

MACYS DEPARTMENT STORES AGREEMENT

between:

SEIU LOCAL 1877

and

INNOVATIVE FACILITIES SERVICES, INC.

(MACYS DEPARTMENT STORES AGREEMENT -IFS-Rev1)

May 01, 2007 through April 30 2012

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MACY'S DEPARTMENT STORE AGREEMENT

THIS AGREEMENT made and entered into as of this 1st day of May 1, 2007 by and between INNOVATIVE FACILITY SERVICES, LLC, hereinafter referred to as the Employer, and SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1877, hereinafter referred to as the Union, acting on behalf of all Employees who come under the jurisdiction of the union in the area outlined below.

SECTION 1-RECOGNITION

A. The employer recognizes the union as the sole collective bargaining agent for all persons performing work covered by this Agreement.

B. This Agreement shall cover all janitorial employees working within the Contra Costa, Alameda, San Mateo, Santa Clara, Monterey, San Joaquin, Solano, Yolo, Placer, and Sacramento Counties jurisdiction of Local 1877 at Department Stores.

Non- union locations - The employer and the union recognize the threat posed by nonunion contractors performing janitorial work at department stores within the geographic jurisdiction described above.

C. The following rules shall be observed when an employer is bidding on or taking over the servicing of a location covered by this Agreement.

1. All previous employees shall continue on their then existing work assignments, including those who might be on vacations or off work because of illness or injury at the time the employer takes over the job.
2. The employer shall not cut the work scheduled of an employee which would reduce the number of working hours per day or per week.
3. The service record of employees retained by the employer who takes over the servicing of an establishment, for all purposes including vacations and sick leave, shall not be broken by reason of such change in employer.
4. After an employer takes over the servicing of an establishment, he shall not reduce staff or change work schedule without first obtaining written consent of the union.

D. Job Bidding: The following rules shall be observed when the employer is bidding on or taking over the servicing of an establishment where the union members covered by a janitorial contract and members of Local 1877 are employed:

1. When staffing is requested for a store which has been put to bid, the incumbent contractor shall provide to the union within four (4) work days the number of employees, names, daily hours worked, vacation and sick leave accrual amount paid on health and welfare, pension, and wage rates. The union agrees to supply such requested information within seven (7) calendar days to any union contractor requesting such information or the employer is not obligated to any staffing levels. The appropriate staffing shall be considered as the number of employees at the job sixty (60) days prior or such Store being put out to bid. Employees working at the job site for less than 60 days shall be considered probationary.

SECTION 2-EMPLOYMENT PROCEDURES

A. Not later than the thirty-first (31st) day following the beginning of each employee's employment, each employee shall become a member of the union, and thereafter remain in good standing of the union as a condition of employment.

B. To assist in the operation of this Agreement, it is agreed as follows:

1. When hiring new or additional employees, the employer shall notify the union of the number and classifications of employees needed. Applicants for jobs shall be referred by the union to the employer for employment on a non-discriminatory basis. In hiring, the employer shall give preference to applicants previously employed in the Building Service Industry in the local labor market area. If the union is unable to refer to the employer suitable applicants for employment within a reasonable period of time, the employer may then hire persons from other sources.

2. Whenever an employee is hired who comes under the jurisdiction of this Agreement, the employer will at once inform the employee of the terms and provisions of this Agreement and of the obligation of said employee there under.

3. The employer will notify the union in writing of the name, address and telephone number, as well as the date and place of employment, of each employee who is hired, the information shall be furnished to the office of the union on a form mutually agreed upon within seven (7) days of the employment of each person. The employer shall mail to the union a list of all jobs.

4. During the employment of any person while such person is not yet a member of the union, the employer shall pay said person so employed, the union wage rates and provide all of the other benefits of the Agreement to said employee. The employer shall in all respects require said employee to work under and to live up to all rules and regulations specified in the Agreement.

C. Those employees who are not members of the union on the effective date of this Agreement shall, not later than the thirty-first (31st) day following the effective date of this Agreement, become and remain members of the union in good standing as a condition of employment. Upon notice from the union that any employee is not in good standing, the employer shall discharge said employee within seven (7) days after receiving such notice, unless the employee puts himself in good standing in the union before the expiration of the seven (7) days period herein mentioned, and before such discharge.

D. The title "supervisor" as used within the Industry shall include the titles of managers, assistant managers, or other supervisors as defined on the following paragraph. An owner, co-owner or partner is not considered a supervisor, but if, in any company, more than one (1) owner, co-owner or partner uses the tools or equipment of the trade, he shall become and remain a member of the union and shall be classified as an employee and subject to all provisions of this agreement.

A supervisor is an employee with authority, in the interest of the employer, to hire, lay off or discharge other employees and to adjust their grievances, if the exercise of such authority is not merely of a routine nature, but requires use of independent judgment. The employer is entitled to employ supervisors who shall be exempt from the provisions of this Agreement, provided that such supervisors shall not use the tools or equipment of the trade, and provided further, that the employer shall list in writing, to the union, the names of each and all supervisors-within ten (10) days of the time they are hired, or assigned such supervisory duties. If such an exempt supervisor is found to be using the tools or equipment of the trade, or if his name has not been listed in writing with the union as required, the following penalties shall be

assessed: First offense, \$50.00; second offense \$100.00; each offense, \$50.00 added. Penalties shall be paid to the General Fund of the union treasury.

