

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

MONTPELIER ORCHARDS MANAGEMENT COMPANY

AND

UNITED FARM WORKERS OF AMERICA, AFL-CIO

JANUARY 1, 2006 - DECEMBER 31, 2009

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## ARTICLE 1: RECOGNITION

A. Pursuant to Certification #75-RC-60-F by the Agricultural Labor Relations Board, Montpelier Orchards Management Company (hereafter called "Company") does hereby recognize United Farm Workers of America, (hereafter called "Union") as the sole labor organization representing all of the Company's agricultural employees (hereafter called "workers") in the certified bargaining unit. In the event the ALRB certifies other employees not here included within the certified unit, such additional employees shall be included under the terms of this Agreement. Workers covered by this contract are the agricultural employees, as defined in 1140.4 (b) of the Agricultural Labor Relations Act ("ALRA"), but shall not include office and sales employees, security guards, and supervisory employees (hereafter called "supervisors") as defined in Section 1140.4 (j) of the ALRA.

B. The Company further recognizes the rights and obligations of the Union to negotiate wages, hours and conditions of employment and to administer this Agreement on behalf of all covered workers.

C. Neither the Company nor its representatives will take any action to disparage, denigrate, or subvert the Union. Neither the Union nor its representatives will take any action to disparage, denigrate, or subvert the Company.

D. The workers know of the supervisors, officers, and policies of the Company and commitments as set forth above with respect and recognition of the Union and acknowledges the rights of any worker in the bargaining unit to support and participate in the collective bargaining and contract administration functions of the Agreement.

E. The Company agrees that no business device, including joint ventures, partnerships, or other forms of agricultural business operations shall be used by the company for the purpose of circumventing the obligations of this Agreement.

F. Neither the Company nor its representatives will interfere with the right of any worker to join and assist the Union. The Company will not grant any advantage, nor more favorable consideration, nor any form of special privilege to any workers because of non-participation in Union activities.

## ARTICLE 2: UNION SECURITY

A. Employees covered by this agreement who become members of the Union, shall be required to maintain their Union membership in good standing as a condition of continued employment with the Employer. Good standing shall consist of the tendering of uniformly applicable dues, initiation fees and assessments to the Union commencing on or after five (5) days of employment or the date of execution of this Agreement.

which ever is later. In the event that any employee covered by this Agreement chooses not to become a member of the Union he/she shall, on or after five (5) days of employment or the date of execution of this Agreement, whichever is later, be required to pay an initial service fee to the Union in lieu of the initiation fee in an amount equal to the Union's initiation fee and to pay monthly dues in lieu of the dues. No employee who becomes a member of the Union, as provided above, or alternatively, has chosen to pay said service fee as provided above, shall be terminated for failure to maintain Union membership in good standing, or for failure to pay said service fee unless or until the Union notifies the Company in writing. Upon receipt of such written notice the employee shall immediately be discharged.

B. Company agrees to furnish the Union in writing, within one (1) week after the execution of this Agreement, a list of its workers giving the names, addresses, social security number and job classifications.

C. 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 Company for the purpose of compliance with any of the provisions of this Article.

D. Company agrees to deduct from each worker's pay initiation fees, all periodic dues, and assessments as required by the Union upon presentation by the Union, individual authorization forms signed by workers directing Company to make such deductions. Company shall make such deductions from worker's pay for the payroll period in which it is submitted, provided that it is submitted in advance of the close of the pay period, and periodically thereafter as specified on authorization so long as such authorization is in effect and shall remit monies weekly. The Company shall provide a monthly summary report as soon as possible, but no later than the fifteenth (15th) day of the month following the ending date of the previous month's pay period month containing the names of the workers, Social Security number, payroll periods covered, gross wages, total hours worked per worker, total number of workers and amount of Union dues deducted during such pay periods from each worker. Union will furnish the forms to be used for authorization and will notify the Company in writing of dues, assessments and initiation fees within five (5) days of the execution of this Agreement and five (5) days before the effective date of any change.

### ARTICLE 3: EMPLOYMENT

A. The Union may operate and maintain a location or shall designate a person or persons through which the Company may secure new or additional workers. The Union will notify Company of the address and telephone number of such location or persons nearest the location of the Company.

B. Whenever, the Company anticipates the need for new or additional workers to perform any work covered by this Agreement, the Company may notify the Union, giving as much notice of need as the Company itself has, stating the approximate number of workers needed, the type of work to be performed and the estimated starting date of the work. In this event, the Company will also advise the Union of the dates and times at which the Company will be accepting applications.

