

**MEMORANDUM OF AGREEMENT
BETWEEN
TEAMSTERS UNION LOCAL 166 & 542**



**AND
ALSCO, INC.
SEPTEMBER 15, 2019 – SEPTEMBER 14, 2022**

TABLE OF CONTENTS

PAGE

Article		
	AGREEMENT/WITNESSETH	3
1.	RECOGNITION	3
2.	JURISDICTION	3
3.	BARGAINING UNIT WORK	4
4.	UNION MEMBERSHIP	4
5.	DUES DEDUCTIONS	5
6.	DEMOCRATIC REPUBLICAN INDEPENDENT VOTER EDUCATIONS (DRIVE)	5
7.	MANAGEMENT RIGHTS	5
8.	NON-DISCRIMINATION AND NON-HARASSMENT	7
9.	VISITATION	7
10.	INSPECTION OF RECORDS	8
11.	WORK RULES	8
12.	HOLIDAYS	8
13.	VACATIONS	9
14.	MILITARY LEAVE	10
15.	SICK LEAVE	10
16.	BEREAVMENT	10
17.	LEAVE OF ABSENCE FOR INJURY OR ILLNESS	11
18.	JURY DUTY	11
19.	WORK WEEK	11
20.	ROUTE BIDDING	12
21.	SENIORITY	12
22.	PROBATION	14
23.	TERMINATION	14
24.	GRIEVANCE AND ARBITRATION PROCEDURE	16

25.	SHOP STEWARDS	17
26.	BULLETIN BOARD	18
27.	HEALTH AND WELFARE (MEDICLE, DENTAL, PRESCRIPTION, VISION, DISABILITY AND LIFE INSURANCE)	18
28.	401 (K) SAVINGS PLAN	18
29.	TIME CARDS	18
30.	COLLECTION REPORTS	19
31.	EQUIPMENT RESPONSIBILITY	19
32.	HOLD-UP AND CREDIT RESPONSIBILITY	19
33.	SAFETY	20
34.	UNIFORMS	20
35.	DONATIONS	20
36.	REST ROOMS	20
37.	JOB DESCRIPTIONS	20
38.	WAGE SCALE AND COMMISSIONS	21
39.	SALES MEETINGS	22
40.	VIDEO CAMERAS	22
41.	DRUG AND ALCOHOL POLICY	22
42.	STRIKES, LOCKOUTS, PICKETING	23
43.	SUCCESSORS	23
44.	GENERAL SAVINGS CLAUSE	23
45.	TERM OF AGREEMENT	23
	APPENDIX "A" ATTENDANCE	25

AGREEMENT/WITNESSETH

This Agreement made and entered into this September 15, 2019, by and between ALSCO INC. hereinafter designated as the "EMPLOYER" and Teamsters Local Unions 166 & 542, affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, hereinafter referred to as the "UNION" for and on behalf of itself and its members.

WITNESSETH:

WHEREAS the aforesaid Employer signatory hereto and the members of this Union are mutually desirous to effectuate a spirit of fair dealings between Employer and employee and to assist in stabilizing conditions so as to maintain the standard of the Employer in high public repute and, further, to promote the general welfare of both the Employee and the Employer.

ARTICLE 1- RECOGNITION

The Employer recognizes the Union as the exclusive collective bargaining agent for all full-time and regular part-time route sales drivers and utility drivers employed by the Employer at its facility located at (1) 77519 El Duna Court, Suite 1, Palm Desert, CA., and (2) 353 West Commercial Ave., El Centro, CA excluding all other employees, office clerical employees and supervisors, as defined in the Act, as amended and certified in Case # 21-RC-204939 dated October 2, 2017.

ARTICLE 2 - JURISDICTION

This Agreement shall apply to all employees of the Employer, listed under Article 32, who handle or work from automotive equipment for the purpose of making pick-ups, deliveries, service calls or solicitations on behalf of the Employer at its facilities located at (1) 77519 El Duna Court, Suite 1, Palm Desert, CA., and (2) 353 West Commercial Ave., El Centro, Ca.

The Parties also agree that if the Company relocates or transfers employees covered by this Agreement to its facility at 979 E. Ramsey Street, Banning, Ca. that this Agreement will apply to those employees.

The Union shall be the sole bargaining agent and representative for all employees covered by this Agreement, and the Employer agrees that no individual agreement pertaining to hours, wages or conditions of labor with any employee shall supersede any of the provisions of this Agreement.

ARTICLE 3- BARGAINING UNIT WORK

It is the understanding of the parties that the bargaining unit work shall normally be performed by bargaining unit personal within the classification in which work is normally assigned.

However, bargaining unit personnel may be cross-utilized when manning requirements and operational needs dictate, as determined by management. Additionally, non-bargaining unit employees may be assigned to perform bargaining unit work in case of emergencies, absentee,

responding to client needs, and in situations involving health and safety or as otherwise provided in this Agreement.

ARTICLE 4 - UNION MEMBERSHIP

All employees shall become and remain members in good standing within thirty-one (31) days from their date of hire, or the date of the execution of this Agreement, whichever is later, and shall retain such membership in good standing as a condition of employment. Membership in good standing shall mean the timely tender by the employee of uniform initiation fees and periodic dues as may be lawfully required and that compliance with these financial obligations shall constitute compliance with the Union security requirements of the collective bargaining agreement.

Upon notice in writing by the Union stating that an employee is not in good standing with the Union, the Employer will remove said employee from the payroll and from the job within seven (7) days of receipt of said notice and sufficient proof from the Union as set forth in the following paragraph.

