



LM# 060-120

K# 9796

AGREEMENT

between

SUNSET FOOD MART, INC.

and

INDEPENDENT FOOD CLERKS

September 13, 2014

AGREEMENT BETWEEN SUNSET FOOD MART, INC.
and
INDEPENDENT FOOD CLERKS
September 13, 2014

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AGREEMENT

This Agreement is mutually entered into by and between INDEPENDENT FOOD CLERKS, as party of the first part, and hereinafter referred to as “the Union,” and SUNSET FOOD MART, INC., or its successors, as party of the second part, and hereinafter referred to as “the Company” or “Sunset Foods.”

ARTICLE 1

Intent and Purpose

1.1 It is the intent and purpose of the parties hereto that this Agreement will promote and improve the working relationship between the Company and its employees.

1.2 The Company recognizes the Union as the sole collective bargaining agent for all of the employees, as hereinafter set forth, employed at all retail stores of the Company. In accordance with the decision in Case No 13-RC-14293, it is the intent of the parties that all retail stores of the Company constitute one bargaining unit. For purposes of this Agreement, retail stores shall include any off-site facility of the Company to which the Company offers transfers to or transfers bargaining unit employees to supplant or supplement work performed by bargaining unit employees at a store.

ARTICLE 2

Coverage

2.1 The term “Company” as used in this Agreement shall refer and relate to all retail stores of Sunset Foods or its successor.

2.2 The term “employees” as used in this Agreement shall include all employees working in the retail stores of the Company, but excluding employees represented by the United Food and Commercial Workers International Union, store managers, assistant store managers, produce managers, deli managers, front end managers, grocery managers, fish managers, liquor managers, bakery managers, any other salaried managers or assistant managers, and guards as defined in the Labor Management Relations Act.

2.3 As of September 21, 1995, full-time employees are those employees hired as full-time employees or scheduled to work forty (40) hours in a workweek for thirteen (13) consecutive workweeks. For employees hired prior to September 21, 1995, full time employees are defined as employees hired to work from thirty-two (32) to forty (40) hours in a workweek. Upon reasonable notice, the Company shall have the right to convert a full-time employee to a part-time employee. Notwithstanding anything contained herein to the contrary, part-time student employees, or summer employees working the first week of May through the first week of September, may work forty (40) or more hours a week during such period without being reclassified as a full-time employee.

2.3(a) Employees covered by this Agreement will be eligible, with the Company's approval and at the Company's sole discretion, to reduce their regular workweek to 32 hours and still qualify for Full-time status and related benefits if such employee was a full-time employee on January 1, 1985 and has been in a Full-time position with the Company since that date.

If an eligible employee is approved by the Company to retain Full-time status with a minimum 32 hours, the Manager at his or her location retains the right to schedule the employee for additional hours when needed, on a temporary basis.

ARTICLE 3

Union Affiliation

3.1 The Company agrees that there shall be no discrimination against any employee because of Union affiliation or activity.

ARTICLE 4

Union Shop - Management

4.1 The following shop condition shall be effective: It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union on the execution date of this Agreement, shall remain members and those who are not members on the execution date of this Agreement, shall on the thirty-first (31st) day following the execution date of this Agreement, become and remain members in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its execution date shall, by the thirty-first (31st) day following the beginning of such employment become and remain members in the Union. Union membership is a financial obligation and is required only to the extent that employees covered by this Agreement must pay the Union's periodic dues and fees or such other amounts as may be authorized. The Company may secure new employees from any source whatsoever. During the first year of employment, any employee hired after December 23, 2010, shall be employed on a probationary basis and may be discharged at the sole discretion of the Company.

4.2 The Company shall pay said person so employed during the period said person is not a member of the Union at the regular Union wage provided for in this Agreement and shall in all other respects require said person to work under and live up to all provisions of the Agreement.

4.3 Upon receipt of a voluntary authorization in the form set forth below signed by any employee to whom this Agreement is applicable, the Company shall, pursuant to the provisions of such authorization, deduct from such employee's earnings, on the first payday in each month, the amount owed to the Union by such employee for Union dues and any initiation fee uniformly required (hereinafter referred to as "membership dues"). The Company will remit such deduction to the Treasurer of the Union within ninety (90) days from the time of the deduction.

There will be no deduction from the wages of any employee in any month in which he or she has not worked at least twenty-five (25) hours in the previous month. All instances of under-deduction or over-deduction will be adjusted in the following month, upon notice in writing given to the Company by the Union.

The authorization for such deduction may be canceled by the employee upon giving sixty (60) days' written notice to the Company and to the Secretary of the Union.

DUES DEDUCTION AUTHORIZATION

TO: SUNSET FOODS

You are hereby authorized and directed to check off from my wages an amount equal to membership dues and to promptly remit the same to Independent Food Clerks.

This authorization may be revoked by sixty (60) days' notice in writing from the undersigned to the Company and to Independent Food Clerks. In the absence of such notice, the authorization shall continue in effect.

Signature: _____

Date: _____

4.4 It is understood and agreed that all functions of management of the Company's stores which are not specifically limited by the express language of this Agreement are retained by the Company. The rights vested exclusively in the Company include, but shall not be limited to: right to establish new jobs; abolish or change existing jobs; add to or subtract duties from a job; increase or decrease the number of jobs; determine the existence or non-existence of a vacancy or job opening; schedule and assign work to be performed; the right to hire or rehire employees; promote, recall employees who are laid off; demote, suspend, discipline or discharge for proper cause; transfer or lay off employees because of lack of work or other legitimate reasons, provided such rights are exercised in accordance with the provisions of this contract; to make and enforce reasonable rules and regulations.