C. The Company shall have the sole discretion to hire or not hire persons referred by the Union or from any other source and shall not discriminate against any applicants for any reason, including membership in any labor organization. Before the Company makes a determination that a 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 demonstrate that he/she meets the job requirements.

D. The Company shall designate the person or persons with the exclusive authority to hire new employees and shall so inform the Union.

E. The Company will inform the Union in writing of all new hires within five (5) work days of their commencing work.

#### ARTICLE 4: SENIORITY

A. All employees who have worked at least fourteen (14) work days with the Company shall acquire seniority on the fifteenth (15th) day of work, retroactive to their dates of hire. Terminations of employees for poor work performance or any other non-discriminatory reason during such fourteen (14) day probationary period shall not be subject to the grievance procedure of this Agreement. There shall not be layoffs for the purpose of circumventing acquisition of seniority. The Company will post a sign-up sheet at the beginning of the harvest for seniority employees wishing to change jobs.

B. Seniority shall be lost for the following reasons:

1. Voluntary quitting;
2. Discharge for just cause;
3. When on layoff, failing to report within three (3) days after being called, unless reasons satisfactory to the Company are given;
4. When the worker fails to report to work at the termination of a leave of absence or vacation or accepts employment with another Company during a leave of absence;

5. When a worker leaves the bargaining unit to accept a permanent supervisory or other position with the Company outside the bargaining unit;
6. Failure of an employee to inform the Company of any change of address which might affect his seniority for future recall;

C. Any worker rehired after loss of seniority as provided in section B. above, shall establish a new seniority date as provided in section A. above.

D. The Company will provide the Union, on a monthly basis, a list of workers, by name and social security number, who lost seniority during the prior week pursuant to section B. above.

E. The filling of vacancies, new jobs, promotions, demotions, transfers, layoff, recalls from layoff or reclassification shall be on the basis of seniority, provided the demonstrated skills, efficiencies and abilities, between affected workers are equal in the judgement of the Company.

F. The Company and the Union agree to grant separate seniority, for purposes of layoff and recall, and subject to the standards set forth in section E. above, for workers who work only during the harvesting and/or pruning operations. This separate seniority shall be available only upon written request by an employee, specifying that the employee wishes to be recalled only for the particular operation from which he/she was laid off. Failure to file a written request will subject the employee to all other seniority provisions of this Article.

G. Whenever, a permanent vacancy occurs in a job classification higher than general labor, such vacancy shall be posted on the Company's bulletin board both in English and Spanish. A copy of such posting shall be provided to the Ranch Committee. The posting shall be made at least five (5) days before the vacancy is permanently filled. Workers with seniority desiring consideration for a higher rated job will so indicate by signing the posting. The worker selected in accordance with the test specified in section E. above, shall be given a reasonable opportunity to demonstrate his/her ability to perform the job. If the worker does not perform the job satisfactorily, he/she shall return to his/her former classification. The Company will then select the next worker in accordance with the test specified in section E. above and follow the same procedure. The Company reserves the right to fill such job opening on a temporary basis during the posting period. Temporary vacancies, such as those created by a worker's short term illness, injury, or other temporary absence, or unexpected job openings of short duration, are not subject to posting.

H. The Company when anticipating the recall of seniority workers at the beginning of any operating season, in accordance with the test specified in section E. above, shall

notify the worker not less than two (2) weeks prior to estimated starting date of the work, indicating the approximate duration thereof. The Company shall then notify the worker when to report for work, allowing reasonable time to report. All recall notices shall be mailed to workers by First Class United States Mail. It shall be the responsibility of each worker to provide the Company with a current mailing address and, if possible, a telephone number where he/she can be reached for purposes of recall. The worker shall provide this information at the time of layoff. A list of employees to whom such recall notices are sent, including the dates sent, addresses sent to, and reporting dates for recall, shall be provided to the Union at the time said recall notices are sent. Upon request, the Company shall make available to the Union any notices of recall that have been returned with Post Office notification of non-delivery.

