

AGREEMENT

By and Between

I. B. E. W. LOCAL #31

And



**UNITED FOOD & COMMERCIAL WORKERS UNION
LOCAL #1189**

MAY 1st, 2012 through APRIL 30th, 2015

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UNION MANAGEMENT RELATIONSHIP

The Employer and the Union in recognition of the need and possibilities of continuous service through cooperation, mutually agree to cooperate fully for harmonious relationship, efficient discipline and maximum service.

The Employer recognizes the established rights, responsibilities and values of the Union and has no objection to its employees becoming members of the Union, responsible in conjunction with the Employer and for making and keeping this Agreement. The Employer will not tolerate on the part of its partners or representatives any discrimination or activity whatever against the Union and will discipline any employee who, on the Employer's time, carries on anti-union activity or who seeks directly or indirectly, to interfere with the status, membership, or responsibilities of the Union.

The Union agrees to do all in its power to discourage and prevent any irregular interruptions in the efficient operation of the Employer's business and agrees that the Employer has the right to take appropriate disciplinary action against any employee or employees participating in or responsible for such interruptions. Any complaints as to the propriety of the disciplinary action taken by the Employer in such cases shall be taken up through the grievance procedure set up herein.

The Employer and the Union agree that they will not engage in any lockouts of employees or strikes during the life of this Agreement, providing the terms of this Agreement are complied with.

In consideration of the mutual promises herein contained and for the purpose of creating a working agreement by and between the Employer and its employees and the Union, the parties hereto mutually covenant and agree to and with each other as follows:

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any part thereof is sold, leased, or transferred, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by the Agreement or any part thereof, and will require such purchaser, transferee, lessee, assignee, etc., to assume as a part of the transaction all of the obligations of this Contract as per classifications needed. Such notice shall be in writing with a copy to the Union not later than three (3) days prior to the effective day of sale.

ARTICLE I **RECOGNITION OF UNION**

- 1.1 The Employer recognizes said Union as the sole representative of its employees for the purpose of collective bargaining with respect to its hours of labor, rates of pay and working conditions hereinafter specified.

This Agreement shall cover the employees of the Employer located in Duluth, Minnesota, and any other location in the geographical jurisdiction of IBEW Local 31 and UFCW Local **1189**.

- 1.2 It shall be a condition of employment that all employees covered by this Agreement, who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirty-first (31st) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this Section, the execution date of this Agreement shall be considered as its effective date.
- 1.3 The Employer agrees not to discriminate against members of the Union and that he shall consider Union member applicants equally with applicants not holding membership in the Union and shall notify the Union when positions become available.
- 1.4 The Employer agrees not to discipline or discharge any employee without just cause. The Employer's decision is subject to review by an Arbitrator.
- 1.5 **SHOP STEWARD LANGUAGE:**

UFCW Local **#1189** (the Union) reserves the right to designate Shop Stewards. The Employer agrees to allow said Steward to attend Shop Steward Trainings scheduled by the Union on Company time.

ARTICLE II **HOURS OF LABOR**

- 2.1 All work performed by regular employees in excess of eight (8) hours in any one day or forty (40) hours in any week, Monday through Friday, shall be compensated for at the rate of time and one-half (1½) the regular hourly rate.
- 2.2 Employees shall not be required to work on Saturdays or Sundays, unless mutually agreed upon, nor the following days: Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, New Years Eve Day, New Years Day, and Christmas Eve Day. In addition, there will be four (4) floating holidays per anniversary year.

Refer to Article 6, Vacations, Section 6.1, to figure Floating Holidays for new hires for their first year of employment. One (1) Floating Holiday per full quarter.

- 2.3 When a recognized holiday falls on Saturday or Sunday, the Employer will observe it on Friday or Monday. The Employer may designate a floater when Christmas Eve, Christmas Day, New Years Eve or New Years Day falls on a weekend.
- 2.4 Employees required to work on any of the foregoing Holidays or Sundays shall be paid double (2X) time for all time worked on such Holidays or Sundays, in addition to the regular Holiday Pay.

