

AGREEMENT

between

Hudson Group

and

**United Food & Commercial Workers
Union Local 135
San Diego, California**

May 21, 2018 – May 20, 2023

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This Agreement is made and entered into between Hudson Group (HG) Retail, LLC hereinafter referred to as the "Employer" and the UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 135, chartered by the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, CLC, hereinafter referred to as the "Union".

ARTICLE 1 RECOGNITION OF THE UNION

1. Bargaining Unit. The Employer hereby recognizes the Union as the sole and exclusive bargaining representative with respect to wages, hours and working conditions of employment for all retail store employees located at San Diego International Airport, excluding supervisors, clerical workers and guards, as defined by the Labor Management Relations Act of 1947, as amended, managers, assistant managers, department managers and confidential employees.
2. Gender. Where in this agreement the masculine gender is used, it shall be deemed to include the feminine gender.

ARTICLE 2 EMPLOYMENT PROCEDURES, UNION MEMBERSHIP & STEWARDS

1. Present Union Members. 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 fee as provided by law.
2. Future Union Members. All present employees covered by this Agreement who are not members of the Union as of this 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.
3. Membership Obligation. The Employer agrees to deduct Union initiation fees and monthly dues from employees' earnings as provided herein. Deduction shall be authorized in writing by the employees on Dues Deduction Authorization and Assignment forms supplied by the Union. The Employer shall furnish the Union on a monthly basis a record of those employees for whom deductions have been made and the amount of those deductions. Said deductions shall be made in equal installments in each payroll period of each month and shall be remitted to the Union not later than the thirtieth (30th) day of the following month. The Employer is not liable for any mistakes related to the responsibilities described in this section which are not brought to its attention in writing within three (3) months from receipt by the Union.

The Union shall notify the Employer, in writing, giving specific information, when any employee fails to comply with the requirements of this Section and shall provide a copy of all correspondence between the Union and the employee seeking any delinquent payment. The Employer agrees to discharge any employee who has not tendered the periodic dues, initiation fees, and any other administrative fees uniformly required as a condition of obtaining and retaining membership in the Union as required by this paragraph, provided that such employee has

been given at least twenty-one (21) days, prior to the delinquency notice being mailed, by the Union to cure and correct the amount owed at that particular time. If the issue is still not resolved, the Union will mail a delinquency notice to the employee, with a copy going to the Employer. At that point, the employee will have seven (7) calendar days from receipt of the delinquency to cure and correct the arrearage. The copied notice to the Employer, will allow the Employer to explain the requirements of this paragraph and to have the employee correct any arrearage. After the seven (7) calendar days has expired, and the delinquency has still not been cured, the Employer will remove the employee from the schedule and terminate their employment. The Employer shall not be required to deduct any monies that may be owed to the Union by any employee that may have been incurred prior to Employer starting operations at the San Diego Airport.

4. On Call Employees. The Employer may hire "On Call Employees". These employees will cover for absenteeism, vacation coverage, or any other short term need. The rate of pay shall be \$9.00 per hour and no benefits shall be provided to these employees.

5. Indemnification. The Union shall hold the Employer harmless on account of any liability, claim, suit, or dispute arising out of the collection of moneys under this Article including the reasonable cost of any defense made necessary by any such liability, claim, suit or dispute. If the Employer has agreed to the deduction of dues pursuant to this Article and fails to collect or pay over such dues pursuant to this Article, the Employer shall be liable for regular dues and initiation fees which the Union loses by reason of the Employer's failure. This provision does not affect the obligations of the employees under this Article.

6. Stewards The Employer recognizes the right of the Union to appoint no more than one (1) steward per terminal plus one (1) in the warehouse. The Union will notify the Employer, in writing, of the names and locations of the stewards. The role of said stewards shall be communicated between the Union and its members. The steward may not carry out any of his union duties on the sales floor at any time. If the Union holds its annual steward seminar training, upon two (2) weeks' notice to the Employer's Human Resources Department, the Employer shall grant said stewards one (1) scheduled day off to attend.

ARTICLE 3 DISCHARGE FOR CAUSE

1. Just Cause. Discipline and discharge shall be for just cause only. Discipline shall normally be issued consistent with the principles of progressive discipline.

However, serious infractions including, but not limited to, theft, insubordination, violence, failure to follow cash handling procedures, incompetence, refusal to perform work as required, and working under the influence of alcohol or drugs, may result in proceeding directly to discharge on the first occasion.

2. Warning. A copy of all "Final Warnings" will be sent to the Union. Any employee who is discharged shall be informed, at the time of discharge, of the cause of discharge.

