

Final
Signed copy

COLLECTIVE BARGAINING AGREEMENT

Between

C. MONDAVI & SONS

And

UNITED FARM WORKERS OF AMERICA, AFL-CIO

January 1, 2003 to December 31, 2005

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AGREEMENT

This Collective Bargaining Agreement is between C. MONDAVI & SONS hereinafter called "the Company" and the UNITED FARM WORKERS OF AMERICA, AFL-CIO, hereinafter called "the Union," and said Collective Bargaining Agreement shall operate for the purpose of establishing uniform wages, hours, and working conditions as hereinafter defined.

The parties agree as follows:

ARTICLE 1

RECOGNITION

A. The Company hereby recognizes the Union as the sole and exclusive bargaining agent with respect to the rates of pay, hours of work and other conditions of employment for its agricultural employees (as defined in Section 1140.4(b) of the Agricultural Labor Relations Act) employed on its agricultural properties in California. Excluded from the bargaining unit are the Company's four working foremen, its non-agricultural employees, and its supervisors as defined in Section 1140.4(j) of the ALRA. (The term "worker" shall not include supervisory employees who have the authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other workers or the responsibility to direct them or adjust their grievances, or effectively recommend such action; if in connection with the foregoing, the exercise of such authority is not of a merely routine clerical nature but requires the use of independent judgment.) In the event the ALRB certifies the Union as the exclusive representative of other employees of the Company not here included, which certification the Company may test by judicial review, such other employees will be included under the terms of this Agreement.

B. The Company recognizes the rights and obligations of the Union to negotiate wages, hours, and conditions of employment and to administer this Agreement on behalf of covered workers. Neither the Company nor the Union will circumvent the obligations of this Agreement.

C. Neither the Company nor its representatives will take any action to disparage, denigrate, or subvert the Union, nor will they interfere with the right of any worker to join and assist the Union, nor will they promote or finance any other labor organization, including any competing labor organization. Workers will secure no advantage, nor more favorable consideration, nor any form of special privilege because of nonparticipation in Union activities. Neither the Union nor its representatives will take any action to disparage, denigrate, or subvert the Company.

D. The Union and the Company agree with the objective of a fair day's work for a fair day's pay. In accordance with this objective, the workers recognize their obligations in carrying out their job responsibilities and assignments.

E. The Company will make known to all supervisors and officers its policies and commitments as set forth above with respect to recognition of the Union.

ARTICLE 2

UNION SECURITY

A. Union membership shall be a condition of employment. Each employee shall be required to become a member of the Union immediately following seven (7) continual working days of employment; and to remain a member of the Union in good standing. Any employee who fails to become a member of the Union within the time limit set forth herein or

who fails to maintain his/her membership in the Union shall be immediately discharged upon written notice from the Union to the Company.

B. The Company agrees to furnish to the Union in writing, within two (2) weeks after the execution of this Agreement, a list of its employees, giving the names, addresses, Social Security numbers, and job classifications.

C. The Company agrees to deduct from each employee's pay all authorized initiation fees and dues as required by the Union, upon presentation by the Union of individual authorizations signed by employees, directing the Company to make such deductions. The Company shall make such deductions from the employee's pay for the payroll period specified on the authorization immediately following receipt of such authorization and periodically thereafter as specified on the authorization so long as it is in effect and shall remit same to the Union monthly. The Union will furnish the forms to be used for the authorization and will notify the Company in writing of dues within five (5) days of the execution of this Agreement and five (5) days before the effective date of any change. A monthly summary report containing the names of the employees, social security numbers, payroll periods covered, gross wages, total hours worked per employee, total number of employees, Union initiation fees and dues deducted per employee shall also be prepared and submitted to the Union as soon as possible but not later than the twelfth (12th) day of the following month.

D. The Union shall indemnify and hold the Company harmless from and against any and all claims, demands, suits, or other forms of liability that may arise out of or by reason of action taken by the Company for the purpose of compliance with any of the provisions of this Article. The Company agrees to cooperate with whomever the Union designates for a Union membership inspection to be conducted periodically.

ARTICLE 3

HIRING

A. Hiring shall not be done in a discriminatory manner. The Company shall determine job qualifications.

B. When the Company hires employees, it will make available to the Union, in writing within thirteen (13) days thereafter, the names, Social Security numbers, date hired, job classifications, and addresses of all workers so hired; provided, however, that the Union shall be entitled, acting on its own, to ascertain such information from such workers at any time after twenty-four (24) hours following the hiring of such workers. Such workers shall be subject to the provisions of Article 2 of this Agreement.

C. Before the Company makes a determination that a new worker does not meet the job requirements, the supervisor will fully explain the job duties and requirements and give the worker a reasonable time to meet the job requirements, which need not exceed three (3) working days. If the Company determines that a worker does not meet the job requirements, the supervisor will tell the worker that he or she failed to meet the job requirements.

D. The Company will notify the Ranch Steward forty-eight (48) hours in advance of any layoff, or as soon as possible prior to any layoff.

E. In the event that it is necessary to lay off workers before they acquire seniority, it is understood that such workers will be given work opportunity by the Company on the same basis as any other nonseniority worker.

ARTICLE 4

SENIORITY

A. "Seniority" is defined as total length of service with the Company from date of hire, unless there is a break in service. A break in service terminates seniority. Layoffs are not considered a break in service. All employees on the payroll on the effective date of this Agreement shall have seniority dates based on their original dates of hire unless seniority has been broken in accordance with Article 4, Paragraph B, of this Agreement. If seniority is or has been broken, then it shall be based on the employee's most recent date of hire. After an employee has worked for the Company at least thirty-nine(39) continual workdays, he shall acquire seniority. The days prior to acquiring seniority shall constitute a probationary period, during which period an employee may be terminated; and such termination will not be subject to the grievance-and-arbitration provision. The employee shall be entitled to all benefits of the Agreement during the probationary period, except as modified above.