The above exemption shall not apply to foremen and/or working foremen whose duties may consist of directing a crew, and such foreman and/or working foreman shall not be deemed to be an exempt supervisor.

E. The employer agrees to present to new hire employees an authorization and membership application form, provided by the union. Upon signed authorization of the employee. The employer agrees to deduct from the pay of each employee union dues, initiation fees and COPE contributions. The dues shall be deducted on the first (1st) pay period of each month and shall be submitted to the Secretary-Treasurer of SEIU Local 1877 by the 20th of the following month. The union shall notify the employer of the amounts that are to be deducted from the employees for dues, initiation fees and COPE contributions. The employer will furnish the union with an alphabetical check-off list in duplicate each month, indicating thereon the amount due for each employee and work-site. The employer shall add to this list, the name and address and social security number and work-site of any new employee whose name does not appear on the check-off list and delete the names of employees no longer employed.

The union and the employees shall forever hold and save the employer harmless from any action or cause of action resulting from this Article or from the employees reliance upon the authenticity or effectiveness of such authorization cards.

F. Each January the employer shall provide the union with a list of all employees employed by the employer by providing the following information: name of employee, home address, social security number, seniority date, classification, home telephone number, rate of pay and name of store where employed.

SECTION 3-NO DISCRIMINATION

The employer and the union agree jointly and separately that they will not discriminate in the terms and conditions of employment in violation of the law against any employee or applicant for employment on the basis of race, color, creed religion, national origin, disability, sex or age as define in the Age Discrimination Act as modified.

SECTION 4-UNION REPRESENTATIVES

Where they receive permission of the property owner, duly authorized representatives of the union shall be permitted to enter the building or establishment in which the employees of the employer are working, for the purpose of observing conditions under which the employees are working, and also to transact union business, provided that such visits shall not unnecessarily cause the interruption of work.

SECTION 5-BULLETIN BOARD AND SHOP STEWARD

A. Bulletin Board: The employer will make available space at each store covered by this Agreement which will be accessible to all of his employees at all times. Said bulletin board shall be for the purpose of posting notices of official business of the union. The union agrees that it will not distribute handbills, posters or other literature within the building of the employer. The employer will provide a receptacle at or near such bulletin board in which the union may place such notices of official business.

B. Shop Stewards: The employer agrees that the union shall be permitted to maintain a Shop Steward at each site covered by this Agreement.

C. Steward Meetings: The Employer will meet as appropriate with shop stewards. If said Meetings occur during the shop steward's regularly scheduled hours the steward will be paid for such time.

D. Presence of Steward: The employee may ask for the presence of a Shop Steward when being suspended or terminated. The employer must grant such request except when circumstance is such that requires immediate action. In the absence of the Shop Steward, the employee may request the presence of another employee.

SECTION 6-HOLIDAYS

A. Upon the ratification date of this Agreement, the number of holidays shall be observed shall be five. They are Christmas Day, Thanksgiving Day, Easter, a floating holiday and upon the completion of six (6) months of employment an employee will become eligible for an additional floating holiday.

Effective May 1, 2004, one additional floating holiday will be added for any employee who is earning five (5) holidays a year or less and who have been employed for six (6) months or longer

B. Employees who have been employed for less than sixty (60) days shall not be entitled to pay for un-worked holidays. Any holiday falling within an employee's regular scheduled workweek, but not worked by an employee, shall be considered as time worked for the purpose of computing the workweek.

C. If an employee's day off falls on a holiday, he shall receive an additional day off within two (2) weeks with full straight time pay.

D. An employee working on a holiday shall be paid a total rate of two and one half (2 1/2) time his base rate of pay.

E. Subject to operational needs, all floating Holidays shall be taken within one (1) year of the employee's anniversary date of hire. The term floating holiday shall be understood to include Personal Day. . Any employee request for a floating holiday will be in writing at least thirty (30) calendar days in advance, on the appropriate employer form(s) and faxed to the employers office

F. Should the employee fail to request or the employer fail to approve a floating holiday(s) during the specified period, the employer and the employee agree to schedule the remaining day(s) within thirty (30) days after the end of the anniversary year. There is no cash out, neither can they be combined with subsequent anniversary entitlements.

G. The Employer agrees to make all reasonable efforts to grant Floating Holidays on the dates initially requested by employees, subject to operational requirements. Denial of Floating Holidays shall be subject only to operational needs. All Employer responses will be in writing within seven (7) calendar days of receipt of the employee fax. In the event the Employer does not respond in a timely manner as described above the employee's request for said floating holiday shall be granted by the Employer."

SECTION 7-VACATIONS

A. Employees shall not be eligible for any vacation the first six (6) months service. Employees shall be eligible for one week's vacation from six months to one year of service. Vacations granted after six (6) months of service but prior to the completion of one (1) year will be paid on a pro-rated basis based upon a calculation of five-sixths of a day accrued per completed month of service for months commencing with seven (7) months through twelve (12) month. e.g. employees completing nine (9) months of service would get two and one-half (2 1/2) days vacation with pay. All Employees who have been employed by the employer for two years or more shall be granted at least two (2) weeks vacation with pay annually. All employees who have been employed by the employer for nine years or more shall receive three weeks vacation with pay annually. Effective, May 1, 2003, all employees who have been employed by the employer for ninety-six (96) months or more shall be granted at least three (3) weeks vacation with pay annually. Unless otherwise provided for by this Agreement, vacations are subject to operational needs of the employer. Each week of vacation pay shall be computed at the employee's hourly rate of pay currently in effect at the time the employee takes his vacation, multiplied by the average number of weekly hours, the employee worked or was paid in the previous twelve (12) months. Said vacations shall be allocated by the employer as during the period between January 15 and November 15th, except as mutually agreed upon by the employer, the union and the employee.