I. The Company shall prepare up-to-date seniority lists which shall be posted on the Company's bulletin board as follows:

All Seniority lists shall be posted upon the signing of this Agreement. The seniority list for year-round workers shall be posted thereafter on a quarterly basis, by April 30, July 31, October 31, and January 31, or as soon as possible after the close of an operation. The seniority lists for the operations described in Section F. shall be posted for a period of two (2) weeks prior to the start of each operation. The local Union field office shall be given a copy of said seniority lists at the time of posting. Disputes concerning the accuracy of the lists may be filed in writing for up to two (2) weeks after the posting is completed. If the dispute remains unresolved after two (2) weeks, it may be submitted to the grievance procedures of this agreement.

J. There shall be no bumping or lateral transfers, except as provided for in other sections of this Article.

#### ARTICLE 5: GRIEVANCE AND ARBITRATION PROCEDURE

A. The parties agree that all disputes which arise between the Company and the Union out of the interpretation or application of said Agreement shall be subject to the grievance and arbitration procedure. The parties further agree that the grievance procedure of this Agreement shall be the exclusive remedy with respect to any dispute arising under this Agreement.

B. A Grievance Committee may be established by the Union. No more than two (2) workers excluding the grievant may participate in the procedure of a given grievance. Similarly, the Company may only have the foreman and two (2) representatives. All processing of grievances may be during nonworking time. Aggrieved workers shall have the right to be present at each step of the grievance procedure, without loss of pay. In grievances involving more than one (1) employee, only one (1) such employee may be present at the grievance meetings. It is agreed that

representatives authorized to bind the Union and the Company shall be present throughout each step of the grievance procedure.

1. A steward doing piece work shall be paid based on the hourly tractor driver rate or his/her average hourly earnings in the previous payroll period, whichever is less; and
2. A steward doing piece rate work shall be paid a minimum of one-half hour's pay for any time spent processing grievances in any one day.

C. The time limits herein specified may be extended only by written mutual agreement of the parties. Failure by the Union to comply therewith shall constitute withdrawal of the grievance. Such failure by the Company shall entitle the Union to appeal to the next step in the grievance procedure. Grievances dropped by the Union or the Company prior to an arbitration hearing are deemed withdrawn without prejudice to their respective positions on a similar matter in the future.

D. FIRST STEP: Any grievance arising under this Agreement shall be immediately taken up between the Company representative involved and the Union Steward. 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 the specific nature of the grievance is first reduced to writing. Failure to file and serve a grievance in writing within ten (10) calendar days from the event giving rise to the grievance or the discovery thereof by the grieving party shall constitute a waiver of such grievance; a grievance over a discharge which is not filed and served in writing within seven (7) calendar days from the date of discharge shall similarly be deemed waived.

E. SECOND STEP: Not later than ten (10) calendar days after the written grievance is filed, the Grievance Committee and the Company representative(s) delegated to resolve such matters shall meet and use their best efforts to settle the grievance. The Company or Union, as the case may be, shall give a written decision, to the grieving party, including reasons for decision, within two (2) work days of the Second Step Meeting. If the grievance is not resolved at this Step, the grieving party may appeal to the Third Step by requesting arbitration in accordance with the time limits specified below.

F. THIRD STEP: Within seven (7) calendar days from receipt of written Second Step response, the grieving party must send written notice to the other party of its intent to request arbitration. The parties shall then request a panel of eleven (11) arbitrators' names from the State Mediation and Conciliation Service. After receipt of the list, the parties shall attempt to agree upon an arbitrator from such list. If they are unable to agree, names will be stricken from said list in the following manner. The party to strike first shall be selected by a coin toss, and the parties shall alternatively

strike names. The name remaining after each party has stricken five (5) shall be the designated arbitrator.

G. The arbitrator shall consider and decide only the grievance(s) referred to him/her, and the decision shall be final and binding on the Company, the Union and the employee(s). The arbitrator shall have no authority to modify, amend, change, alter or waive any provision to this Agreement. The arbitrator shall have the authority to revoke or modify any form of discipline and to award back pay, for lost earnings if he/she so determines. The arbitrator shall have access to the Company or Union property as necessary and relevant to the resolution of the specific grievance, providing no interference with the business of either party results.

H. It is agreed that a grievance may, upon mutual agreement, be expedited to arbitration. Under such circumstances, after such a grievance has been reduced to writing, the grieving party may request a Second Step meeting within three (3) work days and the responding party will provide its answer in writing, if denied, within two (2) work days from the close of the meeting. Within three (3) work days from the written responsive answer, the grieving party may then request, with notice to the responding party, that the grievance be referred to an arbitrator. If such a grievance is presented to the arbitrator, it is agreed that it will take precedence as to investigation, hearing date, and issuance of decision over any other case. The duties and the authority of the arbitrator shall be the same as under section G of this Article. The arbitrator shall have the authority to issue a bench decision and award and shall submit to the parties a signed and written decision and award within forty-eight (48) hours of the close of expedited hearing.