B. Seniority shall be lost for the following reasons only:

1. Voluntary quitting;
2. Discharge for just cause;
3. When on layoff, failure to report back to work after notice to the employee's last known address on file with the Company, unless reasons satisfactory to the Company are given, which shall not include continuation of other employment;
4. Failure to report to work at the termination of a leave of absence or vacation without an approved extension unless reasons satisfactory

to the Company are given, or securing other employment during a leave of absence;

5. When a worker leaves the bargaining unit to accept a permanent supervisory position or other non-bargaining-unit position with the Company.
6. Failure to notify the Company of a reasonable cause for any absence from work exceeding two calendar days, including providing appropriate proof if requested by the Company.
7. Seniority list purge for all workers who haven't worked for the company in the last ninety (90) days with the exception of medical leaves, worker's compensation leaves and layoffs.

The Company will provide to the Union on a monthly basis a list of workers by name, Social Security number, seniority date, and job classification, who broke seniority during the prior month, pursuant to this Article.

C. Whenever there is a layoff in any job classification, the layoff shall be by seniority order within the classification, with the employees with the lowest seniority laid off first. "Classification" seniority is defined as worker's total length of service within a job classification, which has been designated as a separate classification for purposes of acquiring and losing seniority, beginning with his date of entry or reentry into the classification. The company has the prerogative to consider job skills equally to seniority when instituting a layoff.

D. The filling of vacancies, new jobs, and promotions within the bargaining unit and transfers to lower paying jobs shall be on the basis of seniority; provided, however, the

following is considered first; skills sets, safety and attendance. In such cases, the supervisor will fully explain the job duties and requirements, as determined by management.

E. Whenever a permanent vacancy occurs in an hourly rated job classification with a rate above the general field and harvesting rate, such vacancy shall be posted on the Company bulletin boards. The posting shall be made at least five (5) days before the vacancy is permanently filled. A copy of the posting will be made available to the Union Ranch Committee. Workers desiring to apply for such positions shall sign the posting. Selection of those workers applying for the position shall be as set forth in Paragraph D above. The employee selected will be given training to meet job requirements within the reasonable length of time. The Company shall have the right to fill temporary vacancies, such as during the posting period or those created by the worker's short-term illness, injury, or other temporary absence not exceeding two weeks, without regard to the posting procedures. Seniority shall be the determining factor in making the determination as to the temporary filling of any such vacancies as long as the employee has the present ability to do the job.

F. The Company, when anticipating the recall of seniority workers, shall orally notify the Ranch Steward not less than one (1) week prior to the estimated starting date of work.

1. The Company shall orally notify the Ranch Steward of the exact starting date no less than twenty-four (24) hours in advance of the exact date on which work is scheduled to begin.

2. During the operating season, when a layoff occurs within a classification of work that is forty-five (45) days or less, and the worker has been given a specific report back date, no notice of recall shall be required.

G. Beginning with the signing of this Agreement and on May 15 and November 15 of each year, the Company shall provide the Union with an up-to-date seniority list showing the name of each worker, his seniority date, Social Security number, and job classification. Where more than one worker has the same original date of hire, the worker with the highest last four digits in his Social Security number shall have the higher seniority. The Company shall also post a seniority list in a conspicuous place for examination by the workers and the Union. The Union may review the accuracy of the seniority list and present to the Company any error it may find on such list.

H. If a question arises concerning the accuracy of the lists, the Union and the Company have up to two (2) weeks after the posting is completed to resolve the dispute; provided, however, that a worker not on the Company's payroll during such two (2) week period shall have up to ten (10) workdays to file a written grievance on the accuracy of the seniority list after he returns to the Company's payroll, or if the worker is not recalled, such worker shall have the right to file a grievance on the accuracy of the list upon discovery thereof.

I. It is understood that the Company and the Union may agree, in writing, to make deviations from these seniority provisions regarding the application of seniority.

J. Notwithstanding the foregoing sections of this Article (§§ A-I), all of which are subject to this section (§ J), this Agreement covers three general job classifications, as set forth in Appendix A. The general labor classification includes vineyard operations such as pruning, frost protection, hand pick, bud cutting, etc. Workers in these positions are expected to meet fair and reasonable work standards.

ARTICLE 5

GRIEVANCE AND ARBITRATION PROCEDURE

A. The parties agree that all disputes which arise during the duration of this contract (January 1, 2003 – December 31, 2005) between the Company and the Union concerning the application of any specific and express provision of this Agreement shall be subject to the grievance-and-arbitration procedure. The parties further agree that the grievance-and-arbitration procedure in this Agreement shall be the exclusive remedy with respect to any disputes arising under this Agreement and no other remedies shall be utilized by any person with respect to any dispute involving this Agreement.

B. The Union shall designate one representative from the bargaining unit who will be paid by the Union for all necessary time spent processing and/or settling specific grievances against the Company. If time is needed during working hours to do such, the designated representative shall remain on Company property. Time lost by employees from their jobs in the processing of grievances shall not be paid for by the Company.

C. The aggrieved worker shall have the right to be present at each step of the grievance procedure. In the event there are more workers than one (1) aggrieved, only one (1) worker representing the grievants shall have the right to be present at each step of the grievance-and-arbitration procedure, when such steps are pursued during working hours.

D. At the request of the Union, the Company may have the supervisor involved present at each step of the grievance procedure. At the request of the Company, the Union shall have the employee or employees involved present at each step of the grievance procedure.

E. Grievances dropped shall be considered as withdrawn without prejudice to the party's position on a similar matter in the future.

F. FIRST STEP: Any grievance arising under this Agreement shall, within – forty-eight (48) hours, be taken up between the Company representative involved and the aggrieved employee. They shall use their best efforts to resolve the grievance. If the grievance is not resolved in the first step, it may be referred to the second step if it is first reduced to writing. Grievances pertaining to discipline and discharge must be filed in writing within five (5) days of the event giving rise to the grievance or the discovery thereof. Grievances over nondiscipline and discharge matters must be filed within ten (10) days of the event giving rise to the grievance or the discovery thereof. Failure to file a grievance in writing within the prescribed time limits shall constitute an abandonment of such grievance.

