MEMORANDUM OF UNDERSTANDING

By and Between

PIMLET ENTERPRISES OF AMERICA
(NAME OF EMPLOYER)

and

OMEGA COMMUNITY LABOR ASSOCIATION
(NAME OF LABOR ORGANIZATION)

Duration: 2/23/17

through 2/23/20

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PREAMBLE

This Memorandum of Understanding ("MOU" or "AGREEMENT") is entered into by and between PALLET ENT. OF AMERICA (the "EMPLOYER") and OMEGA (NAME OF LABOR ORGANIZATION, hereafter the "ORGANIZATION"), a 501(c)(5) national labor organization, (collectively the "PARTIES").

AGREEMENT

In entering into this agreement, the PARTIES express a shared belief in and commitment to the right to work, the free flow of capital and labor, and the intent to advance the cause of workers represented by the ORGANIZATION. The PARTIES agree to promote a harmonious and collaborative relationship between EMPLOYER and its employees in the workplace, and they agree that it is their mutual aim to act at all times in such a manner as to treat all employees of the EMPLOYER with the utmost respect and dignity.

Nothing in this document shall be construed to contradict applicable state or federal law.

NOW THEREFORE, the PARTIES hereby mutually agree as follows:

ARTICLE 1
RECOGNITION & SECURITY

Section 1. The EMPLOYER recognizes, now and during the whole term of the contract and all renewals thereof, the ORGANIZATION as the exclusive bargaining representative regarding wages (Article 2), hours (Article 3), and working conditions (Article 4) for all its employees excluding supervisors, managerial and confidential employees, as defined by the National Labor Relations Act.

Section 2. The PARTIES recognize all employees coming under this Agreement shall become members in good standing of the ORGANIZATION within thirty (30) days of initial employment and shall remain members in good standing for the term of this Agreement.

Section 3. Employees in the bargaining unit shall pay the annual ORGANIZATION membership fee. The PARTIES furthermore agree that the ORGANIZATION reserves the right to audit and confirm EMPLOYER's compliance to local and federal requirements such as Workers' Comp and/or Health Care, that require audit reports for compliance purposes. Such audits will be performed at no charge to the EMPLOYER

provided the EMPLOYER submits its payroll to, or enlists the payroll services of the ORGANIZATION.

Section 4. The ORGANIZATION recognizes that it, or its Member Associate representative/s, may be given access to or acquire information that is proprietary to or confidential to the EMPLOYER or its affiliated companies or their employees. The PARTIES agree that all information obtained by the ORGANIZATION shall be deemed to be confidential and proprietary information, and not to be shared, conveyed or sold to any third party.

Section 5. This AGREEMENT shall endure from 2/23/17 until 2/23/20.

Section 6. This AGREEMENT shall _____ or shall not X apply to temporary or independently contracted workers.

Section 7. The Agreement shall be subject to change or supplement any time by mutual consent of the PARTIES hereto. Any such change or supplement agreed upon shall be reduced to writing.

ARTICLE 2
WAGES & PAY DAYS

Section 1. The EMPLOYER agrees to pay the employees covered by this AGREEMENT a monetary payment on a WEEKLY (weekly, monthly, semi-monthly, bi-weekly etc.) basis on a designated day at the 8 hour (time of day), as prescribed below:

> Sub-section 1a: All employees hired on or after N/A shall never be paid less than the state regulated minimum wage, and shall receive a minimum of 0 % increase on the anniversary date of his or her employment. The employee, the EMPLOYER and upon employee's authorization, an ORGANIZATION Member Associate representative, shall negotiate for an hourly or salaried pay rate based on individual performance and/or responsibilities.

Section 2. When an employee is called out for work outside of his regularly scheduled working hours, the employee will be paid as required by state or federal law.

Section 3. Employees who leave the employment of the EMPLOYER for any reason shall receive their wages and personal property in full on the day of termination, or as permitted by law.

