

COLLECTIVE BARGAINING AGREEMENT

2012-2016

BETWEEN

RECOLOGY SUNSET & RECOLOGY GOLDEN GATE

AND

**SANITARY TRUCK DRIVERS AND HELPERS UNION
LOCAL 350, IBT**



TABLE OF CONTENTS

	Page
SECTION 1. RECOGNITION	1
SECTION 2. NON-DISCRIMINATION	1
SECTION 3. UNION SECURITY	1
SECTION 4. EMPLOYERS' RESPONSIBILITY	2
SECTION 5. JOB CLASSIFICATION AND WAGE RATES	3
SECTION 6. GUARANTEED HOURS AND REASSIGNMENT	5
SECTION 7. HOURS OF WORK	6
SECTION 8. PAID HOLIDAYS	7
SECTION 9. VACATIONS	8
SECTION 10. SICK LEAVE	11
SECTION 11. MAINTENANCE OF BENEFITS	12
SECTION 12. FUNERAL LEAVE	15
SECTION 13. UNIFORMS AND EQUIPMENT	15
SECTION 14. NO STRIKES OR LOCKOUTS	16
SECTION 15. DISCHARGES AND SUSPENSIONS	16
SECTION 16. SETTLEMENT OF DISPUTES	17
SECTION 17. CHECK-OFF SYSTEM AND CREDIT UNION	18
SECTION 18. PAST PRACTICES	19
SECTION 19. CASUAL AND EXTRA EMPLOYEES	19
SECTION 20. STARTING TIME	20
SECTION 21. COFFEE BREAKS	20
SECTION 22. SENIORITY AND LAYOFFS	20
SECTION 23. DESCRIPTIONS	22
SECTION 24. JURY DUTY	23
SECTION 25. EXTRA CONTRACT AGREEMENTS	23
SECTION 26. SUBSTANCE ABUSE	23
SECTION 27. DRIVER LICENSES	24
SECTION 28. EMPLOYEE LOYALTY	24
SECTION 29. TRANSFER OF EMPLOYMENT WITHIN THE RECOLOGY CORPORATION/COMPANY	24
SECTION 30. SUPPLEMENTAL INCOME 401(K)	25
SECTION 31. LEAVE OF ABSENCE	25
SECTION 32. TERM OF AGREEMENT	25

COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT is made and entered into by and between SANITARY TRUCK DRIVERS AND HELPERS UNION, LOCAL 350, an affiliate of International Brotherhood of Teamsters, hereinafter referred to as the "UNION," and RECOLOGY GOLDEN GATE DISPOSAL & RECYCLING COMPANY, RECOLOGY SUNSET SCAVENGER COMPANY, hereinafter referred to as the "EMPLOYERS."

WITNESSETH

It is the intent and purpose of the parties hereto that this Agreement promote and improve the industrial and economic status of the parties, provide orderly collective bargaining relations between the Employers and the Union, and secure a prompt and fair disposition of grievances so as to eliminate interruption of work and interference with the efficient operation of the Employers' business.

SECTION 1. RECOGNITION

The Employers recognize the Union as the sole collective bargaining representative for all employees of the Employers working in the classifications hereinafter set forth, except and excluding the directors, office clericals, guards, and supervisors as defined in the National Labor Relations Act.

The Employers shall not subcontract any bargaining unit work currently being performed by bargaining unit employees.

SECTION 2. NON-DISCRIMINATION

The Employers agree with respect to all hiring and employment decisions that there will be no discrimination or favoritism of any kind based on race, creed, color, sex, sexual orientation, religion, age or national origin or on the basis of physical or mental disability or medical condition as defined under the Americans With Disabilities Act and the California Fair Employment and Housing Act, or the FMLA, so long as the affected person is fully capable of performing all essential job duties.

SECTION 3. UNION SECURITY

(a) It shall be a condition of employment that all employees covered by this Agreement shall apply for Union membership on or after the thirtieth (30th) day following the beginning of their employment or the effective date of this Agreement, whichever is later, and as a condition of continued employment, shall maintain their membership in the Union in good standing. "Union membership" and "membership in good standing" shall mean for purposes of this provision the payment or tender of payment by the employee of the initiation fee and monthly dues uniformly applied by the Union pursuant to its Bylaws. In the event an employee shall not comply with his/her obligation under this provision, the Union shall so notify the individual, providing such information as is required by the National Labor Relations Act in such circumstances, and copy the Employers. Thereafter, if the employee fails to remove his/her

delinquency within such period of time as the Union allows, but not less than ten (10) days, the Union shall so notify the Employers and the Employer shall terminate the employee forthwith.

(b) The Employers recognize the right of the Local Union to designate a job steward from the Employers' seniority lists. The authority of the job steward so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities: the steward, upon receipt of prior approval from the Employers, shall be allowed a reasonable time to investigate, present and process grievances on Company property without loss of time or pay during his regular working hours, and, where mutually agreed to by the Employers and the Union, off the property and at times other than during his regular working schedule without loss of time or pay. Time spent handling grievances during steward's regular working hours shall be considered working hours in computing daily or weekly earnings.

(c) The steward shall, whenever possible, investigate, present and process grievances after the completion of his daily duties. All employees, including the steward shall report to the proper Employer representative with any concerns regarding unsafe working conditions, including, but not limited to, hazardous material, defective equipment or dangerous access. No shop steward or employee may change a customer container, location of pickup, frequency of pickups, level of service without express authorization from Employer. All employees must report, promptly, any changes in service provided to customer. In the event the handling of grievances and the daily duties of the steward require more than a regular working day, the steward shall receive no extra compensation.

(d) This Agreement shall be binding upon all the parties hereto and their successors. In the event the operations of the Employers which are covered by this Agreement, or any part of said operations, are sold, transferred or assigned, the Employers shall require the purchaser, transferee or assignee to adopt and become a signatory to this Agreement for the duration of its term. At such time as the purchaser, transferee or assignee adopts and signs this Agreement, the Employers' obligations to the Union and to the employees shall cease and the Employers shall have no continuing liability hereunder.

(e) The Employers shall give notice in writing of the existence of this Agreement to any purchaser, transferee or assignee, with a copy to the Union, not later than the effective date of the sale, transfer or assignment.

SECTION 4. EMPLOYERS' RESPONSIBILITY

It is recognized that in addition to other functions and responsibilities, the Employers have and will retain the right and responsibility to direct the operations of the Employers and in this connection to determine the assignment of all work to employees; the scheduling of routes and the methods, processes, and means of operation, to select, hire, promote, demote, and transfer employees, including the right to make and apply rules and regulations for discipline, efficiency, and safety, providing, however, that exercise of such rights shall not conflict with the following provisions of this Agreement.

SECTION 5. JOB CLASSIFICATION AND WAGE RATES

(a) All occupations to which employees within the respective bargaining units are or may be assigned are classified into categories listed below. It is understood that the determination and operation of the job classification is the function and responsibility of the Employers and placement of employees in any of the following classifications shall be subject to the requirements of the Employers. Job descriptions for each of the classifications which are covered by this Agreement and which are utilized by the Employers are set forth in Section 23 of this Agreement.

(b) Each employee will be assigned to a classification, the duties of which he/she is competent to perform and which generally reflects his normal work. The fact that a job classification is listed herein does not necessarily mean that it must be utilized by the Employers.

(c) Any employee assigned by his Employers to perform work for any other company shall, for the duration of such assignment, remain subject to the terms and conditions of this Agreement.

(d) Any dispute involving job classifications shall be settled in accordance with the procedures set forth in Section 16 hereof.

