

AGREEMENT

between

PARADIES-SAN DIEGO LLC

and

UNITED FOOD & COMMERCIAL WORKERS

UNION Local 135

San Diego, California

June 17, 2018 – June 16, 2023

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THIS COLLECTIVE BARGAINING AGREEMENT (“Agreement”) is made and entered into this 17th day of June, 2018, between Paradies-San Diego LLC (the “Company”) and United Food & Commercial Workers Union, Local 135 (the “Union”).

In consideration of the mutual promises and covenants hereinafter set forth, the Company and the Union (collectively, the “Parties”) agree as follows:

ARTICLE 1-RECOGNITION, UNION MEMBERSHIP, UNION DUES

Section 1.1 Bargaining Unit

This Agreement relates only to the regular full-time and regular part-time Employees employed by the Company at the San Diego International Airport in its newsstand operations in one of the following positions: Sales Associate, Warehouse Associate (the “Employees”). This Agreement shall not relate to any Managers, Senior Team Leaders or supervisors, office clericals, professional employees, confidential employees, and/or guards as defined in the NLRA, nor does it relate to any persons employed by the Company in any brand stores or employed by any other affiliate of The Paradies Shops.

Section 1.2 Union Membership

All present Employees covered by this Agreement who are members of the Union as of the date of execution of this Agreement shall, as a condition of employment, remain members of the Union in good standing, or alternatively pay a service as provided by law.

All present Employees covered by this Agreement who are not members of the Union as of the date of execution of this Agreement and all Employees covered by this Agreement who are hired thereafter shall, as a condition of continued employment, become members of the Union by the thirty-first (31st) day from the date of hire, date of execution, or effective date of this Agreement, whichever is later, and thereafter remain members of the Union in good standing, or alternatively pay a service fee as provided by law.

Upon the failure of the Employee to tender his or her initiation fee, reinstatement fee or dues to the Union as required above, the Union shall notify the Company in writing of such failure and the Company shall discharge said Employee no later than the seventh (7th) working day after receipt of such notice unless the Employee pays or tenders to the Union said unpaid monies prior to expiration of the seven (7) day period, or alternatively pay a service fee as provided by law.

Section 1.3 Union Dues

Each pay period, after the execution and during the term of the Agreement, the Company agrees to deduct from the wages of any Employees covered by this Agreement who have joined the Union and who provide written authorization to the Company, all periodic dues and normal initiation fees as were certified to the Company in writing by the Union as being owed. The Union recognizes that the Company will inform the Employees about the reason and the amount of any such deductions. The Company agrees to transmit such deducted sums to the Union not later than the fifteenth (15th) day

of the month following the month for which any such dues and fees are collected. The Company shall not, however, be required to make such deductions except in accordance with law.

The Union shall procure from each of its members covered by this Agreement in the employ of the Company a signed authorization, in writing, for the deductions to be made from such Employees' wages. Said written authorization shall be deposited with the Company before the first check-off deduction is made. The Union shall give immediate notice to the Company in the event any Employee has resigned from the Union and/or made an attempt to revoke his or her dues check-off authorization, and in any such event the Company's obligation to continue making deductions from that Employee's paychecks shall cease.

The Company shall not be liable for any negligence for failure to collect any of the aforesaid dues, nor shall such funds be regarded as trust funds. The Union shall defend, indemnify and hold the Company completely harmless against any and all claims, demands, suits, grievances and other claimed liabilities that arise as a result of the Company acting at the request of the Union pursuant to any of the provisions of this Article; without limiting the generality of the Union's indemnification obligation hereunder, in the event of any claim, demand, or litigation brought by an Employee that in any way relates to the Company's actions or omissions under this Section, the Union agrees that it will reimburse the Company on a monthly basis for any and all attorneys' fees and costs it incurs to defend itself (with the understanding that the Company shall have the right to choose its own counsel in its discretion), and assume full responsibility for any judgment obtained against the Company by an Employee.

ARTICLE 2-MANAGEMENT'S RIGHTS

Except as expressly limited or modified in this Agreement, the Company has and shall retain all the rights or functions of management. Without limiting the generality of the foregoing, the sole and exclusive rights of management which are not abridged by this Agreement include, but are not confined to, the establishment and modification of work rules and work schedules, the right to hire, assign, transfer, and discipline Employees, the right to establish reasonable standards of performance, the right to establish, change or eliminate work rules, the right to establish, change, combine or eliminate jobs and the right to discipline or discharge with just cause is vested exclusively in the Company.

It is agreed that the enumeration of the foregoing management rights shall not be deemed to exclude other rights of management not specifically enumerated. Any other power, function, authority and right relating to management of the business of the Company, and the direction of the working force, which the Company has not specifically abridged, delegated or modified by this Agreement, whether or not the Company has made use of such power, function, authority and right prior to the execution of this Agreement, is hereby specifically retained by the Company. The failure of the Company to exercise any power, function, authority or right reserved or retained by it, or the exercise of any power, function, authority or right in a particular way, shall not be deemed a waiver of the right, nor preclude the Company from exercising the same in some other way not in conflict with the specific provisions of this Agreement.