I. All expenses and fees of the arbitrator, and the cost of the hearing room, shall be borne by the losing party. Each party shall pay the cost of presenting its own case. Furthermore, the arbitrator shall designate the losing party, with respect to expenses and fees of arbitration.

J. Should either party refuse to participate in any of the grievance machinery, where the grieving party has complied with the procedural requirements thereof, the grieving party shall have the right to refer the matter to the arbitrator for consideration in a formal hearing. Such hearing may be ex parte, i.e., with only one side present, provided that the arbitrator shall temporarily delay an ex parte hearing to permit immediate bona fide efforts to settle an issue without a hearing or to resolve any misunderstandings as to the existence of a dispute.

K. In the event there is a work interruption of any kind, the parties agree to make an immediate joint effort to end such interruption, which may include either party contacting an arbitrator. An alleged violation of Article 6 may be referred directly to the arbitrator, who shall immediately order an end to such interruption, personally, if

possible, or by telephone. The arbitrator shall then immediately attempt to resolve the dispute.

#### ARTICLE 6: NO STRIKE CLAUSE

A. Employees covered by this Agreement shall not engage in any strike, slow/down sit down, work stoppage, boycott, interruption of work or picketing against the Company, and neither the employees, the Union, nor any officer, agents, or representatives of the Union shall authorize, assist, encourage, condone, ratify, or lend support to, or in any way participate in any such activities.

B. The Company agrees not to engage in any lockout during the terms of this Agreement.

C. The Union shall be responsible for using its best efforts to stop any conduct by its members which is in violation of this Article.

#### ARTICLE 7: RIGHT OF ACCESS TO COMPANY PROPERTY

A. Duly authorized and designated representatives of the Union shall have 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. Union Representatives shall confer with workers during nonworking periods such as break periods, lunch periods, and before and after the work day, unless otherwise mutually agreed between the parties. No more than three (3) such representatives per ranch shall be on Company property at any one time, unless otherwise agreed to in writing by the parties.

B. Before a Union representative contacts any of the workers pursuant to Section A of this Article, such representative shall notify the Company in advance of his/her visit, as to the duration, number and location of the proposed contacts.

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

#### ARTICLE 8: DISCIPLINE AND DISCHARGE

A. The Company shall have the sole right to discipline and discharge workers for just cause, providing that in the exercise of this right it will not act in violation of this

Agreement. Terminations of workers during the probationary period shall not be subject to the grievance procedures of this Agreement.

B. Prior to any discharge or suspension of a non-probationary worker, 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; provided, however, if a situation occurs in an area remote from all stewards or Union representatives or wherein the Company deems it necessary to take immediate action, and no steward or Union representative is available, the Company may take action and must give written notice within the time limit set forth in Section C below.

C. The Steward or other Union representative shall have the right to interview discharged non-probationary workers in private so long as such does not interfere with the work requirements. Within two (2) work days after any discharge for just cause, the Company will notify the Union representative in writing of the reasons for such discharge.

#### ARTICLE 9: DISCRIMINATION

In accordance with the policies of the Company and the Union, and pursuant to applicable law, it is agreed that there shall be no discrimination against any worker because of race, age, creed, color, religion, sex, political beliefs, national origin, or language spoken.

#### ARTICLE 10: LEAVE OF ABSENCE

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) work days' written notice must be given to the Company before the worker takes leaves 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 such reason of such leave.

B. A leave of absence without pay shall be granted to a worker, without loss of seniority for any of the following reasons.

1. For Jury Duty or Witness Duty, when subpoenaed;
2. For service in the U.S. Military, in accordance with applicable law;
3. Up to two (2) years for verified illness or injury requiring absence from

job. The Company may require substantiation by medical certificate or other adequate proof of illness or injury; and written notice shall be given to Employer within thirty (30) days of taking such leave.

4. For valid personal reasons, not to exceed thirty (30) calendar days

C. All requests for leaves of absence in excess of three (3) days shall be in writing, on approved leave of absence forms provided by the Company and such notice shall be sent to the Union by the Employer. Such forms shall be signed by the Company representative and by the worker requesting the leave. Leaves of absence shall be extended by the Company for a verifiable valid personal reason if a request for such an extension is made by the worker, in writing, to the Company prior to the termination of the original leave; provided, however, that a request for an extension may be submitted simultaneously with the request for a leave of absence for valid personal reasons if the worker has special circumstances which legitimately will require additional time.