ARTICLE III
WAGES

3.1

Assistant Office Manager	Current	5/01/12	5/01/13	5/01/14
		2.75%	3.00%	3.25%
1 st 6 Months 49%	\$13.13	\$13.49	\$13.90	\$14.35
2 nd 6 Months 59%	\$15.81	\$16.24	\$16.73	\$17.28
After 1 Year 69%	\$18.51	\$19.02	\$19.59	\$20.23
Office Manager	\$26.82	\$27.56	\$28.39	\$29.31

- 3.2 After six (6) months, the Assistant Office Manager in the Office Manager's position will receive a rate of pay at the midpoint between the two positions. After one (1) year, when the Assistant Office Manager upgrades, in the absence of the Office Manager, they will receive the position's full rate of pay. **Temporary employees will be paid at a minimum equivalent to the 1st 6 months wage rate of the Assistant Office Manager.**

ARTICLE IV
SENIORITY

- 4.1 Employees coming under the jurisdiction of the UFCW Local #1189 shall be hired, retained, promoted, demoted, laid off, or rehired according to their seniority in the employment of said Employer.
- 4.2 Newly hired employees shall be considered on a trial basis for a period of six (6) months from the date of hiring.
- 4.3 During the term of the six (6) months probationary period, such employees shall be entitled to all rights and privileges of this Agreement, except with respect to discharge. Such employees may be terminated at any time during this period of six (6) months without any recourse whatsoever. After the completion of the six (6) month trial period, seniority shall be effective as of the original date of employment.
- 4.4 Seniority shall mean length of continuous service with the Employer and shall be cumulative on a unit-wide basis.

- 4.5 a. During a lay-off, the Part-time person will have to take the Full-time Office Managers position or agree to waive their Seniority.
- b. The employee with the least amount of unit wide seniority will be the first laid off. Provided the remaining employees have the qualifications to perform the necessary work.
- 4.6 Notice of such layoffs shall be given in writing, with a copy to the Union office, two (2) weeks before the scheduled layoff, or two (2) weeks' pay in lieu thereof.
- 4.7 The Employer upon rehiring shall do so in the inverse order of seniority. The most Senior laid off employee is to be returned first.
- 4.8 Any employee who is laid off by the Employer and is later notified by the Employer of recall shall have two (2) weeks to return to work with the Employer. If the employee does not return to work within two (2) weeks, the employee shall be considered to have voluntarily resigned and shall forfeit all seniority rights.
- 4.9 Employees shall give the Employer two (2) weeks' notice of leaving unless agreeable to such Employer that the employee leave without notice.
- 4.10 In the event of a merger of Employers covered by this Agreement, seniority rights of employees shall apply as to their date of hire with their respective Employers.
- 4.11 Full-time Employee Benefits: A full time employee shall be defined as an employee who has a regular schedule of forty (40) hours per week. Full time employees are entitled to all benefits contained in this Agreement.
- 4.12 Part-time Employee Benefits: Upon completion of the probationary period, part-time employees regularly assigned to work will receive prorated benefits under this Agreement, **per the following schedule**:

AVERAGE HOURS WORKED PER WEEK

- 20 hours to 31.9 hours shall receive 3/5 of the benefits.
32 hours to 39.9 hours shall receive 4/5 of the benefits.
40 hours or more shall receive full benefits.

Averaged hours worked per week will be calculated yearly based on the previous fiscal year.

- 4.13 Temporary Employee Benefits: Temporary employees will be limited to ninety (90) days of employment within a one (1) year period, unless an extension is mutually agreed to by both parties. Temporary employees are not intended to be used to undermine benefits in this agreement. Temporary employees are not eligible to receive benefits.

4.14 Breaks:

For: 4 Hours	One (1) paid fifteen (15) minute break
5 Hours	One (1) paid twenty (20) minute break
6 Hours	One (1) paid twenty (20) minute break & One (1) unpaid twenty (20) minute meal break
7 Hours	Two (2) paid fifteen (15) minute breaks
8 Hours	Two (2) paid fifteen (15) minute breaks & One (1) unpaid thirty (30) minute meal break.

Breaks and meal breaks shall be taken as close to the middle of the shift as possible. Breaks and meal breaks may be combined at the employee's discretion to allow for a longer meal break.

