COLLECTIVE BARGAINING AGREEMENT

BETWEEN

CREEK RANCH, INC., dba OLD RIVER DAIRY

AND

GENERAL TEAMSTERS AND FOOD PROCESSING

LOCAL UNION NO. 87

EFFECTIVE February 1, 1988 through January 31, 1991
COLLECTIVE BARGAINING AGREEMENT
BETWEEN
CREEK RANCH, INC., dba OLD RIVER DAIRY
AND
GENERAL TEAMSTERS AND FOOD PROCESSING
LOCAL UNION No. 87

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PREAMBLE

This Collective Bargaining Agreement ("Agreement") is made and entered into this 1st day of February, 1988, by and between Creek Ranch, Inc., dba Old River Dairy ("Company") and General Teamsters and Food Processing Local Union No. 87 ("Union").

It is the intent and purpose of the parties hereto to set forth herein the basic agreement covering wages, benefits, hours of work, and conditions of employment to be observed between the parties hereto, and to provide procedures for the prompt, equitable adjustment of alleged grievances.

ARTICLE 1: Recognition

Scope of Union Recognition - The Company recognizes the Union and only the Union as the exclusive collective bargaining representative for all agricultural employees at the Company's dairy located at 11663 Buena Vista Road, Bakersfield, California. The term "employee" as used in this agreement applies to and covers all individuals in the unit certified by the ALRB on December 9, 1987. Excluded from coverage under this agreement are all non-agricultural employees, confidential employees, temporary employees, office janitors, executives, superintendents, watchmen, guards, weight masters, dispatchers, and all individuals employed by the Company at any locations other than that set forth above.
Assignability - The rights and obligations granted to and assumed by the Union hereunder cannot be assigned to any other labor organization without the written consent of the Company. For purposes of this Agreement, the Union is a separate and distinct labor organization from other locals affiliated with the International Brotherhood of Teamsters and its Western Conference and from the International Brotherhood and Western Conference themselves.

ARTICLE 2: Union Security

Union Membership - It shall be a condition of employment that all employees of Company performing work covered by this agreement who are members of the Union in good standing on the effective date of this agreement shall remain members in good standing. Employees who are not members on the effective date of this agreement shall, on or before the 30th day following the effective date or the execution date of this agreement, whichever is later, become and thereafter remain members in good standing in the Union. It shall also be a condition of employment that all employees performing work covered by this agreement who are hired on or after its execution or effective date, whichever is later, shall become and thereafter remain members in good standing of the Union within 30 days of their date of employment. The Company agrees
to notify the Union of the hiring of any new employees within 30 days of their date of employment.

For purposes of this Agreement, an employee shall be deemed to be not in good standing only for failure to pay non-discriminatory dues and initiation fees.

**Non-Discrimination** - There shall be no discrimination in hiring or in conditions of employment based upon race, religion, color, age, creed, sex or national origin. Company agrees not to discriminate against any member of the Union for upholding the principles of unionism.

**Collection of Dues and Initiation Fees** - Collection of dues and initiation fees shall be the sole responsibility of the Union, and the Company shall have no duty or obligation to assist in such collection.

**ARTICLE 3: Management Rights**

The parties hereto agree that the right to manage is inherent and that it is not necessary to set specific management rights out in this agreement in order for the Company to retain them. Company relinquishes sole control and unilateral jurisdiction only over those rights which are specifically and clearly designated and contracted away in this agreement. All inherent and common law management functions and prerogatives which the Company has not expressly and clearly modified or restricted by a specific provision of this
agreement are retained by the Company and vested exclusively in the Company. Decisions concerning such rights are not subject to grievance and arbitration under this agreement.

ARTICLE 4: Job Classifications

The following shall constitute the job classifications for members of the bargaining unit. Job descriptions are provided solely for informational purposes and are not intended to limit the functions of employees within any job classification. Management reserves the right to modify, add to or eliminate duties within any classifications.