D. In the event that more workers apply for leaves of absence at the same time than can be reasonably be spared by the Company, based on work to be performed, leave of absence schedules under Sections B and C shall, to the extent practical, be allocated on the basis of seniority, with the worker having the highest seniority having first preference for that leave of absence. However, where a worker requests an emergency leave, the Union and the Company may agree to his/her leave in preference to other workers with higher seniority. Failure to report for work at the end of an approved leave of absence, or accepting employment with another employer during an approved leave of absence, shall terminate Seniority in accordance with Article 4.

E. A temporary leave of absence, without pay, to conduct Union business, not to exceed three (3) days per calendar year, shall also be granted under the following conditions:

1. Written notice shall be given by the Union to the Company at least two (2) calendar days prior to commencement of any such leave;
2. If more than ten (10) percent of the workers who are working when leaves are requested are granted leaves under this section, leaves shall not exceed one (1) day, provided that additional leaves may be requested on a daily basis; and
3. Company reserves the right to deny such leaves when, in the sole judgment of the Company, it would harm operations, and such judgment shall not be subject to Article 5.

## ARTICLE 11: SUPERVISORS

Supervisors and other individuals not included in the bargaining unit shall not perform any work covered by this Agreement, except for instruction, training and emergencies, testing equipment, experimental and developmental work, or as established by the Company's past practices.

## ARTICLE 12: HEALTH AND SAFETY

A. Company and Union are interested in the health and safety of the workers while they are 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 the growth of the products. Company recognizes that use of certain chemicals may be injurious to the workers, and such use must not cause injury to the workers. Company agrees to make available, on written request from an authorized representative of the Union, such records as will disclose the following:

1. Location of fields treated with such chemical materials;
2. Name of material used by brand name, chemical name and registration number;
3. Date and time material was applied and its formulation;
4. Amount of material applied and its formulation and concentration;
5. Method of application; and
6. Applicator's name and address, if any.

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

C. No worker shall be required to work in any situation which would immediately endanger his/her health and safety. "All workers shall be required to use and/or wear all protective equipment and/or clothing as required by Law and Company Rules."

D. 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 by the Company in a clean and sanitary manner.

E. Each place where there is work being performed shall be provided with suitable, cool potable drinking water convenient to workers. Individual paper drinking cups shall be provided.

F. Tools, and equipment historically provided and necessary to perform the work, and protective garments required by law, to 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 which was checked out to them, but shall not be responsible for normal breakage, nor wear and tear. Workers shall be charged actual cost for equipment that is not returned. Receipts for returned equipment shall be given to the worker by the Company. Workers shall be trained in proper use of said equipment, tools and clothing, including the following:

1. Working shirts or coverall and gloves for the sweepers and land-planers to wear while on the job;
2. Welding gloves and jacket, shielded safety glasses, and welding hood for the mechanics;
3. Mallets and poles for the knockers;
4. Pruning shears and saws for pruners;
5. Boots and rain gear for irrigators, hose pullers and others when necessary;
6. Noise protection for all when necessary;
7. Adequate dust masks for all operations when needed;
8. Hydraulic saw operators shall be provided with protective eye glasses.

G. Adequate first aid supplies shall be provided and kept in clean and sanitary dust-proof containers.

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

#### ARTICLE 13: MECHANIZATION

In the event the Company decides to mechanize any of its operations in any way that will result in the permanent displacement of bargaining unit employees, the Company,

before commencing such mechanical operations, 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 hiring list which the Company and the Union will use in conjunction with Article 3, Hiring. In the event the Company uses its own mechanical harvesters, it will use qualified bargaining unit workers to operate them.

#### ARTICLE 14: NEW OR CHANGED CLASSIFICATION

In the event of a new or changed classification within the bargaining unit is instituted by the Company, the Company shall set the wage in relation to classifications and rates of pay in Article 35, and shall give the Union written notice one (1) week before such rate is put into effect. Whether or not the Union decides to challenge the proposed rate, the Company may put the rate into effect after such notice. If the Union and the Company cannot mutually agree upon a rate, the question of an appropriate rate shall be submitted to the grievance procedure of Article 5, for determination beginning at the Second Step. Any rate agreed upon or decided by the arbitrator shall be effective from the institution of such new or changed classification.

