

228

1,800 cc

AGREEMENT

BETWEEN

CONVENTIONAL DAIRY

PLANT/DRIVER

AND

TEAMSTERS LOCAL UNION NOS.

63, 166, 186, 542, 630, 683 and 952



EFFECTIVE

MARCH 1, 2004

TO

FEBRUARY 28, 2007

54 pages

**CONVENTIONAL DAIRY/PLANT/DRIVER
and
TEAMSTERS LOCAL UNION NOS.
63, 166, 186, 542, 630, 683 and 952**

EFFECTIVE MARCH 1, 2004 TO FEBRUARY 28, 2007

TABLE OF CONTENTS

<u>Article</u>		<u>Page Number</u>
	Preamble / Witness	1
1.	Employees Covered By This Agreement	1
2.	Union Membership	2
	Route Foremen, Relief Drivers Route Drivers, Ice	
3.	Cream Drivers and Truck Drivers	4
4.	Plant Employees	5
5.	Holidays	5
6.	Vacations	6
7.	Welfare Benefits	8
8.	Pension Benefits	10
9.	Cost of Living (Inoperative)	13
10.	Full Week's Work	14
11	New Employee	16
12.	Method of Payment	16
13.	Time Clocks	16
14.	Termination Notice	17
15.	Discharge	17
16.	Layoffs	18
17.	Seniority and Bidding	19
18.	Transfers	21
19.	Uniforms and Clothing	22
20.	Fidelity Bond	23
21.	Physical Examination	23
22.	Donations	23
23.	Reduction In Wage	23
24.	Leaves of Absence	23
25.	Funeral Leave	24
26.	Sick Leave	25

<u>Article</u>	<u>Page Number</u>
27. Employees Unable To Complete Day's Work	26
28. Veterans	26
29. Rest Periods	27
30. Bulletin Boards	27
31. Job Classification	27
32. Preservation Of Work	27
33. New Locations	28
34. Settlement Of Controversies	28
35. Successors and Assigns	30
36. Substance Abuse Policy	30
37. Term Of Agreement	31
Appendix "A"	
ROUTE FOREMEN, RELIEF DRIVERS, ICE CREAM DRIVERS, ROUTE DRIVERS, TRUCK DRIVERS AND DRIVER FOREMEN	33
Appendix "B"	
PLANT EMPLOYEES	41
Addendum	
Substance Abuse Policy	

CONVENTIONAL DAIRY PLANT /DRIVER AGREEMENT

MARCH 1, 2004 - FEBRUARY 28, 2007

THIS AGREEMENT, made and entered into this 1st day of March, 2004 by and between the "Employer" and Teamsters Local Unions No. 63, 166, 186, 381, 495, 542, 630, 683 and 952, Affiliated with the International Brotherhood of Teamsters hereinafter referred to as "Union".

WITNESSETH:

That, whereas the parties to this Agreement are desirous of promoting and maintaining harmonious relations between Employer, the Union and its membership, it is mutually agreed as follows:

ARTICLE 1 - EMPLOYEES COVERED BY THIS AGREEMENT

1.1 This Agreement shall apply only to employees of Employer eligible for membership in the Union, located at plants or branches situated in the Counties of Los Angeles, San Diego, Riverside, Orange, San Bernardino, Imperial, Santa Barbara, Ventura, and any other territory mutually agreed upon by the parties hereto.

1.2 The Employer acknowledges the Union as the sole bargaining agent for the employees classified herein.

1.3 Whenever the masculine gender is used in this agreement, it shall be deemed to include the feminine gender as well and vice versa.

1.4 This Agreement shall apply to all such employees of Employer doing work covered by this Agreement. It is understood that when an abnormal situation occurs and the full complement of bargaining unit employees of Employer proves inadequate to assure the uninterrupted conduct of the work, then in that event exempt of supervisory employees may be assigned work covered by this Agreement.

In keeping with the principle involved, the Employer must first make provision to handle, with bargaining unit employees; the contingencies, which experience shows, may reasonably be expected to occur. When an abnormal situation beyond this occurs and all Employer's bargaining unit employees are busy, Employer shall make a further effort to conform to the underlying principle by giving a bargaining unit employee on the same string where the vacancy occurs, an opportunity to work on his day of rest. It is understood that this is practical only when the Employer knows a day ahead that such a vacancy will occur or continue.

When the Employer has followed the foregoing procedure he may then use exempt employees to do work covered by this Agreement.

ARTICLE 2 - UNION MEMBERSHIP

2.1 It shall be a condition of employment that all employees of the Employer 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, and those who are not members on the effective date of this Agreement shall, on the thirtieth (30th) day following the effective date of this Agreement, become and thereafter remain members in good standing of the Union. It shall also be a condition of employment that all employees covered by this Agreement, and hired on or after its effective date shall, on the thirtieth (30th) day following the beginning of such employment, become and thereafter remain members in good standing in the Union.

2.2 The Employer shall discharge any employee who fails to complete or maintain membership in good standing in the Union within seventy-two (72) hours of written notice from the Union that such employee is delinquent in the payment of initiation fees and/or dues uniformly required as a condition of union membership.

2.3 At the option of the Local Union, the Employer shall deduct monthly Union Dues from the wages of each employee who has filed with the Employer a written assignment of such monies to the Local Union having jurisdiction in the area in which the individual is employed.

2.4 The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from the employee's paycheck.

2.5 The assignments shall be irrevocable for a period of one (1) year or until the termination of this collective bargaining agreement, whichever occurs sooner. The assignment shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each, or for the period of each succeeding applicable collective bargaining agreements, whichever shall be shorter, unless written notice is given by the employee to the Employer and to the Local Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year of each applicable collective bargaining agreement.

2.6 The appropriate deduction shall be made on the first (1st) payday of each month and shall be promptly forwarded to the designated Local Union.

2.7 When new or additional employees are needed, the Employer shall notify the Union of the number and classification of employees needed. The Union shall have twenty four (24) hours from receipt of such notice to nominate applicants for such jobs. The Employer shall choose between applicants nominated by the Union and any other applicants on the basis of their respective qualifications for the job, and no applicants will be preferred or discriminated against because of membership or non-membership in the union.

2.8 The Employer agrees to notify the Union of all new employees hired before the employee starts to work. The Employer also agrees to notify the Union promptly of all employees leaving employment

2.9 The Employer and the Union agree not to discriminate against any employee or applicant for employment for upholding the principles of unionism, nor because race, color, religious creed, national origin, age, or sex, disabled or status as a Vietnam veteran.

2.10 It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute, or refuses to go through or work behind any lawful primary picket line, including the lawful primary picket line of Unions, party to this Agreement, and including the lawful primary picket line at the Employer's places of business provided such lawful primary picket lines are sanctioned by Joint Council of Teamsters No. 42.

2.11 In the event of such picketing at the Employer's place of business, work shall continue for a period of time necessary to clear or remove perishable products from the plant, not to exceed seventy-two (72) hours from the commencement of such picketing.

2.12 Employer agrees to admit to its plants at all reasonable times any authorized representative of the Union for the purpose of ascertaining whether or not this Agreement is being adhered to and to assist in the adjustment of grievances. Such Union representative agrees to observe reasonable plant entrance requirements of the Employer.

ARTICLE 3 - ROUTE FOREMEN, RELIEF DRIVERS, ROUTE DRIVERS, ICE CREAM DRIVERS AND TRUCK DRIVERS

3.1 Specific working conditions and the regular rates of pay for Route Foremen, Relief Drivers, Route Drivers, Ice Cream Drivers, and Truck Drivers, are set forth in Appendix A attached hereto and included herein the same as if set out in full at this place.

ARTICLE 4 - PLANT EMPLOYEES

4.1 Specific working conditions and regular hourly rates of pay for Plant Employees are set forth in Appendix B attached hereto and included herein the same as if set out in full at this place.

ARTICLE 5 - HOLIDAYS

5.1 The following holidays are recognized as hereinafter provided for all employees who have been in the employ of the Employer for ninety-one (91) days or more:

January 1st	Washington's Birthday	Memorial Day
July 4 th	Employee's Birthday	Labor Day
Veterans' Day	Thanksgiving Day	December 25th

The above holidays shall be observed on the day designated by federal legislation.

5.2 **Employee's Birthday**

(a) Employee shall be required to notify their Employer at least four (4) weeks in advance of the date of their birthday. The Employer shall be allowed to assign any regularly scheduled workday for such holiday, which falls the week before, the week of, or the week after the employee's birthday.

(b) Seven (7) days prior notice shall be given the employee for his scheduled birthday holiday.

(c) Failure to give Employer notice of birthday will result in Employer assigning a day off within thirty (30) days or paying a day's wages at straight time rate.

5.3 It is the Employer's option as to whether or not any employee or group of employees shall work on any of the above holidays.

5.4 Any regular employee, as described in Article 5.1 above shall be paid as a holiday premium eight (8) hours pay for each of the above holidays and that day shall be considered as eight (8) hours worked for the purpose of computing overtime in that workweek.