ARTICLE 3
HOURS, HOLIDAYS, VACATION & SENIORITY

Section 1. 8 hours shall constitute a normal day's work and 40 hours shall constitute a normal week's work for a full-time employee.

Section 2. All hours worked more than eight (8) hours in a work day and forty (40) hours in a regular work week, Monday through Friday, shall be paid for at the rate required by state or federal law.

Section 3. Any employee who reports for work by order of the EMPLOYER or reports for work on his regular shift without prior notice from the EMPLOYER not to do so, or who is not put to work or who works less than two (2) hours shall be paid as required by state or federal law.

Section 4. All regular employees shall receive N/A straight time hours pay for the following holidays not worked:

_____ _____ _____

_____ _____ _____

_____ _____ _____

Section 5. Overtime payment shall not be duplicated for the same hours worked under any terms of this AGREEMENT, and to the extent that hours are compensated for at overtime rates under one provision, they shall not be counted as hours worked in determining overtime under any other provision.

Section 6. Vacation will begin to accrue after an employee has completed a N/A day probationary period, at which time the employee shall be provided a specified paid vacation as indicated below:

Sub-section 6a. Employee with less than _____ years of service will be provided a minimum of ____ hours of paid vacation per year.

Sub-section 6b. Employee with _____ years of service, but less than ____ years of service will be provided a maximum of _____ hours of paid vacation per year.

Sub-section 6c. Employee with _____ or more years of service will be provided a maximum of _____ hours paid vacation per year.

Sub-section 6d. The EMPLOYER shall have the exclusive right to determine and approve employee vacation schedules. In the event that there are employee conflicts in request for vacation, the EMPLOYER may employ employee seniority in the approval and scheduling.

Sub-section 6e. Nothing in this section is intended to supersede applicable state regulations for Vacation.

The EMPLOYER may choose to attach a copy of their Vacation Policy to this AGREEMENT, so long as the Vacation Policy is agreeable with state regulations.

Section 7. Employees required to take time off from their employment during any one working day to secure treatment because of injury or sickness arising out of and in the course of their employment shall receive pay for such time not exceeding the balance of the current day. Exception: If this day would be included in time covered by Workers' Compensation.

Section 8. An employee summoned for Jury Duty shall be allowed the necessary time off for such service as required by state law. However, the EMPLOYER reserves the right to attempt to obtain a release from the Jury Duty for any employee so summoned. Jury Duty requiring more than three (3) days shall be reviewed on a case by case basis

The following states require by law that an employer pay employees while serving jury duty: Alabama, Colorado, Connecticut, Louisiana, Massachusetts, Nebraska, New York and Tennessee.

Section 9. The EMPLOYER recognizes the principle of seniority in connection with layoffs and re-employment after layoffs, to the extent that where, in the judgment of the management, the qualifications of the employees involved to perform the work are substantially the same, the employee having the longer term of continuous service will be given the preference. For the purpose of determining the date of seniority of employees, it is understood that employee's seniority shall date from the commencement of their last continuous service with the EMPLOYER.

Section 10. Employees shall lose their seniority rights and status as employees of the EMPLOYER by voluntarily quitting the job; or by failure to report for work for N/A consecutive days without excuse; or by termination.

Section 11. Employees who are eligible voters shall receive time off to vote on election days as required by state and federal law.

ARTICLE 4
WORKING CONDITIONS, SAFETY & DISCHARGE

Section 1. The ORGANIZATION may, at any time during the life of this contract, call to the attention of the EMPLOYER any conditions under which employees are working that are by state or federal regulations considered grossly unlawful, unhealthy, unsafe, or unsanitary.

Section 2. Because EMPLOYER controls the facilities in which an assigned employee works, it is agreed that EMPLOYER is primarily responsible for compliance with the Occupational Safety and Health Act (OSHA) and comparable state laws and regulations there under.