Employees who do not comply with the provisions of this Section shall be discharged by the Employer after the Union shows proof to the Employer that they have sent a letter, return receipt requested, to the employee informing said employee as follows:

1. The exact amount due;
2. How the amount was calculated;
3. An exact date by which the money must be paid.

The Union hereby indemnifies and defends the Employer and holds it harmless against any and all suits, claims, demands and liabilities that may arise out of, or by reason of, any action that shall be taken by the Employer for the purpose of complying with the foregoing provisions of Article 3.

ARTICLE 5 - DUES DEDUCTION

The Employer agrees to deduct from the pay of all employees covered by this Agreement dues and initiation fees to the Union, upon receiving written authority from the employee authorizing such deductions. Such deductions thus made shall be forwarded to the Union not later than the fifteenth (15th) day of each month. The deduction of initiation fees may be split so as to provide for payments, one from the first (1st) pay period in any case prior to the completion of the thirty (30) days of employment, and equal amounts in each of the following months.

The local Union agrees to indemnify and save the Employer harmless against any and all claims, suits or other forms of liability arising out of deductions from employees' pay of money

requested by the Union for Union dues and initiation fees. The Union assumes full responsibility for the disposition of the monies so deducted once they have been turned over to the Union.

ARTICLE 6 - DEMOCRATIC REPUBLICAN INDEPENDENT VOTER EDUCATION
(D.R.I.V.E.)

The Company agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Company of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Company shall transmit to DRIVE 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 that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Company annually for the Company's actual cost for the expense incurred in administering the weekly payroll deduction plan.

The Union(s) agree to indemnify and save the Employer harmless against any and all claims, suites or other forms of liability arising out of deductions from employees' pay of money requested by DRIVE. The Union assumes full responsibility for the disposition of the monies so deducted once they have been turned over to the Union.

ARTICLE 7- MANAGEMENT RIGHTS

Company Rights. It is understood and agreed that except as expressly modified or restricted by a specific provision of this Agreement, all statutory and inherent managerial rights, prerogatives and functions are retained and vested exclusively in the Company, in accordance with its sole and exclusive judgment and discretion, including, but not limited to these rights:

- (a) To reprimand, suspend, discharge, or otherwise discipline employees for just cause and to determine the number of employees to be employed.
- (b) To hire employees, determine their qualifications and assign and direct their work; to promote, demote, transfer, lay off, and recall to work.
- (c) To set the standards of productivity, the services to be rendered, to maintain the efficiency of operations; to determine the personnel, methods, means, and facilities by which operations are conducted, and to set the starting and quitting time and the number of hours and shifts to be worked.
- (d) To close down, or relocate the Company's operations or any part thereof; to expand, reduce, alter, combine, transfer, assign, or cease any job, department, operation, or service, to control and regulate the use of vehicles, facilities, equipment, and other property of the Company or the client.

(e) To determine the price at which the Company contracts its services, to determine the methods of financing its operation and services, and to determine the number, location and operation of departments, divisions, and all other units of the Company.

(f) To introduce new or improved technology, machines, tools, equipment, property, research, service, maintenance methods, and materials used to increase efficiency.

(g) To issue, amend and revise policies, rules, regulations, and practices including standards of performance; to take whatever action is either necessary or advisable to determine, manage and fulfill the mission of the Company and to direct the Company's employees; to determine the existence or nonexistence of facts which are the basis of management decision, and to carry out the lawful directives of the customers to whom the Company contracts its services.

(h) To plan, direct, establish, control, modify, and eliminate any and all routes, shifts, and/or schedules and, in general, to determine the nature and extent of how such service is to be provided.

Technology Rights. The Company may employ new technology, including video systems, GPS, mobile data terminals/computers and other present or future technologies in order to help ensure the safety of the driver and compliance with all federal, state and local driving rules and regulations by both the driver and the motoring or pedestrian public. The Company and the Union agree that any recording resulting from said technology may be used as evidence in the investigation of any incident involving the Company facility, another employee, or an employee while operating a Company vehicle. In the event any data or recording is used as evidence for purposes of disciplinary action, the Union shall be afforded an opportunity to view the evidence as soon as practicable after the action is taken. Any use of Technology for disciplinary purposes, as described in this Section, shall be in accordance with the terms of this Agreement and is subject to the grievance procedure contained herein. The Company shall meet with the Union before implementation of new technology on an advice and confer basis, in order to explain and clarify the use and effects of said technology.

Non-Waiver of Rights. The Company's failure to exercise any right, prerogative, or function hereby reserved to it, or the Company's exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the Company's right to exercise such right, prerogative, or function or preclude it from exercising the same in some other way not in conflict with the express provisions of this Agreement.

The Parties agree that if the Company decides to sell, assign, or close the locations covered by this Agreement that the parties will meet to bargain over the effects of any such decision that impact the terms and conditions of the employees' employment.

The Company agrees to keep the Union timely informed on changes instituted by the Company which affect the working conditions of the bargaining unit. Disputes over changes to the working conditions of employees will be subject to the grievance process.

ARTICLE 8 - NON-DISCRIMINATION AND NON-HARASSMENT

The Employer and the Union mutually agree that there shall be no harassment or discrimination against any employee, supervisor or non-bargaining unit employee because race, color, sex, age, national origin, sexual orientation, gender identity, physical or psychological disability, medical condition other trait protected under State and Federal law. The Employer and Union agree that the Employer is permitted to take all actions necessary to comply with all applicable federal, state and local laws and regulations, and including any new laws and regulations enacted during the term of this Agreement, regardless of any new provisions of this Agreement.

ARTICLE 9 - VISITATION

An authorized representative of the Union shall have access to non-working areas of the Employer's facility to transact necessary Union business and will notify the Employer of his/her presence. Authorized Union representatives must enter and exit the Employer's facility through the front main entrance and must sign in and out. It is agreed that representatives will only have access when there is a Management representative present and they will conduct their business in such a manner so as not to conflict with the normal operation of the Employer's business. Authorized Union representatives may have access to working areas of facility when escorted by a Management representative. Additionally, the parties agree that they will work together to schedule visits by the Union.