4.5 Notwithstanding any other provision of this Agreement, the parties agree that the Company may take whatever action it deems appropriate to comply with the provisions of the Americans with Disabilities Act and to meet its obligations and exercise its rights under the Family and Medical Leave Act.

4.6 The Company shall provide a 401(k) program in which employees may voluntarily participate. The Company shall deduct from any employee's earnings who signs a written authorization, in a form to be provided by the Company, a fixed amount of money from each pay check to be deposited in such 401(k) account. The terms of participation in the 401(k) program shall be determined by the Company. The Union may have representation at meetings related to the 401(k) program.

As of January 1, 2015, Sunset Foods is redefining the 401(k) Plan's employer contribution schedule match to 100% of the first 1% of participant contributions and 50% of the next 7% of participant contributions with a maximum employer contribution of 4-½ %.

The Company shall continue to pay annual administrative fees for legally required Plan compliance testing, tax filings, independent audits, as well as the per-participant record keeping fees during the term of this contract.

ARTICLE 5**Holidays**

5.1 New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, or days legally celebrated in lieu thereof, shall be considered holidays. Only (i) full-time employees and (ii) part-time employees (a) who were hired and were past their probationary period before September 21, 1995 and (b) who, as of September 21, 1995 averaged twenty-eight (28) hours or more per week of work for the preceding year (hereinafter referred to as "eligible part-time employees") shall be entitled to benefits under this Article, except as otherwise specified in Section 5.3.

5.2 Full-time employees and eligible part-time employees shall receive time and one-half (1-1/2) their regular rate of pay for actual hours worked on the holiday. Holiday hours not worked shall not count as hours worked for overtime purposes. In addition, full-time employees shall receive eight (8) hours' pay for such holidays if they meet the conditions set forth in Section 5.6.

5.3 Part-time employees hired after September 21, 1995 but before September 13, 2009, shall receive Holiday pay in accordance with provisions for Sunday premium pay compensation described in Section 6.6 (ii) for actual hours worked on the holiday.

5.4 Full-time employees and eligible part-time employees, after one (1) year of continuous employment, shall be entitled to a personal holiday upon reaching their birthday. This personal holiday shall be on a day mutually agreeable to the employee and the Company.

5.5 Eligible part-time employees shall be entitled to holiday pay for the number of hours normally scheduled to be worked on the holiday if they meet the conditions set forth in Section 5.6. The previous four (4) weeks will be used to determine the average hours worked, as well as the average hours the part-time employee would have worked on the holiday.

5.6 In order to be entitled to unworked holiday pay, as set forth in this Article, the employee must work at least one day during the week of the holiday, as well as his/her scheduled day before the holiday and his/her scheduled day after the holiday, unless absence is excused by the Company thirty days prior to the occurrence.

5.7 No employee shall be required to work on Christmas Day or past 7:00 p.m. on Christmas Eve.

5.8 All full-time and eligible part-time employees who have been continuously employed by the Company for more than one (1) year, but less than five (5) years, shall receive three (3) sick days per year; those continuously employed by the Company for five (5) or more years shall receive four (4) sick days per year; and those continuously employed by the Company for seven (7) or more years shall receive five (5) sick days per year. All full and eligible part-time employees shall be paid for sick days on a straight-time basis, and for the same number of hours as an unworked holiday as specified in Sections 5.2 and 5.5. Sick days must be used when an employee is sick or otherwise unable to work. Absences taken for illness may be used only for appropriate and valid health care reasons. The remaining sick days may be used for "personal" reasons, provided arrangements are made prior to the posting of the work schedule, as per Section 6.8 of this Agreement, and approved by the Company. Sick days are not cumulative and must be used by November 15 of each year, or on November 15 the employee will be given one (1) day's pay for each day not used.

5.9 Employees eligible for sick/personal days under Sections 5.4 and 5.8 shall be allowed to take such days beginning January 1 of each calendar year, upon reaching their one (1) year anniversary date. Employees shall be paid for sick/personal days on a straight-time basis, and for the same number of hours as an unworked holiday as specified in Sections 5.2 and 5.5. The number of such days allowable shall be based upon the number of years of continuous employment to be completed during that calendar year, provided that by January 1 of that calendar year the employee shall have been continuously employed by the Company for at least one (1) year. Employees who have not been continuously employed by the Company for at least one (1) year by January 1 shall not be eligible for any sick/personal days until their anniversary date. On January 1 of the following year, they will be considered as having two (2) years of continuous employment for purposes of eligibility for sick/personal days.

5.10 Sections 5.8 and 5.9 shall not apply to any employee who quits. Such employees shall receive sick days on a pro-rated basis: 1 sick day for each 4 complete calendar months worked if he/she is eligible for 3 days per year; or 1 sick day for each 3 complete months worked if he/she is eligible for 4 days per year, and one sick day for each 10 complete weeks worked if he/she is eligible for 5 sick days. If the employee has taken sick days in excess of the number earned, as set forth in this Section 5.10, and he or she subsequently quits, the Company shall have the right to deduct the excess paid sick days from the employee's final pay check.

5.11 Any part-time employee who, as of September 21, 1995, had been continuously employed by the Company for five (5) or more years shall be considered to be an eligible part-time employee for purposes of Sections 5.1, 5.3, 5.5 and 5.8 of this Agreement.

ARTICLE 6**Working Hours and Overtime**

6.1 The basic workweek for full-time employees shall be forty (40) hours to be worked in five (5) days, not necessarily consecutive, from Monday through Sunday beginning with the effective date of this Agreement. There shall be no split shifts, unless mutually agreed upon between the Company and the employee.