G. SECOND STEP: Any grievance not resolved in the first step shall, after being reduced to writing, be taken up by the duly authorized representative of the Union and the Company within five (5) workdays of the filing of the written grievance. If the grievance is denied, the party receiving the grievance shall give a written response to the other regarding its position including reasons for denial within seven (7) workdays from the close of the Step Two meeting. If the party receiving the grievance fails to respond within said seven (7) workdays, such party shall be considered to have withdrawn its objections to the grievance and the grievance shall be granted in the grieving party's favor.

H. THIRD STEP: If the grieving party is not satisfied with the written response, it may request in writing that the matter be referred to arbitration, which request shall be made not more than ten (10) calendar days from the receipt of such written response. If the parties are unable to agree upon an arbitrator within five (5) days of the request for arbitration, they shall select an arbitrator for each case from a list of nine (9) persons submitted to the parties by the Federal Mediation and Conciliation Service. Each party shall alternately strike one name from

said list (the first strike being determined by a coin toss) and the last name remaining shall be the arbitrator. If said individual is unable or unwilling to serve, the parties shall request a new list of nine (9) names from the Federal Mediation and Conciliation Service and the process shall be repeated.

The Arbitrator shall consider the grievance referred to him and his decision shall be final and binding on the Company, the Union, and the employees. His decision shall be in writing, signed, and delivered to the respective parties. The Arbitrator shall have not authority to modify, amend, change, alter, or waive any provision of this Agreement. Within this limitation, he shall have the authority in a discipline case to award back pay for any loss of earnings from the Company and the right to revoke the discipline, if it is found that the discipline was rendered without just cause.

I. Unless otherwise mutually agreed to, all testimony taken at arbitration hearings shall be under oath, reported, and transcribed. The arbitrator's fee and expenses shall be paid by the losing party. The expenses and fees of the reporter and the cost, if any, of a hearing room shall be borne equally by the Company and the Union. All other expenses incident to the arbitration shall be borne by the losing party.

J. Should either party fail or refuse to participate in any step of the grievance machinery, the grieving party shall have the right to refer the matter to the Arbitrator for his or her consideration in a formal hearing. Such hearing may be ex parte, i.e., with only one side present, provided that the Arbitrator may temporarily delay an ex party hearing to permit immediate bona fide efforts to settle an issue without a hearing.

ARTICLE 5-A

NO STRIKE OR LOCKOUT

A. There shall be no strikes (including sympathy strikes), slowdowns, or interruptions of work by any of the employees or the Union during the term of this Agreement. There shall be no picketing, boycotts, or other adverse economic action of any kind against the Company or its products, and there shall be no lockout by the Company against the workers during the term of this Agreement.

B. If any of said events occur, the officers and representatives of the Union and/or Company, as the case may be, shall do everything within their power to end or avert such activity.

C. Workers engaging in any strikes, slowdowns, boycotts, or other curtailment of production in violation of this Agreement may be subject to discipline, including discharge. In the event of an arbitration over disciplinary action taken by the Company against an employee for violation of this Article, the Arbitrator's authority shall be limited to determining whether the employee in fact violated any provision of this Article.

ARTICLE 6

DISCIPLINE AND DISCHARGE

A. The Company shall have the sole right to discipline and discharge workers, providing that in the exercise of this right it will not act in violation of this Agreement. No worker shall be disciplined or discharged except for just cause. The parties agree that working under the influence of alcohol or illegal drugs, having the same in an employee's possession on Company time or property, and/or negotiating a transition pertaining to illegal drugs each constitutes just cause and if any of the foregoing is established, the Company has the right to terminate. Additional bases for termination may be reviewed in individual discipline cases which proceed to arbitration.

B. Prior to any discharge or suspension, the Company shall notify the Steward or other Union official and such Union representative shall have the right to be present when formal charges are made, if they so desire. If a situation occurs in a remote area, wherein the Company deems it necessary to take action and no steward or Union representative is available, the Company may take action immediately, giving written notice within the time limit in Paragraph C below.

C. The Steward or other Union representative shall have the right to interview workers in private. The Company may permit this interview to occur prior to the issuance of the discipline. Within forty-eight (48) hours after any discharge for just cause, the Union representative will be notified in writing of the reasons for such discharge.

D. The thirty-nine (39) continual days of employment for a new non-seniority employee shall be considered as a probationary period. The Company may discharge such new employee during this period of thirty-nine (39) continual days of employment without being subject to the grievance procedures or Union intervention.

ARTICLE 7

ACCESS TO COMPANY PROPERTY

A. A duly authorized and designated representative of the Union shall have the right of access to Company premises covered by this Agreement in connection with the conduct of normal Union affairs in the administration of this Agreement. In the exercise of the foregoing, there shall be no interruption of the productive activities of the workers. Conferences with workers shall occur only during nonworking periods such as break periods, lunch period, and before and after the workday, or during work periods if the foreman permits such to occur. Time lost shall not be paid for by the Company.

B. Before the Union representative takes access pursuant to Section A of this Article, such representative shall notify the designated representative of the Company, or his designee, as to the time and duration of his proposed contacts with employees and shall specify the location of his proposed contacts as well as the number of proposed contacts he intends to make.

C. The Union shall advise the Company of the name of its duly authorized and designated representative in writing. Such notice shall be effective upon receipt by the Company.

ARTICLE 8

NEW JOBS

A. A new job or classification and applicable wage or piece rate may be established and made effective by the Company in accordance with the following procedure:

The Company shall notify the Union of its intended action in writing prior to the establishment of the applicable wage or piece rate.

B. The Union, if it questions the Company's action, shall do so in writing within ten (10) days of the Company's notice, and the parties shall meet with the Company within five (5) days of such written notice for purpose of arriving at an agreement on the intended action. Thirty (30) days after the Company's written notice, if no agreement has been reached earlier, the Company may make the wage piece rate effective.