ARTICLE 10 - INSPECTION OF RECORDS

Upon request of the Union, the Employer agrees to submit any records necessary for a check of employees' hours, pay or other conditions provided for in this Agreement. Such inspection shall be made by any properly qualified person designated and paid by the Union during working hours, the time of such inspections to be agreed upon by the Union and the Employer, after notice by the Union that such inspection is requested.

ARTICLE 11 - WORKING RULES

Rules and regulations for the conduct of business as the Employer shall consider necessary and proper and which do not conflict with the terms and conditions of this Agreement shall be observed by all employees. It is agreed and understood the Employer from time to time add, amend, alter, change any work rule including to its Employee Handbook, Code of Conduct, Drug and Alcohol Policy, Service S.O.P.s, and other policy documents outlining work rules, regulations and policies to the extent they do not conflict with any express written provisions of this Agreement. The Company will notify the Union in writing of all changes in a policy at least thirty (30) business days in order to afford the opportunity to meet and confer before they are implemented, unless required by the client or safety concerns which demand a more immediate implementation. In the event any Company rule conflicts with the terms of this Agreement- this Agreement shall prevail. Any changes to rules and regulations shall be posted and distributed to all employees in order to uniformly advise all bargaining unit members.

ARTICLE 12 - HOLIDAYS

All employees who have been on payroll for at least thirty (30) working days shall be allowed eight (8) or ten (10) hours (based upon their then current work schedule) of pay at their regular rate of pay for each of the following holidays not worked:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Employees with 15 or more years of employment with the Company shall receive one additional floating holiday.

All work performed by employees on such holidays or on Sundays immediately preceding or following said holidays shall be compensated for at the rate of time and one-half (1 1/2x) for all hours worked in addition to eight (8) or ten (10) hours (based upon their then current work schedule) pay for the holiday. Whenever one of the above holidays falls on a Sunday, the following Monday shall be observed as a holiday.

In order to qualify for and receive pay for holidays not worked, the employee must have been on the payroll at least thirty (30) calendar days prior to the holiday and must work all the regular time in the holiday week unless excused by the Employer.

ARTICLE 13 - VACATIONS

Employees begin accruing vacation time at the time of hire, and they may begin using earned vacation after ninety (90) days of service. Employees are encouraged to take vacation time each year. Unused vacation may be carried over from previous year, but employees may only accumulate a maximum of 2 times the amount of their annual vacation accrual. Once the accrual cap for unused vacation time is met, additional vacation time shall not be paid out to the employee or carried over to the following year. Any accrued and unused vacation time shall be paid to Employees at the time of his/her voluntary quit, termination or layoff in accordance with applicable law. A vacation week is equal to forty (40) hours of straight time pay.

5 days/ 40 hours (0.7692 hr. per week)	0-1 year of service
10 days/ 80 hours (1.5385 hr. per week)	After one (1) year of service
15 days/ 120 hours (2.3077 hr. per week)	After ten (10) years of service
20 days/ 160 hours (3.0769 hr. per week)	After 15+ years of service

The Employer shall post a list of the employees for said vacation and employees shall indicate vacation preference dates according to seniority within the bargaining unit with the Employer. Vacation selection shall start on October 1st and end on November 15th of each year. Vacation may be taken at any time during the calendar year (excluding blackout Holiday schedule). Any vacation not scheduled during the bid process will be scheduled by mutual agreement, on a first

come first serve basis and must be requested in writing at least two (2) weeks in advance. Employer shall respond to an employee's request within five (5) working days of receiving employee request. A maximum of one (1) employee may be scheduled to take vacation on the same week of work. Unless approved by the Employer, vacation time must be used in one (1) week increments. Employees must complete and enter all approved vacation time requests, including vacation time allotted through the bidding process, in the Company's Ultipro program two weeks in advance.

All employees of the Employer who transfer within the Company, from another bargaining unit to this unit, shall not lose their vacation seniority. Payment for vacation in the first year of such transfer shall be on a pro-rata basis.

ARTICLE 14 - MILITARY LEAVE

The employer shall comply with all state and federal military leave laws which the employer is subject to, including but not limited to, the Uniform Service Employment and Reemployment Rights Act (USERRA) and Military Selective Service Act, as amended.

ARTICLE 15 - SICK LEAVE

Upon completion of ninety-day (90) probation period all employees shall be entitled to six (6) days sick pay allowance per year. The sick leave shall be used in accordance with the California Sick Leave and Kin Care law. A day's sick pay allowance shall be either eight (8) or ten (10) hours.

Sick leave pay shall be integrated with payments to which the employee is entitled under the Worker's Compensation laws and State Disability insurance as follows:

The Employer will pay the employee the difference between the amount payable to the employee from such sources and such pay computed as provided in the preceding paragraph. Accrued sick leave will be charged only for the amount actually paid by the Employer, computed to the nearest full hour of sick leave.

The Employer may require the employee to submit reasonable proof of illness or injury, such as a doctor's note or certificate, on the third (3rd) day of absence, or after, due to illness or injury.

ARTICLE 16 - BEREAVEMENT LEAVE

Employees shall be allowed three (3) days' bereavement leave with full pay for a death in the immediate family, if such employee was in attendance at the funeral. Immediate family shall be defined as the employee's parents, mother-in-law, father-in-law, spouse, children, adopted children, brothers, sisters, grandparents, grandchildren, brother-in-law and sister-in-law, son-in-law, daughter-in-law, niece, nephew, aunt, uncle and domestic partner.

Employees who attend a funeral for a qualified relative outside a six hundred (600) mile radius of from their home facility shall be allowed one (1) extra day of unpaid leave.