B. Prorated Vacation: Any employee who has been in the service the employer continuously for over six months and terminates, shall receive pro-rated vacation on the basis of one sixth (1/6th) of his first years vacation allowance for each month of service over six months. After the first year of service even though there has been more than one employer during the year. If the service of the Building Maintenance Contractor is discontinued on any job, resulting in the termination of any employee, the accumulated vacation credits of such employee shall immediately become due and payable.

C. Temporary layoffs due to illness, which do not exceed a total of sixty (60) days during one year, shall not interrupt the continuity of such employment, so as to deprive any employee of his vacation rights. In the case of absence in excess of sixty (60) days, vacations shall be pro-rated on the basis of week of actual service.

D. If a holiday falls within an employee's vacation period, the employee shall receive an additional day's vacation with pay.

E. Any employee receiving vacation privileges better than those mentioned in this Agreement shall not have them reduced.

F. A vacation planner schedule will be distributed to employees during the months of December and January and all employees are required to submit their tentative requests at that time for purposes of maintaining seniority rights to requested week(s) otherwise seniority privileges will not apply. All requests for vacation(s) shall be in writing, on appropriate employer forms, requested a least thirty (30) days prior to the date of request. The employer will acknowledge, in writing, within seven working days of the request its approval or denial of the request. All requests must be submitted to the location fore-person or directly to the company. Denial is subject to valid operational reasons, customer sale activity and the period from November 15th to January 15th . Should the employee fail to request or the Employer fail to approve a vacation during the anniversary year the employer and employee agree to schedule the remaining days within thirty (30) days after the end of the anniversary year, subject to the restriction of November 15 through January 15. If two (2) or more employees request the same vacation

period at the same time, and the employer is unable to grant any such requests, the most senior employee(s) shall have preference for his/her vacation(s).

G. Paid vacation may be accumulated for two (2) years, so long as the employee requests the same in writing.

SECTION 8-HOURS AND WORKING CONDITIONS

A. Workday and workweek for employees covered by this Agreement:

1. The work day for all employees except part-time employees, shall consist of eight (8) hours within nine (9) consecutive hours, and employees shall be guaranteed eight (8) hour pay each day they report for work, except on their overtime days of the week, when they shall be paid for the actual hours worked at the appropriate overtime rate of pay. All work in excess of eight hours in any one day shall be paid for at the rate of time and one-half (1 1/2) the employee's regular rate of pay.

2. The work day for part-time employees shall consist of consecutive hours of work up to eight (8) hours within nine (9) hours without any guaranteed number of paid hours. Effective with May 1, 2003, subject to the employer's operating requirements, it shall be the intent of the employer to schedule part-time employees with at least twenty (20) hours per week, except where an employee voluntarily accepts a shift with fewer hours per week, or where the employer's client specifically requires a shift with fewer hours per week. All work in excess of eight (8) hours in any one day shall be paid for at time and one-half (1 1/2) the employee's regular rate pay. Notwithstanding the above, part-time employees may work split shifts, on a voluntary basis, if scheduled by the employer.

3. The workweek for all employees, except part-time employees and window cleaner, shall consist of five (5) consecutive days, followed by two (2) consecutive days off. Work performed on the employee's first regularly scheduled day off shall be paid for at the rate of time one-half (1 1/2) the regular rate of pay for actual hours worked. Work performed on the employee's second regularly scheduled day off shall be paid for at the rate of double the regular rate of pay for actual hours worked.

During the period between and including November 15 and January 15, the employer shall offer under normal circumstances, additional work hours by seniority to existing employees, who request them, before hiring temporary employees. This clause shall not be interpreted so as to require the employer to pay overtime rates of pay.

4. Employees wishing to transfer to another location serviced by the company shall file a transfer request with the Company and shall be considered when opening occur.

5. No employees shall be required to violate trade union principles.

6. All disbursements for wages shall be made by voucher check, which shall show the total number of hours worked, the rate of pay and an itemized list of all deductions made therefrom.

7. The union shall have the right to inspect the paycheck of any employee covered by this Agreement after the same has been returned to the employer by the bank, and the employer shall make the time card and payroll records available to the representatives of the union upon request.

8. No employee of the employer shall be requested or allowed to subcontract any work from the employer or his agents. The employer shall not enter into any contracts or agreements with any employee or establish any rule or regulation which is contrary to the provisions or purposes of this agreement. The employer may only subcontract "High window cleaning." All other work is to be done by bargaining unit employees.

9. If special uniforms, overalls, or coveralls are required, it is agreed that such must be furnished by the employer without cost to the employee and the cost of the upkeep and maintenance of them must be paid for by the employer. The employees agree to take good care of such uniforms, safety equipment, overalls, or coveralls, and not to wear same except in the course of their working hours, mealtime excepted. Employees who fail to wear safety equipment may be disciplined. The employer will supply those materials necessary to perform their work. The employer will supply and store a first aid kit at each job site.