**Milker** - Prepare and milk cows, operate automated milking equipment, clean barn and equipment, chase cows.

**Feeder** - Feed cows, clean exterior areas, operate and maintain feeding equipment.

**Cow Chaser/General Laborers** - Chase cows for milker, miscellaneous general labor including but not limited to cleaning, repair work, assisting milkers and feeders, observing and assisting in maternity pen.

**Herdsman** - Breed cows, care for cows/calves, fills in for sick and no-show employees, administer medicines to cows/calves, coordinates with veterinarian, on-call as needed.

**Mechanic** - Service and repair all vehicles on ranch and dairy, repair and fabricate mechanical equipment, general mechanical maintenance.
Farm Worker - Performs all aspects of farmwork, including, but not limited to, tractor driving, irrigation, harvesting, plowing, planting and related activities; provide back up and assistance in barns.

Secretary/Receptionist - General office duties, including but not limited to, typing, filing, answering phones, maintaining office and kitchen area, receiving customers, billing and invoices, and related duties.

ARTICLE 5: Wages and Hours

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<tr>
<td>Milker</td>
<td>$60.00 per day</td>
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<td>Feeder</td>
<td>$60.00 per day</td>
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<td>Cow Chaser/General Laborer</td>
<td>$60.00 per day</td>
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<td>Herdsman</td>
<td>$65.00 per day</td>
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<td>Mechanics</td>
<td>$8.80 per hr.</td>
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<td>Farmworkers</td>
<td>$4.25 per hr.</td>
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<tr>
<td>Secretary/Receptionist</td>
<td>$6.00 per hr.</td>
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All employees, except the secretary, shall work ten hour shifts, six days per week, with one day off. Feeders and Cow Chasers/General Laborers are subject to working a split shift at the discretion of the Company. Secretary shall work a five day week, eight hours per day.

03/03/88
All employees, except the secretary/receptionist, covered by this agreement shall be paid at the rate of time and one-half for all hours worked in excess of ten hours in any one day or sixty hours in any work week. Any employee, except the secretary/receptionist, who is required to work a seventh day in any work week shall be paid time and one-half for the first four hours work on the seventh day and double time for all hours in excess of four on the seventh day. For purposes of calculating overtime for those paid on a daily basis, an employee’s regular hourly wage shall be determined by dividing the employee’s daily wage by ten hours. Overtime for the secretary/receptionist shall be calculated based on a 5 day, 40 hour week.

All employees hired after February 1, 1988, shall be paid at a rate 10% less than the above listed rates for the relevant classification in each year.

ARTICLE 6: Hiring Procedures

When new or additional employees are required for the performance of work covered by this agreement, the Company shall, when practical, notify the Union of the number and classification of employees needed. The Union shall have twenty-four hours after receipt of such notice to nominate applicants for such jobs, and all applicants referred by the Union must present themselves at the Company’s place of business within such twenty-four hour period. The Company shall not prefer or discriminate against any applicant because of membership or non-membership in, or referral by, the Union.
The Company shall select the individual to fill the job opening based on the qualifications and suitability of the individual for the job. The Company shall be the sole judge of the respective qualifications and suitability of applicants for the job.

ARTICLE 7: Rules and Conditions of Employment

Payment of Wages - Employees shall be paid not less than twice monthly at regular intervals.

Claims for Underpayment - All claims for underpayment of wages must be filed with the employer within 30 days of the payday when such wages should have been paid. Failure to present a claim for underpayment of wages within such 30 day period shall constitute a waiver of any such claim.

Sickness or Injury, Deduction From Pay - If an employee is sick or injured through no fault of the employee, not more than the employees daily wage for each day of such sickness or injury shall be deducted from his wages. The Company may require satisfactory evidence of the cause and duration of any illness or injury.

Physical Examination - All physical examinations required by the Company shall be at the Company's expense.