Section 3. It is the EMPLOYER's exclusive responsibility to insure the safety of its employees and their compliance with these safety rules and standards, and to promote employee safety and accident prevention in and around all operations and premises. The EMPLOYER shall maintain safe, sanitary and healthful conditions and shall provide first aid equipment to take care of employees in case of an accident or illness. It shall be the responsibility of each employee to maintain his place of work in a clean and orderly condition. Employees shall be required to observe safety rules, including the use of prescribed safety equipment or clothing. As a condition of continued employment, all employees shall be required to conform to all reasonable work rules and regulations that may be issued by the EMPLOYER from time to time pertaining to the operations, health and safety. All employees must adhere to and follow all EMPLOYER safety policies and procedures. Adequate personnel protective devices, safety equipment and the like shall be supplied by the EMPLOYER and employees shall be required to use them as instructed by the EMPLOYER and in accordance with all Federal, State, Local or Governing Agency rules and regulations.

Section 4. The management of the EMPLOYER and the direction of the working force, including the right to plan, direct its operations, to hire, suspend, discipline, discharge, transfer, or to relieve employees from duty because of lack of work, or for other legitimate reasons as per Article 4 Section 5, and to make shop rules for the government of the EMPLOYER is vested exclusively in the EMPLOYER, provided, however, that such action by the EMPLOYER does not conflict with the provisions of this AGREEMENT.

Section 5. Employees during their N/A day probationary period may be discharged at the sole discretion of the EMPLOYER without the right of appeal. Employees that have already met their probationary period, considered regular employees, shall be discharged for just cause, such as but not limited to: drunkenness, the use of intoxicating liquors on the job, tardiness, gross insubordination, willful disobedience to any reasonable and proper instructions not in conflict with this AGREEMENT, dishonesty, incompetence, excessive or unreasonable absenteeism, or violation of any of the provisions of this contract shall be grounds for discharge, but the enumeration of these grounds shall not preclude the EMPLOYER from discharging, suspending, demoting, or otherwise disciplining employees for other proper causes. It is specifically understood that the EMPLOYER's failure to discipline or discharge an employee for any of the above-mentioned acts or for the violation of EMPLOYER rules or for other

conduct meriting discipline or discharge, shall not be considered a waiver of the EMPLOYER 's rights to discipline or discharge such employee for similar future conduct or violations.

Section 6. Where required by law, employees working over five hours shall be allowed a meal period. The 60 minute meal period must be provided between the second and fifth working hour. In the event of a longer-than-usual workday (more than 8 hours), the second N/A minute meal period must be given within five hours from the end of the first meal period and for each five-hours worked thereafter. Meal periods are not considered hours of work and may always be unpaid as long as employees are completely relieved from duty and receive an uninterrupted meal period. Meal periods are considered hours of work and must be paid when the EMPLOYER requires employees to remain on duty on the premises or at a prescribed work site and requires the employee to act in the interest of the EMPLOYER.

Section 7. Where required by law, employees shall be allowed a rest period of not less than ten (10) minutes on the EMPLOYER's time in each four hours of working time. The rest break must be allowed no later than the end of the third working hour. Employees may not waive their right to a rest period. The term "rest period" means to stop work duties, exertions, or activities for personal rest and relaxation. Rest periods are considered hours worked. Nothing in this regulation prohibits an EMPLOYER from requiring employees to remain on the premises during their rest periods. The term "on the EMPLOYER's time" is considered to mean that the EMPLOYER is responsible for paying the employee for the time spent on a rest period.

Section 8. There shall be no discrimination against any person based on association membership or activity, race, sex, sexual orientation, gender identification, creed, religion, color, national origin, age, marital or parental status, political belief, or physical or mental handicap.

ARTICLE 5
BENEFITS

Section 1. The PARTIES will jointly offer ERISA-based benefits to the employees of the EMPLOYER through a trust fund where EMPLOYER contributions are allocated into their respective plan funds. The ORGANIZATION ensures the compliance and protection of these contributions through a Surety Bond approved by the Federal Department of Treasury. The provisions in the Plan Trust Agreement and documents shall have control as to plan benefits and rights not specifically addressed herein.