WAGE RATES:

	1/1/12	7/1/13 COLA 3.0%-5.0%*	1/1/14 COLA 3.0%-5.0%*	1/1/15 COLA 3.0%-6.0%*	1/1/16 COLA 3.0%-6.0%*
Helper/Driver	39.01	COLA 40.18	COLA 41.39	COLA 42.63	COLA 43.91
Recycling Collector	39.01	Adjust to Fan 3 Wage w COLA 42.23	COLA 43.50	COLA 44.80	COLA 46.15
Commercial Driver	41.00	COLA 42.23	COLA 43.50	COLA 44.80	COLA 46.15
Route Leadperson Fantastic 3	41.00	COLA 42.23	COLA 43.50	COLA 44.80	COLA 46.15
Shop Foreperson	44.10	COLA 45.42	COLA 46.79	COLA 48.18	COLA 49.63
Assistant Shop Foreperson	42.64	COLA 43.92	COLA 45.24	COLA 46.59	COLA 47.99
Mechanic/Truck Welder	42.00	COLA 43.26	COLA 44.56	COLA 45.89	COLA 47.27

	1/1/12	7/1/13 COLA 3.0%-5.0%*	1/1/14 COLA 3.0%-5.0%*	1/1/15 COLA 3.0%-6.0%*	1/1/16 COLA 3.0%-6.0%*
Shop Person	39.36	COLA 40.54	COLA 41.76	COLA 43.01	COLA 44.30

*The dollar amounts shown for 7/1/13, 1/1/14, 1/1/15, and 1/1/16 are minimums, which assume a COLA increase of 3% each year.

The percentage increase above of three to five percent for the 7/1/13 and 1/1/14 adjustments and three to six percent for the 1/1/15 and 1/1/16 adjustments shall be referred to hereinafter as "floor/ceiling". Employer agrees that increases in wages shall be based on the BLS Consumer Price Index (BLS CPU-U) All Urban Consumers for San Francisco-Oakland San Jose area (1982-84=100) (hereinafter "Index") subject to the following conditions:

Employers shall determine the increase in the Index as follows:

For the increase effective July 1, 2013, the Employers shall apply the Index based on the period October 2011 to October 2012, subject to the Floor/Ceiling. For example, if the Index based on October 2011/October 2012 is 1.2%, the increase applicable July 1, 2013 shall be 3.0%. January 1, 2014, the Employers shall apply the Index based on the period October 2012 to October 2013, subject to the 2014 Floor/Ceiling. The increase in each year commencing January 1 thereafter shall be based on the same October to October test, as follows: 2015 shall be based on October 2013/October 2014, and 2016 shall be based on October 2014/October 2015 subject to the floor/ceiling applicable for that year.

The percentage increases above shall be based on the wage rate then in effect. For example, if the wage rate for Helper/Drivers in 2014 is \$41.39/hour, and the Index for 2015 as determined above is 3.3%, the Helper/Driver hourly rate effective January 1, 2015 shall be \$42.75. These increases shall be cumulative, and permanent.

Any Employee who is required to maintain a Class A drivers license for the purpose of performing work, shall receive the same wages as the Transfer Drivers in the Recology SF "Long Haul" CBA.

Employees in the Cart Department shall be paid at the Helper/Driver rate of pay; if the employee drives, he/she shall be paid at the Fan 3 rate of pay for all time spent driving/on the road.

When the need exists for a second person on a front loader route, the Company will pay the second person at the Commercial Driver wage rate. Second persons on rear loaders will be paid under the Helper Driver scale. All Drivers will be paid the Fan 3 rate of pay with the following exceptions: Recycling Drivers who will be paid under the Recycling Collector scale above until 7/1/13 at which time they will be paid according to the Fan 3 scale.)

The above rate for the Shop Foreperson of \$44.10 was calculated at 5% above the \$42.00 Mechanic Truck Welder rate. Beginning with the July 1, 2013 increase, the rates for the Shop

Foreperson set out above were calculated by applying the applicable COLA formulas to the \$44.10 rate.

(e) New Hire Addendum

All employees who have completed six full months of employment as of January 1, 2012 will receive 100% of the hourly wage and benefits for their classification from that date forward. All employees hired after January 1, 2012 shall be hired under the following wage percentages which take precedence over any conflicting wage in the Collective Bargaining Agreement.

1. **Wages** - New hires shall work under the applicable percentage in the employee's classification.

During 1st 12 months of employment	80% of hourly wage
During 2nd 12 months of employment	85% of hourly wage
During 3 rd 12 months of employment	90% of hourly wage
After completion of 36 months	100% of hourly wage

(f) Mechanic Certifications

A.S.E. Certified mechanics will receive a base hourly wage increase based on the level or levels of certification they obtain and maintain. This certification is available to the Shop Foreperson and Assistant Shop Foreperson, and Mechanics.

- 1st Level: Diesel Engine Certification 5%
- 2nd Level: Certified Master Technician T3, T4, T5, T6 & T8 5%

The Shop Persons who perform the work of a Lube Preventive Maintenance Person will receive a maximum base hourly wage increase of 3% if they pass the T8 test.

SECTION 6. GUARANTEED HOURS AND REASSIGNMENT

(a) All regular employees shall be guaranteed eight (8) hours per day and forty (40) straight time hours of pay per week; provided such employees make themselves fully available for work; provided further, however, that such guarantees shall not apply to employees with less than one hundred twenty (120) calendar days of continuous service to the Employers.

(b) Upon completion of an employee's assigned route in less than eight (8) hours, the employee must report to the garage before going home. Any employee who is reassigned to perform any additional work (except missed pickups) shall be paid time and one-half for all such additional work.

(c) Any employee who, at the specific direction of the dispatcher, is assigned and performs work in a higher job classification shall receive the wage rate shown in Section 5 (above) for such higher classification for each day on which such work is assigned and performed.

(d) No Helper/Driver shall be required or allowed to perform said duties unless he is specifically directed to do so by the company official in charge of Route Leadperson. Any Helper/Driver who is directed to perform said duties shall be paid Route Leadperson wages for the actual time spent performing said duties.

SECTION 7. HOURS OF WORK

(a) Straight Time Hours

Forty (40) hours of work shall constitute the maximum straight time work week, provided that this section shall not be construed as limiting the number of hours of work any employee may perform at overtime wage rates.

(b) Overtime

All work performed in excess of eight (8) hours in any work day shall be paid for at the overtime rate of one and one-half (1-1/2) times the straight time rate. All work performed after twelve (12) hours in one day shall be paid at the double time (2X) rate of pay.

(c) Saturday and Sunday Work

All work performed on Saturday shall be paid for at the overtime rate of one and one-half (1-1/2) times the straight time rate, and any employees performing Saturday work shall be paid for not less than eight (8) hours.

All work performed on Sunday shall be paid for at the overtime rate of two (2) times the straight time rate and any employee performing Sunday work shall be paid for not less than eight (8) hours.

(d) The regular work week shall be Monday through Friday, inclusive.

(e) All shifts on Fridays that are required to perform Saturday work shall be scheduled after 6:00 p.m. and at the rate of Saturday rate of pay.

All shifts on Saturdays that are required to perform Sunday work shall be scheduled after 6:00 p.m. and at the rate of Sunday rate of pay.

All shifts on Sundays that are required to perform Monday work shall be scheduled after 6:00 p.m. and at the rate of Monday rate of pay.

(f) It is agreed that the Employers have the right to require employees to work overtime as needed and that employees may be held over after completion of their regular routes or shifts as needed. Call-out overtime (e.g. Saturday and Sunday overtime) shall be offered in

descending order of their seniority to employees who are qualified to perform the work required on the particular route. If the most senior qualified employee declines the offer, the overtime shall be offered to the next most senior qualified employee and so forth until the roster is exhausted; the least senior qualified employee shall be required to accept the call-out overtime assignment. In case of an emergency, the Employers shall have the right to depart from the foregoing seniority procedure and the employee designated to work the call-out overtime shall be required to perform the work. No employee will be allowed to work a double shift in violation of DOT policy.

(g) The Employers shall maintain seniority rosters of qualified employees and shall rotate overtime on a fair basis.

SECTION 8. PAID HOLIDAYS

(a) The following shall be paid holidays under the terms of this Agreement and all eligible regular employees shall receive eight (8) hours straight time pay for each of such holiday in addition to pay received for work performed during the course of such holidays.