The Company has the right to subcontract any or all bargaining unit work which (a) is currently subcontracted, (b) is work of the type not currently performed by the bargaining unit, (c) is work requiring skills not available in the bargaining unit, (d) when such subcontract is necessary to comply with the terms of the Company's lease with the Airport, including, but not limited, to contracts necessary to comply with DOT or local regulations of any kind, or (e) to provide goods or services which the Company has determined that it cannot or should not provide itself. With respect to any such subcontracting, the Company will provide the Union with reasonable notice prior to its implementation.

To the extent the Company subcontracts work relating to stores that it will continue to operate (compared to subletting space or subcontracting of any kind where the Company will not control or operate the space), the intent of such subcontracting is not to displace or under schedule bargaining unit.

ARTICLE 3-NON-DISCRIMINATION

The Company and the Union agree that they will fully comply with all applicable laws and regulations regarding discrimination against any Employee or applicant for employment because of such person's race, color, creed, national origin, ancestry, age, gender, gender identification, gender expression, or handicap.

It is further agreed that, with respect to the Americans with Disability Act (ADA), should there be a conflict between any provision of the Agreement and compliance with the ADA, particularly with respect to the reasonable accommodations required by the ADA, the ADA requirements shall prevail.

ARTICLE 4-PROBATIONARY PERIOD

For the first ninety (90) calendar days of employment, all new Employees shall be employed on a probationary period. During that probationary period, just cause shall not be required and the Company's decisions with respect to new Employees (including decisions to discipline or discharge Employees) shall not be subject to the Grievance and Arbitration provisions of Article 17.

ARTICLE 5-SENIORITY, LAYOFF, REINSTATEMENT TO FULL-TIME, RETENTION OF SENIORITY

Section 5.1 Definition of Seniority

For purposes of this Agreement, seniority is the length of continuous employment with the Company in the bargaining unit as that unit is defined in Article 1.

Section 5.2 Loss of Seniority

Seniority shall be broken only by the following:

- a) Quit;
- b) Job Abandonment;
- c) Discharge;
- d) Layoff or leave of absence for six (6) months or more;

- e) Failure to return to work in accordance with the terms of a leave of absence or when recalled after a layoff;
- f) Engaging in gainful employment while on a leave of absence.

Absence during an authorized leave of absence of less than six (6) months shall not break seniority, provided that in restoring an Employee to employment upon the expiration of a leave of absence, no Employee who has actually worked a longer period of time for the Company than the absentee has worked, shall be displaced.

Section 5.3 Layoff

The principle of seniority shall apply in the case of layoff (that is, the last Employee employed shall be the first laid off) provided that the senior Employee is qualified to immediately perform the work and is available to work the open shift.

Section 5.4 Reinstatement from Layoff

The last Employee laid off shall be given the first opportunity to reinstatement in the former position, if said Employee presents himself **or herself** for work within forty-eight (48) hours, excluding Saturday and Sunday, from the delivery or attempted delivery of a certified letter from the Company, to the Employee's last known address. Failure of such Employee to present himself **or herself** within the forty-eight (48) hours shall cancel his **or her** seniority.

Section 5.5 Reinstatement to Full-time

An Employee who has been reduced to part-time employment must be offered the first full-time job that opens, provided that his **or her** skill and ability equip him **or her** to fill the position and he **or she** is available to work the open shift.

Section 5.6 Retention of Seniority

In the event an Employee is transferred out of the bargaining unit into a supervisory (Senior Team Lead) or management position within the merchandise operations of the Company's San Diego International Airport facilities, and such Employee fails within ninety (90) days to fulfill the requirements of the job to which he **or she** was transferred, he **or she** shall: (i) be returned to the bargaining unit within the classification and at the rate of pay the Employee was receiving at the time of his or her transfer, and (ii) shall not lose seniority.

Section 5.7 Same Hire Date

When two **(2)** Employees are hired on the same day, the last four (4) digits of their social security number will determine who is more senior (smallest being more senior).

ARTICLE 6-WAGES

Section 6.1 Extra-Contractual Wage Rates-Not Guaranteed

The following wage rates are minimum rates and nothing in this Agreement shall prevent the Company, in its sole discretion, from paying a higher wage rate to the Employee. Decisions by the Company to pay, or not to pay, an Employee at a higher wage rate shall not be subject to the

Grievance and Arbitration provisions of Article 17. Decisions by the Company to reduce an Employee's wage rate also shall not be subject to the Grievance and Arbitration provisions of Article 17 as long as the new rate is equal to or exceeds the contract wage rates set forth in this Agreement.

Section 6.2 Minimum Wage Rates

Effective the first full Paradies payroll period in July, 2018, base rate of pay for all Sales Associates who have at that time completed their ninety (90) day probation period shall be twenty cents (20¢) per hour above the City of San Diego, State of California, and the Federal Minimum Wage, whichever is greater. The base rate of pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be one dollar (\$1.00) more per hour than the base rate of pay for Sales Associates.

