

AGREEMENT

BETWEEN

PICTSWEET MUSHROOM FARMS - VENTURA

AND

UNITED FARM WORKERS OF AMERICA,

AFL-CIO

January 1, 2004 through December 31, 2006

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This Agreement is entered into by and between PICTSWEET MUSHROOM FARMS - VENTURA, ("Company"), and the UNITED FARM WORKERS OF AMERICA, AFL-CIO, ("Union").

ARTICLE 1 - RECOGNITION

The Company hereby recognizes the Union as the labor organization representing the Company's agricultural laborers in the unit set forth in the Agricultural Labor Relations Board's certification in case number 75-RC-1-M, and the Company's packing employees (collectively referred to as "employees") for purposes of collective bargaining. The term "employee" shall not include over-the-road drivers, office and sales employees, professional and technical employees, security guards, and supervisory employees as defined in Section 1140.4(j) of the California Labor Code.

ARTICLE 2 - UNION MEMBERSHIP

- A. **Maintenance of Membership.** Each bargaining unit employee, after thirty-one (31) days of execution of this Agreement, or after the commencement of said employee's employment, whichever is later, shall as a condition of employment thereafter during the term of this Agreement, remain a Union member in good standing or pay to the Union a fair share agency fee. Neither the Company nor the Union shall attempt to restrain or coerce any such employee with respect to becoming or refraining from becoming a member in good standing with the Union.
- B. **Enforcement.** Upon written notice from the Union to the Company, that a bargaining unit employee is not in compliance with his or her obligation to pay regular Union dues and/or initiation fees, or, in the case of non-members, his or her fair share agency fee, accompanied by a properly authorized written request from the Union for the discharge of such an employee, the Company shall discharge said employee within ten (10) work days following receipt of said notice.
- C. **Employee List.** The Company agrees to furnish to the Union in writing, within ten (10) calendar days after the execution of this Agreement by both parties, a list of its employees giving the names, addresses, social security number, job classification and hire date of each employee in the bargaining unit referred to in Article 1. Said list shall be updated as provided in Article 3, Section I.
- D. **Checkoff.** The Company agrees to deduct from each employee's pay initiation fees, or, if applicable, a fair agency fee and periodic dues, as required by the Union and uniformly applied, upon presentation by the Union of an individual, voluntary authorization signed by such employee, directing the Company to make such deductions. The Company shall make such deductions from an employee's pay for each payroll period in each month, so long as such employee's authorization is in effect. Monies so deducted will be remitted to the Union weekly. The Company shall provide a monthly summary report as soon as possible, but not later than ten (10) days following the end of each calendar month which shall contain the names of the employees, social security numbers, payroll periods covered, gross wages, total hours worked per employee, total number of employees and amount of Union dues and/or initiation fees, or, if applicable, fair share agency fees, deducted during such month from each employee. The Union will furnish the forms to be

used for authorization and will notify the Company in writing of dues, or, if applicable, fair share agency fees, and initiation fees within fifteen (15) days of the execution of this Agreement and ten (10) days before the effective date of any change. Unless such checkoff authorization form complies with applicable Federal and California laws, the Company shall be under no obligation to act on the basis thereof.

- E. Indemnification. The Union shall indemnify and hold the Company harmless from and against any and all claims, demands, suits, or other forms of liabilities and costs, 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.

ARTICLE 3 - SENIORITY

- A. Definitions. Seniority shall be defined as the total length of continuous service with the Company. The seniority system set forth herein encompasses the principles of (1) Company seniority and (2) classification seniority within functional areas.

1. Company seniority is defined as the employee's total length of continuous service with the Company beginning from his/her most recent date of hire.
2. Classification seniority is defined as the employee's total length of continuous service within a job classification in a functional area. Functional areas and corresponding job classifications as of the date of this Agreement are set forth in Appendix "A". Such seniority shall begin from the employee's date of permanent entry into one of those job classifications.

Seniority lists by date of permanent assignment to job classifications within functional areas shall be established for the purpose of administering classification seniority as provided herein.

- B. Probation. Newly hired employees shall be considered probationary employees for their first ninety (90) calendar days of employment. Employees shall be considered seniority employees and placed on the seniority lists on the first day of work following the completion of their probationary period and their seniority will date back to their date of hire. Terminations during a probationary period shall not be subject to the grievance procedure.

Employees who are laid off or discharged before completing their probationary period shall, upon rehire, be required to complete a new probationary period to establish seniority.

- C. Loss of Seniority. Seniority shall be lost for the following reasons:

- (1) Voluntary quitting.
- (2) Discharge for cause.
- (3) When on layoff the employee fails to report within three (3) working days after being called unless reasons satisfactory to the Company are provided.

- (4) When the employee fails to report to work at the termination of a leave of absence or vacation without an approved extension as per Article 9 - Leaves, of this Agreement.
- (5) When any employee leaves the bargaining unit he or she shall retain seniority for the 365 days after accepting a supervisory or other position with the Company outside the bargaining unit.
- (6) After a layoff of 365 days.
- (7) As otherwise specified in this Agreement.

D. **Rehire.** Any employee who is terminated from employment and is rehired after loss of seniority as provided above shall establish a new seniority date as provided in Section A above.

E. **Application of Seniority.** In layoff of employees for lack of work, the employee with the least classification seniority shall be laid off first. In recall of employees from layoff, the employee with the highest classification seniority shall be recalled first.

The filling of vacancies and new jobs, and promotions within the bargaining unit shall be on the basis of Company seniority, provided that the skill, ability and training of the affected employees are substantially equal. In such cases, the supervisor will fully explain the job duties and requirements and give the employee a reasonable time to meet the job requirements.

If an employee is displaced from his/her job due to a layoff, such employee shall be assigned by the Company to a job vacancy which he/she is qualified to perform without additional training. If no vacancy exists, the displaced employee may bump the employee with the least Company seniority in a non-posted job classification, provided that the employee seeking to bump can perform the job without additional training. The worker with the least Company seniority who is so bumped pursuant to this paragraph shall be laid off.

F. **Posting of Vacancies.** Whenever a permanent vacancy, or a temporary vacancy expected to last more than six (6) weeks occurs in an hourly rated job classification with a rate above the general labor rate, such vacancy shall be posted on the Company's bulletin board in the area of the vacancy. 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. Seniority employees desiring to apply for such position shall sign the posting. Selection and training for those employees applying for the position shall be as set forth in Paragraph E above. When an employee fills a permanent vacancy, he or she shall retain the right to return to the previous job classification for a period of thirty (30) calendar days without loss of seniority should he or she be laid off from the new classification, lose the new classification job due to job elimination, be removed for unsatisfactory performance at the Company's discretion, or request to be referred to his or her previous job classification. Employees filling temporary vacancies shall retain the right to return to their previous job classification without loss of seniority at the conclusion of their temporary assignment. For the incentive crews (fill, spawn, case and

dump), the Company will give preference for the filling of the crew leader position vacancies to the crew member with the most crew seniority (provided that the skill, ability, and training of the affected employees are substantially equal) prior to awarding the vacancy to a non-crew member.

