

Transition Agreement

(Grand Rapids Cub)

(Grocery & Meat Units)

THIS AGREEMENT entered into as of this 14th day of March, 2017 by and between Miner's Incorporated, a Minnesota corporation ("Miner's") and the United Food and Commercial Workers Local Union Number 1189 ("Union").

Recitals

WHEREAS, Miner's is in the process of acquiring the assets of the grocery store located at 2410 S. Pokegama Avenue, Grand Rapids, Minnesota 55744 ("New Store" or "Cub Foods Store"), from Miner's of Grand Rapids, Inc. ("Cub Foods"), whose employees are currently members of, and represented by the Union; and

WHEREAS, any acquisition by Miner's will be on the basis of an "asset purchase and sale" ("Asset Purchase") and the employment of all Cub Foods' employees at the Cub Foods Store will be terminated by Cub Foods; and

WHEREAS, Miner's anticipates that it will hire a substantial majority of the former Cub Foods' employees to staff the New Store; and

WHEREAS, for convenience of the parties, new Miner's employees formerly employed by Cub Foods will be referred to hereafter as collectively as "former Cub Foods' employees", "New Hires", or "New Employees"; and

WHEREAS, Miner's is willing to recognize the Union as the exclusive bargaining representative of the former Cub Foods' Employees and to enter a collective bargaining agreement with the Union (the "Union Contract") for the New Store; and

WHEREAS, as part of the acquisition process it is important to Miner's and the Union that they have an agreement on the application of the Union Contract as it relates to the New Store; and

WHEREAS, the parties have had discussions concerning the application of the Union Contract to the New Store.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein the parties agree as follows:

Agreement

1. Miner's will sign a Union Contract with the Union as the exclusive bargaining representative of the New Employees at the New Store, which contract will contain the union contract terms currently in place between the Union and Cub Foods except as modified by this Agreement, to be effective only upon the closing of the Asset Purchase and Miner's taking physical possession of the New Store.

2. The parties agree that the following interpretation and application will apply to the Union Contract:

- (a) The collective bargaining agreement between the Union and Miner's that will apply to the New Store shall be the current collective bargaining agreement between the Union and Cub Foods, subject to the modifications and interpretations set forth below.
- (b) All former Cub Foods employees hired by Miner's will be "new hires" under the Union Contract and will be treated as such for all purposes of Union Contract administration except as otherwise specifically set forth in this Agreement.
- (c) All New Employees will earn vacation benefits as new hires under the Union Contract beginning with their initial date of hire with Miner's. However, for purposes of calculating vacation, former Cub Foods employees will receive vacation benefit credit for all time worked as a Cub Foods employee. In no event shall an employee accrue more than three (3) weeks of annual vacation unless and until the Union Contract is modified to increase the vacation benefit for employees hired after 30, 2005. The foregoing notwithstanding, all former Cub Food employees eligible for four (4) weeks of paid vacation as of the date of Closing shall continue to receive four (4) weeks of paid vacation. Miner's agrees to allow former Cub Foods employees with one or more weeks of vacation to take unpaid time off during their first year of employment with Miner's equal to the number of weeks of vacation accrued while Cub Foods' employees. Unpaid time off will be scheduled pursuant to vacation seniority rules contained in the Union Contract. Presently scheduled vacations for former Cub Foods employees will be honored to the best extent possible based on the reasonable needs of the business.
- (d) Miner's will pay union pension fund contributions on former Cub Foods employees at the contribution level for New Employees as set forth in the Union Contract. The foregoing notwithstanding, former Cub Foods' employees having pension fund contributions made on their behalf at an hourly rate higher than the initial contribution rate set forth in the Union Contract for regular employees (e.g. 60¢/hour plus the applicable rehab plan non-benefit contribution) on the date of termination from employment with Cub Foods' shall have pension contributions made on their behalf at the rate of seventy five cents (75¢) per hour (plus the applicable rehab plan non-benefit contribution of 16¢/hour). The seventy five cents (75¢) per hour contribution rate for these employees is for the first 5 years of employment with Miner's.
- (e) All New Employees appointed to full-time positions with Miner's at the New Store will be treated as new full-time employees for purposes of health fund family contribution cost sharing (e.g. employee pays 12.5% of the difference between the family contribution rate and the single contribution rate) for full-time health coverage but there shall be no waiting period, provided the employee was covered by the health plan either as a part-time or full-time employee on the date of the employee's termination from employment with Cub Foods. There shall be no health plan waiting period for former Cub Foods part-time employees who were participants in the health plan on the date of termination from employment with Cub Foods.

