

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

ASSOCIATED-TAGLINE, INC.

AND

GENERAL TEAMSTERS, WAREHOUSEMEN AND
HELPERS UNION, LOCAL 890

October 1, 2003 – September 30, 2008



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PREAMBLE

THIS COLLECTIVE BARGAINING AGREEMENT (hereinafter "Agreement") is by and between ASSOCIATED-TAGLINE, INC., hereinafter referred to as the "Employer" or "Company", and GENERAL TEAMSTERS, WAREHOUSEMEN AND HELPERS UNION, LOCAL 890, hereinafter referred to as the "Union".

ARTICLE 1. RECOGNITION AND SCOPE OF BARGAINING UNIT

The Company, pursuant to Case 32-RC-4588, as authorized by the National Labor Relations Board, recognizes that the Union is the sole and exclusive collective bargaining representative for the Employers' employees in the following appropriate unit: All full-time and regular part-time production, maintenance, distribution, and application employees employed by the Employer at its Salinas, California facility; excluding all office clerical employees, professional employees, guards and supervisors as defined in the Act.

ARTICLE 2. UNION SECURITY

2.1 It shall be a condition of employment that all employees of the Company covered by this Agreement, who are members of the Union in good standing on the effective date of this Agreement, shall remain members in good standing and those who are not members on the effective date of this Agreement shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union. For purposes of this Article, the "good standing" requirement shall be met so long as the employee tenders to the Union his or her required periodic dues and/or initiation fees.

2.2 In the event an employee fails to tender periodic dues and initiation fees, the Union shall give written notice to the Company requesting the discharge of such employee. The Company shall promptly notify the employee of the receipt of such notice, and if within thirty (30) days thereafter the employee shall not have tendered his or her initiation fees and dues to the Union and the Union notifies the Company in writing that no such tender has been made within such time, the Company shall be obligated to discharge the employee.

2.3 The Company agrees to provide each person hired with an authorization form provided by the Union and the Company further agrees to make the completed form available to the proper officers of the Union. Upon receipt of proper written authorization from an employee, the Company agrees to deduct from the wages of said employee, and to forward to the office of the Union each month, dues, assessments, and initiation fees as listed by the Union, which shall be furnished to the Company once a month. It is understood that any authorization of payroll deduction shall be voluntary on the part of the employee

and may be canceled at yearly intervals or at the termination date of this Agreement, whichever occurs first.

2.4 The Company shall add to the list submitted by the Union the names of all new bargaining unit employees hired since the last list was submitted and delete the names of employees who are no longer employed. All deductions shall be remitted in one lump sum, no later than the 10th of the month following the month in which deductions were made.

2.5 The Union agrees to indemnify, defend and save the Company harmless against any and all claims, demands, suits or other forms of liability that might arise out of or by reason of action taken or not taken in respect to deduction of dues and initiation fees made pursuant to the provisions of this Article.

2.6 The Union agrees not to discriminate in any manner against any employee who does not agree to the voluntary deductions set forth in this Article.

ARTICLE 3. REPRESENTATION

3.1 Upon advance notice to the Company, any authorized representative of the Union shall have access to the plant during operating hours for the purpose of investigating complaints, disputes or grievances at any stage of the grievance procedure provided however that these activities shall be conducted in a manner to avoid the disruption of work activities or interference with the efficient operation of the Company's business. Upon arrival at the facility, the Union representative will first check in at the main office. The Union representative will also notify the supervisor of the department he/she is visiting prior to conducting any activities pursuant to this Article.

The Union shall notify the Company in writing of its representatives who are authorized to represent it in all matters arising between the Union and the Company under any provisions of this Agreement.

3.2 The Union may select one (1) Chief Steward and a first and second alternate steward to act as the Chief Steward in the Chief Steward's absence from among the seniority employees of each shift. The first alternate so chosen shall be from either the application or conventional spreading departments and the second from the manufacturing area. The Union shall notify the Company in writing of the name of the Stewards so selected. The Stewards shall notify and obtain permission from their supervisor before leaving their work assignment for the purpose of investigating complaints or claims of grievance on the part of employees or the Union or contacting the Business Representative in regard to such claim or grievance. Such permission shall be granted except where there is a substantial reason for delaying the contact or the investigation due to safety conditions or the fact that a critical operation is in process.

3.3. The Company shall notify the Union of the supervisory personnel authorized to represent it in all matters arising between it and the Union under any provisions of this Agreement.

ARTICLE 4. GRIEVANCE AND ARBITRATION

4.1 It is the intent of the parties that every reasonable effort be made to resolve differences at the earliest step. Any complaint or dispute arising between an employee and/or Union and the Company concerning conduct alleged to be in violation of any provision of this Agreement shall be resolved by the filing of a grievance in accordance with this section.

4.2. Any grievance relating to discharge or layoff shall be presented in writing not later than five (5) days (excluding Saturday and Sunday) of the date of notice of the discharge or layoff or such grievance shall be deemed to be waived. Any other grievance shall be presented in writing not less than fifteen (15) days (excluding Saturday and Sunday) of the date of notice of the grievance, or such grievance shall be deemed to be waived.

4.3 Whenever any dispute or grievance shall arise between the Union and the Company or an employee and the Company, which cannot be settled informally, it shall be adjusted as follows:

4.4 STEP ONE: Within the time frames set forth in this section, the matter shall be reduced to writing and signed by the employee or Union representative and shall include a statement of the fact(s) or event(s) giving rise to the grievance; the date upon which the event(s) occurred; the provision(s) of the Agreement alleged to have been violated; and the remedy requested.

This written grievance shall then be presented by the Shop Steward or business agent of the Union to the foreman or Company representative, and if the foreman or Company representative and the Shop Steward or business agent cannot settle the matter, the Company shall, within ten (10) working days after being presented with the grievance, furnish the Union with a written answer which shall include a statement of the Company's position and the facts upon which it is based and the remedy or correction offered, if any.

4.5 STEP TWO: If it is decided to appeal the grievance to Step Two, the business agent shall, within ten (10) working days after receipt of the Company's answer, send a notice of appeal, in writing, to the Company, which notice shall include the following:

- (a) A brief statement of the reasons for appeal,
- (b) any additional facts in support of the original statement, and

(c) a statement of the remedy or correction requested from the Company and the section or sections of this Agreement relied upon or claimed to have been violated.

After such notice of appeal in Step Two, the Union and the Company shall arrange a conference, at which conference a bona fide effort in good faith will be made by both of the parties to settle the grievance. Either party will have the right to demand that said conference be held within ten (10) days of the notice of appeal.

4.6 Other provisions relating to grievances are:

(a) The Company may submit a grievance, in writing, directly to the Union and the same will be heard at a conference between the Union and the Company in accordance with the provisions of Step Two set forth above.

(b) Any of the periods within which any of the acts required in this Article are to be performed may be extended by mutual consent of the Union and the Company.

(c) In those instances where the grievance remains unresolved following the Step Two conference, the parties may mutually agree to seek the services of the State Mediation and Conciliation Service to mediate the dispute. The Conciliator and the parties shall use their best efforts to resolve the dispute as an alternative to arbitration.

4.7 ARBITRATION

(a) Any dispute which has not been adjusted under the grievance procedure above and which arises under the terms and conditions of this Agreement may be submitted to arbitration. The aggrieved party must notify the other party in writing within twenty (20) calendar days of the end of the STEP TWO conference or any mediation (whichever is later) of the party's decision to proceed to arbitration.

(b) The Company and the Union shall attempt by mutual agreement to appoint an arbitrator, but if they are unable to do so then either party may request a panel of arbitrators to be submitted by the Federal Mediation and Conciliation Service, and an arbitrator shall be selected from such panel by the process of each party alternately eliminating one of the listed names until there remains only one name on the panel. The panel of arbitrators requested will be a list of seven. If the arbitrator selected cannot hear the grievance within thirty (30) days of his/her selection by the parties, at the request of either party the selection process shall be repeated to select an arbitrator who can do so.

