MASTER LABOR AGREEMENT

This Agreement, entered into this ______ day of ________________, ______ by and between

(heretofore referred to as the Employer) and DAIRY EMPLOYEES UNION, LOCAL NO. 17, affiliated with the Christian Labor Association of the United States, (hereinafter referred to as the Union).

PREAMBLE AND PURPOSE

Whereas, the purpose of this Agreement is to promote and maintain fair and uniform working conditions and to maintain harmonious relationships between the Employer and his employees through such conditions, and a peaceful settlement on such differences as may arise.

ARTICLE I

Section 1. Recognition and Hiring

The Employer recognizes the Union as the exclusive representative of the employees covered by this Agreement for collective bargaining. As a condition of employment, after thirty (30) days from the effective date of this Agreement, or after thirty (30) days from the date an employee is hired, whichever is later, all employees covered by this Agreement shall be required to become and remain members of the Union in good standing. The Union agrees that written notice shall be given to the Employer at least seventy-two (72) hours before an employee is required to be removed from his employment by reason of his failure to become a member of the Union as required by this Section.

Section 2. Check-off (Optional)

The Employer agrees to deduct monthly the Union membership dues (which shall be deemed to include periodic fixed dues, initiation fees and assessments) from the earnings of the employees who are members of the Union subject to the requirements of law concerning authorization and assignment by the employee, and transmit the same to the Union within forty-eight (48) hours thereafter. Funds so deducted by the Employer shall be kept separate and apart from the general funds of the Employer and shall be held in trust by the Employer for the benefit of the Union.

Section 3. Hiring New Employees

The Employer shall give the Union equal opportunity with all other sources to refer suitable applicants for employment, but the Employer shall not be required to hire those referred by the Union or any other particular source.

Section 4. Probationary Employees

In hiring, the Employer shall give preference of employment to applicants who have been previously employed in this industry. New employees shall remain probationary and shall not become regular employees until the completion of sixty (60) calendar days of service from the date of last hiring. Upon completion of sixty (60) calendar days of probationary service, employees shall enjoy seniority from the date of hiring. Probationary employees shall have no seniority rights during the probationary period and their employment may be terminated at any time in the sole discretion of the Employer. Discharge during the probationary period shall not be subject to the grievance procedure.
Section 5. Notification to the Union

The following information shall be given in writing by the Employer to the Union within seven (7) days from the date of hiring new employees: Name, home address and Social Security number of employees and the date employed.

ARTICLE II

Supplemental Agreement

The Supplemental Agreement is subject to and controlled by the terms of this Agreement and is referred to herein as a "Supplemental Agreement" attached hereto and made an part of this Agreement.

ARTICLE III

Regular Rates of Pay

See Supplemental Agreement attached hereto and made a part of this Agreement.

ARTICLE IV

Promotions and Transfers

a. The Employer reserves the right to make promotions and transfers on the basis of experience and ability. Seniority will be considered but shall not be the sole criteria.

b. The question of ability shall be determined by the Employer.

c. An employee who is assigned to work on a higher or lower paid job classification shall be paid, for the hours so worked, at the rate of the newly assigned job classification.

ARTICLE V

Exempted Employees

a. Subject to the limitations set forth in subparagraph b of this Article V, the following persons are exempt from this Agreement:

1. Supervisors as defined in Labor Code Section 1140.4(j);

2. Guards employed to enforce against employees and other persons rules to protect the property of Employer or to protect the safety of persons on Employer's premises;

3. Managerial employees;

4. Confidential employees;

5. The parent, child or spouse of the Employer or of a substantial stockholder in a closely held corporation which is the Employer.

b. If a parent, child or spouse of the Employer or a supervisor as herein defined wishes to join the Union, the Employer agrees to recognize the Union as the bargaining agent for such employee and such employee shall be
entitled to all of the rights and benefits of this Agreement.

ARTICLE VI

Section 1. Seniority

For all purposes under this Collective Bargaining Agreement, seniority shall be considered but shall not be the sole criteria.

Section 2. Acquiring Seniority

Employees in the "Cash and Carry" industry shall not acquire seniority until they have been employed by the Employer for four (4) months and seniority shall then begin at the original date of hire.