10. Breaks: Employees shall be granted a fifteen (15) minute paid break for each four hours worked, or major portion thereof.

11. The Union and the Employer agree that courtesy in day to day communications between employees, Union Officials, Union Stewards and supervisors and managers of the Employer should always be present in Employer-Employee relationships. The Union and Employer agree that employees and supervisors and managers should treat each other with dignity and respect and the Employer shall recognize the Union's properly designated Shop Steward and deal with the Union Steward as the voice of the Union at the worksite.

SECTION 9-PAYMENT FOR TRAVEL, WAGE AND JOB CLASSIFICATIONS

A. An employee who is required to move from location to location in the course of performing his work assignment shall be paid for all time spent in traveling between such locations.

B. An employee who is requested or required by the employer to furnish his own vehicle to carry any equipment or supplies between locations shall be reimbursed at the rate of twenty six cents (\$ 0.26) per mile for the use of his vehicle. Computation of such reimbursed mileage shall begin with the first location and shall include all distances traveled to each location thereafter.

C. All payment due to reimburse employees for the use of their own vehicle shall be paid at each period, either by separate check or together with the payroll check, the amount of such payment to be specified on the check stub.

D. The employer shall carry non-ownership liability insurance on the vehicles of all employees who are requested or required to use their own vehicles in connection with their work. In the event the employer fails to secure such insurance he shall assume full responsibility for all legal fees, court cost, or damages incurred by the employee by the use of such vehicle during the course of his work.

E. Should an employee receive a traffic citation while using his own vehicle at the request of the employer, the circumstances of the citation will be investigated by the union and the employer. Whether the employer or the employee will be responsible for any payments will be determined by mutual agreement between the union and the employer.

F. JOB CLASSIFICATION AND WAGE RATES

The following job classification and wage rates shall be effective for the duration of this Agreement. All rates set forth represent minimums and nothing shall prevent the employer from paying more than the minimum rate. Effective May 1, 2007, the following increases will go into effect for all covered employees (employees hired prior to May 1, 2007) as follows:

Date of Ratification	July 01, 2008	July 01, 2009	July 01, 2010	July 01, 2011
One time bonus of	Twenty cents	One time bonus of	Twenty-five cents	Twenty-five

20¢ per hour based upon all straight time hours worked in the previous twelve (12) months. Paid to current employees.	(20¢) per hour wage increase.	20¢ per hour based upon all straight time hours worked in the previous twelve (12) months. Paid to then current employees.	(25¢) per hour wage increase.	cents (25¢) per hour wage increase.
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The wage rate for employees designated by the employer as foreperson(s) shall be no less than twenty-five cents (25¢) per hour over the average bargaining unit straight time wage rate at the store where said foreperson is employed at.

The starting rate for all employees hired after May 1, 2007 will be twenty-five cents (25¢) per hour over California or Federal minimum wages rates.

Start rate employees shall be entitled to the above appropriate start rate. Upon completion of at least one (1) year of service said employee shall be entitled to the next then scheduled wage increase(s) on the contract effective date(s) as afforded to non-start rate employees.

G. Changes in the minimum wage: An amount equal to any increase in wages or benefits mandated by a change in California or Federal minimum wage laws shall be credited against any increases which would thereafter come into effect as a result of this Agreement. Each credit will be applicable to one contract increase immediately following each increase in the statutory minimum wage rate. For example, on January 1, 2003, an employee's wage rate is increased one (1) dollar per hour as a result of a change in the California or Federal minimum wage rates; and said employee on May 1, 2003 is supposed to receive a thirty (30) cents per hour CBA wage increase, because of the aforementioned credit said employee would not receive the scheduled thirty (30) cents per hour May 1, 2003 CBA increase. Notwithstanding any other provision of this Agreement, employees shall earn at least twenty-five (25) cents per hour over California or Federal minimum wage rates. This provision shall not apply to any "Living Wage" law or ordinance adopted by political subdivisions of the state of California.

H. Whenever the masculine gender is used in this contract, it shall be deemed to include the feminine gender and vice versa as the case may be.

I. In all of the wage schedules of the Agreement, where an employee occupies a position or job which combines two (2) or more classifications of work, then that employee shall be paid at the rate of pay called for by the higher classification of work the employee performs. In the event a minimum work herein, then the wage shall be the rate set by mutual agreement between the employer and the union

J. The parties agree to the policy that an employer shall be liable for a penalty of twice the amount money due an employee, if the employer willfully fails to pay the correct wages, vacation, or holiday pay as provided herein. In order to administer this policy, a Labor Management Committee shall be established, consisting of an equal number of representatives of the employer and the union, not to exceed three (3) from each party, and alternates to function in cases of absentees. This Labor

Management Committee shall be on call and shall handle all alleged violations hereof, in accordance with the provisions set forth in Section 12. The Labor Management Committee may meet on any other topic it deems fit.

K. Any new hire who is called to work but is not put to work shall be paid for four (4) hours reporting pay.

SECTION 10-HEALTH AND WELFARE AND LIFE INSURANCE

A. This section expresses the understanding of the parties concerning employer contributions to the General Employees Trust fund on behalf of the employees covered by this Agreement and their dependents.

B. All employers contributions referred to this Section shall be paid into the General Employees Trust Fund, created under the terms of said plan in accordance with the Menu Plan and procedure set forth below.