The EMPLOYER understands these are ERISA-based benefits provided on condition that the EMPLOYER agrees that the employees of the EMPLOYER are officially Members of the ORGANIZATION. L.D. **(Initial here)**.

Section 2. ERISA-based benefits EMPLOYER may offer its employees are:

Sub-section 2a. The WORKERS' COMPENSATION BENEFIT PROGRAM of the ORGANIZATION covers the ORGANIZATION members from on-the-job accidents or illnesses and meet the local state 's mandated coverage amounts (example: in CA = $1million per accident; $1 million per employee; $1 million on aggregate), plus annual employee immunizations, annual physical coverage and a burial benefit of up to $4,000 if the death occurred while on-the-job. (Please see exhibit attached.)

EMPLOYER contribution shall be: ✓ 100 %
Member contribution shall be: 0 %

Sub-section 2b. The HEALTH CARE BENEFIT PROGRAM of the ORGANIZATION covers the ORGANIZATION members through any of our jointly administered medical plans through a network of providers that consist of more than 5,000+ hospitals, 70,000 pharmacies, 90,000+ ancillary facilities and 1 million+ health care professionals and specialists throughout the US and Puerto Rico. All plans are compliant with the new health laws of the country. (Please see exhibit attached.)

EMPLOYER contribution shall be: N/A %
Member contribution shall be: _____ %

Sub-Section 2c. The DENTAL CARE BENEFIT PROGRAM of the ORGANIZATION that covers the ORGANIZATION members' dental needs through a large network of dental professionals in the US and Puerto Rico.

EMPLOYER contribution shall be: N/A %
Member contribution shall be: _____ %

Sub-section 2d. The RETIREMENT BENEFIT PROGRAM of the ORGANIZATION that covers the ORGANIZATION members' retirement needs starting at $___ per month.

EMPLOYER contribution shall be: N/A %
Member contribution shall be: _____ %

Section 3. The cost of implementing the funds and trust, including legal fees, bonding, postage, printing, adjudication, bill review, settlements, and claims shall be borne by and from each trust fund. Total EMPLOYER contributions are comprised of operational,

organizing costs (49%), program reserves (21%) and plan trust assets (30%) per this Agreement and as described on billing invoices.

Section 4. The Plan Funds, including EMPLOYER contributions, shall be irrevocable except by mutual consent of the PARTIES to this Collective Bargaining Agreement. Mutual consent, as used herein, is defined as: a three-fourths (3/4) majority vote of the total members covered by the Plan, and a like vote of the EMPLOYER, with subsequent conformity to Article I Section 7.

ARTICLE 6
NEUTRALITY & NO-STRIKE-NO LOCKOUT

Section 1. The EMPLOYER agrees to be neutral regarding the efforts the ORGANIZATION performs to organize the association through a certified ORGANIZATION Member Associate representative.

Section 2. The EMPLOYER will provide the ORGANIZATION with a list of all employees, including full name, home address, job titles and department. The EMPLOYER will provide monthly updates of this information. The ORGANIZATION will regard this information as strictly confidential.

Section 3. The EMPLOYER will grant the ORGANIZATION and its Member Associate representative/s reasonable access to its facilities to meet with its employees in well-traveled non-work areas during non-work times (including breaks, lunch periods, and before and after shift changes) for purposes of grievance investigation or for the enrollment of employees in the benefits thereto.

Section 4. The ORGANIZATION agrees that during the existence of this agreement, unless the EMPLOYER refuses to arbitrate a grievance as per Article 7 or comply to Article 7 Section 3, not to strike against, picket, boycott, or perform any work stoppage endeavor against the EMPLOYER for any reason whatsoever, and to order its member-employees to perform their obligations to the EMPLOYER hereunder, and to use its best efforts to get the employees to perform such obligations.

The EMPLOYER agrees not to engage in any lockout unless the ORGANIZATION fails to comply with an arbitration award.