New Year's Day	Employee's Birthday
Martin Luther King's Birthday	Labor Day
President's Day	Columbus Day
Cinco de Mayo	Veteran's Day
Memorial Day	Thanksgiving Day
July 4 th	Christmas Day

(b) The total pay for a holiday received by regular employees shall be eight (8) hours straight time holiday pay plus an additional eight (8) hours pay at the overtime rate of 2 times the straight time rate of pay for any holiday actually worked: provided such employees work the regularly scheduled work day immediately preceding the holiday and the regularly scheduled work day following the holiday. If the employee works the holiday but does not work both the regularly scheduled work day immediately preceding the holiday and the regularly scheduled work day following the holiday, they will receive eight (8) hours straight time holiday pay plus an additional eight (8) hours pay at the straight time rate. The employee shall be excused from the requirement of working the day before and/or the day after if, upon either such day, the employee is absent on a leave of absence approved in writing by the Operations Manager, or his substitute, excused by evidence of a doctor's note, on vacation, on another holiday, or on account of any work related illness or injury sustained on the job or off the job. In any event, the employee must present verification of illness or injury satisfactory to the Employers. Payments for holidays shall be in strict conformity with this subparagraph (b), and all past practices by which employees of either Employer have in the past received payments which vary from the provisions of this subparagraph (b) are hereby abolished.

(c) With respect to all employees other than regulars, any employee who reports for work and is put to work more than ten (10) days in a calendar month shall be entitled to any paid holiday which occurs during that month.

(d) If an employee's birthday falls on a regular working day for that employee, the employee will be allowed to stay home as long as the Employer can cover the work with its existing complement of employees. Any employee who desires to take his birthday off shall so notify the dispatcher five (5) days prior to his birthday. In the event that more than one employee desires to take the same day off as his birthday and the dispatcher is unable to allow all such employees to take the day off, the employee(s) granted the day off shall be selected on the basis of Company seniority; and if the remaining employees still desire to take a day off in lieu of their birthday, the dispatcher and each such other employee will select a mutually acceptable alternative date. In that event, the alternate date shall be deemed to be the employee's birthday for purposes of payment. If the employee takes his birthday off, he shall be paid a total of 8 hours at the overtime rate of 2 times the straight time rate. If an employee works on his birthday (except that in the case where an alternative date is selected as set forth above, the alternate date shall be considered to be the birthday), he shall be paid in accordance with paragraph (b) of this Section. It is understood between the parties that all regular employees are entitled to eight (8) hours pay for each holiday whether the holiday is worked or not, provided they are still generally eligible for benefits.

(e) If any of the above-mentioned holidays falls on Sunday, the following Monday shall be observed as a holiday; if any of the above-mentioned holidays falls on Saturday, the preceding Friday shall be observed as a holiday. When a holiday falls during an employee's vacation period, the employee shall be paid an additional day's pay.

(f) Notwithstanding the foregoing, there shall be no pyramiding of pay for holiday work.

(g) All holiday work must be assigned by seniority.

(h) All employees assigned to the City Can Routes shall perform their job on the holidays in that department as required.

SECTION 9. VACATIONS

(a) All regular employees shall be entitled to a paid vacation following each year of continuous employment to be taken at a time agreeable to their Employers. They shall be entitled to paid vacations as follows: one (1) week after one (1) year of continuous employment; two (2) weeks after two (2) years of continuous employment; three (3) weeks after four (4) years of continuous employment; four (4) weeks after seven (7) years of continuous employment; five (5) weeks after twelve (12) years of continuous employment; six (6) weeks after twenty (20) years of continuous employment; seven (7) weeks after twenty-five (25) years of continuous employment; and eight (8) weeks after thirty (30) years of continuous employment. Time off as a result of an industrial injury shall be credited as time worked for purposes of this section.

(b) All vacations shall be subject to the qualifying requirements of the Company.

(c) Employees shall be required during December of each year to sign up for their vacation dates for the coming year in accordance with the following procedures:

(i) During the first week of December the Employers shall notify all employees that the vacation sign-up will occur during the last two (2) weeks in December. Employees may sign up for vacation through a written proxy. The employee's vacation will be recorded at the time he/she would normally sign per seniority. In the event that any weeks are unavailable, the employee will be allowed to sign in person per part (iv).

(ii) During the last two weeks in December, the Employers will assign a date for each employee to meet with the Dispatcher for the purpose of signing up for the employee's vacation preferences. The date for meeting with the Dispatcher shall be assigned on the basis of departmental seniority, with the employee in the department having the most Company seniority being given the opportunity to sign up first, and so forth;

(iii) Any employee who fails to show up on the date assigned will be allowed to sign up for a later date, but will not be entitled to bump other employees who signed up timely. In such event, the Employers shall attempt to accommodate the employee's first choice of vacation dates, but the Employers retain the sole discretion to require the employee to choose from other available dates.

(iv) The Employers guarantee that if an employee is sick or otherwise off work at the time he is supposed to sign up for his vacation, the Employers will allow the employee to sign up at the time such employee returns to work

(v) An employee who has already signed up may change his prior choice of vacation dates, but only after consulting with his Employer and reaching a mutually satisfactory agreement. The Employers, insofar as is practicable, will grant employees vacation on the dates selected by the employees.

It is also agreed that employees will have the option to work part of their vacations rather than take time off. This option is available for any weeks in excess of three (3) weeks that the employee has earned. If an employee desires to exercise said option, he must communicate his desire during the sign-up in December of the year preceding the vacation year. Once the employee has decided to cash out excess vacation, said vacation checks shall be issued during the month of February.

(vi) In the administration of the provisions of these vacation scheduling procedures, there shall be absolutely no bumping of employees already signed up, regardless of seniority, unless agreed to by the employees involved in the individual change being requested.

VACATION SCHEDULE

GOLDEN GATE DISPOSAL & RECYCLING COMPANY EMPLOYEES GARBAGE ROUTE

January to middle of June - 10 per week
Middle of June to middle of September - 10 per week
Middle of September to end of the year - 10 per week

DEBRIS BOX DEPARTMENT

January to middle of June - 3 per week
Middle of June to middle of September - 4 per week
Middle of September to end of the year - 3 per week

FRONT LOADERS

3 per week all year

SHOP DEPARTMENT

Mechanic/Truck Welder - 3 per week
Shop Person - 2 per week

SUNSET SCAVENGER COMPANY GARBAGE ROUTE

January to June 15th - 20 per week
June 15th to September 15th - 20 per week
September 15th to the end of the year - 20 per week

DEBRIS BOX DEPARTMENT

January to June 15th - 3 per week
June 15th to September 15th - 4 per week
September 15th to the end of the year - 3 per week

FRONT LOADERS

3 per week all year

SHOP DEPARTMENT

Mechanic/Truck Welder- 4 per week
Shop Person - 2 per week

CART DEPARTMENT

2 per week

(vii) In the event there is a conflict between a mechanic's vacation and his night shift obligations, the mechanic will try to arrange a voluntary switch with another mechanic. In the event that the switch cannot be done on a voluntary basis, the lowest mechanic on the Seniority List will be required to switch.

(d) If upon termination, an employee has completed less than a full year of continuous service from his last anniversary, the employee shall be paid pro rata his accumulated vacation based on the number of months worked since his last anniversary.

(e) No employee shall be allowed to take more than four (4) consecutive weeks of vacation, except that an employee who furnishes proof that he is going to go out of the country for his vacation and that he needs additional time off may request more than four (4) weeks. The additional time shall be granted upon satisfactory proof.

(f) Vacation pay shall be computed and paid at the classification in which the employee worked the most hours in the preceding calendar year. This shall not apply where an employee has successfully "bid into" a new classification. In that instance, vacation pay shall be paid at the classification rate which the employee bid into.

(g) All employees who retire pursuant to the Employers' pension plan during any month of the year shall be entitled to receive their full vacation pay in the event that such employee did not take their vacation-time allowance off during the same year.

(h) No Employee shall be charged vacation (during any absence) day except when approved by the individual employee. This paragraph does not change the requirements/qualifications for vacation scheduling, use, and approval.

(i) The Company commits to make sufficient slots available at Vacation Sign Up to allow all employees to sign up for all their vacation during the calendar year.

SECTION 10. SICK LEAVE

(a) Each regular employee shall be entitled to take up to twelve (12) days paid sick leave per year. As used herein, the term year means a period from January 1 to January 1 during the life of this Agreement.

