

AGREEMENT

Between

KAOLIN MUSHROOM FARMS

And

KAOLIN WORKERS UNION

January 7, 2002 – August 2, 2004-

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PURPOSE

It is the intention of this Agreement and the provisions contained herein to maintain harmonious relations between Kaolin Mushroom Farms (“Company”) and Kaolin Workers Union (“Union”) and to provide mutual understandings with respect to hours, wages and - working conditions affecting certain employees of the Company.

ARTICLES OF AGREEMENT

ARTICLE 1

UNION

1.01 RECOGNITION

The Company recognizes the Union as the sole and exclusive collective bargaining representative for all employees in the bargaining unit certified by the Pennsylvania Labor Relations Board (“PLRB”), Case No. PLRA-R-93-9-E, consisting of:

“All full-time and regular part-time mushroom production laborers, including but not limited to pickers, casers, spawners and watermen; and excluding office clerical employees, supervisors, managerial employees, over the road truck drivers, the soil division, the compost division, packers, shippers, maintenance shop personnel, contracted laborers, and children and spouses of owners.”

1.02 NOTICES TO UNION

1. The Company will provide the names, hire date, social security number and local addresses of new hires to the Union on a bi-monthly (twice a month) basis.
2. The Company will provide monthly to the Union the following information as to bargaining unit employees: employee clock number, department, hire date, whether employee is on a leave of absence and the starting date and period of the leave, and termination date (if applicable).

1.03 UNION ACCESS

1. Active Company employees who are also Union representatives may meet privately in the cafeterias with employees in the bargaining unit who have requested representation from the Union in relationship to grievances or interviews relating to potential disciplinary action, as well as to meet with other persons in relationship to such grievances or interviews.

2. The Union agrees that such representatives will respect the rights of all employees to enjoy the cafeterias and acknowledge that such representatives may visit the cafeterias for the purpose of meeting with individual bargaining unit employees or groups of such employees in the context of the Union's representative status.

3. Access to the cafeterias and other non-working areas by individual on a leave under Article 1.04 shall be governed by written agreement between the Company, Union and individual. A copy of a sample agreement is attached to this Agreement as Exhibit "[A](#)".

4. Employees and individuals on leave under Article 1.04 who are covered by a current written agreement may distribute written information to employees in non-working areas and during non-working time. The Company will designate an area in each cafeteria or work facility without a cafeteria where copies of materials for distribution to employees may be left in reasonable quantity.

1.04 UNION LEAVES OF ABSENCE

1. Up to two employees shall be permitted to be on union leave of absence at any time.

2. The Union shall notify the Company of the names of those persons who are on union leave of absence and of the effective date of commencement of such leave of absence. The Union shall provide at least thirty (30) days notice of any such designation.

3. Union leave of absence shall be for one year from the date of notice from the union of the effective date of such leave. Should an employee on union leave of absence seek to return to work prior to the expiration of the leave of absence, the employee on leave of absence shall give at least 15 days advance notice of his/her intention to return. The employee will be returned to active employment in accordance with his/her seniority rights.

ARTICLE 2

NO DISCRIMINATION

The Company and Union agree that they shall not discriminate against any employee or prospective employee because of race, creed, color, national or ethnic origin, sex, age, handicap or disability or other protected bases.

ARTICLE 3

MANAGEMENT RIGHTS

Except as limited by this Agreement and law, it is understood and agreed that the Company possesses all inherent management rights.

ARTICLE 4

JOINT COMMITTEES

During the course of this Agreement, the Company and the Union may mutually agree to establish joint committees. Employees who participate in joint committees shall be paid the meeting rate.

ARTICLE 5

EMPLOYMENT SENIORITY AND LAYOFFS

5.01 PROBATIONARY PERIOD

All newly hired and rehired employees shall be considered on probation for a period of 90 days of active employment. During this probationary period, employees shall be paid at "Rate A". During this probationary period, the employee shall be subject to layoff, discipline or discharge at the sole discretion of the Company. During the probationary period, employees who

dispute discipline or discharge only may utilize the grievance procedures provided for herein, but such issues shall not be subject to arbitration. The Company and the Union may agree to extend an employee's probation for additional periods of 30 days.

5.02 SENIORITY

1. Seniority is defined as the employee's length of service and is determined by the employee's most recent hiring date. Seniority shall continue to accrue during leaves of absence granted by the Company.