Disciplinary or corrective counseling notices may not be considered as a step in progressive discipline if they were written more than one (1) year prior to the date of a new discipline/counseling action.

Such documents more than one (1) year old may only be used as evidence that an employee was aware of a rule or policy, or to show past corrective measures taken, or as evidence of a pattern of behavior such as a history of racially discriminatory actions or sexual harassment, etc.

3. Union Activities. The Employer agrees that it will not discriminate against any employee due to union membership or activities.

4. Discharge Procedure - Time Limits. Upon discharge of any employee, other than a probationary employee, for any reason, the Employer shall, within four (4) working days thereafter, notify the Union by email of such discharge, and stating the reasons therefore. The Union may dispute the basis of such discharge by taking it up as a grievance, in accordance with the grievance procedure, no later than fifteen (15) days from the date of receipt of such notice, or in the event that the written discharge notice is not given within the time limits herein provided, no later than thirty (30) days from the date of discharge. Failure of the Union to dispute the basis for any discharge, within the time limits herein provided, shall constitute waiver of all rights under this Agreement to dispute such discharge.

ARTICLE 4 SENIORITY

1. Definition. Seniority is the length of continuous employment of an employee with the Employer in the bargaining unit as described herein.

2. Probationary Employees. For the first ninety (90) days of employment, employees shall be probationary and may be dismissed or disciplined without resort to the grievance procedure.

3. Absence. Absence during an authorized leave of absence of less than six (6) months shall not break seniority.

4. 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.

5. Layoff and Reduction of Hours. The principle of seniority shall apply in the case of lay-off and reduction of hours (that is, the last employee employed shall be the first laid off). In the event of a reduction in hours, the Employer may not schedule or allow a less senior employee to receive more hours than a senior employee.

6. 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 for work within forty-eight (48) hours, excluding Saturday and Sunday, from the delivery or attempted delivery of a certified letter

from the Employer, to the employee's last known address. Failure of such employee to present himself within the forty-eight (48) hours shall cancel his seniority.

7. Reinstatement to Full-time. An employee who has been reduced involuntarily to part time employment must be offered the first full-time job that opens in the store in which he is employed, provided that his ability and skill equip him to fill the job.

8. Retention of Seniority. In the event an employee is transferred out of the bargaining unit into a position not covered by the collective bargaining agreement, the Employer may return the employee back to the bargaining unit within ninety (90) days of leaving the bargaining unit. The employee shall be returned to their prior classification and at their progression rate he would have held if he had not been transferred and without loss of seniority.

9. Skills and Ability. All other provisions of this Agreement notwithstanding, if it is determined that skill and ability are equal, seniority shall rule in bidding for jobs.

10. 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 5 LEAVES OF ABSENCE

BEREAVEMENT LEAVE

1. Eligibility. Full-time and part-time employees who have completed their probationary period are entitled to paid bereavement leave of up to three (3) working days in the event of death of a member of the employees' immediate family. These are paid leave days for the days the employee is regularly scheduled to work.

2. Duration and Conditions. Up to eight (8) hours per day may be paid at the employee's regular straight-time hourly rate of pay for time actually lost from the employee's regular schedule due to such absence, as follows:

a. Three (3) working days leave will be granted in the event of a death of a member of an employee's immediate family. An employee's immediate family includes father, mother, brother, sister, spouse, registered domestic partner, child, grandfather, and grandmother or grandchild.

b. Two (2) working days leave will be granted in the event of the death of a member of an employee's extended family. An employee's extended family includes mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, and uncle. Such paid leave for extended family shall be limited to one occurrence per calendar year.

Payment will not be made for an employee's regularly scheduled days off.

3. Additional Leave. Employees may use vested vacation or unpaid leave for additional time away with management approval.

4. Overtime Computation. Paid time off under this provision will not be counted as "hours worked" in the computation of overtime.

5. The Company reserves the right to request and require adequate proof of death of the family member.

LEAVES OF ABSENCE

1. **FMLA Leave**. Employees who have completed at least twelve (12) months of service with the Employer and who have worked at least 1,250 hours in the preceding twelve (12) months are eligible for leave under the Family Medical Leave Act or the applicable state law, pursuant to the Employer's, then-current, FMLA policy.

2. **Military Leave**. Employees are entitled to military leave as provided for under federal law.

3. **Additional Medical Leave**. With appropriate medical documentation, employees who have completed one (1) year of service and who have exhausted their FMLA leave, will be granted additional unpaid medical leave for personal serious illness or injury, provided that such leave is deemed a necessary reasonable accommodation required under either federal or local law.