(b) An employee shall be entitled to receive pay for a sick day commencing with the first day of each illness; provided, however, that he must furnish satisfactory medical verification of each said illness if requested. Any employee absent due to illness for only one day will not be requested to provide a medical certificate to be paid.

(c) On the first payday following January 1, of each year each employee shall receive a day's pay for each unused day of sick leave. Said pay shall be at the wage rate which was in effect during the period in which the unused sick leave was accrued.

(d) There shall be no accumulation of sick leave from year to year.

(e) No Employee shall be charged a sick day (during any absence) except when approved by the individual employee. This paragraph does not change the requirements regarding the use of sick days.

SECTION 11. MAINTENANCE OF BENEFITS

(a) If an employee is off work due to illness or injury on state disability, any benefit, except health and welfare insurance, due him or her under the Collective Bargaining Agreement shall be paid for a maximum of six (6) months. The contract provides disability insurance which begins after the employee has been disabled for one hundred eighty (180) days. Health and welfare benefits shall continue for a maximum of twelve (12) months. Any employee being paid under workers compensation laws are not subject to these limitations. Benefits to employees being paid under workers compensation laws shall terminate at the conclusion of the workers compensation proceeding. No employee shall suffer a reduction of his or her hourly wage by the implementation of this Collective Bargaining Agreement.

(b) Health and Welfare. Effective on the first of the month following ratification of this Agreement, employees who work eighty (80) or more hours per month will receive the Recology Health, Life and Long-Term Disability Package. The Employers may modify said package from time to time, upon notice to the Union, but guarantees that the level of benefits included in the package will not be reduced during the term of the Agreement unless required by law. Further, during the term of this contract there will be no monthly employee premium contribution for the employee to participate in the Aetna EPO Plan, Aetna PPO Plan, Kaiser HMO Plan or HealthNet HMO.

(i) Effective July 1, 1997, the Kaiser HMO Plan and HealthNet will be changed so there will be no co-pay for doctor visits.

(ii) Effective January 1, 2007, the annual maximum for dental benefits in the dental indemnity plan will increase from \$3,500 to \$4,000.

(iii) Effective January 1, 2005, with the exception of Aetna, the maximum number of chiropractor visits in Kaiser will be forty (40) per year and HealthNet will be fifty (50) per year.

(iv) Effective January 1, 2007, the eyeglass frame allowance for the Aetna vision plan will be increased from \$100 to \$200.

a) Allowances in the other health plans are as follows:

(1) Kaiser eyewear allowance: \$200.

(2) HealthNet eyeglass frame allowance: \$100.

(v) Effective January 1, 2002, the lifetime orthodontic maximum in the dental indemnity plan will be increased from \$2,000 to \$2,500.

(vi) This agreement supersedes the San Francisco Healthcare Accountability Ordinance and the San Francisco Healthcare Security Ordinance and the Union hereby waives any additional rights or benefits employees covered by this agreement may have under these laws if either or both were legally applicable or subject to waiver.

(c) Supplemental Payment. The Employers shall pay \$75.00 per week to each employee who is off work on account of illness or injury; provided, however, that there shall be no payment for the first two (2) weeks of absence.

(d) Retiree Health Plan. Effective January 2007 (December hours/January Contributions) the Employers shall participate in the Teamsters Benefit Trust (TBT) by contributing to the Retirement Security Plan ("RSP"), a retiree health plan, on behalf of each employee who has passed their probationary period and who works eighty (80) hours or more per month. The Employers shall submit the RSP monthly contribution rate as determined by the TBT Board of Trustees on behalf of all active members subject to this Agreement and shall pay a supplemental RSP monthly contribution as determined by the TBT Board of Trustees for purposes of making the RSP comparable to active employee coverage for Rule of 84 Retirements as described in paragraph (k) up to the retiree's 65th birthday. Said supplemental RSP premium shall not exceed 10% of the standard RSP GOLD premium through 12/31/15 and shall not exceed 12% of the standard RSP GOLD premium thereafter. The Employers shall maintain both the standard and supplemental components of the RSP benefit for the duration of this Agreement.

For purposes of their participation in the RSP the Employers hereby adopt the TBT Agreement and Declaration of Trust and agree to accept the TBT Subscriber's agreement providing for participation in the RSP.

(e) Pension Plan. The Employers shall continue to maintain a pension plan for all eligible employees. The designation of the plan for employees hired prior to January 1, 1989 and employed by Golden Gate Disposal Company is the RECOLOGY INC. DEFINED BENEFIT PENSION PLAN. The designation of the plan for employees hired prior to January 1, 1989 and employed by Sunset Scavenger Company was the ENVIROCAL, INC.—RETIREMENT PLAN. The ENVIROCAL, INC. RETIREMENT PLAN was merged with and into the RECOLOGY INC. DEFINED BENEFIT PENSION PLAN and remains a separate benefit structure under that plan. Employees hired by either Company on and after January 1, 1989 shall be participants in the RECOLOGY DEFINED BENEFIT PENSION PLAN, and not in the other plans mentioned above. The current trustee of the pension plan is Prudential Bank and Trust Company, FSB, and the Employers may change trustees at any time.

The earnings upon which pension benefits under each plans shall be determined, shall be those earnings defined in each plan.

(f) For eligible employees who retire under the terms of the pension plan on or after January 1, 2000, the multiplier in the RECOLOGY—DEFINED BENEFIT PENSION PLAN shall be 1.6% and the multiplier in the ENVIROCAL benefit structure under the RECOLOGY INC. DEFINED BENEFIT PENSION PLAN shall be 1.75%. These multipliers for eligible

employees will be used for all years of Benefit Service. Effective January 1, 2001, employees who are participants in the RECOLOGY DEFINED BENEFIT PENSION PLAN who are represented by Teamsters Local No. 350 and who accrue the RECOLOGY benefit will have their retirement benefits calculated using a maximum Benefit Service of 40 years, and their maximum benefit will be \$4,166.67 per month. Plan Compensation does not include any compensation earned after 40 years of Benefit Service. Participants who accrue the ENVIROCAL benefit will continue to have their retirement benefits calculated using a maximum Benefit Service of 40 years, their maximum benefit will be \$4,166.67 per month, and Plan Compensation does not include any compensation earned after 40 years of Benefit Service.

(g) Starting with the Pension Plan Year beginning 10/01/2012, and for the term of any successor agreement(s), Recology Inc. will increase its annual contribution to the Recology Defined Benefit Pension Plan so that (by generally accepted actuarial standards) the plan is projected to be funded at 90% no later than September 30, 2016. "90% funded" for this purpose shall be measured by taking the market value of plan assets and dividing by the actuarially determined accumulated benefit obligation (ABO) on the Company's pension plan disclosure at the end of the prior plan year. In order to obtain this 90% funded status, the Employers agree to make an average annual contribution of \$18 million until the 90% funded status is reached. In addition to the annual average contribution of \$18 million an additional average contribution of \$7 million will be made each plan year (for a total average contribution of \$25 million per plan year over the term of this Agreement), or such lower amount to bring the funded status up to 90%, but the total contribution for the plan year shall not exceed the maximum deductible under the Internal Revenue Code. "Average" for purposes of the Employers' funding obligation is not intended to (1) change the Employers' overall funding obligation but to recognize that the Employers may contribute more than \$25 million in one year and less than \$25 million in another; or (2) allow the Employers to backload this funding obligation on the later years of this agreement. As long as the Plan is at the 90% funded level as described above, no contributions in excess of ERISA minimum contributions will be required by this Agreement.

(h) In addition to the 90% funding obligation described in the preceding paragraph, effective October 1, 2015 the funded percentage of the Recology Defined Benefit Plan shall be no less than 80% as defined by the Adjusted Funding Target Attainment Percentage as that term is defined by the Pension Protection Act of 2006. At the conclusion of each plan year, the Employers shall allow an independent actuary to review information and data actuarially necessary to determine the Plan's funded status. Such review shall be performed by Milliman USA (or such other qualified actuary designated by the Union).