C. If the Union thereafter still objects to the Company's actions, it may submit in writing the matter to the arbitrator provided for in the grievance procedure, who shall decide the dispute. The scope of the arbitration shall be the establishment of the job classification, the job content and the job wage rate.

D. Any wage rate increase agreed upon or as determined by the arbitrator shall be retroactive to the effective date from the installation of such new classification.

ARTICLE 9

LEAVES OF ABSENCE

Leave of Absence for Union Business

A. Any worker elected or appointed to an office or position in the Union shall be granted a leave of absence for a period of continuous service with the Union upon written request of the Union. Ten (10) days' notice must be given to the Company before the worker takes leave to accept such office or position or chooses to return to work. Such leave of absence shall be without pay. Seniority shall not be broken or suspended by reason of such leave.

B. A temporary leave of absence without pay, not to exceed five (5) days per worker, for Union business shall be granted under the following conditions:

1. Written notice shall be given by the Union to the Company at least seven (7) calendar days prior to the commencement of any such leave;
2. No more than ten percent (10%) of the Company's work force shall be granted such leave of absence under this Article at any one time; and
3. This Paragraph (Paragraph B) shall apply to operations during critical periods of the harvest, thinning, and pruning, if it would harm the Company's operation.

Other Leaves

A leave of absence without pay shall be granted, without loss of seniority, for any of the following reasons to employees who have acquired seniority:

1. For jury duty or witness duty, when subpoenaed;

2. Up to one (1) year for verified personal illness or work-related physical incapacity requiring absence from the job. The Company may require substantiation by medical certificate;

3. Up to sixty (60) days for valid personal reasons (as determined by the Company). The granting of a leave of absence for valid personal reasons under subparagraph 3 is contingent upon the Company's acquiring a qualified replacement for any employee who desires such leave of absence, if one is required, and is further contingent upon the employee's not engaging in other employment during such leave of absence.

4. Up to one (1) week when there has been a death in the immediate family of the employee.

C. All leaves of absence shall be in writing on approved leave-of-absence forms provided by the Company, except in cases of emergencies, in which case the employee shall notify the Company as soon as possible and shall, upon return, bring proof of such emergency. Such forms shall be signed by the Company representative and the worker requesting the leave. Leave of absence shall be extended by the Company for a valid personal reason (as determined by the Company), if a request for such an extension is made by the worker in writing to the Company with a copy to the Union prior to termination of the original leave; provided, however, that a request for an extension may be submitted simultaneously with the request for leave of absence for valid personal reasons, if the worker has special circumstances which require additional time. If the Company grants a request for a leave of absence or extension thereof, it shall do so in writing at the time the request is granted. Unless the leave or extension is confirmed in writing, it will not be deemed to have been given.

D. Failure to report for work at the end of an approved leave of absence, or accepting employment with another employer during an approved leave, shall terminate seniority in accordance with Article 4, Paragraph B: Seniority.

E. If a leave of absence is found to have been obtained by fraud or misrepresentation, the employee may be subject to discharge. Furthermore, the Company may request satisfactory proof or verification of the basis for an employee's request for a leave of absence under this Article.

F. Leaves of absence under this Article, where more workers have applied for a leave of absence at the same time than can be spared by the Company, shall be allocated on the basis of seniority, with the worker having the highest seniority having the first preference for that leave of absence. However, where a worker requests an emergency leave, the Company may agree to his leave in preference to that of other workers with higher seniority.

G. The Company shall comply with applicable state and federal family leave acts.

ARTICLE 10

MAINTENANCE OF STANDARDS

The Company agrees that it shall attempt to maintain all conditions of employment relating to wages, hours of work, and fringe benefits at no less than the standards in effect as of the date of this Agreement. Conditions of employment may be improved elsewhere in the Agreement. It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Company in applying the terms and conditions of this Agreement. It is also agreed that the provisions of this Article in no way guarantees continued hours per day or per week or continued jobs or operations. Further, it is agreed that where employees are

provided security benefits at no cost to the employee, the cost to the Company may vary in keeping with changes in cost.

ARTICLE 11

SUPERVISORS AND BARGAINING UNIT WORK

Supervisors may not perform work covered by this Agreement except as follows:

(1) Supervisors may perform work covered by this Agreement in cases of training, experimentation, emergencies or where there is a situation that would interrupt work operation or work that they have historically performed in the past; (2) four working foremen, who shall not be part of the bargaining unit, may perform bargaining-unit work.

ARTICLE 12

WORKER SECURITY

No employee under this Agreement shall be required to perform work that normally would have been done by employees of another company who are engaged in a strike.

ARTICLE 13

RECORDS AND PAY PERIODS

A. The Company shall keep full and accurate records, including total hours worked, piece-rate or incentive-rate records, total wages, and total deductions. Workers shall each payday be furnished a copy of the itemized deductions, hourly rates, hours worked, and total wages, which shall include the worker's Social Security number.

B. The Union shall have the right, upon reasonable notice given to the Company, to examine time sheets, work production, or other payroll records that pertain to the worker's compensation in case of a dispute pertaining to such matters. The Company reserves the right to

have its representative(s) present at all times during such inspection. No original records shall be removed by the Union or its representative.

ARTICLE 14

HEALTH AND SAFETY

A. The Company and Union are interested in the health and safety of workers while working with the Company. It is understood and agreed that it is necessary in the sophisticated farming practices of today that certain agricultural chemicals must be used for the control of pests and growth of the product. The Company recognizes that use of certain chemicals injurious to farm workers must be such as not to cause injury to workers. Therefore, the Company shall maintain in its office and shall have available to its supervisors the following information, and shall make such information available to the Union upon request:

1. Location and field treated with injurious materials;
2. Name of material used by brand name and chemical name and registration number;
3. Date and time material applied and its formulation and concentration;
4. Amount of material applied and its formulation and concentration;
5. Method of application;
6. Applicator's name and address, if any, and
7. Safe reentry date and time after application.