- G. Notice of Recall. The Company, when anticipating the recall of seniority employees, shall make every effort to notify the employee in writing, one (1) week prior to the estimated starting date of the work and the approximate duration thereof. The Company shall then notify the employee when to report for work, allowing reasonable time to report. All such notices under this Section G shall be sent to the employee's last known address and a telephone call shall be placed, to the employee's last known telephone number. A copy of all such notices shall be simultaneously sent to the local Union Field Office.
- H. Notice to Union. The Company shall notify the Union within five (5) working days of seniority employees laid off or recalled in accordance with this Article by giving the employee's name, social security number, seniority date, job classification and date of recall or layoff.
- I. Posting of Seniority Lists. The Company shall maintain a master list of all employees in seniority order which shall be numbered and shall include the employee's name, employee number, and job classification seniority date. The Company and job classification seniority lists shall be prepared immediately upon execution of this Agreement, and thereafter, once every three (3) months. The initial and updated lists shall be posted by the Company for a period of three (3) weeks and the local Union Field Office shall be given a copy of said seniority list at the signing of this Agreement and thereafter two (2) weeks prior to the three (3) month posting.

If questions arise concerning the accuracy of the lists, the Union has up to thirty (30) work days ("workday" defined as Monday through Friday) after the posting is completed to grieve the accuracy of the list; thereafter the list shall be final and binding; provided however, that a worker who is not on the Company payroll due to layoff, vacation, sick leave, or leave of absence, during that thirty (30) work day period shall have thirty (30) work days following return from layoff, vacation, sick leave or leave of absence to grieve the accuracy of the list. If a dispute with respect to seniority is not resolved by the end of the thirty (30) work day period described above, the dispute shall be submitted to arbitration.

- J. Bumping. Except as provided in Article 3, Sections E and F, seniority shall not be applied so as to displace (bump) any employee of the Company within an established crew or area.
- K. Agreed Changes. It is understood that the Company and the Union may agree in writing to make deviations from these seniority provisions regarding applications of seniority.

L. Procedure for Filling Vacancies. A temporary vacancy exists when the regularly assigned employee is absent from work, whether due to illness, injury, leave of absence, vacation or other causes. To provide for filling temporary vacancies in the Company-designated job classifications, the following procedure shall apply:

- (1) The Company will post or make available in its lunch room a list where employees may sign up to become back ups to fill temporary vacancies. There shall be a separate sheet for each job classification for which back-ups are needed, which shall indicate the job title, duties, and wage.
- (2) The list shall be opened for thirty (30) days after the effective date of the Agreement and shall remain in effect for one (1) year. The Company shall reopen the list at least twice a year, and more frequently, if necessary to maintain a sufficient list of employees willing to serve as backups. Employees shall be permitted to change their sign-ups at the end of the one (1) year period, or whenever the Company reopens the list.
- (3) Assignment of back ups from among those employees who sign the lists shall be on the basis of Company seniority, provided, however, the employee can be released from his/her regular job and is able to do the work.
- (4) An employee shall be assigned to only one back up position for a period of one (1) year.
- (5) A general labor employee desiring to become a back up in another general labor classification or department may do so.
- (6) Employees who have been selected as back ups shall fill temporary vacancies including those resulting from leaves of absence; provided that if back ups are unavailable or cannot be released at the time the temporary vacancy occurs, the Company shall fill the job in any way necessary to maintain operating efficiency.
- (7) Nothing in this Section shall be construed as a requirement that the Company must fill temporary vacancies.

M. Job Elimination Seniority.

1. An employee shall maintain and accrue seniority in the job classification which he/she occupied immediately prior to his/her present job classification for a period not to exceed three (3) years. In the event that an employee loses his/her job due to a reduction in force resulting in a job elimination within a functional area, he/she may exercise his/her classification seniority in his/her previous job classification. If an employee has worked in only one job or has not worked in a previous job for over three (3) years, the layoff provision of Article 3, Section E shall apply.

2. In the event the Company determines to permanently eliminate a specific job classification, the affected employees who are actively at work in that job classification at the time of the permanent reduction shall have the right to displace the most junior employees in other classifications, provided the retained employee(s) are qualified to perform the work of that classification. The Company will make a reasonable effort to notify affected employees of a pending layoff seventy-two (72) hours in advance of such layoff.
- N. **Employees Hired on Same Day.** The seniority order for employees hired on the same day shall be established on the basis of the social security number, with the employee having the lowest last four digits of his/her number being placed in the highest position on the seniority list. In the event an employee's social security number is changed, his/her seniority position shall remain the same.
- O. **Permanent Vacancies in General Labor Job Classifications.** With respect to permanent vacancies occurring in job classifications compensated at the general labor rate, the Company shall maintain waiting lists for seniority employees who wish to transfer to such job classifications. A seniority employee desiring to transfer into a vacancy occurring in a general labor job classification shall sign his/her name and employee number on the appropriate list. When a permanent vacancy arises in a general labor job classification, the Company shall select the employee with the highest Company seniority who meets the specified qualifications and who has signed the waiting list for that classification.

ARTICLE 4 - GRIEVANCE AND ARBITRATION PROCEDURE

- A. **Exclusive Means of Resolving Disputes.** The parties agree that during the term of this Agreement all disputes which arise between the Company and the Union out of the interpretation or application of a specific provision of this Agreement shall be subject to the Grievance and Arbitration Procedure. The parties further agree that the Grievance Procedure of this Agreement shall be the sole and exclusive remedy with respect to any disputes arising under this Agreement, and no other remedies shall be utilized by the Company or Union or any other person including any employee with respect to any dispute involving this Agreement until the Grievance Procedure has been exhausted.
- B. **Cooperation.** The Company agrees to cooperate to make Union stewards available to employees wishing to submit a grievance and to make the Grievance Committee of the Union available to perform their functions under this Agreement. Such activities shall not interrupt production.
- C. **Withdrawal of Grievances.** Grievances dropped by either party prior to an arbitration hearing shall be considered as withdrawn without prejudice to either party's position on a similar matter in the future.
- D. **First Step.** Any grievance arising under this Agreement shall be immediately taken up between the Company supervisor involved and the affected employee. Such employee shall have the choice of being accompanied by his or her steward. They shall use their best efforts to resolve the grievance. The party receiving the grievance shall provide a verbal response within five (5) working days of the first step meeting. In the event the

grievance is not satisfactorily resolved within those five (5) working days, the grieving party shall reduce the grievance to writing and set forth the nature of the grievance. A grievance regarding a discharge of an employee must be filed in writing within seven (7) calendar days of the discharge. All other grievances must be filed in writing within ten (10) calendar days of the occurrence of the grievance or ten (10) calendar days of the discovery thereof.

Step Two. Any grievance not resolved in the First Step shall be discussed in a meeting between the Union and the Company representative delegated to resolve such matters not later than ten (10) calendar days of the filing of the grievance in writing. If the grievance is not satisfactorily resolved in such meeting, the party receiving the grievance shall answer the grievance in writing within five (5) working days following the meeting. A Union representative may fully participate in the grievance meeting.

Step Three. If the foregoing fails to produce settlement, the matter shall be referred to an arbitrator within fifteen (15) calendar days of the receipt of the answer in writing in Step Two. Referral to the arbitrator shall be defined as written notification from the grieving party to the other party that the grievance is being referred to the arbitrator, and simultaneous written notice to the arbitrator who is selected requesting available dates for a hearing. The arbitrator shall consider and decide the grievance referred to him or her. In cases where more than one grievance is referred to arbitration the arbitrator may hold consecutive hearings to expedite hearings. The arbitrator shall not have the authority or jurisdiction to modify, add to, or detract from or alter any provision of this Agreement or to base a decision on any past practice which is inconsistent with a specific provision of this Agreement. Within that limitation among other things the arbitrator shall have authority to award back pay for any loss of earnings from the Company, including the right to revoke any form of discipline including discharge. The arbitrator shall also have the authority to apply the Agreement and order compliance by all parties within the terms of the Agreement.