ARTICLE VII

Discrimination

The Employer and the Union agree that the provisions of this Agreement shall apply to all employees covered by this Agreement without discrimination and in carrying out their respective obligations under this Agreement neither will discriminate against any employee, on account of race, color, national origin, sex or creed.

ARTICLE VIII

Part Time and Casual Employees

Part time and casual employees shall be allowed, provided however, that the use of part time and casual employees does not prevent the employment of regular full time employees. A part time employee is defined as one who works twenty (20) hours or less per week, based on a six (6) day week. A casual employee is defined as an employee called in on emergency cases and with no fixed schedule. A regular employee is defined as an employee who works eight (8) hours per day for a minimum of five (5) days per week.

ARTICLE IX

Pay Day

Employees shall be paid not less than twice monthly unless otherwise mutually agreed.

ARTICLE X

Rest Periods

All employees shall receive a ten (10) minute rest period for every four (4) hours worked or as specified in Industrial Welfare Commission Order 14 - 80.

ARTICLE XI

Lunch Periods

All employees shall receive a thirty (30) minute lunch period for every five (5) hours or more worked or as specified in Industrial Welfare Commission Order 14 - 80.
ARTICLE XII

Section 1. Leave of Absence

Upon written application, the Employer may grant to an employee a leave of absence for a period of not more than ninety (90) days, and for good cause such leave may be extended by the Employer. The employee and the Union shall be given a written notice of the terms and conditions of any leave of absence granted.

Section 2.

An employee who undertakes other work or employment during any leave of absence without first securing permission from the Employer and the Union automatically cancels such leave of absence and shall be considered to have terminated his or her employment.

Section 3.

If any employee is hospitalized, under medical care, or has an extensive illness, time off exceeding ninety (90) days shall not apply towards vacation credits.

Section 4.

If an employee is unable to work because of sickness or injury due to no fault of his own, said employee shall not have more than his average daily wage deducted from his regular pay during his absence.

Section 5.

Any employee inducted into the United States Armed Forces after four (4) months of continuous employment with the Employer shall be entitled to receive prorated vacation with pay.

ARTICLE XIII

Section 1. Transfer of Title or Interest

In the event an entire operation, or any separable, independent segment thereof is sold, leased, transferred, or taken over by sale, transfer, lease or assignment, or receivership or bankruptcy proceedings, this Agreement shall be binding upon the Employer's successors, administrators, executors and assigns, provided that there exists a similarity of operation and continuity of identity of said Employer's business, and further provided that the transferee, predecessor, assignor or lessor shall not be liable for violations of the collective bargaining contract or agreement of the successor. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee or other assignee, etc., of the coverage by this Agreement or any part thereof.

ARTICLE XIV

Section 1. Discharge or Suspension

The Employer may discharge or suspend an employee for just cause, but no employee shall be discharged or suspended unless a written warning notice shall previously have been given to such employee of a complaint against him concerning his work or conduct except, that no such prior warning notice shall be necessary if the cause for discharge or suspension is dishonesty, drinking related to his employment, or gross intentional disobedience. The complaint specified in such prior warning notice need not concern the same type of misconduct as the cause for discharge or suspension. No such warning notice shall remain in effect for a period of more than twelve (12) months. A copy of such warning notice shall be sent to
the Local Union involved at the time it is given to the employee. An employee may request an investigation of his discharge or suspension or any warning notice and the Union shall have the right to protest any such discharge, suspension or warning notice. Any such protest shall be presented to the Employer in writing within ten (10) days exclusive of Saturdays, Sundays and holidays, after the discharge, suspension or warning notice, and if not presented within such period, the right of protest shall be waived. A copy of any such protest shall be given to the Employer. Upon the filing of a protest the matter shall be immediately referred to the adjustment board selected in the manner provided in ARTICLE XV for determination in accordance with the disputes procedure set forth therein. The Employer shall give a discharged employee a written notice of termination, and at the same time send a copy to the Local Union.

The Employer shall be entitled to establish work rules in connection with the Employer's operation and for the purpose of maintenance of discipline not inconsistent with the terms of this Agreement. The Union shall have ninety (90) days from the date of receipt of a copy of said rules to challenge the reasonableness of any of said rules in accordance with the procedures for the adjustment of grievances as provided in Article XV. Employees may be discharged for just cause. Just cause shall include but not be limited to contract violations such as unauthorized strikes or work stoppages, violation of leave provisions, incompetence, intoxication, violation of company rules, dishonesty or theft, misconduct, insubordination or unauthorized absence.

