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AGREEMENT

Between

**WINERY EMPLOYERS
ASSOCIATION**

and

**UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL UNION,
AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION
LOCALS NO. 45D AND 186D**

Fresno and Modesto, California

FROM APRIL 1, 2004 TO MARCH 31, 2007

AGREEMENT

PARTIES TO CONTRACT

This Agreement entered into the 1st day of April, 2004, by and between the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO/CLC, DISTILLERY, WINE AND ALLIED WORKERS DIVISION, on behalf of its Local Unions 45D and 186D hereinafter referred to as the Union and the WINERY EMPLOYERS ASSOCIATION, acting for its members hereinafter referred to as Employer.

WITNESSETH

WHEREAS, pursuant to the intent and purpose of the parties hereto to promote and improve the industrial and economic relations between the Employer, its employees and the Union, and to establish and encourage the practice and procedure of collective bargaining between the parties hereto, it is mutually agreed as follows:

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ARTICLE I — UNION RECOGNITION

Paragraph 1. The Employer does hereby recognize the Union as the sole labor organization representing the Employer's employees and recognizes and agrees to treat and negotiate with the Union as the sole and exclusive bargaining agency for and on behalf of such employees in the plants of the Employer.

Paragraph 2. The term "employees" as used in this Agreement shall not include Office Employees, Chemists, Laboratory Technicians, Watchmen, Superintendents, Wine Makers, Champagne Makers, and members of other bona fide recognized collective bargaining units as covered by collective bargaining agreements with the Employer.

Paragraph 3. Except in the case of bona fide emergencies, the training and instruction of collective bargaining unit employees, and research or pilot plant operations, all three in conformity with past practices, persons excluded from the bargaining unit shall not be permitted to perform any work normally performed by the employees in the bargaining unit, and which said employees now perform.

ARTICLE II — UNION SECURITY

Paragraph 4. Union membership shall be a condition of employment. Each employee shall be required to become Union members following sixty (60) continuous working days of employment. However, if there is any interruption during the first sixty (60) working days of employment, then application to the Union for membership shall be made after sixty (60) days worked from date of hire.

Paragraph 5. All employees subject to the terms and provisions of this Agreement shall be required to pay the initiation fee, periodic dues and reinstatement fees established by the Union as a condition of good standing membership in the Union.

Paragraph 6. The Union shall be the sole judge of the good standing of its members. Any employee who fails to become a member of the Union within the time limit set forth hereinabove or who fails to pay the required initiation fees, periodic dues and regularly authorized assessments as prescribed by the Union, shall be immediately discharged upon written notice from the Union to the Employer.

Paragraph 7. The Employer agrees to notify the Union in writing within five (5) working days after the hiring of any new employee, giving the employee's name and the classification to be filled by that employee. The Employer also agrees to furnish to the Union the names of all former employees who are rehired no more than seven (7) days after employment.

Upon completion of the probationary period, the Employer agrees to notify the Union in writing on the monthly Dues Report of the employee's name, address, age, sex, telephone number and Social Security number.

Paragraph 8. The Employer agrees to allow one (1) hour per week with pay to authorized shop stewards to conduct Union business. The parties understand and agree that in order for shop stewards to conduct Union business on work time, the steward shall first obtain permission in writing from a salaried supervisor, as shall each employee involved.

Paragraph 9. A duly authorized Union Representative shall have access to the premises of the Employer upon proper notification to the Employer.

Paragraph 10. Bulletin Board.

The Employer shall provide a bulletin board upon which notice concerning official Union business may be posted.

ARTICLE III — CHECKOFF -- INITIATION
FEES, DUES AND ASSESSMENTS

Paragraph 11. The Employer agrees to deduct from the payrolls all initiation fees, periodic dues, reinstatement fees, and assessments as required by the Union upon presentation of individual authorizations as required by law, signed by the employees directing the Employer to make such deductions. The Employer shall make such deductions from the employee's pay once in each month and remit same to the Union not later than the 10th day of the following month.

Paragraph 12. The Union will furnish the forms to be used for the authorization. The Employer will furnish the Union with a duplicate copy of all signed authorizations.

Paragraph 13. The Union will hold the Employer free and harmless against any and all claims, damages, suits or other forms of liability whatsoever that shall arise out of or by

reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of the initiation fees, reinstatement fees, regularly authorized assessments, and monthly dues check-off.

Paragraph 14. Sick leave payments will not be the subject of monthly dues deduction. However, the Employer will indicate on the list all layoffs, leaves of absence and terminations.

Paragraph 15. Vacation pay is subject to a monthly dues deduction.

ARTICLE IV — DISCRIMINATION AND COERCION

Paragraph 16. The Employer and the Union agree that there shall be no unlawful discrimination against any employee upon the basis of factors prohibited by federal or state law or regulation which is applicable to the plant involved. This shall not preclude the Employer or the Union from challenging the interpretation of any such law or regulations placed upon it by the agency administering it.

Paragraph 17.
Employee Activity. It is mutually agreed that

there shall be no restraint, coercion or interference by the Employer or by the Union against members of the bargaining unit in the exercise of their legal rights in a lawful manner.

ARTICLE V — MANAGEMENT RIGHTS

Paragraph 18. The Union agrees that the authority to direct, select and increase the working force in accordance with this Agreement, and to determine the products to be manufactured, methods and processes are solely and exclusively the responsibility of the Employer, except as hereinafter limited by the grievance procedure.

ARTICLE VI — PROBATIONARY PERIOD

Paragraph 19. All newly hired employees shall be deemed to be on probation during the first ninety (90) days worked within two hundred (200) calendar days of the date of hire. The employee may be dismissed by the Company at any time during such probationary period without the necessity of assigning any cause therefor.

Paragraph 20. No new employees shall be qualified or eligible to receive any benefits of this Agreement, such as health and

welfare contributions, pension contributions, leaves of absence, jury duty pay, holiday pay, funeral leave, sick pay, etc. until they have completed the probationary period.

ARTICLE VII — MAINTENANCE TRAINEE PROGRAM

Paragraph 21. It is agreed that a maintenance trainee program may be established at each plant with the understanding that as to those Employers that do not have either the need for such a program or qualified applicants, said Employer shall have the option of hiring skilled mechanics from outside sources.

ARTICLE VIII — HOURS OF WORK

Paragraph 22.

(a) Forty (40) hours shall constitute a week's work, Monday through Friday, to be worked in five (5) consecutive days. Eight (8) consecutive hours shall constitute a day's work in any twenty-four (24) hour period except for lunch not to exceed one (1) hour. All time worked in excess of eight (8) hours in a twenty-four (24) hour period shall be considered overtime. The regular overtime rate shall be one and one-half (1½)

times the employee's hourly rate of pay. Wineries will be required to post the regularly scheduled lunch hour at the beginning of each work-week.

(b) By written agreement voluntarily executed by an employer and two-thirds (2/3) of the affected employees, an employer may substitute the provisions of this subparagraph (b) for the provisions of subparagraph (a) above. In such event, forty (40) hours shall constitute a week's work, which workweek shall include not more than four (4) consecutive working days of not more than ten (10) hours each, which shall be Monday to Thursday or Tuesday to Friday. The Employer shall not be required to pay overtime rates for the 9th and 10th hours worked during such workdays. If an employee on such four-day schedule is required or permitted to work more than ten (10) hours in any day, the overtime rate prescribed below shall apply for hours worked in excess of the 10th hour of that workday. Employees on such schedule who are required or permitted to work more than four (4) days in a week shall be paid time and one-half (1-1/2) for the first eight (8) hours on such additional days and double (2) time in excess of eight (8) hours on those days. The regular overtime rate shall be one and one-half (1½) times the employee's

hourly rate of pay. Wineries will be required to post the regularly scheduled lunch hour at the beginning of each workweek.

For employees on a four-day week, ten-hour days as provided in this subparagraph, fringe benefits will be paid as follows:

(i) Paid Holidays
Under This Agreement. Holidays falling during an employee's four-day week will be paid at ten (10) hours per paid holiday. Holidays falling outside an employee's four-day week will be paid at eight (8) hours per paid holiday.

(ii) Paid Vacations
Under This Agreement. In Article XIV convert all references to "days" to eight (8) hours of vacation, and convert all references to "weeks" to forty (40) hours of vacation. For purposes of Paragraph 43, the ten days therein will be converted to eighty (80) hours.

(iii) Paid Sick Leave
Under This Agreement. Sick leave will be paid out at ten (10) hours per day, exclusive of days outside the employee's four-day week.

(iv) Jury Pay Under This Agreement. This will be paid at ten (10) hours per day for days the employee is scheduled to work within his/her four-day week.

(v) Funeral Leave Under This Agreement. This will be paid at ten (10) hours per day for three (3) business days which must be within the employee's scheduled four-day week.

(vi) Swing And Graveyard Shifts Under This Agreement. Any reference to eight (8) hours in Paragraph 28 will be changed to ten (10) hours.

(vii) Reporting Pay Under This Agreement. Any reference to four (4) hours in Paragraph 30 will be changed to five (5) hours, and any reference to eight (8) hours in Paragraph 30 will be changed to ten (10) hours.

After a lapse of twelve (12) months, or such shorter period as the written agreement may provide, the Employer may by written notice to the Union revoke the above agreement and return to the hours of work provisions set forth in subparagraph (a) above, such revocation to be effective five (5) work

days after the notice is given the Union. Employees may not switch to five (5) eight-(8-) hour days during a workweek, except in the event of a layoff of that employee.

After a lapse of twelve (12) months, or such shorter period as the written agreement may provide, and upon petition of a majority of the affected employees, a new vote shall be held and a two-thirds (2/3) vote of the affected will be required to reverse the agreement above. If such an agreement is revoked, the Employer shall comply within five (5) work days.

Paragraph 23.

(a) All work performed on Saturday or Sunday will be paid at the rate of time and one-half (1½) the employee's hourly rate of pay, provided the employee has worked and/or been on paid vacation and/or paid holiday for forty (40) straight-time hours in the current workweek.

(b) There shall be no pyramiding, duplication or compounding of any overtime, premiums or penalties required by the provisions of this Agreement. Where two or more rates, premiums or penalties or any combination

thereof are applicable to any time worked, that single overtime, penalty or premium which produces the highest rate of pay for the employee shall be the rate paid.

Paragraph 24. Preference to overtime work following an eight (8) hour shift shall be given to the employee performing the job prior to the expiration of the shift. In the event additional employees are needed for overtime work within the same department, then preference shall be given to the employees with the greatest plant seniority within that department on that shift provided they have the ability and experience with the Employer on such work.

Paragraph 25. Preference for overtime work on a Saturday, Sunday, or holiday shall first be given to employees working on that shift in the department scheduling overtime in accordance with the employees' plant seniority provided they have the ability and experience with the Employer on such work.