Effective the first full Paradies payroll period in June, 2018, all Employees who have at that time completed their ninety (90) day probation period and who have not received a merit increase in 2018 shall have twenty cents (20¢) added to their then current hourly wage rate of pay.

Effective the first full Paradies payroll period in January, 2019, all Employees who have at that time completed their ninety (90) day probation period shall either be brought to the base rate of pay, or have forty cents (40¢) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Paradies payroll period in January, 2020, all Employees who have at that time completed their ninety (90) day probation period shall either be brought to the base rate of pay, or have forty cents (40¢) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Paradies payroll period in January, 2021, all Employees who have at that time completed their ninety (90) day probation period shall either be brought to the base rate of pay, or have forty cents (40¢) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Paradies payroll period in January, 2022, all Employees who have at that time completed their ninety (90) day probation period shall either be brought to the base rate of pay, or have forty cents (40¢) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Paradies payroll period in January, 2023, all Employees who have at that time completed their ninety (90) day probation period shall either be brought to the base rate of pay, or have fifty cents (50¢) added to their then current hourly wage rate of pay, whichever is greater.

Section 6.3 Job Classification

Employees will be paid according to their job classification.

Section 6.4 No Reduction in Wages due to Implementation of Agreement

With respect to Employees working for the Company as of the effective date of this Agreement, no such Employee shall suffer a reduction in wages by reason of the signing of this Agreement.

Section 6.5 – FLSA

In its dealings with the Employees, the Company will comply with all applicable provisions of the Fair Labor Standards Act. All hours worked in excess of forty (40) in any one week, and/or eight (8) in any one shift, shall be compensated at one and one-half (1 1/2) times the Employee's normal hourly rate.

ARTICLE 7-WORKING HOURS, FULL-TIME, OVERTIME, MEAL PERIOD, REST PERIODS

Section 7.1 Working Hours

The Company shall, on each Monday, post a work schedule for the following full week (Monday through Sunday). Individual Employee requests will be considered for changes to assigned schedules. If necessary, seniority shall be utilized if two (2) or more Employees request the same available schedule. It is understood however, that these schedules are not "guaranteed" and may change due to illness/injury absences, changes in business demand, short notice absences, or other similar circumstances. Further, it is recognized that Employees may be called in to work on less than five (5) days' notice when needed to fill in for absences or other unforeseen circumstances.

Section 7.2 Full-Time Employee

For the purposes of this Article, as well as other portions of this Agreement, Employees who regularly work thirty-two (32) hours or more each week will be classified by the Company as a full-time Employee. The classification determination will first be made when an Employee reaches 180 days of service; thereafter, the determination will be made on each hire date anniversary.

Section 7.3 Overtime

The Union and the Employees acknowledge that it is sometimes necessary for Employees to work overtime hours to meet the business needs of the Company or the Airport. When the Company determines that one or more Employees will be required to work overtime during a shift, it will follow the following steps in selecting the Employee or Employees to work those overtime hours:

Step One: The Company will ask for volunteers already working the shift in the shop location where the overtime hours will be required.

Step Two: If the overtime needs are not met through Step One, the Company will ask for volunteers already working that shift in other shop locations.

Step Three: If the overtime needs are not met through Step One or Step Two, the Company will select the Employee(s) who will be required to work the overtime hours.

In Step 1 and Step 2 above, if more Employees volunteer to work overtime than are needed by the Company, selection for overtime work will be made by seniority among the volunteers. In Step 3 above, when there are insufficient volunteers, selection for overtime work will be made by inverse seniority.

Refusal to work overtime as directed, in compliance with the steps of this section of the Agreement, will subject an Employee to disciplinary action.

All hours worked in excess of eight (8) hours per work day, or forty (40) hours per work week, shall be paid at one and one-half (1 ½) times the Employee's regular hourly rate of pay. All hours worked in excess of twelve (12) per workday shall be paid at two (2) times the Employee's regular hourly rate of pay; should an Employee work all seven (7) days in the workweek, any hours worked on the seventh (7th) day (the Friday of that workweek) shall also be paid at two (2) times the Employee's regular hourly rate of pay. Hours worked on days recognized as holidays and any other hours worked for which an overtime or premium rate of pay is payable under any provisions of this Agreement, shall not be taken into account in computing overtime hours. No Employee shall be paid both daily and weekly overtime for the same hours worked, nor shall there be any other duplication or accumulation of overtime. There shall be no pyramiding or combination of one premium pay with another, or of premium pay with overtime pay, but only the highest applicable rate shall be paid. Overtime pay and premium pay shall be computed based on the Employee's regular straight-time hourly rate of pay whether such rate is a contract rate or in excess thereof.

Section 7.4 – Meal Period

Each Employee working six (6) or more hours shall be allowed one-half (1/2) uninterrupted hour for a meal without pay approximately in the middle of their work shift. Hours of work shall be consecutive with the exception of the one-half (1/2) hour meal period. There shall be no split work shifts. An Employee shall be entitled to waive his **or her** unpaid meal period in writing if he **or she** chooses to do so.

Where an Employee is scheduled for less than six (6) hours, no meal period will be allowed.