6.2 Time and one-half (1-1/2) shall be paid on the weekly basis, after 40 hours. There shall be no pyramiding of overtime or the payment of overtime for premium hours (such as holidays and Sundays) for which the employee is paid time and one-half (1-1/2).

6.3 All employees shall receive a lunch period during each eight hour shift, the duration of which shall be either one-half (1/2) hour or one (1) hour, at the discretion of the Store Manager. The lunch period shall be scheduled approximately between 11:00 a.m. and 2:00 p.m., or between the third and sixth hour of work, where applicable.

6.4 Employees shall receive, without any loss of pay, one (1) fifteen (15) minute rest period for every three and one half (3-1/2) hours worked, but not for any fraction thereof. The breaks shall be limited to fifteen minutes and employees will appropriately use the time clock for such breaks.

If an employee does not wish to take his/her break, he/she must first get permission from his/her supervisor. A supervisor shall not ask or suggest an employee not take his/her break.

6.5 Any full-time or applicable part-time employee who regularly works four (4) or more hours between the hours of 9:00 p.m. and 5:00 a.m. (hereinafter referred to as "night shift employees") shall receive premium pay of One Dollar (\$1.00) per hour, in addition to his or her hourly rate of pay, for the first eight (8) hours worked.

The night shift beginning Sunday evening and continuing into Monday morning shall be considered a Monday shift. Premium pay shall apply to all hours worked in the shift, and time and one-half will not be paid for Sunday hours.

The night shift beginning Saturday evening and continuing into Sunday morning shall be considered a Sunday shift. The employee shall receive Sunday compensation as specified in Section 6.6 for all hours worked up to eight (8) that are worked in the shift.

Under no circumstances will a night shift employee receive both night premium pay and Sunday extra compensation for the same hour.

6.6 Employees working on Sunday shall be paid as follows:

(i) Employees (full-time or part-time) hired prior to September 21, 1995 shall receive time and one-half their regular rate of pay.

(ii) Employees hired on or after September 21, 1995, but before September 13, 2009, shall, after one (1) year of continuous employment, receive "premium pay" compensation beyond their regular hourly rate for Sunday work as follows:

(a) Employees in the job classifications of Coordinating Clerk, Office Clerk or General Clerk shall receive a Two Dollar (\$2.00) per hour premium in addition to their regular hourly rate.

(b) Employees in the job classification of Service Clerk shall receive a One Dollar (\$1.00) per hour premium in addition to their regular hourly rate.

(iii) Employees hired on or after September 13, 2009 are not eligible for Sunday premium pay.

6.7 The Company shall post, in ink or other permanent means, the current work schedule for all employees working at each store. Work schedules shall be posted no later than, Thursday, 3:00 p.m., prior to the new workweek. The schedule must be posted in an area accessible to all employees. The Company shall maintain such work schedules for a six (6) month period from the date of posting and shall make them available to an authorized representative of the Union for examination upon request. No employee who is called in to work out of the posted schedule shall be required to take compensatory time off from the posted work schedule.

6.8 No employee shall be scheduled for less than two (2) hours work duties on any day of the week. All employees reporting to work, as scheduled, unless sent home by the Company for disciplinary or other valid reasons, shall be guaranteed at least two (2) hours of work or two (2) hours pay in lieu thereof, unless the Company provides the employee twenty-four (24) hours notice that he or she is not to report because work cannot be scheduled, or because of the Company's inability to open or operate the store(s), or because of any act of God. All employees called in to work for a non-scheduled day shall receive a minimum of three (3) hours work or three (3) hours' pay in lieu thereof. Any employee required to stay after his or her scheduled hours will be paid for that time as if he or she had actually been scheduled for the additional time.

6.9 Any employee required to attend any type of store meeting shall be paid his or her regular hourly rate of pay for the time spent at such meeting. When required to attend a meeting on an unscheduled day, the employee shall receive a minimum of three (3) hours pay. No premium or overtime pay, unless required by law or contract, shall apply to the hourly rate paid for attendance at such meetings.

6.10 The Company agrees to provide a time clock for all employees. All employees are required to use the time clock.

6.11 It is agreed that during the life of this Agreement, there shall be no change by the Company in anything specified above without first obtaining the written approval of the Union.

6.12 If any employee is paid at less than his or her scheduled rate of pay, such employee will receive back pay for any wages due him or her upon notification to the Company within six (6) months from the date the employee receives a pay check containing the incorrect amount of pay.

6.13 Any employee who reports to work as scheduled and is subsequently sent home for any reason other than disciplinary or other valid reason shall be paid to the end of his or her scheduled shift as if he or she had actually worked all scheduled hours on that day. This Section shall not apply if an employee requests or agrees to leave early. In such case, the employee will be paid solely for the hours actually worked.

ARTICLE 7**Wages and Classifications**

7.1 Job classifications and minimum wage rates shall be as follows:

JOB CLASSIFICATIONS

The below-described job classifications and descriptions are merely descriptive in setting forth the predominant work to be performed in each job classifications. Performance of duties in a classification higher than the employee's regular classification will not require the Company to pay such employee the higher rate unless the majority of his/her work performed in the applicable workweek is in the higher classification.

(1) Coordinating Clerk

Approves large checks; writes schedules; settles customer complaints; trains employees as necessary in job tasks and positive Sunset attitude; performs and/or directs stocking and checking activity of Service Clerks and General Clerks; orders merchandise from sales personnel; buys deals; oversees stock movement on shelves; issues customer credits; answers customer questions; and performs other duties, as assigned.