(c) At the outset of the arbitration hearing the party appealing to arbitration shall furnish the arbitrator with copies of all documents relating to the grievance. The arbitrator and the parties shall then determine the issue to be arbitrated from the documents so offered and the arbitrator shall confine his/her decision to the issue or issues agreed upon. If the parties cannot agree on the issue, the arbitrator shall determine the issue from the documents submitted.

(d) Either party may call such witnesses as are necessary and the arbitrator shall proceed to hear the matter and render a written opinion, which shall be final and binding upon the parties hereto.

(e) The arbitrator shall render a bench decision if so requested by both the grievant and the Company. Either party shall have the right to submit written briefs to the arbitrator after the presentation of all evidence to the arbitrator. In the event either party chooses to exercise this right, the arbitrator will establish a reasonable deadline therefore which shall be applicable for both parties, and the arbitration shall not be deemed closed until that deadline.

(f) Each party shall bear the cost of presenting its own case, and the Union and the Company shall bear equally all costs and expenses for the hearing, including the arbitrator, court reporter if one or both of the parties opts to have a reporter present, and the facilities used for the arbitration.

(g) The arbitrator shall not have authority to modify, add to or delete any of the terms or conditions embodied in this Agreement. Furthermore, the arbitrator shall have jurisdiction and authority only to interpret, apply or determine compliance with this Agreement and the grievance submitted to him or her. The arbitrator shall not have the power to add to, subtract from, or modify in any way the express language of the Agreement. The arbitrator shall have no authority to and shall not add to or modify in any way the Company's responsibilities or duties under this Agreement, nor may the arbitrator impose upon the Company an obligation, responsibility or duty which is not required by the Company by this Agreement. No backpay or benefits may be awarded for any period of time prior to the Company's violation of the Agreement (if found by the arbitrator). Any award of backpay shall be reduced by all interim earnings received by the Grievant. Any decision within the jurisdiction of the arbitrator shall be final and binding on all concerned.

(h) No grievance shall be submitted to arbitration unless the time limits set forth in this Article have been strictly complied with. Any grievance submitted after the time limits set forth herein have expired shall be deemed forfeited and waived by the aggrieved party. No grievance shall be considered by the arbitrator unless all steps of the procedures provided herein have been followed or, if not, waived or extended by the parties. Should any party dispute the arbitrability of a grievance under this Agreement, it shall notify the other party in

writing within ten (10) calendar days of its receipt of notification of the other party's intention to submit the grievance to arbitration. In such case, the arbitrator shall first hear the arbitrability issue, and shall then make a decision on that issue before proceeding to hear the merits of the case. The arbitrator shall only hear the merits of the case if they determine that the timeliness requirements have been met.

ARTICLE 5. SENIORITY

5.1 The Company shall recognize two types of seniority, "plant seniority" and "department seniority." "Plant seniority" is defined as the status an employee secures by the length of continuous service with the Company from the employee's date of hire. As explained in section 5.3 below, "department seniority" is defined as an employee's seniority within the job department in which he/she works.

5.2 A new employee shall work as a probationary employee and shall be employed on a trial basis for the first ninety (90) working days. Probationary employees may be disciplined, laid off, or discharged at the discretion of the Company and such action shall not be subject for a grievance or arbitration. After the ninety (90) working day period, the employee shall be placed on the seniority list. For purposes of an employee's seniority date only, seniority shall commence with the date of hire.

5.3 For purposes of this Agreement, departments of work at the Company shall be grouped into three (3) different departments as follows: Tractor Application, Conventional Spreading and Production/Delivery. Employees who have seniority within a department shall be entitled to job assignments within that department, provided he/she is capable of performing the required job duties to the satisfaction of the Company.

5.4 At the beginning of each season, the Company shall post a seniority list on the bulletin board and shall send a copy of the seniority list to the Union. Seniority lists shall include the employee's name and plant seniority date, department and department seniority date.

5.5 With the exception of any applicable lead person position(s), hirings, recalls and layoffs shall be made on the basis of department seniority, subject to the provisions of section 5.6 below. This does not mean that an employee has the right to pick and choose a job within a department. The Company retains the right to assign jobs within a department based upon the relative ability of the employees who wish to perform the particular job, the efficient operation of the Company, and, if applicable, the preference of the Company's customers.

5.6 With the exception of the Blender/Quality Assurance and Liquid Delivery job classifications, when a permanent vacancy within a department occurs (which shall be filled pursuant to section 5.9 below), whenever possible, the Company shall attempt to fill such vacancy on the basis of (i) seniority within the vacant department, then (ii) plant seniority, provided the employee has the ability to perform the work in a manner satisfactory to the Company, subject to section 5.7 below. In the event of a temporary vacancy within a department, any employee filling such temporary vacancy shall have the right to return to his/her former department upon completion of the temporary assignment. No vacancy shall be considered permanent until such vacancy is posted. Such permanent vacancies shall be posted for not less than five calendar days.

5.7 Employees shall be allowed to retain department seniority in one department only. Provided, however, that in the event of a permanent vacancy within another department, any employee who wishes to transfer to the other department shall not forfeit his/her seniority in his/her previous department until successfully obtaining department seniority in the new department. Prior to obtaining department seniority in the new department, the employee may return to his/her previous department without loss of seniority in that department. To obtain department seniority, an employee must perform in a manner satisfactory to the Company on a trial period of thirty (30) working days. During the trial period, the employee may be reassigned or may choose to return to his/her previous department without loss of seniority in that previous department. Department seniority shall be obtained after thirty (30) working days in the new department.

5.8 In the event of a permanent vacancy in either the Blender/Quality Assurance or Liquid Delivery job classifications, such opening shall be filled as follows:

5.8.1 The Company shall post the opening for a period not less than five(5) calendar days.

5.8.2 The Company shall develop in its sole discretion a test which evaluates both written and practical knowledge of the job classification for which there is a permanent vacancy and shall set the minimum unadjusted passage rate for this test. The Company shall provide the test to the Union for review and comment prior to administering the test to interested applicants.

5.8.3 The test shall then be administered to all interested applicants. After the administration of the test, the Company shall total the score of all applicants and shall make a list of all applicants who score equal to or above the minimum unadjusted passage rate. The Employer shall add to the applicant's score the number of years of service to the Company (if any) to determine the adjusted score. The applicant with the highest adjusted score

shall be offered the first opportunity to qualify for the permanent opening. Any tie shall be resolved in favor of plant seniority.

5.8.4 The applicant with the highest adjusted score shall be offered a one workweek trial/qualification period in the new job classification. At the end of the workweek, the Company will decide whether the applicant is qualified to perform the new job classification. If the Company determines the applicant is not qualified, he/she shall return to his/her prior job classification with no loss of department or plant seniority if an existing employee. The applicant with the next highest adjusted score shall then be offered the chance to qualify in the same manner and under the same conditions until such time as there is an applicant determined by the Company to be qualified to fill the permanent vacancy.

5.9 In the event the Company determines that there will be a temporary layoff, seniority employees who request to be laid off during the off-season period, shall be entitled to be laid off when, in the opinion of the Company, service or efficiency will not be disturbed, and provided it is mutually agreeable among the seniority employees then working within the department.

5.10 To protect his/her seniority, an employee shall furnish the employer with a current address and also a telephone number where the employee can be reached and given messages.

5.11 Whatever seniority an employee has is lost when he/ she is discharged for cause, fails to report for work, or provide evidence of disability within five (5) days of notice of recall, voluntarily leaves employment without authorized leave of absence or fails to report to work at the termination of an authorized leave of absence.

5.12 With the exceptions of the Blender/Quality Assurance and Liquid Delivery positions, in the event there is no work available for an employee within his/her department, he/she may temporarily displace an individual with less plant seniority in another department during such time that work within his/her department is unavailable, provided he/she is capable of performing the work in that department to the satisfaction of the Company. There shall be a five (5) working day waiting period before displacement pursuant to this section shall apply. Any employee bumping to another job classification in another department pursuant to this Section shall continue to receive his/her rate of pay for his/her prior job classification until he/she has worked three consecutive weeks in the other department, at which time the employee will commence receiving the rate of pay for the new job classification within the other department. There shall be no bumping into the Blender/Quality Assurance and Liquid Delivery positions.