Paragraph 26. Any statutory requirements regulating hours or conditions of work shall be observed by the Employer and the Union as if part of this Agreement. Overtime work for all employees shall be on a voluntary

basis with right of refusal by seniority subject to the provisions of the Shift Preference Article herein, i.e., Article 14 of the Seniority Supplement, provided, however, that where an insufficient number volunteer, junior seniority qualified employees may be assigned to said work and shall work overtime so assigned.

(a) The parties hereby agree that the "equivalent" rule set forth in the third sentence of Section 554 of the California Labor Code shall not apply to employers and employees covered by this collective bargaining agreement, and employees subject to this Agreement may work more than seven (7) consecutive days without the necessity of accumulating days of rest to receive the equivalent of one (1) day of rest in seven (7) in each calendar month.

ARTICLE IX — WAGE SCHEDULE

Paragraph 27. All employees covered by this Agreement shall be compensated for their services at a minimum per Wage Schedule hereto attached.

Paragraph 28. All work on the Swing Shift by an employee assigned thereto shall be paid for at the rate of twenty cents (20¢)

per hour above the regular rate and all work performed on the Graveyard Shift by an employee assigned thereto shall be paid for at the rate of twenty-five cents (25¢) per hour above the regular rate. The term Swing Shift shall mean any eight (8) hour shift terminating between the hours of 6:01 P.M. and 3:01 A.M. The term Graveyard Shift shall mean any eight (8) hour shift terminating between 3:01 A.M. and 12:01 P.M.

Paragraph 29. No employee shall suffer a reduction or diminution in wages presently being paid nor shall the employee's established conditions of employment be reduced because of the signing of this Agreement, subject to the specific provisions of the settlement or this Agreement.

ARTICLE X — REPORTING AND CALL-IN TIME

Paragraph 30. All employees when reporting at the scheduled starting time, when requested by the Employer, shall be guaranteed a minimum of either four (4) hours' work or the equivalent in pay if the employee does not complete four (4) hours of work. It is further agreed and understood that employees who, when requested by the Employer, return to

work after the meal break shall be guaranteed additional work or equivalent in pay to a total shift of eight (8) hours. Past practices of individual plants will prevail with regard to established meal hours. This Paragraph is to be applicable only to the Monday through Friday workweek and specifically excludes Saturday and Sunday and overtime assignments.

Paragraph 31. An employee who has previously completed that day's work and, after having left the premises, is called in for emergency work, shall be paid a minimum of four (4) hours' pay at the prevailing premium rate. An employee called in for such emergency work shall not be required to perform non-emergency work to fill out the four (4) hours.

Paragraph 32. When an employee is called to work by the Employer on a Saturday or on a Sunday, the employee shall be guaranteed a minimum of four (4) hours' work, or a minimum of four (4) hours' pay in lieu thereof, at the prevailing rate for said Saturday or Sunday work.

Paragraph 33.

1. The following situations may occur:

- (a) Operations cannot commence or continue due to threats to employees or property or when recommended by civil authorities.
- (b) There is a failure in the electricity, water, or gas supply or there is a different failure in the utilities or sewer system, or
- (c) The interruption of work or failure to commence work is caused by an act of God.

2. If any of the above events occur the Reporting Pay provisions of Paragraphs 30 and 32 of this Agreement shall not be applicable to employees reporting for work, but not yet at work, if the Employer has less than three (3) hours' notice of the event. If the Employer has three (3) or more hours notice of

the event, the Employer must use reasonable means to notify the employees that work will not commence, otherwise the provisions of Paragraphs 30 and 32 will apply to employees reporting for work.

3. If any of the above events occur, the Reporting Pay provisions of Paragraphs 30 and 32 of this Agreement are modified with respect to employees already at work, so that such employees are only guaranteed a maximum of four (4) hours' work on such day. However, employees who are requested to remain on Company premises above four (4) hours shall be paid for such time. Persons then returned to work shall not be subject to the above exemptions.

ARTICLE XI — OUTSIDE CONTRACTING

Paragraph 34. Any ordinary maintenance, production and repair work which the employees in the bargaining unit normally perform shall not be contracted out to be performed by outside contractors except upon prior consultation with the Union; provided that the Employer will not subcontract normal maintenance, production and repair work when there are qualified personnel on layoff who have performed the work. It is understood and agreed

that the Company has the right to purchase raw materials such as wine, high-proof, etc., to contract for the production of such items and to arrange for contract and franchise bottling outside of California, in accordance with past practices.

ARTICLE XII — SEVERANCE PAY

Paragraph 35. In the event of:

1. A permanent plant shutdown, or a permanent departmental shutdown, resulting in the permanent termination of an employee,

2. The installation of new machinery or equipment, which permanently displaces an employee, and the employee is permanently thereby terminated, severance pay shall be paid to each such permanently terminated employee in accordance with the following:

a. A service year shall be a year in which an employee shall have worked 1,500 or more straight-time hours.

- b. An employee who has completed three (3) service years, in each of which said three (3) years the employee has worked 1,500 or more straight-time hours, shall receive three (3) days' pay at his regular rate of pay on the date of termination.

- c. An employee who has completed four (4) service years, in which each of said four (4) years the employee has worked 1,500 or more straight-time hours, shall receive six (6) days' pay at the employee's regular rate of pay on the date of termination.

- d. For each additional service year, as defined, the employee shall receive an additional three (3) days' pay at the employee's regular rate of pay on the date of termination to a maximum of fifty-four (54) days' pay for those being terminated with twenty (20) or more service years, as defined, to their credit.

ARTICLE XIII — HOLIDAYS

Paragraph 36. The following holidays shall be observed under this Agreement: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, last business day before Christmas, Christmas Day and New Year's Eve Day. Sunday holidays shall be observed on the Monday following and Saturday holidays shall be

observed on the preceding Friday. These substituted days shall be the respective holidays and all incidents of holiday pay shall apply thereto.

Paragraph 37. The above holidays shall be paid for at regular rates of eight (8) hours, plus shift differential, if any, provided that an employee must work the employee's full regularly scheduled shift preceding and following the holiday. For the purposes of holiday pay employees on paid sick leave, funeral leave, jury duty and vacation will be considered as having worked. Where an employee is required to be absent from work the day before and/or the day after the holiday due to a mandatory court appearance as a subpoenaed witness in a case in which the employee is not a party, the employee shall not be disqualified from holiday pay on that account, provided that the time limits and reporting conditions as set forth in Article XIX, Paragraphs 62, 63, and 64 shall apply, and that the employee furnishes proof of said mandatory appearance.

Paragraph 38. When a Saturday holiday is required to be observed and paid for on Friday, and work is performed on the Saturday, or when a Sunday paid holiday is required to be observed on Monday, and work is

performed on the Sunday, all such work shall be paid at time and one-half (1-1/2) the employee's regular hourly rate of pay.

Paragraph 39. In case of layoffs of employees with seniority, they must have worked and/or been on paid vacation one (1) working day within the four (4) working days immediately before the holiday, and they must have worked and/or been on paid vacation one (1) working day within the four (4) working days immediately following the holiday.

Paragraph 40. All work performed on the above holidays shall be paid for at time and one-half (1-1/2) the employee's regular hourly rate of pay.

ARTICLE XIV — VACATIONS

Paragraph 41. When Taken. Vacations are to be taken during the service year immediately following the year in which earned, except in case of termination, and are not cumulative from year to year.

Paragraph 42. How Earned. No employee shall lose vacation credits for loss of time caused by absence due to jury duty for

which the Employer has given the employee jury duty pay under Article XIX of this Agreement.

Paragraph 43. Vacation Time Earned. The Employer agrees that vacation with regular pay shall be granted to employees within the bargaining unit who work 1,200 or more hours during the employee's service year. To obtain vacation credit for a month's employment, an employee must have worked not less than ten (10) days within a calendar month; provided, however, that the 1200-hour eligibility requirement will be waived for an employee in the year that the employee retires or is permanently disabled. Vacation shall be paid as follows:

| Months Of Employ- ment Within Service Year | 1st Year | 2nd Year And After | After 6 Years | After 13 Years | After 20 Years |
|---|---------------------|---------------------------------------|--------------------------|-------------------------------|-------------------------------|
| 6 and 7 months | 2½ days | 5 days | 10 days | 15 days | 20 days |
| 8 months | 3 days | 6 days | 11 days | 16 days | 21 days |
| 9 months | 3½ days | 7 days | 12 days | 17 days | 22 days |
| 10 months | 4 days | 8 days | 13 days | 18 days | 23 days |
| 11 months | 4½ days | 9 days | 14 days | 19 days | 24 days |
| 12 months | 5 days | 10 days | 15 days | 20 days | 25 days |

(1) An employee is eligible for three (3) weeks' vacation after completing six (6) years of seniority, to be given during the seventh (7th) year of seniority.

(2) In the case of a plant having a simultaneous vacation shutdown during which

two (2) weeks' vacation may be given to all eligible employees, the third (3rd) week of vacation must be given during the seventh (7th) year and prior to the next cut-off date.

(3) An employee is eligible for four (4) weeks' vacation after completing thirteen (13) years of seniority, to be given during the fourteenth (14th) year of seniority.

(4) In the case of a plant having a simultaneous vacation shutdown during which two (2) weeks' vacation may be given to all eligible employees, the fourth (4th) week of vacation must be given during the fourteenth (14th) year and prior to the next cut-off date.

(5) An employee is eligible for five (5) weeks' vacation after completing twenty (20) years of seniority, to be given during the twenty-first (21st) year of seniority.

(6) In the case of a plant having a simultaneous vacation shutdown during which two (2) weeks' vacation may be given to all eligible employees, the fifth (5th) week of vacation must be given during the twenty-first (21st) year and prior to the next cut-off date.

Paragraph 44. Rate of Pay.

A. Regular Pay: The average hourly basic rate of the employee in the twelve (12) months immediately preceding the expiration of the service year, adjusted to the current contract rates at the time of taking vacation.

B. Day's Pay: The sum obtained by multiplying the average hourly basic rate times eight (8) hours plus any shift differential provided the employee has worked a minimum of twenty-six (26) weeks out of the employee's service year on shifts other than the day shift, and provided further that if the employee works on a regular rotating shift, the employee shall receive one-third (1/3) the combined shift differentials added to the rate of the employee's vacation pay.

C. In the event employees are on vacation on or after the anniversary date of the Agreement and wage increases are obtained, these employees shall receive the increases for the period of their vacation on or after the effective date of the increases.

Paragraph 45. Scheduling.

A. Vacations will be scheduled at the Employer's preference and in accordance with plant seniority ratings both as far as possible without disturbing production requirements. Final decision shall rest with the Employer provided employees are given thirty (30) days' advance notice of vacation commencement dates.

B. Employees who, at the convenience of the Employer, forego their vacation shall receive any new rates that might be established and in effect at the time of taking the vacation.