The arbitrator in his or her discretion may render a bench decision, or may allow briefs, but in any event shall issue a decision in writing to the parties within thirty (30) days after the date of the close of the hearing sessions, or the filing of briefs, whichever is later.

The decision of the arbitrator shall be final and binding on the Company, the Union and all affected employees.

All expenses and fees of the arbitrator, court reporter and hearing facilities shall be borne equally by the parties. Each party shall pay the cost of presenting its own case.

Any time limits specified in the above prescribed procedure may be waived by mutual consent of the parties. In the absence of such mutual consent, the failure to present grievances within the time limits specified above shall constitute a waiver of remedy under this provision. In the absence of such mutual consent, the failure of the receiving party to respond in the time limits specified shall permit the other party to move to the next step.

- E. Definition of Working Day. It is mutually agreed by the parties that for purposes of grievance and arbitration procedures, "working days" shall be defined as Monday through Friday during the hours of 8:00 a.m. to 5:00 p.m. excluding holidays.
- F. Selection of the Arbitrator. The parties will make a good faith effort to agree to a list of arbitrators. In the event they are unable to agree, and not later than fifteen (15) calendar days (unless there is mutual agreement to extend this time period) after the execution of this Agreement and each six (6) months thereafter, if requested by either the Company or the Union, a panel of seven (7) arbitrators shall be requested from the Federal Mediation and Conciliation Service.

After receipt of the list, the parties shall meet to select the arbitrator. If the parties cannot agree upon the selection of the arbitrator, then they shall turn to the list of arbitrators received under procedures of the above paragraph. If a grievance is pending, the party referring the matter to arbitration shall strike the first name. Otherwise, they shall use a coin toss to begin the striking process. The parties shall then strike names alternatively.

The name remaining after each party has struck three (3) names shall be the person designated as the arbitrator. However, every six (6) months, either party may request a new list of arbitrators and require a new meeting and as discussed in this paragraph to select a new arbitrator.

- G. Work Interruption. In the event that any dispute causes a work interruption of any kind, the parties agree to make an immediate joint effort to end such interruption which may include contacting the arbitrator. The arbitrator shall order an end to such interruption, personally, if possible, or by telephone, and shall immediately attempt to resolve the dispute. This in no way alters the obligation or liability of either party under the collective bargaining agreement.
- H. Mediation. If the grievance remains unresolved following the Second Step answer, the parties may by mutual agreement refer the matter to a conciliator or mediator who, with the parties, shall use best efforts to resolve the dispute as an alternative to arbitration. Where this method is used, the time limit for agreement on referral to mediation shall be fifteen (15) calendar days from receipt of the Second Step written response. The time limit for subsequent referral to arbitration shall be five (5) work days from the conclusion of the mediation. Settlement offers, including those at mediation, shall not be admissible during any subsequent arbitration. Costs, if any, of the mediation, shall be borne equally by the parties.

ARTICLE 5 - NO STRIKE CLAUSE

- A. No Strike - No Lock Out. There shall be no picketing, strike, sympathy strike, boycott, withholding of services or slowdown or stoppage of any kind, nor any consumer boycott, handbilling or picketing directed against the Company by the Union or persons or entities acting in concert with the Union during the term of this Agreement. There shall be no lockout against employees during the term of this Agreement.

- B. **Termination of Activity.** If any of said events occur, the officers and representatives of Union and/or the Company, as the case may be, shall take all appropriate steps to cause such activity to be terminated within three (3) calendar days of receiving notice of such conduct from the affected party.

ARTICLE 6 - HIRING

- A. **Notice to Union of Need.** Whenever the Company anticipates the need for new or additional employees to perform work covered by this Agreement, it shall notify the Union, giving as much notice of need as the Company itself has, stating the number of employees needed, the job classifications to be filled, specific minimum qualifications, and estimated starting date of the work. The Company shall also advise the Union of the dates and times at which Company will be accepting applications. The Company will also make a good faith effort to post additional job notices on bulletin boards at the facility at least seventy-two (72) hours before hiring.
- B. **Sole Discretion of Company.** The Company shall have the sole discretion to hire or not hire persons referred by the Union or from any other source, but shall not discriminate against any applicants for any unlawful reason, including membership in any labor organization.
- C. **Authority to Hire.** The Company shall designate the person or persons with the exclusive authority to hire new employees and shall so inform the Union.
- D. **Reasons for Rejection.** Upon written request of the Union, setting forth in detail the basis for such request and indicating that a prospective applicant has independently and in writing requested such information, the Company shall provide the Union with a written explanation as to the reason for rejecting such a job applicant. The Company may request and obtain a copy of the applicant's written request.
- E. **Notice to Union of Hire.** The Company shall inform the Union in writing of every new hire within seven (7) days of that person's commencement of work.
- F. **Disputes.** Disputes with respect to this Article 6 shall not be subject to Article 4 – Grievance and Arbitration Procedure.

ARTICLE 7 - DISCIPLINE AND DISCHARGE

- A. **Right of Discipline.** The Company shall have the sole right to discipline and discharge employees for cause, providing that in the exercise of this right it will not act in violation of a specific provision of this Agreement. Within twenty-four (24) hours after any discharge for cause, the Union representative will be notified in writing of the reasons for such discharge.
- B. **Notice.** To the extent feasible, prior to any discharge or suspension, the Company shall notify the steward or other Union official, if one is present on the premises of the farm, and such Union representative shall have the right to be present when formal charges are made, if he so desires.

ARTICLE 8 - NO DISCRIMINATION

In accordance with the policies of the Company and the Union, it is agreed that there shall be no discrimination against any employee because of race, age, creed, color, religion, sex, political belief, national origin, language spoken, union activity, or sexual orientation.

ARTICLE 9 - LEAVES

A. Leaves. A leave of absence shall be granted to employees by the Company upon the employees applying to and being confirmed by the Company for any of the following reasons without loss of seniority. Such leaves shall be without pay except as provided in this Agreement.

- (1) For Jury Duty or Witness Duty when subpoenaed or summoned.
- (2) For military service as provided by law.
- (3) Up to one (1) year for illness or injury requiring absence from job. The Company may require substantiation by medical certificate or other adequate proof of illness.
- (4) For valid personal reasons, not to exceed thirty (30) days.
- (5) Notwithstanding any other provision of this Section A., the Company shall provide unpaid leaves of absence and maintain benefits to eligible employees as provided by the California Family Rights Act and the Family and Medical Leave Act. Pursuant to said statutes the Company shall grant to each employee who has completed one (1) year of service and has worked 1,250 hours in the year preceding the leave, leave for birth or adoption of a child or placement of a child for foster care, for the employee's own serious health condition, or for the care of a child, parent, spouse or spousal equivalent with a serious health condition. The maximum duration of FMLA/CFRA leave shall be up to twelve (12) weeks during the rolling one year period immediately preceding the leave. Intermittent leave shall also be allowed for eligible employees, subject to appropriate medical certification. Employees must submit appropriate medical certification of the need for leave under this policy as soon as possible, where the leave is due to the employee's serious health condition or to care for a seriously ill family member, and in no event later than 15 days after the leave begins, even if the employee has already notified the Company of the need for the leave. Employees who qualify for leave pursuant to this paragraph and return within the time specified shall be assigned to the position which they occupied at the time of taking leave, or a comparable position, providing such position exists. Any employee seeking reinstatement following a leave taken pursuant to this paragraph shall have no greater rights to a position than if the employee had been continuously employed during the period of leave. Employees who

qualify for leave under this paragraph shall continue to be covered by the medical plan set forth in Article 21 for the duration of said leave.