2. Seniority lists shall be posted in the plant and shall show the employee's seniority standing within the Company. These lists shall be open to protest by the employee involved and any mistakes thereon shall be corrected within seven (7) days thereafter.

3. Employees within the bargaining unit who transfer to positions outside of the bargaining unit will retain their bargaining unit seniority, as of the date of the transfer, for two years after their transfer out of the bargaining unit, provided that they remain employed by the Company for that two year period.

a. Such employees who have not been terminated by the Company or who have not resigned from employment may pursue vacant positions within the bargaining unit. In the event that such an employee is assigned to a position within the bargaining unit, his or her seniority shall begin to accrue again as of the date of the assignment.

b. The Company shall maintain a list of such employee, which it shall update on a quarterly basis.

5.03 JOB VACANCIES

1. Except where business circumstances may prevent it from doing so, the Company will post notices in English and Spanish of job vacancies within the bargaining unit as well as for

opportunities for first line supervisory positions. Such notices will contain relevant information regarding the opportunity, including the applicable wage or salary range.

2. The Company retains the discretion to fill vacancies with whomever it believes to be the best available candidate; however, where all relevant factors are equal, the Company will favor internal promotion over outside hiring.

5.04 APPLICATION PROCEDURES

1. The Company will establish procedures for receiving applications for employment from former employees who are eligible for rehire and who are working or living more than 100 miles away from the Company.

2. The Company will make a record of the date and time on which it receives applications for employment.

5.05 LAYOFFS

1. In the event that the Company anticipates that layoffs of non-probationary employees may be required, it shall provide the Union with 5 days advance notice thereof so that the Union and the Company may explore alternatives thereto.

2. Thereafter, if the Company determines that it is necessary to lay off employees, probationary employees shall first be laid off. Thereafter, the Company shall solicit employees who are willing to be laid off despite their seniority for layoff status. In the event that there is an insufficient number of probationary employees and other employees to reduce the work complement, non-probationary employees with the least amount of seniority in the particular department in which a reduction is to occur shall be laid off. The Company shall request that all employees who are laid off from employment provide a mailing address where they can receive recall notices from the Company.

3. A non-probationary employee selected for involuntary layoff may request to bump into a position in another department if he or she has greater seniority than persons in that department and if the Company believes that the bumping employee has the skills and qualifications to perform such position.

4. Employees will be recalled in the order of their seniority provided they have the ability to perform the work needed.

5. In the event that any elected Union Representatives would be subject to layoff, the Union may provide notice to the Company that such elected Union Representatives are to be treated as holding additional seniority for purposes of layoff during the period of their office.

6. All laid-off employees who have completed their probationary period shall retain seniority and priority rights to re-employment over new applicants for a period of eighteen months after the date of their layoff.

7. A laid off employee shall forfeit seniority rights in the event that he or she receives a request to return to work from the Company and fails to make known his or her intentions within seventy-two (72) hours of said notice. The employee shall return to work within ten (10) working days after dispatch of said notice to his last known address, unless extenuating circumstances prohibit it.

8. Laid off employees who have forfeited their seniority as a result of not having timely accepted offers to return to work in accordance with Paragraph 7 subsequently may file an application for employment. Where such employees are rehired within one hundred twenty (120) days of receiving a request to return to work, such employees shall be restored to the seniority that they had as of their layoff, provided that they complete successfully their probationary period.

5.06 CONTRACTING OF WORK

1. The Company agrees that, during the term of the Agreement, prior to undertaking a layoff, it will undertake all reasonable efforts to return any subcontracted work typically performed by the bargaining unit to the bargaining unit.

2. The Company and Union further agree that the Company may utilize subcontracted labor for a period of up to sixty (60) days to perform up to 10% of picking and harvesting work, provided, however that if there are no qualified and acceptable applicants for employment, the Company may utilize a greater percentage of such subcontracted labor. Prior to utilizing such subcontracted labor, the Company shall provide seventy two (72) hours advance notice to the Union.

3. In the event that a former Company employee who is eligible for rehire without restriction applies for, is qualified to perform, and is available for picking or harvesting work at a time that subcontracted laborers are performing such work, the Company will, within two (2) weeks, either (1) discontinue the use of such subcontracted labor, or (2) offer employment to the former eligible employee.