B. The Company will comply with all applicable laws relating to the health and safety of farm workers and will not use banned chemicals such as, but not limited to, DDT, DDD, DDE, Aldrin, and Dieldrin.

C. When an agricultural chemical is applied, the Company shall advise all workers in the immediate area prior to the application. Reentry into treated fields shall be in accordance with label requirements. Workers shall be advised of applicable reentry periods. No worker shall be required to reenter a field during the prohibited period, nor shall the worker refuse to reenter thereafter. Nothing in this Paragraph shall infringe upon the right of a worker under Paragraph D below.

D. No workers shall be required to work in any work situation which would immediately endanger his or her health or safety.

E. In accordance with law, there shall be adequate toilet facilities, separate for men and women in the field readily accessible to workers, that will be maintained in a clean and sanitary manner. Doors on portable toilets shall have latches. Hand-washing facilities, soap, and paper towels shall be provided.

F. Each place where there is work being performed shall be provided with suitable, cool, potable drinking water convenient to workers. Water shall be provided in cool cans or equivalent containers. Individual paper drinking cups shall be provided. Salt tablets shall be provided by the Company during the summer.

G. One set of tools, equipment, and protective garments (not including rain gear) necessary to perform the work and/or safeguard the health of or prevent injuries to a worker's person shall be provided, maintained, and paid for by the Company. Workers shall be responsible for returning all such equipment that was checked out to them, but shall not be responsible for breakage or normal wear and tear. Workers shall be charged actual cost for equipment that is not returned or damaged due to negligence or misconduct. If not paid, such

charge shall be deducted from the employee's final paycheck for the applicable season. Receipts for returned equipment shall be given to the worker by the Company.

H. Adequate first-aid supplies shall be provided and kept in a clean and sanitary dust-proof container. Each crew shall have access to a first-aid kit.

I. In cases where employees are working around moving machinery, all machines shall be attended at all times.

J. When a worker who applies agricultural chemicals is on Company payroll, one baseline cholinesterase test and other additional tests shall be taken on those workers so employed at Company's expense when organophosphates are used and, if requested, results of paid test(s) shall be given to an authorized Union representative.

K. In the interest of safety, the company has the option to institute job related physical capacity testing for prospective employees.

ARTICLE 15

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ARTICLE 16

NO DISCRIMINATION

There shall be no discrimination against any worker because of race, age (subject to applicable California and federal laws), color, creed, religion, sex, national origin, or language spoken, or union activities.

ARTICLE 17

BULLETIN BOARDS

The Company will provide bulletin boards upon which the Union may post notices at central locations as shall be mutually agreed upon.

ARTICLE 18

INCOME TAX WITHHOLDING

The Company shall deduct federal and state income tax in accordance with standard practices, with scheduled deductions as required by law.

ARTICLE 19

[LEFT BLANK INTENTIONALLY]

ARTICLE 20

LOCATION OF COMPANY OPERATIONS

The Company shall provide the Union, upon request, with the exact locations where employees covered by this Agreement are required to work.

ARTICLE 21

SUBCONTRACTING

The Company has the sole discretion to subcontract bargaining-unit work within the following parameters:

Subcontracting will generally not be done unless development work is necessary on new or existing ground; emergencies arise, including during the harvest season; and where specialized employees and/or equipment are required to perform the work. In addition to the aforementioned, the Company can subcontract any and all work. For situations other than developmental, emergencies and specialized work, subcontracting will not cause the layoff of qualified seniority bargaining-unit employees. If possible, the Company will attempt to provide the Union with at least twelve (12) hours' notice of any decision to subcontract pursuant to this Article. The Company will have no duty to disclose to the Union any information regarding its contractual relationship with the particular subcontractor, otherwise, Article 5, Grievance and

Arbitration Procedure will apply to the decisions taken by the Company under this Article. The Company will not arbitrarily exercise their sole discretion under this Article.

ARTICLE 22

MODIFICATION

No provision or term of this Agreement may be amended, modified, changed, altered, or waived except by a written document executed by the parties hereto.

ARTICLE 23

SAVINGS CLAUSE

In the event any portion of this Agreement shall become ineffective as a result of any applicable local, state, or federal law, only that portion of this Agreement so affected shall be ineffective; in no event shall the fact that a portion of this Agreement be inapplicable or illegal in accordance with such laws, render the remainder of this Agreement ineffective or work a termination.

ARTICLE 24

SUCCESSORSHIP

The Company shall comply with the law.

ARTICLE 25

[LEFT BLANK INTENTIONALLY]

ARTICLE 26

REPORTING ON DUES AND CONTRIBUTIONS

Submission Of Dues And Reports To Union.

A payroll report is to be submitted monthly covering the two (2) to three (3) payroll periods falling within the reported month. The report shall be mailed on or before the

twelfth (12th) day of each month. The report shall include the workers' names, social security numbers, payroll periods covered, gross wages, total hours worked per worker, total number of workers, and amount of Union dues deducted within the reporting month from each reported worker. Complete mailing directions and information for such report will be supplied by the Union.

In the event the Company has no workers in its employ during any monthly payroll period, the Company shall submit to the Union, on forms to be provided by the Union, a statement to that effect. Said statements shall be mailed on or before the twelfth (12th) day of the following calendar month.

The Company understands and agrees that it shall be deemed delinquent with respect to the Union for any payroll month in which the dues are not submitted monthly, and/or the monthly report, or the required statement that the Company has no covered workers in its employ during such month, is not postmarked on or before the twelfth (12th) day of the succeeding calendar month.

In the event the Company decides to go out of business, merge or consolidate with another entity, sell or transfer its assets to another entity, or other wise make a decision which will result in its ceasing to deduct dues, the Company shall, in addition to any other requirements set forth in this Agreement, notify the Union headquarters in writing at least sixty (60) days in advance of the last day on which it will be reporting to the Union, of such business decisions.