Section 7.5-Rest Periods

Employees will be allowed a rest period of ten (10) minutes per every four (4) hours worked.

ARTICLE 8-MOST FAVORED NATIONS

The Union further agrees to furnish copies of its agreements with other concessionaires at the San Diego International Airport to Company upon request.

The Union agrees that should it, after the effective date of this Agreement, enter into any agreement with a Company that is a concessionaire at the San Diego International Airport that includes wages or any benefits more favorable for that Company than those included in this Agreement, such more favorable wages, benefits and working conditions shall automatically at the Company's discretion supersede the provisions of, and become incorporated into, this Agreement.

ARTICLE 9-VACATION

Section 9.1 Eligibility for Vacation

Section 7.2 of this Agreement defines who is a full-time Employee for vacation benefit eligibility. Each regular full-time Employee shall be eligible for paid vacation benefits as set forth in this Article. Part-time Employees shall not be eligible for vacation benefits.

Section 9.2 Vacation Scheduling

Employees, based on Company seniority, will be permitted to choose the weeks during the year to use accrued vacation under the process set forth in this section:

The Company shall post a sample vacation schedule in the break room prior to December of each year. The Vacation Schedule will set forth all available vacation slots during the upcoming calendar year, noting availability by shift for each week of that year.

During the month of December, all Employees will select their vacation weeks for the next year. Selections will be made by Employees writing their names in open slots on a Vacation Schedule in the presence of Company management. Company seniority will determine the order in which the Employees are permitted to make selections. Vacation time must be taken in one (1) week increments. All Employees will make their selections prior to the end of December, and the Vacation Schedule will be considered closed at that time.

Employees may not be bumped from the Vacation Schedule on the basis of Company seniority. Once an Employee makes his or her selection on the Vacation Schedule, that selection may not be changed except: (a) Employees may change their selection to a different week if an opening exists on the Vacation Schedule, and (b) an Employee may swap a slot on Vacation Schedule with another Employee with his or her consent and the Company's approval.

Section 9.3 Vacation Calculation

Vacation will be calculated as follows:

One (1) year of continuous service – One (1) week of vacation
Two to Five (2-5) years of continuous service – Two (2) weeks of vacation
Six to Ten (6-10) years of continuous service – Three (3) weeks of vacation
Eleven (11) or more years of continuous service – Four (4) weeks of vacation

For purposes of this Agreement, one (1) week of vacation means five days.

Section 9.4 Vacation Pay

Eligible Employees will receive **seven and one half** (7 ½) hours pay for each vacation day taken. Vacation days may not be carried over to the next year, nor will Employees receive pay in lieu of vacation days not taken.

ARTICLE 10-RECOGNIZED HOLIDAYS, HOLIDAY PAY

Section 10.1-Recognized Holidays

Each regular full time Employee who, as of January 1st of each calendar year has been continuously employed by the Company in excess of one hundred eighty (180) calendar days shall earn pay for recognized holidays for the calendar year as set forth in this section:

The following are recognized holidays:

New Year's Day

Martin Luther King, Jr. Day

Memorial Day

4th of July

Labor Day

Thanksgiving Day

Christmas Day

Section 10.2-Holiday Pay

Employees who are eligible for recognized holidays, and who do not work on a recognized holiday will receive seven and one half (7 1/2) hours pay for each recognized holiday. Such Employees are not eligible to receive any pay for recognized holidays, however if they are on an unpaid leave at the time of the recognized holiday; they are absent from work on their last scheduled work day immediately preceding the recognized holiday; they are absent from work on their next scheduled day work day immediately following the recognized holiday; or they were scheduled to work the recognized holiday and failed to appear for work as scheduled that day.

Any Employee who works on a recognized holiday will receive double time (2X) pay for each hour actually worked on the recognized holiday.

ARTICLE 11-SICK LEAVE, PAID PERSONAL DAYS

Section 11.1 Sick Leave

Each Employee accrues one (1) hour of paid sick leave for every thirty (30) hours worked up to a maximum of forty (40) hours per calendar year at the Employee's normal base pay to be used for absence due to illness, injury, or disability that is not job-related.

Section 11.2 Paid Personal Days

After one (1) year of employment, each full time Employee shall be entitled to two (2) paid personal days per calendar year. Eligible Employees will receive seven and one half (7 ½) hours pay for each paid personal day taken. Paid personal days may not be carried over to the next year, nor will Employees receive pay in lieu of personal days not taken.

Paid personal days may be taken for any reason with thirty (30) days advance written notice to the Company. Paid personal days may also be used to cover the two-day waiting period under the Sick Leave policy described in this Agreement.

ARTICLE 12-UNPAID LEAVES OF ABSENCE, FMLA, ACTIVE MILITARY RESERVE LEAVE

Section 12.1 Family/Medical Leaves of Absence (FMLA)

Family/medical leave of absence is defined as an approved absence available to eligible Employees for up to twelve (12) weeks of unpaid leave per year for the birth of the Employee's child, the placement of a child with the Employee for adoption, or foster care; for Employee care of a child, spouse, or parent with a serious health condition; or for a serious health condition which makes the Employee unable to perform the essential functions of his or her position.