(2) Office Clerk

Prepares daily sheets; processes loans and pickups to checkers; maintains financial records; balances safes and tills; compiles daily, monthly and yearly statistics; coordinates daily money delivery; rents and sells videos; sells postage stamps; sells refuse stickers; tracks film processing; maintains employment forms, accident reports and office supplies; answers telephones and customer questions; cashes checks; and performs other duties, as assigned. A majority of the employee's working hours must be spent in the store office performing specialized Office Clerk functions.

(3) General Clerk

Totals customer purchases by the registers; handles currency and charge payments; stamps and stocks merchandise; checks out customer orders; answers customer questions; works in any area of the store required (including produce, fish, delicatessen, bakery, liquor departments); responsible for filling customer orders; cooks; answers telephone; cashes checks; files; assists with tills; and performs other duties, as assigned.

(4) Service Clerk

Sorts, unloads, checks out customer orders as needed, bags, packages sold merchandise; carries and loads or, delivers sold merchandise; cleans the parking lot and other adjacent areas outside the store; returns shopping carts to the store; fills bag racks; cleans restrooms and other areas of the store; disposes of trash and rubbish; performs stocking as needed; provides assistance to customers in weighing, wrapping, slicing and preparation of produce, fish, delicatessen items; prepares customer orders; checks prices, performs salad bar preparation tasks; trims produce; washes dishes; answers customer questions; and performs other duties, as assigned.

(5) Corporate Accounting Clerk

(a) **Receivables** - Processes receivable charges and payments for all Sunset locations; prepares miscellaneous and receivable deposits for all Sunset locations; processes NSF checks for delinquency and payment that are not resolved with routine follow up at the store level; processes and mails month-end A/R statements to customers; assists in settling customer and store complaints on these matters; inputs store sales sheets into financial computer system; and performs other duties, as assigned.

(b) **Payables** - Processes invoices for payment and files; assists stores and vendors on invoice payment; processes payroll; assists in handling any problems regarding payroll; answers the telephones; and performs other duties, as assigned.

(6) **Corporate Operations Clerk** – Performs assigned duties in any Operations area at the Corporate Office: Human Relations, Pricing, Purchasing, Marketing, Quality Assurance.

WAGE SCALES

The following provisions apply to the Wage Scales set forth below.

(a) Any employee hired after September 21, 1995 who is a Full-time or Part-time Coordinating Clerk, General Clerk, Office Clerk, or Service Clerk will progress according to the schedule, but no higher than the rate shown immediately above the solid line in their respective wage scale, and thereafter will be ineligible for any additional increases. Those hired on or before September 21, 1995 will progress to the additional rates shown below the solid line in their respective wage scale, and thereafter will be eligible for bonuses as provided for below.

(b) Full-time or Part-time Corporate Clerks hired after November 1, 1998 will progress according to the schedule, but no higher than the rate shown immediately above the solid line in their respective schedule and thereafter will be ineligible for any additional increases. Those hired on or before November 1, 1998, will progress to the additional rates shown below the solid line in their respective wage scale.

**SPECIAL BONUS CONTRIBUTION TO THE SUNSET FOOD MART, INC. 401(K)
RETIREMENT PLAN OR CASH BONUS**

Each employee on the payroll on September 14, 2014 who meets the requirements described below on or before September 12, 2009, will be eligible to receive an annual bonus contribution into the employee's account in the Sunset Food Mart, Inc. 401(k) Retirement Plan or as a cash bonus (less all applicable payroll deductions) at a lesser amount. To be eligible for the contribution or cash bonus, the employee must have:

- (i) a hire date prior to September 21, 1995;
- (ii) five or more continuous (i.e., uninterrupted) years of service with the Company -- with continuous, uninterrupted service defined as including vacation, other hours paid but not worked as allowed in this agreement; and up to four weeks of company-approved leaves of absence during this agreement; and
- (iii) been at the maximum level of the wage scale for the employee's job classification for 12 consecutive months.

Corporate Accounting Clerks and Corporate Operations Clerks hired on or before November 1, 1998, shall be eligible irrespective of the above requirements. Provided the employee has met each of the applicable requirements, the bonus contribution will be deposited as soon as practicable after the employee satisfies item (iii) above. Such election will be made by eligible employees within ten (10) days after September 13, 2014 on the form provided by the Company. An employee may receive a contribution/bonus for each 12 consecutive month period described in item (iii) (provided all of the requirements are satisfied).

The contribution or cash bonus levels are determined by the employee's job title as follows:

	<u>Full Time</u>	<u>Part Time</u>
<u>Coordinating Clerks:</u>		
401(k) Contribution	\$1,500	\$750
Cash Bonus	\$1,200	\$600
<u>Office Clerks and General Clerks:</u>		
401(k) Contribution	\$800	\$400
Cash Bonus	\$650	\$325
<u>Service Clerks:</u>		
401(k) Contribution	\$500	\$300
Cash Bonus	\$300	\$250
<u>Corporate Accounting Clerks/ Corporate Operations Clerks</u>		
401(k) Contribution	\$1,500	\$750
Cash Bonus	\$1,200	\$600

No bonus contributions, as described above, will be made after September 13, 2015

SPECIAL ONE-TIME CASH BONUS

Any employee hired after September 21, 1995, who is classified as a Full-time or Part-Time Coordinating Clerk, General Clerk, Office Clerk, Service Clerk or Corporate Accounting Clerk, and who meets the requirements described below on or after September 13, 2014, will be eligible to receive a one-time cash bonus. To be eligible for the cash bonus, the employee must be on the payroll as of September 13, 2014 and have:

(i) reached the line in their respective wage scale, and have been at the line for 12 consecutive months.

The bonus levels are as follows:

Full-Time:	\$600.00
Part-Time:	\$300.00

Cash bonuses will be payable upon employee reaching (i).

No bonuses, as described above, will be paid after September 13, 2015.