C. Employer contributions shall be submitted to the Trust Fund between the first and tenth day of each month. All store employees on which contributions are being paid shall accompany remittance along with the number of hours worked by each employee. Paid vacations, paid holidays, and paid sick leave are considered as hours worked in computing contributions.

D. Except where specified otherwise, employees shall be eligible for Health and Welfare benefits after working six (6) months and working one hundred twenty four (124) hours per month. Effective, May 1, 2003, employees shall be eligible for Health and Welfare benefits after working six (6) months and working one hundred twenty two (122) hours per month. Effective May 1, 2004, employees shall be eligible for Health and Welfare benefits after working six (6) months and working one hundred twenty (120) hours per month.

On November 1, 2007 the Employer pays \$ 300.00 per month and the employee co-pay shall be \$ 41.80 for single employee coverage under GETF plan E-23.

The employer shall increase its contributions as follow:

April 1, 2008 \$ 311.00 per month.

April 1, 2009 \$ 322.00 per month

April 1, 2010 \$ 333.00 per month

April 1, 2011 \$ 348.00 per month

Family coverage: (Grandfather current recipients and Plans) (Keep current hours requirements). Same dollar amounts for plan increases per above amounts and dates. (4/1/08 \$ 11.00, 4/1/2009 \$ 11.00, 4/1/2010 \$ 11.00, 4/1/2011 \$ 15.00)

The initial qualifying period for Health and Welfare coverage shall be applied retroactively, if applicable, as of each date specified herein on which the qualifying number of hours changes. Continuing coverage thereafter shall be based on the appropriate number of worked or paid hours each month. Notwithstanding the aforementioned qualifying periods, during an employee's initial qualifying period only, the six (6) month aspect of the qualifying period shall be (six) 6 of seven (7) months, if said

initial qualifying period includes February. Subject to the operational needs of the employer or the employer's client, the Employer shall not schedule shifts specifically so as to avoid maintaining or increasing the number of employees covered under this Agreement who qualify for Health and Welfare coverage.

No employer contribution shall be paid during the first six months of employment. The contribution for employers represent the employer's caps. If the cost of coverage is below the caps, no increase will be made. Any amounts due over the cap will be paid by the employee through payroll deductions.

E. The employer shall comply with all provisions of the Trust Fund and shall maintain, furnish and make available for audit at employers office such data and records as the Trustees may require as provided in the Trust fund.

F. If any employee is not listed by the employer and should have been, the employer shall be personally liable and fully responsible for all claims that may be incurred by such employees in the same amounts as though the employee had in fact been listed. This personal liability to make payments under this Agreement.

G. The employer accepts the terms of that certain Agreement and Declaration of Trust entered into at San Francisco, California, creating the General Employees Trust fund and further agrees to become a party to said Agreement and Declaration of Trust. The employer hereby agrees to be bound by all of the provisions of said Agreement and Declaration of Trust and hereby acknowledges prior to receipt of a copy thereof.

H Dual Choice of Coverage: it is expressly understood that the employer is not obligated to pay additional costs, if any, of health insurance if the employee chooses an option plan and additional contributions are required.

SECTION 11 - PENSION

1. Between the first and tenth days of each month the Employer shall make the required payment for the preceding calendar month to the Trustees of the Pension Plan BUILDING SERVICE EMPLOYEES PENSION TRUST, also known as SERVICE EMPLOYEES INTERNATIONAL UNION NATIONAL INDUSTRY PENSION FUND), and shall continue such-payments for the term of this Agreement or as required by any subsequent and succeeding agreement.

2. Effective May 1,2003, for employees covered in Appendix D-1 (Employees "grandfathered" in the Bay Area Master Janitorial Agreement) the Employer agrees to contribute the additional sum of five (5) cents for each straight time hour worked by employees covered by this for the purpose of establishing and maintaining a pension plan. Paid vacations, paid sick leave and paid holidays are considered as hours worked in computing pension plan contributions.

3. Effective with May 1, 2004, the employer agrees to contribute the sum of five (5) cents per hour for each straight time hour worked by all other employees covered by this Agreement, who are not mentioned directly above, for the purpose of establishing a pension plan. Paid vacations, paid sick leave and paid holidays are considered as hours worked in computing pension plan contributions.

4. The Employer shall comply with all provisions of the Pension Trust Indenture and shall maintain, furnish and make available for audit at Employer's office such data and records as the Trustees may require as provided in the Pension Trust Indenture.

5. The Employer accepts the terms of that certain Trust Indenture made and in San Francisco, California, October 30, 1953, as amended, creating SERVICE EMPLOYEESPENSION TRUST and accepts the terms of the concurrently executed BUILDING SERVICE EMPLOYEES PENSION PLAN, as amended, and further hereby becomes a party to said Trust Indenture subject to the terms thereof as indicated in Section 3.01 of Article III of said Trust Indenture.

6. The Employer further agrees to be bound by all of the provisions of said Trust Indenture and said Pension Plan, as amended, and hereby acknowledges prior receipt of copies of said Trust Indenture and said Pension Plan.

7. The Employer hereby authorizes and directs the Union to deposit with the Pension Plan said Section 3.01 of Article III of said Trust Indenture.