- (6) In addition to an employee's rights pursuant to paragraph (5) above, any employee who is disabled due to pregnancy, childbirth or related medical condition may obtain leave for the period of the disability, up to a maximum total of four (4) months of pregnancy disability leave, provided that the employee submits medical certification of the pregnancy-related disability.

B. Union Leaves.

- (1) A temporary leave of absence without pay not to exceed three (3) days for Union business shall be granted under the following conditions: written notice shall be given by the Union to the Company at least five (5) calendar days prior to commencement of any such leave. Such leaves shall be limited to five (5) employees at a time, provided that not more than two (2) employees shall be from the same crew.
- (2) Any employee elected or appointed to any office or position in the Union shall be granted leave of absence for a period of continuous service with the Union, such leave not to exceed 365 days, upon written request of the Union. Seven (7) days' notice must be given to the Company before the employee takes leave to accept such office or position, or chooses to return to work. This shall be limited to one (1) employee at a time.

- C. Scheduling.** All requests for leaves in excess of three (3) days shall be in writing on approved leave of absence forms provided by the Company. Such forms shall be signed by the Company representative and the employee requesting the leave. Unless otherwise required by law a leave of absence may be extended by the Company at its sole discretion for a valid personal reason, if a request for such an extension is made by the employee 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 employee has special or emergency circumstances which require additional time.

Leaves of absence schedules, under this section, where more employees 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 classification seniority.

Failure to report for work at the end of an approved leave of absence without an approved extension or accepting employment with another employer during an approved leave of absence shall terminate seniority.

ARTICLE 10 - MANAGEMENT AND UNION RIGHTS

- A. Management Rights.** The Company retains and shall continue to have the complete and exclusive right and power to manage its operations and direct its working force, except as expressly limited by specific provisions of this Agreement. Among such retained rights

and powers are included the following: to hire; to promote, demote, transfer, layoff, and recall; to assign and reassign duties, hours of work and shifts; to compensate employees in excess of stated minimum hourly wage rates; to maintain good order and efficiency; to discharge, suspend, and discipline employees; to establish rules and regulations, including drug and alcohol testing policies, not in conflict with specific provisions of this Agreement governing the conduct of employees on Company time or Company property; to determine the type and quantities of product to be manufactured or processed; to determine methods, processes and means of manufacture, production, and distribution and of the performance of services and administration and sales; to determine the size and composition of the working force; to locate work within and without the plant; to sell, assign or discontinue all or any part of its operations; to subcontract all or some of its operations after thirty (30) calendar days' prior written notice to the Union; to determine whether to purchase or manufacture components and finished products; to lease, sell, or otherwise dispose of all or any part of its plant and equipment; and to utilize labor contractors to provide part time or temporary labor services; provided, however, that such labor contractors shall not be utilized if regular employees who are on layoff, or are otherwise available, are qualified and willing to perform the work for which labor contractors would otherwise be utilized.

- B. **Direction of Personnel.** Supervisors and other employees not included in the bargaining unit shall not perform any work covered by this Agreement, except for instruction, training, testing equipment, experimental and developmental work, emergencies, or occasional and incidental type of work within the scope of past practice, where the intent is not to deprive employees in the bargaining unit of work. The Company shall not utilize supervisors or other employees not included in the bargain unit either for the purpose of avoiding or delaying the recall or restoration of full time work of any bargaining unit employees, or where such would cause the layoff of bargaining unit employees. Nothing in this Paragraph B shall prevent supervisors in the Maintenance and Composting classifications from performing duties to which they had been assigned prior to the execution of this Agreement.

ARTICLE 11 - NEW OR CHANGED OPERATIONS

In the event a new or changed operation or new or changed classification is installed by the Company, the Company shall set the wage or piece rate in relation to the classification and rates of pay in Appendix "A" and shall notify the Union before such rate is put into effect. Whether or not the Union has agreed to the proposed rate, the Company may put the rate into effect after such notice. In the event such rate cannot be agreed upon mutually between the Union and the Company, the same shall be submitted to the grievance procedure including arbitration for determination beginning at the second step. Any rate agreed upon or as determined by the arbitrator shall be effective from the installation of such new or changed operation.

ARTICLE 12 - HOURS OF WORK, OVERTIME AND WAGES

A. Overtime Provisions for Hourly Employees Other Than Packers.

1. **Daily Overtime:** Hourly Employees other than Packers shall receive time and one-half (1-1/2) their regular rate of pay for all hours worked in excess of nine (9) hours in any one day.
2. **Weekly Overtime:** On the 7th consecutive day worked, hourly employees other than Packers shall receive time and one-half (1-1/2) their regular rate of pay for the first eight (8) hours worked on such day.

B. Incentive Pickers' Overtime Premiums.

1. **Daily Overtime:** Incentive pickers will be paid at a rate of one and one-half (1-1/2) times the normal rate for all baskets picked after nine (9) hours worked in any one day. Such premium shall be calculated for each incentive picker on the basis of the total baskets picked on that day divided by the total hours worked, times the number of hours worked in excess of nine (9) hours, and that total times the premium shall constitute the premium pay on that day.
2. **Weekly Premium:** On the seventh consecutive day worked, incentive pickers will be paid at a rate of one and one-half times (1-1/2) the normal rate for all baskets picked.

C. Weekly Overtime Premiums for Incentive Crews.

Incentive crew employees shall receive time and one-half (1-1/2) their regular rate of pay for performing eight or more operations in a workweek. Such premium pay shall commence with the eighth operation in the work week.

D. Packers.

1. **Daily Overtime:** Packers shall receive time and one half (1-1/2) their regular rate of pay for all hours worked in excess of eight (8) in any one day.
2. **Weekly Overtime:** Packers shall receive time and one half (1-1/2) their regular rate of pay for all hours in excess of forty (40) in any workweek.

E. Shift Premiums.

1. **Irrigators Shift Premium:** Irrigators whose shift extends beyond 7 p.m. will receive twenty-five cents (25¢) per hour premium on all straight time hours worked after 7 p.m.
2. **Boilertender Shift Premium:** Boilertenders shall receive twenty-five cents (25¢) per hour premium on all straight time hours worked on the swing shift (4:00 p.m. to 12:00 midnight) and forty cents (40¢) per hour premium on all straight time hours worked on the graveyard shift (12:00 midnight to 8:00 a.m.).

- F. No Pyramiding. There shall be no pyramiding of overtime or premium pay.
- G. Meals. Meal time breaks shall be one-half (1/2)-hour and are not compensated for nor counted as hours worked under the provisions of this Agreement.
- H. Work as Trainee. When an employee is working as a trainee for qualification for a higher-rated job, he or she shall be paid for such training period at his or her regular rate of pay.
- I. Wage Rates. The minimum wage rates, and the piece and incentive rates for a specified job classification are set forth in Appendix "A" attached hereto.
- J. Work Week. For purposes of this Article 12, the employees' assigned day off shall be considered the seventh day.
- K. Job Assignments. The Company shall have the right to assign employees to other jobs on the basis of production requirements. An employee who is assigned to a lower paid job shall retain his or her regular pay rate during such temporary assignment. An employee who is assigned to a higher paid job shall receive the higher pay rate during such temporary assignment. Such assignment shall not exceed thirty (30) calendar days.