4. **Personal Leave**. Employees with one (1) year of service desiring an unpaid leave of absence for personal or family circumstances must first secure written approval from the Employer. It will be within the Employer's discretion to grant such leave. An employee may take such a personal leave no more than once every two (2) years. The employee must first complete a LOA request form that shall be provided by the Employer. A written answer to the request will be returned to the employee.

An employee who is granted such leave must provide a specific return date when making the request. Failure to return on such date, absent extraordinary circumstances beyond the employee's control, shall be considered job abandonment and will result in immediate discharge. Any such leave shall not exceed twelve (12) weeks.

If the Employer has twenty-five (25) or more employees, there shall be no more than two (2) individuals on such a personal leave at any one time. If the Employer has less than twenty-five (25) employees, only one (1) employee may be on such a leave.

The employee shall be responsible for the entire cost of health care benefits during such an unpaid leave.

5. **Union Leave**. Leaves of absence without pay or benefits shall be granted to employees for the purpose of accepting employment with the Union, provided that: 1) the leave may not exceed six (6) months without the mutual agreement of the Employer, the Union and the employee; and 2) while his/her seniority with the Employer will continue to accrue while on this leave, it shall not accrue for vacation entitlement purposes.

In the event an employee is elected or appointed to a position of service with the Union, the Employer shall grant a personal leave of absence of up to one (1) year.

If the Employer has twenty-five (25) or more employees, there shall be no more than more than two (2) individuals on union leave at any one time. If the Employer has less than twenty-five (25) employees, only one (1) employee may be on such a leave.

The employee shall be responsible for the entire cost of health care benefits during such an unpaid leave.

6. **Accrual of Benefits and Seniority**. Accrual of benefits shall be suspended during any leave of absence. Employees shall retain pre-leave seniority and shall accrue seniority during authorized leave. Failure to return to work after an authorized leave of absence shall result in loss of seniority rights and shall be deemed a voluntary termination.

7. **Working While on Leave**. With the exception of Union leave, employees on an approved leave of absence shall not engage in other gainful replacement employment.

ARTICLE 6 WORKING HOURS, OVERTIME, MEALS AND BREAKS

1. **Scheduling**. The Employer 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.

Work schedules are established by the Employer based on lease requirements and customer and operational needs. Employees shall be scheduled as needed.

2. **Classification Of Employees**. Any employee who consecutively works sixty (60) days at thirty (30) hours or more per week shall be considered a full-time employee for all applicable benefits.

3. **Overtime And Premium Pay**. 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 (1-1/2) 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.

4. **Part-Time Employees**. The Employer may employ part-time employees and schedule them as needed as long as no shift is less than four (4) consecutive hours.

5. Meals & Breaks. Employees who work five (5) or more consecutive hours will have a thirty (30) minute unpaid meal break. If the manager determines that an employee who has worked five (5) or more consecutive hours is unable to take a full thirty (30) minute meal break, the employee will be entitled to a paid fifteen (15) minute break during which time the employee shall be permitted to eat a meal. Management shall schedule the timing of breaks at its discretion, consistent with legitimate business needs. An employee must receive at least a thirty (30) minute meal period on any shift of six (6) hours or more.

6. Work Station Location. Employees must clock in and out at the beginning and end of their shifts and for their unpaid meal breaks, and any paid breaks, at the work station location where they are currently assigned or at the location designated by their manager.

ARTICLE 7 PAID SICK LEAVE

1. Sick Leave Allocation. 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.

2. Authorization. The employee must report illness or other reasons for absence no less than two (2) hours prior to the scheduled start of the work day. No pay will be allowed unless the employee has properly made such a report.

3. Verification. The Employer reserves the right to:

a. Verify the illness or disability that results in a three (3) day, or greater, absence by requiring that the employee furnish a statement from his/her own physician;

b. Deny pay in any case where the employee is sick before or after an observed holiday; and

c. Deny pay in any case where the employee is sick before or after a scheduled day off.

4. Accrual and Compensation for Accrued Sick Leave. Sick time cannot be carried over from year to year. The Employer does not compensate employees for accrued but unused sick time, and employees are not compensated for unused sick days upon termination of employment.

ARTICLE 8 WAGES AND CLASSIFICATIONS

1. No Reduction. No employee shall suffer any reduction in wages by reason of the signing of this Agreement.

2. Wages

Effective the first full Hudson payroll period in June, 2018, Base Rate of Pay for all Associates who have at that time completed their ninety (90) day probation period shall be \$11.70 per hour, and Base

Rate of Pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be \$12.70 per hour.