#### ARTICLE 15: HOURS OF WORK AND OVERTIME

A. The following overtime provisions shall apply to all hourly workers:

**DAILY OVERTIME:** A premium equal to one and one-half (1½) times the regular rate of pay will be paid for all hours worked in excess of ten (10) hours in any one (1) day.

**SUNDAY OVERTIME:** On Sunday, hourly workers shall receive one and one-half (1½) times their regular rate of pay for all hours worked, except as otherwise provided below.

B. A night shift premium of twenty-five (.25¢) cents per hour shall apply for hourly workers who work a majority of their shift between the hours of 6:00 p.m. and 6:00 a.m.

C. There shall be no pyramiding/combining of overtime premium payments and night shift premium.

D. Meal-time breaks shall be one-half (½) hour and are not compensated for nor counted as hours worked under the provisions of this agreement.

E. When a worker performs work in a higher rated job, he/she shall be paid at the higher rate for all time so worked, but shall in any event, not be paid such higher rate for less than one (1) hour in that day; provided, however, that when a worker is working as a trainee for qualification for a higher rated job, he/she shall be paid during such training period at his/her regular rate of pay for a time period not to exceed twenty-eight (28) continuous calendar days.

F. The parties agree that the irrigation systems checkers shall be paid a premium of one and one-half (1 ½) times their regular rate of pay for hours worked on Sunday.

#### ARTICLE 16: REPORTING AND STANDBY TIME

A. A worker who is required to report for work and does report and is furnished no work shall be paid at least four (4) hours at the worker's hourly rate of pay or the worker's average hourly piece rate earnings, based on the preceding payroll week. If workers commence work and they are furnished less than four (4) hours of work, hourly paid workers shall be paid at least four (4) hours that day at their hourly rate of pay, and piece rate workers shall be paid at the piece rate earned during the time worked, but shall receive no less than the equivalent of four (4) hours pay at general labor rate. This Section shall not apply where work covered by this Agreement is delayed or cannot be carried out because of rain, frost, government condemnation of crop or other causes beyond the control of the Company.

B. A worker shall be paid at the regular hourly rate for all time he/she is required to remain on the job.

C. Any work schedule may be rescinded by notification to employee(s) at least six (6) hours prior to the time scheduled for reporting to work.

#### ARTICLE 17: REST PERIOD

Workers shall have paid rest periods of fifteen (15) minutes each, which insofar as practical, shall be in the middle of each continuous four (4) hour work period or major portion thereof.

#### ARTICLE 18: VACATIONS

A. Workers who have worked 1,000 or more hours for the Company in the previous calendar year shall be eligible to receive a one-week vacation with pay, which shall be based upon five (5) percent of their annual gross pay for such previous year.

Additionally, any worker with 8 years of continuous service with the Company as of December 31, 1986 and with 700 hours in 1987 shall also be covered by this paragraph.

B. Vacation schedules for eligible workers who wish to take vacations from active work shall be mutually agreed upon. If more workers want a particular vacation period than can reasonably be spared, if practical, the worker with the highest seniority shall have the first preference for the vacation period.

C. Vacation checks for workers eligible for vacation pay under this Article shall be due and payable thirty (30) days following the end of the calendar year. Workers must pick up their checks in person or submit written authorization for the Company to mail the check.

#### ARTICLE 19: HOLIDAYS

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

Good Friday  
Independence Day  
Thanksgiving Day  
Christmas Day  
New Years Day

Holiday pay shall be the daily average pay earned during the payroll week immediately preceding the holiday.

B. To be eligible for a paid holiday not worked, a worker must have completed the probationary period, must work at least six (6) days during the two (2) weeks immediately preceding the holiday, and must work the scheduled workdays both immediately before and after the holiday. If the next scheduled workday after the holiday is more than six (6) calendar days after the holiday, the requirement for work on the scheduled workday after the holiday shall not apply.

C. Any work performed on the above-listed holidays shall be paid for at the rate of one and one-half (1½) times the regular rate of pay. Pay for work performed on paid holidays shall be in addition to the worker's regular earnings on that day.