C. Employees shall not be required to split their vacations and shall be permitted to take their vacations in consecutive weeks, provided that the requirements of management are not thereby impeded or interfered with. Management will not arbitrarily deny consecutive vacation weeks. Senior employees shall have preference so far as practicable.

D. Where there is a plant shutdown/vacation period of only two (2) weeks, employees entitled to longer vacations may take the balance of their vacation at their convenience

in increments of one week, or less in the event of a layoff, with management's prior agreement, provided, further, that production requirements shall not be thereby impeded. No employee shall be required to take more than two (2) weeks of his/her vacation during a plant shutdown situation.

Paragraph 46. Holiday During Vacation. When a paid holiday under the terms of this Agreement occurs during an employee's vacation, the employee shall receive an extra day's vacation or pay in lieu thereof, at the option of the Employer.

Paragraph 47. Termination. Employees whose employment is terminated for any cause and who are paid their prorated share of vacation pay shall start a new vacation service year on the date of reemployment.

Paragraph 48. Layoff. Employees who are laid off before qualifying for vacation pay, and who are re-employed within the current service year, shall retain their anniversary date and receive credit for all time worked during such service year.

Paragraph 49. Service Year Defined. The twelve (12) months following the date of employment and every twelve (12)

months thereafter. An employee's date of employment shall always be considered the anniversary date when computing vacation benefits unless a new anniversary date is acquired as provided above in Paragraph 47.

ARTICLE XV — HEALTH AND WELFARE
MAJOR MEDICAL AND DENTAL

Paragraph 50. Effective for coverage on or after July 1, 2004, the Employer will make a premium payment of up to \$391.00 and employees will co-pay \$99.79 per month per eligible or covered employee who has worked or been paid for at least forty (40) straight-time hours in the previous month to the UFCW National Health and Welfare Fund of the Distillery, Wine and Allied Workers' International Union. Such payments will not be made on behalf of probationary employees. Pre-existing conditions of employees and their dependents that existed within six (6) months prior to eligibility for health care benefits shall not be covered by the UFCW National Health and Welfare Fund for one (1) year after the employee becomes eligible for health care benefits. That period will be reduced by the number of days of the employee's prior creditable health care benefit coverage as long as

there has not been a break in coverage of 63 days or more.

Paragraph 51. Effective for coverage on or after April 1, 2005 if the premium for medical coverage (except vision care) increases, the Employer will pay 50% of the increase (up to \$15.00 per month) per eligible or covered employee as a partial offset against the increase in the premium. The remainder of the increase (at least 50% of the increase) will be paid by the employees.

Effective for coverage on or after April 1, 2006, if the premium for medical coverage (except vision care) increases, the Employer will pay 50% of the increase (up to \$15.00 per month, plus any portion of the \$15.00 maximum for April 1, 2005 that was not required to be paid by the Employer) per eligible or covered employee as a partial offset against the increase in the premium. The remainder of the increase (at least 50% of the increase) will be paid by the employees.

The cost of vision care and any and all increases in the cost of vision care will be paid for entirely by the employee for each and all years of the contract.

The employees shall make up the difference between the Employer contribution and the rate required by the UFCW National Health and Welfare Fund by payroll deduction taken by the Employer from the employees' paychecks, and the Employer shall remit the full amount of contribution required by the Trust Fund.

An eligible employee who elects not to accept health insurance, who provides evidence of alternative health insurance coverage, and whose declination of coverage is accepted by the Fund, will receive a payment of \$50.00 per month for each month the employee would have been eligible for an Employer health insurance premium payment to the Fund.

Paragraph 52. During the term of this Agreement, a monthly premium of not more than the sum the Employer pays for active employees (if either the retiree or the spouse is under 65) or of \$166.81 (if the retiree and spouse [if applicable] are 65 or older) per covered retiree is owed to the UFCW National Health and Welfare Fund of the United Food and Commercial Workers International Union (the "Fund") to provide medical coverage (excluding death benefits and accidental death benefits) for retirees of current members of the Winery

Employers Association who retired at age 60 or thereafter and their dependants as set forth below. The Employer has the right, at any time, to notify the retiree or dependant that it is adjusting the amount it will pay to the Fund for the retiree coverage set forth in this paragraph, and as to any premium payment first due thirty (30) or more days after such notice is given, the retiree or dependant shall be responsible for the payment of the difference between the Employer contribution and the premium required by the Fund as set forth in the last sentence of this paragraph 52.

(a) For persons who retired before October 6, 1986 and their dependants, their benefits are unchanged;

(b) For persons who retired on or after October 6, 1986 and before April 1, 1989 and their dependants, medical coverage will be as set forth in the plan under which the employee retired (with the exception of the non-contract hospital limitation [set forth in Side Letter Referring to Health and Welfare Benefits]). Said coverage will be provided during the term of this Agreement or until the covered person becomes eligible for Medicare or reaches age 65, whichever is earlier;

(c) For persons hired before April 1, 1989 and who retire on or after April 1, 1989 and before August 1, 1995 and their dependants, medical coverage will be the same as for active employees except the retirees will not receive RX prescription network or vision care benefits employees (but will not pay for vision care). Said coverage will be provided during the term of this Agreement or until the covered person becomes eligible for Medicare or reaches age 65, whichever is earlier;

(d) For persons hired before April 1, 1989 and who retire on or after August 1, 1995 and their spouses, medical coverage will be the same as for active employees; said retirees will co-pay the same amount per month for coverage as do active employees. Said coverage will be provided during the term of this Agreement or until the covered person becomes eligible for Medicare or reaches age 65, whichever is earlier.

Persons hired on or after April 1, 1989 are not eligible for retiree medical coverage.

The UFCW National Health and Welfare Fund will bill the Employer for the retiree coverage. If the retiree fails to pay the co-pay, the Employer will notify the retiree that said

failure will result in the cessation of coverage and if the failure to pay continues, the Fund shall cease the coverage.

Paragraph 53. The Health and Welfare Trust Plan shall experience rate the benefits for retirees separately from any other benefit under the Plan. Any unfavorable experience of the retirees plan shall not be utilized to determine any premium increase under Paragraph 51 above. However, any favorable experience of the retiree plan shall be used to reduce or nullify any premium increase of the plan under Paragraph 51 above.

Paragraph 54. During the term of this Agreement, an individual Employer member of the Winery Employers Association can opt out of the UFCW National Health and Welfare Fund with the Union's consent thereby ceasing all of that individual Employer's obligations as to the UFCW National Health and Welfare Fund, including, but not limited to, the obligations to pay contributions as set forth above in Paragraphs 50, 51, 52 and 53; however, the individual Employer must give the appropriate local union at least four (4) month's notice of its intent to opt out of the Fund and must provide to the appropriate local union the schedule of

benefits of the new plan proposed by the individual Employer.

Paragraph 55. The Employer may require written medical verification of illness or injury and the employee's inability to work due to such illness or injury. The verification must include the anticipated date of return to work of the employee.

Paragraph 56. The Employer will make payments for dental coverage as provided herein for all employees who have obtained seniority as of March 31, 2004. For employees obtaining seniority on or after April 1, 2004 the Employer shall make payments for dental coverage as provided herein after such employee has been employed by that Employer for six (6) months. Payments shall be made as follows:

For the remainder of 2004, a premium payment of \$45.81 per month per eligible or covered employee who has worked or been paid for at least forty (40) straight-time hours in the previous month shall be made to the Delta Dental Plan of California, for benefits as provided; in addition, \$23.39 per month per eligible or covered employee will be paid by the employees. Such payments will not be made on behalf of probationary employees.

Effective for coverage on or after January 1, 2005 (first payable in February, 2005), if the premium for covered employees increases, any increase in the premium per eligible or covered employee will be paid first out of the Delta Dental stabilization fund, if possible and permitted by Delta Dental. If the increase is greater than what Delta Dental will allow to be paid out of the stabilization fund, the Employer will pay 50% of the increase (up to \$2.50 per month) per eligible or covered employee as a partial offset against the increase in the premium. The remainder of the increase (at least 50% of the increase) will be paid by the employees.

Effective for coverage on or after January 1, 2006 (first payable in February, 2006), if the premium for covered employees increases, any increase in the premium per eligible or covered employee will be paid out of the Delta Dental stabilization fund if possible and permitted by Delta Dental. If the increase is greater than what Delta Dental will allow to be paid out of the stabilization fund, the Employer will pay 50% of the increase (up to \$2.50 per month) per eligible or covered employee as a partial offset against the increase in the premium. The remainder of the increase (at least 50% of the increase) will be paid by the employees.

Effective for coverage on or after January 1, 2007 (first payable in February, 2007), if the premium for covered employees increases, any increase in the premium per eligible or covered employee will be paid out of the Delta Dental stabilization fund if possible and permitted by Delta Dental. If the increase is greater than what Delta Dental will allow to be paid out of the stabilization fund, the Employer will pay 50% of the increase (up to \$2.50 per month) per eligible or covered employee as a partial offset against the increase in the premium. The remainder of the increase (at least 50% of the increase) will be paid by the employees.

In the event the Employer contribution and the stabilization fund amount is not sufficient to provide the scheduled benefits, the employees shall make up the difference between the Employer contribution and the rate required by Delta Dental Plan of California by payroll deduction taken by the Employer from the employees' paychecks, and the Employer shall remit the full amount of contribution required by the Dental Plan.

ARTICLE XVI — WORKERS'
COMPENSATION SUPPLEMENT

Paragraph 57. In the event any employee is injured while at work and is required to leave work the employee shall be paid his full wages for the day of injury, provided the employee requires medical attention as the result of the injury, and upon the advice of the attending physician is unable to return to work.

When it is necessary, during the first year after injury, for post-medical treatment due to occupational injury or illness, the Employer will compensate the employee for loss of time not to exceed two (2) hours for treatment based on the following conditions:

(a) Where the Company has medical facilities, these are utilized.

(b) That the Employer has the right to implement reasonable controls to the use thereof.

ARTICLE XVII — SICK LEAVE

Paragraph 58. In the case of a non-industrial illness or non-industrial injury, sick leave with pay up to a total of forty (40)

straight-time hours at the rate of a full day's pay at straight-time earnings, Saturday and Sunday excluded, will be allowed during the contract years, April 1, 2001 through March 31, 2004, to all employees who have a minimum of one (1) year's continuous service with the Employer and a minimum of twelve hundred (1,200) straight-time hours worked during the year. Sick leave will be accumulated at the rate of forty (40) hours per year of service to a maximum of one hundred and twenty (120) hours in reserve at any one time. Any unused portion of sick leave from the immediately preceding contract may be carried over to the first year of the current contract, but in no event shall the total allowable sick leave exceed one hundred and twenty (120) hours in reserve at one time. Employees entitled to State Disability Benefits shall have their weekly benefits supplemented by their Employer in an amount equal to 100% of their normal straight-time earnings less any statutory deductions, except no supplemental benefits will be paid during the one (1) day waiting period. Said waiting period shall be waived if the employee is hospitalized. Sick leave is applicable only in case of a bona fide illness and shall not be paid for if not taken and will be paid in the following manner:

Waiting period, one (1) regularly scheduled working day for the employee . . . no pay.