Note: Paragraphs on pages 11-12 explain how an employee enters and advances through any of the scales on the following page.

**Full- or Part-time
Coordinating Clerk**

<u>Months</u>	<u>Hourly Rate</u>
6	10.00
6	10.25
6	10.50
6	10.75
6	11.00
6	11.25
6	11.50
6	11.75
6	12.00
6	12.25
6	12.50
6	12.75
6	13.00
12	13.25
12	13.50
12	13.75
12	14.00
12	14.25
12	14.50
12	14.75
12	15.00
12	15.25
<u>12</u>	<u>15.50</u>
12	15.75
12	16.00
12	16.25
12	16.50
12	16.75
12	17.00

FT/PT Office Clerk

<u>Months</u>	<u>Hourly Rate</u>
6	8.05
6	8.30
6	8.55
6	8.80
6	9.05
6	9.30
6	9.55
6	9.80
6	10.05
6	10.30
6	10.55
6	10.80
6	11.05
6	11.30
6	11.55
6	11.80
6	12.05
12	12.30
12	12.55
12	12.80
12	13.05
12	13.30
12	13.55
12	13.80
<u>12</u>	<u>14.05</u>
12	14.30
12	14.55

**Full- or Part-time
General Clerk**

<u>Months</u>	<u>Hourly Rate</u>
6	8.15
6	8.40
6	8.65
6	8.90
6	9.15
6	9.40
6	9.65
6	9.90
6	10.15
6	10.40
6	10.65
6	10.90
6	11.15
6	11.40
12	11.65
12	11.90
12	12.15
12	12.40
12	12.65
12	12.90
12	13.15
<u>12</u>	<u>13.40</u>
12	13.65
12	13.90
12	14.15
12	14.40

**Full Time or Part Time
Service Clerk**

<u>Months</u>	<u>Hourly Rate</u>
6	7.75
6	8.00
6	8.25
6	8.50
6	8.75
6	9.00
12	9.25
12	9.50
12	9.75
12	10.00
12	10.25
12	10.50
<u>12</u>	<u>10.75</u>

**FT/PT Corp. Acct. Clerk/
Corp. Operations Clerk**

<u>Months</u>	<u>Hourly Rate</u>
6	10.00
6	10.25
6	10.50
6	10.75
6	11.00
6	11.25
6	11.50
6	11.75
6	12.00
6	12.25
6	12.50
6	12.75
6	13.00
12	13.25
12	13.50
12	13.75
12	14.00
12	14.25
12	14.50
12	14.75
12	15.00
12	15.25
12	15.50
12	15.75
12	16.00
12	16.25
<u>12</u>	<u>16.50</u>
12	16.75
12	17.00

(c) Employees transferring to a higher rated job classification shall enter that classification at a level at least equal to the next higher hourly rate. If at the time of transfer to a higher rated classification the employee is being paid a higher rate of pay than is provided for in his or her new classification, the employee shall at least retain his or her rate of pay.

If any employee is transferred to a higher rated job classification, such employee shall be considered to be in that new position on a trial basis for ninety (90) days. If at any time during this ninety day trial period the Company should decide that the employee is not able to adequately perform the duties of this new position, the employee will be returned to his or her former position, with all former privileges and benefits intact, as though he or she had never left the former position. If an employee is transferred to other than a higher rated job classification and the Company should decide that the employee is not able to adequately perform the duties of this position, the Company shall be under no obligation to return the employee to his/her former position.

(d) Employees will receive written notification of their present classification and rate of pay on each pay check or on each pay stub. The following codes will be used to indicate classifications:

Code	Job Classification
PTSC	Part-time Service Clerk
PTGC	Part-time General Clerk
PTCC	Part-time Coordinating Clerk
FTSC	Full-time Service Clerk
FTGC	Full-time General Clerk
FTCC	Full-time Coordinating Clerk
FTOC	Full-time Office Clerk
PTOC	Part-time Office Clerk
FTCAC	Full-time Corporate Accounting Clerk
PTCAC	Part-time Corporate Accounting Clerk
FTCOC	Full-time Corporate Operations Clerk
PTCOC	Part-time Corporate Operations Clerk

7.2 When the Company determines that there is a vacancy in a bargaining unit position in any department at any store, a notice will be placed on the bulletin board at each of the stores at least one (1) week prior to the time the vacancy is to be filled and any employee shall have the opportunity to fill the vacant position by submitting a written application to the Company. Said vacancy will be filled by the employee having the greatest skill and ability to presently perform the vacant job and if the skill and ability of employees bidding on the job are equal, then the Company will give the job to the bidder with the greatest seniority; provided, however, that if the Company determines that no employee has the skill and ability to presently perform the job, then the Company may hire from the outside.

7.3 Employees presently receiving, or who may hereafter receive, in excess of the above pay schedules shall not have their pay decreased because of provisions of this Agreement.

ARTICLE 8

Seniority and Transfers

8.1 The principle of seniority shall apply in layoff and recall from layoff, provided that the employee has the skill and ability to immediately perform the job. Seniority for the purposes of layoff and recall from layoff applies based on date of hire within the Company and may be on a company-wide basis or on a store location basis, at the Company's discretion.

- (a) Seniority shall be defined as length of continuous employment with the Company. Seniority may be broken only by: quit; justifiable discharge; failure to return to work in accordance with the terms of a leave of absence; absence for three (3) consecutive workdays without notifying the Company; or retirement.
- (b) For the purpose of this Agreement, a full-time employee is defined in accordance with Section 2.3. Two seniority lists shall be maintained: (1) full-time employees; and (2) part-time employees.
- (c) A full-time employee shall have seniority over any part-time employee only to the extent that a full-time employee who is to be laid off or transferred may claim the hours worked by a particular part-time employee, provided that the full-time employee has the skill and ability to presently perform the work of the part-time employee. A part-time employee may exercise seniority over any other part-time employee at any store in the same manner.