Effective the first full Hudson payroll period in January, 2019, Base Rate of Pay for all Associates who have at that time completed their ninety (90) day probation period shall be \$12.20 per hour, and Base Rate of Pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be \$13.20 per hour.

Effective the first full Hudson payroll period in January, 2020, Base Rate of Pay for all Associates who have at that time completed their ninety (90) day probation period shall be \$13.20 per hour, and Base Rate of Pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be \$14.20 per hour.

Effective the first full Hudson payroll period in January, 2021, Base Rate of Pay for all Associates who have at that time completed their ninety (90) day probation period shall be \$14.20 per hour, and Base Rate of Pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be \$15.20 per hour.

Effective the first full Hudson payroll period in January, 2022, Base Rate of Pay for all Associates who have at that time completed their ninety (90) day probation period shall be \$15.20 per hour, and Base Rate of Pay for all Warehouse Associates who have at that time completed their ninety (90) day probation period shall be \$16.20 per hour.

Effective the first full Hudson payroll period in June, 2018 all employees who have at that time completed their ninety (90) day probation period, shall have twenty cents (.20 cents) added to their then current hourly wage rate of pay.

Effective the first full Hudson 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 cents) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Hudson 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 cents) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Hudson 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 cents) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Hudson 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 cents) added to their then current hourly wage rate of pay, whichever is greater.

Effective the first full Hudson 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 cents) added to their then current hourly wage rate of pay, whichever is greater.

It is agreed that these rates may be increased at Employer option in the future.

4. Supervisors Performing Work. Supervisors, as defined by the National Labor Relations Act, may continue to perform bargaining unit work and shall not be deemed members of the bargaining unit, provided however, that the time expended on bargaining unit work, except in cases of bona fide emergencies, does not exceed twenty-five percent (25%) of their regular working time. Any questions arising out of the application or interpretation of this article shall be subject to the arbitration provisions of this Agreement. The intent of this language is not to displace or under schedule bargaining unit employees.

ARTICLE 9 JURY DUTY

1. Eligibility. Full-time and part-time employees who have completed six (6) months of service are eligible for jury duty pay.
2. Duration and Conditions. The Employer will compensate employees their basic earnings (exclusive of overtime) for the first five (5) days of jury service. To qualify for compensation for jury duty, the jury duty must occur on a day on which the employee was otherwise scheduled to work for the Employer.

The Employer requires employees who are summoned for jury duty to:

- a. Notify their Supervisor within five (5) working days of receipt of the jury summons;
- b. Provide a receipt from the clerk of the court showing the time served; and
- c. Report for work during any business hours when their presence as a juror is not required. When summoned to serve on a jury, employees should immediately notify their Supervisor so that work schedules and assignments can be adjusted accordingly. Employees should also remind their Supervisor the day before they are scheduled to begin serving. The Employer has the right to request an employee to postpone jury duty service.

3. Mandatory Jury Duty. This provision applies only to mandatory jury duty of any kind and not to voluntary jury duty or other court appearances as a party or witness, whether voluntary or subpoenaed.
4. Overtime Computation. Paid time off under this provision will not be counted as "hours worked" in the computation of overtime.

The receipt of a subpoena or notice to report for jury duty must be submitted immediately to the Employer who may request that the employee be excused from such jury duty. Employees will provide documented proof of the amounts received for such jury duty.

**ARTICLE 10
UNION VISITATION**

A properly accredited representative of the Union shall be allowed reasonable access to inspect the work conditions of the members. The Union shall provide the Employer with advance notice prior to any visitation. Upon entering the facility, the Union Representative shall notify the manager on duty of his/her presence in the facility, provided there is a manager on duty readily available. The Union Representative shall not engage in activities that are disruptive to operations, such as pulling employees away from work or engaging in conversations while they are serving customers.

**ARTICLE 11
SEPARABILITY CLAUSE**

If any provision of this Agreement shall be or become invalid by reason of law, the remaining provisions shall be separable and shall continue in full force and effect. In the event of such invalidation, the parties agree to meet for the purpose of discussing appropriate alternatives to the invalidated provision.

**ARTICLE 12
HOLIDAYS**

1. Recognized Holidays. The recognized holidays are as follows:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

2. Holiday Pay. Employees shall be entitled to paid holidays after the first six (6) full months of employment. The recognized holidays for eligible, regular, full-time employees shall be compensated for at one (1) day at straight-time pay.

3. Requirements. Employees must work their last scheduled shift before and the next scheduled shift after a holiday in order to receive holiday pay.

4. Work on Holidays. Employees required to work on a holiday shall be paid for all hours actually worked on the holiday at either their regular straight-time or overtime hourly rate of pay, whichever is applicable, plus their holiday pay.