ARTICLE XV

Adjustment of Grievances

a. Any employee covered by this Agreement, or Union, or Employer can file a proper grievance and it shall be processed in accordance with the Grievance Procedure hereinafter provided. The parties shall make a sincere and determined effort to settle meritorious grievances and to keep the procedure free from immoratorious grievances.

b. An employee believing he has cause for a grievance must first take the matter up with his employer, or his Union Representative (who shall be recognized by the Employer) within sixty (60) days of the occurrence of said grievance. In the event the Union Representative is designated by the grievant to pursue his dispute, the Union Representative must discuss the grievance within fourteen (14) days of notice with the Employer. Recognizing the value and importance of full discussion in clearing up disputes and preserving harmonious relations, the time table herein above mentioned must be complied with, otherwise said grievance shall be forever waived.

c. If the dispute is not settled pursuant to (b) of this Article, the disputant or his representative must, within fourteen (14) days, reduce the dispute to writing on a form known as "Information of Complaint or Grievance", setting forth facts relied on and shall be presented in triplicate of the Employer or his designated representative.

d. The Employer's or his designated representative's disposition shall be in writing, setting forth in detail all facts relied upon in support of his disposition, and shall be made as expeditiously as possible consistent with proper investigation but in no event more than five (5) working days, Sundays and Holidays excluded, from the time of written presentation, and shall be returned by the Employer or his designated representative to the Union representative who presented it.

e. If the above efforts fail to achieve a satisfactory adjustment of the grievance, it shall, within seven (7) working days of the date of the Employer's delivery to the Union Representative of the disposition to the grievance, be referred to the adjustment board for consideration. Failure to comply shall constitute complete waiver of dispute.

f. An adjustment board, consisting of two (2) members representing each of the parties hereto, shall be set up for the purpose of hearing and deciding grievances of members of the Union and of the Employer relating to provisions of this contract. Such board shall meet with the complainant or his representative within seventy-two (72) hours after submission and shall render its decision within seventy-two (72) hours after termination of such hearing.
g. If the four (4) members of the adjustment board are unable to settle a dispute within said seventy-two (72) hours, they shall, upon written request of either party, call in a fifth member who shall be a disinterested party, and who shall act as Chairman. In the event the members of the adjustment board fail to agree on a Chairman, an authorized representative of the Director of the Federal Mediation and Conciliation Service shall be called upon to provide a panel of seven experience arbitrators, and each party shall alternately strike a name from the panel until one remains. The person whose name remains shall serve as Chairman. The decision of said board shall be in writing and accepted as final and binding the parties hereto.

h. All decisions made by the adjustment board or by the impartial Chairman shall be complied with within two (2) working days after receipt of written notice of such decision by the party against whom the decision is rendered. Upon failure to comply, the prevailing party shall be entitled to immediately apply to the Superior Court for judgement upon the decision.

i. There shall be no cessation of work nor lockout during pendency of such adjustment or arbitration. However, should the Employer or Union refuse to submit to the adjustment board upon complaint against the Employer or Union, the party against whom the complaint has been brought shall lose all rights and privileges under this Agreement, and the Union or the Employer, as the case may be, shall be free to take action to enforce any rights which it may possess irrespective of any provisions of this Agreement.

ARTICLE XVI

Union Representative Visits

It is agreed that for the purpose of carrying out the terms of this Agreement, including the administration of all supplemental benefit plans, that a duly accredited representative of the Union shall contact the Employer or his representative, if the Employer is unavailable, at a reasonable hour, and provide adequate notice to exercise the right to visit the Employer's property and buildings during working hours for the purpose of ascertaining whether the terms of this Agreement are being observed by the parties hereto, provided, however, that meetings between such representative and employee(s) shall in no way stop, hamper or interrupt the normal flow of work.

ARTICLE XVII

No Strike - No Lockout

It is agreed that during the term of this Agreement, except as otherwise in this Agreement provided, that neither the Union, its officers or members shall instigate, call, sanction, condone or participate in any strike, slowdown, stoppage of work, boycott, picketing or willful interference with production, transportation or distribution, and that there shall be no lockout of employees by the Employer.