In the event that the Company files in bankruptcy or Chapter 11 proceedings, it will notify the Union of such action and shall list the Union as a separate creditor qualified as a priority claim pursuant to the Bankruptcy Act.

ARTICLE 27

GENDER

When used in this Agreement and whenever the context so requires, the masculine gender shall include the feminine and neuter genders and the singular number shall include the plural, and vice versa.

ARTICLE 28

MANAGEMENT RIGHTS

The Company retains any and all rights and prerogatives of management it enjoyed prior to the execution of this contract except as specifically and expressly limited or modified by the provisions of this contract.

ARTICLE 29

MECHANIZATION

In the event the Company decides to increase its mechanization in any way that will result in the permanent displacement of bargaining unit employees, the Company shall notify the Union in writing three (3) weeks before commencing such mechanical operations and shall meet with the Union to discuss the training of displaced employees to operate and maintain the new mechanical equipment, the placing of displaced employees in other jobs with the Company, the training of employees for other jobs with the Company, or the placing of such employees on a preferential rehire list.

ARTICLE 30

MEDICAL PLAN

A. Beginning on September 1, 2003, the Company's net contribution will not exceed \$1.40 per hour to the Robert F. Kennedy Farm Workers Medical Plan ("RFK") for each

hour worked by all current, qualified employees who have acquired seniority with the Company and who are covered by this agreement provided that: (1) the Company receives a signed writing from the Plan Trustees certifying that the increase is necessary in order to maintain Plan benefits comparable to those being provided to the Company's employees; (2) the Union delivers written notice to the Company of the need for the above-referenced increases by personal service or certified mail specifying the amount, effective date and basis thereof, which notice must be received no later than thirty (30) days prior to the desired effective date of the increase; and (3) the Company will, at no time, be required to make a greater hourly contribution to the Plan than that required of any other company with the same benefit levels under any other Union collective bargaining agreement signed after the execution date of this Agreement and, if requested, the Union will supply the Company with copies of all other agreements and pertinent documentation demonstrating the Union's compliance with this obligation. The Company contribution cannot exceed the cost of the plan. Any costs exceeding \$1.40 will be paid for by the employee.

B. The Company further agrees that for the period of September 1, 2004 thru August 31, 2005, the Company's net contribution will not exceed \$1.48 per eligible hour worked provided that: (1) the Company receives a signed writing from the Plan Trustees certifying that the increase is necessary in order to maintain Plan benefits comparable to those being provided to the Company's employees; (2) the Union delivers written notice to the Company of the need for the above-referenced increases by personal service or certified mail specifying the amount, effective date and basis thereof, which notice must be received no later than thirty (30) days prior to the desired effective date of the increase; and (3) the Company will, at no time, be required to make a greater hourly contribution to the Plan than that required of any other company with the same benefit levels under any other Union collective bargaining agreement signed after the

execution date of this Agreement and, if requested, the Union will supply the Company with copies of all other agreements and pertinent documentation demonstrating the Union's compliance with this obligation. The Company contribution cannot exceed the cost of the plan. Any costs exceeding \$1.48 will be paid for by the employee.

C. Beginning September 1, 2005, the Company's net contribution will not exceed \$1.57 per eligible hour worked provided that (1) the Company receives a signed writing from the Plan Trustees certifying that the increase is necessary in order to maintain Plan benefits comparable to those being provided to the Company's employees; (2) the Union delivers written notice to the Company of the need for the above-referenced increases by personal service or certified mail specifying the amount, effective date and basis thereof, which notice must be received no later than thirty (30) days prior to the desired effective date of the increase; and (3) the Company will, at no time, be required to make a greater hourly contribution to the Plan than that required of any other company with the same benefit levels under any other Union collective bargaining agreement signed after the execution date of this Agreement and, if requested, the Union will supply the Company with copies of all other agreements and pertinent documentation demonstrating the Union's compliance with this obligation. The Company contribution cannot exceed the cost of the plan. Any costs exceeding \$1.57 will be paid for by the employee.

D. For employees hired after January 1, 2003 that have acquired seniority, the Company's net contribution will be \$1.15 per eligible hour worked from January 1, 2003 to December 31, 2003; from January 1, 2004 to December 31, 2004 , the Company's net contribution will be \$1.25 per eligible hour worked; and from January 1, 2005 to December 31, 2005, the Company's net contribution will be \$1.35 per eligible hour worked. The Company

contribution cannot exceed the cost of the plan. Any costs exceeding the Company's contribution will be paid for by the employee.

E. Within twelve (12) calendar days after the employee receives his or her final paycheck of the particular month, the Company will remit the appropriate summary reports and monies to the Union at an address designated by the Union. The parties agree that the Company's obligation under this Article is complete upon the submission of appropriate summary reports and monies on a monthly basis and, therefore, the Union agrees to indemnify and hold the Company harmless from any and all claims, lawsuits, administrative proceedings and/or other actions brought in any forum by anyone regarding the RFK Plan and its operation, including any damages, costs of suit and reasonable attorneys' fees.

ARTICLE 31

PENSION PLAN

Commencing with the first payroll period following ratification of this Agreement, the Company will contribute \$0.15 for every hour worked by each current qualified employee who has acquired seniority with the Company to the Juan de la Cruz ("JDLC") Pension Fund. The Company will remit appropriate monies and a summary report to the JDLC Fund at P.O. Box 2539, Los Angeles, California 90052-0539. The parties agree that the Company's obligations under this Article are complete upon the submission of appropriate monthly reports and monies and, therefore, the Union agrees to indemnify and hold the Company harmless from any and all claims, lawsuits, administrative proceedings and/or other actions

brought in any forum by anyone regarding the JDLC Pension Fund and its operation, including any damages, costs of suit and reasonable attorney's fees.

ARTICLE 32

HOURS OF WORK AND OVERTIME

A. Nine (9) hours of work each day, Monday through Saturday, shall be considered the normal work schedule for each of the specified classifications of work. It is understood that this norm does not constitute a daily guarantee but defines the normal hours of work when work is available and conditions permit.