SECTION 12-SICK LEAVE

A. Every employee covered by this Agreement who has been continuously employed by his employer for a period of at least one (1) year shall be entitled to paid sick leave "prorated" based on the employee's regularly scheduled work hours up to 40 hours per week. Normal reasonable proof of illness which may be required by the employer. The employer shall not require proof of illness of employees who do not have health and welfare benefits or for unpaid days, except in the case of employees who have demonstrated a pattern of abuse. Such sick leave with pay shall be applicable only in cases of bona fide illness or accident and shall be paid in the following manner:

First full work day's absence, no pay except where the employee is hospitalized on such first day; succeeding work day's absences, full pay until earned sick leave benefits are exhausted. Sick leave is to include spouse and children living at home.

B. For the purpose of this paragraph, full pay shall mean pay for the regular daily schedule of working hours, for those days which the employee would have worked had the disability to occurred, calculated at straight time. The waiting periods herein provided-before full pay commences shall apply for each illness or accident in case the sick benefit allowance has not been used up in the previous illness during the same year. Unused sick leave shall accumulate to a maximum of twenty (20) days,(One Hundred sixty (160) straight time hours) at the rate of five (5) days forty (40)straight time hours per year.

C. In industrial injury cases, Workmen's compensation and sick leave benefit allowance shall be paid separately, but in the event Workmen's Compensation payment cover all or part of the period during which earned sick benefit allowance are paid, the sum of the two shall not exceed the sick benefit payable for said period. This same rule shall apply to unemployment compensation disability payments.

D. When death occurs in the immediate family of an employee who is entitled to sick leave with pay, he shall be entitled to a paid leave of absence up to three (3) days, which shall be deducted from his accrued sick leave. immediate family shall be defined as father, mother, spouse, brother sister, or children

SECTION 13-SENIORITY AND PROBATION

A. Probation: The probation period for new employees shall be sixty (60) worked days. This period may be extended by mutual agreement between the union and the employer. Termination for any cause during this period shall not be subject to the Grievance Procedure.

B. Seniority:

1. Seniority is the right accruing to employees through length of service at a particular worksite which, entitles them to preference in layoffs, recalls from layoff and vacation time. Seniority shall also apply in filling permanent vacant station assignments within the same site providing the person applying for said vacancy is qualified to perform the work as determined by the employer. Should the client make a request to fill a "vacant" position with a less senior employee that request shall be granted.

If an employee transfers to another store, he/she shall retain their seniority. Transfer requests will be considered for vacant positions by order of seniority provided the worker meets the reasonable qualifications for the job as determined by the employer. Workers who request a transfer to another store shall be paid at the wage and benefit rate in effect at that store.

Additional hours shall be distributed by order of seniority provided the worker meets the reasonable qualifications for the job as determined by the employer. The qualifications will be applied in a consistent and uniform manner. When a permanent vacancy is created, the most senior two (2) persons shall be allowed moves to fill the vacant slot. Subsequent vacated assignments caused by these moves shall be filled by the employer. In the event the employer decided to fill beyond the (2) positions as stipulated above, the employer may consider seniority to fill them.

2. Seniority rights shall be lost for the following reasons:

- A. Quit
- B. Discharge
- C. Layoff for a continuous period of nine (9) months or if a layoff exceeds the length of time an employee has worked.
- D. Retirement
- E. Promotion out of the unit after sixty (60) calendar days.
- F. Failure to report to work for three (3) consecutive workdays without notice, unless it is beyond the control of the employee, shall be voluntary quit. Failure to return from an authorized Leave of Absence (LOA) without having an extension approved in writing, unless it is beyond the control of the employee, shall be considered a voluntary quit.
- G. Removal from a job site at the request of the employer's client. The employer and the union will meet and use reasonable efforts to place the affected employees at another Macy's subject to the client's approval.

SECTION 14-LAYOFF AND RECALLS

Layoff and recalls will be based upon seniority at a work site. Employees will be laid off and recalled after layoffs on the basis of their seniority at that site. Recall from Layoff shall be handled in the following manner:

A. Any employee who has been employed for six (6) months or more at a particular site and who is laid off, shall have the right of recall to that site, provide that the period of layoff does not exceed nine (9) months.

B. The employer will contact the most senior qualified employee.

C. If the most senior qualified employee does not respond, the employer will notify all laid off employees from that site that a vacancy exists. The employee shall then be given seven (7) days from the date of mailing of the letters in which to accept the available job. During this entire process, the employer may hire a temporary employee to fill the vacancy until a senior person is selected.

SECTION 15-DISCIPLINE AND DISCHARGE

A. No employee shall be discipline without just cause. The reason for discharge or other disciplinary action must be given to the employee and the union representative or the steward.

B. Discipline will consist of up to three (3) steps:

1. First written warning

2. 1 day suspension or final written warning

3. Termination

Proceeding through the foregoing discipline steps, subject to the grievance procedure, shall constitute just cause.

The type of discipline imposed in any instance depends on the nature and seriousness of the offense involved.

C. Copies to union. A copy of all written warnings and reprimands shall be provided to the union and the employee.

SECTION 16-GRIEVANCE PROCEDURE

Any difference between the employer and the union involving the meaning or application of the provision of this Agreement shall constitute a grievance and shall be taken up in the manner set forth in this section. Grievance need not be considered unless the aggrieved party serves upon the other party a written statement setting forth the facts constituting the alleged grievance. For a discharge case grievance, such notice must be served with ten (10) days from the date of discharge. Such written statement concerning any other type of grievance must be served within fifteen (15) days of its occurrence or the discovery therefore by the aggrieved party.