In the event that any of the employees violate the provisions of the above paragraph, the Union shall immediately order any of its members who participate in such action back to their jobs, forward copies of such order to the Employer and use any means at its disposal to influence the employees to return to work.

Any employee failing to report back to work within eight (8) hours of the strike, slowdown, stoppage, boycott or picketing or failing to cease engaging in any of the above conduct will be subject to discipline by the Employer. Discipline may include loss of seniority or discharge.
ARTICLE XVIII

Management Rights

a. The management of the business and the direction of the working force including, but not limited to, the right to hire, assign employees to work shifts, suspend, promote, transfer or discharge for just cause and the right to relieve employees from duty because of lack of work or for other legitimate reasons is vested exclusively in management.

b. In the event of change of equipment, management shall have the right to reduce the workforce if in the sole judgement of management, such reduction of force is required and nothing in this Agreement shall be construed to restrict the right of management to adopt or install or operate new or improved equipment or methods of operation. Disputes over application of this provision should be discussed between the affected parties.

c. Nothing herein contained shall be intended or shall be considered as a waiver of any of the usual inherent and fundamental rights of management, whether or not the same were exercised heretofore and the same are hereby expressly reserved to the Employer.

ARTICLE XIX

Effective Date and Termination of Master Labor Agreement

This Agreement shall be in full force and effect on April 1, 2002, irrespective of the date of execution of this Agreement, to and including March 31, 2005, and shall continue to be in full force and effect for successive yearly periods after March 31, 2005, unless notice is given in writing by either the Employer or the Union to the other party at least sixty (60) days prior to March 31, 2005, or any anniversary date thereafter, of its desire to modify, amend or terminate this Agreement. If such notice is given, this Agreement shall be open to modification, amendment or termination, as such notice may indicate, on March 31, 2005, or the subsequent anniversary date, as the case may be.

ARTICLE XX

Miscellaneous and Procedural Provisions

Section 1. Notice

Any notice required under the terms of this Agreement may be given and shall be deemed delivered if mailed, postage prepaid by United States mail, certified or registered, and return receipt requested, to either party at the address designated after signature of this Agreement, or at such other address as either party may hereafter designate by a notice.

Section 2. Severability

If a court of last resort, with jurisdiction over a dispute involving this Agreement, adjudges any law, such decision shall not affect the validity of the remaining provisions of this Agreement which shall continue in effect. If any provision is so declared to be in conflict with any law, Employer and Union shall meet within thirty (30) days of such decision to renegotiate the provision so invalidated.

Section 3. Captions

The titles or captions to paragraphs of this Agreement are for convenience only and shall not be deemed a part of the context of this Agreement.
Section 4. Pronouns

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identification of the person or persons, firm or firms, corporation or corporations may require.

Section 5. Bond

If Employer requires a bonding of any employee or the carrying of any insurance for the indemnification of Employer, Employer shall pay all cost for such bonding or insurance.

Section 6. Enforcement

The terms and conditions of this Agreement may be enforced by either party in a court of law or equity and specific performance of this Agreement may be compelled in proper cases.

Section 7. Counterparts and Execution

In entering into this Agreement, with Employers represented by the Producers Bargaining Committee, the Union is relying upon the representations of the Producer Bargaining Committee and their agents and attorneys that all representation authorizations furnished to the Union are in full force and effect at the date of execution of the Agreement by the Producers Bargaining Committee and their agents and attorneys. All Employers so represented as evidenced by said authorizations, are hereby bound by all of the terms of this Agreement. This Agreement may otherwise be executed in multiple counterparts, each of which shall be deemed an original agreement, and all of which shall constitute one agreement, notwithstanding the fact that all of the parties are not signatories to the original or same document. This Agreement shall be effective on the date stated in Article XIX regardless of the date upon which it is executed by the respective parties.

IN WITNESS WHEREOF, we hereto set our hands this _________ day of _______________, 2002, at _, California.

EMPLOYER

By PRODUCER BARGAINING COMMITTEE

Authorized Representative

By ________________

Chairman

UNION DAIRY EMPLOYEES UNION, LOCAL 17 C.L.A.