B. Overtime pay shall be paid in accordance with the following:

1. Daily Overtime:

All workers shall be paid at one and one-half (1½) times their regular hourly rate of pay for all work performed in excess of ten (10) hours per day.

2. Sunday Overtime:

All workers shall be paid at one and one-half (1½) times their regular hourly rate of pay for all work performed on Sunday.

3. Saturday Overtime:

All workers shall be paid at one and one-half (1½) times their regular hourly rate of pay for all time worked on Saturday in excess of ten (10) hours, provided that no workers shall be obligated to work more than nine (9) hours on Saturday.

C. Meal-Time And Lunch-Time.

Meal-time and Lunch-time shall be one-half (½) hour and said meal time shall be as near as possible to the middle of the work day.

D. Day of Rest.

Taking into consideration the needs of the Company, each worker shall be entitled to one (1) full day, twenty-four (24) hours, off without pay each work week. Insofar as possible, the work shall be arranged so that each employee will have Sunday off.

E. Night Shift Premium.

Night shift pay shall apply to all workers who work a majority of their shift between the hours of 6:00 p.m. and 6:00 a.m. for which night shift the workers shall be paid a premium of thirty-five cents (35¢) per hour for all hours worked. There shall be no pyramiding of overtime or night shift premium.

F. A worker will be paid the rate for the job he/she does.

G. When a worker is working as a trainee for a higher rate job, he or she shall be paid at the classification's regular rate of pay.

H. Workers shall receive a rest period of ten (10) minutes in the morning and ten (10) minutes in the afternoon which, as reasonably as possible, shall be in the middle of each work period.

ARTICLE 33

REPORTING AND STANDBY TIME

A. A worker paid on an hourly or piecework basis who is required to report for work and does report and is furnished no work or less than two (2) hours of work shall be paid at least two (2) hours for that day at the worker's hourly rate of pay, or the worker's average hourly piece-rate earnings based on the preceding payroll week. This provision shall not apply if there is not work or work for less than two (2) hours as a result of an act of God, including, but not limited to, rain.

B. A worker shall be paid for all time he or she is required to remain on the job at his or her hourly rate or average hourly piece-rate earnings based on the preceding payroll week.

C. Call-Out Pay

Workers called in by the Company at times other than their regularly scheduled work hours shall be paid at time and one-half, with a minimum of two (2) hours' pay.

ARTICLE 34

VACATIONS

A. Vacation pay shall be granted to eligible employees who qualify for such vacations. An employee shall be eligible for vacation pay provided that, in order to qualify for vacation pay, the employee must have worked five hundred (500) hours in the prior calendar year. Vacation pay shall be computed on the basis of the appropriate percent of the employee's gross earnings from the Company in the calendar year prior to the taking of the vacation (excluding the amount of the prior year's vacation pay). Calendar year in this paragraph means January 1 through December 31.

B. An employee with one (1) or more years of service and who has qualified pursuant to Paragraph A of this Article shall receive two percent (2%) vacation pay. An employee with two (2) or more years of service and who has qualified for each of those two years pursuant to Paragraph A of this Article shall receive four percent (4%) vacation pay. An employee with five (5) or more years of service and who has qualified for each of those five years pursuant to Paragraph A of this Article shall receive six percent (6%) vacation pay.

C. Vacation pay shall be deemed due and payable at any time such pay is requested after March 15 of each year. There is no vacation pay entitlement at the end of year layoff unless the employee has no expectation of returning to work at the Company. Vacation

checks shall be paid by separate check and tax deductions shall be for the regular amount deducted for the regular pay periods.

ARTICLE 35

HOLIDAYS

A. Commencing with the effective date of this Agreement, the following shall be paid holidays:

1. President's Day
2. Good Friday
3. Memorial Day
4. Independence Day
5. Thanksgiving
6. Christmas Day

Holiday pay shall be an amount equal to eight (8) times the regular straight-time hourly rate.

B. Work on any holiday shall be paid at the worker's regular rate of pay, in addition to his or her holiday pay.

C. When a holiday falls on a Sunday, the following Monday shall be observed as a holiday.

D. In order to collect holiday pay, the employee must have acquired seniority with the Company and must work his or her scheduled workdays before and after the holiday and at least one day in the five (5) days before the holiday. If the worker has a scheduled workday within five (5) days after the holiday, he or she must work this day also.

E. Probationary employees shall not be entitled to holiday pay if they do not work on a holiday. If they work on a holiday, they shall receive straight-time pay.

ARTICLE 36

[LEFT BLANK INTENTIONALLY]

ARTICLE 37

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ARTICLE 38

LEAVE OF ABSENCE FOR FUNERALS

In case of death of a member of the worker's immediate family, defined as father, mother, father-in-law, mother-in-law, spouse, brother, sister, son or daughter, the worker shall be granted a leave of absence of three (3) days, with pay, for each day of leave at the regularly hourly rate or average hourly piece rate earnings for the preceding payroll week. No pay shall be granted under the provisions of this Article where the worker does not attend the funeral of the deceased relative or the worker fails upon request to furnish the Company with reasonable proof of death and evidence of the worker's attendance at the funeral.

ARTICLE 39

JURY PAY

A regular full-time worker shall be paid jury duty pay for serving as a juror in any legal proceeding not between the parties for any days of work missed due to the performance of such service not to exceed seven (7) days. "Jury duty" pay is defined as the difference between the fees receive by such worker for performing such service and what he or she would have received had he or she been working for the Company for each day of service. To receive pay under this Article, the worker must provide the Company with a copy or notice summoning him

to appear, and if so requested, documentary evidence of the amount of fees received for performing such service.

ARTICLE 40

INJURY ON THE JOB

In the event an employee is injured while at work and is required to leave work, the employee shall be paid his full wages for the day of injury, provided the employee requires medical attention as the result of the injury and, upon the advice of the attending physician, is unable to return to work. If the attending physician returns the employee to work, the employee will be compensated for the time lost.