Each succeeding work day . . . Full day's pay at the employee's straight-time rate earned immediately prior to going on sick leave less any state disability payments and statutory deductions.

Paragraph 59. Upon return to work, employees, to qualify for sick leave pay, may be required by the Employer to present a physician's or surgeon's or dentist's certificate verifying the illness. This shall include California Licensed Doctors of Chiropractic.

SICK LEAVE ELIGIBILITY AND PAY SCHEDULE

| M | T | W | T | F | S | S | M | T | W | T | F | S |
|---|---|----|----|----|---|---|----|----|----|----|----|---|
| W | X | SP | SP | SP | N | N | SP | D | | | | |
| | W | X | SP | SP | N | N | SP | SP | D | | | |
| | | W | X | SP | N | N | SP | SP | SP | D | | |
| | | | W | X | N | N | SP | SP | SP | SP | D | |
| | | | | W | N | N | X | SP | SP | SP | SP | D |

LEGEND:

- W - Employee Worked.
- X - Waiting period day employee ill or injured which must be a regularly scheduled workday of the employee.
- SP - Paid Sick Leave Day.
- N - No Sick Leave Pay.
- D - Disability Insurance Benefits begin.

Waiting period of one (1) regularly scheduled workday of the employee to be waived if doctor's certificate is presented confirming that illness necessitated absence from work on the waiting day.

ARTICLE XVIII — PENSION PLAN

Paragraph 60. The Employer shall contribute to the California Winery Workers Pension Plan Trust on behalf of each eligible employee, a monthly contribution equivalent to twenty-five cents (25¢) per hour on all the employee's hours worked (including overtime hours counted as straight-time hours worked and not including hours paid for but not worked) in the previous month; however, if, on the basis of current (meaning as of April 1, 1995) method of actuarial calculation and assumptions, the Funding Standard Account falls below \$1 million by the end of any fund year or is projected to fall below \$1 million by the end of any fund year, the contract may be reopened by letter to discuss the pension contribution and related matters; provided, however, that if all Employers who are contributing to the Fund, but who are contributing less than the amount actuarially determined to be necessary

to keep or restore the Funding Standard Account to \$1 million by the end of the fund year, are obliged to increase the contribution to the same amount and at the same time as the Employers in the Winery Employers Association, then the Employers in the Winery Employers Association will commence the payment of the new contribution at the same time and at the same amount as the other Employers without the reopening of the contract.

Such payment will not be made on behalf of probationary employees. Contributions will begin on the first day after successful completion of the probationary period.

Consultants to the Winery Workers Pension Plan will study the feasibility of a defined contribution plan.

ARTICLE XIX — JURY DUTY

Paragraph 61. An employee required to serve on a jury and who misses work shall be paid the difference between the employee's straight-time earnings and the amount paid the employee for jury duty up to a maximum of twenty (20) days, provided (i) the employee gives the Employer five (5) working days' notice that he/she must report for jury duty or such notice as the employee has if the Court gives the employee shorter notice, and (ii) the employee furnishes proof of such jury duty, and (iii) the hours of jury duty occur during the employee's regularly scheduled shift or as otherwise provided herein.

Paragraph 62. If a day-shift employee is released from jury duty four (4) hours or less after the normal starting time of his/her shift, or by 12:00 noon, whichever is earlier, the employee shall be required to report for work within one (1) hour after his/her release from jury duty. If a day shift employee is released from jury duty more than four (4) hours after the normal starting time of his/her shift, or after

12:00 noon, the employee shall not be required to work his/her scheduled shift on that day.

Paragraph 63. If a swing shift employee is released by the court at or before 12:00 noon, the employee shall be required to work the employee's scheduled shift. If a swing shift employee is released by the court after 12:00 noon, the employee shall not be required to work the employee's scheduled shift on that day. If the employee is released by the court at or before 12:00 noon, the employee must notify the Employer by telephone that the employee has been released and will be reporting to work. Said notification must occur as soon as possible

Paragraph 64. A graveyard shift employee shall not be required to work the employee's scheduled shift immediately prior to the employee's first morning of jury duty. If a graveyard shift employee is released by the court seven (7) hours or more prior to the start of his/her scheduled shift, the employee shall be required to work his/her scheduled shift that night. If a graveyard shift employee is released by the court less than seven (7) hours prior to the start of his/her scheduled shift, the

employee shall not be required to work his/her scheduled shift that night. If a graveyard shift employee works his/her full shift, and on the same day is required to serve on jury duty for four (4) hours or more, the employee will be excused from work for the graveyard shift of the following day, if scheduled, and will be paid his/her regular straight-time hourly rate of pay for said excused time off.

ARTICLE XX — FUNERAL LEAVE

Paragraph 65. In the event of the death of an employee's father, mother, grandparent, father-in-law, mother-in-law, sister, brother (including half-sister and half-brother), legal guardian, spouse, child, legally adopted child, step-child, or grandchild, an employee shall be given three (3) consecutive business days' (excluding Saturday, Sunday and holidays) leave, one of which will be the day of the funeral, with regular straight-time pay the employee would have received if the employee was or would have been scheduled such days. Attendance at the funeral is not required. Proof of death and relationship may be required by the Company.

Employees on approved leave of absence to care for members of their immediate family, in the event of death of said family member during such leave of absence, shall receive the benefits set forth hereinabove provided that the employee returns to work. If funeral leave is obtained by misrepresentation, it shall subject the employee to immediate discharge.

ARTICLE XXI — LEAVES OF ABSENCE

Paragraph 66. Leaves of absence may be obtained from the Employer not to exceed twelve (12) months for illness or physical incapacity and for a period not to exceed sixty (60) days for valid personal reasons. Employees qualifying for either the federal Family and Medical Leave Act or the California Family Rights Act will be placed on family or medical leave with health care benefit premiums paid pursuant to applicable statute for the first twelve (12) weeks of such leave. The Employer may require that the request for leaves of absence be submitted on a form provided for the purpose. If found to have been obtained by fraud or misrepresentation, the employee shall lose all seniority rights and be subject to dismissal. The acceptance of other

employment during said leave of absence shall be grounds for discharge. After absence from work for any reason (including lay-off) for sixty (60) or more days, the Employer may require the returning employee to submit to a physical examination and/or a drug/alcohol test. Any leave of absence granted pursuant to this section runs concurrent with any other leave to which the employee may otherwise be entitled.

Paragraph 67. Requests for extension of leaves of absence must be made by the employee and be approved by the Employer or the Employer's designated representative five (5) days in advance of the termination date of the leave, unless a satisfactory reason is given. Leaves of absence may be extended if circumstances warrant. When a leave of absence or extension is granted, the Union shall be notified thereof.

Paragraph 68. The employee must notify the employee's Employer or the Employer's designated representative of the available date of return to work at least five (5) days prior to the termination of the leave of absence.

ARTICLE XXII — MILITARY DUTY AND REEMPLOYMENT RIGHTS

Paragraph 69. The Employer shall comply with then prevailing federal and/or state law with respect to military duty and reemployment rights.

ARTICLE XXIII — DISCIPLINE

Paragraph 70. The Employer shall not discharge any employee without just cause. Prior to any proposed discharge, where feasible and practicable the Employer shall notify the steward and/or a Union officer to be present when formal charges are made against an employee.

Paragraph 71. In order that the union representative may have sufficient time to investigate the charges, the employee shall not be discharged but may be suspended for two (2) business days. Written and telephone notice of such suspension will be furnished to the Local Union. If, after such two (2) days, the matter cannot be satisfactorily settled, the employee may be considered discharged.

Paragraph 72. If the Union considers such discharge to be unjust, the matter shall be handled in the manner more fully set forth in Article XXIV hereof, provided the grievance is filed in writing with the Employer and the Union within five (5) business days after such discharge becomes effective.

Paragraph 73. In the event such discharge is determined to have been unwarranted, the employee shall be reinstated in good standing, without prejudice or loss of seniority rights, and shall receive full pay for the time lost, less the amount of earnings elsewhere during the period of time between the employee's discharge or suspension and the date that the employee is put back on the Employer's payroll. Nothing herein shall interfere with the arbitrator's authority to determine upon the facts that a temporary disciplinary layoff without pay might have been justified, rather than a discharge.

Paragraph 74. In the event any employee is discharged, such employee shall receive full pay due the employee, including prorated vacation earned as set forth in Article XIV, less any monies due the Union on Check-off.



Paragraph 75. Complaints as to minor infractions shall be removed from an employee's personnel file immediately upon the completion of a twelve (12) month period with no recorded complaint.

With regard to violations of unexcused absences and chronic absenteeism and tardiness, a written warning will not be used after the lapse of twelve (12) months from date of issuance of such warning in the case of employees who work six (6) months or more in their anniversary year. In the case of employees who work less than six (6) months in their anniversary year, a written warning will not be used after the lapse of 260 days worked or two (2) years, whichever is sooner, from the date of issuance of such warning. Ten (10) days worked in a calendar month would constitute one (1) month in determining the number of months worked during an employee's anniversary year.

Paragraph 76. Disciplinary action as outlined in Schedule A shall be binding on the parties with respect to the offenses and procedures set forth in Schedule A which is made a part of this Agreement. Schedule A shall not be

construed to be all inclusive and the Employer shall have the right to discipline, for just cause, for other infractions not specifically designated in Schedule A.

SCHEDULE A

**TYPICAL VIOLATIONS AND
DISCIPLINARY ACTIONS**

**ACTION
OFFENSE NO.**

| OFFENSE | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Unexcused absence | W | W | S | D |
| Chronic absenteeism and tardiness | W | W | S | D |
| Falsifying any company record | D | | | |
| Willful damage | D | | | |
| Theft | D | | | |
| Falsifying application for employment | D | | | |
| Punching another's time card | D | | | |
| Defacing, erasing or changing the record on time card | D | | | |
| Consuming alcohol on the premises or failing the alcohol test | D | | | |
| Possession, use, distribution, sale, offer to sell or distribute drugs on the premises or failing the drug test | D | | | |
| Gross negligence | D | | | |
| Smoking - forbidden areas | D | | | |
| Unauthorized strike action | D | | | |
| Violence, threat of violence, | | | | |

| | |
|--|-----|
| harassment or threat of harassment | D |
| Failure to immediately report any occupational accident, illness or injury . | S D |
| Insubordination | S D |

W-Warning S-Suspension D-Discharge

It is recognized that there may be degrees of safety violations, but generally, such violations are of a serious nature because of danger to the employee or to other employees, or danger to the property of the Employer. Therefore, violations of CAL-OSHA or published safety rules are not subject to Schedule A, but rather, appropriate discipline will be imposed on a case-by-case basis.