By ________________
SUPPLEMENTAL AGREEMENT
(PRODUCER)

ARTICLE I

Section 1. Work Week

a. The monthly rates set forth in Article IV of this Supplemental Agreement, identified as the PRODUCERS WAGE SCHEDULE, and incorporated into this Agreement, are based upon six (6) full days per week. If the seventh day of any week is worked by consent of employee, said employee shall receive the amount of pay required in the Relief Scale Classification as set forth in the PRODUCERS WAGE SCHEDULE, subject to the effectiveness of the applicable provisions of Wage Order No. 14 - 2001.

b. Each employee who works either the Fourth of July, Thanksgiving Day, Christmas Day or New Year's Eve (December 31) of any year during the existence of this contract shall receive one-half (1/2) day's extra pay for each such day worked. The amount of pay shall be computed directly from the PRODUCERS WAGE SCHEDULE, subject to the effectiveness of the applicable provisions of Wage Order No. 14 - 80.

ARTICLE II

Section 1. Vacations

Employees who have been in the service of the employer for a period of one (1) year shall be paid six (6) working days vacation with pay.

Employees with two (2) or more years of continuous service with the employer shall be paid twelve (12) working days vacation with pay.

All employees who have been in the continuous service of the employer for ten (10) or more years shall be paid eighteen (18) working days with pay.

All employees who have been in the continuous service of the employer for twenty (20) or more years shall be paid twenty-four (24) working days vacation with pay.

Prorated vacations shall be based upon one-twelfth (1/12th) of the employee's annual vacation pay per month of service.

An employee whose services terminate for any reason after four (4) months of continuous employment with the employer shall be paid prorated vacation based on one-twelfth (1/12th) of his annual vacation pay per month. However, if his services should terminate for any reason prior to four (4) months of continuous employment with the same employer, he shall not receive any prorated vacations with pay.

An employee who does not wish to take his earned vacation and wishes, with the consent of the employer, to work during his vacation time shall receive the Relief Scale rate of pay in addition to his regular wages.
ARTICLE III

Section 1. Health and Welfare Plan

a. Each of the Employer's regular and regular extra employees shall be beneficiaries of the DAIRY EMPLOYEES UNION, LOCAL 17, C.L.A. HEALTH AND WELFARE TRUST, as it shall from time to time exist. Employer shall contribute $500.00 per month for each of his employees covered by this plan. Employer shall pay his contributions to the Health and Welfare Trust on or before the 15th day of each month for which the payments are computed.

b. Health and Welfare Trust shall be administered by the Trustees in accordance with the Trust and applicable law. The records of the Trust shall be kept at the office of the Trust as designated by the Trust Agreement. Either the trustees or the administrative employees of the Trust shall be obligated to process all claim forms, obtain and issue eligibility lists and do the other work necessary to insure that the parties to this agreement are informed of their obligation to the Trust.

c. The above mentioned Health and Welfare Trust exists independently of this Agreement, and is governed by the board of Trustees appointed by the Union and Employers who are similarly situated to employer here, all subject to the provisions of the National Labor Relations Act, the Labor Management Reporting and Disclosure Act, the Employee Retirement Income Security Act of 1974 and any other Federal or pertinent California laws. Employer and Union hereby accept the terms of the existing Trust and its amendments and by this acceptance agree to become parties to the Trust. Any amendments which from time to time may be made in the Trust are hereby incorporated by reference and made a part of this Agreement, by which each party agrees to be bound. In addition, the parties hereby approve and assent to the designation of the existing Trustees under the Trust Agreement.

Section 2. Pension Trust Fund

a. Each of the employer's regular and regular extra employees shall be beneficiaries of the DAIRY EMPLOYEES UNION, LOCAL 17, C.L.A. PENSION TRUST FUND, as it shall from time to time exist. Employer shall contribute $150.00 per month for each of his employees covered by this plan. Employer shall pay his contributions to the Pension Trust Fund on or before the 15th of each month for which payments are computed.

b. The Pension Trust Fund shall be administered by the Trustees in accordance with the Trust and applicable law. The records of the Trust shall be kept at the office of the Trust as designated in the Trust Agreement. Either the Trustees or the administrative employees of the Trust shall be obligated to process all claim forms, obtain and issue eligibility lists and do the other work necessary to insure that the parties to this Agreement are informed of their obligations to the Trust.