ARTICLE 13 - REPORTING AND STANDBY TIME

- A. Report Pay. An employee 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 employee's hourly rate of pay or the employee's average hourly piece rate earnings based on the preceding payroll week.

If employees commence work and they are furnished less than four (4) hours of work, hourly paid employees shall be paid at least four (4) hours that day at their hourly rate of pay, and piece rate employees shall be paid the piece rate earned during the time worked and general labor hourly rate for the remaining time up to four (4) hours that day.

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, work stoppages or other causes beyond the control of the Company.

- B. Pay for Time on Job. An employee shall be paid for all the time he is required to remain on the job at the hourly rate.

This shall not apply to piece rate employees after they commence work.

- C. Call. Any call may be rescinded by actual notification to employees at their homes prior to the time the employees are scheduled to report to work.
- D. Mechanical Failure. If incentive crew employees are required to work outside of their crew due to mechanical failure, they will be paid all time in such other work at the rate for such other work, in addition to receiving their incentive rate for that day, provided they complete the incentive job on that day.

ARTICLE 14 - REST PERIODS

- A. Rest Periods. Employees 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 fraction thereof.
- B. Rest Periods After Nine Hours. The Company shall maintain the present practice of providing rest periods after nine (9) hours of work for the following crews: pick-up personnel and packing.

ARTICLE 15 - VACATIONS

- A. Accrual.
1. Employees Assigned to a Five-Day Schedule. Each employee who is assigned to a five (5) day schedule shall accrue paid vacation at the following rate:

First two months of service	No accrual
Next ten months of service	One day per month
All additional months	One and one quarter days per month
 2. Employees Assigned to a Six-Day Schedule: Each employee who is assigned to a six (6) day schedule shall accrue paid vacation at the following rate:

First two months of service	No accrual
Next ten months of service	One and one fifth days per month
All additional months	One and one half days per month
- B. Vacation Pay. Pay for each day of vacation shall be the employee's average daily gross earnings from the Company during the prior calendar year.
- C. Separate Vacation Checks. Vacation pay checks shall be separate from regular pay checks.
- D. Holiday During Vacation. If an employee's vacation period includes one of the holidays set forth in Article 17, Section A; Holidays, such employee shall be paid holiday pay for that day.
- E. Vacation Schedules. Vacation schedules shall be mutually agreed upon except if more employees want a particular vacation period than can be reasonably spared, the employee with the highest seniority shall have first preference for the vacation period.

ARTICLE 16 - 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, mother-in-law, or father-in-law), the employee who has worked for the Company at least five (5) days, including days off on excused absences, during the two (2) weeks preceding the week of the funeral will be paid what he would have earned had he been working for the Company, not to

exceed three (3) days. The Company may require a death certificate or other evidence of death.

ARTICLE 17 - HOLIDAYS

- A. **Recognized Holidays.** Commencing with the effective date of this Agreement, the following shall be paid holidays: New Years, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving, Day after Thanksgiving, December 24th, Christmas, and employee's Birthday. Holiday pay shall be the daily average pay earned during the payroll week preceding the week immediately preceding the holiday.
- B. **Eligibility.** To be eligible for a paid holiday not worked, an employee must work at least five (5) days during the two (2) payroll weeks immediately preceding the payroll week in which the holiday falls, and must work the scheduled workdays both immediately before and after the holiday except that those employees who are absent the scheduled workday before or after the holiday due to illness or injury that results in hospitalization and present satisfactory evidence thereof shall be eligible for such paid holiday.
- C. **Holiday Pay.** Any work performed on the above-mentioned holidays shall be compensated as follows:
- (1) All hourly employees who are required to work on a holiday shall be guaranteed at least four (4) hours of work and shall be paid at the rate of one and one-half (1-1/2) times their regular hourly rate of pay. Hourly employees eligible for holiday pay under paragraph B above shall, in addition, receive holiday pay as calculated in paragraph A.
 - (2) All pickers who are required to work on a holiday shall be paid at the rate of one and one-half (1-1/2) times the piece rate for all baskets picked on the holiday. Pickers eligible for holiday pay under paragraph B above shall, in addition, receive holiday pay as calculated in paragraph A.
 - (3) All incentive crew employees who are required to work on a holiday shall be paid at the rate of one and one-half (1-1/2) times their regular rate of pay for each operation performed on the holiday. Incentive employees eligible for holiday pay under paragraph B above shall, in addition, receive holiday pay as calculated in paragraph A.

ARTICLE 18 - JURY DUTY AND WITNESS PAY

Employees who have worked at least five (5) days during the two weeks preceding the week in which the following events occur shall receive the benefit of this Article. An employee will be paid jury duty or witness pay for testifying in any legal proceeding not between the parties for any days of work missed due to the performance of such service. Jury duty or witness pay is defined as the difference between the fees received by such employee for performing such service and what he would have received had he been working for the Company for each day of service. To receive pay under this Article, the employee 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 19 - BULLETIN BOARDS

The Company will provide bulletin boards placed at a central location as shall be mutually agreed, upon which the Union may post notices of Union business.

ARTICLE 20 - ROBERT F. KENNEDY FARM WORKERS MEDICAL PLAN

- A. Contribution Rate and Plan. The Company shall, commencing on the first payroll period after the effective date of this Agreement, contribute monthly to the Robert F. Kennedy Farm Workers Medical Plan, or an equivalent plan, the sum of \$1.2410 for each hour worked as a premium for each employee who is eligible for such contributions pursuant to paragraph B below. 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 to the Robert F. Kennedy Medical Plan, commencing September 1, 2004, by an amount not to exceed 105% of the contribution rate which was in effect on the effective date of this Agreement. Effective September 1, 2005, the Company shall, if necessary, increase premiums by an amount not to exceed 105% of the contribution level which went into effect on September 1, 2004, in order to maintain the same level of benefits. Effective September 1, 2006, the Company shall, if necessary, increase premiums by an amount not to exceed 105% of the contribution level which went into effect on September 1, 2005, in order to maintain the same level of benefits. If any additional amounts are required to maintain such benefits, beyond the Company's premium obligations as set forth herein, they will be deducted from participating employees' pay. The benefits provided by the Robert F. Kennedy Farm Workers Medical Plan, or an equivalent plan, shall be those of Medical Plan Number B16B. The Company's contributions shall be remitted in accordance with Section C of this Article – Summary Report.
- B. Eligibility. An employee is eligible for benefits under the Robert F. Kennedy Farm Workers Medical Plan if he or she has worked eighty (80) or more hours in the accounting month two (2) months prior to the date of service. The Company shall pay the necessary insurance premiums to insure there is no lapse of coverage for any worker during the transition of medical insurance coverage.
- C. Summary Report.
1. The contributions and a summary report shall be remitted monthly to the Plan at such address as designated by the Administrator of the Plan. The current address is:

Robert F. Kennedy Farm Workers Medical Plan
P.O. Box 515317
Los Angeles, CA 90051-6617

2. The contributions and report shall be sent to the above address no later than the 10th of the month following the ending date of the previous month's payroll period.
 3. The summary report shall include each employee's name, Social Security number, total hours worked by each employee, the total contribution for each employee, the total number of employees, the total hours reported, and the total Company contributions. The report may be submitted by electronic means, if produced in a format which has been approved in advance by the Administrator of the Plan.
- D. Place for Performance. The place for performance for the Company's obligations with respect to this Plan shall be the County of Los Angeles, California.
- E. Bankruptcy. In the event the Company files in bankruptcy or Chapter XI proceedings, it will notify the Plan of such action and shall list the Plan as a separate creditor, qualified as a priority claim pursuant to the Bankruptcy Act. Separate notices shall be sent to the Union and to the Plan Administrator.