ARTICLE V
DISCHARGE

- 5.1 It is hereby agreed that the Employer has the right to discharge an employee for just cause. The Employer agrees to advise the Union and the employee of any such discharge and the reasons therefore prior to such action.
- 5.2 The employees covered by this Agreement shall comply with all of the Employer's rules, provided they are not in direct conflict with the terms of this Agreement. An employee shall be subject to progressive discipline, except for extremely serious offenses. The Employer will notify the employee and the Union of discipline beyond verbal warnings, in writing. If upon joint investigation by the Union and the employer, or by decision of an arbitrator appointed pursuant to the terms of this Agreement, it shall be found that an employee has been unjustly discharged, such employee shall be reinstated to his former position without any loss of seniority or rank and shall suffer no reduction in salary and shall be compensated by the Employer for all time lost retroactive to the date of discharge.
- 5.3 No employee shall be held responsible for loss or shortage of funds unless clear proof of negligence or proof of dishonesty can be established.

ARTICLE VI
VACATIONS

- 6.1 All employees shall be eligible to take Vacation that has been earned as follows:

Less than One (1) Year	Maximum 10 Days**
One (1) Year to Less than Five (5) Years	10 Days
Five (5) Years	15 Days
Six (6) Years to Seven (7) Years	16 Days
Eight (8) Years to Nine (9) Years	17 Days
Ten (10) Years to Eleven (11) Years	18 Days
Twelve (12) Years or More	20 Days

** Vacation for this level is based on a quarterly basis; each full quarter equals 2.5 days. January 1st to December 31st is the time frame to be used for calculation.

- 6.2 All vacation periods shall be allowed to be taken in one continuous period of time, unless otherwise mutually agreed upon. Vacation shall, as far as possible, be granted for the period preferred by the employee, but should the vacation time requested by the employee interfere with the operation of the business, the Employer and the employee will mutually arrange a vacation time as near as possible to the time desired by the employee that will not interfere with the operation of the business. If the services of an employee are terminated either voluntarily or involuntarily, for any cause other than those specified in Article V, such employee shall receive prorated vacation pay and unused vacation pay.
- 6.3 If an employee's vacation falls in a week containing a holiday, the employee shall be granted **holiday pay in lieu of the vacation day**.
- 6.4 Senior employees shall be given preference in the selection of vacation periods.
- 6.5 Any employee separated from their position shall receive prorated pay in lieu of any earned and unused vacation.
- As in Section 4.2 and 4.3 of the Agreement, any employee with less than six (6) months of employment will not receive Vacation or paid Floating Holidays. All other employees separated from their position shall receive pro-rated pay in lieu of any earned and unused Vacation or Floating Holidays, after one (1) year.
- 6.6 In the event of death of an employee, all earned vacation pay and Floating Holidays, shall be payable to the beneficiary of said employee.
- 6.7 **Employees are expected to take their earned vacation within the fiscal year, but shall have the option to roll over or cash out up to 50% of their annual accrued vacation.**

ARTICLE VII
LEAVES OF ABSENCE

- 7.1 **LEAVES OF ABSENCE**: Employees shall be entitled to a written leave of absence for the following reasons:
- a) Non-occupational illness or injury of the employee which requires absence from work up to ninety (90) days.
 - b) Pregnancy leave to comply with Federal and State law.
 - c) Appointment as a delegate representing the Union requiring temporary leave up to a maximum of ninety (90) days.
 - d) Any other reason acceptable to the Employer upon giving the Employer a two (2) week notice.

7.2 Any replacement employee assigned or hired to perform the duties of the employee on leave shall be regarded as temporary during the period within which the employee on leave may legally return to work without loss of seniority as herein provided, and in the event such employee shall return to her job following such leave, such replacement employee shall be terminated or returned to her former position at the rate of pay established for that classification, including the domino effect upon other temporary employees necessarily reassigned to accommodate the one on leave.