- (f) Former Cub Foods part-time employees who did not complete the waiting period for health fund contributions set forth in paragraph 15.24 of the Contract at the time of their termination from employment with Cub Foods will restart the waiting period for health insurance contributions to be made on their behalf.
- (g) Former Cub Foods part-time employees hired by Miner's as part-time will be slotted on the appropriate wage schedules at the hours for the beginning of their current wage rate as a Cub Foods employee as of the date of termination from employment with Cub Foods. The foregoing notwithstanding and for wage purposes only, former Cub Foods part-time employees with current wage rates above the top scale rate will be "red circled" at their current hourly wage rate.
- (h) Except as provided in paragraphs (c) and (g) above relating to vacation and wages, no New Employee will receive any "hours credit" or "years of service credit" for prior industry work toward any employee benefit under the Union Contract based on time accruals.
- (i) Miner's will make the initial selection of employees at the New Store and any changes thereto within the first 60 days after taking possession of the New Store without posting the position and without regard to seniority. Thereafter, any promotion requirements of the Union Contract will apply.
- (j) Current Miner's employees (those on Miner's payroll prior to the closing of the Asset Purchase) transferred to the New Store during the ninety (90) day period after Miner's takes possession of the New Store as set forth in paragraph (b) above will be deemed to have commenced employment at the former Cub Foods Store as of 12:01 a.m. on the date of closing. Former Cub Foods employees hired by Miner's will be assigned classification seniority within each store in the order of their date of initial hire with Cub Foods.

3. In the event Miner's assumes the Cub Foods' pension fund withdrawal liability, the Union and Miner's will jointly solicit the pension fund trustees of the Northern Minnesota-Wisconsin Retail Clerks Pension Fund to agree to waive any bonding for withdrawal liability and release Cub Foods, as the seller, from withdrawal liability based on Miner's assumption of Cub Foods' pension fund withdrawal liability.

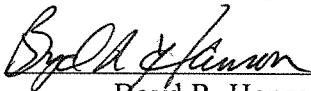
4. The Union acknowledges that Miner's has and will rely to its detriment on the representations and agreements made by the Union in this Transition Agreement. The Union agrees that it shall be estopped from asserting claims against Miner's in contravention of the terms of this Agreement and this Agreement shall continue after Miner's and the Union have mutually entered the Union Contract with respect to the New Store. In the event there is a conflict between this Transition Agreement and the Union Contract, the provisions of this Transition Agreement will control.

5. The purpose of this Agreement is to promote harmonious labor relations and avoid labor unrest. To that end, the Union agrees that it will support and cooperate with Miner's in the implementation of this Agreement. Nothing contained herein is intended to compromise the Union's duty of fair representation to its members.

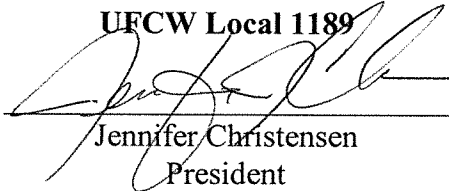
6. The parties agree that: (i) each party has reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (ii) in case of dispute the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

IN WITNESS WHEREOF the parties have set their hands this 14th day of March, 2017.

Miner's Incorporated

By: 
Boyd R. Hanson
Director of Human Resources

UFCW Local 1189

By: 
Jennifer Christensen
President