ARTICLE 21 - ADDITIONAL BENEFIT CONTRIBUTIONS

- A. First Year Contributions. The Company shall, commencing on the first payroll period after the effective date of this Agreement, contribute into a fund six cents (6¢) per hour worked by each employee; provided, however, that the Company shall make a minimum eight (8) hour contributions for each piece rate or incentive employee who completes a scheduled day of work. Said contributions shall be distributed annually to the employees or upon an individual employee's termination of employment.
- B. Second and Third Year Contributions. The Company shall, commencing on the first payroll period after the annual anniversary date of this Agreement, increase the contribution rate to seven cents (7¢) per hour worked; and, commencing on the first payroll period after the second annual anniversary of the effective date of this Agreement, increase the contribution rate to ten cents (10¢) per hour worked.

ARTICLE 22 - SAVINGS CLAUSE

In the event any portion of this Agreement shall become ineffective as the 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 not applicable or illegal in accordance with such laws render the remainder of this Agreement ineffective or work a termination.

ARTICLE 23 - SCOPE AND APPLICATION

- A. Entire Agreement. This Agreement constitutes the sole and entire existing agreement between the parties and completely and correctly expresses all of the rights and obligations of the parties. All prior agreements, conditions, practices, customs, usages and obligations are completely superseded and revoked insofar as any such prior agreement, condition, practice, custom, usage, or obligation is inconsistent with a specific provision of this Agreement.

- B. Waivers. The waiver in any particular instance or series of instances of any term or condition of this Agreement or any breach hereof by either party shall not constitute a waiver of such term or condition or of any breach thereof in any other instance.
- C. Amendment. This Agreement is subject to amendment only by subsequent written agreement between the parties. Commencement or continuation of any custom, practice, or usage by the Company shall not constitute an amendment hereof.

ARTICLE 24 - GENERAL PROVISIONS

A. Picking Procedures.

1. Lamps. The Company shall provide a lamp for each picker whose work requires a lamp. Each lamp shall have the number of the picker clearly marked. Lamps will be available for pickers who need them to replace weak, defective or broken lamps. Pickers shall be responsible to ensure that when not in use each lamp is properly charged. Pickers shall also be responsible to advise Company personnel when there is a need to replace weak, defective or broken lamps.
2. Tickets. The Company shall provide each picker with pre-marked tickets showing the employee's number for use in the mushroom harvest.
3. Rest and Meal Periods. Rest and meal periods required by law shall not be waived.
4. Safety Equipment. The Company will provide and employees are required to use OSHA prescribed safety equipment (i.e. safety harnesses, lanyards, etc.). The Company shall also provide necessary equipment, including latex gloves, for the use of the picking crews.
5. Assignment to Hourly Work. When Pickers are furnished less than four (4) hours of work on any day, they shall be assigned to other hourly work, if available, at the Company's discretion. Pickers shall be permitted to waive the four (4) hour guarantee (Article 13 - Reporting and Standby Time) in lieu of being assigned to such work (except as provided in Paragraph 6).

This provision does not affect, in any way, mutually agreed to practices in other crews where employees may be permitted to waive the four (4) hour guarantee in lieu of being assigned to other work.

- B. Starting Time. Employees shall not be permitted to work prior to management authorized starting time. All work must be properly recorded on Company time cards.
- C. Drug Policy. The policy set forth in Appendix "B" shall be applicable to all employees who are subject to this Agreement.

ARTICLE 25 - WORKING CONDITIONS AND SAFETY

- A. General Statements. The Company and the Union are interested in the health and safety of the employees while with the Company. It is understood and agreed that it is

necessary in the sophisticated farming operations 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 may be injurious to farm workers. The use of such chemicals injurious to farm workers must be such as not to cause injury to the employees. The Company will comply with all applicable State and Federal laws relating to health and safety of farm workers. The Company will advise the Union upon request of any new agricultural chemicals introduced after the effective date of this Agreement.

- B. No Endangerment of Health.** No employee shall be required to work in any work situation which would immediately endanger that employee's health or safety. All employees shall be required to use or wear all protective equipment or clothing as required by applicable laws and Company rules and regulations. It is expected that the employees will assist in maintaining satisfactory working conditions in order to keep up a high standard of safety and health. The Company will consider suggestions brought by any Health Safety Committee duly established by the Union for the purpose of bringing to the attention of management employee issues affecting health and safety at the plant.
- C. Physical Examinations.** When an employee who applies agricultural chemicals is on the Company payroll, he/she will be given a baseline chlorinesterase test prior to commencing work in that position. Thereafter, the employee will be given a chlorinesterase test at least every six (6) months or on an as needed basis. The Company agrees to give chlorinesterase tests in compliance with State and Federal laws. These tests will be administered at the Company's expense.
- D. Accidents and First Aid.** Adequate first aid supplies shall be provided and kept in clean and sanitary, dustproof and readily accessible containers in all departments. Employees shall immediately report any accident or injury to his/her immediate supervisor.
- E. Facilities and Services.**
1. In accordance with law, there shall be adequate toilet facilities, separate for men and women, readily accessible to employees that will be maintained by the Company in a clean and sanitary manner, with the cooperation of the employees. Hand washing facilities, soap and paper towels shall be provided. Employees are required to immediately wash hands after using toilet facilities.
 2. Each place where there is work being performed shall be provided with suitable, cool, potable and filtered water convenient to the workers. Individual paper drinking cups or drinking fountains shall be provided.
 3. If it is anticipated that employees will be required to work beyond their normally scheduled work day, the Company will so inform the employees.
- F. Tools and Equipment.** Tools and equipment historically provided and necessary to perform the work, and protective garments as required by law to safeguard the health of or to prevent injury to an employee's person, shall be provided, maintained and paid for by the Company. Each employee shall be responsible for the safe and efficient use of all equipment and safety devices furnished to him/her by the Company. The Company and the Union agree that safety devices and equipment furnished by the Company are

required to be worn and/or used by employees. Every employee shall be responsible for returning all such equipment that was checked out to that employee, but shall not be responsible for normal breakage, wear and tear. An employee shall be charged actual cost for equipment that is not returned or is damaged by gross negligence. Receipts for returned equipment shall be given to the employee by the Company. Employees shall be trained in the proper use of said equipment, tools and clothing.

- G. Weighmasters. The Company shall provide heavy jackets for the use of the Weighmasters while they are working in the cooler.
- H. Company Vehicles. All Company vehicles used by employees shall be maintained by the Company in proper working condition. Any employee using a Company vehicle shall operate same in a safe manner at all times and will abide by all applicable laws and Company rules.
- I. Absences Due to Illness. Where an employee is absent from work due to illness, the Company may require a doctor's note to verify the medical necessity for the absence only where: (1) the absence exceeds three (3) days; (2) the employee has a problem with chronic absenteeism; or (3) there is a reasonable basis for questioning the employee's explanation for the absence.