5.13 Upon execution of the initial Agreement, the Company shall provide to the Union a current complete seniority list and shall post the seniority list in a location readily accessible to employees. A grievance on seniority will be considered untimely and therefore waived if not filed within fifteen (15) calendar days after the posting of the list. This fifteen (15) day deadline shall apply to employees not presently working but shall run from the date of the employee's return to work. Remedies for grievances filed pursuant to this section shall be limited to correcting the seniority list. Backpay shall not be applicable.

5.14 When employees have the same date upon which seniority is established, their social security numbers shall be used to establish seniority between them, the social security number with the highest last four (4) numbers being accorded the highest seniority.

ARTICLE 6. LEAVE OF ABSENCE

6.1 Personal Leave of Absence. Any employee may be given a personal leave of absence not to exceed two (2) months for any valid and proper reason acceptable to the Employer. This decision shall not be subject to the grievance and arbitration proceedings. An employee on leave who desires to return to work before the expiration of his/her leave may do so providing at least ten (10) days notice in writing is given the Company. This ten (10) day notice is waivable at the discretion of the Company.

6.2 Leave of absence under this Article shall be without pay and shall not be counted toward the accumulation of any benefits under this Agreement, except as specifically set forth elsewhere in this Agreement. Seniority, however, shall accumulate during the leave of absence, and upon returning to work the employee shall be reinstated without loss of seniority to his/her classification at the current scale of wages. Failure to report to work at the end of the approved leave shall be deemed a voluntary quit and shall terminate seniority. All leaves of absence must be approved in writing by the Company in advance. Whenever the Company requires a leave of absence request to be in writing, the Company shall provide pre-printed forms to requesting employees. Such forms may be completed in English or Spanish, with a copy to the Union and to the employee. Misrepresenting reasons for applying for a leave of absence may result in disciplinary action, including immediate termination.

6.3 Medical Leave of Absence. Leaves of absence shall be granted or extended upon illness or injury of any employee substantiated by a doctor's certificate or other adequate proof of illness. Prior to returning any employee to his/her job following any absence for illness or injury, the Company may require a doctor's certification of his/her medical fitness to perform the work involved.

6.4 Compliance with Leave Laws. The Company shall comply with all laws relating to pregnancy leave and family medical leave which pertain to an employer of its size.

6.5 It is the intent of the Company and Union to comply with all provisions of the Americans with Disabilities Act ("ADA"). Accordingly, any provision set forth herein or in any other place in this Agreement which may be inconsistent with the terms of the ADA shall be rendered void to the extent of such inconsistency without affecting other provisions which are not inconsistent with the ADA.

6.6 Leave of Absence for Union Business. An employee's appointment or election to conduct Union business shall be deemed good and sufficient reason for obtaining a leave of absence. Such employee shall be given, upon written notice from the Union to the Company, a leave of absence not to exceed one (1) year, which shall be extended yearly thereafter on request; provided the employee shall be continually conducting Union business. Provided, however, that for the first year of an employee's leave of absence for Union business, the Company shall have the right to replace that employee with a subcontractor. No more than one (1) employee shall be on a leave of absence under this section at any one time.

ARTICLE 7. NON-DISCRIMINATION

The Union and Employer shall not discriminate against any individual with respect to hiring, compensation, layoffs, discipline or discharge or other terms or conditions of employment because of such individual's race, color, religion, sex, national origin, Veteran's status, age, union membership or activities, age, or physical or mental disability nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex, national origin, Veteran's status, age, union membership or activities or physical or mental disability.

ARTICLE 8. NO STRIKE, NO LOCKOUT

8.1 During the term of this Agreement, or any extension thereof, neither the Union nor its members, agents, representatives, employees, or persons acting in concert with them shall encourage, direct, authorize, condone, participate in, threaten or sanction any strike of any kind, boycott (including secondary boycotts), walkout, picketing, work stoppage, slow-down, concerted mass sickness or economic action or any other type of organized interference, coercive or otherwise, with the Company's business during the life of this Agreement.

8.2 The Company agrees that there will be no lockout during the life of this Agreement.

8.3 An employee's refusal to cross or work behind a legitimate, bona fide, primary picket line sanctioned in writing by Teamsters Local 890 shall not be deemed a violation of this Agreement provided the sanction shall not be effective until after receipt of said notice.

ARTICLE 9. MANAGEMENT RIGHTS

9.1 Except as specifically modified by the written terms of this Agreement, the Company shall have all the rights and prerogatives conferred on it by law including but not limited to, the exclusive direction of the working force; the right to direct, plan and control Company operations; the right to assign work to any unit employees covered by this Agreement; the right to establish and change working hours and shifts; to create or abolish job classifications; to hire, promote, demote, transfer, suspend, discipline or discharge for just cause; to lay off employees because of lack of work or for other reasons; to make, alter, amend and enforce rules and regulations not in conflict with the specific terms of this Agreement; introduce new or improved methods of operation; to determine the means, equipment and materials to be used; to require punch of time cards; to abolish past work customs and practices which it, in its sole discretion, determines are inefficient and costly, and; to take all other actions necessary or appropriate to carry out these rights and prerogatives. It is further agreed that the Company's exercise of the foregoing rights and prerogatives is not limited by any past practice or policy which may have existed prior to the effective date of the initial Agreement.

9.2 It is further agreed that the practical consequences of the Company's exercise of its rights and prerogatives under this Article may be subject to the grievance procedure while the exercise of its rights and prerogatives under this Article shall not be subject to the grievance procedure or the subject of bargaining provided there is no conflict with the specific terms of this Agreement.

9.3 The Company shall have the right to establish and post work, sanitation and safety rules applicable to all workers and other personnel. The Company shall notify the Union in writing prior to implementing any such work rules. Such work and safety rules may not be inconsistent with the terms of this Agreement.

ARTICLE 10. SAFETY

10.1 The Company and the Union shall cooperate to maintain a safe working place consistent with the requirement to conduct efficient operations.

10.2 No employee shall be required to work in any operation which constitutes a real and immediate danger of death or serious injury, or is in violation of State or Federal law. The discharge of any employee for refusal to work in such conditions shall not be upheld if the employee has notified the Company of the

existence of that condition, the Company has refused to correct it, and it is determined by the arbitrator that the condition in fact constituted a real and immediate danger of death or serious injury to the employee, or was in violation of State or Federal law. Discharges arising as a result of an application of this provision shall be subject to the grievance procedure.

10.3 The Company and Union shall establish a Safety Committee, to be composed of two (2) bargaining unit employees and two (2) representatives of the Employer. The Safety Committee shall meet from time to time to discuss on-the-job safety, inspect the facility and equipment as deemed appropriate, and review the circumstances of accidents that may have occurred. Whenever a safety issue is discussed or a problem identified, the Safety Committee shall make recommendations to the Employer for changes or adjustments in unsafe conditions or equipment. The function of the Safety Committee shall be to advise management and the Union concerning safety and health matters only and any failure of management to adopt any or all of the recommendations of the Safety Committee shall not be regarded as a grievance and shall not be subject to the grievance or arbitration procedure. However, this Section shall not in any way limit the right of the Union or an employee to grieve what they perceive to be an unsafe condition.

ARTICLE 11. WORKING CONDITIONS

11.1 The Company shall provide bulletin board space to the Union for posting of notices concerning meetings, election of officers, notice of Union affairs, and matters dealing with the affairs of the Union and which are not derogatory to the Company. All such notices shall bear the signature of a proper Union official. The Union shall remove outdated notices on a weekly basis. Before the Employer removes material, it shall first notify the Union.

11.2 It is the intent of the parties that supervisors shall not regularly perform work performed by employees in the bargaining unit. Provided, however, one (1) supervisor per department may regularly perform work performed by employees in the bargaining unit during the term of this Agreement. In addition, the Company may have one (1) additional supervisor regularly performing bargaining unit work in the production/delivery department but shall reduce to one (1) supervisor in this department by June 1, 2003.