ARTICLE XXIV — GRIEVANCE AND ARBITRATION PROCEDURE

Paragraph 77.

- A. Grievances are defined as disputes about the interpretation or application of this Agreement and alleged violations of the Agreement.
- B. Grievances shall be presented to the Employer in writing (specifying contract section violated, detailed description of the alleged grievance and relief sought) within seven (7) calendar days from the date of occurrence. If such notice is not given to the Employer within seven (7) calendar days of the occurrence of the facts upon which such complaint is based, then it shall be deemed waived and abandoned and shall not thereafter form the basis of a grievance between the parties hereto.
- C. The grievance shall first be taken up with the immediate supervisor of the grievant. The supervisor will have two (2) business days to return the grievance with an answer to the steward. The steward will have two (2) business days to refer the

grievance to the department head. The department head shall have two (2) business days to return the grievance with an answer to the steward. The steward will have two (2) business days to refer the grievance to upper management. Upper management shall have five (5) business days to answer and return the grievance to the union office. While the time limits in this Paragraph 77C should be met by both sides, failure to do so will not constitute a waiver or default of the party's position in the grievance.

- D. If the in-plant grievance procedure fails to settle the grievance, then within fifteen (15) days of the final step in Paragraph 77C, it may be submitted to a labor-management hearing. The hearing must be held within thirty (30) days from the date submitted. Labor-management hearings shall be demanded by serving written notice on the Secretary of the Winery Employers

Association and the Company or Local Union involved together with a copy of the grievance.

Failure to request a labor-management hearing within fifteen (15) days of the final step of the in-plant grievance procedure as set forth in Paragraph 77C shall constitute a waiver and abandonment of the grievance.

Paragraph 78. Labor-Management Committee.

- A. It is mutually agreed and understood that a Labor-Management Committee is created for the purpose of clarifying, interpreting, processing and settling grievances as they arise between the parties. The Labor-Management Committee will be comprised of no more than two (2) representatives from the Employers and two (2) representatives from the Union. As grievances arise, the Union Committee membership will be appointed by the Union, and the Employer Committee membership will be appointed by the Employer, or if the Employer

requests, by the Winery Employers Association without regard to membership or non-membership in the Association.

B. Hearing Procedures

1. Which party starts:

a. Contract interpretation: Union starts

b. Disciplinary action: Employer starts

2. Format for hearing:

a. Opening statements: After the parties have agreed upon an issue, an opening statement shall be given by each party, prior to the receipt of any evidence.

- b. Examination of witnesses: Each witness is to be examined first by the party calling him, and then be subject to cross-examination by the other party, and then be subject to questions from either party or any panel members at any time. Only the parties themselves may request a person to testify.
- c. Order of witnesses: The starting party shall call its witnesses first, and then the responding party shall call its witnesses.
- d. Closing statements: The starting party shall give his summation first. After the responding party has given his summation, the starting party may give a rebuttal.
- e. Balloting: After all evidence has been received, the agreed upon issue, referenced in Paragraph 2a above, shall be set forth on a ballot form, which shall be submitted to the panel members for deliberation and a secret ballot vote. The number of yes votes and

the number of no votes shall be set forth on the ballot form and then signed by all panel members. Labor-Management panel decisions are final and binding on both parties. In a discharge case, the panel, upon a 4-0 vote, may modify the action of the Employer.

3. The above procedure set forth in this Paragraph 78B shall apply during the labor-management hearings, except that in any particular case, the parties may, by mutual agreement, decide to utilize a different procedure.
- C. The Labor-Management Committee will meet on a date mutually agreeable to the Union and Industry Representatives. Employees shall be paid the applicable rate of pay by the Employer for all time consumed on labor-management conferences called by the Employer during said employee's regular working hours on the Employer's premises.

- D. If the labor-management procedure fails to settle the grievance, then within thirty (30) days of the labor-management hearing, the grievance may be submitted to arbitration.

Paragraph 79. Arbitration.

- A. Arbitration may be demanded by serving notice thereof on the Chief Local Executive of the Employer in the plant concerned and upon the General President of the International Union.

Failure of the Union to request arbitration within one (1) year of the filing of the grievance or within thirty (30) days of the waiving or the holding of the labor-management hearing (whichever is earlier) shall constitute a waiver and abandonment of the grievance.

- B. Within ten (10) days from the receipt of such notice, the Employer and the Union shall select a mutually satisfactory arbitrator to hear and determine the

dispute. If after ten (10) days from the receipt of notice the parties cannot agree upon the selection of an arbitrator, then the arbitrator shall be selected from a panel of not less than seven (7) names supplied by the Federal Mediation and Conciliation Service.

- C. The arbitrator shall have no power to add to, or subtract from, or modify any of the terms of this Agreement, nor shall he substitute his discretion for that of the Employer or the Union, nor shall he exercise any responsibility or function of the Employer or the Union. The arbitrator shall have authority to interpret wage rates and the application thereof, but he shall have no authority to create new wage rates.
- D. The decision of the arbitrator shall be final and binding on all the parties involved in such controversy or grievance and shall conclusively determine the dispute.

- E. Each party shall bear the cost of presenting its own case. The fees and expenses of the arbitrator shall be equally divided between the Union and the Employer. If the arbitration is canceled, the cancellation fee shall be borne by the party canceling the arbitration.

Paragraph 80. International Union Involvement. In the event the International Union regards a grievance to be of sufficient importance, such grievance may be instituted and processed by the International Union, with the requirements regarding the initial filing, the labor-management step, and the arbitration step must be followed. Time limits may be extended by mutual agreement between the International Union and the Employer.

Paragraph 81. Time Limits. Time limits set forth herein shall equally bind each party to this Agreement. Any time limit may be extended for a fixed period of time if mutually agreeable to the Union and Company. Any agreed upon time extension shall be noted and signed by the Company and Union representatives on the grievance form.

ARTICLE XXV — NO STRIKE/NO LOCKOUT

Paragraph 82. There shall be no strike or lockout during the term of this Agreement; however, it is understood and agreed that, in the event of a dispute between the Employer and the Union concerning the interpretation of any provisions of this Agreement, before the Union resorts to any strike or the Employer resorts to any lockout, such dispute shall be submitted to arbitration in the manner hereinabove set forth. However, refusal of either party to this Agreement to submit to arbitration or refusal of either party to abide by the decision of any arbitrator, shall be deemed an unfair labor practice and the other party shall be free to take whatever action or actions it deems necessary to safeguard and protect its best interests.

ARTICLE XXVI — ALCOHOL AND DRUG TESTING

Paragraph 83. The Winery Employers Association Drug and Alcohol Testing Program, attached hereto, is adopted and made a part of this Agreement as though fully set forth herein.

ARTICLE XXVII — TERMINATION OF CONTRACT

Paragraph 84. This Agreement shall become effective as of April 1, 2004 and shall remain in full force and effect until midnight, March 31, 2007, and from year to year thereafter, unless either party gives at least sixty (60) days' notice in writing to the other party prior to any annual expiration date of its desire to amend, terminate, or otherwise modify this Agreement.

Paragraph 85. This Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

ARTICLE XXVIII — GENDER

Paragraph 86. Whenever the masculine gender is used in this Agreement, it shall include the female and wherever the female gender is used in this Agreement, it shall include the male.

IN WITNESS WHEREOF, this contract, signed and executed this _____
day of _____, 2004.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED WORKERS
DIVISION, LOCAL 45D

By: _____ Dated: _____
Mike P. Rodriguez, President, Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED WORKERS
DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President, Local 186D

WEA WAGE SCHEDULE

| <u>Classifications</u> | <u>HOURLY RATES</u> | | |
|---|---------------------------------------|-----------------------------|-----------------------------|
| | <u>Effective 2004¹</u> | <u>Effective 4/1/05</u> | <u>Effective 4/1/06</u> |
| 1. Maintenance Supervisor Working | \$20.11 | \$20.51 | \$20.92 |
| 2. Foreman - Working - All Departments, Maintenance Technician | \$19.10 | \$19.48 | \$19.87 |
| 3. Skilled Maintenance Mechanic | | | |

¹ Effective payroll period following ratification without economic action

| | | | |
|--|---------|---------|---------|
| v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority | \$14.25 | \$14.25 | \$14.25 |
| ❖ Thereafter | \$18.25 | \$18.62 | \$18.99 |
| A. Second Level-Trainee | \$16.15 | \$16.47 | \$16.80 |
| B. Entry Level-Trainee | \$15.45 | \$15.76 | \$16.07 |
| 4. Processing Operator - A: Boiler Operator, Mobile Crane Operator, Rectifier (in charge of adding ingredients to spirits in a rectifying plant in accordance with a prescribed formula), Skilled Still Operator. | | | |
| v Prior to obtaining three years seniority or first 30 | \$14.88 | \$14.88 | \$14.88 |

| | | | | |
|-----------|--|---------|---------|---------|
| | days worked for those with three or more years seniority | | | |
| | ❖ Thereafter | \$18.15 | \$18.51 | \$18.88 |
| 5. | [Combined into Classification 9] | | | |
| 6. | Cellar Sub-Foreman | \$16.45 | \$16.53 | \$16.70 |
| 7. | Sub-Foreman (Direct supervision over three or more employees) | \$16.53 | \$16.86 | \$17.20 |
| 8. | Processing Operator - B: Skilled Employee operating any one of the following: Ice Machine, Filter, Pasteurizer Hoist, Crusher, Pomace and Press, Wine | | | |

| | | | | |
|------------|---|---------|---------|---------|
| | Ion Exchange. | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority | \$12.47 | \$13.01 | \$13.56 |
| | ❖ Thereafter | \$16.22 | \$16.54 | \$16.87 |
| 8A. | Processing Operator-B: Skilled Employee operating any one of the following: Ice Machine, Filter, Pasteurizer Hoist, Crusher, Pomace and Press, Wine Ion Exchange (first employed by present employer in this classification on or after April 15, 1995). | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority (<i>all employees with seniority working in</i> | \$10.40 | \$10.40 | \$10.40 |

this category on April 1, 2004 are moved to the "Thereafter" category and rates below).

| | | | |
|--|---------|---------|---------|
| ❖ Thereafter (all employees with seniority working in this category on April 1, 2004 are moved to the Classification 8 "Prior to" category and rates for the term of the Agreement). | \$11.47 | \$11.70 | \$11.93 |
|--|---------|---------|---------|

9. Lift Truck Operator-Checker, Clamp Lift Operator, with responsibility for checking and/or loading, Truck Driver (Employee operating truck off premises. Disposal or pickup drivers not covered by this classification).