4. In the event that there are two (2) consecutive weeks in which Company employees performing picking or harvesting work were offered less than thirty (30) hours of work, the Company will discontinue the use of such subcontracted labor.

5.07 VOLUNTARY SEPARATION FROM EMPLOYMENT

1. The Company will request that all employees who are voluntarily separating from employment provide a forwarding mailing address.

2. Employees who intend to quit their employment, or have already terminated their employment, may determine whether the Company will consider them for employment in the future.

3. Employees who provide the Company with at least 15 days notice of their intent to resign shall be advised within 10 days thereafter of the extent to which they are eligible for future employment with the Company.

4. Upon learning that he or she will not be considered for future employment or would be eligible only when other qualified applicants were not available, an employee or former employee may request a meeting with a Company representative to discuss any issues related to asserted deficiencies in employment and to present any reasons why he or she believes they should be considered for future employment.

5. The Company will allow employees, or former employees who return to pursue employment, the opportunity to receive a copy of documentation in their personnel file which is otherwise discoverable under Pennsylvania Law, including all disciplinary reports and evaluations, upon written request by the employee or former employee. The Company will attempt to furnish copies of any and all documents requested by eligible persons which it is required to disclose within three (3) business days of the initial request. The Company may assess a nominal charge to cover duplication costs if the number of documents sought exceeds twenty (20) pages in length.

ARTICLE 6

DISCIPLINE

6.01 DISCIPLINARY STANDARDS

No employee who has completed a probationary period shall be discharged or otherwise disciplined without just and sufficient cause. If the discharge or disciplinary act is found to be unjustified, the worker may be reinstated and may be compensated for loss of earnings during the period of such discharge or disciplinary act.

6.02 WRITTEN NOTICE OF DISCIPLINARY ACTION

Any employee subject to disciplinary action will receive a written statement in English and in Spanish (where the employee's native language is Spanish), stating the disciplinary action taken. If the employee requests that a Union representative participate in an investigatory interview and the representative so participates, the representative also will receive a written statement.

ARTICLE 7

GRIEVANCE AND ARBITRATION PROCEDURE

A Grievance shall mean any dispute alleging a violation of the terms of this Agreement. Grievances shall be resolved in accordance with the following procedure:

Step One: Between the aggrieved employee (with the aid of a union representative if the employee so desires) and the supervisor of the Department involved. Such a grievance must be made within seven (7) days of the act of which the employee complains. If no answer is received within five (5) days of making such a grievance, the grievance may be taken to the next step.

Where the grievance involves a suspension or discharge, the Union may elect to present the grievance at Step 2 initially, but must do so within fourteen (14) days of the imposition of the suspension or discharge. If the grievance is not presented within this fourteen (14) day period, it shall be considered waived.

Step Two: Between the Human Resources Department and (union representative) within twenty one (21) days of the act complained of and after completion of Step One, the grievance shall be reduced to writing on forms developed by the Union. If the grievance is not presented within this twenty one (21) day period, it shall be considered waived. If the grievance is not resolved within seven (7) days of its presentation to the Company at this step, the grievance may proceed to Step Three.

Step Three: Between the Company's President and/or his designee and (union representative) within seven (7) days of the response by the Company at Step Two. If the grievance is not moved to Step Three during this period, it shall be considered waived. If the grievance is not resolved within seven (7) days of its presentation at this step, the grievance may be moved to Step Four.

Step Four: If the grievance is not resolved at Step Three, the Union may (1) advise the Company in writing of its intent to pursue arbitration and request that the Company agree on an arbitrator for the particular grievance, or (2) refer it to final and binding arbitration by submitting the matter to the American Arbitration Association or the Federal Mediation and Conciliation Service in accordance with their rules. If the parties are unable to agree on an arbitrator, the Union shall alternate between the American Arbitration Association and the Federal Mediation and

Conciliation Service in requesting a panel of candidates and shall make a request to the appropriate agency within seven (7) days after the Company has notified the Union that it is unable to reach agreement on an arbitrator. If a grievance is not referred to either entity or the Union does not advise the Company in writing of its intent to pursue arbitration within thirty (30) days of final determination at Step Three, the grievance shall be considered to have been waived. Any arbitrator selected in accordance with this section shall be restricted to the terms of the Agreement, and he shall not have power to add to, subtract from or modify the provisions of this Agreement. The cost of arbitration shall be shared equally by the parties and the decision of the arbitrator shall be final and binding. All time periods specified as to the Grievance Procedure may be modified by mutual written consent of the parties.