- Care for an Employee's newborn, newly adopted or foster child
- Care for an Employee's child, parent, spouse, or spouse-equivalent that has a serious health condition.
- Care the Employee's own serious health condition.

Employees who are unable to work as a result of an on-the-job injury that qualifies for workers' compensation and who qualify for FMLA will be placed on FMLA leave for the twelve (12) week period. In order to constitute a serious medical condition under FMLA, the injury must meet FMLA criteria. For example, the condition must require continuing medical treatment for a period of three (3) or more days.

Section 12.2 FMLA Serious Health Condition Defined

The Company will grant leave for any condition defined as a serious health condition under the Federal Family and Medical Leave Act and/or any applicable state law. In general, serious health conditions are conditions which require continuing medical treatment and which cause incapacitation for periods of three (3) days or longer. Examples of serious health conditions include, without limitation:

1. Heart conditions requiring heart bypass or valve operations
2. Back conditions requiring extensive therapy or surgical procedures
3. Severe respiratory conditions
4. Appendicitis
5. Emphysema
6. Severe nervous disorders
7. Injuries caused by serious accidents on or off the job
8. Ongoing pregnancy, miscarriages, complications of illness related to pregnancy, such as severe morning sickness, the need for prenatal care, childbirth, and recovery from childbirth.

Section 12.3 FMLA Eligibility Requirements

To be eligible for FMLA, an Employee must have twelve (12) months employment with the Company, and must have worked at least 1,250 hours during the twelve (12) month period prior to the commencement of the leave.

Medical leaves may be taken only for “serious health conditions.” These leaves are not intended to cover short term conditions, such as minor illnesses and last only a few days and surgical procedures that typically involve no hospitalization and require only a brief recovery period.

The Company reserves the right to deny request for a family and medical leave where such a denial would be appropriate and authorized under Federal law and any applicable State law.

Section 12.4 Conditions for Taking a Leave

When the need for a leave is foreseeable, an Employee is to provide the Company with at least thirty (30) days’ notice. Where the need for the leave is either unforeseeable or where it is impossible for the Employee to provide thirty (30) days’ notice, he or she is to provide as much notice as practicable.

In situations involving serious health conditions, the Employee is to work with the Company to schedule the leave in a way to avoid disruption of the Company’s operations as much as possible.

The length of any requested leave of absence will be determined initially by the Company and modified by it as necessary during the leave. Leaves for the birth or adoption of a child, or a serious health condition affecting the Employee, spouse, child, or parent will be determined in conjunction with competent medical advice, and in compliance with applicable law.

Section 12.5 FMLA-Procedure for Applying

Consistent with law, and as necessary in the Company’s estimation, Employees may be required or entitled to use some or all of any paid leave to which they are entitled (e.g. salary continuation, vacation, etc.) as part of an approved leave of absence.

Section 12.6 Medical Certification

The Company will require medical certification to support a claim for leave for an Employee’s own serious health condition or to care for a seriously ill child, spouse, or parent, the certification must include the reason why alternatives to the Employee’s absence are not possible, such as care by others, and as definite an estimate as possible of the amount of time the Employee is needed to provide care. Additional medical opinions may be required consistent with law. The Company will pay for any such additional opinions.

During the leave, the Company will require an Employee to submit, once a month, documentation and other information regarding the current status of the reasons for the leave, including the Employee’s health care provider’s best estimate of the expected return from the leave.

If medically necessary for a serious health condition of the Employee or his/her spouse, child, or parent, twelve (12) weeks of the unpaid leave may be taken on an intermittent or reduced leave schedule. If requested on this basis, the Company may require the Employee to transfer temporarily to an alternative position that better accommodates recurring periods of absence, or a part-time schedule, provided that the position has equivalent pay and benefits on a per hour basis.

Spouses both employed by the Company are entitled to a total of twelve (12) weeks of leave (rather than twelve (12) weeks each) for the birth or adoption of a child or for the care of a sick child or parent.

Section 12.7 Restoration to Former or Equivalent Position following FMLA

Upon return to work from a requested leave, the Company will make every effort to place an Employee in his or her former position or a position equivalent to the one held when the Employee began the leave, subject to any extenuating circumstances which may occur to the Company's operations during the leave and which would have affected the Employee had he or she not been on leave.

Upon return from the leave, the Company will reinstate the Employee's credited service and other aspects of employment consistent with the law. If an Employee works at another job during the leave without prior written approval by the Company, the Company will assume that the Employee has resigned his or her position and terminate the Employee's employment. Similarly, if an Employee fails to return from a leave on the agreed upon date, except for reasons beyond his or her control, the Company will assume that the Employee resigned and will terminate the Employee's employment.

Section 12.8 Intent to Fully Comply with All State or Local Leave Laws regarding FMLA

To the extent that any State or local law contains leave requirements which differ in any way from those stated in this policy, the Company will satisfy the Federal, State, or local requirements.