In the event a holiday falls on a regular day off, however, and the employee does not work that day, the holiday premium shall not be considered as eight (8) hours worked for purposes of computing overtime in that workweek.

5.5 When an employee works on any of the above holidays, he shall be paid as a holiday premium eight (8) hours pay and shall be paid in addition at time and one-half (1 1/2) for the numbers of hours that he actually works, but for not less than eight (8) hours.

5.6 To be eligible for holiday pay an employee must work his scheduled workday immediately preceding and succeeding the holiday, unless he works the holiday or except for excusable absence due to illness or injury on the holiday, the day preceding or the day succeeding the holiday. The Employer may require reasonable proof of illness or injury.

5.7 In the event a holiday falls within an employees vacation period, he shall receive a holiday premium of eight (8) hours pay, in addition to his vacation pay.

5.8 Any regular employee who has been laid off and recalled within thirty (30) days of any holiday shall be paid for any holiday(s) that fall within the period if otherwise eligible.

5.9 The Employer shall have the options to substitute Day after Thanksgiving for Veterans' Day.

ARTICLE 6 - VACATIONS

6.1 All employees covered by this Agreement shall be entitled to one (1) week's vacation with pay after one (1) year continuous employment, two (2) weeks vacation with pay after two (2) years continuous employment, three (3) weeks vacation with pay after (5) years continuous employment, four (4) weeks vacation with pay after fifteen (15) years continuous

employment, and five (5) weeks vacation with pay after twenty (20) years continuous employment.

6.2 A week's pay for the purpose of this Article shall be forty (40) hours of pay.

6.3 Preference in the taking of vacations shall be according to departmental seniority of employment wherever possible. Vacation schedules shall be made readily available to all eligible employees. An employee may elect to split his vacation. In such case the employee's seniority preference for the remaining vacation shall not be considered until all employees have had their first choice. An employee may take a vacation in the year it has been earned, provided the employees' request is for a date that is beyond his anniversary date of employment.

6.4 In the case of severance after the first (1st) year of employment and between the first and second year of employment, the employee shall be entitled to a pro rata of vacation which shall be one-twelfth (1/12) of one (1) week's pay, as defined herein, for each full thirty (30) days since the last anniversary date of his employment.

6.5 In the case of severance after the second (2nd) year of employment the employee shall be entitled to a pro rata of vacation which shall be one-twelfth (1/12) of two (2) weeks pay, as defined herein, for each full thirty (30) days since the last anniversary date of his employment.

6.6 In the case of severance after the fifth (5th) year of employment the employee shall be entitled to a pro rata of vacation which shall be one-twelfth (1/12) of three (3) weeks pay as defined herein for each full thirty (30) days since the last anniversary date of his employment.

6.7 In the case of severance after the fifteenth (15th) year of employment the employee shall be entitled to a pro rata of vacation which shall be one-twelfth (1/12) of four (4) weeks pay as defined herein for each full thirty (30) days since the last anniversary date of his employment.

6.8 In the case of severance after the twentieth (20th) year of employment the employee shall be entitled to a pro rata of vacation which shall be one-twelfth (1/12) of five (5) weeks pay as defined herein for each full thirty (30) days since the last anniversary date of his employment.

6.9 If the employee works his vacation he is to be paid his earned vacation pay, plus time and one-half (1 ½), unless the Union and Employer agree in writing that he may work his vacation, in which event the employee will be paid at his regular rate of pay, plus his earned vacation pay.

6.10 Wage payment to which an employee is entitled under this Agreement for vacations and holidays shall be computed to include the straight-time rate for the job plus any night-shift, split-shift or relief premium, which the employee regularly earns.

Employer will pay earned vacation pay in advance of vacation, provided employee requests such payment not less than seven (7) days prior to his scheduled vacation.

ARTICLE 7 - WELFARE BENEFITS

7.1 Employer and Union are parties to an Agreement and Declaration of Trust providing for the Southern California Dairy Industry Security Fund, which agreement is dated March 14, 1972 as amended, and hereinafter referred to as the "Declaration of Trust".

The said Declaration of Trust established a Trust administrated by an equal number of Trustees appointed by the Union on one hand and by all employers who make contributions to such Trust on the other hand for the purpose of providing medical, hospitalization and life insurance benefits, as more particularly set forth in said Trust to which reference is hereby made for all particulars pertaining to such Trust, its administration, etc., and all provisions of such Declaration of Trust are incorporated herein by reference. Employer and Union do hereby ratify and confirm such Declaration of Trust and agree to do and perform each and every act and thing required of Union and Employer respectively therein.

7.2 Employer and Union agree that the foregoing Declaration of Trust may be amended from time to time as hereinafter provided subject to the limitations hereinafter imposed. All amendments to such Declaration of Trust shall be in writing, shall fix the effective date thereof, and shall bear the written approval of all Employer and Union Trustees.

7.3 No such amendment shall (1) alter the basic principles of Declaration of Trust; (2) conflict with the collective bargaining agreements between Employer and Union; (3) conflict with any then applicable, statute, law, ordinance, or regulation; (4) permit monies deposited by Employer in the Trust Fund pursuant to the collective bargaining agreement between Employer and Union to be used for the purposes other than providing medical and hospitalization benefits and prescription drug benefits for retired employees and eligible employees, and life insurance, a dental plan, and vision care for eligible employees, the administration of said benefits, and the administration of such fund; or (5) give the Employer or the Union or any employee or any Trustee, individually or collectively, any right, title or interest in or to any money or other property of the Trust. Copies of all amendments shall be distributed to Employer upon the final adoption thereof.

7.4 The Employer shall pay monthly into the Southern Californian Dairy Industry Security Fund for each eligible employee that the amounts determined by the Trustees necessary to maintain the Health and Welfare programs in effect at the commencement of this Agreement, or as provided by Plan II, or established by the Trustees during the term of this Agreement as provided by the Contribution Agreement dated September 10, 1997.

A premium payment shall be due on each eligible employee following three (3) full calendar months of employment.

7.5 The parties hereto authorize the Trustees to pay any amount into another trust for the purpose of providing such benefits. The parties hereto agree to accept and execute such acceptance of "Trust Documents" as may be required for participation in such trust and such payments shall be made in accordance with the provisions established by the Joint Board of Trustees.

7.6 The parties hereto authorize and instruct the Trustees to review the Employer contribution rates in January of each year of the Agreement and modify the Employers contribution rates effect in March of each year of the agreement if so determined by the Trustees. Employer contribution rates shall be based upon the Trustees maintaining a three (3) month fund reserve and an appropriate amount to cover incurred but unreported claims.

7.7 The Employer shall maintain Retiree Benefits as determined by the Trustees. The Board of Trustees is authorized to adjust the retiree co-payment premium as they may determine.

7.8 For purposes of this Article an eligible for benefits employee shall be:

(a) An employee on the payroll on the first (1st) day of the calendar month who has been continuously employed by the same Employer during the preceding four (4) full calendar months.

(b) An employee on the payroll on the first (1st) day of the calendar month who had been covered by this Welfare Plan within thirty one (31) days of his date of employment.

7.9 All premium payments required pursuant to the provisions thereof shall be due and payable on the first (1st) of each calendar month, and shall become delinquent on the twentieth (20th) day of each such month. Failure to make premium payments in accordance herewith shall be deemed a violation of this Agreement and the Union is authorized to institute proceedings for the collections thereof from the Employer.

ARTICLE 8 - PENSION BENEFITS

8.1 The Employer shall continue to pay into the Western Conference of Teamsters Pension Trust Fund sums computed as follows:

(a) Effective April 1, 2003, based on March 2003 hours, for each employee who has worked One Hundred and Sixty hours (160) hours or more during a calendar month, Five Hundred and Ten Dollars and Thirty Five Cents (\$5.10.35) per month.

(b) For each employee not covered under (a) above: One Hundred and Eighteen Dollars (\$118.00) per calendar week of work or Twenty Three dollars and Sixty cents (\$23.60) per day of work of more than four (4) hours (or by combination of such weekly and daily rates) or Two Dollar and Ninety Five Cents (\$2.95) for each straight-time compensable hour of work.

8.2 The contribution rate includes funding for the Program for Enhanced Early Retirement (PEER '84 which began with March 1992 hours). Effective April 1, 2003 based on March, 2003 hours, the hourly contribution rate to the Trust fund shall be increased by Twenty cents (\$0.20) per straight-time hours worked. This contribution shall be paid on the same basis as contributions provided for in 8.1(a) and 8.1(b) above. The total contribution to the Pension Trust Fund shall be Two Dollar and Ninety Five Cents (\$2.95) per straight-time hour. Two Dollar and Seventy Seven Cents (\$2.77) to basic plan and Eighteen cents (\$0.18) to PEER '84. The contributions required to provide for PEER '84 will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER must at all times be six and one-half percent (6.5%) of the basic contribution and can not be decreased or discontinued at any time.

Effective April 1, 2004, based on March, 2004 hours, increase contributions an additional Ten cents (\$0.10) per straight time hour to be allocated between basic benefits and PEER coverage as required.