| | | | |
|---|---------|---------|---------|
| Prior to obtaining three years seniority or first 30 days worked for those with three or more years | \$12.25 | \$12.80 | \$13.35 |
|---|---------|---------|---------|

| | | | | |
|------------|---|---------|---------|---------|
| | seniority | | | |
| | ❖ Thereafter | \$16.01 | \$16.33 | \$16.66 |
| 9A. | Lift Truck Operator-Checker, Clamp Lift Operator, with responsibility for checking and/or loading, Truck Driver (Employee operating truck off premises. Disposal or pickup drivers not covered by this classification) (first employed by present employer in this classification on or after April 15, 1995). | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority (<i>all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates below</i>). | \$9.90 | \$9.90 | \$9.90 |

| | | | | |
|-------------|---|---------|---------|---------|
| | ❖ Thereafter <i>(all employees with seniority working in this category on April 1, 2004 are moved to the Classification 9 "Prior to" category and rates for the term of the Agreement).</i> | \$11.25 | \$11.48 | \$11.70 |
| 10. | Lift Truck Operator | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority | \$12.00 | \$12.56 | \$13.13 |
| | ❖ Thereafter | \$15.82 | \$16.14 | \$16.46 |
| 10A. | Lift Truck Operator (first employed by present employer in this classification on or after April 15, 1995). | | | |

| | |
|---|--|
| <ul style="list-style-type: none"> v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority <i>(all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates below).</i> ❖ Thereafter <i>(all employees with seniority working in this category on April 1, 2004 are moved to the Classification 10 "Prior to" category and rates for the term of the Agreement).</i> | <p>\$9.40 \$9.40 \$9.40</p> <p>\$11.00 \$11.22 \$11.44</p> |
| <p>11. Machine Operator-Skilled* Filled Case Handler, Jitney Driver</p> | |
| <ul style="list-style-type: none"> v Prior to obtaining three years seniority or first 30 days worked for those with three or more years | <p>\$12.94 \$12.94 \$12.94</p> |

| | | | | |
|--------------|---------|---------|---------|--|
| seniority | | | | |
| ❖ Thereafter | \$15.54 | \$15.85 | \$16.17 | |

**11A. Machine Operator-Skilled* Filled Case Handler,
Jitney Driver (first employed by present employer in
this classification on or after April 15, 1995).**

| | | | |
|---|---------|---------|---------|
| v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority (<i>all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates below</i>). | \$8.90 | \$8.90 | \$8.90 |
| ❖ Thereafter (<i>all employees with seniority working in this category on April 1, 2004 are moved to the Classification 11 "Prior to" category and rates for the term of the Agreement</i>). | \$10.75 | \$10.97 | \$11.18 |

| | | | | |
|-----------------|---|---------|---------|---------|
| 12. | Racker & Blender* | | | |
| | v Prior to obtaining three years seniority or first 90 days worked for those with three or more years seniority | \$12.18 | \$12.56 | \$12.94 |
| | ❖ Thereafter | \$15.39 | \$15.39 | \$15.39 |
| 12A. | Racker & Blender (first employed by present employer in this classification on or after April 15, 1995). | | | |
| | v Prior to obtaining three years seniority or first 90 days worked for those with three or more years seniority <i>(all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates).</i> | \$8.90 | \$8.90 | \$8.90 |

| | | | |
|--|---------|---------|---------|
| ❖ Thereafter (<i>all employees with seniority working in this category on April 1, 2004 are moved to the Classification 12 "Prior to" c² category and rates for the term of the Agreement</i>). | \$10.75 | \$10.97 | \$11.18 |
|--|---------|---------|---------|

² * To qualify for machine operator rate, the operator shall be responsible for the complete operation including the adjusting of said machine. Attendants who merely start, stop and keep machine supplied shall not be so classified. Present operators shall not be reduced in pay because of this description.

| | | | | |
|------|---|---------|---------|---------|
| 13. | General Winery Worker (on or before July 31, 1984). | \$13.60 | \$13.87 | \$14.15 |
| 13A. | General Winery Worker (first employed by present employer in this classification on or after August 1, 1984). <i>(All employees with seniority working in this category on April 1, 2004 are moved to the Classification 13 category and rates.)</i> | \$10.62 | \$10.83 | \$11.05 |
| 13B. | General Winery Worker (first employed by present employer in this classification on or after April 1, 2001). | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority <i>(all employees with seniority working in this</i> | \$8.40 | \$8.40 | \$8.40 |

category on April 1, 2004 are moved to the "Thereafter" category and rates).

| | | | |
|---|--------|--------|---------|
| ❖ <i>Thereafter (all employees with seniority working in this category on April 1, 2004 are moved to the 13A category and rates).</i> | \$9.00 | \$9.50 | \$10.00 |
|---|--------|--------|---------|

14. Classification Eliminated

14A. Classification Eliminated

14B. Classification Eliminated

| | | | |
|---|---------|---------|---------|
| 15. Janitor (on or before July 31, 1984) | \$12.31 | \$12.56 | \$12.81 |
|---|---------|---------|---------|

| | | | |
|---|--------|--------|--------|
| 15A. Janitor (first employed by present employer in this | \$9.03 | \$9.21 | \$9.39 |
|---|--------|--------|--------|

classification on or after August 1, 1984).

| | | | | |
|-------------|---|---------|---------|---------|
| 15B. | Janitor (first employed by present employer in this classification on or after April 15, 1995). | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority <i>(all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates).</i> | \$8.15 | \$8.15 | \$8.15 |
| | ❖ Thereafter <i>(all employees with seniority working in this category on April 1, 2004 are moved to the 15A category and rates).</i> | \$8.60 | \$8.80 | \$9.07 |
| 16. | Machine Attendant (on or before July 31, 1984). | \$12.87 | \$12.87 | \$12.87 |

| | | | | |
|-------------|---|------------|--------|--------|
| 16A. | Machine Attendant (first employed by present employer in this classification on or after August 1, 1984). | \$9.07 | \$9.25 | \$9.44 |
| 16B. | Machine Attendant (first obtained seniority with present employer in this classification on or after April 15, 1995). | | | |
| | v Prior to obtaining three years seniority or first 30 days worked for those with three or more years seniority (<i>all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates</i>). | \$8.4 0 | \$8.40 | \$8.40 |
| | ❖ Thereafter (<i>all employees with seniority working in this</i> | \$8.6 0 | \$8.80 | \$9.07 |

category on April 1, 2004 are moved to the 16A category and rates).

| | | | | |
|-------------|---|-------------|------------|---------|
| 17. | General Light Work (on or before July 31, 1984) | \$11. 91 | \$12.15 | \$12.39 |
| 17A. | General Light Work (first employed by present employer in this classification on or after August 1, 1984). | \$8.9 5 | \$9.13 | \$9.31 |
| 17B. | General Light Work (first employed by present employer in this classification on or after April 1, 2001). | | | |
| | v Prior to obtaining three years seniority or first 30 | \$7.90 | \$7.9 0 | \$7.90 |

days worked for those with three or more years seniority (all employees with seniority working in this category on April 1, 2004 are moved to the "Thereafter" category and rates).

| | | | |
|--|--------|------------|--------|
| ❖ Thereafter (all employees with seniority working in this category on April 1, 2004 are moved to the 17A category and rates). | \$8.30 | \$8.5 0 | \$8.77 |
|--|--------|------------|--------|

JANITOR

Description Of Work: Perform such tasks as cleaning restrooms, offices, lunchrooms, and plant floors. Typical duties include cleaning and disinfecting toilets, floors, bowls, water fountains, replenish lavatory supplies, vacuum offices, wax floors, dust furniture, empty refuse baskets. Will use wheeled trucks to move cleaning supplies. Tools include mops, brooms, shovels, cloths, dust pans. Under minimum supervision, use effectively time allocated for work assignments.

PREFACE FOR MAINTENANCE JOB DESCRIPTIONS

The inherent nature of maintenance work is such that the job content requirements of maintenance tasks may vary from day to day within any given area. It is, therefore, readily understood that irrespective of the fact that specific detail of the task may not be delineated in the Position Description it, nevertheless, is a part of the maintenance position.

MAINTENANCE TECHNICIAN

Under the direction of management, assume complete responsibility for maintenance, proper operation, repair, overhaul and construction

of all bottling room or plant machinery and equipment and fabricate process or special purpose equipment. Must have the capability of independently investigating and analyzing causes of equipment failure and malfunction of bottling room or plant equipment and machinery, and take the necessary corrective action.

SKILLED MAINTENANCE MECHANIC

A Skilled Maintenance Man who, under direction, is capable of diagnosing, analyzing and investigating causes of malfunction of bottling line or plant equipment and machinery, and is capable of maintaining or constructing bottling line or plant equipment, being proficient at utilizing one or more skills; such as welding, plumbing, masonry, electrical work, pipe-fitting, trouble shooting, painting and sandblasting.

WINERY EMPLOYERS ASSOCIATION DRUG AND ALCOHOL TESTING PROGRAM

I. POLICY

The Company is concerned about the use of alcohol and controlled substances in or affecting the work environment. Use, and particularly abuse, of alcohol and/or controlled

substances on the job adversely affects an employee's efficiency, safety and health, and therefore impairs his/her value as an employee. In addition, it constitutes a potential danger to the welfare of other employees, and exposes the Company to risks of property loss/damage, or injury to other persons.

Therefore, it is the policy of the Company that no employee will be allowed to work who misuses prescription drugs or who possesses, distributes, sells, offers to sell or distribute, uses or who has a forensically acceptable positive quantum of proof (as set forth herein) of any drug, controlled substance or alcohol in his or her body. Any employee who violates this policy is subject to immediate discharge.

This policy is applicable to all employees of the Company. The requirements of this procedure will also be applied to all employees reporting a potential or actual industrial injury, any employee who contributed to or directly caused an occupational accident, or any employee suspected of being under the influence of controlled substances or alcohol while working.

II. DEFINITIONS

A. For purposes of this policy, an employee shall be considered "on the premises" whenever he/she is:

- (1) On Company property, including parking lots,
- (2) At a job site,
- (3) Driving or riding as a passenger in a Company vehicle or a private conveyance for which the Company has authorized reimbursement.

B. "Drug" or "controlled substance" -- any substance or medication that will modify one or more of the normal body functions when administered to an individual (i.e., coordination, reflexes, vision, mental capacity or judgment, etc.).