#### ARTICLE 20: BEREAVEMENT PAY

To make funeral arrangements and to attend the funeral of a member of the immediate family (father, mother, child, brother, sister, husband or wife, grandchildren, mother-in-law, father-in-law, son-in-law, or daughter-in-law), a non-probationary worker who has worked for the Company at least six (6) days including days off or excused absences during the two (2) weeks preceding the week of the funeral, will be paid what he or she would have earned had he or she been working for the Company, not to exceed three (3) days pay. The Company may require a death certificate or other evidence of death.

#### ARTICLE 21: JURY DUTY OR WITNESS PAY

Non-probationary workers who have worked at least six (6) days during the two (2) weeks preceding the week in which the following events occur shall receive the benefit of this Article. A worker will be paid jury duty or witness pay for testifying in any legal proceedings not between the parties for any days of work missed due to the performance of such service. Jury duty or witness duty is defined as the difference between the fees received by such worker for performing such service and what he/she would have received had he/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/her to appear and if so requested, documentary evidence of the amount of fees received for performing such service. To become eligible for witness pay, the worker must be subpoenaed and must not be a party to the action.

#### ARTICLE 22: RECORDS AND PAY RECORDS

A. The Company shall keep full and accurate records, including total hours worked, total wages and total deductions. Workers shall receive a copy of the itemized deductions, hourly rates, hours worked, and total wages each payday. The daily record of hours worked for each worker shall be recorded daily and maintained by the Company. Upon request, a copy shall be given to the Union Steward.

B. An authorized representative of the Union shall have the right, upon written notice to the Company, to examine time sheets, work production, or other records regarding the computation of worker's compensation during a reasonable time. The Company reserves the right to have its representative(s) present at all times during such inspection. No record shall be removed by the Union or its representative(s).

#### ARTICLE 23: INCOME TAX WITHHOLDING

The Company shall deduct Federal and State Income Tax in accordance with scheduled deductions upon the written request of any worker. The request shall bind the worker

for the duration of his/her employment with the Company, subject to written revocation by the worker prior to the start of each new calendar year.

(ARTICLE 24: Credit Union Withholding; omitted)

ARTICLE 25: ROBERT F. KENNEDY FARMWORKERS MEDICAL PLAN

A. The Company, effective January 1, 2006 to August 31, 2006 shall continue to pay the sum of \$1.3420 for each hour worked for each worker. If an increase is required to maintain the same level of benefits, the Company shall, upon thirty (30) days written notification by the Plan Administrator, adjust the contribution up to nine percent (9%) per annum to the Robert F. Kennedy Medical Plan, commencing Sept. 1, 2006, and each year thereafter, in order to maintain the same level of benefits for the duration of the contract. Said contributions shall not exceed the following amounts:

9/1/05 thru 8/31/06	\$1.342
9/1/06 thru 8/31/07	\$1.460
9/1/07 thru 8/31/08	\$1.591
9/1/08 thru 8/31/09	\$1.734

B. All the monies of said Plan shall be remitted as directed by the Administrator of the Medical Plan.

ARTICLE 26: BULLETIN BOARDS

The Company will provide bulletin boards which shall be placed at such central locations as shall be mutually agreed upon between the Company and the Union, and shall be jointly administered by both parties.

ARTICLE 27: JUAN DE LA CRUZ FARM WORKERS PENSION PLAN

The Company shall effective January 1, 1998 contribute to the Juan De La Cruz Pension Plan Thirteen (.13¢) cents per hour for each hour worked for each worker. Contributions due will be computed on the basis of .13¢ for each hour worked during the preceding payroll for each worker covered by this Agreement. Contributions due shall be deposited monthly in said bank designated by the Administrator of the Plan. Said deposits shall be made or sent no later than the twentieth day of the month following the last payroll period of the previous month. A summary report containing the date of the payroll periods, names of the workers, social security number, and total hours.

## ARTICLE 28: SUBCONTRACTING

All work which can be properly, safely and economically be performed by workers covered by this Agreement will be assigned to and performed by them. The Company, however, reserves the right to subcontract any work which may require special skills, knowledge, experience or equipment not possessed by the Company and/or workers covered by this Agreement. In the event the Company decides it is necessary to subcontract any work, pursuant to the terms of this provision, it agrees, in advance of such subcontracting, to give the Union a complete explanation of the work to be subcontracted and the reasons for doing so. Any workers of the subcontractor who actually operate or maintain the equipment shall not be covered by the terms of this Agreement. However, any workers of the subcontractor, other than those who actually operate or maintain the equipment, who work on the subcontracted job shall be covered by the terms of this Agreement, except in the case of knocking.

