

Memorandum of Agreement

It is agreed this 17th day of July 2003 by and between the Kaolin Workers Union (the “Union”) and Kaolin Mushroom Farms, Inc. (the “Company”) as follows:

1. The annexed “Production Standards” Agreement will be effective September 1, 2003 and will operate as an amendment to the Collective Bargaining Agreement between the parties.

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5. Any bargaining unit members who transferred from positions as pickers to the packinghouse between March 1, 2003 and June 1, 2003 shall be entitled to include within their bargaining unit seniority as otherwise defined by Article 5.02 of the Collective Bargaining Agreement any employment with the Company in the packinghouse provided that they have transferred back to positions as pickers prior to December 31, 2003.

PRODUCTION STANDARDS

1. **New Minimum Hourly Rates for Harvesting Employees.** The following are the applicable minimum hourly rates for harvesting employees at all farms:

Effective September 1, 2003

Rate B1	\$6.69
Rate B2	\$6.56
Rate B3	\$6.25
Rate B4	\$6.00
Rate B5	\$5.75
Rate B6	\$5.50
Rate B7	\$5.35

2. **Applicability of Rates.** Except as specified below, the minimum hourly rate applicable to harvesting employees will be Rate B1. Rates B2 through B7 will serve as the minimum hourly rate only in circumstances described below.

3. **Non-Probationary Harvesting Employees for pay periods beginning after September 1, 2003.** For employees who have successfully completed their Probation under Article 5.01 of the Contract, Rates B2 through B7 may become their applicable minimum hourly rate if the employee's effective hourly Piece Rate B rate for each of three consecutive weeks (*i.e.*, what the employee would have received on a piece rate basis absent any applicable minimum rates) is less than \$6.49.

a. In this instance, the employee's applicable minimum hourly rate will be based on the weighted average effective hourly piece rate over that period (*i.e.* total piece rate earnings over the three previous weeks divided by total picking hours worked over the previous three weeks) as follows:

	If Earn Less than	And Earn At Least	Minimum Hourly Rate
Rate B2	\$6.49	\$6.36	\$6.56
Rate B3	\$6.36	\$6.06	\$6.25
Rate B4	\$6.06	\$5.82	\$6.00
Rate B5	\$5.82	\$5.58	\$5.75
Rate B6	\$5.58	\$5.34	\$5.50
Rate B7	\$5.34	\$5.15	\$5.35

b. Once a Minimum Hourly Rate B2 through B6 has been established, the employee's weekly effective hourly Piece Rate B (*i.e.*, what the employee would have received on a piece rate basis absent any applicable minimum rates) must be below the required minimum piece rate earnings threshold for that rate in each of *three consecutive weeks* before it is reduced to a lower rate. The required weekly minimum piece rate earnings threshold for each Rate B2 through B6 are:

	Minimum Piece Rate Earnings	Minimum Hourly Rate to be Paid
Rate B2	\$6.36	\$6.56
Rate B3	\$6.06	\$6.25
Rate B4	\$5.82	\$6.00
Rate B5	\$5.58	\$5.75
Rate B6	\$5.34	\$5.50

4. **Notice.** An employee whose effective hourly rate triggers a new minimum hourly rate (higher or lower) will receive notice of the new applicable minimum rate no later than end of day Friday following the completion of the particular three work week period. The new minimum hourly rate will become effective for the pay period which commences on the following Monday.

5. **Higher Minimum Rates.** Employees who have an applicable Minimum Hourly Rate B2 through B7 can progress to a higher applicable minimum hourly rate. Once a Minimum Hourly Rate B2 through B7 has been established, the employee's weekly effective hourly Piece Rate B (*i.e.*, what the employee would have received on a piece rate basis absent any applicable minimum rates) must be above the required minimum piece rate earnings threshold for that rate in each of *three consecutive weeks* before it is raised to a higher rate. In this event, the employee will, upon receiving notice, be subject to the highest of Rates B1 through B7, according to paragraph 3 above.

6. **Transfer from Harvester Position.**

a. Any harvesting employee who has been assigned an hourly guaranteed minimum rate B4, B5, B6 or B7 shall be notified in writing of their right to pursue a transfer to other bargaining unit positions pursuant to Article 5.03 of the Collective Bargaining Agreement. Such notice shall be issued only once during a period of employment.

i. The Company shall maintain a list of harvesting employees who have requested consideration for such transfers.

ii. Where all other relevant factors are equal, persons on that list shall be entitled to priority for consideration for such transfers based upon their seniority with the Company.

b. Any harvesting employee who has been assigned an hourly guaranteed minimum rate B4, B5, B6 or B7 shall be notified in writing of procedures to apply for other positions with the Company. Such notice shall be issued only once during a period of employment.

7. **Removal From Harvester Position.** If, while subject to Rate B7, any employee's effective hourly Piece Rate B rate for each of three consecutive weeks (*i.e.*, what the employee would have received on a piece rate basis absent any applicable minimum rates) are less than \$5.15 per hour, the employee will receive written notice of intent to terminate employment with the Company.

a. During the fourteen (14) days following issuance of notice, the employee may pursue job vacancies pursuant to Paragraph 6 above.

b. Failure to obtain a vacant position within the bargaining unit or failure to receive and accept an offer for employment in a position with the Company outside the bargaining unit may result in the employee's termination from employment at the conclusion of the fourteen (14) day period unless the employee's weighted average effective hourly rate has over the preceding two-week period increased to above \$5.35 per hour.

c. Such harvesting employees who have requested transfer to other positions with the Company pursuant to Paragraph 6 shall retain their position on the list for consideration for such vacancies based upon their seniority at the time of their separation from employment for a period of six (6) months.