Section 12.9 FMLA Reduced Work Schedule and Intermittent Leave

In limited circumstances, Employees who are eligible for Family Medical Leave may be permitted to work a reduced schedule or receive periodic time off from work. Any leave permitted based on a reduced work schedule or intermittent leave will be treated in the same manner as absences under the Family Medical Leave policy and will be counted toward the Employee's total twelve (12) weeks of leave permitted under the policy.

Employees who meet the guidelines for FMLA are bound by specific reporting requirements. It is important that you contact your HR Manager or Location Manager as soon as you realize your need for a leave. The manager can provide the complete guidelines published in the Employment Policy Guide.

12.10 Active Military Reserve leave

Employees who are members of an Active Military Reserve Unit or National Guard may apply their unused vacation time or request an unpaid leave of Absence for their annual active duty training period. Employees requesting Military Leave are required to furnish a copy of their Military orders. The Company will comply with USERRA.

ARTICLE 13-HEALTH BENEFITS, 401(K)

Section 13.1 Health Benefits

All eligible, full-time Employees, after completion of their probation period, shall have the option of selecting coverage under the Company's current Health Care plan. Employees who select coverage shall be eligible under the terms established by the Company and, effective beginning the open enrollment period for 2019, shall pay premiums for selected coverage that in no circumstances will exceed ten percent (10%) of the cost of the Employee contributions from the previous year for the health insurance plan. With regards to the basic plan option for Associate only coverage, Employees shall pay premiums that in no circumstances will exceed twenty percent (20%) of the cost of the plan. Paradies will pay seventy-five percent (75%) of the annual premium for dental benefits and fifty percent (50%) of the annual premium for vision benefits for Associate only, Associate plus spouse, Associate plus children, and Associate plus family coverage. Coverage shall be effective the first (1st) of the month following completion of their probation period.

Section 13.2 Contributions

All Employee contribution payments shall be made consistent with the timing provisions set forth above in Section 13.1. The indemnification and hold harmless provisions of Section 1.3 shall also apply to this Article.

Section 13.3 401(k)

Employees will be eligible to make retirement savings through participation in and subject to all the rules, vesting schedules, and eligibility requirements of The Paradies Shops 401(k) plan, as it may be amended from time-to-time (the "401(k) Plan"). Participation in the 401(k) Plan is wholly voluntary for Employees.

ARTICLE 14-JURY DUTY

Employees shall be entitled to participate in the Jury Duty benefit as it is described, and subject to all terms and conditions contained, in the then-current First Class Associate Handbook as amended.

ARTICLE 15-BEREAVEMENT

Employees shall be entitled to participate in the Bereavement Leave benefit as it is described, and subject to all terms and conditions contained, in the then-current First Class Associate Handbook as amended.

ARTICLE 16-DISCIPLINE

Section 16.1 Counseling Records

All written "Counseling Records" shall be given to and signed by the Employee, and shall provide a space for the Employee to provide his/her written response to the incident. Signing of a notice shall not be deemed an admission of wrongdoing, but shall simply be an acknowledgment of receipt.

Reasonable effort shall be made to present the "Counseling Record" to the Employee with as much privacy as practicable under the circumstances with a copy sent to the Union.

Written "Counseling Records" shall not be used as a basis for discipline after a period of three (3) years; provided, however, that this three (3) year limitation shall not apply to "Counseling Records" that placed an Employee on a final warning.

Section 16.2 Just Cause

Except as set forth in Article 4, the Company shall not discipline or discharge an Employee without just cause, and any decision by the Company to discipline or discharge an Employee shall be subject to the Grievance and Arbitration provisions of Article 17.

The Union acknowledges and agrees that any violation of the Company's written Zero Tolerance policy, as adopted and amended by the Company, shall constitute just cause for the immediate discharge of an Employee.

The Union acknowledges and agrees that the following is a non-exhaustive list of additional actions that shall constitute just cause for the immediate discharge of an Employee: proven or admitted theft, failure to follow cash handling or loss prevention procedure, intoxication, insubordination or unbecoming conduct. The Union further acknowledges and agrees that just cause for the discharge of an Employee can exist for other offenses under the Company's progressive discipline process.

Section 16.3 Personnel File

The Company shall, upon the written request of an Employee, permit that Employee to inspect the contents of his or her own personnel file on his or her own time during regular office hours and within the sight of a management representative. When possible, and provided that a representative of management is available, this shall be permitted within twenty-four (24) hours of the Employee's written request. Employees are not permitted to alter or remove any part of the official record. No Employee or Union Representative (including any Employee designated by the Union as a shop steward) may access the personnel file or records relating to another Employee.

ARTICLE 17-GRIEVANCE AND ARBITRATION

Section 17 .1 Matters in Controversy and Dispute

All matters in controversy or dispute arising out of the interpretation or application of this Agreement shall immediately be taken up for adjustment by representatives of the Company and the Union pursuant to provisions of this Article. The Parties agree that all alleged contract violations, and all disputes or disagreements between the Parties, are subject to this Article, which provides the sole and exclusive method for the Union or any Employee to raise, and the sole and exclusive method for the Parties to resolve, any and all such matters in controversy or dispute.