C. "Alcohol" -- an intoxicant from fermented or distilled liquors.

III. PROCEDURE

In order to eliminate the safety risks which result from being under the influence of alcohol or

drugs, the parties have agreed to the following procedures:

In cases in which an employee is acting in an abnormal manner and the Employer has 'probable suspicion' to believe that the employee is under the influence of controlled substances and/or alcohol, the Employer may require the employee to go to an on-site or off-site medical clinic, medical office or dispensary to provide a urine specimen for laboratory testing. The Employer's direction to the employee shall be made in the presence of a Union Shop Steward, if available, or another bargaining unit employee witness if a Shop Steward is not available. Probable suspicion means suspicion based on specific personal observations that the Employer representative can describe concerning the appearance, behavior, speech, or breath odor of the employee. An employee's involvement in an industrial accident or injury constitutes probable suspicion, regardless of whether reported at the time of the injury or thereafter. Except for suspicion based on an industrial accident, suspicion is not probable and thus not a basis for testing if it is based solely on third-party observation and reports. If requested, the employee will sign a consent form authorizing the clinic, office or dispensary to collect a urine/blood specimen when suspected of drug use, or a

breath/blood specimen when suspected of alcohol use, and release the results of the laboratory testing to his/her Employer.

When an employee is asked to submit to a drug test and/or alcohol test, he/she shall be informed of the reasons he/she is being asked to submit to the test. The employee shall be informed that refusal to submit to the testing will constitute a presumption of intoxication and subject the employee to discipline up to and including discharge. It is understood that said presumption will be raised if the employee refuses testing and if the Company had reasonable grounds for testing in the first place.

If the employee consents to testing, he/she shall sign a form of consent authorizing the withdrawal of a specimen of urine, blood, and/or breath sample, and a release of the results of the laboratory testing to the Employer, but this shall not constitute a waiver of any claim or cause of action under the law.

In some cases, the employee may be unable to provide a urine sample. After a reasonable waiting period (not to exceed one hour), the Employer and/or the clinic and/or laboratory and/or physician may proceed with drawing and testing a blood sample.

IV. CHAIN OF POSSESSION PROCEDURES

At the time a specimen is collected, the employee shall be given a copy of the specimen collection procedures. The specimen must be immediately sealed, labeled, and initialed by the employee to ensure that the specimen tested by the laboratory is that of the employee. The required procedure is as follows:

1. Urine specimen shall be collected in a tamper-resistant urine container. Alternatively, the urine specimen may be collected at the employee's option, in a wide-mouthed clinic specimen container which shall remain in full view of the employee until transferred to, sealed and initialed in a tamper-resistant urine container.
2. Immediately after the specimen is collected, the urine container shall, in the presence of the employee, be labeled and then initialed by the employee. If the sample is collected at a clinic that does not perform the actual testing of the sample, the specimen shall be

placed in a transportation container. The container shall be sealed in the employee's presence and the employee will be asked to initial or sign the container. The container shall be sent to the testing laboratory on the earliest business day by the fastest available method. The same procedure shall apply to blood testing.

The parties recognize that the key to chain of possession integrity is the immediate labeling and initialing of the specimen in the presence of the tested employee. If each container is received at the laboratory in an undamaged condition with properly sealed, labeled and initialed specimens, as certified by that laboratory, the Employer may take disciplinary action based upon properly obtained laboratory results.

V. DISCIPLINARY ACTION

The Employer may take disciplinary action based on the test results as follows:

A. If the test results show a forensically acceptable positive quantum of proof of cocaine, heroin, PCP, LSD, barbiturates,

amphetamines, or any other controlled substance (excluding marijuana) or the presence of a forensically acceptable amount of metabolites of the above-mentioned substances, said results shall constitute just cause for immediate discharge.

B. If the initial test results meet or exceeds 50 nanograms cannabinoids and/or total cross-reactive cannabinoids or the equivalent depending on the methodology used by the laboratory and of the metabolites measured, and is confirmed with a second test using a different methodology, said results shall constitute just cause for immediate discharge.

C. If the probable suspicion test results of blood specimens by gas chromatography/mass spectrometry show marijuana concentrations as set forth in Article VI, the employee shall be subject to discharge.

D. If the test results show a concentration in the person's urine equal to or above the equivalent of .04 percent by weight of alcohol in blood, said results shall constitute just cause for immediate discharge, subject to the provisions of the Rehabilitation Article herein.

E. If an employee is convicted of driving under the influence of alcohol while

operating a Company vehicle, said conviction shall constitute just cause for disciplinary action, up to and including immediate discharge.

VI. LABORATORY REQUIREMENTS

A. Urine Testing

The laboratory will be instructed to test each sample using an appropriate initial screening test methodology (e.g., immunoassay). If the initial test is positive, then a confirmatory test using a different methodology (e.g., gas chromatography/mass spectrometry) will be performed on the same sample. The threshold level for cannabinoids in the initial screening test is fifty (50) or more nanograms of cannabinoids and/or total cross-reactive cannabinoids per milliliter of urine or the equivalent depending on the methodology of the test and the metabolites.

B. Blood Testing

Where blood specimens alone are obtained, the blood/serum must be analyzed using appropriate methodology such as gas chromatography/mass spectrometry.

If a blood specimen is tested for cannabinoids, it will be reported as positive under

any of the following results obtained after testing blood specimens by gas chromatography/mass spectrometry:

1. the blood/serum contains at least 2 and up to 5 nanograms THC/ml and at least 10 nanograms THC metabolites/ml;
2. the blood/serum contains at least 5 or more nanograms THC/ml, regardless of the THC metabolite concentration; or
3. the blood/serum contains 20 or more nanograms THC metabolites/ml, regardless of THC concentration.

If none of the above blood marijuana findings results are obtained, a "negative" finding shall be reported.

C. Breath Testing

For alcohol testing, employees will have the option of blood or breath testing. The

employee must notify the collection site upon arrival as to his or her preference for breath or blood testing. Where breath specimens are obtained, the alcohol testing will be performed by a breath-alcohol technician ("BAT") who has completed a course of instruction in the operation of an evidential breath-testing ("EBT") device. Breath testing normally will be conducted in a location that affords visual and aural privacy to the person being tested. If an initial test is positive, a confirmatory retest will be done with a new mouthpiece.

D. Specimen Retention

All specimens deemed positive by the laboratory according to the prescribed guidelines must be retained at the laboratory for a period of six (6) months.

E. Approved Testing Laboratories

The laboratories used must be able to perform all the required testing procedures for probable suspicion under one roof to maintain chain of possession integrity. The parties agree to mutually establish a list of approved laboratories. The parties also agree to retain the right to audit and inspect the individual laboratories to

determine conformity with the laboratory requirements as established herein.

F. Prescription and Non-Prescription Medications

The employee shall note, on a form furnished by the Employer and/or clinic and/or laboratory and/or physician, the use of any prescription or nonprescription medications before any test is given. The Employer may require the employee to provide evidence that a prescription medication has been lawfully prescribed by a physician. Through the use of the above described laboratory procedures, the laboratory will report significant presence of all prescription and nonprescription medications. If an employee is taking a prescription or nonprescription medication in the appropriate described manner and has noted such use, as provided above, he/she will not be disciplined for such. Medications prescribed for another individual, not the employee, or prescribed for the employee but not used in the manner as prescribed, shall be considered to be illegally used and subject the employee to discipline.

VII. CONFIDENTIALITY

There will be up to two persons in the personnel department of each plant who will be designated to receive testing results. They will notify medical and other Company managers strictly on a need-to-know basis.

No laboratory reports or test results shall appear in an employee's personnel folder. Information of this nature will be included in the medical file. The inside cover of the personnel folder will contain a marker to show that this information is contained elsewhere.

VIII. REHABILITATION

A. An employee found to be under the influence of alcohol at work will be permitted the opportunity to enter a rehabilitation program for treatment of abuse of alcohol.

B. An employee shall be permitted the opportunity to enter a drug abuse treatment program, provided the employee requests to enter the program at a time when he is not under investigation for being under the influence of drugs at work.

C. Employees shall be allowed only one opportunity to enter into a treatment program, provided that if within ninety (90) days following

the conclusion of the initial period of treatment the employee voluntarily requests an opportunity for a second course of treatment because the first one was unsuccessful, and the employee is at that time not under investigation for being under the influence of alcohol and/or drugs at work, the employee shall be allowed to submit himself for a second course of treatment.

D. To be eligible for return to work, the employee must complete, to the full satisfaction of the rehabilitation clinic or counselor, the required course of treatment, and the employee must, to the satisfaction of the rehabilitation clinic or counselor, continue with all post-program follow-up care, therapy, meetings, consultations, tests and evaluations.

E. Each rehabilitation program must be approved by the Company for the employee to be validly enrolled therein.

F. Upon complying with the conditions set forth in Paragraphs D and E above, the employee shall be eligible to return to work under the conditions outlined in this Paragraph.

1. The employee shall be placed on a probationary period of one year, during which time the employee is subject to

discharge without recourse to the grievance procedure in the event of any violation of Section I, POLICY, of the WEA Drug and Alcohol Testing Program.

2. The employee further agrees to sign a separate waiver of the right to bring any action against the Employer before any administrative agency or court arising out of a discharge as described herein.

3. The employee may be reassigned from his position to an equal or lower paying position where, in the discretion of the Company, the continuation of the employee in his former position presents a potential danger of injury to the employee involved or other employees who work with or in the area of the employee, or the risk of damage to Company property, facilities or equipment.

4. The employee agrees to submit to such random drug testing as may be required or requested by the rehabilitation program, counselor or clinic, and up to six (6) random tests as requested by the Company at any time during the employee's one-year probationary period.

G. The foregoing agreement to permit employees to enroll in a rehabilitation program is inapplicable to any employee who is discovered to be consuming, selling, offering to sell or distribute, distributing or in possession of alcohol or illegal drugs. This agreement to submit employees to rehabilitation is not applicable to any employee who, while under the influence of alcohol or illegal drugs, is involved in an accident involving injury to any person, including the employee, or damage to property. Finally, this agreement to submit employees to rehabilitation is not applicable to any employee determined by the rehabilitation program, clinic or counselor not to have a problem or habit with alcohol or drugs or who is deemed not to be able to benefit from a rehabilitation program.

H. Employees who are not eligible for rehabilitation but found to have violated Section I, POLICY, shall be subject to discharge in accordance with the provisions of the Drug and Alcohol Testing Program. Employees who do not successfully complete the program or violate the provisions of follow-up care are subject to discharge.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 45D

By: _____ Dated: _____
Mike P. Rodriguez, President, Local 45D

UNITED FOOD & COMMERCIAL
WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President, Local 186D

SENIORITY SUPPLEMENT

Local 45D and Local 186D

1. Acquisition Of Seniority

Employees shall acquire seniority after ninety (90) continuous working days of employment, and said employees' seniority shall revert back to date of original hire. However, if there is any interruption during the first ninety (90) working days of employment, the employee shall acquire seniority after the first ninety (90) days worked within two hundred (200) days of the date of hire, provided that the employee is at the time actively on the payroll; otherwise, employees who fail to acquire seniority as hereinabove provided shall acquire seniority, subject to the provisions of Paragraph 5 of this Supplement, immediately upon return to active payroll.