ARTICLE 8

NO STRIKE, NO LOCKOUT

1. During the term of this Agreement, the Union, its officers, representatives, members and the Company's employees covered by this Agreement shall not authorize or condone, nor shall they take part in or participate in any strike, slowdown, refusal to work, interference with production or any other work stoppage.

2. In the event that there is a strike, slowdown, refusal to work, interference with production or any other work stoppage of any kind or for any reason, including but not limited to 'wildcat' strikes, the Union and its officers shall immediately take the following steps:

(A) The Union, its officers and representatives shall publicly disavow the conduct; and

(B) The Union, its officers and representatives shall in good faith use every reasonable effort to terminate such action.

3. The Company agrees that there shall not be any lockouts for the duration of this Agreement so long as the Union does not violate its obligations as set forth in this Agreement.

ARTICLE 9

HEALTH AND SAFETY

1. The Company shall provide a safe and healthy workplace and shall comply with all requirements of state and federal law in relationship thereto.

2. Supervisors shall promptly report injuries and hazards of which they are aware to their Manager, who shall make a record of the report and verify responsive actions taken.

3. The Company shall provide required personal protective equipment.

4. The Company shall provide necessary and appropriate on site medical treatment or access to off site treatment when employees become injured or sick on the job. Where feasible, this would include arranging transportation for initial off site medical treatment.

ARTICLE 10

WAGES

10.01 APPLICABLE RATES

1. Piece rates, hourly rates and meeting rates shall increase in the following percentages:

Effective July 29, 2002 :	2%
Effective August 4, 2003:	2%

*Exception for "10 BUTTON" category, which went into effect in 2001 and will increase 4% effective July 29, 2002 and August 4, 2003

Piece Rate Employees will be required to review and initial pick sheets before leaving a particular house to verify the accuracy on container counts.

Rates are set forth in Appendix "B".

2. The following rates shall apply for the following tasks:

a. Casing

Current	\$.0392 per sq. ft.
July 29, 2002	\$.0400 per sq. ft.
August 4, 2003	\$.0408 per sq. ft.

Exception for Kennett Houses 42, 43, 44 and 45:

Current	\$.0479 per sq. ft.
July 29, 2002	\$.0489 per sq. ft.
August 4, 2003	\$.0499 per sq. ft.

(Rates are per house, for a four-person crew, based on actual house square footage.)

Hand-up bonus, where applicable, will be \$35.00 per house.

b. Clean-Out

(1) For Kennett farm:

Current	60 ft. house	\$ 227.73
	72 ft. house	\$ 266.22
	100 ft. house	\$ 333.85
July 29, 2002	60 ft. house	\$ 232.28
	72 ft. house	\$ 271.54
	100 ft. house	\$ 340.53
August 4, 2003	60 ft. house	\$ 236.93
	72 ft. house	\$ 276.97
	100 ft. house	\$ 347.34

(Rates are per house for a three-person crew)

(2) For Alpine and M&J farms(all houses):

Current	\$ 267.75
July 29, 2002	\$ 273.11

August 4, 2003 \$ 278.57

(Rate is per house for a two-person crew)

Note: includes clean-up of house and removal of nets from house

c. Loading Mixers

(1) For Kennett farm:

Current	60 ft. house	\$ 112.47
	72 ft. house	\$ 123.71
	100 ft. house	\$ 157.45

July 29, 2002	60 ft. house	\$ 114.72
	72 ft. house	\$ 126.18
	100 ft. house	\$ 160.60

August 4, 2003	60 ft. house	\$ 117.01
	72 ft. house	\$ 128.70
	100 ft. house	\$ 163.81

(Rates are per house for a two-person crew)

(2) For Alpine employees who perform work at Alpine or M&J:

Current	\$ 16.07
July 29, 2002	\$ 16.39
August 4, 2003	\$ 16.72

(Rate is per mixer for one person in addition to the applicable hourly rate)

d. Installation of Nets

For Alpine and M&J farms:

Current	\$ 64.26
July 29, 2002	\$ 65.55
August 4, 2003	\$ 66.86

(Rate is per house for one person)

e. Spraying

(1) For Kennett farm:

Current	60 ft. house	\$ 135.66
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	72 ft. house	\$ 158.18
	100 ft. house	\$ 216.34
July 29, 2002	60 ft. house	\$ 138.37
	72 ft. house	\$ 161.34
	100 ft. house	\$ 220.67
August 4, 2003	60 ft. house	\$ 141.14
	72 ft. house	\$ 164.57
	100 ft. house	\$ 225.08

(Rates are per house for a two-person crew)
(Rates include “washdown”)

(2) For Alpine farm:

Current	\$ 67.83
July 29, 2002	\$ 69.19
August 4, 2003	\$ 70.57

(Rate is per house for one person)

(3) For M&J farm: Applicable utility hourly rate

f. Washdown Houses

For Alpine and M&J Farms:

Current	\$ 67.83
July 29, 2002	\$ 69.19
August 4, 2003	\$ 70.57

*Exception for Alpine house #7, which is paid at single rate of \$ 33.25.
(Rate is per house for one person)

g. Loading Trucks

For Alpine and M&J farms:

Current	\$ 69.62
July 29, 2002	\$ 71.01
August 4, 2003	\$ 72.43

(Rate is per day)

h. Drive Bus & Sweep Floor

For Alpine only:

Current	\$ 69.62
July 29, 2002	\$ 71.01
August 4, 2003	\$ 72.43

(Rate is for one person per day, in addition to the applicable rate)
(Work also performed by supervisors)

i. Unload Peat Moss Trailer

For Kennett and Alpine:

Current	\$ 132.80
July 29, 2002	\$ 135.46
August 4, 2003	\$ 138.17

(Rate is per trailer)

10.02 REASSIGNMENT OF HARVESTING EMPLOYEES

1. Where mushroom harvesting employees are temporarily reassigned from one farm to another, effective at the beginning of the work day, these employees shall be paid \$11.00

2. Where mushroom harvesting employees are temporarily reassigned from one farm to another, at some point after beginning work at one farm, these employees shall be paid \$16.00

ARTICLE 11

BENEFITS

11.01 VACATION

1. The Company will provide vacation/paid time off and unpaid time off to eligible employees. The Company reserves the right to deny any otherwise eligible employee time off, when such time off is requested by the employee, if the Company determines that such time off by the employee will adversely affect the size of the workforce and the efficient operations of the Company. The rate of pay for vacation/paid time off for mushroom harvesters is the applicable utility rate. Employees shall request time off of 21 days or less from their supervisor.

2. In order for an employee to be eligible to request vacation/paid time off from work, he/she must have:

- a) worked six months from the date of hire, and
- b) worked at least 20 hours each week, and
- c) have permission from his/her supervisor to take vacation/paid time off

3. Accrual

a. The following Vacation Accrual Schedule is based on an employee having worked full-time, or at least 40 hours per week. Employees working part-time, described as 20 or more hours per week, but less than 40 hours per week, are subject to this Vacation Accrual Schedule on a pro-rata basis. Employees working less than 20 hours per week are not eligible for Vacation/Paid Time Off.

<u>Years of Eligible Service</u>	<u>Vacation/ Paid Time Off Earned Quarterly</u>	<u>Vacation/ Paid Time Off Earned Yearly</u>
1. Six months from date of hire	25 hours	-----
2. Quarterly thereafter, during the first and		

- | | | |
|---|------------|--------------------|
| second years of employment | 12.5 hours | 50 hours per year |
| 3. Quarterly thereafter, during the third, fourth and fifth years of employment | 25 hours | 100 hours per year |
| 4. Quarterly thereafter, during the sixth and subsequent years of employment | 37.5 hours | 150 hours per year |

b. The Vacation Accrual Schedule will be adjusted according to any time taken off in excess of three weeks/21 consecutive days. Employees may not accrue more than 200 hours of Vacation/Paid Time Off at any given time. An employee who has accrued 200 hours of Vacation/Paid Time Off may request paid time off and/or payment of some or accrued Vacation/Paid Time Off. Employees may not take more than 21 consecutive paid days off.

4. Employees may request payment of their accrued Vacation/Paid Time Off in lieu of actual paid time off to their supervisor or to the Human Resources Department. Employees requesting to take a week of paid vacation will be charged for 50 hours of vacation time (and will receive 50 hours of vacation pay) unless they request to take 40 hours.

5. A mushroom harvesting employee who takes 3 weeks of leave or less will retain his or her picking position within his or her picking gang.