## ARTICLE 29: LOCATION OF COMPANY OPERATIONS

The Company shall provide the Union, upon request a plot map of the ranches managed by the Company, and covered by the ALRB certification.

## ARTICLE 30: MANAGEMENT RIGHTS

The Company retains all of its inherent rights of management including but not limited to: the right to decide the nature of the equipment, machinery, methods of processes used; to introduce new equipment, machinery, methods of processes, and to change or to discontinue existing equipment, machinery or processes; the right to determine the products to be produced, or the conduct of its business; the right to direct and supervise all of the employees including the right to assign and transfer employees, to implement and enforce reasonable work rules and rules of conduct and to determine work schedules.

## ARTICLE 31: MODIFICATION

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

## ARTICLE 32: SAVINGS CLAUSE

In the event any portion of this Agreement is abrogated or made illegal by any local, state, or federal law, only that portion of this Agreement so affected shall be

ineffective. In no event shall the ineffectiveness of one portion of this Agreement terminate the remainder of this Agreement.

#### ARTICLE 33: SUCCESSOR CLAUSE

This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns, to the extent permitted by law. Successors and assigns, for the purpose of this Article applies to a sale or other transfer of the business and ownership of the Company. A sale of assets, either in whole or in part, which does not involve continuation of the workers of the Company to operate such sold or transferred business or assets shall not be subject to the provisions of this Article. By this Article, the parties seek to define contractual right and do not waive any statutory rights. Notwithstanding the foregoing, it is specifically understood that the Company is a management company which grows and harvests agricultural commodities for other persons not parties to this Agreement and thus cannot be responsible for binding, nor does not it have any legal authority to bind, such persons pursuant to this clause.

#### ARTICLE 34: WORKERS SECURITY

- A. The Company agrees that any worker may refuse to pass through any lawful picket line of another Company that is sanctioned by the Union.
- B. No worker 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 lawful strike sanctioned by the Union.
- C. The Company shall use its best efforts to notify the Union in a timely manner in the event of a sale of a ranch managed by the Company.

**ARTICLE 35: WAGES, Section A, Hourly Rates:**

Classification	01/01/06	01/01/07	01/01/08	01/01/09
* General Labor	\$7.35	\$7.58	\$7.81	\$8.04
** Seasonal Tractor Driver	7.45	7.69	7.92	8.16
Qualified Tractor Driver	8.40	8.65	8.91	9.17
** Pole Saw	7.47	7.69	7.92	8.16
Crew Helper	8.14	8.38	8.63	8.89
Crew Leader	8.50	8.76	9.02	9.29
Asst. Mechanic	8.76	9.02	9.29	9.57
Mechanical Shaker	9.68	9.97	10.27	10.58
Pruning Towers	8.50	8.75	9.01	9.27
* General Labor	7/1/07	\$7.75		
** Seasonal Tractor Driver & Pole Saw	7/1/07	\$7.86		

Harvest Bonus: No Change

**ARTICLE 36: INJURY ON THE JOB**

Whenever a worker is injured on the job to extent medical attention is received, the Company agrees to pay his or her wages for the remainder of that day, provided that the doctor certifies he/she is unable to work as a result of the injury.

**Article 37, Duration of the Agreement:**

This Agreement shall be effective on January 1, 2006, and shall remain in full force and effect to and including December 31, 2009, and from year to year thereafter, unless either the Company or the Union shall not less than sixty (60) days prior to December 31, 2009, or any anniversary date thereafter, serve upon the other a notice in writing of its desire to modify or terminate this Agreement. A copy of said notice shall be mailed to the California State Mediation and Conciliation Service.

Harvest Bonus  
Side Letter

Harvest bonuses are to be paid to qualified tractor drivers based upon performance as a group. The Company will review the season with the Union Committee members and a determination on harvest bonuses will be made within thirty days after harvest.

Montpelier Orchards Management Company

*Doris Alldrin (Coone)*  
Doris Alldrin

Date Signed: 2-27-06

United Farm Workers of America

*Arturo S. Rodriguez*  
Arturo S. Rodriguez

Date Signed: 2/24/06

*Tanis Ybarra*  
Tanis Ybarra

*Florentino Lupercio*  
Florentino Lupercio

*Gustavo Aguirre*  
Gustavo Aguirre

*Leobardo Padilla J.*  
Leobardo Padilla

*Daniel Romero*  
Daniel Romero

*Manuel Gonzalez*  
Manuel Gonzalez