Discipline and Discharge - Prior to discharge of an employee the Company must issue at least one written warning. Such written warning shall be in effect for a maximum period of
nine months. A copy of the written warning shall be sent by certified mail to both the employee and the Union. No prior written warning shall be required if an individual is discharged for insobriety, dishonesty, failure to follow a reasonable request from management or supervisors, insubordination, possession of alcohol, drugs or firearms on Company property, fighting, or mistreatment of cows.

Time Keeping - Each employee must clock in at the beginning of each shift and out at the end of each shift. The Company shall keep an accurate record of all hours worked by all employees each day. No employee shall work any overtime hours without the express approval of a Company supervisor who must sign the employee's time card approving such overtime.

All employees shall be paid at their classification rate regardless of the type or nature of the work they are performing.

Heating - Heaters will be provided in the barns during November, December, January and February of each year at the discretion of the Company. Milkers shall be instructed as to the appropriate use of such heaters, and milkers shall be responsible for shutting off the heaters at least one hour prior to the end of each shift.

Number of Cows - Should the Company find it necessary to require milkers to milk more than 800 cows per shift, the Union will be contacted for the purpose of attempting to
negotiate a new daily wage rate prior to the implementation of the increase in the number of cows to be milked.

**Test to Determine Complete Milking** - Any test made to determine the complete milking of a cow must be made in the barn where the milking took place and shall be made by milking the cow tested into a separate container within ten minutes after the cow has been initially milked. Due regard shall be given to the producing ability of each particular cow. The provisions of this section are not intended to cover tests made in cases where a cow or cows may have been "skipped" and not milked at all.

**Union Access to Company Property.** Any duly accredited business agent or representative of the Union shall have the right during normal working hours to enter the Company’s property and buildings for the purpose of ascertaining whether or not the terms of this agreement are being observed by the parties hereto. Any such agent or representative shall notify the dairy manager before going to the barns or any other work area.

**Probationary Period** - All new hires shall be on probation for 90 days from the date of hiring and shall be subject to discharge at the sole discretion of the Company during such probationary period. Discharges during the
probationary period shall not be subject to the grievance and arbitration procedures provided for herein.

ARTICLE 8: Vacations

Length of Vacation - All employees covered by this agreement shall be entitled to one week's vacation with pay after one year continuous service and two weeks vacation with pay per year after five years continuous service. For purposes of this Article, a week's vacation with pay shall consist of seven consecutive days of which six shall be paid, except as to the secretary/receptionist, whose week's vacation with pay shall consist of seven consecutive days of which five shall be paid.

Any employee who has already qualified under the Company's past practices for vacation in excess of that set forth above shall continue to be eligible for such additional vacation, subject to all other terms and conditions of this article.

Accrual and Timing - No employee may take vacation prior to the first anniversary of the employee's date of employment with the Company. All employees must take their vacation within the calendar year following the year in which it is earned. In the event of conflicting requests for vacations during a particular time period, the Company shall be the final judge of the scheduling of vacations.

Loss of Vacation Time - The Company shall permit employees to schedule vacation time so as to comply with the terms of this Article and not suffer any loss of vacation
time. No employee shall suffer any loss of vacation time as the result of inability to schedule a vacation due to Company needs. No employee shall suffer any loss of vacation time when injured on the job.

**Prorata Vacation** - Employees with less than one year of service but more than six months service, shall, in the case of severance of employment, be entitled to a prorata vacation which shall be one day of vacation pay for each full 30 days over six months since the starting date of his employment.

Employees with more than one year of service shall, in case of severance of employment, be entitled to a prorata vacation, which shall be 1/12th the regular vacation pay for each full 30 days of service from the last anniversary date of his employment.

**ARTICLE 9: Seniority**

Company wide seniority date shall be retroactive to the date of hire following successful completion of the 90 day probationary period. Classification seniority shall be based on the date of employment within a particular classification.