It is the intent of the parties that reasonable diligence is used in the discovery and reporting of alleged grievance so that they may be adjusted or dismissed without undue delay. The employer and the union agree to use their best endeavors by informal; conferences between their respective representatives to settle any grievance within ten (10) days after service of such written statement. If not settled within such time, either party may service written demand upon the other that the grievance be submitted to arbitration, Notwithstanding the foregoing either party may request prior to arbitration mediation pursuant to the mediation language stated below.

"Mediation. If during the period that the parties can meet, no decision is reached, either party can request the use of nonbinding mediation as a means of settling disputes prior to arbitration. Within five (5) working days of the receipt of the mediation request, the Parties shall meet to discuss submitting the dispute to mediation. The use of mediation is entirely voluntary; recommendations of the mediator are non-binding. Federal Mediation and Conciliation Services ("FMCS") shall be the permanent mediator

whose function it will be to hear the contentions of the Parties, review pertinent and documentary evidence, and provide the Parties with recommendations on how the dispute should be resolved. The mediator's recommendation shall be given orally. No evidence regarding mediation efforts with the mediator's recommendation shall be introduced into any arbitration, judicial or administrative proceedings, whether state or federal. If there is no agreement to mediate or if during the period of non binding mediation the parties do not agree on the mediator's recommendations, either may within five (5) working days following such period, request in writing that the matter be referred to arbitration.

If the parties cannot agree upon a person to act as an impartial arbitrator within five (5) days after service of such demand, then an impartial arbitrator shall be named by agreement from a list of five (5) arbitrators supplied by the State Conciliation Service. The decision of the arbitrator shall be final and binding on both parties hereto. The Arbitrator when determining any back pay award(s) or other remedy is required to take into consideration the relative timeliness in each of the Parties responses to the grievance. In the event of a willful failure by either party to appear before the arbitrator after written notice of time and place of hearing, the arbitrator is hereby authorized to render his decision upon the evidence produced by the party appearing. Each party shall bear all costs of presenting its case to the arbitrator. The arbitrator's fee and all incidental expense of the arbitration shall be borne equally by the parties hereto.

SECTION 17-NO STRIKE NO LOCKOUT

There shall be no strike nor lockouts indulged in by either party to this agreement during the duration of this Agreement. It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action for any employee covered by this Agreement to refuse to go through or work behind any picket lines established because of a strike authorized by the respective Central Labor Councils for particular Counties or the Teamsters Joint Council No. 7.

SECTION 18-SAVINGS CLAUSE

If any provisions of this contract or the application of such provisions to any person or circumstances be ruled as an "unfair labor practice," or in any other way contrary to law, by any Federal or State court or duly authorized agency, the remainder of this contractor the application of such provision to other persons or circumstances shall not be affected thereby, and the parties will negotiate to replace such provision.

SECTION 19-LEAVE OF ABSENCE AND MATERNITY LEAVE

A. Leave of Absence: Any employee with one (1) or more years of continuous service shall be eligible to request an unpaid leave of absence up to a maximum of thirty (30) days in one (1) calendar year for personal reasons without a break in continuity of seniority. Any employee request for a Leave of Absence will be in writing at least thirty (30) calendar days in advance, on the appropriate employer form(s) and faxed to the employers office. The Employers employees acceptance or denial must also be in writing within seven (7) calendar days. The employer shall make the ultimate determination as to the total number of employees who will be granted a leave of absence at any onetime. When an employee

returns to work after completing an authorized leave of absence, he shall be reinstated to his same classification and work sites where he was employed before his absence. In the event the Employer does not respond in a timely manner as described above the employee's request for said leave shall be granted by the Employer."

Failure to return from an authorized leave on the date specified, including extensions granted by the employer, shall be considered a voluntary quit.

B. Maternity Leave of Absence: Unpaid maternity leave up to four (4) months will be granted for any worker with six (6) or more months of continuous work. The worker shall report back to work within sixty (60) days after the date of delivery. Extension of the leave shall be granted for medical reasons with verification of the employee's doctor. Upon return to work, the employee will present a statement verifying her ability to return to her normal work. Any replacement for an employee on maternity leave shall perform the work on a temporary basis. This section shall be in compliance with current state and federal law.

C. Union Leave: Leave of absence with accumulative seniority and no pay shall be granted in the event an employee is elected or requested by the union to take time off from work for official union business. The leave shall be for a maximum of thirty (30) days within one (1) calendar year but the union may request an extension. No more than one person per site may be requested at any onetime and the employer reserves the right to refuse a request for day persons and forepersons and for other business necessities. The union agrees to notify the employer in a reasonable advanced notice as to the time needed and nature of the time off requested.

SECTION 20-IMMIGRANT WORKERS

A. The union is obligated to represent all employees without discrimination based upon national or ethnic origin. The union is therefore obligated to protect employees against violations of their legal rights occurring in the workplace, against unreasonable search and seizure.

B. The employer shall notify the union by phone and give oral notice to the union steward, as quickly as possible, if any I.N.S. or S.S.A. agent appears on or near the premises to enable a union representative or attorney to take steps to protect the rights of employees.

C. The employer shall reinstate any employee who is absent from work due to court or agency proceedings relating to immigration matters and who returns to work within thirty (30) working days of commencement of the absence. The employer may require documentation of appearance at such proceedings.