11.02 UNPAID LEAVES OF ABSENCE

1. Personal Leaves of Absence

a. The Company will provide eligible employees with Personal Leaves of Absence of up to 12 weeks in a 12 month period commencing on January 1st. In order to be eligible, an employee must have:

(i) worked continuously for nine (9) months since his/her last Leave of Absence (of any type), or from most recent date of hire; and

(ii) the Company/department/manager has (or projects to have) sufficient labor during the requested period of Leave.

b. The Company reserves the right to deny any otherwise eligible employee a Leave of Absence if the Company determines that allowing such Leave of Absence will adversely affect the size of the workforce and the efficient operations of the Company.

2. Family/Medical Leave of Absence

The Company shall abide by any laws regulating Family/Medical Leaves of Absence.

3. Other Leaves of Absence

All other types of Leaves of Absence, not otherwise defined within this Agreement, are at the discretion of the Company.

4. Picking Position

As to any approved unpaid leaves, a mushroom harvesting employee who takes 3 weeks of leave or less will retain his or her picking position within his or her picking gang.

11.03 HOLIDAY PAY

1. Holiday Pay will be paid for work performed on these Holidays: Good Friday, Thanksgiving, Christmas and New Year's Day; provided that the employee worked on the Holiday, the day before the Holiday, and the day after the Holiday; except: when an employee's regularly scheduled day off falls on the day before or after a Holiday, the employee is not required to work on his/her regularly scheduled day off in order to receive Holiday Pay, contingent on meeting all other requirements.

2. A “regularly scheduled day off” is a day off as assigned by the Company. Employees who have the option of choosing which day(s) of the week they take off are not considered as having “regularly scheduled days off.”

3. Employees earning Holiday Pay will receive time plus one-half for work performed on Good Friday and Thanksgiving Day, and double-time for work performed on Christmas and New Year’s Day.

11.04 RETIREMENT

1. The Company will provide a 401(k) Retirement Plan (“401(k)”), a voluntary retirement savings account, to eligible employees through a third party administrator of the Company’s choice. Eligible employees may defer earnings, pre-tax, up to a certain percentage of income as prescribed by law. Company contributions will equal twenty-five cents for every dollar of an employee’s 401(k) contribution, up to a total of four percent of the individual employee’s income.

2. **Eligibility**

a. Eligible employees are those persons twenty-one years of age or older and having completed a Year of Service as of January 1 or July 1. A “Year of Service” is twelve consecutive months of employment with the Company, during which at least 1,000 hours were worked.

b. Participation in the 401(k) shall begin only in January or July following the completion of a Year of Service. Changes to an employee’s 401(k) contribution shall only be made in January or July, except: employees may reduce their contribution to zero at any time.

c. The following Vesting Schedule shall apply:

2 years of employment, 20%
3 years of employment, 40%
4 years of employment, 60%
5 years of employment, 80%
6 years of employment, 100%

d. The Company shall rely on the terms of its contract with the third party administrator with regard to a “Break in Service” (less than 500 hours worked in a year), which may or may not affect the employee’s Vesting Schedule, depending on the length of the break in service and other circumstances.

11.05 HEALTH INSURANCE

1. After 90 days from most recent hire date, the Company will provide a subsidized cafeteria style health insurance plan to eligible full time employees . Employees may choose their plan from those plans offered by the Company. Employees shall be responsible to pay any portion of premium which exceeds the amount subsidized by the Company.

2. The types of health insurance plans offered include Aetna/US Healthcare’s SuperValue, SuperValue with prescription, and Patriot X QPOS/70%. The Company’s subsidy will be equal to the cost of single coverage of the SuperValue or similar plan, however, if the annual increase in the cost of such plan exceeds 10 %, the Company's increased subsidy shall be capped at 10%

.3. During the course of this agreement, the Company reserves the right to obtain alternative coverage which is substantially similar in benefits to the current plans, in the event that costs increase, alternative similar coverage is less expensive, or the plans are discontinued. The Company also reserves the right to self-insure.

11.06 LIFE INSURANCE

On the first day of the month following 90 days from most recent hire date, the Company will provide to full-time employees (working at least 40 hours a week) \$10,000 of term life insurance, under a group term life insurance policy of its choice, at no cost to employees. The employee chooses his/her beneficiary. Benefit amounts are reduced 35% (to \$6,500) at age 65, and 50% (to \$5,000) at age 70. Coverage ceases upon termination of employment.