c. The above mentioned Pension Trust Fund exists independently of this Agreement and is governed by a board of Trustees appointed by the Union and Employers who are similarly situated to the employer here, all subject to the provisions of the National Labor Relations Act, the Labor Management Reporting and Disclosure Act, the Employee Retirement Income Security Act of 1974 and all pertinent California laws. Employer and Union hereby accept the terms of the Trust. Any amendments which from time to time may be made in the Trust are hereby incorporated by reference and made a part of this Agreement, by which each party agrees to be bound. In addition, the parties hereby approve and assent to the designation of the existing Trustees under the Trust Agreement.
Section 3. Enforcement of Health and Welfare and Pension Trust

a. Any Employer remittance not received by the Trustees or their Administrator on or before the 15th day in any calendar month shall be construed delinquent and a Notice of Delinquency will immediately be sent. If an employer has received a Notice of Delinquency and disputes all or part of the assessed delinquent contributions, he has the right to file a protest within FIVE DAYS of the date of such notice to the Trustees under the trust fund. The Trustees shall cause the claimed delinquency to be audited by such personnel as they may choose. The Employer shall bear the cost of that audit if found delinquent. The Trustees shall decide the dispute by majority vote within TEN DAYS of receipt of the protest. In the event the Trustees are unable to reach a decision, a single arbitrator shall be appointed by them to resolve the dispute. The arbitrator shall be selected and have all the powers allotted to a single arbitrator under the grievance procedures of the Master Labor Agreement. The arbitration provided under this paragraph is distinct from and supersedes the arbitration provisions of the other parts of this Master Labor Agreement, in any dispute concerning payment or lack of payment to either of the above trust funds.

b. If the claimed delinquency is upheld, either by the Trustees or the arbitrator, the employer has 72 hours after receipt of notice of the decision within which to make the payment plus accumulated charges on the delinquency. In case an Employer fails to comply with this provision, the Union shall have the right of withholding services from such contractor until the payments are made.

c. In addition, and not limiting the above remedy, the Board of Trustees under the Trust Agreement may authorize the employment of attorneys to use all necessary legal processes to enforce collection. The cost of any enforcement action together with reasonable attorney’s fees shall be borne by the party at fault.

d. The Employer shall be assessed one percent (1%) penalty per month on all delinquent payments which are not paid within thirty (30) days from the date they were originally due and the employee or the Union shall have the right to take any legal action they see fit against such employer to collect such delinquent payments. Whether or not such action is taken, the employer shall be liable to the employee for any and all benefits under the Health and Welfare and the Pension Plan which employee would have received if the employer had not been delinquent in payment of such contributions.

Section 4. Change in Contributions to Health and Welfare Trust

a. During the period beginning April 1, 2002 and extending through the designated expiration date of this Master Labor Agreement, March 31, 2005, the amount of contribution made by the Employer to the Health and Welfare Trust, to adequately fund the plan shall be determined by the Trustees.
ARTICLE IV

Section 1. Regular Rates of Pay

The rates of pay for the various classifications of work covered by this Agreement shall not be less than the following PRODUCER WAGE SCHEDULE as up-dated from year to year, providing that the employee performs the normal by-work. If the employee does not perform the normal by-work, adjustments will be made in said employee's basic wage rate accordingly. Rates of pay are based on milking twice per day.

Effective April 1, 2002 through March 31, 2003 there will be a 5% wage increase on all classifications

$60.00 to be deducted from increase to adequately fund the Health & Welfare Trust.

Effective April 1, 2003 through March 31, 2004 – 4% wage increase on all classifications.
Cost increase of Health & Welfare contribution to be deducted from the 4% increase – any decrease in contribution will be added to the 4% wage increase. Should the contribution increase out of control the Producer Bargaining Committee and Union Bargaining Committee will review it

Effective April 1, 2004 through March 31, 2005 - 4% wage increase on all classifications.
Cost of increase of Health & Welfare contribution to be deducted from the 4% increase – any decrease in contribution will be added to the 4% wage increase. Should the contribution increase out of control the Producer Bargaining Committee and Union Bargaining Committee will review it.

IN WITNESS WHEREOF, we hereto set our hands this ___________ day of __________________ 2002 at

_, California.

EMPLOYER

PRODUCER BARGAINING COMMITTEE

By
Chairman - Authorized Representative

UNION