ARTICLE 26 - EXCHANGE OF INFORMATION

- A. Inspection. The Union shall have the right, upon reasonable notice given to the Company, to examine the time sheets, work production or other payroll records that pertain to the employees' 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 record shall be removed by the Union or its representative(s). The Company shall, upon reasonable request by the Union or individual employee, provide photocopies of such compensation or other records as may be relevant or necessary to evaluate or process grievances.
- B. Records. The Company shall keep full and accurate payroll records, including total wages and total deductions. Employees shall be furnished a copy of the itemized deductions, hourly rates, hours worked and total wages each pay day, which shall include the piece rate production records. All such copies furnished to the employee shall also contain total hours and gross wages to date accumulated from the first pay period of that year, the employee's name, social security number, and the Company's name, address and telephone number.

ARTICLE 27 - SUCCESSORSHIP

The Company shall provide written notice of the existence of this Agreement to any potential purchaser, transferee, lessee or assignee of the assets of the Company. A copy of such notice shall be provided to the Union at the time the Company enters into an agreement to sell, transfer, lease or assign such assets. The Company hereby agrees to encourage such purchaser, transferee, lessee or assignee to assume this Agreement. If such purchaser, transferee, lessee or assignee does assume this Agreement, the Union

shall thereafter be bound to the terms of this Agreement for the remainder of the term thereof.

ARTICLE 28 - RIGHT OF ACCESS TO COMPANY PROPERTY

- A. Access. Not more than two (2) duly authorized and designated representatives of the Union shall have the right of access to Company property in connection with conduct of normal Union affairs in the administration of this Agreement. In the exercise of the foregoing, there shall be no interference with the production activities of the employees.
- B. Notice. Before a Union representative contacts any of the employees during working hours, he or she shall notify the Company office that he or she is on the premises. For safety considerations the Company may elect to accompany the Union representative to the general work area which he or she wishes to visit, but such accompaniment shall not be used to infringe upon Union representatives' right to interview privately any employee covered by the terms of this Agreement.
- C. Names of Representatives. The Union shall advise the Company of the names of its duly authorized and designated representatives.

ARTICLE 29 - DURATION

- A. Term. This Agreement shall become effective on January 1, 2004, and shall thereafter continue unless notice of termination is given in writing by registered or certified mail by either party not less than sixty (60) nor more than ninety (90) calendar days before 11:59 p.m. on December 31, 2006, or any subsequent December 31st.
- B. Termination of Rights and Obligations. The rights and obligations of the Company, Union and employees subject to this Agreement shall terminate for all purposes upon expiration of the term of this Agreement pursuant to this Article 29.

PICTSWEET MUSHROOM FARMS - VENTURA

UNITED FARM WORKERS OF AMERICA, AFL-CIO

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

Dated: _____

Dated: _____

APPENDIX "A"
HOURLY WAGE RATES AND INCENTIVE RATES

Functional Area	Classification	Wage Rates*	Incentive
Compost	General Labor	\$7.65	
	A Operator	\$8.75	
Fill	General Labor		\$75.40 per room**
	Crew Leader		\$85.90 per room
	A Operator	\$8.75	
Spawn	General Labor		\$69.95 per room
	Crew Leader		\$80.45 per room
Case	General Labor		\$69.95 per room
	Crew Leader		\$80.45 per room
Soil Prep	A/B Operator	\$7.80	
	A Operator I	\$8.75	
Room Attendant	Attendant	\$7.75	
Water	Irrigator	\$7.75 25¢>7 pm	
Chemical	Irrigator	\$8.05	
	Chem. Appl. II	\$8.05	
Bubble/Trash	Bubble/Trash	\$7.65	
Dump	Crew Leader		\$80.45 per room
	General Labor		\$69.95 per room
	B Operator	\$7.80	
Yard Clean Up	Janitors	\$7.65	
	Yard Maintenance	\$7.65	
Fresh Pack I	Packers	\$7.65	
	Box Prep	\$7.90	
	Mechanic	\$8.65	
	Crew Leader	\$8.90	
Sanitation	Sanitation	\$7.65	
Fresh Pack II	Weighmaster	\$7.70	
Picking	Hourly Pickers	\$7.15	
	Incentive Pickers		48¢ per basket*** 16½¢****
Direct Pick Per Pound			
Motor Pool Maint.	Welders	\$9.55	
	Welders/Mechanics	\$10.65	
	Mech Gas/DL II	\$11.70	
Maintenance Shop	Gen. Maintenance	\$8.35	
	Senior Carpenter	\$11.55	
	Carpenter	\$9.55	
	A/C Tech	\$15.40	
	Refrigeration Helper	\$10.35	
	Electrician	\$13.90	
	Crew Leader	\$10.90	
Maintenance	Boiler Tender	\$8.00	
Product Pick Up	Mushroom Pick Up	\$7.65	
	B Operator	\$8.15	
All Departments	New Hires*	\$6.75	

* Effective January 1, 2004, increase each of said rates by a sum equal to the greater of 25¢ per hour, or 2.5%. Effective January 1, 2005, increase each of the wage rates which became effective January 1, 2004, by the greater of 25¢ per hour, or 2.5%. Effective January 1, 2006, increase each of the wage rates which became effective January 1, 2005 by the greater of 25¢ per hour, or 2.5%.

** Increase the incentive room rate by \$2.25 on January 1, 2004, an additional \$2.25 on January 1, 2005, and an additional \$2.25 on January 1, 2006.

*** Effective January 1, 2004, increase the rate per basket by 1¢ for incentive pickers; effective January 1,

2005, increase the rate per basket by an additional 1¢ for incentive pickers; effective January 1, 2006, increase the rate per basket by an additional 1¢ for incentive pickers.

**** Effective January 1, 2004, increase the rate per direct pick per pound by ½¢. Effective January 1, 2005, increase the rate per direct pick per pound by an additional ½¢. Effective January 1, 2006, increase the rate per direct pick per pound by an additional ½¢.

APPENDIX "B"

PICTSWEET DRUG & ALCOHOL POLICY SUMMARY

Employers have a responsibility to maintain a safe working environment. Pictsweet Mushroom Farm intends to reach the goal of having a drug and alcohol-free work place. The policy, as summarized below, is adopted in an effort to fulfill that goal.

Pictsweet prohibits all employees, contractors, visitors and all others from using, possessing, transporting, manufacturing, distributing and selling any illegal drug or drug paraphernalia while performing work for the Company or while on property owned, leased, or under the control of Pictsweet, including but not limited to offices, parking lots and vehicles. All employees must comply whether on duty or not.

No employee may report for work or remain on duty while under the influence or impaired by any drug or alcohol.

Any employee may be asked to submit to a drug or alcohol test if supervision determines that there is reason to suspect that the employee is or has recently been under the influence of a drug or alcohol. Also, an employee may be asked to submit to a drug or alcohol test if the employee sustains a personal injury or is involved in a work-related accident.

A violation of this policy or failure to cooperate in a suspected violation of this policy will subject an employee to disciplinary action including termination.

Final candidates for jobs will be required to submit to a drug screening test. If the job candidate tests positive for illegal drugs, he or she will not be eligible for employment with Pictsweet.

Investigations and all test results will be held in the strictest confidence.

All employees are required to notify the management of Pictsweet Mushroom Farm of any drug statute conviction for a violation occurring in the workplace no later than five (5) days after the conviction.

DRUG & ALCOHOL POLICY

OBJECTIVE:

Employers have a responsibility to maintain a safe working environment. This responsibility includes the duty to protect their employees, customers, and the assets of the Company from negative effects of drug and alcohol use within the work force. Pictsweet intends to reach the goal of having a drug and alcohol-free work place, and the policy set forth below is adopted in an effort to fulfill that goal.