Section 17.2 Past Practice

Although the Union previously represented some of the Employees while they were employed by a different company before the Company commenced doing business at the San Diego International

Airport, the Parties recognize and agree that ~~this Agreement represents the first contract between the Company and the Union. The Parties therefore agree that there is no “past practice” between them that predates the first Agreement effective date of June 16, 2013 this Agreement.~~ For that reason, when interpreting this Agreement, neither the Parties nor an Arbitrator may base their arguments or decisions on any alleged “past practice” between the Union and another employer or on any alleged “past practice” that predates the first Agreement effective date of June 16, 2013 this Agreement.

Section 17.3 Time Limits

The Parties agree that it is in their mutual interest, and the interest of the Employees, to ensure that any disputes are raised and addressed promptly. For that reason, the Parties agree that no grievance or dispute may become the subject of arbitration under this Article unless it is submitted to the grievance procedure under Section 17.4 within ten (10) calendar days of the date when the incident or occurrence that would be challenged through the grievance first took place. Any grievance or dispute that is not raised within that period of ten (10) calendar days shall be deemed time-barred, and no arbitration that relates thereto shall be permitted to proceed under this Article.

Section 17.4 Grievance Procedure

If the Union or an Employee has any dispute with the Company, it must be put in writing and submitted to the General Manager of the Company, or his/her designee, within the ten-day period referenced in Section 17.3 of this Article. The matter shall be considered by the General Manager or his/her designee within five (5) calendar days of its receipt and a written response shall be provided within three (3) calendar days thereafter.

Section 17.5 Grievance Meeting/Union Appeal

If the Union is dissatisfied with the response of the General Manager, an in-person grievance meeting shall be conducted between the Union and the Company within fourteen (14) calendar days. If the matter is not resolved at the grievance meeting, the Company’s response may be appealed in writing to the Regional Vice President. Any such appeal must be submitted to the Regional Vice President within five (5) calendar days of the in-person grievance meeting. Any appeal that is not submitted in writing within that period of five (5) calendar days shall be deemed time-barred, and no arbitration that relates thereto shall be permitted to proceed under this Article. The matter shall be considered by the Regional Vice President or his/her designee within five (5) calendar days of its receipt and a written response shall be provided, if possible, within three (3) calendar days thereafter but no later than five (5) calendar days.

Section 17.6 Arbitration Procedure

If the Union is dissatisfied with the response of the Regional Vice President, the matter may be submitted to arbitration. The Parties agree to select an arbitrator from the FMCS list of arbitrators. No request for arbitration may be submitted prior to completion of the steps set forth in Sections 17.3 through 17.5 of this Article. Any demand or request for arbitration must be filed within fifteen (15) calendar days of the Regional Vice President’s decision. Any request for arbitration that is not submitted in writing within that period of fifteen (15) calendar days shall be deemed time-barred, and no arbitration that relates thereto shall be permitted to proceed under this Article.

Section 17.7 Non-Compliance with Time Limits

The failure of the Union to meet any of the time requirements as set out in this Article shall be deemed to be a withdrawal of the grievance. If the Company fails to comply with any of the pre-arbitration time requirements set out in Articles 17.4 or 17.5 of this Article, the grievance shall automatically be moved to the next step in the grievance procedure.

Section 17.8 Arbitrator's Authority

It is agreed between the Parties that arbitration shall be limited to only those rights or obligations granted to the Company, Union and Employees by virtue of a specific provision of this Agreement. No arbitrator shall be entitled, or have the authority, to make any decision on any matter that is not specifically set forth in this Agreement. The arbitrator selected hereunder shall not have jurisdiction or authority to add to, delete from, amend, modify, change or alter in any way the provisions of this Agreement. The arbitrator shall not have the authority to waive or excuse the time requirements as set out in this Article. The Arbitrator's decision shall be final and binding.

Section 17.9 Arbitrator's Expense

The expense of arbitration proceeding under this Agreement shall be borne equally by the Company and the Union.

ARTICLE 18-UNIFORMS

The Company will furnish a maximum of three (3) uniforms per Employee, per year, without charge to the Employee. All Company paid uniforms and other Company issued items shall be returned to the Company upon request or when the Employee terminates his or her employment. In the event that Company provided uniforms or Airport identification badges or other items provided by the Company at no charge are lost by an Employee, or are not returned by an Employee prior to his or her last day of work, the cost of any such item shall be deducted from the Employee's paycheck.

ARTICLE 19-UNION REPRESENTATIVE VISITS, STEWARDS

Section 19.1-Union Visits

Provided that advance notice is provided to a management representative of the Company, a union representative employed by the Union shall be allowed reasonable access to work areas to inspect working conditions of members. The union representative must give this advance notice to the Company by speaking to the General Manager or management representative by telephone before the union representative enters the Airport. During the visit, the union representative shall have reasonable access to work areas to inspect working conditions of the Employees, but shall not (i) engage in any activities that are disruptive to operations, such as pulling employees away from work, distracting employees from their job duties, or engaging in conversations with employees while they are serving customers, or (ii) give instructions to Company employees regarding job performance. The union representative will be obligated to leave shop areas upon request by management when the union representative has engaged in behavior that, in management's view, has interfered with efficient business operations; this right to require the union representative to leave shop areas shall not be unreasonably enforced.