11.2.1 Subcontractors - Production/Delivery. The Company shall have the right to hire and use subcontractors to perform any work within the production/delivery department for any work covered under this Agreement when deemed necessary for the efficient running of the operation. Provided further, however, that the Company's use of any such subcontractors shall not affect seniority employees' right to Guaranteed Equivalent Hourly Pay set forth in section 12.3 below (provided all conditions set forth in section 12.3 are met), nor shall such subcontractors be used to displace seniority employees. If there is

any subcontractor working within this department in excess of 180 days in a calendar year, the Company shall hire one (1) additional bargaining unit employee in this department at the start of the next peak season prior to utilizing any employees of a subcontractor.

11.2.2 Subcontractors - Application/Conventional Spreading Departments. The Company shall have the right to hire up to two (2) subcontractors for the Tractor Application department and two (2) subcontractors for the Conventional Spreading department (for a total of four subcontractors) to perform any work within these departments when deemed necessary for the efficient running of the operation. Provided further, however, that the Company's use of any such subcontractors shall not affect seniority employees' right to Guaranteed Equivalent Hourly Pay set forth in section 12.3 below (provided all conditions set forth in section 12.3 are met), nor shall such subcontractors be used to displace seniority employees. In the event it becomes necessary for the Company to lay off a worker within these departments, any subcontractors so used by the Company shall be laid off prior to the layoff of any seniority employee.

11.3 Tools, supplies and equipment that are furnished by the Company shall be maintained by the Company. The Company may, at its option, require an authorization to deduct a reasonable sum equal to the cost of any item so furnished in the event said item is not returned. Said authorization shall allow the employer to deduct from the employee's last check the cost of an item furnished in the event said item is not returned. However, no deduction shall be made at any time for normal wear and tear.

11.4 No employee shall be required to work in excess of five (5) hours consecutively without an uninterrupted meal period of 30 minutes. Meal periods are unpaid, unless the employee is required to be on duty.

11.5 Employees shall be entitled to a rest period which insofar as practical shall be in the middle of the work period. The authorized rest period time shall be based on the total hours worked daily at the rate of fifteen (15) minutes in any four (4) hour period. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages. The Employer shall have the right to stagger breaks as it deems appropriate.

11.6 Appropriate ventilation shall be maintained where welding is being done in accordance with applicable safety laws.

11.7 The Company shall provide a shower facility, as well as adequate restrooms.

11.8 The Company shall provide appropriate ventilation masks for employees regularly assigned to spraying pesticides.

11.10 The Company shall make available to employees who apply disystem a clean uniform pants and shirt for the following workday. In the event an employee handles either organic blood meal or fish omega during any work day and the employee has exhausted his/her coverall allowance for that work week, the Company shall provide the employee a clean coverall (either disposal or laundered at the Company's discretion) for the employee's next workday.

11.11 At the employee's written request, the Company shall provide employees regularly assigned to spraying pesticides a baseline blood test prior to starting such work and no more frequently than annually thereafter.

ARTICLE 12. HOURS AND OVERTIME

12.1 Employees shall receive one and one-half times their regular rate of pay for all hours worked in excess of eight (8) in a workday or forty (40) in a workweek. Employees shall also receive two (2) times their regular rate of pay for all hours worked in excess of eight (8) on Sunday. There shall be no pyramiding of overtime pay.

12.2 Guaranteed Equivalent Hourly Pay for Seniority Employees.

12.2.1 Except as provided for herein, seniority employees shall be guaranteed each workweek to receive straight-time hourly pay not less than the applicable minimum hourly guarantee ("the Guarantee") set forth in Exhibit A for the life of this Agreement.

12.2.2 To be eligible for the Guarantee, the seniority employee must work all scheduled hours during the workweek and phone the facility pursuant to any call in time on the schedule. To this end, the Company will post each night the work time the employee is to report to work the next day or the time when employees should phone in to be given their work time.

12.2.3 The Guarantee does not apply under the following circumstances:

- a. In the event of a shutdown or reduced workweek due to Acts of God or any of the reasons set forth in Article 8 NO STRIKE, NO LOCKOUT.
- b. In any workweek in which an employee is absent for one-half (½) day or more for any reason, except for an absence for jury duty or funeral leave (in which case the Guarantee shall be reduced by eight hours for each day off for jury duty or funeral leave).
- c. In any workweek when the employee has refused work or failed to follow the phone-in procedures set forth above.

d. In case of suspension or discharge for just cause.

e. In case of layoff.

12.3 Shift Differential. Any employee working in the Production/Delivery classification scheduled to start work after 11:00 a.m. shall receive a shift differential of 2.5% of the employee's regular hourly rate of pay. Said shift differential shall be included in the employee's regular rate for purposes of determining overtime pay. The institution of any shift starting after 4:00 p.m. shall be treated pursuant to Article 20 NEW OR CHANGED OPERATIONS.

12.4 Reporting Time. Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half his/her usual or scheduled day's work, he/she shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at his/her hourly rate of pay. Reporting time pay is not applicable when operations cannot commence or continue due to threats to employees or property; or when recommended by civil authorities; or public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities or sewer system; or the interruption of work is caused by an Act of God or other cause not within the employer's control.

12.5 On-call time. The parties recognize that as of the effective date of this Agreement, there is currently no on-call requirement for employees. In the event the Company institutes an on-call requirement, such requirement shall be treated pursuant to Article 20 NEW OR CHANGED OPERATIONS.

12.6 Recall time. If an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, the employee shall be paid for two (2) hours at the employee's regular hourly rate of pay.

ARTICLE 13. JURY DUTY

13.1 When a seniority employee is first notified of a call for jury duty, that employee shall immediately inform the Company of such notification. Time off for jury duty may be taken for up to a maximum of eight (8) hours at the employee's straight-time hourly rate of pay for a maximum period of ten (10) workdays per every two (2) calendar years. If an employee is ordered to report for jury duty and reports or serves on a jury, the employee shall be paid the difference, if any, between the pay such employee received for serving on jury duty and the amount such employee would have been paid by the Company had he/she worked.

13.2 To be eligible for jury duty pay, the employee must call the Company within thirty (30) minutes of being released from jury duty on each day served in order to ascertain if there are at least two (2) hours of work remaining

in such employee's job classification in that day's shift. In the event there are at least two (2) hours of work for the employee, the employee must return to work or forfeit any pay under this section. Failure to call the Company as provided in this section shall also cause a forfeiture of pay under this section.

13.3 To receive pay under this provision, the employee must provide the Company with a copy of notice of summoning him/her to appear, and if so requested, documentary evidence of the amount of fees received for performing such service and the dates and times upon which he/she actually performed jury duty service.

ARTICLE 14. WAGES

The wages to be paid employees pursuant to this Agreement are attached hereto as Exhibit A, incorporated herein.

ARTICLE 15. HOLIDAYS

15.1 Full-time seniority employees shall be compensated for eight (8) hours pay at their regular straight-time hourly rate for the following holidays: New Years Day, Fourth of July, Memorial Day, Labor Day, Thanksgiving Day and Christmas Day.

15.2 If the employee works on these paid holidays, he/she will receive one and one-half (1 ½) times his/her straight-time hourly rate for those hours worked in addition to the holiday pay set forth in Section 15.1.

15.3 Employees on vacation shall receive the payment under Section 15.1, and the holiday shall not be counted as a vacation day.

15.4 To qualify for paid holidays, a seniority employee must work on his/her last regularly scheduled workday before the holiday and on his/her next regularly scheduled workday after the holiday.

15.5 Floating Holiday. In addition to the above holidays, full-time seniority employees can take one (1) floating holiday during Off-Peak periods for which they shall be compensated for eight (8) hours pay at their regular straight-time hourly rate of pay. Eligible employees may take a floating holiday on any day of their choice during the Off-Peak periods each year of employment starting with the date they obtain seniority and each anniversary of that date thereafter. For purpose of the floating holiday benefit only, unless mutually agreed to between the Company and seniority employee wishing to take a floating holiday, "Off-Peak" is defined as December 1 through March 31 for Tractor Application, Conventional Spreading departments, and Liquid Delivery Drivers, Material Handlers with Class A licenses and Blender/Quality Assurance job classifications; and June 1 through October 31 for the remaining

Production/Delivery employees. Floating holidays must be approved in advance by the Company. An employee may not have more than one (1) floating holiday in any year. Accordingly, if an employee fails to request to take his/her floating holiday, the employee will not be eligible to earn any additional floating holiday benefit in the subsequent year.