(i) The Union may designate one individual to be appointed by the Recology Board of Directors to the Recology Pension Committee. Such individual must be competent in pension matters, be willing to carry out the fiduciary duties under ERISA, and be approved and appointed by the Recology Board of Directors.

(j) The parties acknowledge that, (a) although this Agreement applies to Recology subsidiaries Golden Gate Disposal and Sunset Scavenger, the funding obligations described in this paragraph (g) are assumed by parent corporation Recology, Inc., and (b) these funding obligations are intended to reach the targeted funded percentages listed for purposes of the

Recology Defined Benefit Plan in its entirety, not simply the Golden Gate Disposal and Sunset Scavenger benefit structures within that Plan.

(k) Rule of 84 Retirement. Effective January 1, 1998, when an Employee reaches the age of fifty-four (54), and the Employee's age when combined with the total years of contributory service exceeds eighty-four (84), the Employee shall meet the age and contributory service requirements to retire with one hundred percent (100%) of the pension benefits. Employees who choose to exercise this early retirement option after September 2012, shall not be eligible to participate in the Employer's health plan but shall instead be eligible to participate in the Teamsters Benefit Trust's RSP and Supplemental Retirement Security Plan, referenced above, according to the eligibility requirements of that plan (with the exception of those former Envirocal Noteholders, who are entitled to coverage under the Employer's plan by separate contractual undertaking).

It is understood between the Parties that employees who choose to retire prior to October 2012 as Rule of 84 Retirees shall continue to participate both in the Employer's health plan up to age 65 and TBT's RSP plan.

SECTION 12. FUNERAL LEAVE

Each employee shall be entitled to receive up to eight (8) days' paid funeral leave (or nine (9) days if the employee is required to travel outside of the State of California) on each occasion of the death of a grandparent, grandchild, mother, father, grand-parent-in-law, mother-in-law, father-in-law, sister, brother, spouse or child. The Employers agree that once the employee satisfies his Employer, with proof of death, the funeral leave will automatically be paid without delay.

SECTION 13. UNIFORMS AND EQUIPMENT

(a) Packing Can: It is understood that most rubbish collection employees employed by Golden Gate Disposal Company do not utilize packing cans. Should the need arise on any route, Golden Gate Disposal Company agrees to supply an appropriate packing

Sunset Scavenger Company shall supply and maintain, within each twelve-month period, one standard packing can, 24 inches in diameter, with wheels, carrying handle and dumping handle, for each employee who is required to use one on the route.

Each employee of the Employers to whom a can is furnished is responsible for any damage to it which is the result of the negligence of the employee. In the event a can is lost or damaged beyond repair, the can must be replaced by the employee at his own expense. Before a replacement can is issued, the employee seeking a replacement at the end of the twelve-month period must turn in his old can.

(b) Rain Gear: The Employers shall furnish each contract year, at Company expense, rain gear when required for route employees, not to exceed one set every year. In the event the rain gear is lost or damaged beyond repair before the expiration of the one-year period, the employee must replace it at his own expense.

The Employers will maintain an adequate number of sets of rain gear in the shop for use as needed by shop personnel.

(c) Uniforms: The Employers will furnish to each regular employee, including shop, five (5) sets of uniforms in February of each year. The Employers shall also furnish for use by shop personnel an adequate supply of coveralls. All employees working outside the facility must have their high visibility vests as the outermost garment.

(d) Work Boots: Employers agree during January of each year during the term of this Agreement to pay each regular employee \$200.00 to be used for the purpose of purchasing work boots. Work boots shall be substantial in quality and of the type customarily worn by garbage collectors and shall be in reasonably good condition. Employees will not be allowed to wear excessively worn boots or unsafe footwear.

(e) Safety Equipment: The Employers shall maintain for use as required by shop personnel an adequate supply of safety equipment such as welding masks, hard hats, dust filters and such other devices as may be required by law or regulation. Safety bonus that were paid separately in prior contracts are now computed in the hourly wage as set forth in Section 5.

(f) Hand Tools and Insurance: Shop personnel must provide all their own hand tools. The Employers agree to provide adequate insurance to compensate shop personnel for losses as the result of theft or other casualty. Such compensation shall be by replacement of the tool and not by cash.

(g) Gloves: The Employers will furnish fifteen (15) pairs of working gloves per year to route employees.

(h) No Cash Allowance: Except as provided in subparagraph (d), above, there shall be no cash allowance given to any employee in lieu of the receipt by him of any of the items provided for in this Section 13.

(i) Employees are required to wear their uniforms and work shoes at all times during working hours. Any employee who violates this requirement shall be sent home without pay and shall receive a warning letter.

SECTION 14. NO STRIKES OR LOCKOUTS

It is agreed that there shall not be any stoppage of work either by strike or lockout by the Union or the Employers during the life of this Agreement. It shall not be deemed a violation of this Agreement or cause for discharge for any employee to honor any picket line authorized by the Joint Council of Teamsters having jurisdiction in the territory where the picket line is in effect, and no employee shall be discharged or discriminated against for Union activities or upholding Union principles.

SECTION 15. DISCHARGES AND SUSPENSIONS

(a) Employees shall be subject to discharge for dishonesty, intoxication, willful insubordination, recklessly negligent performance of duties, competing with Employers, without

prior warning or notice. Discipline for other matters such as, but not limited to, habitual tardiness, failure to report for work, neglect of duty, and violation of published company rules and regulations shall require a written warning to the employee and any similar offenses occurring after two prior warnings and within six (6) months of the last warning shall be grounds for discharge. Discipline for absenteeism and tardiness shall be tracked separately from other offenses for purposes of discipline. All warning letters may not be used for disciplinary action if said warning letter is more than six (6) months old. Copies of all warnings must be sent to the Union.

(b) Any suspension for more than five (5) days is governed by the same procedure as that required for discharges. A suspension of five (5) days or less may be given without notice but shall not be given without just cause. A notice of suspension of less than five (5) days shall be sent to the Union and shall constitute a written warning within the meaning of subsection (a) hereof.

(c) Probationary employees are subject to discharge for any reason deemed sufficient in the sole discretion of the Employers.

SECTION 16. SETTLEMENT OF DISPUTES

(a) Disputes: In the event that a dispute arises during the term of this Agreement regarding the interpretation or enforcement of any section of this Agreement, or the terms or provisions of written agreements supplementary to this Agreement, the matter in dispute in all its particulars shall be set forth in writing by the complaining party and served upon the other. If the dispute is not settled by the parties within ten (10) working days following the receipt of such written notice, or within such extended time as may be agreed upon, the dispute shall be referred to the Federal Mediation and Conciliation Service. No change in this Agreement, or interpretations resulting from a Federal Mediation and Conciliation Service or arbitration proceeding hereunder, will be recognized unless agreed to by the Employers and the Union.

(b) FMCS: If the dispute is not settled by the parties within ten (10) working days following the receipt of such written notice or within such extended time as may be agreed upon, the dispute may be referred to the Federal Mediation and Conciliation Service (FMCS) in accordance with subsection (b) hereof. Written notices given under this provision may be transmitted by telefacsimile (fax). If the United States Postal Service is used for notice, the post-marked date will be the date upon which service is effective.

(c) Arbitration: In the event that a resolution of a dispute regarding the interpretation or enforcement of any of the sections of this Agreement, or the terms or provisions of written agreements supplementary hereto, is not reached at the FMCS step, the dispute shall, upon the request either of the Union or the Employers, be submitted to a neutral arbitrator mutually selected and agreed upon, whose decision shall be final and binding.

(d) Selection of Arbitrator: Unless the parties can otherwise agree upon an arbitrator, a list of arbitrators shall be requested from the Washington, D.C. Office of the Federal Mediation and Conciliation Service. After a toss of a coin to decide which party shall move first, the Employers' representative and the Union representative shall alternatively strike one name from

the list until one name remains and such person shall be the arbitrator for the determination of the case. The next to the last name stricken shall be the alternate arbitrator, and so on. The arbitrator shall have no right, power or authority to add to, subtract from, alter, amend or change any term or provision of this Agreement. Discovery procedures as permitted under California Law are permissible.