2. Transfer Within Plant

It is understood that the transfer of an employee within the plant shall not affect such employee's basic seniority rights as an employee of the Employer.

3. Departmental Operations

In those plants which have established, or hereafter establish, a departmental operation, seniority for the purposes of layoff and recall shall be established on a plant seniority basis within those departments which then exist at each Employer's facility. There shall be no requirement that there exist a working foreman in each department at those plants where such is presently required. This shall not displace any incumbent working foreman.

4. Permanent Shifts

In those plants which have established permanent shifts (or hereafter establish permanent shifts) it is agreed that seniority shall prevail in the assignment of employees to shifts in accordance with the provisions governing Shift Preference set forth in Paragraph 14 of this Supplement.

5. Breaking of Seniority

Seniority or the acquisition thereof shall be broken for the following reasons:

- (a) If the employee quits.
- (b) If the employee is discharged.

- (c) If the employee retires.
- (d) If the employee is absent for two (2) working days without properly notifying the Employer; unless a satisfactory reason therefor is given.
- (e) If the employee fails to return to work within two (2) working days after being notified to work and does not give a satisfactory reason therefor.
- (f) If an employee has not been employed during a twelve (12) month period.
- (g) Failure to advise Employer of current telephone number and address after reasonable attempts by the Employer have been made to contact the employee.

6. Seniority Lists

The Employer will post a seniority roster showing the seniority standing of each employee as of February 15 of each year. A copy will be mailed to the local union. Any objections to the seniority roster shall be made in writing by March 15 of each year. If there is no objection registered by this date, the roster will stand as posted. If objections are registered, a corrected list is to be posted by April 15th.

7. Promotions

All vacancies and new assignments will be posted by written notice on the Company bulletin boards. Such notices will describe the vacancy or new assignment and the hour and date bids close. The bidding period will be three (3) working days; provided, however, that the Employer shall have the right to select in its sole discretion from applicants and/or current employees the person(s) to fill the position(s) of Maintenance Supervisor Working, Foreman-Working-All Departments, Maintenance Technician, Cellar Sub-Foreman, and Sub-Foreman. At the end of the bidding period the vacancy or new assignment will be given to the employee with the most plant seniority and ability considering fitness and who has made written application therefor. A copy of all job bids shall be sent to the union office.

8. Downward Or Lateral Bidding

In the event of a bona fide hardship or physical disability, an employee shall be privileged to bid down to a lower classification or laterally to a classification with a similar wage rate. In the event the hardship or physical disability no longer exists, the employee shall have the right to again bid upward to the position which the employee had vacated or to another position to which the employee is qualified.

9. Vacancies During Vacations Or Layoffs

An employee shall have the right at any time within two (2) weeks prior to commencing the employee's vacation to submit a written request that the employee's name and qualifications be considered for any vacancy or new assignment which may arise during the employee's vacation in classifications set forth upon the written request. Employees absent on vacation shall have the privilege of bidding on any job posted during their absence. Such bids must be made within three (3) working days of their return to work.

If an employee is laid off for five (5) consecutive working days, he/she may within two (2) working days thereafter submit a written

request that the employee's name and qualifications be considered for any designated vacancy or designated new assignment which may arise during the employee's layoff. Such written request must set forth the classifications and shift for which the employee desires to be considered. If such employee on layoff is selected to fill a vacancy he/she must report for work within two (2) working days after being notified of his/her selection. The notification may be written or verbal at the employee's current address or telephone number given the Employer.

10. Notification Of Promotions

The Employer shall notify the Union of its decision in connection with any promotion or demotion within three (3) days. In the event no objection or grievance is filed by the Union within seven (7) days from the date of such notification, the matter shall be considered closed. A copy of all job bid awards and promotions will be sent to the Union office.

11. Procedure In Making Promotions

This Paragraph applies except as set forth in Paragraph 7. Where ability between employees is equal, plant seniority shall be the sole determining factor in promotions, demotions,

layoffs, and recalls in classifications covered by this Agreement. The Employer shall be the judge of ability, which judgment shall not be exercised in an unreasonable or arbitrary manner. Prior to selection of any employee for promotion, the Employer shall consider fitness and ability of all employees, senior in service to the employee selected. Any employee in a lower classification with greater plant seniority than the employee selected for promotion by the Employer shall have the right to apply for said position. If not accepted, the employee may protest through the grievance procedure provided in Article XXIV.

12. Reduction In Work Force

In a reduction of work force due to production considerations, seniority employees whose plant seniority and experience with the Employer is insufficient to entitle them to remain in any classification within their department will be offered the options below, provided they have sufficient plant seniority and in each case conditioned upon their experience with the Employer and ability to perform the work of the classifications and job available. Seniority employees who are laid off from their department may exercise their plant-wide seniority to:

(a) Transfer to a classification in another department at an equal or lower rate held by another employee with less plant seniority in which the senior employee has the ability or experience to perform. The employee may be required to transfer to the highest classification previously worked for a minimum of 500 hours in the previous two (2) years.

(b) To be placed on layoff.

13. Temporary Layoffs

When reducing the work force due to conditions beyond the control of the company which are temporary in nature, including those specified in Paragraph 33 of this Agreement, not exceeding one (1) working day, employees within the department affected will be laid off and returned to work by their plant seniority in their classification, department, and shift.

By mutual agreement between the Employer and the Local Union, this time period can be extended.

14. Shift Preference

The Employer agrees to give employees within a department and classification their preference of shifts. Shift Preference Applications shall be filed in writing on forms provided by the Employer and will remain active during the calendar year in which filed. Qualified employees with an active Shift Preference Application form will be transferred in order of their plant seniority to the shift of their choice to fill vacancies within their department and classification, subject to the conditions specified herein:

- (a) The Employer agrees that plant seniority shall prevail in the assignment of employees to shifts. However, it is recognized that it is impossible to operate the Employer's facilities with all of the senior employees on one shift. The parties agree, therefore, that plant seniority alone cannot be the sole determining factor in the assignment of employees to shifts.

- (b) No employee shall have a Shift Preference Application acted upon more than once each three (3) months (quarterly) unless the employee within that period is displaced from the employee's preferred shift through a reduction in force. In such event, the three (3) months' requirement shall be waived and the employee may submit a new Shift Preference Application. Such requests will be reduced to writing and submitted to the Personnel Department.
- (c) Occasionally it will be necessary for the Employer to assign newly hired or transferred employees to preferred shifts for familiarization and orientation purposes, when such requirements exist. In such instances, the

Employer retains the right to determine the time required (not to exceed thirty (30) days unless extended by mutual agreement) due to the variations in job requirements and in the entry qualification levels of incumbent employees. Permanent shift assignments will be made immediately after the familiarization and orientation is completed. Employees who have been temporarily assigned from their preferred shift to another shift shall be given the opportunity to return to their preferred shift as early as practicable, but in no event later than the beginning of the succeeding workweek and, in any event, before a new employee or less senior transferred employee is permanently assigned to that shift.

- (d) The Shift Preference Application will be acted upon by the supervisor on the basis of the employee's plant seniority date, rather than date of said application, unless it is determined that a hardship situation or school attendance program deserves priority over length of service.
- (e) Employees in the exercise of their shift preference will not be allowed to change shifts during the workweek for the purpose of obtaining overtime.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,

DISTILLERY, WINE AND ALLIED
WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION, LOCAL 45D

By: _____ Dated: _____
Mike P. Rodriguez, President Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President Local 186D

**SIDE LETTER REFERRING TO
PARAGRAPH 22
OF CONTRACT (Local 186D Only)**

The language of Paragraph 22, "Forty (40) hours shall constitute a week's work, Monday through Friday, to be worked in five (5) consecutive days," shall include all regularly scheduled shifts commencing before 12:00 p.m. midnight on Friday night and any hours worked after midnight on Friday, not in excess of eight (8) hours for the entire shift, shall be paid at straight time. Any hours worked in excess of eight (8) hours on such shift shall be considered overtime and paid for at the regular overtime rate.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 45D

By: _____ Dated: _____
Mike P. Rodriguez, President, Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President, Local 186D

**SIDE LETTER REFERRING TO
MAINTENANCE
DEPARTMENT REDUCTIONS IN FORCE
(LOCAL 186D ONLY)**

It is further agreed that for the purposes of reduction of work force, Saturday and Sunday overtime and shift preference, employees entering a maintenance department on or after August 1, 1977 through a maintenance training program shall not have preference over employees in that department prior to August 1, 1977.

Further, an employee who entered a maintenance department prior to August 1, 1977 through a maintenance training program shall not have such preference over employees who were in that department before the employee was.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
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By: _____ Dated: _____
Mike P. Rodriguez, President, Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President, Local 186D

SIDE LETTER RE RELIEF OPERATORS

The parties agree to the following regarding still and/or pan relief operators:

1. When the need arises for training of a back up for the still and/or pan operations the position of relief operator will be posted.

2. Relief operators will be assigned 1st, 2nd, etc. positions.

3. The 1st relief operator will be promoted to primary operator when a vacancy occurs among the 3 shift primary operators and the 2nd relief operator will be promoted to 1st, etc.

4. In the absence of the primary operator the 1st relief will substitute only during the primary operator's absence on the same shift for the balance of that work week. The following week shift assignments will be made in accordance with past practice.

The only Employer working under this Side Letter is Vie-Del Company and the Letter applies to both Vie-Del I and Vie-Del II.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

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By: _____ Dated: _____
Mike P. Rodriguez, President, Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS
DIVISION, LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President, Local 186D

SIDE LETTER RE PRE-TAX ACCOUNT

The parties agree that during the term of this Agreement the Employer may establish, at its sole discretion, a pre-tax plan or account for all legally authorized medical, dental and other expenses.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

**UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY,
WINE AND ALLIED WORKERS DIVISION**

By: _____ Dated: _____
George Orlando, Director

By: _____ Dated: _____
Harry Priest, International Representative

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY, WINE AND ALLIED
WORKERS DIVISION, LOCAL 45D

By: _____ Dated: _____
Mike P. Rodriguez, President Local 45D

UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
DISTILLERY,
WINE AND ALLIED WORKERS DIVISION,
LOCAL 186D

By: _____ Dated: _____
Lee Schmidt, President Local 186D

**SIDE LETTER RE: TANK PRESS
OPERATOR
(BRONCO ONLY)**

The Tank Press Operator is paid at
the rate and in the manner of Classification 12,
Racker & Blender.

WINERY EMPLOYERS ASSOCIATION

By: _____ Dated: _____
Michael Franzia, President

**UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION, AFL-CIO/CLC,
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By: _____ Dated: _____
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By: _____ Dated: _____
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By: _____ Dated: _____
Lee Schmidt, President Local 186D