ARTICLE 16. VACATIONS

16.1 Employees will not commence accrual of vacation benefits until they have achieved seniority status. Once employees achieve seniority status, they accrue vacations in accordance with the schedule set forth below.

16.2 Seniority employees shall earn vacation time on a pro-rata basis. Vacation time will be accumulated monthly starting from the date in which the employee obtains seniority. Vacation will be earned as follows:

16.2.1 Date of obtaining seniority to the end of two (2) years of employment: One (1) week (5 working days) per year, accumulated at the rate of .417 days per month.

16.2.2 Three (3) years of employment through the end of seven (7) years of employment: Two (2) weeks (10 working days) per year, accumulated at the rate of .833 days per month.

16.2.3 Eight (8) years of employment through the end of fourteen (14) years of employment: Three (3) weeks (15 working days) per year, accumulated at the rate of 1.25 days per month.

16.2.4 Fifteen (15) plus years of employment: Four (4) weeks (20 working days) per year, accumulated at the rate of 1.67 days per month.

16.3 Each week of accrued vacation is equivalent to forty (40) hours of the employee's regular straight-time hourly rate of pay.

16.4 Employees are encouraged to take their accrued vacation each year. Employees are to request vacation as far in advance as possible. Vacations will be scheduled so as to provide adequate coverage at the facility and staffing requirements. The Company will make this determination in its sole discretion. As an incentive to employees to take vacation during Off-Peak months, employees who do so shall receive a bonus equivalent to fifteen (15) hours of straight-time pay times the number of weeks of vacation time taken by the employee during off-peak months. Said bonus is not part of the employees' vacation accrual and is to be paid in a separate check or by separate computation not included with other remuneration. For purposes of this section only, Off-Peak months are defined as December 1 through March 31 for Tractor Application, Conventional Spreading and Production/Delivery departments, and

Liquid Delivery Drivers, Material Handlers with Class A licenses and Blender/Quality Assurance job classifications; and July 1 through October 31 for the remaining Production/Delivery employees.

16.5 Vacation does not accrue during any unpaid leave of absence or other periods of inactive service.

ARTICLE 17. LIFE, HEALTH AND WELFARE

17.1 The Employer shall provide life, health and welfare coverage for the life of this Agreement to the following maximum rates per employee after an employee has qualified for coverage: \$430 per month effective November 1, 2003 and \$460 per month per employee effective October 1, 2004 through the end of the second year of this Agreement. The parties shall meet and confer between July 1, 2005 and August 30, 2005 to negotiate changes to said maximum rates to be effective October 1, 2005 through the end of the Agreement. The employee for whom life, health and welfare coverage is charged shall pay the higher of the cap set forth in this Section 17.1 or 10% of the actual cost for such coverage. An employee shall qualify for coverage after he/she has worked forty (40) hours of employment or more in the preceding month.

17.2 The caps or 10% of the actual cost for coverage as the case may be as set forth in Section 17.1 above represent the Employer's maximum cost for life, health and welfare insurance coverage per eligible employee for the life of this Agreement. Any costs to maintain benefits in excess of either the caps or 10% of the actual cost for coverage, whichever is higher, during any month shall be paid by the employee for whom the costs are charged, by payroll deduction automatically by the Employer. No written authorizations shall be required for these deductions. Further, should any other cost be assessed by the insurer, the Employer shall not be responsible for any such cost in excess of the above-stated caps.

17.3 In the event of cost increases to the health and welfare plan than in effect which are greater than the increases in the caps set forth above, the parties shall, upon request of the Union, meet to discuss changing the insurance carrier or benefit levels.

ARTICLE 18. FUNERAL LEAVE

18.1 A seniority employee shall be granted, upon request, a funeral leave for a period of up to three (3) days to arrange for and attend the funeral of such employee's spouse, children, mother, father, brother, sister, mother-in-law, father-in-law or grandparents. The Company agrees to pay the employee's straight-time hourly rate for any lost time during any of the days up to a maximum of eight (8) hours for each such day. Any hours paid under this provision shall not be considered as hours worked for any other provision of this Agreement.

18.2 A death certificate or other evidence of death may be required by the Company.

18.3 To be eligible for such paid funeral leave, such seniority employees must have worked for the Company on the five (5) days preceding the funeral leave or have been on an authorized leave of absence in order to care for the person who died.

ARTICLE 19. SICK LEAVE

19.1 Seniority employees shall accrue sick leave benefits at the rate of one-half (½) day per month worked. Sick leave shall not accrue during unpaid leave of absences. Employees will not commence accrual of vacation benefits until they have achieved seniority status.

19.2 Unused sick leave may be accrued from year to year, to a maximum of nine (9) days of accumulation. Any seniority employee who has accrued sick leave on the books as of December 1 will receive a cashout of all but three (3) days of such unused accumulated sick leave the payroll period immediately following December 1. Such bonus is to be paid in a separate check or by separate computation not included with other remuneration.

19.3 Earned sick leave pay shall be granted only in case of bona fide illness or accident. A doctor's certificate or other reasonable proof of illness may be required by the Employer; provided, two (2) days' absence from the job where the illness is of such a nature as not to require the employee to be attended by a physician, the doctor's certificate referred to above shall be waived; however, such waiver shall be conditioned upon the employee notifying the Employer not later than one-half (½) hour following the employee's regular starting time on the first workday's absence that the employee shall not report to work on that day. Except as set forth in Section 24.2, earned sick leave pay is not convertible to a cash bonus.

19.4 Earned sick leave benefits shall be paid in the following manner: First day's absence, no pay; provided, however, that the sick benefit allowance for bona fide illness or accident shall commence with the first day's absence if the employee's illness or accident results in his/her being hospitalized before he/she returns to work.

19.5 In industrial injury or disability cases, worker's compensation or state disability payments and sick benefit allowances shall be paid separately, but in the event worker's compensation payments or state disability payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two shall not exceed the sick benefit payable for said period to a maximum of eight (8) hours per day, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave

benefits with worker's compensation or state disability payments is to be automatic; the Employer may not waive integration, and any employee entitled to worker's compensation or state disability payment must apply for these benefits (in order that the principle of integration may be applied) before sick benefits are payable.

ARTICLE 20. 401(k) PLAN

For the duration of this Agreement, the Company shall continue the 401(k) Profit Sharing Plan and Trust currently in effect which it has heretofore provided for the benefit of eligible employees (as provided for therein) subject to the same terms and provisions of said Plan. Provided, however, that for the duration of this Agreement, the Employer's matching contribution shall equal 100% of the amount of salary reduction elected to be deferred up to the first \$1,000 so deferred and 50% of the amount of salary reduction elected to be deferred for the second \$1,000 so deferred, for a maximum yearly matching contribution by the Employer of \$1,500. A copy of the Summary Plan Description for the Plan is available in the main office for review.

ARTICLE 21. DISCIPLINE & DISCHARGE

21.1 The Company shall have the right to discipline and/or discharge any employee for just cause, including, but not limited to, violation of Company or safety rules. The Company shall have the right to discipline and/or discharge probationary employees with or without prior warning for any reason that, in the sole opinion of the Company, is just and sufficient. Employees shall be given at least two (2) written warnings a/or a suspension before discharge, except no warning notice or suspension need be given to an employee before discharge if cause of such discharge is being under the influence of or possessing alcoholic beverages while on duty or on or in Company property, engaging in fights or making threats of violence on the premises of the Company, use or possession of narcotics or illegal drugs in or on Company property, dishonesty, theft, insubordination, willfully damaging Company property, refusal to perform work as directed, or for engaging in strikes, individual or group work slowdowns, or other work stoppages in violation of this Agreement.

21.2 Warning notices must be issued within five (5) days after the occurrence of the violation, or discovery thereof; Saturday and Sunday excluded, claimed by the Company in such warning notice. Such warning notice shall be given to the employee in writing if he/she is available, or mailed to his/her last known address if he/she is not available, and a copy mailed to the Union.