(e) Cost of Arbitration: Each party shall bear its own expense in presenting the case to the arbitrator. The expense of the arbitrator and of the reporter, if any, shall be divided between the parties hereto. The Employers agree to pay a sum equal to but not greater than one-half of said expense, and the Union agrees to pay a sum equal to but not greater than one-half of said expense. Each side shall bear its own expense of producing witnesses, experts, interpreters and the like.

(f) No Interruption of Work: There shall be no interruption of work during the settlement of a dispute.

SECTION 17. CHECK-OFF SYSTEM AND CREDIT UNION

(a) The Employers agree to recognize all written authorizations from Union members authorizing the deductions for their compensation of all uniformly required dues for the period of authorization which, in any event, shall be irrevocable for a period of one year. The Employers do not agree to deduct initiation fees, assessments or other exactions imposed by the Union unless the expense to the Company is paid by the Union. All deductions made pursuant to this Agreement shall be deducted from the employee's second payroll check of the month and shall be transmitted to the office of the Union by the twenty-eighth (28th) day of the same month. In the event the amount of said deductions is not transmitted to the office of the Union by the 28th day of any month for some reason beyond the Employers' control (for example, the fact that a particular pay period ends on or close to the 28th day), the Employers shall have a reasonable time within which to make said remittance. In no event shall the Employers' failure to make timely remittance be deemed by the Union, for any purpose whatever, to be a default in the timely payment of dues by any Union member.

(b) The Employers shall make credit union deductions from employee paychecks and transmit the amounts deducted to the employee's credit union upon receipt of authorization and designation duly executed by the employee; provided, however, that the deduction so authorized is a fixed sum each payday and the amount is not changed by the employee more frequently than once a year.

(c) DRIVE Deduction: (Upon ratification) the Employers agree to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to D.R.I.V.E. D.R.I.V.E. shall notify the Employers of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly/bi-weekly basis for weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage.

Employers shall transmit to D.R.I.V.E. National Headquarters on a monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf

a deduction is made, the employee's social security number and the amount deducted from the employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employers annually for the Employers' actual cost for the expenses incurred in administering the payroll deduction.

SECTION 18. PAST PRACTICES

(a) The parties agree that during the term of this Collective Bargaining Agreement, all past practices shall continue provided they are consistent, well-defined and have been repeatedly followed by both parties, over a reasonable period of time without objection. Both parties agree that during the term of this contract to meet as often as needed to list all past practices that currently exist.

(b) No past practice which may subsequently be determined to constitute a discriminatory employment practice shall be maintained; provided further, that should any provision of this Agreement or any practice maintained in effect pursuant to this Agreement be required to be terminated, modified or amended in any way by an order of any court of competent jurisdiction, the parties hereto agree that they will forthwith make whatever changes, modifications or amendments as required to be made to this Agreement or said practice by the order of said court.

SECTION 19. CASUAL AND EXTRA EMPLOYEES

(a) The parties recognize that the Employers have a need for casual and/or extra employees to replace employees who are sick, on vacation or who for other reasons do not report for work. Accordingly, the Employers shall establish a pool of persons who are available for such work. A list of such individuals shall be maintained by the Employers, arranged sequentially in accordance with their first day of work, and shall be updated as needed for accuracy.

(b) Available extra work, including vacation relief, shall be assigned by seniority from the list of casuals in the order that such casuals appear on the list. When a casual completes the assignment, he shall be returned to his place on the casual list for further work assignment.

(c) The Employers shall have the right to eliminate names from the casual list on the basis of unreliability, poor work performance, or for other legitimate reasons. The grievance procedures of this Agreement shall not be available to casuals because they have been eliminated from the list, except as provided in paragraph (d) below.

(d) New registrants on the casual list shall be considered on probation, and shall not acquire seniority until they have completed one hundred twenty (120) calendar days. Upon achieving seniority, a casual shall be entitled to use the grievance procedures of the Agreement. The Guaranteed Hours provision of the Agreement shall not be applicable to casuals or extra employees.

(e) Casuals shall not be used in the manner that deprives regular employees of reassignments under Section 6(b) of this Agreement.

(f) Casual employees who have acquired seniority shall accrue vacation pay and sick leave on a pro-rata basis, and those who work at least 80 hours or more in a month will also be eligible for Recology Health and Welfare benefits. Casual employees shall receive the same benefits as regular employees after two years of employment as a casual.

(g) Vacancies in regular employment shall be filled from casuals who have achieved seniority, in the order that their names appear on the casual list. In the event of layoff of regular employees, they shall have the right to be included at the top of the casual List, in accordance with their seniority. Their recall rights under this Agreement shall remain intact while performing work as casuals. Such laid off regular employees shall receive the full contractual rate of pay while working off the casual list.

SECTION 20. STARTING TIME

(a) Changing of established starting times shall be at the discretion of the Employers, with notice of any such change posted on the bulletin board at least 24 hours in advance. Said posting requirement applies only to general changes in shift starting times and does not apply to changes in individual starting times which may from time to time be required.

(b) It is understood that all routes that ordinarily leave the garage before 6:00 a.m. are considered to be night routes. All routes which ordinarily leave the garage at or after 6:00 a.m. are morning routes.

SECTION 21. COFFEE BREAKS

All employees shall each day be entitled to take two (2) paid coffee breaks of fifteen (15) minutes each. An unpaid lunch break of thirty (30) minutes at as near to mid-shift as possible is also permitted.

SECTION 22. SENIORITY AND LAYOFFS

(a) Separate Seniority: It is understood and agreed that the seniority provisions of this Agreement shall apply separately to Golden Gate Disposal Company and to Sunset Scavenger Company. It is further understood that said seniority provisions shall also apply separately to the Shop Departments and the Garbage Collection Departments of each Employer and to the Curbside Recycling Program Department at Sunset Scavenger Company and that said departments shall be considered as distinct entities for purposes of the application of these provisions.

(b) Attainment of Seniority: Seniority shall not apply to an employee until he shall have been employed for one hundred twenty (120) calendar days. Upon attainment of seniority, an individual shall be considered a regular employee.

(c) Application of Seniority: In the reduction of forces due to the slackness of work, the last employee hired shall be the first employee laid off and in rehiring, the last employee laid off shall be the first employee re-hired until the list of former employees is exhausted, provided, however, that seniority shall be broken, and there shall be no re-hire right, after an employee has been on layoff for a period of six (6) consecutive months due to lack of work.

(d) Seniority List: The Employers shall maintain master seniority lists of all employees covered by this Agreement and provide the Union with a copy.

(e) The Employers shall not lay off any seniority employee without proper justification.

(f) Re-Hire Procedure: In the event of a layoff, an employee so laid off shall be restored to duty according to seniority.

(g) Filling All Positions: Seniority shall be adhered to in filling positions under this Agreement. Employees working other classifications under the jurisdiction of this Agreement shall be given reasonable trial of up to one week on the basis of seniority to qualify for and accept such positions. Upon request by the employee, the Company shall grant the employee an additional week of training for an accepted position. Employee may only try and reject one route in a twelve month period. Employee may bid on an additional route but must accept the route without the trial period. Training will be provided on the accepted route.

(h) Vacancies: All jobs and classifications will be subject to a direct bid. Wherever a permanent vacancy occurs, it shall be posted for a period of ten (10) working days, during which interested employees shall be entitled to bid on the vacancy. At the conclusion of the posting period, the Employers shall award the position to the most qualified bidder with the greatest seniority. The Employers shall establish a separate telephone system that provides up to date voice mail that provides route openings/vacancies. Any employee who is absent during these postings/vacancies shall notify the Company of their interest by contacting the Company immediately. Any employee who is absent during the awarding of the new vacancy shall be notified by the Company of their turn to accept/reject such vacancy, and they will be required to give their decision on the vacancy in a timely manner.

The Company shall post all vacancies at all time clock locations within two (2) weeks after such openings become available.

All future vacancies in commercial route positions such as front-end loader drivers, debris-box drivers and any other classifications in the commercial department shall be posted on the bulletin board to allow all employees qualified to bid for such vacancies.