8.2 An employee transferred by the Company or who is transferred at his or her request and approved by the Company shall retain the seniority previously accumulated.

ARTICLE 9

Leaves of Absence

9.1 Employees who have a minimum of one (1) year of continuous service with the Company shall be entitled to written leaves of absence with Company approval as described in Section 9.5 for the following reasons:

- (a) Medical leaves, including pregnancy, illness or injury of the employee which requires absence from work.
- (b) Military service by the employee.
- (c) Any other reason acceptable by the Company.

Such leaves of absence will be for a specified period of time and may be renewed at the option of the Company. In addition, leave will be provided in accordance with the Family and Medical Leave Act as set forth in Section 4.5.

9.2 Any employee who is granted a leave of absence and while on such leave of absence accepts employment with another employer, or who goes into business for himself or herself, is subject to discharge.

9.3 Employees returning to work from a leave of absence due to sickness or accident may be required to pass a physical examination. The Company shall pay the expense of such physical examination to fulfill this requirement.

9.4 Employees while on leave of absence shall not be eligible for holiday pay nor shall such time spent on leave of absence in excess of thirty (30) days be counted as time worked for vacation eligibility or progression in wage rates with the exception of medical leaves in accordance with the Family and Medical Leave Act

9.5 In order to obtain a leave of absence or an extension of a leave of absence, the employee must obtain a Leave of Absence Form from the Company and submit it to their Department Head prior to the requested starting date or extension of the leave, for approval by the Store Manager. Upon approval of such a leave, a copy of the form shall be returned to the employee with approval signified on the form by the signature of an authorized Company representative. Any employee who fails to follow the procedure for request and approval of Leave of Absence, and who does not report to work for three (3) consecutive workdays, will be considered to have resigned.

ARTICLE 10**Vacation**

10.1 Full-Time employees eligible for four (4) or more weeks of vacation shall receive three (3) weeks of time off of work and then pay for any remaining vacation time. If an employee requires the additional vacation time as time off for travel out of the country, he/she must submit a written request by December 31st of the prior year. Additional time off for any other reason will be at the discretion of the Company. These employees must follow the same procedures for selecting vacation as all other employees which is outlined below in Section 10.3.

All employees covered under this section who will be receiving pay rather than vacation time off will be compensated between January 1 and January 31.

Full-time employees hired before September 29, 1998, who have been in the continuous employment of the Company for the following years shall receive the annual weeks of vacation time with the amount of pay shown in the table that follows.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION TIME</u>	<u>PAY</u>
1 Year	1 Week	1 Week's Pay
3 Years	2 Weeks	2 Weeks' Pay
5 Years	3 Weeks	3 Weeks' Pay
12 Years	3 Weeks	4 Weeks' Pay
15 Years	3 Weeks	5 Weeks' Pay
25 Years	3 Weeks	5 Weeks' Pay

Full-time employees hired on or after September 29, 1998, but before September 13, 2013, who have been in the continuous employment of the Company for the following years shall receive the annual weeks of vacation time with the amount of pay shown in the table that follows.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION TIME</u>	<u>PAY</u>
1 Year	1 Week	1 Week's Pay
3 Years	2 Weeks	2 Weeks' Pay
5 Years	3 Weeks	3 Weeks' Pay
15 Years	3 Weeks	4 Weeks' Pay
25 Years	3 Weeks	5 Weeks' Pay

Full-time employees hired on or after September 13, 2013 who have been in the continuous employment of the Company for the following years shall receive the annual weeks of vacation time with the amount of pay shown in the table that follows. Full-time employees hired on or after September 13, 2013, will receive a maximum of three week's vacation time.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION TIME</u>	<u>PAY</u>
1 Year	1 Week	1 Week's Pay
3 Years	2 Weeks	2 Weeks' Pay
5 Years	3 Weeks	3 Weeks' Pay

10.1(a) An employee changing from part-time to full-time status who has averaged 28 paid hours a week as part time and has been employed continuously for a minimum of 5 years, will be able to use the years of service as part-time to qualify for full-time vacation allowance. An employee changing from full-time to part-time status who has been continuously employed for a minimum of 5 years will be eligible for prorated vacation based on part-time hours in the first year of part-time service.

10.1(b) Vacation, other hours paid but not worked, and up to four weeks of Company-approved leaves of absence during the term of this contract, will be counted in computing average weekly hours for part-time employees.

The pay for full-time employees on vacation shall be forty (40) hours per week, multiplied by their hourly rate of pay. However, if an employee requests and is granted a leave of absence beyond ten (10) days during any period in a given year, his/her vacation pay will be prorated. It is further provided that the pay for full-time employees hired before September 21, 1995 and working less than the present required full-time 40 hours shall be based on the employee's regularly-scheduled workweek.

10.2 All part-time employees who have averaged twenty-four (24) paid hours per week for each of the four (4) years, upon completing his/her fourth (4th) year of continuous service, shall receive one (1) week of vacation with pay equal to the number of hours accrued in that year divided by fifty-two (52), multiplied by his/her regular hourly rate of pay in his/her fifth (5th) year of employment. To maintain vacation eligibility such employees must continue to average twenty-four (24) hours per week for each subsequent year. In the event such employee does not average twenty-four (24) paid hours per week in a subsequent year, he/she will lose eligibility for vacation and must start a new four (4) year period.