11.07 SHORT TERM DISABILITY

On the first day of the month following 90 days from most recent hire date, the Company will provide to full-time employees (working at least 40 hours a week) short term disability coverage at no cost to employees, through an insurance carrier of the Company's choice. An employee may be eligible for benefits if unable to work for more than seven consecutive days due to a total disability (illness or injury), as certified by a licensed health care provider on documents specified by the insurance carrier, and when the injury/illness was not sustained during the course of employment or was self-inflicted. Payment of short term disability benefits equals 60% of the employee's annual/average weekly compensation up to a maximum of \$500 per week. Benefit amounts are reduced by 35% at age 65 and 50% at age 70. Benefits will cease on the earliest of: the employee returns to work, is no longer totally disabled, begins to receive benefits under any retirement plan sponsored by the Company, dies, or upon termination of employment, provided, that benefits shall not be paid for a period of more than twenty-six (26) weeks.

11.08 LEGAL SERVICES

The Company provides a Legal Services plan to employees. Consultation with the on-site attorney, the choice of whom is at the Company's discretion, is at no cost to the employee and by appointment only. In the event that further services of the attorney are desired, the employee makes arrangements directly with the attorney for any fees due to the attorney.

ARTICLE 12

DRUG AND ALCOHOL POLICIES

Employees who have a drug or alcohol problem are encouraged to voluntarily seek treatment. If, however, an employee reports to work intoxicated and/or under the influence of drugs, the Company may discipline the employee up to and including discharge. If the Company reasonably suspects that an employee is intoxicated and/or under the influence of drugs, while at work, the Company may require the employee to submit to testing by a qualified medical professional designated by the Company. Failure to submit to such testing may result in discharge.

ARTICLE 13

ENTIRE AGREEMENT

This Agreement sets forth the entire Agreement between the Company and the Union and cannot be modified or supplemented orally. The Company and the Union represent that no other agreement, oral or written, except as attached to or specifically incorporated in this Agreement, exists between them. The provisions of this Agreement shall govern the relationship between the Company and the Union and may only be modified by a written instrument signed by the Company and the Union.

ARTICLE 14

DURATION

The Agreement made and entered into and executed will remain in full force and effect for the period commencing January 7, 2002 and terminating 12:01 a.m. August 2, 2004. This Agreement shall continue in full force and effect from year to year thereafter unless either party desiring to amend or terminate this Agreement shall serve upon the other party written notice at least sixty (60) days prior to August 2, 2004 of its desire to amend or terminate this Agreement.

APPENDIX "A"

Union Leave Agreement Form

AGREEMENT

Kaolin Mushroom Farms (hereafter the "Company") and Union de Trabajadores de Kaolin, a/k/a Kaolin Workers Union (hereafter the "Union") agree to the following procedure regarding _____'s meeting with employees in the cafeterias on the Company's premises:

1. The Union and _____ agree to respect the rights of all employees to enjoy the cafeterias and acknowledge that _____ may visit the cafeterias for the purpose of meeting with individual bargaining unit employees or small groups of such employees in the context of the Union's representative status.
2. Failure to conduct visits in accordance with this agreement may result in a termination of _____'s rights of access to the cafeterias under the terms of this agreement.
3. The procedures agreed to herein will be separate from the right of _____ to meet with employees in the bargaining unit who have requested representation from the Union in relationship to grievances or interviews relating to potential disciplinary action as well as to meet with other persons in relationship to such grievances or interviews. Procedures to accommodate the need to meet with employees in the bargaining unit under such circumstances will be separately arranged between the Union and the Company.
4. _____'s access to the cafeterias shall be limited to the hours of 6 a.m. to 4:30 p.m., Monday through Friday and shall require advance notice to the Company in accordance with procedures herein.
5. For purposes of notification required herein, the Company shall designate one or more representatives of the Company at the Kennett farm as contact persons (hereafter "receptionist") for receipt of advance notice from _____. This receptionist shall be available by telephone, fax machine (fax number: 610-444-0806) and in person at least during the hours 8:00 a.m. to 4:30 p.m. Monday through Friday.
6. When seeking to visit the Kennett farm cafeteria during the above hours, _____ will report to the receptionist and sign in. He then will proceed directly to the cafeteria. Upon leaving the cafeteria, _____ will report to the receptionist and sign out.
7. When seeking to visit a cafeteria at another Kaolin facility, including M & J Farms and Alpine Farms, between 9 a.m. to 4:30 p.m. Monday to Friday, _____ will notify the receptionist at the Kennett farm by telephone, fax or in person, at last one (1) hour prior to _____'s planned visit as to which cafeteria he will be visiting and the time when he plans to arrive at the cafeteria at that facility. Upon leaving the cafeteria at that facility _____ shall notify the Kennett farm receptionist that he is leaving or has left the

facility.