Employee shall be required to provide verification of death and the relation to the decease. Bereavement leave is paid at the employee's base rate of pay at the time of absence for the number of hours the employee otherwise would have worked that day. Bereavement leave is not counted as hours worked for the purposes of calculating overtime. A bereavement leave found to have been obtained by misrepresentation will subject the employee to discipline up to discharge.

ARTICLE 17-LEAVE OF ABSENCE FOR INJURY OR ILLNESS

1. It is agreed by the Parties to this Agreement that the Parties shall immediately and continue to comply with any and all State or Federal regulations and mandates concerning Leave of Absence.

2. Whenever an employee becomes unable to perform his/her work by reason of illness or injury, the employee may request a medical leave of absence based on the following:

(a) Upon presentation of proper medical evidence, the Employer shall grant a leave for the period of disability.

(b) Any employee returning to work from an absence due to illness or injury shall notify the Employer of his return to work one (1) week prior to his return.

3. In the event a holiday falls within the pay period the employee starts the leave of absence or returns from a leave of absence the employee shall be eligible for the holiday pay.

(a) Upon completion of a leave of absence, the Company will return employees to their original job as soon as reasonably possible.

ARTICLE 18 -JURY DUTY

The Company will provide employees paid leave for jury duty for a period of ten (10) days. Additional jury duty days will be treated as unpaid leave.

Employees who have been called to jury duty should notify their supervisor as soon as possible for scheduling purposes.

ARTICLE 19 – WORKWEEK

Employees may be scheduled to work shifts of either five (5) eight (8) hour days or four (4) ten (10) hour days each week. The Employer will provide, when possible, the Union and Employees two (2) weeks advance notice prior to changing an Employee's weekly schedule.

The Employer and the Employee agree that the timing of meal and rest periods shall, at all times, be in compliance with California law. It is the Employee's responsibility to take all rest and meal periods.

All hours worked in excess of eight (8) or ten (10) hours in a day based upon the Employee's then current work schedule, or over forty (40) hours in a week will be paid at the overtime rate of one-and one-half times the regular rate of pay. There shall be no pyramiding of overtime.

The Employer shall post a regular scheduled starting time for each employee.

ARTICLE 20 - ROUTE BIDDING

Whenever a vacancy occurs on an existing route or a new route is created, the Company shall, within five (5) working days, post notice of the route vacancy or new routes for a period of three (3) business days at the effected facility. The notice will include show the route number served. Where all other factors such as experience, ability, skills, knowledge and work performance history are relatively equal as determined by the Company, the employee with the greater seniority will be afforded preference in filling job vacancies over employees with lesser seniority. Where a vacancy is created by an employee being awarded a route as a result of the bidding process, the employee's prior route shall be open to the bidding process. No further bids will be done and any further vacancies shall be filled by the Company by assigning an employee to that vacant route or by hiring a new employee.

The Company's determination may be subject to the grievance and arbitration procedure.

The route shall be assigned by the Company to the successful bidder within the succeeding two (2) week period. All bids must be submitted in writing to the Service Manager or his designee in order to be considered by the Company.

Route vacancies or new routes not voluntarily filled by the bidding procedures may be filled by the Company assigning it to the least senior employee to that route or by hiring a new employee. An eligible employee shall not be allowed to move by bid more than once per year without the express written consent of management.

ARTICLE 21- SENIORITY

Section .1 – Definition. Seniority is defined: Seniority shall be bases on the length of continuous employment within each branch or depot of the employer covered of this Agreement. The Company will recognize seniority rights from the employee's first day of work. If more than one employee begins work on the same day the tie breaker shall be determine by pick of lots (i.e. 1, 2, 3, A, B, C,). The Union representative and/or Union Steward shall conduct the breaking of the tie.

Section .2 – Layoff. When a reduction in the workforce becomes necessary, such layoff will be made in the reverse order of seniority. Likewise, the employee with the most seniority will be the first one recalled from layoff.

Section .3 – Seniority List. A separate seniority list shall be kept for each location covered under this agreement. A list of employees arranged in the order of their seniority shall be sent to the Union upon request. The Union will immediately notify Company of any errors in the seniority list.

Section .4 – Seniority Broken. Continuity of service will be broken and seniority will terminate by:

- (a) Resignation
- (b) Discharge for just cause.
- (c) Failure to return to work from layoff within ten (10) business days when recalled following of written notification of recall by any of the following methods; registered mail to the employee's last known address, email, texted, phone call.
- (d) Absence without leave or communicating with the Company for three (3) consecutive scheduled work days. Exceptions will only be made in extraordinary circumstances such as sever injury or illness wherein the employee is hospitalized and incapacitated due to an accident
- (e) Layoff of twelve (12) months or more.
- (f) If an employee is transferred to an exempt job and is subsequently returned to a Union job that is open, his seniority (less time spent on the exempt job) shall be restored if such employee returns to a Union position within one-hundred-eighty (180) days.

Section .5 – Seniority Not Broken. Seniority will not be broken and/or terminate by:

- (a) Authorized leave of absence.
- (b) Leave of absence to serve in the Armed Forces of the United States, as provided by law.
- (c) Absence due to authorized vacation or another PTO.

Section .6 Transfer. If an employee is transferred from one branch or depot to another (which may or may not involve a change of the Local Union, but both facilities must be covered by this agreement), he shall maintain seniority for all purposes and shall be dovetailed into the seniority list of his new branch or depot.

ARTICLE 22 – PROBATION

Newly hired employees are probationary employees for their first ninety (90) working days of employment.

Probationary employees shall not have any rights under the grievance and arbitration of this Agreement to dispute seniority applications, or disciplinary actions including discharge.

ARTICLE 23 – TERMINATION AND DISCIPLINE

Section 12.2 - Disciplinary Procedures.