ARTICLE 41

DURATION OF AGREEMENT

This Agreement shall be in full force and effect from January 1, 2003 to and including December 31, 2005.

C. MONDAVI & SONS

UNITED FARM WORKERS OF AMERICA,
AFL-CIO

By: *Marc C. Mondavi*

By: *Alberto Rodriguez*

DATED: *1-30-2003*

DATED: *1-30-03*

Luis Gomez
George de Hoya

Ricardo Gutierrez
Jose in Gomez

Jose Gomez

APPENDIX A

WAGES

	First Year	Second Year	Third Year
GENERAL LABOR I	\$8.20	\$8.30	\$8.40
Entry level 0-2 years of service – no experience or minimal experience			
GENERAL LABOR II	\$ 9.30	\$9.45	\$9.60
More than two years with company and is proficient at all general labor work			
(Pruning, Frost Protection, Hand Pick and Bud Cutter)			
EQUIPMENT OPERATOR I	\$ 11.00	\$ 11.10	\$ 11.20
Equipment operators I will have their operator rate red circled for two weeks after any job downgrade. The red circle rate only applies for two weeks of compensable hours worked.			
EQUIPMENT OPERATOR II	\$ 12.00	\$12.25	\$12.50
The top five seniority equipment operators II's will retain their wage year round for all compensable hours worked. Equipment operators II that do not qualify as top five seniority operators will have their operator rate red circled for two weeks after any job downgrade. The red circle rate only applies for two weeks of compensable hours worked.			
BUDDING/GRAFTING	\$14.50	\$14.60	\$14.70

JOB DESCRIPTIONS

GENERAL LABOR:

Performs all field labor and general labor jobs such as planting, replanting, hoeing, ground and crown suckering, making cuttings, tying, training, hand stapling, stake and wire repairs, hand loading and unloading trucks and trailers and other related activities as per past practices.

EQUIPMENT OPERATOR:

Must be capable of proficiently operating, adjusting and using one or more items of the following equipment: To include, but not limited to, track layers, post driver, loader, forklift, one and one-half ton truck (when operating within Company property or except when a Class A driver license is required), stake driver, wheel tractors, irrigation and frost protections pumps and wind machine. Must also be able to service and make minor repairs to all of the above equipment as per past practices. Must be capable of adjusting and using discs, rotovators, cultivators, hoe plows, V blades, cane trimmer, land plane, fertilizer applicators, shredders, weeder blades, post driver, stake driver, wire rollers and all other equipment.

BUDDING-GRAFTING:

Must be capable of selecting proper bud wood and performing proficiently the technique of budding and grafting with a 100 percent rate of graft and bud take.

APPENDIX B

**SCHEDULE OF LOCK BOX ADDRESSES FOR REMITTANCE OF
CONTRIBUTIONS AND REPORTS TO PLANS/FUNDS**

Required Contributions and Reports for the Robert F. Kennedy Farm Workers

Medical Plan shall be mailed to the following address:

Robert F. Kennedy Farm Workers Medical Plan
Dept. 3-6534
Los Angeles, CA 90088

Required Contributions and Reports for the Juan De La Cruz Farmworkers

Pension Plan shall be mailed to the following address:

Juan De La Cruz Farmworkers Pension Plan
P.O. Box 92861
Los Angeles, CA 90009

APPENDIX C

PIECE RATES DURING PERIOD OF CONTRACT

	PRUNING	TYING	CROWN SUCKER	SUCKERING	LEAFING
Quads	.43	.15	.16	.06	.35
VSP	.15	.05	.08	.06	.15
<u>Willow Lake</u>					
Merlot Old Vines	.29	.08	.12	.06	.25

All VSP Second Year Pruning .16

All VSP Third Year Pruning .16

STAKE DRIVING

4¢ each (4-Foot 1/4" Training Rod)

32¢ each (8-9 Foot 13 Ga. Metal Stake)

HAND-PICK

VARIETY

Red Varieties \$85.00 per ton

White Varieties \$85.00 per ton

JOB DESCRIPTIONS—PIECE WORK

PRUNING (Piece Rate):

Carries out assigned vine pruning tasks as instructed. Knows and understands vine vigor and pruning methods as to Company standards. Understands different types of vine structure and can perform pruning technique for each structure. Maintains pruning shears as per instruction. Performs proper and clean cuts. Cleans up vine, leaving it ready for tying with brush in row middles.

TYING (Piece Rate):

Carries out assigned tying tasks as instructed. Ties all canes to trellis with 1½ wraps, using materials as furnished.

SUCKERING (Piece Rate):

Carries out assigned suckering tasks as instructed. Removes all green shoots and suckers from a distance six inches below trellis wire or an equivalent distance to six inches below the union of scion wood and rootstock. Suckers are to be removed as close to the trunk as possible. Removes weeds within one foot of the trunk. Employees are expected to use both shovels and shears. Shovels are to be used to clear dirt away from the vine and shears are to be used to remove suckers. In no event shall shovels be used to remove suckers.

SIDE LETTER

RE: ARTICLE 6

DISCIPLINE AND DISCHARGE

The parties agree that the Company shall have the right to require a worker to submit to a drug and/or alcohol test if reasonable suspicion exists that the worker has consumed or has in his/her possession alcohol or drugs or is under the influence of either. If the worker refuses to submit to the test, such refusal shall constitute insubordination and be grounds for termination. If the worker admits to the consumption or the possession of drugs or alcohol or being under the influence of either, or the Company believes it has sufficient evidence of the foregoing, the Company shall not be required to have the worker tested. If a worker tests positive or if he/she admits to use of drugs or alcohol, he/she will be subject to immediate termination.

SIDE LETTER

RE: APPENDIX C

PIECE RATES

The company will attempt to assign workers to the same row each year for pruning. The company is only obligated to do so if it is economically feasible.

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