5. Overtime Computation. Holiday pay shall not be counted as hours worked when calculating overtime pay. Only hours actually worked will be used in calculating overtime.

6. Leaves and Layoff. Employees on paid sick leave, on-the-job injury leave, any other leave of absence or layoff shall not be entitled to holiday pay.

7. Vacations. Holidays occurring during an employee's vacation shall be paid in addition to vacation pay.

8. No-Shows. Any employee whose regular day of work falls on any of the recognized holidays or weekend, and who does not report for work on the holiday or weekend, shall not receive any pay for that holiday. If such an employee provides the Employer with verification of a doctor's visit for illness or injury (including any pre-existing illness or injury) or an emergency room care of admission slip, he/she will be paid the holiday pay after verification by the Employer.

9. Full-Time Employees. Employees who regularly work thirty-two (32) or more hours per week are considered full-time employees. Such scheduling is determined solely by management and this provision does not constitute a guarantee of hours.

**ARTICLE 13
VACATIONS**

Length of Service	Employee is Eligible to Take
Employees hired at any time between January 1 and June 30 are eligible to take vacation as of January 1 of the next calendar year.	1 week
Employees hired at any time between July 1 and December 31 are eligible to take vacation as of July 1 of the next calendar year.	
January 1st after completion of first full calendar year	1 week
January 1st after completion of full calendar years 2 – 9	2 weeks
January 1st after completion of full calendar years 10 – 15	3 weeks
January 1st after completion of full calendar years 16+	4 weeks

The calculation of an employee's vacation pay is based upon the average number of hours worked during the employee's prior anniversary year.

**ARTICLE 14
SETTLEMENT OF DISPUTES**

1. Definitions. The term "grievance" shall mean any dispute or difference between the Employer and the Union, or between the Employer and any employee covered by this Agreement, as to the interpretation or application of this Agreement. "Grieving party" shall mean the Union in case of a grievance by the Union or by an employee, and shall mean the Employer in the case of a grievance by the Employer.

2. Time Requirements. A grievance shall be taken up as follows:

Pay Discrepancy. Any monetary adjustment or award shall not be retroactive for more than six (6) months from the date of the filing of a written grievance for an alleged discrepancy in wage payments, holiday pay, sick leave, or vacation pay for hours actually worked or guaranteed, or benefits accrued, if filed promptly after the discovery thereof.

Grievance Procedure. A grievance shall be deemed timely if filed in writing within fifteen (15) days of the event giving rise to the grievance, or within fifteen (15) days of when the employee should reasonably have known of the event.

Step 1. A grievance shall be taken-up orally in the first instance between an employee or a designated Union representative, and a designated Employer representative. The Employer representative shall reply within seven (7) days.

Step 2. If the grievance is not adjusted in Step 1, it shall be reduced to writing, specifying the nature of the grievance in general terms, the provisions of the Agreement allegedly violated, the identity of the individual(s) involved (if any), the relief requested. It shall be given to the General Manager or designee within ten (10) days of receipt of the Step 1 response, and the General Manager or designee shall likewise respond within ten (10) days of receipt.

3. Arbitration Request. If a grievance is not satisfactorily adjusted in Step 2, either party may submit the grievance to arbitration for final determination by notifying the other party in writing no later than fifteen (15) days after the grievance was taken up in Step 2 that it desires to arbitrate same.

4. Selection Of Arbitrator. The party desiring to arbitrate shall request the American Arbitration Association (with a copy of such request to the opposite Party) to furnish the parties with a panel of seven (7) names of impartial arbitrators. From this panel, a representative of the Employer and the Union shall select the arbitrator by alternately striking a name from the list of seven (7) persons, the complaining party having the first strike. The person remaining on the list after each party has exercised his/her strikes shall be the arbitrator. The parties may select an arbitrator by other means by mutual agreement. The party filing for arbitration shall pay all costs to FMCS for filing, administering the selection of arbitrators and FMCS shall be the only contact to the arbitrators.

5. Award. The arbitrator shall hear the submitted grievances as expeditiously as possible and shall render an award within thirty (30) days after conclusion of the hearing. Each party shall present their full case at the hearing and no further evidence or discussion may be presented.

6. Final And Binding. The decision of the arbitrator shall be final and binding upon the Employer, the Union and all employees.

7. Limitations On Arbitrator. The arbitrator shall have no power to:

- Alter, change, modify, or add to or subtract from this Agreement or any provision thereof.
- Determine any provision to be incorporated in a new agreement or an extension or renewal of this Agreement.
- Impose on either party hereto a limitation or obligation not set forth in an express provision of this Agreement.