21.3 When workers who have received written warnings complete twenty-four (24) months without further disciplinary action, those prior written warnings shall not be relied upon in any other disciplinary matters, except those warnings may be used to rebut a misstatement of employee's history.

21.4 Supervisors and employees should treat each other with respect. No supervisor shall make unwanted physical contact with another employee, or direct cursing or obscene language at any employee.

ARTICLE 22. DRUG AND ALCOHOL POLICY

The Drug and Alcohol Policy is attached hereto as Exhibit "B" and incorporated herein.

ARTICLE 23. NEW OR CHANGED OPERATIONS

In the event the Company hereafter establishes within the bargaining unit a new job classification or changed classification with new job content substantially and materially different than existing or previously existing job content, the Company shall have the right to temporarily set the wage scale and working conditions, but shall notify the Union within five (5) calendar days of the action. Within thirty (30) days thereafter, or such extra time as agreed upon between the Company and the Union, the Company and the union shall agree upon the wage scale and working conditions. If no agreement is reached within the time limitation set forth, the parties agree to go to mediation and/or arbitration as provided in Article 4. Any wage scale determined through mediation shall be effective from the date of the mediator's recommendation. Any wage scale determined by arbitration shall be effective from the date of implementation of the new job classification or changed classification. The determination of the arbitrator shall be binding and conclusive on the parties.

ARTICLE 24. SAVINGS AND MODIFICATIONS

24.1 In the event that any State or Federal agency or court rules that any Article, Section or paragraph of this Agreement to be in violation of a State or Federal law or regulation, only that portion of the Agreement shall be void, and the remainder of the Agreement shall remain in full force and effect.

24.2 No provision or term of this Agreement may be amended, modified, changed, altered or waived except by written document executed by the parties.

24.3 It is understood that no employee shall be asked or required to make any written or verbal individual agreement, and that any individual contract that may be made with any member of the Union shall be considered a violation of this Agreement.

24.4 This Agreement and the attached Exhibits and Letters of Understanding constitute the final, complete, and exclusive statement of the terms of the Agreement between the Union and Employer and supersede all prior and contemporaneous understandings or agreements of the parties.

ARTICLE 25. DURATION OF AGREEMENT

This Agreement shall be effective as of October 1, 2003. It shall remain in effect until September 30, 2007, and shall thereafter be automatically renewed from year to year except as hereinafter set forth below:

(a) Between May 1st and August 1st of any year after 2007, either party may give to the other party a written notice of termination, whereupon this Agreement shall terminate upon the following September 30th.

(b) Between May 1st and August 1st of any year after 2007, either party may give to the other party a written notice or request for modification or alteration of or amendment to this Agreement. When such notice is given, the party giving the same shall specify therein the particular modification or alteration or amendment to the Agreement desired. After such notice is given, it is the duty of the parties, within fifteen (15) days thereafter, to commence to bargain for the purpose of agreeing upon such modification, alteration or amendment. If this form of notice is given, this Agreement shall remain in effect for one (1) additional year, subject to whatever changes are agreed to by the parties.

(c) The notices provided in (a) and (b) above may be given by either party to this Agreement or by the duly authorized representative of either of the parties.

In witness whereof, the parties have duly executed this Agreement as of the effective date first written above.

ASSOCIATED-TAGLINE, INC.

GENERAL TEAMSTERS,
WAREHOUSEMEN AND HELPERS
UNION, LOCAL 890

By *Alberto R. J.* 02-24-04
By _____

By *Frank G. Galley* 1/29/04
By _____

EXHIBIT "A" WAGES

The following definition shall apply for the sole purpose of defining "Peak" and "Off-Peak" to determine the applicable Guarantee set forth below: For all Tractor Application and Conventional Spreading department employees, and Liquid Delivery Drivers, Material Handlers with Class A licenses and Blender/Quality Assurance job classifications, "Off-Peak" shall be defined as the period commencing the first Monday in December through the first Sunday after March 14th. For such employees, all other times shall be considered "Peak". For the remaining Production/Delivery employees, "Off-Peak" shall be defined as the first Monday in July through the first Sunday after October 14th. For such employees, all other times shall be considered "Peak."

Furthermore, any employee designated by the Company as a lead person shall receive \$1.00 per hour more than the below-listed wage rates.

| Peak | Off-Peak | | 11/1/03 through end of Year 1 | Year 2 | Year 3 | Year 4 |
|----------------------------------|----------|---|--|---------|---------|---------|
| TRACTOR APPLICATION | | | | | | |
| 50 | 40 | #1 Tractor Driver | \$12.10 | \$12.50 | \$12.90 | \$13.25 |
| 50 | 40 | #2 Tractor Driver | \$11.70 | \$12.10 | \$12.50 | \$12.85 |
| 45 | 40 | #3 Tractor Driver | \$11.25 | \$11.65 | \$12.05 | \$12.40 |
| 50 | 40 | CONVENTIONAL SPREADING | \$13.10 | \$13.50 | \$13.90 | \$14.25 |
| PRODUCTION & DELIVERY | | | | | | |
| 50 | 40 | Blender/Q.A. | \$12.60 | \$13.00 | \$13.40 | \$13.75 |
| 50 | 40 | Combo Dry/Liquid Blender/Q.A. ¹ | \$13.60 | \$14.00 | \$14.40 | \$14.75 |
| 50 | 40 | Liquid Delivery Operator | \$12.35 | \$12.75 | \$13.15 | \$13.50 |

| | | | | | | |
|----|----|---------------------------------|---------|---------|---------|---------|
| 45 | 40 | Material Handler (No Class A) | \$11.75 | \$12.15 | \$12.55 | \$12.90 |
| 50 | 40 | Material Handler (With Class A) | \$12.10 | \$12.50 | \$12.90 | \$13.25 |
| 45 | 40 | Forklift Operator | \$11.65 | \$12.05 | \$12.45 | \$12.80 |

¹ The Combo Dry/Liquid Blender/Q.A job will be offered by the Company to the most qualified employee, not according to seniority and not subject to grievance.

ACREAGE BONUS*

Bonus Calculated Per Acre

| | |
|--------------------|---|
| Adv. Tech. Premium | 33% addition to below acreage bonus rates |
| Organic | \$2.00(1) |
| Berries | \$1.20 |
| Disyston | \$1.10 |
| List and Preplant | \$.70 |
| List and Roll | \$.95 |
| Sidedress | \$.40 |
| Sidedress Organic | \$.80(1) |
| Sidedress Combo | \$.50 |

(1) The Adv. Tech. Premium shall not apply to these categories.

TONNAGE BONUS*

Bonus Calculated Per Ton

Cart or Adv. Tech. Spreading** \$.25

**There shall be no tonnage bonus for Conventional Spreading Job Classification.

*Acreage and tonnage bonuses shall be paid no less frequently than the second paycheck of the following month in which the bonuses were earned.

JOB CLASSIFICATION REQUIREMENTS

Tractor Application

| | |
|-------------------|--|
| #1 Tractor Driver | The #1 Tractor Driver will have demonstrated ability and be available to List, Sidedress, Spread using the Computer and Cart Spread. |
| #2 Tractor Driver | The #2 Tractor Driver will have demonstrated ability and be available to List or Sidedress, Spread using the Computer and Cart Spread. |
| #3 Tractor Driver | The #3 Tractor Driver will have demonstrated ability to Spread using the Computer and Cart Spread. |
| Trainee | None |

| | |
|------------------------|--|
| Conventional Spreading | This department is only for current Spreader Truck Drivers who have demonstrated the ability to use the Non-Computer trucks. |
|------------------------|--|

Production & Delivery

| | |
|---|--|
| Blender/Quality Assurance | This job classification requires detailed knowledge of all fertilizer concepts and mathematical reasoning skills. |
| Liquid Delivery Operator | This job classification requires detailed knowledge of liquid fertilizer and formulation concepts and the ability to repair and maintain gas motors and liquid pumps. |
| Combo Dry/Liquid Blender/Q.A | This job classification requires detailed knowledge and proficiency in either liquid fertilizer or dry fertilizer; and formulation concepts and mathematical reasoning skills. |
| Material Handler (No Class A License) | This job classification requires demonstrated ability to load the hoppers for blending with accuracy. |
| Material Handler (Holds Class A License) | Same as Material Handler, only this job classification includes the dry delivery drivers who hold Class A licenses. |
| Forklift Operator | Employees within this job classification are required to pass the forklift operator's certification. |
| Trainee | None |

EXHIBIT "B" DRUG & ALCOHOL POLICY

ALCOHOL AND DRUG POLICY

Nothing in this Alcohol and Drug Policy shall in any way limit or modify any consequences to an employee subject to DOT testing requirements.

