discussions and caucuses, the following Resolution was ready to be presented for approval:

**RESOLUTION**

WHEREAS, Section 412(e) of the Code and Section 304(a) of ERISA provide that a plan sponsor may request and obtain approval for an extension of an amortization Period in accordance with Section 412(e) of the Code; and

WHEREAS, the Board of Trustees of the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Pension Fund (the "Fund") is the plan sponsor of the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Pension Plan (the "Plan"), and

WHEREAS, the Fund's actuary has calculated that an increase in employer contributions over that which are currently required by the employer's collective bargaining agreements over a period as approved by the Secretary of the Treasury (the "Additional Contribution Period") and reduction in benefit accruals will be necessary to obtain Section 412(e) relief

**NOW, THEREFORE, the Trustees agree as follows:**

1. Notwithstanding any prior actions, the benefit improvement scheduled to become effective January 1, 2004 will not be implemented because the Fund cannot afford to increase benefits at this time. The Trustees will extend the benefit window until March 31, 2004, after which the benefits previously available during the window will cease to be available, subject to paragraph four below.
2. The Fund's professionals are directed to take all necessary actions to file as soon as possible a request for an extension of the amortization period under Internal Revenue Code Section 412(e).

3. The Trustees shall meet in January 2004 to determine the increased contribution rates to be required from all contributing employers.
4. Before the Trustees reduce these increased contribution rates, the Trustees shall reinstate the benefit improvements referenced in paragraph one above. However, the Trustees may agree to proportionately reduce the increased employer contribution rates in return for a proportional increase in the benefit levels.
5. If the increase in employer contributions is not sufficient to obtain the requested approval for an extension of the amortization period under Internal Revenue Code Section 412(e), the parties will meet to discuss an increase in additional contributions and/or reductions in the rate of future benefit accruals sufficient to obtain such approval.

Trustee Wendell Young, IV, advised that he had a comment to make regarding the Resolution and stated that in his capacity as Trustee of this Fund he is voting in favor of this Resolution. However, he reminded the Board of Trustees that Local 1776 is party to a number of collective bargaining agreements which mandate the implementation of the benefit improvements in paragraph 1, and it will require an amendment to these contracts before Local 1776 can accept the impact of this resolution. Therefore, he is reserving the rights of Local 1776 should ratification be defeated. He did however pledge their best efforts to secure ratification.

**UPON A MOTION DULY MADE, properly seconded and unanimously passed, the Board of Trustees approved the above Resolution.**

**V. INTERNAL REVENUE CODE 412(e)**

Mr. Spencer requested that the Trustees authorize Trustee John Calleri to sign on behalf of the Employer Trustees and Trustee Wendell W. Young, IV, to sign on behalf of the Union Trustees in regard to filing the Internal Revenue Code 412(e) application.

**UPON A MOTION DULY MADE, properly seconded and unanimously passed, the Board of Trustees authorized Trustee John Calleri and Trustee Wendell W. Young, IV, to sign Internal Revenue 412(e) application on behalf of the Board of Trustees.**

**VI. ADJOURNMENT**

There being no further business, the meeting was adjourned at 6:45 p.m.

**ATTACHMENT B**

June 17, 2004

Mr. Lawrence Issues  
Internal Revenue Service  
SE:T:EP:RA:T:A1  
1111 Constitution Avenue  
Washington, DC 20224

RE UFCW Tri-State Pension Fund - 412(e) Application for Relief

Dear Larry:

Attached are the revised projections you requested that incorporate the latest asset figures which reflect a 0% return through April 30<sup>th</sup> of this year. As with the prior submission, these projections reflect an increase in employer contributions of 25% for 2004, 10% for 2005, 10% for 2006, and the removal of a recently bargained benefit improvement. In addition, we have reflected the additional changes you suggested were needed in order to see the funding ratio improve through the end of the projection period. These additional changes reflect both a ten percent increase in employer contributions as well as a 10% reduction in benefit accruals, both starting in plan year 2007.

As we discussed by phone, these additional changes have not yet been agreed upon by the bargaining parties, and neither side is at this time prepared to commit to them. Both sides understand that future plan experience, particularly investment experience, will ultimately determine what will be needed at that time to maintain or improve the plan's funding progress. Furthermore, the collective bargaining agreements requiring contributions to this Fund are not bargained as part of the multi-employer bargaining. Therefore, they do not have a uniformed commencement date, expiration date, or contract term. I suspect any additional changes needed will ultimately be bargained via some combination of contribution increases and labor concessions to reduce benefit accruals.