All part-time employees who have averaged twenty-four (24) paid hours per week for each of the eight (8) years, upon completing his/her eighth (8th) year of continuous service, shall receive two (2) weeks of vacation with pay equal to the number of hours accrued in that year divided by twenty-six (26), multiplied by his/her regular hourly rate of pay in his/her ninth (9th) year of employment. To maintain vacation eligibility such employees must continue to average twenty-four (24) hours per week for each subsequent year. In the event such employee does not average twenty-four (24) paid hours per week in a subsequent year, he/she will lose eligibility for vacation and must start a new four (4) year period.

Part-time employees hired prior to September 21, 1995 and who, during the previous year, have at least two (2) paid hours a week for at least thirteen (13) weeks, shall on January 1 of the next calendar year, receive a one (1) week vacation with pay equal to the number of hours accrued in that year divided by fifty-two (52), multiplied by their regular hourly rate of pay.

10.3 By August 1, the Company shall post a vacation schedule designating the dates of vacation which are available to be taken the following calendar year. The posting will include the names of employees, listed by seniority, who may take vacation during the designated time periods. Subsequently, employees shall have the right to select their desired vacation periods subject to the following conditions.

Starting September 15, employees will begin picking their vacation dates on the basis of their continuous service (seniority) with the Company. Each employee will have two days to select his/her vacation period. If an employee fails to choose his/her vacation dates within the two days allotted, the employee will lose his/her seniority right to pick. Employees thus losing their seniority right to pick will still be allowed to choose their vacation dates at a later time of their choice, but they will not be able to select vacation dates already chosen from the vacation schedule (i.e. they cannot "bump" dates chosen by other employees). Employees who have not selected a vacation period by December 15 will have until the end of December to sign up for their vacation time. During this time, seniority will not be used for scheduling vacation, and anyone who has not selected his/her vacation dates may sign up at that time on a first-come, first-served basis. All vacations must be picked by the last day of December. Starting January 1, Department Heads will begin assigning vacation times to those employees who have not yet designated their vacation period. This will be done at the Department Head's discretion.

Vacation not used during vacation year will be lost. The Company will not compensate employees for unused vacation time. With written approval from the Store Manager and General Manager, exceptions may be made for the following reasons:

- 1) an emergency situation arises and the employee is unable to take his/her vacation, and/or
- 2) if through no fault of his/her own, the employee is unable to take his/her vacation.

If either of the above exceptions is granted the Company may, at its discretion, pay the employee for his/her vacation time, or have him/her take the vacation time at a time chosen by the Company.

10.4 For purposes of determining vacation allowance, years of continuous service shall be based upon the number of years of continuous service to be completed during that calendar year in which the vacation shall be taken, provided that by January 1 of that calendar year, the employee shall have been continuously employed by the Company for at least one (1) year. Employees who have not been continuously employed by the Company for at least one (1) year by January 1 shall not be eligible for any vacation until their one year anniversary. On January 1 of the following year, they will be considered as having two (2) years of continuous service for the purposes of eligibility for vacation.

ARTICLE 11

Grievance

11.1 The properly accredited officers or representatives of both parties to this Agreement shall be authorized to settle any dispute arising out of the terms, application or interpretation of this Agreement. Complaints arising out of the terms, application or interpretation of this Agreement must be submitted in writing by the grieving party to the other party within thirty (30) days of the date of the grievance or the claim is nullified, with the exception of wage disputes for which the time limit shall be six (6) months or the claim is nullified.

In the event of a dispute or grievance arising between the Company and the employee or Union relative to wages, hours, or conditions of employment under the terms of this Agreement, such dispute shall be in the first instance settled, if possible, by representatives of the Company and the Union. The Union agrees to submit such dispute or grievance in writing to the Store Manager or Acting Store Manager. An investigation will be made by said representative of the Company and a written report given to the Union not later than fourteen (14) days after receipt of said letter.

11.2 If the Union wishes to appeal from the Store Manager's decision, within fourteen (14) days after receipt of his decision it must submit a written appeal to the Vice President, Administration. If no timely appeal is filed, then the grievance will be settled on the basis of the Company's prior answer. Within fourteen (14) days of receipt of the appeal, the Vice President, Administration, or his designated representative, shall meet with the Union to discuss resolution of the grievance.

11.3 If following said meeting the parties are unable to resolve the grievance, either party may appeal to arbitration by sending a written notice to the other within fourteen (14) days following the meeting. If no such written notice is sent, then the matter will be resolved on the basis of the Company's last answer.

4 Upon receipt of said letter demanding arbitration, the parties shall send a request to the American Arbitration Association for a panel of arbitrators and shall select said arbitrator in accordance with the rules of the American Arbitration Association.

11.5 The arbitrator shall consider only the issue or issues presented to him in writing and shall not add to, subtract from, ignore or amend the express written terms of this Agreement. The arbitrator's decision shall be final and binding on the parties. The fees and expenses of the arbitrator and the hearing room shall be shared equally by the Company and the Union.

11.6 During the term of this Agreement, the grievance machinery of this Agreement and the remedies and procedures provided by statute shall be the sole and exclusive means of settling any dispute between the employees and/or the Union and the Company, whether relating to the application of this Agreement, economic matters, or otherwise, and accordingly neither the Union nor the employees will instigate, promote, sponsor engage in or condone any strike, slowdown, picketing, recognition of a picket line, concerted stoppage of work or any other

intentional interruption of work. The Company shall have the right to discharge or otherwise discipline any employee who violates the provisions of the foregoing sentence and, in the event a grievance is filed, the sole question for arbitration shall be whether the employee engaged in the prohibited activity. During the terms of this Agreement, the Company agrees that it will not institute a lockout.