8. When seeking to visit a cafeteria at a Kaolin facility, including Kennett, M & J Farms, Alpine Farms, and the Cabazzini Farm at times when the receptionist is unavailable between 6:00 a.m. and 9:00 a.m. Monday to Friday, _____ shall notify the Kennett farm receptionist on a prior day when the receptionist is in the Kennett Farm office by telephone, fax or in person, as to which cafeteria he will be visiting, and the date and time for the visit. At the time _____ leaves the other facility, he shall notify the Kennett farm receptionist that he is leaving or has left the other facility.
9. This Agreement shall expire upon _____'s timely exercise of his right to seek reemployment with the Company or _____, whichever comes first.
11. This Agreement may be executed by signatories hereto in separate counterparts. It shall be effective upon execution hereof by a representative for each of the parties hereto and facsimile transmittal of a signed copy thereof to the attorneys for each of the parties.

For the Company:

For the Union:

<Employee>

APPENDIX "B"

HARVESTING CONTAINER RATES FOR ALL FARMS

Container Description	Current Rate A/Rate B	July 29, 2002 Rate A/Rate B	August 4, 2003 Rate A/Rate B
3 LARGE	\$.57 / .59	\$.58 / .60	\$.59 / .61
5 REGULAR	.65 / .68	.66 / .69	.67 / .70
5 SPECIAL	.88 / .92	.90 / .94	.92 / .96
10 REGULAR	1.32 / 1.40	1.35 / 1.43	1.38 / 1.46
10 BUTTON	1.34 / 1.42	1.39 / 1.48	1.45 / 1.54
10 SPECIAL	1.73 / 1.83	1.76 / 1.87	1.80 / 1.91
8 OZ CAPPED	1.29 / 1.37	1.32 / 1.40	1.35 / 1.43
10 OZ CAPPED	1.19 / 1.28	1.21 / 1.31	1.23 / 1.34
12 OZ CAPPED	1.34 / 1.45	1.37 / 1.48	1.40 / 1.51
16 OZ CAPPED	1.43 / 1.53	1.46 / 1.56	1.49 / 1.59
16 OZ STUFFER	1.50 / 1.57	1.53 / 1.60	1.56 / 1.63
24 OZ CAPPED	1.10 / 1.18	1.12 / 1.20	1.14 / 1.22
40 OZ CAPPED	1.85 / 1.97	1.89 / 2.01	1.93 / 2.05
12 COUNT STUFFER CAP	.81 / .86	.83 / .88	.85 / .90

The number of tills per flat are: 12 tills for 8 oz.; 10 tills for 10 oz.; 10 tills for 12 oz.; 8 tills for 16 oz.; 4 tills for 24 oz.; 4 tills for 40 oz.; 4 tills for 12 Count Stuffer Caps

HARVESTING HOURLY RATE FOR ALL FARMS

	Current Rate A/Rate B	July 29, 2002 Rate A/Rate B	August 4, 2003 Rate A/Rate B
Min. Hourly Rate	\$ 6.43 / 6.43	\$ 6.56 / 6.56	\$ 6.69 / 6.69

STANDARD HOURLY RATES FOR ALL FARMS

	Current	July 29, 2002	August 4, 2003
	<u>Rate A/Rate B</u>	<u>Rate A/Rate BB</u>	<u>Rate A/Rate B</u>
WATERMAN	7.55 / 8.19	7.70 / 8.35	7.85 / 8.52
UTILITY	7.45 / 8.09	7.60 / 8.25	7.75 / 8.42
MEETINGS	7.23 / 7.23	7.37 / 7.37	7.52 / 7.52
OPERATOR	8.62 / 9.54	8.79 / 9.73	8.97 / 9.92

Note: BUBBLER and PEAT MOSS categories are no longer used and have been deleted.