

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this 25th day of May, 2011 by and between Coca-Cola Refreshments USA, Inc. (hereinafter referred to as the "Employer") and Teamsters Local Union No. 812 (hereinafter referred to as the "Union").

The Employer and the Union are parties to a Collective Bargaining Agreement effective as of June 1, 2006 through May 31, 2011 (the "Expiring Agreement"). The Employer and the Union have agreed to the terms and conditions of a new Collective Bargaining Agreement which is contemplated to be effective as of June 1, 2011 and incorporate the terms and conditions of the Expiring Agreement, as well as certain new terms and conditions, as set forth as follows (the "New CBA"):

1. The Employer and the Union agree that the terms and conditions of the Expiring Agreement shall be incorporated into the New CBA, with the following exceptions:
 - a. The New CBA shall supersede the terms and conditions of the Expiring Agreement in accordance with the attached changes.
 - b. The effective date of the New CBA shall be June 1, 2011 and the expiration date of the New CBA shall be May 31, 2016.
2. If not contained within the body of this Memorandum of Agreement, all other proposals made by the Employer and the Union are withdrawn.
3. The terms and conditions of the New CBA are subject to ratification by the membership. Such ratification must be accomplished on or before Midnight, May 27, 2011.
4. It is agreed by and between the parties that each and every member of the Union's bargaining committee will recommend this Memorandum of Agreement and support its ratification by the membership.
5. Key:
 - a. **Underlined language is new language**
 - b. **Language that has strikethrough has been deleted**
 - c. **Language in regular typeface remains in contract as it presently exists.**

Coca-Cola Refreshments, USA Inc.

By: _____

William Foy
Director, Labor Relations

Teamsters Local Union No. 812

By: _____

John Ulrich
Business Agent and Trustee

By: 
Samuel Campanello
Vice President Product Supply

Article 1-B – Recognition – Revise Article 1-B as follows:

The Company recognizes the Union as the exclusive bargaining representative for all employees of the Company employed at (i) all existing facilities covered by this Collective Bargaining Agreement, (ii) existing facilities that are relocated and/or (iii) new facilities that are established by the Company within the territory covered by this Agreement, excluding therefrom executive, professional, sales, management, supervisory and clerical employees and non-working foremen. The Company also recognizes the Union as the exclusive bargaining representative for all BevServ employees who, in accordance with an agreement between the Company and the Union dated December 29, 2000 ("BevServ agreement") which is incorporated herein by reference, shall be governed by this Agreement. The Checker function shall continue to be performed by Union employees subject to the following requirements: The Checker function job description may be adjusted by the Company to satisfy the business requirements of the Company during the term of the Agreement including the modification of certain Checker work that is now performed but is not required by the Company, provided, that only Checkers will perform what is currently Checker work. Notwithstanding the foregoing, for any location that experiences during 3 rolling calendar months, a shrinkage or loss of 0.25% or greater of total sales in that location, the Company may, after consultation with the Union, appoint another bargaining unit employee to perform any Checker function or modify any Checker function. Prior to such appointment, the parties agree to submit such matter to the grievance process and to arbitration if necessary. Subject to Article 20 and provided the Checker has not committed a dischargeable offense, the Checker will not be laid-off directly as a result of such action. Such employees performing the Checker function will retain his/her current department seniority status, and will transfer into whatever bargaining unit position, if any, his/her seniority status provides for in Production, Distribution or Warehouse functions in accordance with such wage rates.

Article 5 – Seniority – Section 5.1 – Revise Section 5.1 as follows:

5.1 All seniority shall be determined according to classifications within each separate branch/location with no travel rights or requirements. The present classifications for which branch/location seniority will apply are designated, as follows:

Warehouse;
Production Mechanics;

Haulage
~~Vending Mechanics~~ Bottle-Can Technician;
~~Vending Utility Drivers~~ Cooler Movers;
Fleet Mechanics;
Production;
Fountain Service Technician;
Fountain Install Technician;
Bulk Driver;
Driver Merchandiser;
Merchandiser;
Full Service Driver;
OFS Driver Merchandiser (if established by the Company)

Seniority is defined as an employee's length of continuous service from his date of last employment in his present classification.

Article 6 – Leave of Absence – Revise Article 6 as follows:

6.1. Only in the event of an employee's illness or disability, shall such employee be entitled to a leave of absence (without pay). ~~However, any regular employee who has entered the armed forces of the United States shall be entitled to re-employment upon his discharge from such service, in accordance with the provisions of the United Services Employment and Reemployment Rights Act (USERRA) or any amendments thereto.~~

The Employer will comply with the applicable provisions of the Family and Medical Leave Act of 1993 (FMLA). The Union agrees that any employee who takes an approved family or medical leave of absence pursuant to the FMLA for his or her own health condition will be required, during such leave, to first use his or her available sick time, and upon the exhaustion of such sick time, the employee shall be required to use his or her available vacation time until such vacation time is exhausted. The remainder of the employee's leave, if any, will be unpaid. Further, any employee who takes an approved family or medical leave of absence pursuant to the FMLA to care for a family member will be required, during such leave, to use his or her available vacation time until such vacation time is exhausted. The remainder of the employee's leave, if any, will be unpaid.