Effective April 1, 2005, based on March, 2005 hours, increase contributions an additional Ten Cents (\$0.10) per straight time hour to be allocated between basic benefits and PEER coverage as required

Effective April 1, 2006, based on March, 2006 hours, increase contributions an additional Ten Cents (\$0.10) per straight time hour to be allocated between basic benefits and PEER coverage as required

8.3 The Employer shall make pension contributions on all employees covered under this Agreement for all straight time compensable hours. Time paid for but not worked, such as

holidays and vacation time, shall be considered as time worked for the purpose of this Article, but no payment shall be made on overtime hours.

8.4 The Employer shall not be obligated to make payments to the Pension Trust Fund of amounts in excess of those, which are deductible from gross income, by the Employer under Section 404 of the Internal Revenue Code.

8.5 The total amount due for each calendar month shall be remitted in a lump sum not later than the twentieth (20th) day of the following month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate recording of such amounts paid on account of the employees. Failure to make the payments herein provided, within the time specified shall be a breach of this Agreement.

8.6 **Diversion of Monies to Pension:** It is understood and agreed that Local Unions that are party to this Agreement may, by proper and timely notice to the Company (certifying a majority vote of the collective membership), divert all or part of a specified, upcoming contractual wage increase to an hourly Pension contribution to the Western Conference of Teamsters Pension Fund ("Trust Fund"). If the diversion is made, it will be in lieu of a wage increase, provided the Trust Fund Trustees approve and sufficient advance notice is given to make it administratively feasible to do so. Such Diversion shall be applicable to all the employees covered by this Agreement.

8.7 **Break In Rate For Probationary Employees:** For probationary employees hired on or after May 1, 2004, (or date of TRUST acceptance, if later), the employer shall pay an hourly contribution rate of ten cents (\$.10) (including PEER/84) during the probationary period as defined in Article 10/Section 10.1, but in no case for a period longer than ninety (90) calendar days from an employee's first date of hire. Contributions shall be made on the same basis as set forth in this Article 8/Section 8.1 and 8.2 of the Agreement. After the expiration of the probationary period as defined in Article 10/Section 10.1 but in no event longer than ninety (90) calendar days from an employees first date of hire, the contribution shall be increased to the full

contractual rate.

ARTICLE 9 - COST-OF-LIVING

Inoperative for the Term of This Agreement.

9.1 Effective _____ all employees covered by this Agreement shall be entitled to a cost-of-living adjustment based on the following conditions:

(a) Dates of Cost-Of-Living Adjustments

March September March September

(b) Index

CPI Index to be used is the CPI-W, (Revised Index, base the 1971-73 Consumer Price Survey) Los Angeles-Long Beach-Anaheim Area-All Items- (1967=100).

(c) Formula

- (1) There shall be an annual corridor of 3.0 points.
- (2) Wage Rate increases after the "corridor" to be computed at .45 point, (45/100 of one full point), equals One Cent (\$0.01) increase in the base hourly wage rate.
- (3) Maximum increases in each of the four (4) adjustments to be Twenty-five Cents (\$0.25) per hour.

(d) Method

Using the July, _____, as the Base Index for the first (1st and 2nd) adjustment, COL increases shall be computed as follow:

(1) First Adjustment:

The difference between the July, _____, Index and the January, _____, Index, less the 3.0 annual "corridor", divided by .45 equals the cents per hour increase in the base Hourly Wage Rates, subject to the minimums and maximum referred to above. Effective date of increase to be the first Sunday in March, _____.

(2) Second Adjustment:

The difference between the July, ____, Index and the July, ____, Index, less the 3.0 annual "corridor", divided by .45 (less the increase of March ____) shall be applied to the Base Hourly Wage Rates, effective the first Sunday in September, _____.

3) The _____ adjustments shall be made in the same manner as above.

ARTICLE 10 - FULL WEEK'S WORK

10.1 A full week's work shall be given to as many regular employees as possible. A full week's work shall consist of forty (40) hours within any five (5) scheduled days within the calendar week. A regular employee is one who has been continuously employed by the Employer for ninety (90) days.

10.2 The Employer may establish a basic straight-time workweek of four (4) ten (10) hour days as follows:

(a) Ten (10) hours shall constitute a day's work, and shall be completed within ten and one-half (10 ½) hours.

(b) Ten (10) hours work per day shall be offered each employee. When an employee requests to work less than ten (10) hours per day, he shall be paid at his regular hourly rate for the time actually worked.

(c) All such employees shall receive at least two (2) consecutive days off each calendar week.

(d) When a holiday falls on an employee's regularly scheduled day of work, and he is not required to work on that day, and his regularly scheduled workweek consist of four (4), ten (10) hour days, he shall be paid as a holiday premium, ten (10) hours pay for that day and that

shall be considered as ten (10) hours worked for the purpose of computing overtime in that work week.

(e) When a holiday falls on an employee's regularly scheduled day of work and the employee works on that day, he shall be paid as a holiday premium, eight (8) hours pay for that day and shall be paid, in addition, one and one half (1 ½) times the contract rate of pay for the number of hours that he actually works but for no less than (10) hours.

(f) When a holiday falls on an employee's regular day of rest, and he does not work, he shall receive a holiday premium of eight (8) hours pay and the holiday premium shall not be considered as hours worked for the purposes of computing overtime in that work week.

(g) In the event a holiday falls on an employee's regular day of rest, and the employee is required to work, he shall be paid time and one-half (1 ½) for working that day plus a holiday premium of eight (8) hours pay.

(h) The fifth (5th) day worked in any work week shall be paid for at one and one-half (1 ½) times the regular hourly rate. All hours worked in excess of ten (10) hours (excluding one half (1/2) hour for lunch) in any one day, or fifty (50) hours in any work week shall be paid at two (2) times the regular hourly rate.

(i) The Employer agrees that there will be no layoffs because of the establishment of four (4) ten (10) hours per day work weeks.

10.3 Any employee who may be called as a witness or to make a deposition at the Company's request shall be reimbursed at the regular scale of wages for any time loss incurred.

10.4 The Union agrees it will meet with individual companies to try to establish alternate work week schedules in accordance with Regulation 15 AQMD requirements.

ARTICLE 11 - NEW EMPLOYEE

11.1 All new employees hired may be hired at 20% less than classification rate for the first six (6) months and 10% less than classification rate for the second six (6) months of employment, after which full classification rates shall be paid.

ARTICLE 12 - METHOD OF PAYMENT

12.1 Employees shall be paid on a two-weeks basis; the payroll period shall end on Saturday. The actual payment will be made not later than seven (7) days following the end of each two week period. Amounts due the Employer because of purchases or shortages may be deducted from the paycheck.

12.2 **Remittance Advice** - The remittance advice accompanying employee's pay shall show, separate from the regular pay, overtime, days off worked, holiday pay, social security, disability insurance, withholding tax and any other deductions agreed upon between the Employer and Employee.

12.3 If the employee so requests, pay shortages shall be corrected within one (1) week after the shortage is reported.

ARTICLE 13 - TIME CLOCKS

13.1 Employer shall provide and maintain a time clock for all employees covered by this Agreement and shall require employees to register on it properly.

13.2 **Verifying Pay** - Upon the request of the Union, the Employer agrees to submit the payroll records of Union members for an audit by any properly qualified person designated and paid for by the Union, provided, however, that the Employer's liability for any discrepancies found shall be limited to the period of six (6) months immediately proceeding the date of the Union's request.

ARTICLE 14 - TERMINATION NOTICE

14.1 Regular employees shall give and be given one (1) week's notice in case of termination of employment, including terminations resulting from layoffs, except in case of discharge for dishonesty, drinking of alcoholic beverages, use of illegal chemical substances or flagrant insubordination while on the job, or other instances of gross misconduct. A week's notice shall not include vacation. Employees who are about to retire are requested to give a minimum sixty (60) days notice.

14.2 A regular employee who fails to give his Employer the one (1) week's notice provided above shall be paid only for time actually worked, and shall forfeit up to one (1) week of pro rata vacation pay, as well as all other benefits to which he might otherwise be entitled.

14.3 An employee who has not achieved the status of a regular employee as defined in Article 10.1 above may be terminated at the option of the Employer.

ARTICLE 15 – DISCHARGE

15.1 An employee may be discharged for just cause. Violation of Employer's posted rules may constitute sufficient grounds for disciplinary action, including discharge. The severity of any penalty may be subject to the grievance procedure under ARTICLE 34. Employer shall submit to the Union a copy of any posted rules and subsequent changes.

15.2 Except for discharge for proven theft, drinking alcoholic beverage while on the job or on Company property, using illegal chemical substances while on the job or on Company property, violations of the substance abuse policy (which covers alcohol or illegal drugs), flagrant insubordination or other acts of serious willful misconduct, an employee shall not be discharged unless he / she has had a verbal warning (which is non-mandatory and will not always be used), a written warning, a final written warning, and is provided with an "employee conference" as a final step prior to discharge being imposed (this provides for either a three step or a four step procedure of progressive discipline before termination of employment). The affected Local Union is to be mailed a copy of all disciplinary actions, other than verbal

warnings. Employee warning notices shall not be valid after twelve (12) months from the date of issuance.