8. Expenses. The expenses of the arbitrator shall be borne equally by the Employer and the Union. Any other expenses shall be paid for by the party incurring them.

9. Time Limits. A grievance which is not filed within the time limits provided within this Agreement shall be deemed waived. All time limits within this Article may be extended by mutual, written agreement between the parties.

ARTICLE 15 CHANGE OF OWNERSHIP

In the event that the Employer sells or assigns his/her business, or in the event that there is a change in the form of ownership, the Employer shall give the Union reasonable, advance notice thereof, in writing, and shall make all payments which are then due or shall be due as of the date of transfer of the business for wages, vacation and health and welfare for employees covered by this Agreement.

This Agreement shall be binding upon the successors and assigns of the parties hereto.

ARTICLE 16 GENERAL CONDITIONS

1. Shoppers Reports. The Union recognizes that the Employer and the Airport employ shopping investigators or "shoppers" in their operations. The Union and the Employer agree that with respect to shoppers:
 - a. Employees shall be informed during their training of the Airport and Employer's use of shoppers.
 - b. The Employer's shoppers shall provide factual reports of their observations of customer service situations and cash handling transactions. The Employer's shoppers shall not use methods which would intimidate or confuse employees. The Employer shall not employ shopping services which receive an additional fee for generating negative reports or pay their employees a fee or bonus for negative reports.
 - c. Employees will, on request, be shown copies of any shopper reports which are retained in the employee's personnel file.
 - d. The Employer will inform the employee as soon as practicable of a shopper's report that may result in progressive discipline.
2. Rest Periods. All employees under this Agreement shall be allowed rest periods as provided by State law.
3. Shortage/Breakage. Employees shall not have involuntary payroll deductions made from their paychecks for shortages, breakage or customer walk-outs.
4. Uniforms. The Employer shall furnish uniforms to its employees. Each uniform or part thereof, must be returned upon termination. In the event such uniforms are not returned, the cost of any item of the uniform will be deducted from the employee's final paycheck.

5. Notice to Employee and Union. A copy of all written, disciplinary notices shall be given to and signed by the employee. Signing of the 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 disciplinary notice to the employee with as much privacy as is practicable under the circumstances. Under no circumstances shall employees be disciplined in front of a customer. Notices of final warnings or terminations will be forwarded to the Union promptly.

ARTICLE 17 MANAGEMENT'S RIGHTS

1. Right to Manage. The Employer reserves and retains, solely and exclusively, all of its inherent rights to manage the business. The Employer alone shall have the full and exclusive authority to determine and direct the policies, procedures and methods of operating its business. Without limiting the generality of the forgoing, the sole and exclusive rights of management which are not abridged by this Agreement include, but are not confined to, the right to determine, and from time to time, to re-determine the number, types and locations of its operations, and the methods, equipment and processes to be employed; to discontinue or automate methods, equipment, processes or operations; the right to determine the qualifications for new employees, and to select its employees; to determine the size and composition of its work force, to determine production and work schedules and methods of work and production; to determine the number and type of equipment, machinery, materials and supplies to be used or operated and the products to be prepared, processed or sold or the services to be rendered or supplied; to hire, promote, transfer, assign, lay-off and recall employees to work; to reprimand, discharge, or otherwise discipline employees, to determine job content and the amount and type of work needed, to determine and make the assignments of work; to schedule the hours to be worked on each job in each location and in each shift; to expand, reduce, alter, combine, transfer, assign or cease any job, job classification, department, or operation; to determine the amount of supervision necessary to control and regulate or discontinue the use of supplies, equipment, machinery and process and any other property owned, used, leased or possessed by the Employer; to establish, modify and enforce reasonable rules or regulations, policies and practices; to introduce new, different or improved methods, means and processes of transportation, production, maintenance, service and operation; and, otherwise, generally manage the operation and direct the work force; the Employer's failure to exercise any function or right in any particular way shall not be deemed a waiver of its rights to exercise such function or right, nor to preclude the Employer from exercising the same, in some other way not in conflict with the express provisions of this Agreement.

The Employer 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 Employer'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 Employer has determined that it cannot or should not provide itself. With respect to any such subcontracting, the Employer will provide the Union with reasonable notice prior to its implementation.

To the extent the Employer subcontracts work relating to stores that it will continue to operate (compared to subletting space or subcontracting of any kind where the Employer will not control or operate the space). The intent of such subcontracting is not to displace or under schedule bargaining unit employees. If the Employer intends to sublet any part of their business, they will provide advance notice to the Union as much as possible.