(a) All disciplinary processes will be performed by a General Manager, Operations Manager or Depot Manager, or their management designee(s). A Union Representative or Shop Steward may be present at all steps of the disciplinary process.

(b) Disciplinary action will be taken within ten (10) business days of the event given rise to the notice, or within ten (10) business days from the date the Employer first had knowledge of the subject event. These time limits will be extended during the time an employee is on vacation or otherwise out from work. The Company will notify the union in writing/e-mail if an investigation will last longer than ten (10) business days to complete and the time limits will be extended for a reasonable time to allow the Company to complete its investigation.

(c) Copy of all discipline notices shall be provided to the Union within three (3) business days from the issuance of the notice to the employee.

(d) Disciplinary action taken by the Company according to the terms of this Section are subject to the grievance procedure contained herein.

Section 12.3 - Progressive Discipline. Any violation of posted and/or written Company rules, policies and/or procedures may, at the Company's discretion, result in disciplinary action. With the exception of a violation of a serious infraction as listed in Section 12.3, Attendance Policy as listed in APPENDIX "A" of this Agreement, or the Company's Drug and Alcohol Policies, each infraction of any rule, policy or procedure may result in the following disciplinary action taken by the Company against the employee who violates any rule, policy or procedure:

First Violation: Documented verbal counseling.

Second Violation: Written Warning.

Third Violation: Final Written Warning with a two (2) day unpaid suspension.

Fourth Violation: (unpaid) Suspension or Discharge

The definition "first", "second", "third" and "fourth" violation above shall mean the violation of any rule or combination of rules and shall not be construed to mean the first, second and third

violation of each individual rule exclusive of violation of any other rules. After a period of twelve (12) months, warnings notices may not be used for the basis of disciplinary action. All warning shall be reduced accordingly.

Section 12.4- Serious Infractions. The following violations of Company policies and rules are considered Serious Infractions and shall be just cause for discipline up to immediate discharge of the employee.

This list is an example of serious infractions and should not be construed as an all-inclusive list of terminable offenses:

- (a) Dishonesty, theft or deliberate destruction, defacing, or damaging, or improper handling of Company or Client property or property of another employee including Company assets or cash.
- (b) Physical violence or fighting on Company premises or vehicles or any time while on duty.
- (c) Possession of firearms, weapons, or explosives, and similar devices on Company premises or vehicles or any time while on duty.
- (d) Threatening, intimidating, coercing or abusing fellow employees, passengers, customers or members of the public.
- (e) Harassment prohibited by Company policies. Use of language or any another activity designed to create a hostile work environment or to offend or harass any other employee, customer based on race, color, religion, sex, age, national origin, marital status, sexual orientation, disability or Vietnam Era veteran, veteran status or any other status protected by law.
- (f) Operating without a valid license
- (g) Driving on a suspended license
- (h) Negligent use of a Company owned or provided vehicle or equipment
- (i) Unauthorized use of a Company owned or provided vehicle or equipment including transporting unauthorized passengers
- (j) Use of a personal cell phone while operating a Company vehicle
- (k) Reporting for work or working under the influence, possessing alcohol of intoxicating liquor or illegal drugs in the workplace or violation of the Company's Drug and Alcohol Policy as referenced in this Agreement.
- (l) Falsification of any records such as medical forms, time records or employment applications, or making false statements. Dishonesty, including but not limited to, knowingly falsifying of any document including employment applications, time records, manifests or any other document.

- (m) Failure to report a hazardous situation, accident or injury immediately or, at first opportunity.
- (n) Gross insubordination or, including the refusal and/or failure to follow a directive, to perform assigned work, or to encourage others to do either.
- (o) Failing to pass initial, ongoing or changed qualification standards of Federal, State or Local laws
- (p) Gross negligence
- (q) Having an at-fault accident which results in bodily injury and/or property damage of \$15,000 or more.
- (r) Unauthorized disclosure of Company trade secret and/or protected proprietary information, product pricing, customer banking information, and/or customer invoices and/or purchase history.
- (s) Two (2) at-fault accidents in a rolling twelve (12) month period.

Section 12.5 - All pro-rata vacation earnings and all earned sick leave will be paid to the employee at the time of termination

ARTICLE 24 – GRIEVANCE AND ARBITRATION PROCEDURE

The following procedure is hereby established for the purposes of settling controversies that may arise between labor and management under the terms of this Agreement:

A. The first step will be for the grievant and his/her supervisor to resolve the issue. In order for immediate supervisor within five (5) working days after the employee knows of the occurrence of the act upon which such grievance is based.

B. If the grievant and supervisor fail to resolve the grievance, the grievant must within ten (10) working days of the occurrence contact his Union Representative and file a formal written grievance with the Company. A Company Management Representative and Union Representative will then attempt to resolve the dispute.

C. If the Service Manager or Company Representative and Union Representative fail to resolve the grievance with ten (10) calendar days of the grievance it will be submitted to the General Manager, or his designee, in an attempt to resolve the dispute. The General Manager and Union Representative will then attempt to resolve the grievance. If the grievance is not resolved at this step, the Company shall, within 10 days of meeting with the Union, provide the Union with its written position regarding the grievance.

D. If the parties are unable to reach a settlement of the grievance using the procedures outlined in above, either party may submit the grievance to arbitration by sending a demand for arbitration to the other party by proper notification within ten (10) days after the denial of the grievance in

Section C. Only grievances which have been filed in writing and processed in the manner and within the time limits set forth in this Article shall be subject to Arbitration.

E. After a demand for arbitration has been made, the party requesting arbitration shall apply to the Federal Mediation and Conciliation Service for a list of seven (7) qualified arbitrators within thirty (30) days. The parties shall confer within seven (7) days of the receipt of the arbitration list for the purpose of striking names from the list. The parties shall strike names from the list alternating and moving party shall strike first. The arbitrator remaining after each party has three (3) strikes shall be named the arbitrator for the grievance.