Employee Conference - When an employee's performance is deemed to be unsatisfactory, the Employer will meet with the Union and the employee in an effort to correct the employee's performance. If the employee continues to engage in a course of action that warrants disciplinary action(s), including discharge, then the Employer will notify the affected Local Union prior to the discharge of the employee.

When the Union is notified by the Employer that an Employee Conference is required and the Union Representative is unable to meet within a ten (10) day time period, the Employer may continue with the attendance of a Shop Steward. Once the Union has been notified that an employee Conference is required, and the employee commits another infraction that warrants further discipline, the Employer may discipline that employee, provided that the Union has been notified of the Employee Conference in writing.

15.3 Failure by the employee or the Union to protest or grieve on a warning notice at the time of issuance shall not, in itself, constitute an agreement or admission as to the validity of the warning notice or the gravity of the alleged offense.

ARTICLE 16 - LAYOFFS

16.1 When Employer finds it necessary to hire additional employees, he shall re-hire for a period of one hundred and eighty-two (182) days immediately following layoff, those regular employees whom he has previously laid off, in the reverse order in which they were laid off, provided they are available within forty-eight (48) hours and are able to do the work.

16.2 If a regular employee, having been laid off, is notified within one hundred eighty-two (182) days by registered mail at his last known address to return to work, fails to report for work within forty-eight (48) hours after such notice, his seniority is broken.

16.3 A regular employee who has been laid off shall accumulate seniority for a period not exceeding one hundred eighty-two (182) days, at which time seniority shall be broken if such employee has not been notified to return to work.

16.4 Temporary employees who are re-employed within ninety-one (91) days of any layoff shall be given credit toward their continuous employment requirement for all time actually worked prior to the layoff. The period of any layoff shall not be considered as time worked for any purpose. This Article shall not have any bearing upon eligibility for the Health and Welfare benefits as provided under Section 7.8 of this Agreement.

ARTICLE 17 - SENIORITY AND BIDDING

17.1 Jobs requiring performance of work covered by this Agreement shall be filled by the bidding procedure hereinafter set forth:

(a) All jobs that are open shall be posted for a period of ninety-six (96) hours on a form agreed upon by the Employer and the Union. The results shall be posted for ninety-six (96) hours.

(b) The initial posting for a vacancy of a new or existing job shall be made within seven (7) days after the vacancy occurs and shall be filled within fifteen (15) days after the successful bidder has been determined.

(c) Only those employees in the department and branch where the opening exists may bid on such opening, provided that:

If no employee in the department where the vacancy occurs bids on the job, an employee in the plant or branch where the opening exists may bid on the job, and;

If an employee in the department where the vacancy occurs is the successful bidder, the opening created by the successful bidder may be bid by an employee in the plant or branch where the opening exists.

(d) The Employer may consider Wholesale Sales, Milk Plant, Ice Cream Plant, Truck Drivers, Shipping and similar operating groups as Departments.

(e) An employee may bid on another job within his Department at any time, but his bid need not be given consideration during the first twelve (12) months of his employment or during the six (6) months period since successfully bidding on another job. If an employee's job is eliminated within the six (6) month period after successfully having bid it, the six (6) months shall be waived.

(f) The resulting changes shall be limited to two (2).

(g) The Employer shall not consider any bids not made in conformity with the terms and provisions of Article 17.

(h) It is not the intent of this Article to permit plant employees to bid on driving vacancies nor to permit driver employees to bid on plant vacancies except by mutual agreement between the Employer and the Union.

17.2 The following procedure shall be observed in filing job openings:

(a) Where the Employer finds that the qualifications of two (2) or more bidders for the job which is open are substantially equal then seniority shall be the determining factor.

(b) Where the Employer finds that there are qualified bidders but that the qualifications of none of the qualified bidders are substantially equal, then he shall select the employee best qualified to perform the job which is open.

(c) Where the Employer does not find any bidder to be qualified or where there are no bidders, then employer shall make the best selection available.

(d) In determining the qualifications of the bidders, the Employer shall give fair and impartial considerations to all of the facts bearing on the matter and any decision made shall not be arbitrary, discriminatory or the result of bias or prejudice.

(e) Seniority shall prevail in the choice of days off but only when the day is available and open, and except in the plant where, the days off shall follow the job. Seniority will prevail in the choice of days off when ever possible for employees in the same job classification, same department, and same shift.

f) An employee will be allowed to displace any less senior employee when his job has been eliminated and he is subject to layoff (such displacement shall be allowed regardless of the shift or bracket rates involved), provided he is capable of performing the work involved.

APPLICABLE TO DRIVERS ONLY

Subsequently displaced employees shall be allowed to "bump" less junior employees, to a maximum of three (3) with the fourth (4th) employee being forced to replace the least senior employee (without any reduction in pay).

(g) Whenever a route is changed or revamped (stops/customers), and more than one-half (1/2) of the route remains intact, then the driver will remain with the route. If one-half (1/2) or more is changed or revamped, then it will be posted for bid.

ARTICLE 18 - TRANSFERS

18.1 It is understood and agreed that the employer shall have the sole right to grant or deny any and all requests for transfer.

18.2 If an employee is transferred with his job to another branch within the same company and within the area covered by this Agreement, he shall retain all seniority rights.

18.3 If an employee is transferred without his job to another branch within the same company and within the area covered by this Agreement, the seniority rights of the employee shall be determined by the Employer and the Union before the transfer is consummated.

18.4 If an employee is transferred to an exempt job and is subsequently returned to a Union job that is open, his departmental seniority (less time spent on the exempt job) shall be restored after six (6) months.

18.5 If an employee transfers to another department his departmental seniority will start as of the date of such transfer.

(a) If within one (1) year such employee is scheduled for layoff he may return to the department from which he transferred, with full departmental seniority rights (less time spent in the other department), and will bump the employee with the least seniority in the department, providing:

- 1) He has greater departmental seniority than the employee he would replace, and
- 2) He is qualified to do the work of the employee he would replace.

(b) If such employee is unable to perform the job satisfactorily, or if he does not wish to remain on the job, he may, within one (1) year and at the option of the employer, return to his former department and his departmental seniority (less time spent in the other department) shall be restored after six (6) months.

ARTICLE 19 - UNIFORMS AND CLOTHING

19.1 Employees shall keep themselves in a neat and clean condition at all times, and on duty shall wear such uniform with union labels as shall be specified by Employer. Uniforms shall be furnished by employee, but Employer shall pay for any insignia or advertising required on uniforms. A semi-annual allowance of forty dollars (\$40.00) shall be payable as of March 1 and September 1 of each year to all employees who have been continuously employed by the Employer for three (3) full calendar months immediately preceding such dates.

The Employer may supply employees with uniforms in lieu of the allowance.

19.2 In accordance with the bulletin issued by the Dairy Industrial Relations Association, protective clothing shall be furnished by the Employer.

19.3 Employer shall launder or pay for laundering of coveralls, aprons, trousers, shirts, sweat shirts and cap covers worn by employees when on duty. All laundry will be done by a Union laundry whenever services and prices are comparable.

ARTICLE 20 - FIDELITY BOND

20.1 Employer may require a fidelity bond of any employee, but premium shall be paid by Employer.

ARTICLE 21 - PHYSICAL EXAMINATION

21.1 If an Employer requires physical examinations and/or drivers' clinic examinations of employees he shall pay for all such examinations.

ARTICLE 22 - DONATIONS

22.1 Employer shall not require donations or contributions from employees.

ARTICLE 23 - REDUCTION IN WAGE

23.1 No employee shall suffer a reduction in wage rates or working conditions as a result of this Agreement.

ARTICLE 24 - LEAVES OF ABSENCE

24.1 Informal leaves of absence are those for a period of less than eight (8) days. Formal leaves of absence are those for a period of eight (8) days or more. An informal leave of absence without pay may be granted by Employer at any time. A formal leave of absence, without pay, for a period not to exceed ninety-one (91) days, may be granted by Employer upon written application by employee to Employer, with a copy to the Union. A formal leave of absence may, in exceptional cases, be extended by Employer upon written application from the employee and receipt of written approval from Employer. Seniority shall accumulate during both

formal and informal leaves of absence provided the employee returns within the period of time specified in the leave of absence or extension thereof, and provided the employee has not been gainfully employed during leave of absence. For purposes of this Article, vacation seniority shall accrue for ninety (90) days provided the employee returns as specified herein and shall apply to all leaves of absence.

24.2 It is mutually understood that the words "gainfully employed," cover instances where an employee goes into business for himself, etc.

24.3 Whenever a regular employee becomes unable to perform his work by reason of illness or injury, he may request a medical leave of absence based on the following:

(a) Upon presentation of proper medical evidence, the Employer shall grant a leave for the period of disability. The length of the leave shall not be longer than the period of the employee's employment at the commencement date of the disability or six (6) months, whichever period is the lesser.