**Layoff and Discharge** - Seniority for purposes of layoff and discharge for other than cause shall be by classification based on the date of employment within the classification. No employee subject to layoff shall have any right to displace ("bump") a less senior employee in a
classification different than the laid-off employee's classification. Notwithstanding this, at the time of layoff an employee shall have the right to displace the most junior worker in the bargaining unit, provided the employee is qualified and able, in the Company's opinion, to perform the duties of the employee being displaced.

Promotions - Seniority employees shall be notified of job openings by the posting of a notice of the job opening on the Company bulletin board at least 24 hours prior to the expected hiring date. Preference for such job openings shall be given to qualified seniority employees who apply. The Company shall be the sole judge of the qualifications and suitability of all such applicants.

ARTICLE 10: Grievance and Arbitration

Should differences arise between the Company and the Union or its members employed by the Company as to the meaning or application of the terms of this agreement, there shall be no suspension of work because of such differences, but they shall be settled in the following manner:

Step 1: If the grievance is not satisfactorily adjusted informally between the parties hereto, it shall be reduced to writing and signed by the aggrieved party and thereafter delivered to the other party. Any grievance that is not reduced to writing and delivered to the party allegedly
violating the agreement within 15 days after the occurrence or knowledge of the alleged violation by the aggrieved party shall be deemed waived for all purposes and shall not be recognized or processed. Any written grievance must identify both the specific nature of the grievance and the remedial action desired by the aggrieved party.

Step 2: If the grievance is not resolved to the satisfaction of the aggrieved party within 5 days of the delivery of the written grievance to the other party, the aggrieved party may then request that an Adjustment Board be created for the purpose of arbitrating the grievance. The Board shall be composed of one representative appointed by the Union and one representative appointed by the employer. These two representatives shall meet and agree upon a third member of the Adjustment Board. No officer or director of the employer or Union, nor the business representative or agent of the Union, shall be eligible for appointment to the Board.

Upon selection of the third member, the Board shall meet at a mutually convenient time and place to consider and decide, upon majority vote, the outcome of the grievance. The decision of a majority of the Adjustment Board shall be final and binding on the employer, Union, and all members of the Union.

All expenses of the Adjustment Board shall be borne equally by the Union and the Company. All other expenses in
connection with presentation of the matter to the Board shall be borne by the party incurring the expense.

ARTICLE 11: Medical

Company shall provide, at its cost, Kaiser-Permanente "Plan Q" (or equivalent) medical coverage for employees only for the first year of this agreement. Company shall continue to provide such coverage for the second and third years of this agreement, provided, however, that in no event shall Company's cost for such insurance increase beyond six percent (6%) per year in the second and third years.

Should premiums increase beyond the stated percentage in any year, such additional increase shall either be paid by the covered employees or medical benefits shall be reduced to a level commensurate with the Company's required level of payment, at the option of the Union.

Any employee desiring dependent coverage may arrange for payroll deductions to pay the premiums on such coverage. All costs of such coverage shall be the sole responsibility of the employee.

ARTICLE 12: Prohibition of Strikes, Stoppages and Lockouts

The parties agree that there shall be no strikes, slowdowns, lockouts, job or economic action, during the life of this agreement.
ARTICLE 13: Prior Agreements

Conflicts arising between this Agreement and any other prior written or verbal agreement governing the subject matter of this agreement shall be governed by and construed in favor of this agreement.

ARTICLE 14: General Savings Clause

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, the decision shall not invalidate the entire agreement, it being the express intention of the parties that all other provisions not so declared invalid shall remain in full force and effect.

ARTICLE 15: Duration and Termination

This Agreement shall become effective on February 1, 1988 and remain in full force and effect to and including January 31, 1991, and thereafter from year to year unless either party has given 60 days written notice to the other
party prior to the termination date hereof, that it desires to terminate, amend or modify this Agreement.

DATED: 3-17-88

FOR THE UNION:

GENERAL TEAMSTERS AND FOOD PROCESSING LOCAL UNION NO. 87

[Signature]

DATED: 3-31-88

FOR THE EMPLOYER:

CREEK RANCH, INC., dba OLD RIVER DAIRY

[Signature]