D. Employees shall not be discharged, disciplined or suffer loss of seniority or any other benefit or otherwise adversely affected by a lawful change of name or Social Security number.

SECTION 21-JOINT LABOR-MANAGEMENT COMMITTEE

The Employer and the Union agree that mutual interests are advanced in a climate of respect, mutuality and open communication. Therefore, the parties hereto agree to establish a Joint Labor Management Committee. The Committee shall meet not more than every three months for a one (1) hour time period, which may be extended by mutual agreement, to discuss mutual concerns; provided that this shall not either expressly or impliedly result in any obligation to reopen any of the terms of Agreement or

otherwise to bargain with respect to any particular subject. The committee meeting shall be by individual Employer.

SECTION 22-MANAGEMENT RIGHTS

A. The employer reserves the rights, powers and authority customarily exercised by management except as otherwise specifically designated or modified by the expressed provisions of this Agreement which are subject to the Grievance Procedure. The operation, control, and management of the business and supervision and direction of the working forces, is and shall continue to be solely and exclusively the functions and prerogatives of management and of the employer. All the rights, functions and prerogatives of management and which are not expressly and specifically restricted or modified by one or more explicit provisions of this Agreement are reserved and retained exclusively to the employer.

B. It is agreed that the rights specified herein may not be impaired by an arbitrator or arbitration, even though the parties may agree to arbitrate the issue involved.

C. The exercise of any right reserved to management herein in a particular manner or the non-exercise of any such right shall not be deemed a waiver of the employer's right or preclude the employer from exercising the right in the future or in a different manner.

SECTION 23-MODIFICATIONS

This Agreement may be modified by the Parties from time to time. Said amendments must be mutually agreed upon by the Parties and must be put in writing and signed by the Parties. The attachments set forth hereinafter are incorporated as a part of this Agreement and shall have the same effect as fully set forth herein.

SECTION 24-DURATION OF AGREEMENT

This Agreement shall become effective as of the 1st day of May, 2007 and shall remain in effect until the 30th day of June, 2012 and shall continue from year to year thereafter; provided, however, that either party upon sixty (60) days written notice to the other prior to June 30, 2012 or any subsequent anniversary date, may notify the other party of its desire to modify or amend the Agreement in effect at the time of such notification shall remain in full force and effect until a new Agreement is consummated.

IN WITNESS WHEREOF, the parties hereto set their hands this 17 day of July 2008.

FOR THE EMPLOYER:

FOR THE UNION:

INNOVATIVE FACILITY SERVICES, LLC.

SEIU LOCAL 1877

By _____

By _____

Date: _____

Date: _____

Attachment #1

APPENDIX A

Conditional Health Plan Reopener - Employee Only Premiums

1. Notwithstanding language which may be contained elsewhere in the Macy's Collective Bargaining Agreement (2007–2012) the Employer agrees to reopen the Macy's Department Store Collective Bargaining Agreement (2007–2012) thirty (30) days prior to October 1, 2010 for the limited purpose of re-negotiating the health insurance plan premium employee copayment costs - if all of the following circumstances are met:

a. The employee co-payment portion of the health insurance premium (employee only plan) exceeds eighty dollars (\$80.00) per month on or about October 1, 2010.

and

b. The Union (SEIU Local 1877) has successfully improved its retail department store (JC Penney and Nordstrom) market share to include signatory janitorial contractors who service at least seventy-five percent (75%) of the net cleanable square footage of retail stores of both of the following majors retail department store chains in the Union's jurisdiction in Northern and Central California: JC Penney and Nordstrom. Any retail department store's currently covered by CBA's with SEIU Local 87) are not counted.

2. If either of the above listed conditions are not met the contract may not reopened without agreement of both of the parties.

Attachment #2

APPENDIX B

2006 Collective Bargaining Agreement Dental Plan:

The Parties jointly agree that Dental Plan as described in the 2006 Macys Department Store Collective Bargaining Agreement was not implemented by mutual agreement of the Parties. The reason being there was no agreement was reached as to which dental plan to use and costs.

Attachment #3

APPENDIX C

Mark Lawrence Heath Plan:

The health plan Mark Lawrence is entitled to is Plan #199 (previously plan 22).

Attachment #4

APPENDIX D

Stockton Macys job Location

This appendix applies to Macys Department Store Employees at the Stockton Macy's job location, where the contract language is different from the master agreement.

Section1. Holidays

Employees at the Stockton Macy's store shall be entitled to the following paid holidays:

New Years Day	Independence Day
Washington's Birthday	Thanksgiving Day
Memorial Day	Christmas Day
Labor Day	

Section 2 Wages

All employees on the payroll as of the effective dates of the wage/bonus increases specified in Section 9(F) of this Agreement shall receive those increases/bonus payments.

Section 3 Health and Welfare

Otherwise Eligible employees shall be covered under Plan E-23 per Section 10 Health and Welfare.

Attachment #5

APPENDIX E

Sacramento Macys job Location

This appendix applies to Department Store employees in Sacramento, Yolo, and Placer Counties where the contract language is different from the main body of the contract

Section 1.

Holidays

Employees hired prior to August 9,1995 will have the following paid holidays:

Easter Sunday Christmas

Thanksgiving Day 4 Personal Days

Section 2. Health and Welfare

Otherwise Eligible employees shall be covered under Plan E-23 per Section 10 Health and Welfare.