ARTICLE 12

Clothing, Bulletin Board, General

12.1 Where the Company desires, it shall supply certain types of clothing for employee use. It is the responsibility of the employee to clean and care for this clothing. The parties agree that under Sections 12.1 and 12.5, it is the employee's responsibility to pay for required clothing; provided, however, the Company will pay 50% of the cost of:

Short Sleeve Polo Shirts, Long Sleeve Polo Shirts, Bib Aprons, Bistro Aprons, Windbreaker Jackets, Sweaters and Sweater Vests.

12.2 The Company shall provide a bulletin board on which the Union may post notices.

12.3 The Company agrees to cover all employees under the Unemployment Compensation Act.

12.4 The Union shall not use the Sunset Foods name or symbol without the advance written permission of the Company.

12.5 During cold weather, or other adverse conditions, employees shall wear appropriate clothing. The Company reserves the right to determine what is appropriate.

ARTICLE 13

Discharge

13.1 No employee shall be discharged without just cause.

13.2 Employees are prohibited from working for any other company in the retail grocery business while employed by Sunset Foods. Violation of this prohibition shall constitute grounds for dismissal.

ARTICLE 14

Jury Duty, Funeral Pay

14.1 All employees who are subpoenaed for jury service shall receive the difference in pay for the time lost and the amount received as jury pay, but in no case shall the total pay exceed forty (40) hours' pay at the employee's regular straight time hourly rate of pay for full-time employees, or the pay for scheduled days only for part-time employees. When an employee is released for a day or part of a day, he or she shall report to his or her store for work.

14.2 In the event of the death of a member of the immediate family (hereinafter designated) of a full-time employee, the Company will pay the employee involved up to three (3) scheduled workdays of straight time pay up to and including the date of the funeral, provided the employee attends the funeral of the deceased involved. The term "immediate family" shall include spouse, parent, child, brother, sister, grandparent, mother-in-law and father-in-law.

If a death occurs in the above-defined immediate family of a part-time employee the part-time employee involved shall be paid for the number of hours he or she was scheduled to work on the day of the funeral, if he or she attends the funeral.

ARTICLE 15
Health and Welfare

15.1 This Article 15 shall apply only to full-time employees as defined in Section 2.3.

15.2 The Company agrees to pay a sum equal to 80% of the cost per month of the premium for Health and Life insurance for each employee (and their dependents) hired prior to September 13, 2001; seventy-five percent (75%) of the cost for each employee (and their dependents) hired between September 13, 2001 and September 12, 2005; and seventy percent (70%) for each employee (and their dependents) hired thereafter; who, on the first (1st) day of the month is eligible for coverage, has elected to be covered and pays twenty percent (20%), twenty-five percent (25%), and thirty percent (30%), respectively, of the related premium cost per month for such coverage.

Such contributions by the Company will be as follows: A new full-time employee shall become eligible after six (6) months of employment. The Company shall deduct from any employee's earnings who signs a written authorization, in a form to be provided by the company, the respective percentages of the premium as outlined above.

The employee's portion of the premium for coverage will be paid by the Company for any employee and any dependents, if applicable, while such employee remains unable to work due to illness or injury, provided, however, such Company payment shall not exceed six (6) months of disability. All employees eligible under this Section 15.2 shall be covered under the benefits plan offered by the Company. If any benefits similar to those provided under the benefits plan are required by law or future law and the said Company plan and the benefits thereunder are not considered by the government agency (agencies) which administers such law(s) as in substitution therefore, then the benefits provided for under the said Company benefits plan shall be reduced by the amount of such benefit provided under such law.

15.3 The Company agrees to pay a sum equal to eighty percent (80%) of the cost per month of the premium for dental insurance for each employee (and their dependents) hired prior to September 13, 2001; seventy-five percent (75%) of the cost for each employee (and their dependents) hired between September 14, 2001 and September 12, 2005; and seventy percent (70%) for each employee (and their dependents) hired thereafter; who, on the first (1st) day of the month is eligible for coverage, has elected to be covered, and pays twenty percent (20%), twenty-five percent (25%), and thirty percent (30%), respectively, of the related premium cost per month for such coverage. The Company shall deduct from any employee's earnings who signs a written authorization, in a form to be provided by the Company, the respective percentages of the premium as outlined above. All employees eligible for benefits under Section 15.2 shall be eligible for dental coverage.

ARTICLE 16

Conformity to Law

16.1 Nothing contained in this Agreement is intended to violate any Federal or State law, rule or regulation made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be made null and void and the parties agree that they will within thirty (30) days begin negotiations to replace such void part with a valid provision.

ARTICLE 17

Waiver and Entire Agreement

17.1 The parties acknowledge that during the negotiations resulting in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and Agreements arrived at by the parties after exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to or covered in this Agreement or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement. This Agreement constitutes the entire Agreement between the parties and concludes collective bargaining for its term, except as specifically provided to the contrary.

ARTICLE 18

Duration of Agreement

18.1 This Agreement shall be effective from September 13, 2014, through and including September 12, 2015. Upon expiration thereof and at the expiration of each one (1) year period thereafter, this Agreement shall be automatically renewed for periods of one (1) year unless either party makes a request to modify, amend or terminate this Agreement on such expiration date or anniversary thereof, by submitting a written notice to the other party not more than ninety (90) days and not less than sixty (60) days prior to such expiration date or anniversary date.

Signed this 27th day of June, 2014.

SUNSET FOOD MART, INC.

INDEPENDENT FOOD CLERKS

By M.F. Bonamarte, Jr.

By Ronald F. Wagner

M. F. Bonamarte, Jr.

Ronald F. Wagner

Title: Vice President, Administration

Title: President