(b) The period of the leave of absence may be further extended by the Employer in exceptional cases. Seniority shall accumulate during the period of such leave.

Any employee returning to work from an absence due to illness or injury of thirty (30) days duration or more shall notify the Employer of his return to work seventy-two (72) hours prior to his return.

24.4 Any employee returning to work from an absence due to illness or injury of less than thirty (30) days duration shall notify the Employer of his return to work by the end of his regular shift next preceding his return to work.

ARTICLE 25 - FUNERAL LEAVE

25.1 An employee who loses time on scheduled work days as a result of the death of a member of his immediate family will be paid a maximum of three (3) days (each day at eight (8)

straight time hours) or three (3) days at ten (10) straight time hours on a four (4) ten (10) work week for working time lost as a result of attendance at the funeral and/or burial or estate matters.

25.2 Immediate family shall be defined as an employees' parents, grand parents, spouse, children, brothers sisters, grand children, stepchildren of current spouse and stepparents.

25.3 Employer may require reasonable proof or verification.

ARTICLE 26 – SICK LEAVE

26.1 The Employer shall provide the employee the opportunity to earn, accrue, and accumulate up to four (4) sick days per year.

For purposes of sick leave accrual calculations, the Employer shall adopt the formula described below. The Employer shall not change that method during the term of the Agreement:

26.2 It is Understood and Agreed that in months in which the Employer works the employees less than one-hundred and seventy three (173) hours, the employee must work at least 96.8 percent of the available hours to earn that months accrual.

26.3 Sick days will be earned on a monthly hour accrual basis: Each month an employee works or is paid for (such as holiday, vacation or sick leave pay) at least 96.8 percent: of the available / scheduled hours the employee will earn two and two thirds (2 2/3) hours of sick leave if working a five (5) day eight hour schedule or three and one-third (3 1/3) hours if working a four (4) day (10) hour schedule. In the case where the employee may work more than one schedule per month, the accrual shall be based on what schedule the employee spends the majority of time.

26.4 The employee shall either use or accumulate sick leave pay. However, if the employee is sick and has earned sick leave days available, he must use the sick leave in full day increments. All unused sick leave pay, in excess of four (4) days accrued, shall be paid to the employee on their Company anniversary date or on any other annual date selected by the

employer. At the time of termination, all unused sick leave shall be paid unless the employee is discharged for just cause.

26.5 Sick Leave pay shall be paid on the first day lost. Employees working a five (5) day eight (8) hour schedule shall receive eight (8) hours pay. Employees on a four (4) day ten (10) hour schedule shall be paid ten (10) hours pay. For purposes of annual date pay off, all eligible employees shall be paid in full days only, regardless of workday schedules. When hours are accrued in addition to full days, those hours shall remain in the sick leave bank.

26.6 The use of sick leave pay shall prevent an employee from receiving an "occurrence" as it relates to attendance policies

ARTICLE 27 - EMPLOYEES UNABLE TO COMPLETE DAYS WORK

27.1 If an employee sustains an industrial injury and there is medical evidence that such injury prevented him from continuing work on the day of the injury, he shall be paid for the time worked on such day, but for not less than eight (8) hours.

27.2 If an employee because of illness or some other personal reason is unable to continue with his work he shall be paid for the actual number of hours worked.

27.3 If an employee is called in to finish a shift for an employee who for some reason is unable to finish his work, such an employee shall be paid at the applicable rate, for the number of hours worked, but in no event is he to be paid for less than four (4) hours.

ARTICLE 28 - VETERANS

28.1 A Veteran who is re-employed by his former Employer, after complying with the provisions of the Universal Military Training and Service Act, as amended, or the Reserve Forces Act of 1955, will be entitled to restoration of his former seniority date and following vacation benefits:

Pro rata vacation for each full thirty (30) days between the date of return from service and the next following anniversary of his seniority date. This shall be payable upon the anniversary of the seniority date or date of termination if earlier.

ARTICLE 29 - REST PERIODS

29.1 Each Employer shall continue his present practice with respect to rest periods, provided each employee shall receive not less than two (2) ten (10) minute rest periods per day.

ARTICLE 30 - BULLETIN BOARDS

30.1 The Employer shall provide bulletin board space for the exclusive purpose of posting official Union notices and bulletins.

ARTICLE 31 - JOB CLASSIFICATION

31.1 The classification of new jobs established after the date of this contract shall be negotiated between the Employer and the Union.

ARTICLE 32 - PRESERVATION OF WORK

32.1 For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services presently performed or hereafter assigned to the collective bargaining unit will be sub-contracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless such other plant, person or non-unit employees observes and causes its employees to observe substantially the same economic conditions of employment, or conditions of employment which are more beneficial to its employees, than those observed by the Employer. The word employee referred to above shall include so called "independent owner-operators."

32.2 Employer agrees that, unless required to do so by law or lawful public authority, it will not sell dairy products at its platform to any person, firm or corporation who buys said product for distribution to retail outlets in competition with route drivers covered by this Agreement and similar agreements with other employers in this area, unless such person, firm or

corporation observes and causes its employees to observe substantially the same conditions of employment as those observed by Employer.

ARTICLE 33 - NEW LOCATIONS

33.1 In the event the Employer moves the location of his present operation covered by this Agreement, to a location within the geographical jurisdiction of Joint Council of Teamsters No. 42 and Joint Council of Teamsters No. 92, present employees shall have preference for vacancies at such locations in accordance with seniority and qualification. Such assignment shall be subject to Employer's work force requirements at both the old and new locations. Subject to the above, qualified employees with seniority rights who have been laid off or would be laid off because of such new locations shall have preference for employment before any new employees are hired.

ARTICLE 34 - SETTLEMENT OF CONTROVERSIES

34.1 It is agreed by the Union and the Employer that there shall be no strikes or lockouts during the life of this Agreement, and that any and all controversies which may arise shall be settled as hereinafter provided.

34.2 When any dispute arises, an attempt shall first be made to settle the matter amicably by conference between the employee, a Union Steward if so desired, and his immediate supervisor. If called upon at this step of the grievance procedure, a Union Representative and supervisor or other representative of the Company may also attempt settlement.

34.3 Any grievance including, but not limited to, discharge or suspension must be submitted by the employee in writing to the Employer and the Union, within ten (10) days of the occurrence or knowledge of the event giving rise to the grievance, or it will be considered untimely and not subject to further process through the grievance procedure.

34.4 If the issue is still unresolved, either party may submit the grievance to a Joint Labor-Management Committee consisting of four (4) representatives. Two (2) representatives shall be designated by the Union and two (2) representatives shall be designated by the

Employer. However, the parties may by mutual agreement, bypass the Joint Labor-Management Committee and elect to go straight to arbitration.

34.5 The Joint Labor-Management Committee shall meet on the fourth (4th) Tuesday and if necessary on the fourth (4th) Wednesday of each month or other mutually agreed upon dates. Either party may cancel up to three (3) consecutive scheduled Joint Labor-Management Committee meetings. After the third (3rd) time a meeting has been canceled in which an issue has been scheduled, either party may elect to by-pass the Joint Labor-Management Committee and move directly to arbitration on that issue. While the arbitration is pending, a sincere effort will be made to hold a Joint Labor Management meeting and have the case heard. If a majority decision is rendered, then that decision will govern (as stated in following paragraph), and the arbitration will be canceled. If any fee or cost is associated with said cancellation, then the losing party will pay the fees and/or costs as decided by the panel decision.

A majority vote of the members of the Committee will decide the issue and the decision shall be final and binding on all parties. Issues to be considered at the meetings must have been received by the parties at least ten (10) days prior to the regular meeting date.

34.6 In the event of a tie vote or mutual agreement to by pass the Joint Labor-Management Committee pursuant to Article 34.4 above, either the Employer or the Union may request that the matter be submitted to an impartial arbitrator from the following list of seven (7) arbitrators by alternately striking off names until a single name remains. (By mutual agreement, the parties may send for a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service and select a single name as set forth above rather than using the following list.)

Howard Block

Donald Prayzich

George Marshall

John Matull

Joseph Gentile

Harold Somers

////////////////////////////////////

Lionel Richman

////////////////////////////////////

34.7 The arbitrator selected shall hear the case within thirty (30) days after notification of selection and the arbitrator may make a bench decision at the end of the hearing. In the event a bench decision is not made, however, the arbitrator shall render a decision no later than thirty (30) days following the receipt of briefs and in cases where no briefs are filed, fifteen (15) days from the close of the hearing.

34.8 The arbitrator's fee shall be born by the losing party with the arbitrator making the decision as to whom the losing party is. If there is more than one losing party, the arbitrator is authorized to require a sharing of the arbitrator's fee. The decision of the arbitrator shall be final and binding on both parties, provided that the arbitrator shall not have the authority to change, alter or modify any of the terms or provisions of the Agreement.