F. Unless both parties agree on a different procedure, only one issue may be submitted to the arbitrator in any one hearing

G. The cost of arbitration, including the cost of the court reporter and transcript where requested by the arbitrator shall be borne equally by the parties, except that each party shall pay the full cost of its own attorneys, witnesses, and investigation. Union representatives, stewards, and officials shall not be paid by the Company for times spent participating in arbitration.

H. An award to an employee who is found to have been wrongfully suspended or discharged shall never exceed the employee's loss of earnings which shall be determined by deducting any wages or compensation received by the employee from another employer, from self-employment or from governmental agencies during the period he was out of service due to his suspension or discharge, from what he would have earned had he not been suspended or discharged.

I. The decision of the designated arbitrator will be in writing and shall be final and binding upon both parties. When practicable, the Arbitrator shall render his decision in writing within thirty (30) days of the parties' submission of post hearing briefs.

J. It is hereby agreed that the cost of the arbitrator through F.M.C.S. and any incidental costs added thereto shall be borne equally by the Union and Company.

k. A dispute or grievance involving wage rates, overtime, or other matters involving pay of employees (but not including cases of discharge or suspension) may be filed at any time, but retroactive compensation shall be limited to six (6) months preceding the date of filing. Any other grievances that are not commenced, filed or advanced in a timely manner pursuant to this Article shall not be entitled to consideration.

L. The power of the arbitrator shall be as follows:

1. He/she shall have no power to add to, subtract from, or modify any of the terms of this Agreement.

2. He/she shall have no power to establish wage scales, or, except as he/she herein is specifically empowered, to change any wage.
3. He/she shall have no power to decide any issues or questions, which under this Agreement, is within management rights or the responsibility of the Company to decide.

M. The time period in this Article may be extended by mutual agreement of the parties.

ARTICLE 25 - SHOP STEWARDS

The Company recognizes the right of the Union to designate shop stewards. The Union shall be permitted to designate one shop steward and one alternate shop steward for each location of the Company. The union shall notify the Company in writing of the names of all shop stewards and alternates, and shall notify the Company of any changes to the shop stewards within 5 working days, whenever practicable. The authority of shop stewards so designated by the Union shall be limited to and shall not exceed the following duties and activities:

1. The investigation and presentation of grievances in accordance with the provisions of the collective bargaining agreement;
2. The collection of dues when authorized by appropriate local Union action;
3. The transmission of such messages and information, which shall originate with and are authorized by, the local Union and its officers, provided such messages and information (a) have been reduced to writing; or (b) if not reduced to writing are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business. Shop stewards have no authority to strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Union.

The Employer recognizes these limitations upon the authority of shop stewards and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the shop steward taken has taken unauthorized strike action, slow down or work stoppage in violation of this Agreement.

Before leaving their regularly assigned work to perform such Union duties as described above in this Article, the shop steward shall secure the permission of their appropriate supervisor or plant manager. Such permission shall not be unreasonably withheld. The duties of a Shop Steward under this Article shall not interfere with his or her obligation to fully perform his or her regular job duties. A Shop Steward's union duties shall be conducted on non-work time.

No more than one (1) Shop Steward per location, at a time, may attend collective bargaining negotiations. Grievance related proceedings or meetings which Shop Stewards may be required to attend shall be scheduled by mutual agreement between the Employer and the Union

ARTICLE 26 - BULLETIN BOARD

The Employer shall establish, in a suitable place, readily accessible to all employees, a bulletin board for the exclusive use of the Union upon which all official notices shall be posted. All official material and notices posted by the Union on the Union bulletin board shall not be defamatory, derogatory or insulting in any way to individual managers, supervisors, other employees, or ALSCO. Any solicitation for any other outside organization or charity may only be posted with the mutual agreement of both parties.

ARTICLE 27 – HEALTH AND WELFARE (MEDICAL, DENTAL, PRESCRIPTION, VISION, DISABILITY AND LIFE INSURANCE)

Employees covered by this Agreement are eligible to enroll in the current provided Company Medical, Dental, Prescription, Vision, Disability and Life Insurance plans.

The Employee's portion of the cost for the Health and Welfare benefits in this Article shall be made through payroll deductions, on a pre-tax basis.

During the term of this Agreement should either party become aware of a more cost efficient medical, dental, prescription or vision plan, the parties agree to discuss the possibility of making a conversion prior to the expiration of this Agreement in so far as the current level of benefits are maintained.

ARTICLE 28- 401(k) SAVING PLAN

Employees covered by this Agreement may participate by signing the appropriate authorization for such deductions and contributions into the Company's 401(k) Savings Plan ("Plan") on the same terms as other employees of the Company. It is agreed and understood that the Employer may from time to time add, amend, alter, change any provision to the Plan and/or end the Plan in its sole discretion, but not before providing prior notice to participants. In the event of a conflict between this Agreement and the Company's summary Plan description, the summary Plan description document will govern.

ARTICLE 29 - TIME CARDS

The Employer will furnish and maintain, in good working order, a time clock for keeping an accurate record of the time of all employees working on an hourly, weekly or daily basis. The Employer shall see that this record is kept for a reasonable length of time and all payrolls shall be computed there from.

ARTICLE 30 - COLLECTION REPORTS

The Employer shall provide a daily collection report, listing all COD amounts collected to each driver, thus enabling each route salesperson to balance his/her daily account. All such reports, together with all supporting documents, shall be retained by the Employer for a period of time prescribed by law.

ARTICLE 31 - EQUIPMENT RESPONSIBILITY

The Employer shall equip and maintain all automotive equipment in compliance with the city, county and/or state laws for safety, and any federal transportation safety laws, which the Employer may be subject to.