Associated-Tagline has a firm commitment to its employees, supervisors and managers to provide a healthy and safe workplace and requires that employees, supervisors, managers, equipment and all operations meet current standards of health and safety.

Employees, managers and supervisors must be in condition to perform their duties safely and efficiently at all times while at work.

To achieve the goal of obtaining a safe and efficient workplace, the Company will take disciplinary action, which will include immediate suspension of employment pending termination for the following:

1. Consuming, selling, dispensing, or being under the influence of alcoholic beverages on work time or on Company or customer property.
2. Possessing, consuming, selling, dispensing, or being under the influence of illegal drugs or controlled substances on work time or on Company or customer property.
3. Reporting to work under the influence of alcoholic beverages, illegal drugs or controlled substances.

If the individual is involved in a serious accident or injury or if one or more levels of management have probable suspicion to believe that prohibited actions have occurred or are occurring, the Company reserves the right to use drug and alcohol detection techniques including but not limited to the following:

- a. Chemical testing of the suspect individual in accordance with the below policy.
- b. The Company reserves the right to search and inspect the following Company property: lockers, desks, boxes, Company vehicles, packages, lunch boxes, containers, articles in such areas, and other objects brought onto Company or customer property that might conceal alcohol, illegal drugs, desks, and/or other inappropriate materials. Refusal to allow such inspections is grounds for disciplinary action, up to and including termination. Any such search and inspection shall be conducted in the presence of a shop steward or Union representative.

Probable suspicion is defined to mean suspicion based on specific personal observations concerning the employee's (1) appearance, (2) behavior, (3) speech, or (4) breath odor; or (5) in the event of a serious accident or injury. Serious accident is defined as damage to property estimated to be in excess of \$1,000.00. Serious injury is defined as an injury to any party to the event which requires immediate medical treatment away from the scene of the accident, and, if the injury is to the employee, the employee is not released by the physician to return to his/her normal duties by his/her next scheduled shift. When an employee is treated for a serious injury, a drug and alcohol screening test will be administered at the time of treatment for said injury. Every employee who reasonably could have caused or contributed to the accident shall be subject to this paragraph.

Because alcohol or drug-related problems affect everyone's safety and efficiency, any individual who has reason to believe that a manager, supervisor, or co-worker has a chemical dependency problem, or may be engaging in any of the prohibited actions set forth above, is urged to discuss his/her concerns with a manager or supervisor. The manager or supervisor who has been informed of such problem will provide relevant information to Company representatives as appropriate.

Getting Help

Any individual who believes that he/she has a chemical dependency problem with drugs or alcohol is encouraged to report the problem to the Company. If an individual voluntarily reports such a problem to the Company prior to any discipline being imposed for violation of the drug/alcohol policy and prior to any testing, the individual shall be permitted but not required to take a leave of absence without pay for a maximum of 30 days to participate in a treatment program. This procedure is intended to assure that no employee with an alcoholism or a drug dependency problem will have his/her job security jeopardized by a request for help. In order to encourage self-referral, the employee's right to confidentiality and privacy are recognized. Pertinent information and records of employees with alcoholism or drug dependency will be maintained in a confidential manner, and access to such records will be strictly limited.

Upon successful completion of the program, the individual shall be reinstated to employment provided he/she executes a return to work agreement. This benefit shall not apply to any employee who is discovered to be consuming, selling, offering to sell or distribute, distributing or in possession of alcohol or illegal drugs on Company property. This benefit shall be permitted one time only during the individual's employment with the Company. Employees should contact the main office at (831) 422-6452 should they wish to seek help for a believed chemical dependency problem with drugs or alcohol.

ESTABLISHING PROBABLE SUSPICION FOR DISCIPLINARY PROCEDURES:

The following procedures should be strictly followed on each occasion that management or a supervisor has reason to believe that an individual is reporting to

work, or is at work, on Company or customer property, under the influence of alcohol, illegal drugs or controlled substances.

1. A manager or supervisor should, prior to any confrontation with the individual, make note of the indications that cause the suspicion.
2. A manager or supervisor should, if possible, prior to any confrontation with the individual, ask another person, preferably a supervisor to discreetly and without confrontation, make contact with the individual for the purpose of forming his/her own opinion. The manager or supervisor must make a written statement of these observations within twenty-four hours of the incident. If the employee is disciplined, a copy of this report will be furnished to the Union.
3. If the manager or supervisor and the second individual are in agreement that there is probable suspicion to believe that the individual is under the influence, the individual's shop steward or other available union representative will be summoned so long as either the shop steward or the Union representative is available within twenty (20) minutes. Upon arrival of the shop steward or Union representative (if within the 20 minute time frame), the manager or supervisor will, with the other witness and the union representative, take the individual to a private location and confront the individual with the reasons for these suspicions.
4. If the individual confirms these suspicions, provided the employee was not discovered to be consuming, selling, offering to sell or distribute, distributing or in possession of alcohol or illegal drugs on Company or customer property, he or she will be placed on up to a thirty-day unpaid leave of absence, if the employee decides to participate in a treatment program. Upon successful completion of the program, the individual shall be reinstated to employment provided he/she executes a return to work agreement. However, the employer shall have the right to subject the employee to six random tests during the first twenty-four months following his/her return to work. If the employee tests positive to any test, he/she will be terminated from employment.
5. If the individual denies the allegations, but the manager or supervisor still has probable suspicion to believe that the individual is under the influence, the manager or supervisor will advise the individual that the Company has probable suspicion to request the individual to undergo drug/alcohol screening at a designated facility. The individual will be further advised that a failure to cooperate with the testing may adversely affect his/her employment and that his/her cooperation is encouraged.
6. If the individual refuses to cooperate with the testing, a rebuttable presumption shall be created that the individual was working or at work

under the influence of drugs or alcohol and the employee shall be terminated.

7. If the test results are reported as negative, the employee shall be paid for all lost time, including any missed overtime and other benefits.

PROCEDURAL SAFEGUARDS FOR TESTING

Whenever an individual participates in an alcohol or drug-screening test pursuant to this policy, the following procedural guidelines shall apply:

1. Testing shall be done by a Certified NIDA laboratory qualified to perform such tests. The following NIDA labs may be utilized as collection facilities:

Pinnacle Medical Group
941 Blanco Circle
Salinas, CA 93901
(831) 422-5555

Doctor's On Duty
1401 Main Street
Watsonville, CA 95076
(831) 722-1444

Pinnacle Medical Group
551 McRey Street
Hollister, CA 95023
(831) 634-4444

Greenfield Urgent Care
634 Walnut Avenue
Greenfield, CA 93927
(831) 674-5066

2. The laboratory shall at all times maintain an adequate chain of possession of the sample.
3. A portion of the sample used by the laboratory shall be maintained by the laboratory in the event that further testing is requested.
4. A positive finding for the presence of drugs by immuno-chemical assay tests shall be confirmed by the gas chromatography/mass spectrometry (GCMS) method.
5. In the event of a positive finding, the individual shall be permitted to have a portion of the sample tested by another laboratory of his/her own choosing at the employee's own cost. If there are two (2) conflicting findings, both findings will be submitted to the Employer.
6. The laboratory reports and all other relevant records of the laboratory shall be made available to the individual upon request and shall be kept in a separate medical file.