ARTICLE 35 - SUCCESSORS AND ASSIGNS

35.1 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation, or any portion thereof, is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership, or bankruptcy proceedings, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of sale.

ARTICLE 36 - SUBSTANCE ABUSE POLICY

36.1 Substance abuse policy identified as "BITLC" is adopted and may be put into effect by individual employers. The policy is subject to change and modification by mutual agreement between the Union and Employer Negotiating Committees only. Employees covered by D.O.T. regulations must submit to drug and alcohol testing in accordance with D.O.T. regulations. If an employee tests positive, the employee will be subject to discipline and rehabilitation in accordance with the BITLC Policy.

36.2 When a job accident occurs that requires treatment by a Medical Professional, a sample will be taken for drug / alcohol testing. The sample will be split, and tested in accordance

with the *Substance Abuse Policy*. If the test results are reported as positive then the employee will be subject to the terms and conditions of the *Substance Abuse Policy*.

ARTICLE 37 - TERM

37.1 This Agreement shall become effective on the first shift starting on March 1, 2004, and shall continue in effect until the beginning of the first shift starting March 1, 2007, and from year to year thereafter unless either party shall give the other written notice of intention to terminate or modify this Agreement at least sixty (60) days prior to March 1, 2007, or March 1st of any calendar year thereafter. The parties agree that negotiations of a new Agreement shall commence as soon as practicable after such notice is given and that irrespective of the notice to terminate or modify, such negotiations may continue after the termination date. The termination notice may be made effective by either part at any time after such termination date, by giving the other party seven (7) days written notice by registered mail. This Agreement shall be deemed terminated seven (7) days after such written notice is given.

37.2 It is understood that should abnormal changes in living costs or economic conditions in the dairy industry arise, then either party may, upon sixty (60) days written notice to the other party, request opening negotiations to adjust wage rates only as contained in Appendixes A and B of this Agreement, in which case this Agreement shall remain in force until consummation of a new Agreement on wages

37.3 In the event that this Agreement is opened for negotiations as provided in Section 37.1 or Section 37.2 and should the parties hereto be unable to mutually reach a satisfactory agreement in the negotiations resulting from the opening of the contract within sixty (60) days after the date of such notice, then either party may request arbitration of the then existing differences as hereinabove provided.

37.4 *Separability and Savings Clause* - If any article of this Conventional Dairy Agreement, or any of the agreements supplemental hereto, or riders to such supplemental agreements, should be held invalid by operation of law or by any tribunal of competent

jurisdiction or if compliance with or enforcement of any Article of the Agreements referred to above, should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement, supplemental agreements, or of any rider, or the application of same to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first herein above written.

FOR THE EMPLOYER:

FOR THE UNIONS:

**On Behalf of Teamsters Unions Nos. 63,
166, 186, 542, 630, 683, 952**

Paul V. Birkhoff 6/9/04
Name Date

Steve Neysen
Chairman, Union Negotiating Committee

President
Title

6/9/04
Date

APPENDIX "A"

ROUTE FOREMEN, RELIEF DRIVERS, ICE CREAM DRIVERS, ROUTE DRIVER, AND TRUCK DRIVERS

1. WAGES, HOURS, OVERTIME, NIGHT PREMIUM AND WORKWEEK - ROUTE DRIVER, RELIEF DRIVERS, ROUTE FOREMAN, AND ICE CREAM DRIVER (STORE DOOR DELIVERY.)

(a) All Route Drivers, Relief Drivers, Route Foreman and Ice Cream Drivers shall have made available to them five (5) days work per calendar week, unless by agreement with the Union. The Employer may establish a basic straight-time workweek of four (4) ten (10) hour days in accordance with Article 10. Ten (10) hours, exclusive of one-half (½) hour for lunch, shall constitute a day's work if the Employee is on a straight-time week of four (4) ten (10) hour days.

(b) On Routes operating four (4) days per week, ten (10) hours per day, the Route Drivers shall receive two (2) designated days off per week and the third day will be scheduled on a rotating basis.

(c) The working day shall commence when the Route Driver registers on the time clock ready for duty at the time designated by the Employer as the starting time, and shall finish when the Route Driver again registers on the time clock after completion of all duties required of him by the Employer. Time voluntarily spent by the Route Driver verifying his records or looking for discrepancies shall not be included in the clock time unless such discrepancies are determined to be errors on the part of the Employer.

(d) Any time computed in accordance with No.1 (c) above in excess of nine (9) hours per day (exclusive of one-half (½) hour lunch period) shall be paid at the overtime rate of one and one (1 ½) times the hourly rate.

(e) Any time, not in excess of nine (9) hours per day computed in accordance with No.1 (c) above, in excess of forty (40) hours per week (exclusive of two and one half (2 ½) hours for lunch periods) shall be paid at one and one-half (1 ½) times the hourly rate. For the purposes of this Article, time worked on any regular day shall be considered as not less than seven (7) hours.

(f) If a Route Driver, Relief Driver, Route Foreman, or Ice Cream Driver is called in to work on either of his designated days off, he shall have at least eight (8) hours work made available to him or shall be paid a minimum of eight (8) hours pay at the overtime rate. The Employer may not offset any under time on such days against overtime worked during the regularly scheduled workweek.

(g) The Employer agrees that he will not transfer a single route to a single truck, owner-operator without the prior consent of the Union during the life of this Agreement.

(h) **WAGE RATES, FULL SERVICE ROUTES**

Classification	Effective 3-01-03	Effective 3-01-04	Effective 3-01-05	Effective 3-01-06
Route Foreman	19.4175	19.9175	20.3675	20.8175
Relief Driver	19.1175	19.6175	20.0675	20.5175
Route Driver	18.9175	19.4175	19.8675	20.3175
Ice Cream Driver	18.5625	19.0625	19.5125	19.9625

(i) Drivers who drive equipment with a bed length of trailer or combination of trailers of twenty five (25) feet or more shall receive Seventeen and one half cents (\$.175) per hour in addition to the applicable rate above.

(j) **NIGHT PREMIUM** - The following night work premium shall be paid to classifications in (h) above: a premium of Twenty Cents (\$.20) per hour over the regular hourly rate for the job performed shall be paid for all regular shift hours worked between 6:00 p.m. and

6:00 a.m. and for all regular shift hours worked by anyone who starts to work between 6:00 p.m. and 4:00 a.m.

A night work overtime rate shall apply to all overtime worked between 10:00 p.m. and 6:00 a.m. and to all overtime hours worked at any time by anyone who starts work between 6:00 p.m. and 4:00 a.m. All other overtime hours worked shall be paid at the day work overtime rate.

2. RELIEF DRIVERS

Relief Drivers shall run the routes properly for the Regular Drivers they relieve, and shall furnish the Regular Driver with an accounting of the route relieved. In no event may the Relief Driver be required or allowed to exercise any supervisory duties, or break in new men except for his regular days on the route. Drivers relieving routes during regular vacations or extensions thereof shall be paid at the Relief Drivers rate.

3. ROUTE FOREMEN

A Route Foreman shall be required to supervise routes and Relief Drivers assigned to him and shall correct to the best of his ability any irregularities discovered, and shall report same to his immediate superior. He may be required to relieve Regular or Relief Drivers in cases of emergency but shall not have any permanent relief schedule.

4. CASH BOND

If a cash bond is required, it shall not be in excess of One Hundred Dollars (\$100.00). Employees shall be paid annually the interest earned by the cash bond. Employer may withhold Cash Bond until Route Driver's account is settled but not exceeding (30) days.

5. RAIDING ROUTES

Route Drivers shall not work in a territory formally served for another Employer for a period of twelve (12) months after termination of said employment, and Employer shall not so employ a Route Driver except by mutual agreement with the former employer and Union.

6. **CREDIT FOR DAMAGED GOODS**

Employee shall be allowed credit for stolen, spilled, or soured goods upon proper evidence, providing Employer's rules, posted or issued in written form, are complied with.

7. **ROUTE DRIVER'S ACCOUNTING WITH EMPLOYER**

(a) Route Drivers shall be advised within twenty four (24) hours of any special deliveries charged to their routes.

(b) Route charges and credits not supported by documentary evidence cannot be claimed by Employer or Route Driver after the end of the next regular workday that falls between Monday and Friday.

(c) All charges and credits and cash of Route Driver shall be checked with a full explanation daily on current daily sales.

(d) Upon request of the Route Driver, all records necessary for him to check his account with Employer shall be made available to him at the plant where he works.

(e) Route Driver's load sheet for each day shall be computed, balanced, and made available to him on that day.

(f) Route Drivers who are charged for shortages shall be paid or credited for overages.

(g) The accounting procedures specified in this Article shall not be changed except by mutual agreement with the Union.