Any employee who successfully bids for and is assigned to fill any vacancy shall not be eligible to bid on another vacancy for one year after he/she is so assigned, except that this limitation shall not prevent an employee from bidding on a vacancy in a higher classification.

(i) Temporary Vacancies: All temporary openings shall be awarded by seniority within the Floater Pool, defined as regular employees that do not have an assigned route, and with refusal rights by each employee. If no employee accepts the assignment, the Company shall appoint the least senior employee in the Floating Pool. Such temporary openings shall be posted within (1) week of the job opening, and shall be awarded in accordance with Section 22 of the CBA. The definition of a temporary vacancy is when an employee is off of work due to illness, injury, approved leave, or any absence of three (3) weeks or more. Any driver within the Floater Pool who selects or is assigned such a route shall remain in this position until the regular employee returns. The driver shall be returned to the Floater Pool in accordance with his/her

seniority upon completion of such an assignment. Such an employee may bid on permanent vacancies during this period.

(j) Job Seniority in Reassignment: Twenty (20) working days in a thirty (30) day period will establish seniority in a classification, except that employees assigned to cover temporary assignments such as vacation relief or temporary leaves of absence shall not acquire seniority in the classification to which they are temporarily assigned, no matter how long a period the assignment covers. An employee does not gain seniority in a classification except in the situation where the employee has been permanently assigned as the result of a permanent bid.

When an employee, at his own request, is placed in a lower paid classification, he shall be paid at the rate of the lower classification. In the event the Employers have to cut down on any of the operations, they will have the right to reassign any employee to a lower classification without being obligated to pay the higher rate of pay. Seniority will be observed in such reassignment.

(k) Reduction in force protection: No employee employed under this agreement on the date of ratification will be laid off or removed from the bargaining unit as a result of a reduction in force through December 31, 2016; provided, however, that this paragraph shall not apply in the event of a reduction in force caused by an act of God, terrorist action, loss of any City contract, or a successful challenge to the 1932 Initiative Ordinance. Such losses shall be verified.

(l) Removal of routes: In the event that route reductions are implemented, the seniority of the employee(s) on the removed route(s) will be compared to the remaining employees in that classification with a steady route(s). The senior displaced employee(s) has the option to assume the Route(s) of the least senior employee(s) in that classification. If the senior employee(s) exercise his/her option then, the least senior employee(s) within the affected classification with the steady route will be moved to the floater department in accordance with his/her seniority. The more senior employee(s) from the displaced route(s) will then be allowed to assume those route(s). The change of status form will indicate the effective change date of transfer. Additionally, if the senior employee(s) does not exercise his/her option to assume the least senior employee's route then he/she will be assigned to the floater department. Any option to assume an existing route under this provision is limited to those displaced employees without any trial period (except for directions) as time is of the essence to minimize customer disruption.

SECTION 23. DESCRIPTIONS

1. Helper/Driver: The second man on rear loader routes. Shuttles garbage collection truck from house to house and collects garbage and refuse; washes truck inside and outside.

2. Shop Person: Performs all duties in the shop assigned to him or her by a supervisor or a leadperson. The duties shall include, but not be limited to, those performed by Parts Room Persons, Lube/Preventive Maintenance Persons, Tirepersons and Container Shop Persons.

3. Mechanic/Truck Welder: Performs all mechanical, truck welding and truck painting duties necessary for fleet maintenance, as assigned to him by a supervisor or leadperson in the shop.
4. Commercial Driver: Drives drop-box, front-end loader, long-haul equipment, bin-truck, from city routes to transfer station and in the case of long haul equipment, from transfer station to disposal site. Responsible for truck and route; and drives truck to and from the dump.
5. Route Leadperson/Fantastic 3: Maintains route services, customer relations and principal revenue collections and rate adjustments. Has to also be able, when situation requires, to perform physical work on the route such as driving truck or collecting refuse. Responsible for truck and route; and drives truck to and from the dump.
6. Shop Foreperson: The Shop Foreperson is responsible for the repairs to all the equipment; is directly in charge of the Shop Employees and oversees the purchase of parts.
7. Assistant Shop Foreman: The Assistant Foreperson helps the Foreperson in his daily duties and takes over for him in his absence.
8. Recycling Collector: All Recycling Collectors must possess a California Class A or B Commercial drivers license; are required to drive a specialized 30-foot recycling collection vehicle assigned by the Company; collect all recyclable materials either placed at the curb, in an apartment house or combination of the two on an assigned route as established by management and the City and County of San Francisco; are responsible for accurate documentation of general route information including participation rates, route conditions and vehicle data as prescribed by management; other duties as required. Responsible for truck and route; and drives truck to and from the dump.

SECTION 24. JURY DUTY

Any employee scheduled and who is summoned and reports for jury duty shall receive the difference between jury pay and his regular daily rate of pay for each day for which he reported for jury duty and on which he would normally have worked.

SECTION 25. EXTRA CONTRACT AGREEMENTS

The Employers agree not to enter into any agreement or contract with their employees individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

SECTION 26. SUBSTANCE ABUSE

The Employer's Substance Abuse Policy provides that employees who test positive pursuant to Department of Transportation guidelines shall receive a one (1) month suspension and, upon execution of a Return to Work Agreement, be reinstated to their position without loss of seniority. In the event the employee needs additional time, the Employer agrees to allow all employees to complete their rehabilitation program up to three months, as directed by the treating physician and/or counselor without loss of seniority.

During the period that the person is suspended, the Employer will pay for COBRA (medical, dental, EAP) coverage provided that the employee has elected to accept COBRA coverage within the required time period.

SECTION 27. DRIVER LICENSES

(a) All employees must be in possession of a valid California Drivers License of the proper class needed to perform the employee's job duties.

(b) All employees who lose their license for a non-medical reason shall be suspended until such time as the employee obtains a current Drivers License. During this lay-off, the employee may use any accrued but unused vacation time. If the employee is unable to obtain a license within thirteen (13) months of the suspension, the employee shall be discharged. The employee shall be responsible for paying the COBRA premium for his/her health benefits after the first (6) months.

(c) Employees who lose their license due to a medical condition will use their best efforts to have the license reinstated. The Employers agree to make all reasonable accommodations, as defined by law, for the employee to continue to work. Any employee working without a license on the effective date of this Agreement shall continue in that capacity, provided the employee makes best efforts to become licensed.

(d) The employees agree to be in compliance with any and all regulations of the U.S. Department of Transportation, California Highway Patrol, and California Department of Transportation regarding hours of work, medical conditions, and required license.

SECTION 28. EMPLOYEE LOYALTY

During the employee's employment, the employee shall not engage in competition with the Employers as a sole proprietor, partnership, employee, agent or through any other means. Salvaging while on duty or at Employers' facility or customers of Employers' facility is forbidden. Any employee competing with the Employers is subject to immediate discharge. Competition includes collecting recyclables which have been packaged or left for pick-up for the Employer.

SECTION 29. TRANSFER OF EMPLOYMENT WITHIN THE RECOLOGY CORPORATION/COMPANY

Starting January 1, 2012, any employee represented by Teamsters Local No. 350 who transfers, from a San Francisco Recology company to another San Francisco Recology company shall maintain his/her seniority for all benefits and start at the top rate of the hourly rate involved. For any employee represented by Teamsters Local No. 350 who transfers from a Recology company outside of San Francisco to a San Francisco Recology company, Employer shall waive the new hire addendum and the employee will start at 100% of the hourly wage involved.

The pension benefits will be the plan in effect at the company the employee transfers into. As of the date of such transfer, if the transfer involves moving from one pension

plan to another or from one benefit structure under the Recology Pension Plan to another benefit structure under the Recology Pension Plan, the employee's pension benefit accrued while employed by the employee's former employer shall be frozen, and future pension benefit will be determined in accordance with the terms of the plan maintained by the company to which the employee has been transferred.