7. The results of all tests shall be strictly confidential and shall not be used by the Company, its officers, agents or attorneys for any purposes other than those set forth in this policy. The employee has the right to direct the Employer in writing to forward test results to third parties.
8. The Certified NIDA laboratory is responsible for completing a Chain of Custody form for each specimen taken.
9. A Medical Review Officer (MRO) shall be responsible for receiving laboratory results. The MRO shall be a licensed physician who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's positive test result together with his or her medical history and any other relevant biomedical information.
10. The MRO will use DOT confirmation standards to determine positive or negative test results for drugs.
11.
 - (a) If there was less than 0.04 percent by weight of alcohol in the person's blood, it shall be presumed that the person was not under the influence of an alcoholic beverage at the time of the alleged offense.
 - (b) If there was at that time .04 percent or more by weight of alcohol in the person's blood, it shall be presumed that the person was under the influence of an alcoholic beverage at the time of the alleged offense.

CONSENT TO SUBMIT TO DRUG AND/OR ALCOHOL TESTING

A

I acknowledge that I have been requested to submit to drug and/or alcohol testing.

I understand that the testing is voluntary on my part, that I may refuse to submit, and that such refusal may be grounds for discipline up to and including termination.

I further understand that the test results may be released to the Company, and that the results may be used as grounds for discipline up to and including termination.

With full knowledge of the foregoing, I hereby agree to submit to drug and/or alcohol testing by the Company-selected medical clinics and/or laboratories. I acknowledge that executing this authorization is voluntary and that I have the right to receive a copy of this authorization if I request one.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

B

REFUSAL TO SUBMIT TO DRUG AND/OR ALCOHOL TESTING

I acknowledge that I have been requested to submit to drug and/or alcohol testing.

I understand that the testing is voluntary on my part, that I may refuse to submit, and that such refusal may be grounds for discipline up to and including termination.

I further understand that the test results may be released to the Company, and that the results may be used as grounds for discipline up to and including termination.

With full knowledge of the foregoing, I hereby refuse to submit to drug and/or alcohol testing.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

C

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I acknowledge that I have been requested by the Company to submit to drug and/or alcohol testing to be administered by _____, a hospital, clinic and/or laboratory designated and chosen by the company, whose purpose and function is to determine whether I am able to perform my described job duties.

I hereby authorize the medical clinic and/or laboratory to disclose all pertinent medical information and all laboratory results to the Company. The release by the hospital, clinic and/or laboratory of the information and results, and the utilization of the information and results by the Company shall be for the limited purpose of providing the Company an opportunity to evaluate the information and results and thereby determine whether I am fit to perform my job. The hospital, clinic and/or laboratory is only authorized to release the information and results for a period of up to and including 120 days from the date indicated below.

This information shall include laboratory, scientific and other reports and/or tests; analysis of my condition and substances and/or chemicals which are causal factors for my condition; diagnosis and prognosis as related to this drug and/or alcohol test.

I acknowledge that executing this authorization is voluntary and that I have the right to receive a copy of this authorization if I request one.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

SIDE LETTER "A" RE: ALRB/NLRB JURISDICTION

A. The Union has filed with the ALRB a Petition for Certification seeking to become the bargaining representative for the Employer's application employees. This Petition for Certification is currently pending before the ALRB.

B. The application employees are covered within the NLRB unit previously certified by the NLRB and more particularly set forth in Article 1 of the Agreement, RECOGNITION AND SCOPE OF BARGAINING UNIT.

C. The Employer is contesting the ALRB Petition for Certification and has filed a UC (Unit Clarification) Petition with the NLRB, seeking clarification of the unit previously certified by the NLRB with respect to the application employees. This UC petition is currently pending before the NLRB.

D. Neither the Union nor Employer is willing to abandon their respective positions and petitions. As of the effective date of this Agreement, the resolution thereof is unknown. In order to conclude these negotiations and reach a collective bargaining agreement, the parties have agreed prospectively on what will occur in the event an ALRB election is held, the Union is certified as the bargaining representative for the application employees (or any portion of their workday), and the Employer has exhausted or completed any appeal of such election or certification through either the administrative or judicial process. In such event, the following shall apply:

1. Article 1. of the Agreement, RECOGNITION AND SCOPE OF BARGAINING UNIT, shall be amended to provide that the Employer recognizes the Union as the sole and exclusive bargaining representative for the application employees in the ALRB unit so certified.

2. The entire Agreement, including each and every term, condition, article and provision set forth therein, shall apply equally to the unit so certified by the ALRB.

3. There shall be no separate negotiations nor a separate collective bargaining agreement for the unit certified by the ALRB. The wages, hours and working conditions for the employees of said unit shall be provided for exclusively in this Agreement.

4. This Side Letter "A" is intended as a settlement of a dispute and is the compromise position of the parties. Nothing set forth herein shall be deemed an admission by either party. Neither this Side Letter, nor any of its terms or contents shall be admissible in any respect whatsoever in any judicial or administrative forum or proceeding.

5. This Side Letter "A" shall survive termination of the Agreement.

SIDE LETTER "B" RE: TRAINEES

The Company may hire trainees in any department. Trainees shall be paid the rate of \$8.25 during the first year of this Agreement, \$8.50 during the second year of this Agreement, \$8.75 during the third year of this Agreement and \$9.00 during the fourth year of this Agreement. Any employee working as a trainee shall be ineligible to receive any Guaranteed Equivalent Hourly Pay, as set forth in Article 12.

No later than the end of their first calendar year of employment, the Company shall promote the trainee to a job classification within a department if the Employer determines that he/she is qualified. If the Employer determines that the trainee is not qualified, the trainee's employment will be terminated no later than the end of his/her first calendar year of employment, unless the Employer and Union have previously agreed to alternative arrangements for the trainee's continued employment. Any termination of a trainee pursuant to this Side Letter "B" shall not be subject to the grievance and arbitration procedure set forth in Article 4 of the Agreement.

LETTER OF UNDERSTANDING

ASSOCIATED-TAGLINE, INC. ("Employer") and GENERAL TEAMSTERS, WAREHOUSEMEN AND HELPERS UNION, LOCAL 890 ("Union") agree as follows:

RECITALS

1. The Employer and Union are parties to a 2003-2007 Collective Bargaining Agreement ("the Agreement"). The Tri-Counties Health and Welfare Trust ("the Trust") provides life, health and welfare coverage for the bargaining unit employees. The Trust has notified the parties that effective April 1, 2004, there will be an increase in premium costs. Per the Agreement, the bargaining unit employees are required to pay all of said increase.

2. The parties desire to amend the Agreement such that the Employer will raise its contribution for health and welfare coverage, extend the Agreement for an additional one year period and establish agreed-upon wage increases for said one-year period.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

A. Article 17 shall be amended to read in its entirety as follows:

17.1 An employee shall qualify for coverage after he/she has worked forty (40) hours of employment or more in the preceding month. Beginning April 1, 2004 and ending September 30 2005, all employees for whom premiums are charged shall contribute the sum of \$45.68 per month for such coverage, through automatic payroll deductions. No written authorizations shall be needed for such deductions.

17.2 The parties shall meet and confer between July 1, 2005 and August 30, 2005 to negotiate modifications to this section pertaining to allocation of premium cost and coverages to be effective October 1, 2005 through the end of the Agreement.

17.3 In the event during the time period specified in 17.1 of this Side Letter, the Trustees of the Trust approve an increase in existing premiums above the amount of \$514.02, the modifications to Article 17 set forth in this Side Letter shall be null and void and the provisions of Article 17 in the Agreement shall apply.

B. The Agreement shall be extended for one additional year. Accordingly, the Agreement will now expire September 30, 2008. In Article 25 and elsewhere throughout the Agreement, all references to the year "2007" shall be changed to the year "2008", in order to demonstrate the parties' intent to extend the Agreement for one additional year.

C. Exhibit A, WAGES, shall be amended by adding a new column entitled "YEAR 5". Year five shall begin October 1, 2007 and end September 30, 2008. The wage rates for year five for each classification shall be forty cents (\$.40) more than the existing wage rates for such classification set forth under the column entitled "YEAR FOUR."

D. All other terms and conditions of the Agreement shall remain unchanged.

ASSOCIATED-TAGLINE, INC.

GENERAL TEAMSTERS, WAREHOUSEMEN
AND HELPERS UNION, LOCAL 890

By: 

By: 

Date: 05-21-04

Date: 5/21/04