7.3 JURY DUTY: An employee who is called to serve on jury duty shall be paid for actual hours worked for the Company. If this pay together with his jury duty pay does not equal his regular weekly pay, the Employer will make up the difference for a maximum of three (3) weeks, provided the employee works such hours as he is available during the hours when court is not in session. The above shall apply to petit jury duty only.

7.4 SICK LEAVE: This section shall cover all leaves caused by illness and accident and shall be referred to as "sick leave." Sick leave compensation shall commence from the first day of absence due to illness or injury at the employee's regular rate of pay and his regular work day hours. Sick leave shall be granted on the basis of up to twelve (12) days per year cumulative up to one hundred thirty (130) days. The Employer may require a doctor's verification of illness if the Employer has good cause for questioning if the employee is abusing the sick leave privilege. Unused sick leave may be accumulated to a maximum of one hundred thirty (130) days, and on being laid off or upon termination of employment, shall be granted fifty percent (50%) of their accumulated sick leave at the current regular employee's rate. In case of death during employment, the above referred to payment shall be paid to the employee's heirs or successors.

Employees that have accumulated one hundred thirty (130) days of sick leave and maintain the one hundred thirty (130) day balance for six (6) months of any calendar year shall be credited with one (1) day off, with pay, to be used as a personal holiday.

Sick leave and time off for doctor or dental appointments shall be permitted, and actual time lost shall be subtracted from earned and unused sick leave days. In addition, an employee shall be allowed to use their accrued sick leave due to illness or injury of an employee's dependent child.

7.5 If a holiday or Vacation falls within the time an employee is on sick leave, that day shall not be counted against accumulated sick leave.

7.6 All employees covered by this Agreement shall be granted five (5) days off with pay, in the event of a death in the Immediate Family; such as: Spouse, Significant Other, Father, Mother, Brother, Sister, Children, Step-Children, Grand-Children, Mother-in-Law, Father-in-Law, Step-Parents, Step-Brother, Step-Sister, Son-in-Law, and Daughter-in-Law.

Three (3) days off with pay shall be granted in the event of the death of a Brother-in-Law, Sister-in-Law, or Grand-Parents. Employees who were receiving time off in excess of what is provided in this Section prior to the effective date herein, shall continue to do so during the term of this agreement.

ARTICLE VIII
GRIEVANCE AND ARBITRATION PROCEDURE

8.1 Should a difference arise between the Employer and the Union or employees as to the meaning and application of the provisions of this Agreement or as to the compliance of either party with any of its obligations under this Agreement, or should there be any complaint or grievance by an employee of the Union or the Employer, an earnest effort shall be made to settle such differences immediately under the following procedure by negotiations:

- A. Between the employee affected and the Employer.
- B. Between the employee and a representative of the Union and an executive of the employer, at which time either party may call in an outside representative.
- C. Any dispute, difference or grievance relative to the interpretation of or adherence to the terms of this Agreement which has not been concluded through the above procedure within ten (10) days after reduction in writing in the manner hereinabove provided, the matter may be referred by either party within ten (10) days to a Board of Arbitration composed of three (3) members, one designated by the Union, one designated by the Employer, and the third to be mutually agreed upon by the representatives of the parties.
- D. Should the representatives of the Union and the Employer fail to agree upon a third party within three (3) additional days, the third person shall be appointed by the Federal Mediation and Conciliation Service (FMCS). Any extension of time for grievances shall be mutually agreed upon, and said extension shall not exceed thirty (30) days.
- E. If the Union should receive a report that the Employer fails to pay the wage scale hereinabove provided for, such Employer shall be obligated to show proof satisfactory to the Union that he is living up to the wage scale of the Agreement.

In the event the Employer willfully violates any of the provisions of this Agreement relating to wages, hours of work, vacations, or any back pay owed, the employees because of such violation shall be paid by the employer at the rate of two (2) times the straight standard rate or overtime rate. Any back pay so ordered shall be deposited with the Union in the name of the employee.

Notice of violations of any of the above terms shall be given to the Employer and the Union in writing not later than ten (10) days after such violations occurred. However, it is agreed and understood that any such claims shall not revert back longer than thirty (30) days.

F. No employee shall be discriminated against for Union activity and no employee shall be discharged for giving information for alleged violations of this Agreement to his or her representative or to any duly authorized representatives of the Union.