ARTICLE 7
GRIEVANCE & ARBITRATION PROCEDURE

Section 1. In agreeing to promote a harmonious and collaborative relationship between the EMPLOYER and the employees, the PARTIES agree that all grievances involving the interpretation and application of this AGREEMENT that may arise on a job covered by this AGREEMENT shall be handled in the following manner with the understanding that there shall be no suspension of work or strike or lockout.

Section 2. (***Step a***) The nature of any such grievance must first be reduced to writing prior to the consideration of the grievance between the aggrieved employee and his/her Foreman or Manager or Direct Supervisor (the ORGANIZATION Member Associate representative shall be present upon employee's request). Grievances shall be submitted within at least ten (10) working days of the occurrence. If the grievance is not settled, then (***Step b***) the ORGANIZATION Member Associate representative and the Foreman/Manager/Supervisor shall meet to discuss and settle the grievance.

If no settlement is reached in step (a) or (b) above, then (***Step c***) the grievance shall be reduced to writing and submitted to the EMPLOYER's primary Supervisor within ten (10) days of the completion of step (b). The primary Supervisor and a designated the ORGANIZATION Member Associate representative shall then meet within ten (10) days to settle the grievance.

Section 3. Arbitration in the event that the ORGANIZATION or the EMPLOYER elects to arbitrate the grievance, shall be heard by an arbitrator to be designated by mutual agreement of the PARTIES. In the event the PARTIES fail to mutually agree upon an arbitrator, either party may move to arbitration through the rules of arbitration as provided by the Federal Mediation and Conciliation Service.

The arbitrator's decision shall be final and binding on all PARTIES concerned. Any compensation required to be paid to the arbitrator shall be borne equally by the parties. The arbitrator shall have jurisdiction and authority to apply, interpret and determine compliance with the terms of this AGREEMENT but in no case, add to, deviate from, detract from or alter in any way the provisions of this AGREEMENT. The decision of the arbitrator shall be confined to the matter submitted to him for arbitration.

Section 4. The EMPLOYER will _____ or will not ✓ pay into an Association-Employer Steward fund the total of $ ____ per year to fund the work of the Association's multi-employer Steward in assisting in settling member grievances.

ARTICLE 8
LIMITATION OF CONTRACT

Section 1. This instrument constitutes the entire contract between the PARTIES hereto, and the EMPLOYER, the ORGANIZATION, and its members will abide by it. Its provisions and the rights of the parties shall in no way be altered by reasons of any by-

laws, rules, regulations, or customs of the ORGANIZATION. The EMPLOYER shall not be bound to grant any additional demands which may be made by the ORGANIZATION upon the EMPLOYER, except to comply with the terms hereof.

Section 2. This Agreement shall become effective on the date shown in Article 1 Section 5, and shall remain in full force and effect until midnight of the same and from year to year thereafter unless either Party shall, at least sixty (60) days prior to any anniversary date thereof, notify the other Party to this AGREEMENT in writing, of any proposed changes in this AGREEMENT. In the event, such notice is given, the PARTIES shall meet not later than fifteen (15) days after the receipt of such notice, and shall continue negotiations without necessary delay.

IN WITNESS THEREOF, the PARTIES hereto have executed this AGREEMENT as of the 25th day of September, 2018.

Signature & Title
EMPLOYER

9/25/18
Date

Signature & Title
ORGANIZATION

10/21/18
Date

OMNIS
Benefit Plan Administrators

Union Paperwork Completion Form

Employer Name: PALLET ENTERPRISES OF AMERICA

Labor Association: OMEGA COMMUNITY LABOR ASSOCIATION

☒ CBA

Execution date 2/27/17

Duration Period 2/23/20

☒ Memberships (51%)

JESUS LUIS RAYA ORGANIZER
Name and Title

10/16/18
Date

Signature

330 Bullard Ave Clovis, CA 93611 Office (559) 573-8214 Fax (800)673-0183