No employee shall be held financially responsible to the Employer for any damage because of an incident in the operation of any equipment owned by the Employer when such equipment is being used within the scope of said employee's employment provided however, that this provision shall not apply and an employee shall be held financially responsible for any and all damage, if such damage is caused by a willful act or dishonesty of the employee.

No employee shall be permitted to do any mechanical work, including washing or greasing of Employer's vehicles, at any time; neither shall an employee be responsible for washing or cleaning the outside of any equipment that he/she may be called upon to drive. Employee shall keep the interior of the truck clean and in orderly manner at all times and shall keep the windshield clean as a safety precaution. Employee shall conduct a pre-route inspection of any equipment he/she uses before leaving the facility. Employee shall complete the Company's Vehicle Inspection Report as part of the pre-route inspection and submit the report to the Company along with his/her daily paperwork. Employees shall report any issues with their assigned vehicles to the Company immediately. Failure to comply with this Article shall subject the employee to discipline.

In certain cases, where the Employer permits the employee to use a Company truck for transportation and the vehicle is kept at the employee's home, the employee shall be responsible for keeping the vehicle and any product therein secure, as well as having the vehicle washed and kept in a clean condition. The employee shall check and maintain water, oil and fluid levels.

ARTICLE 32 - HOLD-UP AND CREDIT RESPONSIBILITY

Employees shall not be held responsible for losses due to hold-ups or thefts. Employees shall safeguard the property of the Employer. Employee shall abide by the rules given by the Employer in writing regarding the handling of property and deposit collections as instructed; otherwise the employees are responsible for such collections, including, but not limited to collections lost by the Employee.

If an employee acts as an agent of the Employer and receives a check from a customer made out to the Employer, and should the check become non-collectible, the amount of said check shall not be charged against or deducted from the monies accruing to the employee.

The Employer shall assume full responsibility in authorizing credit status to customers. All other accounts shall be serviced on a COD basis.

ARTICLE 33 - SAFETY

Employee safety is important to the Company. The Company shall remain in compliance with all applicable state and local health and safety laws and regulations concerning the Company's facilities and general working conditions. Attendance at mandatory safety meetings shall be paid on-the-clock time.

ARTICLE 34 - UNIFORMS

Employees will follow the Employer's uniform policy and standards. The Employer shall pay the cost of all uniform apparel for employees to wear while on duty. The Employer shall launder or clean such designated uniforms worn by the employees while on duty.

Employees are expected to wear sturdy shoes during working hours for health and safety purposes, such as boots, hiking or high-top athletic style shoes. Employer shall not pay for employees' shoes unless Employer requires, during the term of the Agreement, that the employees wear a specific shoe or boot and in which case Employer shall only be required to pay for one pair per year. Open footwear, such as sandals, thongs and loafers are not permitted. Employees who sever their employment shall turn in all such uniforms and/or other property of the employer that is in their custody or have the reasonable value of same deducted from their pay.

ARTICLE 35 - DONATIONS

Employees' donations or charitable contributions shall be voluntary and solicitation shall be by mutual agreement between the Employer and the Union.

ARTICLE 36 - REST ROOMS

The Employer shall furnish adequately equipped rest rooms for the comfort of the employees. Such rest rooms shall be kept clean and sanitary at all times and shall comply with state laws.

ARTICLE 37- JOB DESCRIPTION

Route Sales Representative (RSR): Performs the duties contained in the Employer's Definition of Functions (i.e., Job Description) for this position including, but limited to, installing accounts, pick up on closeouts or terminate accounts, inventory, pick up, deliver, load and unload truck, complete

paperwork, service, sell, solicit and collect as required, to or from customers on an assigned route and show successor route salesperson the customers on the route.

Utility RSR/Route Relief: Performs the duties contained in the Employer's Definition of Functions (i.e., Job Description) for this position, including, but not limited to performing all the duties of a route salesperson and running absentee and/or vacation relief.

ARTICLE 38-WAGE SCALE AND COMMISSIONS

WAGE SCALE

Current wage scales:

Palm Desert: RSR-\$19.50/hr.

Utility: \$18.00/hr.

El Centro: RSR--\$17.35/hr.

Utility: \$16.00/hr.

Wage Increases:

Year 1: 5% hr. increase Effective 9/15/2019

Year 2: 4% hr. increase Effective 9/15/2020

Year 3: 3% hr. increase Effective 9/15/2021

COMMISSIONS

- Direct Sales: 10% for products sold (not including taxes) and delivered by the RSR. Commissions will not be paid on products returned by the customer. Commissions will be deducted from the employee's paycheck if products are returned by a customer within three (3) months of delivery.

- New Accounts: 6:1 (Maximum of \$1,500) for each new account sold and signed by the RSR. Payment of the commission will be paid nine (9) weeks after the date of the installation of the new account. All commissions paid for a new account will be deducted from the Employee's pay if the account closes or the contract is cancelled for any reason within six (6) months from the date of the installation of the account.

- RSR Leads to Sales Consultant: 1:1 (Maximum of \$1,000) after verification and installation of the account. Information must be provided to management in writing about the lead being passed on, prior to the signing and installation of the account.

MINIMUM RATES:

The rates of pay in this Section are minimums. No employee may be paid at a rate lower than provided for in his or her classification. The Company may, at its option and in its sole discretion, elect to credit some or all of an applicant's or driver's prior driving service, job performance or experience for the purpose of establishing or setting a higher hourly rate. No employee shall suffer a reduction in pay rate as a result of the signing of this Agreement.

Living Wage Ordinances.

- This Agreement shall supersede any and all applicable Living Wage Ordinances where such Living Wage Ordinances contain a provision for exemptions.