SECTION 30. SUPPLEMENTAL INCOME 401(K)

Effective October 2005 the Employers agree to recognize all written authorizations from the union members covered by this agreement authorizing deductions from their compensation for contributions to a Supplemental Income 401(k). This Plan will be administered by New York Life at no cost to the Employers. The parties recognize that due to the need to make administrative and payroll changes in order to participate in this Plan, actual participation may be delayed for a reasonable period of time to allow the administrative and payroll changes to be made. Employees covered by this agreement and hired after October 1, 2005, will be eligible to participate on October 1st or April 1st whichever comes first following the first 1000 hours of service. If an employee is hired after October 1, 2005, and has previously participated in the Teamster Supplemental Income 401(k) Plan, their entry is immediate. The participation in the Plan will be on a voluntary basis, without cost to or matching from the Employers.

SECTION 31. LEAVE OF ABSENCE

Section 1. In all cases where an unpaid leave of absence is granted by the Employer to an employee, it shall be in writing and the Union shall be notified in writing of the name of the employee, the effective date and the termination date of the leave of absence in cases where such leave of absence exceeds two (2) weeks.

Section 2. In the event the leave of absence is extended, such extension shall be made in writing to the employee with a copy to the Union. Any employee who overstays or does not return will be considered to have quit his employment. If rehired by the Company, such individual shall be considered a new employee.

Section 3. Such leaves of absence as granted by the Employer shall be without pay and Employer shall be under no obligation to the employee except to return him to work at the expiration of such leave in accordance with the employee's seniority.

Section 4. Effective January 1, 2012, employees who have been employed for more than one (1) year may take up to five (5) days per calendar year of unpaid personal days provided the Employer has been given twenty-four (24) hours notice and the employee has received supervisor approval, supervisor approval shall not be unreasonably withheld.

SECTION 32. TERM OF AGREEMENT

This Agreement shall be effective on January 1, 2012, and shall remain in full force and effect to and including December 31, 2016. Thereafter, it shall renew itself for yearly terms beginning with January 1st of each year unless written notice is received by either party from the other party not less than sixty (60) days but not more than ninety (90) days prior to

December 31, 2016, or December 31st of any subsequent year that it is desired to terminate, modify, change or amend the Agreement. Notwithstanding the foregoing, the parties hereby agree to commence negotiations on June 1, 2016 for a successor agreement to be effective as of January 1, 2017.

During said negotiations, both parties are free to make any proposals on mandatory subjects of bargaining, including but not limited to, seniority; vacation; holiday; hourly wages; lump sum payments; cost of living adjustments; health insurance; dental insurance; and pension.

Should any part hereof or any provisions herein contained be rendered or declared illegal or an unfair labor practice by reason of any existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction or by the decision of any authorized governmental agency, including the National Labor Relations Board, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof; provided, however, upon such invalidation the parties agree immediately to meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal or an unfair labor practice, the remaining parts or provisions shall remain in full force and effect.

Dated: 5-11-12

FOR UNION:

**SANITARY TRUCK DRIVERS AND
HELPERS UNION LOCAL 350**

By: _____

Robert Morales
Secretary-Treasurer

FOR EMPLOYERS:

**RECOLOGY GOLDEN GATE DISPOSAL
COMPANY and RECOLOGY SUNSET
SCAVENGER COMPANY**

By: _____

John Legnitto
Vice President and Group General
Manager

31562481v10

Appendix A

SIDE LETTER RE PAYMENT OF PENSION COMMITTEE REPRESENTATIVE (Section 11(j)).

This Side letter to the 2012-16 Collective Bargaining Agreement is made and entered into by and between SANITARY TRUCK DRIVERS AND HELPERS UNION, LOCAL 350, an affiliate of International Brotherhood of Teamsters, hereinafter referred to as the "UNION," and RECOLOGY GOLDEN GATE DISPOSAL & RECYCLING COMPANY, RECOLOGY SUNSET SCAVENGER COMPANY, hereinafter referred to as the "EMPLOYERS."

The Union and the Employers hereby agree as follows

Regarding the individual designated by the Union and appointed by the Recology Board of Directors to the Recology Pension Committee (See Section 11(j)), if the designee is not a Recology employee, subject to confirmation that such payments can be lawfully made, the Employers shall compensate the Union designee for attendance at meetings of the Recology Pension Committee and preparation time at the amount paid to non-employee members of that Committee (currently \$1000 per meeting). This payment is limited to non-employees only. Employee Union designees shall receive no compensation for their service on the Recology Pension Committee.

Dated: 5-11-12

FOR UNION:

**SANITARY TRUCK DRIVERS AND
HELPERS UNION LOCAL 350**

By: _____

Robert Morales
Secretary-Treasurer

FOR EMPLOYERS:

**RECOLOGY GOLDEN GATE DISPOSAL
COMPANY and RECOLOGY SUNSET
SCAVENGER COMPANY**

By: _____

John Legnitto
Vice President and Group General
Manager

Appendix B

SIDE LETTER OF AGREEMENT

This Side letter to the 2012-16 Collective Bargaining Agreement is made and entered into by and between SANITARY. TRUCK DRIVERS AND HELPERS UNION, LOCAL 350, an affiliate of International Brotherhood of Teamsters, hereinafter referred to as the "UNION," and RECOLOGY GOLDEN GATE DISPOSAL & RECYCLING COMPANY, RECOLOGY SUNSET SCAVENGER COMPANY, hereinafter referred to as the "EMPLOYERS."

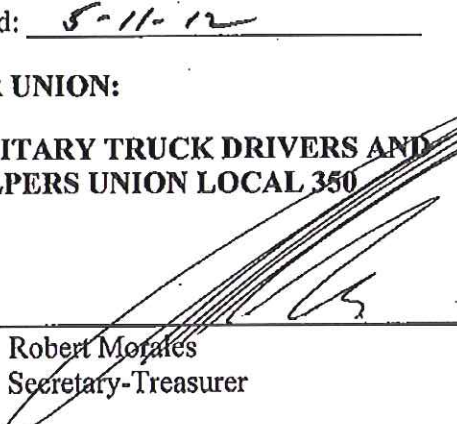
The Union and the Employers hereby agree as follows:

Upon ratification, all warning letters shall be removed from all employee files (this paragraph does not affect any prior suspensions or terminations or any agreement arising out of prior suspensions or terminations).

Dated: 5-11-12

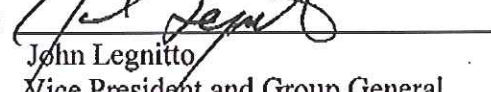
FOR UNION:

**SANITARY TRUCK DRIVERS AND
HELPERS UNION LOCAL 350**

By: 
Robert Morales
Secretary-Treasurer

FOR EMPLOYERS:

**RECOLOGY GOLDEN GATE DISPOSAL
COMPANY and RECOLOGY SUNSET
SCAVENGER COMPANY**

By: 
John Legnitto
Vice President and Group General
Manager

Appendix C

SIDE LETTER OF AGREEMENT

This Side letter to the 2012-16 Collective Bargaining Agreement is made and entered into by and between SANITARY TRUCK DRIVERS AND HELPERS UNION, LOCAL 350, an affiliate of International Brotherhood of Teamsters, hereinafter referred to as the "UNION," and RECOLOGY GOLDEN GATE DISPOSAL & RECYCLING COMPANY, RECOLOGY SUNSET SCAVENGER COMPANY, hereinafter referred to as the "EMPLOYERS."

All employees on the payroll as of the date of ratification of this 2012-16 collective bargaining agreement shall receive a one-time signup/negotiation incentive of five hundred dollars (\$500.00)

All employees on the payroll on January 1, 2015 shall receive a one-time signup/negotiation incentive of five hundred dollars (\$500.00).

All employees on the payroll on January 1, 2016 shall receive a one-time signup/negotiation incentive of five hundred dollars (\$500.00).

Dated: 5-11-12

FOR UNION:

**SANITARY TRUCK DRIVERS AND
HELPERS UNION LOCAL 350**

By: _____

Robert Morales
Secretary-Treasurer

FOR EMPLOYERS:

**RECOLOGY GOLDEN GATE DISPOSAL
COMPANY and RECOLOGY SUNSET
SCAVENGER COMPANY**

By: _____

John Legnitto
Vice President and Group General
Manager