G. If after proper investigation it is found that an employee has been disciplined unjustly, he or she shall be reinstated with full rights and compensated for lost time and shall be paid if the claim is presented to the Employer in writing within ten (10) days after the suspension, demotion or dismissal in question.

8.2 The entire matter in controversy as aforesaid shall be referred to this Arbitration Board for disposition and whatever disposition is made shall be binding upon both parties. However, such Board shall not have power to add to or modify any of the terms and conditions of this Agreement.

8.3 The decision of the majority of the Board of Arbitration shall constitute the decision of the Board of Arbitration and be final. Should any expense be involved for the service of the above mentioned third member of the Board of Arbitration, such expense shall be borne equally by the Employer and the Union.

8.4 The Union will not authorize, assist or support any strike or stoppage of work because of any matter covered by this Agreement and for which procedure for settlement herein provided is available, but has not been utilized.

8.5 Participation in any strike, slow down, sit down, or stoppage of work brought about either by action of the Union in violation of this Agreement or by action of individuals or groups without Union authority shall be just cause for dismissal or discipline by the employer of any and all employees participating therein. Any complaints as to the propriety of the disciplinary action taken by the Employer under this paragraph shall be taken up through the grievance and/or arbitration procedure provided in this Article.

8.6 Except as provided above, nothing herein shall affect the right of the Union to call, assist or support a strike officially authorized by the Union, nor shall it be deemed a violation of this Agreement for an employee to refuse to cross an established picket line.

If a picket line is established, the Employer reserves the right to close its place of business, and the same shall not be considered a breach of this Contract.

8.7 Time limits set forth herein shall be considered normal work days, Monday through Friday.

ARTICLE IX
MISCELLANEOUS

- 9.1 No employee shall suffer any reduction in earning or loss in working conditions or past practices as a result of this Contract.
- 9.2 All employees shall be required to perform all work under their classification and to do relating work as assigned.

ARTICLE X
RETIREMENT PROGRAM

- 10.1 401(K) Plan: The Employer will contribute 1.00% of the employees' gross salary to the 401(K) Plan for the Office Manager and Assistant Office Manager, after completion of six (6) months of service. Should the 401(K) Plan need to be adjusted during the term of this Agreement, the Union and the employee will negotiate a comparable plan.
- 10.2 The Employer also agrees to contribute an additional **6.00%** of the Office Manager's **base** gross salary to an IRA of that employee's choice.

The Employer also agrees to contribute an additional **3.00%** of the Assistant Office Manager's **base** gross salary to an IRA of that employee's choice.

ARTICLE XI
UNION HEALTH, WELFARE AND PENSION

- 11.1 Should any employee of the Employer have the need for health insurance or lose their Health Insurance coverage (either Single or Family Coverage) through their current source, the Employer agrees to the following:
- A. The Employer will provide Health Insurance to the individual(s) with a schedule of benefits as close to the Northern Minnesota-Wisconsin Area Retail Food Health & Welfare Fund as possible. Should all eligible employees need coverage, the Employer will request to be accepted into the Northern Minnesota-Wisconsin Area Retail Food & Welfare Fund.
- Such request would be made to the Trustees of said Fund and if accepted, the employees would begin coverage on the first of the month following acceptance. The Employer would be required at that time to sign a Participation Agreement.
- B. The cost of said insurance shall be paid 80% of the total premium by the Employer for each individual.
- C. New employees hired, who need insurance, shall have payment made on their behalf by the Employer commencing on the first of the month following six (6) months of employment from their date of hire.

D. Payment toward Health Insurance on behalf of the employee who are terminated due to discharge or voluntary termination of employment shall not be required commencing with the first of the month following the date of their termination.

E. Employees returning to work or reinstated following an absence from work where their seniority has not been interrupted shall have payments made on their behalf on the first of the month following their return to work. In the event of absence of an employee from work because of injury, illness or sickness, the Employer shall continue to make the required contributions for a period of three (3) months from the date on which the employee leaves active employment due to injury, illness or sickness. In the event of leave of absence or in the event of employees who are laid off or are off because of illness, sickness or injury beyond the said three (3) months' period, they shall be permitted to continue coverage by paying in advance the regular monthly premium as paid by their Employers after the respective date that contributions by the Employers cease pursuant to the provisions hereof, provided that such coverage may be continued only to the maximum period allowed under the law.