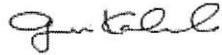
Finally, with respect to the recently bargained benefit improvements, on December 18, 2003, the Trustees suspended certain benefit improvements already scheduled to become permanent on January 1, 2004. This suspension was effective March 31, 2004. One of the participating Locals, 1776, had already negotiated these benefit improvements as part of its collective bargaining agreements, and at the time of the vote specifically reserved its right and obligation to enforce the benefits should it be unable to secure and ratify an amended contract provision.



June 17, 2004  
Page 2

I look forward to hearing from you. Please call me if you have any questions or need additional information.

Sincerely



Gene Kalwaraki

Enclosures

cc: Steve Spencer, Management Counsel  
Stuart Davidson, Union Counsel



Ray Bowman, President



Sam Ferraro, Jr., Secretary Treasurer

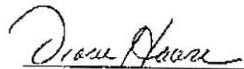
UNITED FOOD & COMMERCIAL WORKERS UNION AFL-CIO-CLC

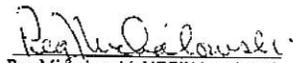
**\*\*\* NOTICE \*\*\***

After discussions about vendor pack-out involving store resets the following has been agreed to between Local 1360 and Acme Markets regarding resets:

Resets will be done by vendor personnel, a reset meaning the removal of product from shelves and the placing of facings of items to be set on the aisle. Restocking of the merchandise on the shelves will be done by Local 1360 members. Members may be scheduled to come in following the completion of the reset in order not to conflict with the resetting of the aisle.

**PLEASE POST ON BULLETIN BOARD**

  
Diane Hauser, Acme Markets, Inc.

  
Peg Micholowski, UFCW Local 1360

400 Commerce Lane & Rt. 73, West Berlin, N.J. 08091-9253 • 856-767-4001 • Fax 856-767-1480

8/17/03  
Rev - and add.  
*[Signature]*

ADDENDUM 1  
ACME MARKETS, INC.  
MAINTENANCE OF ELIGIBILITY REQUIREMENTS  
AND  
PROCESS BY WHICH ACME WILL REMIT ELIGIBILITY INFORMATION

Effective January 1, 2006

1. Effective January 1, 2006, in order for a full time employee to continue to be eligible for benefits under the UFCW Local 1776 & Participating Employers Health and Welfare Fund, such employee must work or be paid for an average of 120 hours per month in any rolling two month period. For example, if the employee has worked an average of 120 hours per month, during the period of November and December, the employee shall be eligible to continue to receive benefits in February. If the same employee does not work an average of 120 hours during the period of November and December, that employee shall cease to be eligible for benefits as of February 1.

2. In accordance with paragraph 1 above, the following shall be the benefit eligibility determination periods:

<u>Hours Worked or Paid</u>	<u>Determines Benefit Eligibility For:</u>
A. January & February	April
B. February & March	May
C. March & April	June
D. April & May	July
E. May & June	August
F. June & July	September
G. July & August	October
H. August & September	November
I. September & October	December
J. October & November	January
K. November & December	February
L. December & January	March

3. The "Hours Worked or Paid" months referred to above are defined as fiscal months.
4. Any full time employee who does not work or is not paid an average of 120 hours per month during any of the periods set forth in 2 A through L above, such employee shall cease to be eligible for benefits in the corresponding month set forth above.

5. The employer shall provide the Fund with a report by the 15<sup>th</sup> day of each month, which report shall include the average number of hours worked or paid in the two preceding months. For example, by March 15<sup>th</sup>, the employer shall provide the Fund with a report which indicates the average number of hours, worked or paid for each employee, during the period of January & February.
6. Acme **MUST** communicate to the Fund office when an employee should be terminated from benefits. The Fund will not automatically terminate benefits based on the average hours report.
7. Benefit eligibility for part time employees shall be determined in accordance with paragraphs 1 through 6 above, except that the hours worked or paid requirement for part time employees shall be an average of 56 hours per month in any rolling two-month period.
8. For the purpose of determining the two month average the following periods shall be considered hours worked:
  - a. Fund approved disability
  - b. Absence due to an injury or illness covered by Workers Compensation
  - c. Absence covered by FMLA
  - d. All productive and non-productive hours paid under the Collective Bargaining Agreement
9. Health & Welfare Contribution – The employer shall continue to make a contribution to the Fund on behalf of each employee who attains or maintains eligibility for benefits in accordance with the above. For example, the employer shall make a contribution by June 30<sup>th</sup>, based on the eligibility report delivered to the Fund on April 15<sup>th</sup>.

- Notes -

**FOR  
GENERAL INFORMATION  
OR GRIEVANCES  
CALL YOUR  
BUSINESS REPRESENTATIVE**

**(610) 940-1776**

**1-800-822-3737 (PA) (Toll Free)**

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**Ext. 844- Spanish Speaking Representative**