2. Electronic Surveillance. The Employer is free to conduct any form of electronic surveillance of its premises that is permitted by law. This provision will include use of all forms of cameras provided that the Union and the employees will be advised when and where such cameras may be used. The Union shall be permitted to review videotape that will be used pursuant to a disciplinary action.

ARTICLE 18 NON DISCRIMINATION

The Employer 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 this agreement and compliance with the ADA, particularly with respect to the reasonable accommodations required by the ADA, the ADA requirements shall prevail.

ARTICLE 19 HEALTH BENEFITS

All eligible, full-time employees, after completion of their probation period, shall have the option of selecting coverage under the Employer's current Health Care plan (as may be modified by the Employer at its sole discretion without negotiation with the Union). Employees who select coverage shall be eligible under the terms established by the Employer and, effective beginning the open enrollment period for 2019, shall pay premiums for selected coverage that in no circumstances will exceed twenty percent (20%) of the cost of the plan. Coverage shall be effective the first (1st) of the month following completion of their probation period.

ARTICLE 20 NO STRIKE OR LOCKOUT

1. Prohibition. This Agreement establishes a collective bargaining relationship and equitable procedures for the peaceful resolution of any disputes that may arise. Accordingly, it is agreed that during the term of this Agreement neither the Employer nor the Union (or its affiliates) nor the employees covered under this Agreement, will engage in sanction, or authorize any job action of any kind, whether it takes the form of strikes, lockouts, slowdowns, picketing, boycotts, sympathy strikes, or any other interference with the operation of the Employer, whether such action is attributable to a dispute over existing contract rights, a dispute involving another unit of the Employer, another Employer or Union, or any other reason.

2. Role of Union. In the event that any employees of the Employer who are covered under the terms of this Agreement engage in any action in violation of this Article, the Union shall order said employees to cease and desist from said action immediately, and in good faith shall use its best efforts, to the full extent of its power to bring such unlawful action to a stop. Should the Union and its affiliates carry out said obligation, but the violation of this Article nonetheless continues, the Union and its affiliates shall be relieved of liability for such action(s).

3. Discipline. Any employee who violates the terms of this Article shall be subject to immediate discharge.

ARTICLE 21 EXPIRATION AND RENEWAL

This Agreement shall become effective May 21, 2018 and shall remain in full force and effect through and including May 20, 2023. This Agreement shall continue from year to year thereafter unless either party gives written notice by registered mail, return receipt, to the other party and to the Federal Mediation & Conciliation Services, to be received no less than sixty (60) days prior to May 20, 2018 or any yearly anniversary date thereafter, of intention to reopen or modify the Agreement.

ARTICLE 22 IMMIGRATION

The Employer and the Union recognize and agree that the immigration laws and regulations of the United States must be followed and adhered to at all times. Nothing in this Article limits, impairs, or impacts in any way the Employer's duty to comply with federal, state, or local laws, regulations, or other government directives of any kind, including, but not limited to, the Immigration Reform and Control Act, and the regulations promulgated by the Department of Homeland Security and the Transportation Security Administration.

To the extent consistent with applicable law, no employee covered by this Agreement will experience a loss of seniority, compensation or benefits due to the submission of legally documented changes in his/her name and/or social security number.

If an employee, with one (1) or more years of service is terminated due to a lack of proper work authorization and receives proper work authorization within three (3) months of termination, the employee shall be reinstated to his/her former position without a loss in seniority, if the Employer has an available position.

ARTICLE 23 RULES, POLICIES AND REGULATIONS

1. Employees shall be subject to all Employer rules, policies, and regulations provided that such rules have been posted, distributed, or covered in training.

The Employer may make and/or continue and, from time to time, add to or change such reasonable rules and regulations as it may deem necessary and proper for the conduct and management of its

business, provided the same are not inconsistent with any of the provisions of this Agreement. The Employer shall give the Union any new or changed rules. All such rules and regulations shall be observed by the employees.

2. Incentive Programs. The Employer may initiate or discontinue programs intended as incentives or positive reinforcement for employees, such as sales incentive programs. Notice of such programs shall be given to the Union.