11.2 During the times that the employees are on vacation, the Employer shall continue to pay the necessary contributions to secure coverage for the employees.

11.3 All Employers who are or become signatory or bound by this Agreement agree to be bound by the Agreements and Declarations of Trust, as amended, establishing the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan, copies of which have been furnished on request to employers bound hereby. It is agreed the provisions of said Agreements and Declarations of Trust and any rules, regulations or plans adopted by the Employer Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. All Employers bound hereby, irrevocably designate the Trustees of said Fund, and their successors as their representatives for the purpose set forth in said Agreements and Declarations of Trust.

11.4 **PENSION: The Employer agrees to pay the following current contribution rates:**

Effective January 1st, 2011 \$ 1.25 per hour

The Bargaining Parties have adopted into the Collective Bargaining Agreement the Rehabilitation Plan of the Northern Minnesota – Wisconsin Area Retail Clerks Pension Fund. The Preferred Schedule (seventeen {\$0.17} cents) per hour will be adopted effective with the hours worked in December 2011.

The Employer agrees to contribute one dollar and forty two cents (\$1.42) to the Northern Minnesota – Wisconsin Area Retail Clerks Pension Fund for each hour worked.

If at anytime during the life of this agreement the above listed contributions do not fund the monthly benefit rate in effect, the Employer agrees to negotiate with the Union one that will.

For the purpose of this section, "hours worked" shall mean all hours worked not in excess of forty (40) hour limitation, any holiday or vacation time for which any pay under the terms of this Agreement. It is understood and agreed that the said Pension Trust and benefits to be provided from the Pension Trust shall conform in all respects to the requirements of the Treasury Department, Bureau of Internal Revenue, and to any other applicable state and federal laws and regulations.

- 11.5 Contributions to the Trust Fund shall be due and payable fifteen (15) days following the end of the preceding month for all employees for whom contributions are required. The failure of an employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise, shall subject the delinquent employer to a payment of liquidated of such as adopted by the Trustees. Payments and liquidated damages unpaid by the first day of the following month shall be subject to an interest charge on the payments and liquidated damages equal to the prime rate of the bank with which the Fund does its business.

If legal action is taken to recover the amount due the Trust Fund, the delinquent employer shall be required to pay all court costs, including reasonable attorney fees. In addition to the other provisions as herein set forth, any employer who is delinquent in his payments to the Trust Fund shall make such employer primarily liable and responsible to its employees or employee's estates or beneficiaries for any claim for benefits accruing to such employees or employees' estates or beneficiaries which would otherwise be due such employees or employees' estates or beneficiaries under the administration of this Trust Fund. The payment of any and all claims shall not operate to relieve such employer from his liability to make the payments due the Trust Fund, including the liquidated damage payment.

Any employer who on more than one occasion during any one year becomes delinquent in its payments to the Trust Fund shall be required to post a bond with the Trustees in an amount equivalent to the total contributions which it was obligated to make during the preceding calendar year.

Non-payment by any employer of any contributions or other monies owed to the Fund shall not relieve any other employer from his or its obligation to make required payments to the Trust Fund.

- 11.6 In no event shall the provisions relating to the Clerks Pension Plan set forth herein be subject to or suitable for grievance and arbitration under the terms of this Agreement.

The above paragraphs shall not be applicable when, in the judgment of the Trustees, the delinquency resulted from a clerical error or a bona fide difference or dispute concerning eligibility.

The Employer agrees that applicable payroll records shall be made available for audit to employees of the Clerks Pension Plan as directed by action of the Board of Trustees of these Funds.

11.7 LONG TERM DISABILITY:

Employees covered under this Agreement shall be allowed to self pay for the/a Long Term Disability Plan if they choose to do so.