8. **TRUCK DRIVERS (ALL OTHERS INCLUDING BRANCH, RELAY, LONG HAUL, AND TANKER DRIVERS) - WAGES, HOURS, OVERTIME AND WORKWEEK**

(a) Eight (8) hours (exclusive of one-half (½) hour for lunch), starting at the time designated by Employer, shall constitute a day's work. The Employer may establish a basic

straight-time workweek of four (4) ten (10) hour days in accordance with Article 10.2. Ten (10) hours, exclusive of one-half (½) hour for lunch, shall constitute a day's work if the employee is on a straight time week of four (4) ten (10) hour days.

(b) All Truck Drivers shall have made available to them five (5) days work per calendar week or the equivalent in wages, unless by agreement with the Union.

(c) Any employee who reports for work, not having received twenty-four (24) hours notice otherwise, shall be paid for a half (½) day, and if he works more than four (4) hours he shall be paid for a day's work for each day so worked.

(d) All hours worked in excess of eight (8) hours (excluding one-half (½) hour for lunch) in anyone (1) day, or forty (40) in any workweek, shall be paid at one and one half (1 ½) times the regular hourly rate.

(e) Truck Drivers who make the entire delivery ordinarily made by a Route Driver including Military Installations shall be paid the Route Driver's rate of pay for such deliveries. If a Truck Driver makes deliveries which qualify under Paragraph 1. above, he shall be paid for time spent at Route Driver's rate and if such time exceeds four (4) hours, he shall be paid for the entire day at the Route Driver rate.

(f) **Night Work Premium** - The following night Work Premium shall be paid to classification in (i) below: A premium of twenty cents (\$0.20) per hour over the regular hourly rate for the job performed shall be paid for all regular shift hours worked between 6:00 p.m. and 6:00 a.m., and for all regular shift hours worked by anyone who starts to work between 6:00 p.m. and 4:00 a.m.

(g) A night work overtime rate shall apply to all overtime work between 10:00 p.m. and 6:00 a. m., and to all overtime hours worked at anytime by anyone who starts work between 6:00 p.m. and 4:00 a.m. All other overtime hours worked shall be paid at the day work overtime rate.

(h) The Employer agrees that he will not transfer a single route to a single truck, owner-operator without the prior consent of the Union during the life of this Agreement.

(i) **TRUCK DRIVERS** - The hourly rates for the classifications listed below shall be as follows:

Classification	Effective 3-01-03	Effective 3-01-04	Effective 3-01-05	Effective 3-01-06
Driver of Tractor, and 2 Trailers, or Semi-Trailer with bed length of 25' or more	19.0225	19.5225	19.9725	20.4225
Relief Truck Driver	19.2225	19.7225	20.1725	20.6225
Driver Foreman	19.5225	20.0225	20.4725	20.9225
Tanker Driver	19.0225	19.5225	19.9725	20.4225

(j) The employee shall have time to check the mechanical and physical conditions of his equipment before leaving the Employer's yard. He shall have time to complete the procedure each time he makes an equipment change.

(k) If an employee is required to be gone away from home overnight the Employer shall provide him with clean and reasonable lodging and two (2) meals each twenty-four (24) hours, or twenty five dollars (\$25.00) every twenty-four (24) hours; (meals only, Employer may require receipts).

(l) All runs shall be in accordance with the proper governing body regarding hours of work.

(m) The Employer shall not establish any runs based on conditions other than those provided for in this Agreement, except by mutual agreement with the Union.

(n) Time spent at processor's facility pumping milk shall be considered as time worked, unless the employee is relieved of duty and all responsibilities.

9. EMPLOYEES' MEETINGS

(a) Not more than six (6) meetings per year, except for safety courts, shall be called on employee's time. Such meetings shall called on not less than three (3) days notice and shall be held at an hour most convenient to the majority of employees affected, and at a time not to conflict with regular Union meetings. No employee shall be required to attend sales meetings or safety courts on his or her designated days off, and no employee shall be required to attend such meetings if the meeting time is scheduled for more than one (1) hour after the employee's check-out time.

(b) It is the Employer's responsibility to set the time at which a sales meeting will start. In all cases the meeting is to be adjourned one (1) hour from the original starting time set by Employer.

10. EQUALIZATION OF OVERTIME

No time off shall be given to equalize overtime.

11. "WORK COVERED BY THIS AGREEMENT" as used herein shall not include:

(a) Route riding by supervisory employees with regular Route Drivers in the performance of supervisory duties.

(b) Route checking by supervisory employees with regular Route Drivers in the event of termination of employment of such Route Driver.

(c) Route riding by any exempt employee for transportation only, and not for the purpose of aiding the Route Driver in performance of his duties.

12. LUNCH PERIOD

The lunch period shall be one-half (1/2) hour which shall be deducted from the time shown on the time clock.

13. **DELIVERY**

In making deliveries of milk or frozen dairy product to grocery and market customers, the driver of the delivery vehicle shall place it at any one of the following points, at the customers' election:

- (a) Within the confines of grocery store or market.
- (b) Up to the customer's refrigeration facilities.
- (c) Into the customer's refrigeration facilities.

14. **EQUIPMENT VIOLATIONS**

Employer shall assume responsibility for all citations issued for equipment violations.

15. **DOT EXAMINATION**

The Employer shall pay the cost of necessary; physical examination for D.O.T. card renewals for employees whose assignments require a D.O.T. card, and for initial examination of employees transferred to such assignments, provided employee goes to the Company doctor.

16. **DAYS OFF**

All employees shall receive two (2) designated days off in every workweek, which shall be posted. So far as possible, days off shall be consecutive. Such designated days off shall not be changed on less than seven (7) days notice unless by agreement with the Union and may not be changed during the calendar week in which a Holiday falls, except for January 1st, Thanksgiving Day, December 25th. Provided however, that the Employer guarantees that all those employees whose days off have been changed shall have the aforementioned holidays off. Seniority shall prevail based on employee's choice within job classifications. Time worked at the Employers request on an employee's day of rest shall be paid at the overtime rate. Departmental seniority shall prevail in the choice of days off.

APPENDIX "B"
PLANT EMPLOYEES

1. ***Milk Plant Classifications***

(a) Working Foreperson

(b) Bracket No.1

1. Pasteurizer and Standardizer,
2. Churn Operator or Butter Milk Maker
3. Yogurt Mixer
4. Mix Processor/Separator Operator
5. Weigher and Sampler/Milk Receiver
6. Checker/Head Checker
7. Filler Operator (paper)
8. Blow Mold Machine Operator
9. Whipped Butter Maker
10. Sanitor - Processing Equipment / CIP Operator
11. Evaporator Operator
12. Dryer Operator (Milk Powder)
13. Laboratory Quality Control Technician

Bracket No.2

1. Employees working inside the refrigerated cold box
2. Bottle Filler Operator (Plastic)
3. Butter Machine Operator
4. Lid Knocker
5. Case-off Employee
6. Cheese Peeler and Cheese Cutter
7. Case De-Stacking Machine Operator
8. Butter Strippers
9. Truck Spotter - Retail
10. Scholle Filler Operator

11. Loader and Return Goods Checker, Order Fillers
12. Bottle Feeder/Bottle Pusher
13. Box Operator
14. Pasteurizer's Helper

Bracket No.3

1. Miscellaneous Clean Up Employee (other than processing equipment)
2. Case Stacker – Platform Outside Box:
3. Plant Labor not otherwise classified, provided, however, that the classification of new job, established after the date of this contract shall be negotiated by the Employer and the Union.

Bracket No.4

1. Janitor
2. ***Ice Cream Plant and Miscellaneous Classifications:***
 - (a) Working Forepersons
 - (b) Bracket No.1
 1. Mix Processor
 2. Head Checker
 3. Freezer Operator
 4. Sharp Room Worker, including Reefer Loader while actually loading in reefers (relay equipment)
 5. Novelty Machine Operator
 6. Sanitor – Processing Equipment
 7. Laboratory Quality Control Technician

Bracket No.2

1. Novelty Employee
2. Slab Cutting Machine Operator
3. Loader Outside Sharp Room
4. Warehouse Employee or Stockroom Employee

Bracket No. 3

General Plant clean up employee and all other workers not classified, provided, however, that the classification of new jobs established after the date of this Contract shall be negotiated between the Employer and the Union.

Bracket No.4

1. Janitor

Bracket No.5.

1. Bulkan Filling
2. Paper Can Forming Machine Operator
3. Hand Sticking
4. Butter Wrappers and Cheese Wrappers
5. Butter Machine Feeder
6. Feeders, Packers and Wrappers

Bracket No.6

All other jobs such as:

Ice Cream/Novelty Packer	Cup Packer
Fresh Fruit Prep.	Cut-and-Wrap Packer
Hand Flavor Stamper	Nut-Roll Operation
Magazine Loader	Tying Machine Operator
Sandwich Packer	

3. **Regular Employees** - For the purpose of this Appendix, a regular employee is one who works at the same job on the same shift three (3) or more days of the workweek.

4. **Combination Employee** - Combination employees are those whose regular work falls in more than one (1) classification within the same day, and the rate of pay shall be the rate of each classification for the time worked on each job, except that any employee who spends more than fifty-one percent (51%) of his time at a certain wage rate shall not be paid at lower wage rate for the balance of his days work.