3. San Diego Attendance Policy. The following policy addresses no call/no shows, lateness's, absences, and job abandonment.

a. Job Abandonment. If an employee does not report to work for three (3) consecutive scheduled work days and does not contact the Employer to report the absences, the employee shall be terminated due to job abandonment.

b. No Call/No Show. The first (1st) time an employee does not report to work and does not report the absence at least two (2) hours in advance of their start time, the employee shall receive a "verbal warning". The second (2nd) time this occurs, the employee shall receive a "written warning". The third (3rd) time this occurs, the employee shall receive a "written warning with a two (2) days unpaid suspension. The fourth (4th) time this occurs, the employee shall be terminated. This progressive discipline shall be based upon a rolling twelve (12) month period of time. If the employee goes twelve (12) months from their last warning without an additional no call/no show and then has another no call/no show, the last warning the employee received shall be repeated and a new twelve (12) month period of time shall begin.

c. Absences. For employees who have completed at least six (6) months of service, the following progressive discipline procedure shall apply: The first (1st) five (5) absences for the employee in a calendar year shall be paid as per Article 7 of the Agreement. The employee is eligible for all five (5) days effective January 1 of each calendar year. On the sixth (6th) day of absence in the year, the employee shall receive a "verbal warning", in writing, for the absence. On the seventh (7th) day of absence in the year, the employee shall receive a "written warning". On the eighth (8th) day of absence in the year, the employee shall receive a second (2nd) "written warning". On the ninth (9th) day of absence in the year, the employee will be terminated. If an employee goes through a calendar year without going beyond eight (8) absences, progressive discipline will start over again in the new calendar year.

For employees with more than ninety (90) days of service but less than six (6) months of service, the following shall apply: The first (1st) absence occurrence, the employee shall receive a "verbal warning", in writing. The second (2nd) absence occurrence, the employee shall receive a "written warning". The third (3rd) absence occurrence, the employee shall receive a second "written warning". The fourth (4th) absence occurrence, the employee shall be terminated. Once the employee reaches six (6) months of service, they will then be eligible for up to five (5) paid sick days in that calendar year. Once they have used up their available paid sick days, they will either start the progressive discipline process or continue with it based upon discipline already received. If the employee goes through the calendar year and does not go beyond eight (8) absences, progressive discipline shall start over in the new calendar year.

d. Lateness_h The following shall apply for all occurrences of lateness: Once an employee is late six (6) times in a calendar year, the employee shall receive a "verbal written warning". On the seventh (7th) time, the employee shall receive a "written warning". On the eighth (8th) time, the employee shall receive a second "written warning". On the ninth (9th) time, the employee shall be terminated. If an employee does not go beyond eight (8) lateness's in a calendar year, progressive discipline for lateness shall start over in the new calendar year.

Absences due to an Employer approved Family Medical Leave (FMLA) or any other leave approved by the Employer, shall not be subject to the above Attendance Policy.

The Employer may, at its sole discretion, waive any and all discipline based upon medical information they may receive from an employee.

4. San Diego Cash Handling/Discipline Policy. At the beginning of each shift, the employee will count out their "bank". The "bank" is defined as the designated amount of money that the employee will have in the register to start their shift. If there are any problems, the employee will contact their supervisor or manager immediately.

Spot Checks - during the shift at any time on a random basis, the Employer may count the entire register and tally all receipts, cash, credit card charges, and travel checks. The employee is required to be present during the spot check.

At the end of the shift, the supervisor or manager will count out the entire register. The employee is required to be present during this process and sign any required documents to complete the process.

Discipline - If at any time the contents of the register are found to be over or under by an amount of five dollars (\$5.00) or more, the employee is subject to discipline as shown below.

The progressive steps of discipline are as follows:

1. First step- Written verbal warning.
2. Second step- Written warning.
3. Third step- Written warning with a one (1) day suspension without pay.
4. Fourth step- Termination.

Note - At any time the employee is over or under between twenty dollars (\$20.00) and forty-nine dollars and 99 cents (\$49.99), the employee shall immediately go to Step 3, as shown above. If at that time the employee has an "active" Step 3 warning in their file already, the employee shall be terminated.

Note - At any time the employee is over or under fifty-dollars (\$50.00) or more, the employee shall be terminated.

An employee shall be given the opportunity to have warnings removed from their file each time they go ninety (90) days without receiving a cash handling warning. Examples are shown below:

Example #1- Employee receives a written verbal warning on January 5, 2013. If there are no additional warnings given to the employee within ninety (90) calendar days from January 5, the warning is removed.

Example #2- Employee receives a written verbal warning on January 5, 2013 and sixty (60) days later the employee receives a second step written warning. If the employee does not receive an additional warning within ninety (90) calendar days from receipt of the second step written warning, the second step written warning is removed and changed to an active written verbal warning effective on that ninetieth (90th) calendar date.

This process will be used to add to Step 1, 2, and 3 warnings and shall also be used to remove Step 1, 2, and 3 warnings as shown in the examples above.

FOR THE EMPLOYER:

FOR THE UNION:

HUDSON GROUP

Richard Barrera, Secretary-Treasurer

UFCW, LOCAL 135

Date

Date