ARTICLE XII
SEPARABILITY

- 12.1 Should any part hereof or any provisions herein contained be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by decree of a court of competent jurisdiction or an unfair labor practice by final decisions of a labor relations board of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereto. Nothing herein shall be construed to replace or abridge the right of either party to appeal to court of administrative decrees or decisions.

In the event that any part or portion of this Agreement is declared illegal, the parties shall enter into immediate collective bargaining negotiations, upon the request of either party for the purpose of arriving at a mutually satisfactory replacement for such part or portion declared illegal.

ARTICLE XIII
SEVERANCE PAY

- 13.1 Laid off employees who have completed the equivalent of five (5) years of full-time service with the Employer shall be compensated with severance pay, as follows:

One (1) week's pay for each year of service.

In determining severance pay allowance, credit will be given for each fractional year of service on a prorated basis.

ARTICLE XIV
DURATION

- 14.1 The period of this Agreement shall be from **May 1st, 2012**, through **April 30th, 2015**, and shall automatically renew each year thereafter, unless sixty (60) days prior to the first day of May each year either party gives notice to the other party that the Agreement is to be terminated or amended. This Agreement will be retroactive during periods of negotiations and after its expiration date.
- 14.2 UFCW Local 1189 will designate through its Executive Officer the representative for the Union. The Employer agrees to allow at least one (1) member of the Bargaining Unit to "be" present in bargaining on the Employer's time.

IN WITNESS WHEREOF, we have set our hands and seals this 29th day of June, 2012.

I.B.E.W. LOCAL #31
Duluth, MN

By Mark Gloyer
Business Manager

**United Food & Commercial
Workers Union Local #1189**
Duluth, MN

By Gary Morgan
Gary Morgan, Director
Northern Division

**NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS
PENSION FUND PARTICIPATION AGREEMENT**

THIS AGREEMENT made and entered into on the 27th day of June, 2012, by and between the Employer and the United Food and Commercial Workers Union, Local 1189, by their duly authorized representatives.

WITNESSETH

WHEREAS, the Union and the Employer have entered into an Agreement which provides for participation in the NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND in order to obtain retirement benefits for employees represented by the Union and employed by the Employer.

NOW THEREFORE, for and in consideration of the premises mutual covenants herein contained, and the acceptance of the parties as participants by said Trust Fund, the Union and the Employer hereby agree as follows:

1. The Union and the Employer agree to be bound by, and hereby assent to, all of the terms of the Trust Agreement creating said NORTHERN MINNESOTA-WISCONSIN ARE RETAIL CLERKS PENSION FUND, all of the rules and regulations heretofore adopted, by the Trustees of said Trust Fund pursuant to said Trust Agreement, and all of the actions of the Trustees in administering such Trust Fund in accordance with the Trust Agreement and rules adopted. The Union and the Employer acknowledge receipt of a copy of said Trust Agreement and of the Pension Plan Rules and Regulations and have read the same.
2. The Employer hereby accepts as Employer Trustees the present Employer Trustees appointed under said Trust Agreement and all such past or succeeding Employer Trustees as shall have been or will be appointed in accordance with the terms of the Trust Agreement.
3. The Union hereby accepts as Union Trustees the present Union Trustees appointed under said Trust Agreement and all such past or succeeding Union Trustees as shall have been or will be appointed in accordance with the terms of the Trust Agreement.
4. In accordance with that certain collective bargaining agreement now in effect between the Union and Employer and which is part hereof by reference, the effective date of participation in the Pension Fund is _____.
5. The Employer agrees to make contributions as provided in and required by said collective bargaining agreement and any succeeding collective bargaining agreements to the NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND.

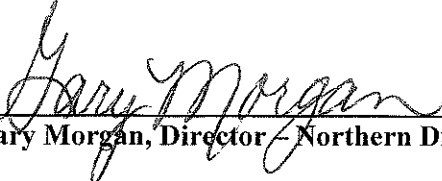
IN WITNESS WHEREOF, said Employer and Union have caused this instrument to be executed by their duly authorized representatives, the day and year first above written.

I. B. E. W. LOCAL #31



FOR THE COMPANY

**UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 1189**



Gary Morgan, Director - Northern Division