5. (a) **RELIEF EMPLOYEES** - For the purposes of this Appendix, Relief Employees are those who work on different jobs or different shifts three (3) or more days of the workweek. Relief Employees shall receive twenty cents (\$.20) per hour above the highest rated job relieved during the workweek, except when relieving a Working Foreperson, when the rate shall be the rate of the Working Foreperson for that day only.

(b) **REGULAR EMPLOYEES** - Regular Employees performing relief work shall receive for such relief work, Twenty Cents (\$.20) per hour over the rate of the job relieved or their regular Rate, whichever is higher.

6. (a) **NIGHT WORK PREMIUM** - The following night work premium shall be paid to all milk and ice cream plant jobs except that it shall not apply to Bracket 4. A premium of Twenty Cents (\$.20) per hour over the regular hourly rate for the job performed shall be paid for all regular shift hours worked between 6: 00 p.m. and 6:00 a.m. and for all regular shift hours worked by anyone who starts work between 6: 00 p.m. and 4: 00 a.m.

(b) A night work overtime rate shall apply to all overtime worked between 10:00 p.m. and 6:00 a.m. and to all overtime hours worked at any time by anyone who starts work between 6:00 p.m. and 4:00 a.m. All other overtime hours worked shall be paid at the day work overtime rate.

7. **HOURS**

(a) Eight (8) hours within eight and one half (8 ½) hours starting at the time designated by the Employer shall constitute a day's work.

The Employer may establish a basic straight time workweek of four (4) ten (10) hour days in accordance with Section 10.2. Ten (10) hours, exclusive of one half (½) hour for lunch, shall constitute a day's work if the employee is on a straight-time week of four (4) ten (10) hour days.

(b) Any employee who reports for work not having received twenty-four (24) hours notice otherwise, shall be paid for a half (½) day, and if he works more than four (4) hours he shall be paid for a day's work for each day so worked.

8. **OVERTIME**

(a) All hours worked in excess of eight (8) hours in any one day, or forty (40) in any workweek, shall be paid at the applicable overtime rate. The day work overtime rate shall be the regular hourly rate contained in No. 16 of this Appendix "B" times one and one-half (1 ½), and the night work overtime rate shall be the regular hourly day rate plus the night work premium times one and one half (1 ½).

(b) All hours worked in excess of ten (10) hours per days shall be paid at two (2) times the straight time hourly rate.

(c) Except in the case of emergency situations (i.e. fire, floods, Acts of God, breakdown, etc.) no employee shall be required to work overtime unless he has been notified prior to the middle of his normal shift that he will be expected to work overtime that day.

9. **SPLIT SHIFT** - Any employee who is required to take more than one (1) hour off in a period of nine (9) hours, shall be classified as a split shift worker and shall receive Seventeen Cents (\$.17) per hour more than the regular hourly rate as shown in No. 16 of this Appendix B.

10. **MEALS** - Time off for meals shall commence not less than three (3) hours after starting time and shall not extend beyond five (5) hours after starting time. Those employees working a regular ten (10) hour shift will receive time off for meals between the fourth (4th) and sixth (6th) hour from their starting time.

11. **VACATION RELIEF** - Pay for vacation relief shall be at the Relief Man rate except that pay for relief of an employee on a leave of Absence shall be at the regular rate.

12. **SHARP ROOM** - Employees who are required to work in a Sharp Room for thirty (30) minutes shall be worked at least ten (10) minutes outside of the box before being required to work again in the Sharp Room.

13. **TIME OFF BETWEEN SHIFTS**

(a) If an employee is required to return to work within twelve (12) hours after completing the regular straight time hours on any shift, he shall be paid at the rate of time and one-half (1 ½) for all time worked on that shift. This section shall not be applicable to employees who work a "split shift" as defined in No.9 of this Appendix.

(b) In the case of four (4) ten (10) hour day operations, time off will be eight (8) hours between shifts instead of twelve (12) hours.

14. **DAYS OFF** - All employees shall receive two (2) designated days off in every workweek which shall be posted. So far as possible, days off shall be consecutive. Such designated days off shall not be changed on less than seven (7) days notice unless by agreement with the Union and may not be changed during the calendar week in which a holiday falls, except for January 1st, Thanksgiving Day, and December 25th. Provided however, that the Employer guarantees that all those employees whose days off have been changed shall have the aforementioned holidays off. Seniority shall prevail based on employee's choice within job classifications. Time worked at the Employer's request on an employee's day of rest shall be paid at the overtime rate.

15. **OVERTIME ASSIGNMENT** - All overtime work will be assigned by seniority whenever possible; first going to the employee(s) who regularly perform the job, second to the senior employee in the job classification, and lastly by the most senior employee in the seniority unit (provided the employee is qualified to perform the work). Whenever possible, all overtime will either be communicated to all employees or posted in a conspicuous place, especially any extra work or work on days off.

16. **WAGE RATES** - Hourly wage rates shall be as follows:

Hourly Rates

Classification	Effective 3-01-03	Effective 3-01-04	Effective 3-01-05	Effective 3-01-06
Working Foreperson	19.1425	19.6425	20.0925	20.5425
Bracket 1	18.6425	19.1425	19.5925	20.0425
Bracket 2	18.4925	18.9925	19.4425	19.8925
Bracket 3	18.3325	18.8325	19.2825	19.7325
Bracket 4	18.165	18.665	19.115	19.565
Bracket 5	18.015	18.515	18.965	19.415
Bracket 6	17.935	18.435	18.885	19.335

**AGREEMENT:
CONVENTIONAL DAIRY COMPANIES**

ADOHR FARMS, INC.

BALIAN ICE CREAM CO., INC.

CALIFORNIA DAIRIES, INC.

CHALLENGE DAIRY PRODUCTS, INC.

WESTFARM FOODS-FORMERLY: DARIGOLD, INC.

JON DONAIRE/RICH PRODUCTS

MORNINGSTAR FOODS, INC.

SANTEE DAIRIES, INC.

WESTERN FARMS

**MEMORANDUM OF AGREEMENT
 FEBRUARY 19, 2004
 FOR A SUCCESSOR AGREEMENT BETWEEN
 SANTEE DAIRIES**

**AND
 Teamsters Union Locals # 63, 166, 186, 495, 542, 630 & 683**

The following represents an agreement between Santee Dairies (hereinafter referred to as the "Employer") and Teamsters Union Local's # 63, 166, 495, 542, 630 & 683 (hereinafter referred to as the "Union") to modify and renew the existing collective bargaining agreements. All of the following changes shall apply as applicable to the Conventional Dairy Agreement (Plant, Driver, ^{and} Mechanic and Office) who, by signature below, exercise and memorialize this negotiation option. Except as designated and modified below, existing provisions of the 1999 - 2004 agreements shall remain in full force and effect.

1. WAGES:

- For Employees in all classifications the hourly straight time increases to the experienced rates, with the customary progression percentages applied, are effective as follows:

Effective 3-01-04 \$.50 per hour	Effective 3-01-05 \$.45 per hour	Effective 3-01-06 \$.45 per hour
---	---	---

2. HEALTH AND WELFARE:

- The Employer and Union agree that, for the duration of this agreement, the employer shall continue to contribute, on a monthly basis, the entire contribution amount as is deemed necessary by the Employer and Union Trustees in order to maintain such benefits levels under the Southern California Dairy Industry Security Fund, designated as Plan II, to be effective March 1, 2004.

- Contract language shall be amended consistent with the approved Southern California Dairy Industry Security Fund requirements.

A

- It is the intent of the parties signatory to this Memorandum of Agreement that the Employer signatory hereto shall continue to pay the entire amount as set forth by and may be amended from time to time by the Southern California Dairy Industry Security Fund without any additional cost to the employee (full Maintenance of Benefits) for the term of this Agreement.

- For Teamsters Union Local 683, the Health and Welfare programs shall continue to be provided by the Steffa Trust Fund Plan "B" under the same terms and conditions as stated above as is necessary to the appropriate Trust Fund requirements.

- For Teamsters Union Local 542, the Health and Welfare programs shall continue to be provided by the Steffa Trust Fund Plan "C" under the same terms and conditions as stated above as is necessary to the appropriate Trust Fund requirements.

3. PENSION CONTRIBUTIONS:

The Employers shall increase the current contractual Pension contributions, as follows:

- Effective with the hours worked in March 2004, payable in April 2004, the Employer shall contribute and additional ten cents (\$.10) per qualifying hour.
- Effective with the hours worked in March 2005, payable in April 2005, the Employer shall contribute and additional ten cents (\$.10) per qualifying hour.
- Effective with the hours worked in March 2006, payable in April 2006, the Employer shall contribute and additional ten cents (\$.10) per qualifying hour.
- Amend the Pension Article to create an introductory, "Break In Rate" of ten cents (\$.10) per straight time hour worked or paid for the first ninety (90) calendar days (or contractual probationary period, whichever is less) of employment for those employees hired on or after March 1, 2004.
- Contractual language to be amended consistent with approved Western