ARTICLE 39 - SALES MEETINGS

Sales meetings shall be held on the Employer's time unless held away from the plant with meal provided.

ARTICLE 40-VIDEO CAMERAS

The Employer uses video cameras to actively monitor its public and common areas in the workplace. Locker rooms and restrooms are not monitored. It is agreed and understood that the Employer may from time to time add additional cameras or technology in its discretion. However, prior to adding new cameras or technology in the workplace the Employer will provide the Union with ten (10) days' notice of any such additions and/or changes.

The Union recognizes the legitimate business purpose of the video cameras. The Union and the Company understand that this technology is generally used for safety and security purposes. The Company and Union agree that any recording from this technology may be used as evidence in the investigation of any incident at the Company's facility and for the purpose of disciplinary action. In the event that any recording is used as evidence for purposes of disciplinary action, the Union shall be afforded an opportunity to view the evidence as soon as practicable.

ARTICLE 41- DRUG AND ALCOHOL POLICY

All employees shall be subject to the provisions of the Employer's drug and alcohol policies. This policy may be amended from time to time by the Company in its sole discretion. However, prior to implementing any changes to the Policy, the Employer shall provide a copy of the changes to the Union. The Employer shall give the Union a copy of any changes thirty (30) days prior to implementation.

All required drug test shall be subject to DOT mandate testing, procedures and regulations. If the Employer requires physical examinations, fitness for work and/or return to work examinations, the Employer shall pay for all such examinations and the time spent by employees.

ARTICLE 42 - STRIKES, LOCKOUTS, PICKETING

During the term of this Agreement, the parties agree there will labor peace through mutual commitments outlined in this Article. The Employer, through its officers and agents, will not lockout bargaining unit employees. The Union, through its officers, agents and members, agrees there shall be no picketing, leafleting, strikes, sympathy strikes, sit-downs, slowdowns, or any work stoppage. If any conduct prohibited by this Article occurs, the Union shall immediately take all appropriate steps necessary to terminate such conduct. Bargaining unit employees who engage in any activities prohibited by this Article shall be subject to discipline, up to and including termination.

ARTICLE 43 - SUCCESSORS

The Employer agrees to give notice of the existence of this agreement to any purchaser, transferee, lessee or assign and the Company will give notice to the Union upon any such acquisition prior to the completion of such action.

ARTICLE 44 - GENERAL SAVINGS CLAUSE

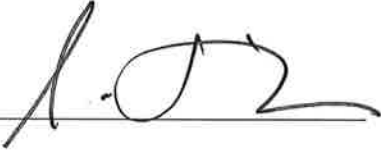
It is the intent of the parties hereto to abide by all applicable Federal and State statutes covering the subject matter of this Agreement. Should any provision of this Agreement be determined to be contrary to any such Federal or State law, all other provisions of this Agreement shall remain in full force and effect and substitutions for the invalidated provisions or provision shall be immediately negotiated.

ARTICLE 45- TERM OF AGREEMENT

This Agreement shall become effective on the first shift starting on September 15, 2019 and shall continue in effect through and including September 14, 2022 and from year to year thereafter unless either party shall give the other written notice of intention to terminate or modify this Agreement at least sixty (60) days prior to September 14, 2022 or September 14TH of any calendar year thereafter.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first herein above written.

FOR THE COMPANY:
ALSCO INC.



FOR THE UNIONS:
LOCAL 166



LOCAL 542



APPENDIX "A" ATTENDANCE

ATTENDANCE

Employees are required to report to work on time every day they are scheduled to work. The following policy applies to employees covered by this Agreement and is based on a rolling twelve (12) month time period.

Excused Absence

Excused absences are approved requests for family medical leave (FMLA), kin care (if required by state law), personal leave, approved leave of absence, jury and/or witness duty, military, bereavement, pre-arranged vacation days or any other leave protected by law. Attendance points are not issued for excused absences.

Unexcused Absence

Absenteeism is measured in occurrences. Employees are required to call in for each day of work missed. All employees who will be absent or tardy are required to notify their supervisor one-half (1/2) hour prior to the start of their shift. Notwithstanding the situations described below, if an absence occurs, or an employee fails to call within the appropriate time, because of a FMLA qualified serious medical condition, the employee's absence will not count as an occurrence.

- An unexcused absence, where the employee calls in at least one-half (1/2) hour prior to the start of his/her shift, is counted as one occurrence.
- Unexcused absences that occur on a Monday or Friday are counted as two (2) occurrences, unless the employee provides a written note from a licensed physician excusing the absence upon his return to work.
- Calling in less than one-half (1/2) hour in advance of your start time to report an absence or tardy is counted as one and half (1/2) an occurrence.
- Failure to call at all (No Call – No Show) for a scheduled shift is counted as four (4) occurrences.
- A failure to complete the entire shift (for unexcused reasons) is counted as half (1/2) an occurrence.
- Missing a required meeting (for unexcused reasons) is counted as one (1) occurrence.

Tardiness

- Arriving or reporting to work up six (6) minutes late up to fifty-nine (59) minutes after your scheduled shift half is (1/2) an occurrence.
- If an employee is tardy for their shift of one (1) hour or more, one (1) point shall be assessed and the work may be re-assigned.

Disciplinary Guidelines for Attendance

Violations of more than one component of the attendance policy, will receive a single point assessment of the highest value.

Each occurrence is removed from the employee's record 12 months after the occurrence. If an employee reaches ten (10) occurrences within a rolling 12-month period, he/she will be terminated.

Verbal Written Warning: at three (3) occurrences in a rolling twelve (12) month period

Written Warning: at six (6) occurrences in a rolling twelve (12) month period

Final Written Warning: at nine (9) occurrences in a rolling twelve (12) month period

Termination: at ten (10) occurrences in a rolling twelve (12) month period