DEFINITIONS:

- A. "Alcohol" means beer, wine, and all forms of distilled liquor containing ethyl alcohol. References to "use" or "possession of" alcohol include use or possession of any beverage, mixture or preparation containing ethyl alcohol.
- B. "Drug" means any substance (other than alcohol) that has known mind or function-altering effects on human subjects (specifically including psycho-active substances) and including, but not limited to, substances prohibited or controlled by state and federal controlled substance laws.
- C. "Possess" means to have on one's person or in one's personal effects or under one's control.
- D. "Threshold limits" means the concentration of alcohol or a drug or metabolite chemical in a blood, urine, hair, or breathalyzer sample sufficient to establish conclusively the presence of alcohol or a drug or drug metabolite and constituting a positive result according to certified laboratory cut-off guidelines. Metabolite means a chemical product or by-product of drugs from human metabolism.
- E. "Under the influence" or "impaired" mean that an employee is affected by a drug or alcohol or a combination of drugs or a combination of drugs and alcohol. The symptoms of influence and/or impairment are not confined to those consistent with misbehavior nor to obvious impairment of physical or mental ability such as slurred speech or difficulty in maintaining balance. A determination of use, influence and/or impairment can be established by a professional opinion, scientifically valid testing, or in some cases by a layperson's opinion.
AN EMPLOYEE WILL BE PRESUMED TO BE IN VIOLATION OF THIS POLICY WHENEVER THE PRESENCE OF DRUGS OR ALCOHOL AT OR IN EXCESS OF THRESHOLD LIMITS IS DETECTED IN A SUBSTANCE ABUSE TEST ADMINISTERED UNDER THE TERMS OF THIS POLICY.

COVERAGE:

- A. All job applicants receiving offers of employment shall be required to submit to a drug and/or alcohol screening test as a condition of employment.
- B. Any employee who performs services for Pictsweet shall be covered by this policy. Compliance with this policy is a condition of employment. Any employee who performs services for Pictsweet shall be deemed to have consented to testing as required by this policy, and an employee's consent is implied by continued performance of services.

POLICY:

- A. Prohibitions.
 - 1. Pictsweet prohibits all individuals, including employees, contractors, visitors, and all others from using, possessing, transporting, manufacturing, distributing, and

selling any illegal drug or drug paraphernalia while performing work for the Company or while on property which is owned, leased or under the control of Pictsweet, including but not limited to offices, parking lots and vehicles. All employees must comply with the policy whenever on Company property as described above, whether on duty or not.

2. No employee may report for work, go on duty, or remain on duty while: (a) under the influence of or impaired by alcohol; or (b) under the influence of or impaired by any drug.
3. An employee who uses, possesses, transports, manufactures, or distributes illegal drugs or controlled substances off-duty may be subject to discipline or discharge if the off-duty conduct adversely affects job performance or has a negative impact on the safety of Company personnel or property.

B. Prescription and Over-the-Counter Drugs.

1. The use and possession of prescription and non-prescription over-the-counter drugs (as directed) during work time is not prohibited if: (a) the drug has been legally obtained and is being used for the purpose for which it was prescribed or manufactured; (b) the drug is being used at the dosage prescribed or authorized; and (c) the use of the drug is not inconsistent with safe and efficient performance of the employee's duties.
2. Any employee who is using a prescribed or over-the-counter drug and who has been informed or who has reason to believe or feels that the use of any such drug may affect his or her ability to perform his or her job duties safely and/or efficiently is required to report such drug use to his or her supervisor and/or to respond to inquiries by the Company.
3. Any supervisor who has been informed by an employee, or has reason to believe that an employee is using a prescribed or over-the-counter drug that may affect the employee's ability to perform his or her job duties safely and/or efficiently shall report such information to his or her immediate supervisor who, in turn, shall consult with the personnel manager.
4. In those circumstances where the use of a prescribed or over-the-counter drug is inconsistent with the safe and efficient performance of duties, an employee may be required to take a leave of absence or other action determined to be appropriate by the Company.

C. DRUG TEST PROCEDURES

1. Any employee may be asked to submit to an alcohol and/or drug test if a supervisor or member of management determines that there is reason to suspect that the employee is or has recently been impaired by, under the influence of, or in possession of drugs and/or alcohol.

2. Any employee who has sustained a personal injury or who has caused another employee to sustain a personal injury, or who has caused a work-related accident or was operating or helping to operate machinery, equipment or vehicles involved in a work-related accident may be requested to submit to a drug and/or alcohol test.
3. Tests shall be accomplished through analysis of a urine, blood, breathalyzer, or hair sample, or other recognized testing technique.
4. Prior to the collection of the sample, the employee shall be notified that the Company is requesting that the employee be tested for the presence of drugs and/or alcohol. The Company will cause the sample obtained to be identified and tested by a competent laboratory for the presence of drugs and/or alcohol.
5. If the test of the sample is positive for any drug (or metabolite(s)) or alcohol, the sample shall be tested by a second time by another reliable method.
6. The Company will notify the employee of the results of any test that is positive. In the case of a positive result, the Company will provide the employee with an opportunity to explain the presence of the identified substance prior to taking any disciplinary action. Employees testing positive may also pay for a second confirmation test of the original sample.
7. In order to assure compliance with the Company's prohibitions concerning alcohol and drug use as a condition of employment, employees are required to consent to drug and/or alcohol testing procedures. An employee's refusal to consent may result in disciplinary action, including termination, for a first refusal or any subsequent refusal.
8. Employees who voluntarily seek drug rehabilitation treatment will be granted an unpaid leave of absence for such treatment. If available, accrued vacation and sick leave may be used during this time. It is the responsibility of each employee to voluntarily seek drug rehabilitation before alcohol and drug problems lead to disciplinary action; which can include discharge for a first offense. Once a policy violation occurs, subsequent voluntary rehabilitation treatment will not necessarily limit discipline and may, in fact, have no bearing on disciplinary action.
9. No employee or applicant will be labeled a "drug user", and there will be no disclosure of information concerning test results, corrective action, or treatment to a third party who does not have a need to know. All investigations and test results of individuals will be kept confidential.

PRE-EMPLOYMENT TESTING:

Final candidates for jobs will be required to submit to a drug and/or alcohol screening test during the pre-employment physical examination process. Final candidates who refuse to undergo such testing will not be eligible for employment. If a final candidate tests positive for

any drug (or metabolite(s)) or alcohol, the sample shall be tested a second time by another reliable method. The Company will notify the final candidate of the results of any test that is positive. In the case of a positive result, the Company will provide the final candidate with an opportunity to explain the presence of the identified substance prior to taking action to rescind the job offer. Final candidates testing positive may also pay for a second confirmation of the original sample.

NOTIFICATION REQUIREMENT:

All employees are required to notify the management of Pictsweet of any criminal drug statute conviction for a violation occurring in the work place no later than five (5) days after such conviction. Employees convicted of work place violations of criminal drug statutes shall be subject to discipline or termination for a first offense or a subsequent offense.

CONSEQUENCES OF POLICY VIOLATION:

- A. Any employee who violates this policy's prohibitions concerning drug and alcohol possession, manufacture, distribution, sale, transport, and/or use in manner whatsoever, may be subject to disciplinary action including termination for a first offense or any subsequent offense.
- B. Any employee who refuses to cooperate in any investigation or suspected violation of this policy, including, but not limited to, drug testing, shall be subject to disciplinary action, including termination, for a first refusal or any subsequent refusal.

The Company reserves the right to revise, expand or modify this policy.