Section 19.2-Stewards

The Union shall have the right to appoint or elect shop stewards from within the unit, and the number may not exceed four (4) stewards at any given time. Shop stewards shall not conduct any Union business while on the clock unless authorized by a Company manager.

The Company shall be notified in writing whenever the Union appoints or elects a shop steward, and shall be notified in writing of any changes to the Union's roster of shop stewards.

ARTICLE 20-NO STRIKE OR LOCKOUT, UNION ACTIVITY

Section 20.1 No Strike or Other Protest Activity

There shall be no strikes during the term of this Agreement. No strike shall be caused or sanctioned by the Union or the Employees.

The Union agrees that neither it nor any Employees will engage or participate in, or in any way support, any strike, walkout, sit-down, slowdown, sick-out, stoppage or unauthorized cessation of work, including sympathy strikes, during the term of this Agreement. Neither the Union, nor any of its members or representatives, nor any Employee, shall call, cause, authorize, instigate, participate in, aid, condone, encourage, ratify or engage in any stoppage of work, sit-down, stay-in, or other strike (including sympathy strikes or honoring of picket lines, individually or collectively), picketing, walkout, or slowdown.

For purposes of this Agreement, "Protest Activity" shall mean picketing, rallying, leafleting, boycotts and/or other protest activity or economic action. During the term of this Agreement, neither the Union, nor any of its members or representatives, nor any Employee, shall: (1) engage in any Protest Activity targeted at the Company or The Paradies Shops, or (2) have any communications with any representative of the San Diego County Regional Airport Authority, or any other public official with authority over the San Diego International Airport (including but not limited to commissioners, elected officials, authority members, and their staffs) in which they (a) make negative or disparaging comments about the Company or its policies, or (b) express the opinion or suggest that the Company or The Paradies Shops should not do business at the San Diego International Airport, or that the airport should choose to do business with one of the Company's competitors.

Section 20.2 No Interference with Business Operations

The Union shall engage in no activities that disrupt or interfere with Company's business operations. During the term of this Agreement, there shall be no solicitation for membership in the Union, signing of employees not covered herein, meetings or other activities of Union on the Company's time or within the Company's lease lines. Company agrees that a brief and non-disruptive comment from a union representative to an Employee does not violate this provision.

Section 20.3 No Lockouts

The Company agrees that it will not engage in any lockout during the term of this Agreement.

ARTICLE 21-LEAVE OF ABSENCE (UNION AFFAIRS)

In the Company's sole discretion, and at times and for periods as authorized in advance by the Company in writing, Employees may be permitted to take a period of unpaid "Union leave" to accept temporary employment positions with the Union. Union leave is not anticipated to last longer than three (3) months and may not exceed that time period with authorization by the Company and the mutual agreement of all Parties. The Company will have no obligation to provide pay or any benefits to Employees during any portion of their Union leave, and Employees will not accrue any benefits (including, without limitation, vacation benefits) while they are away from work on Union leave. The Union will not assign Employees on Union leave any duties that are related to the Company or this Agreement. Upon return to work from Union leave, Employees may be assigned to any open/available shifts in the Company's discretion; Employees who take Union leave will not have the right to bump other Employees from their assigned shifts.

ARTICLE 22-PARKING

The Company shall pay the cost of parking for Employees.

ARTICLE 23-EMPLOYEE DISCOUNT

For as long as the benefit is provided generally to other employees of The Paradies Shops, Employees shall be entitled to participate in the Associate Merchandise Discount benefit as it is described, and subject to all terms and conditions contained, in the then-current First Class Associate Handbook as amended.

ARTICLE 24-EDUCATION AWARD

For as long as the benefit is provided generally to other employees of The Paradies Shops, Employees shall be entitled to participate in the Education Award benefit as it is described, and subject to all terms and conditions contained, in the then-current First Class Associate Handbook as amended.

ARTICLE 25 WAIVER OF OTHER DEMANDS

The Parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to bargain by making demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and the entire understanding and agreements arrived at by the Parties after the exercise of that right and opportunity are set forth in writing in this Agreement. Neither party shall be required, during the term of this Agreement, to negotiate or bargain regarding any other issue. All matters not included in this Agreement shall be deemed to have been raised and disposed of as if covered herein and there shall be no duty to bargain further over them. All subjects referred to in the Management's Rights clause shall likewise be deemed to have been raised and bargained to a conclusion, and there shall be no duty to bargain further over them.

ARTICLE 26-TERM OF AGREEMENT

This Agreement shall become effective as of the 17th day of June, 2018, and shall continue in full force and effect through the 16th day of June, 2023.

IN WITNESS WHEREOF, the Parties have set their hands and seals this 17th day of June, 2018

UFCW, Local 135

Paradies-San Diego, LLC

By: _____

Richard Barrera
Secretary-Treasurer

By: _____