All employees requesting FMLA must make their request to the Employer's FMLA administrator in accordance with Company Policy.

6.2 Employees who qualified for at least one (1) week's vacation allowance in the preceding year and all other employees who shall attain three (3) months' service with the Company in the current calendar year, shall be entitled to one-half (1/2) day's paid sick leave at his straight time wage rate for four (4) hours for each calendar month in which the employee works at least

sixteen (16) days, subject to a maximum allowance of six (6) days' paid sick leave (48 hours straight time) in any calendar year. Employees regularly on off-shift shall have sick leave pay computed at their premium rates. Each employee who was entitled to at least one (1) week's vacation in the previous calendar year may draw sick leave pay at any time in the calendar year, but any other employees may draw sick leave pay only to the extent such paid sick leave shall have been earned as described above ~~prescribed~~. As of the end of the last full calendar week in November, unused sick leave for the calendar year shall be ~~ascertained~~ calculated and ~~shall be included~~ paid to the employee on the first weekly payroll in December.

6.6. Employees out with a Disability Benefits or Workers Compensation injury or illness, must return to work within one year of the injury or illness and must work at least ~~five (5) consecutive days~~ twenty (20) consecutive scheduled work days upon their return to be eligible for the payment of the vacation, consecutive holiday, holidays and sick pay benefits they would be otherwise entitled to receive for the twelve (12) months they were out, subject to the provision that the three (3) floating holidays shall not accrue during the period the employee is not in attendance. Absence for any reason during the twenty (20) day period shall not excuse the employee from this requirement, and shall result in the employee's ineligibility for the aforesaid payment.

Article 8 – Hours of Work – Revise Article 8 as follows:

Twenty percent (20%) of a location's Haulage department employees may be scheduled for a non-consecutive workweek consisting of 5-8 hour workdays, 4-10 hour workdays or 3-12 1/2 hour workdays.

Article 8.2 – Hours of Work – Revise Article 8.2(a) as follows:

Pre Start - an employee will be advised of his/her regularly scheduled starting time for that week and it shall remain as scheduled during the week. All employees except Distribution Department, who are required to start before their regularly scheduled starting time shall be paid at the rate of time and one half for all work actually performed prior to such regularly scheduled starting time, provided such employee works his/her complete regularly scheduled shift.

Article 8 – Hours of Work – Revise Article 8.5 as follows:

An employee on a flex schedule, called in for work on his scheduled day off, shall not receive premium pay for that day until he has already worked the required number of days in that week

necessary to be eligible for weekly overtime pay. Employees on a flex schedule shall receive time and a half for the first day they work over and above their regular schedule and double time for the second day they work over and above their regular schedule, subject to the eligibility requirements set out above.

Notwithstanding the foregoing, any driver who works on a day prior to the beginning of his scheduled workweek or who gets called into work on his scheduled day off, and does not call off from work anytime in that same workweek, shall be paid as follows: a) time and one-half for said day if an hourly employee or b) \$25 or \$35 in addition to base pay if a base plus commission employee, depending on 5-8 or 4-10 work schedule.

Article 9 – Holidays – Revise Article as follows:

9.1. There shall be (7) seven fixed and three (3) floating holidays ~~in the Agreement.~~ designated as paid holidays for employees who have completed their probationary period. The seven fixed holidays will be Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King Day, Memorial Day (day celebrated), Independence Day and Labor Day. During ~~the~~ an employee's first calendar year of employment the floating holidays will be prorated ~~by~~ based on the number of full months worked by the employee. Employees hired prior to June 1, 2006 will receive an additional five (5) consecutive holiday days in each calendar year. Employees hired on or after June 1, 2006 shall be eligible for three (3) consecutive holidays after four (4) years of service and five (5) consecutive holidays after five (5) years of service. Employees hired after June 1, 2011 shall not be entitled to floating holidays as referenced herein. During the employee's first calendar year of eligibility the consecutive holidays will be pro-rated by the number of full months worked.

9.2 Employees must work a complete shift on an employee's last scheduled work day before the holiday and the scheduled work day after any holiday if required to receive pay for the above holiday. An employee shall be deemed to have worked a complete shift for purposes of this Section provided that he is less than 30 minutes late and otherwise works the entire shift. The term scheduled shall include any premium days the employee agrees or is required to work. Any hourly (i.e. non-mileage) employee required to work on any one of these fixed holidays shall receive double time in addition to his holiday pay, provided they have qualified pay as required above.

Article 11 – Wages – Revise Article as follows:

Remove any and all references to Lump Sum payments.

Article 11 – Wages – Revise Article as follows:

Wage adjustments to all hourly employees shall be in accordance with Exhibit "1".

Wage adjustments to all base plus commission employees shall be in accordance with Exhibit "2".

Drivers shall be paid commissions on the delivery of CO2 tanks at the rate of 1 case for each tank delivered.

Drivers shall be paid commissions on pick-ups when there is no customer delivery made.

Article 11 – Wages – Revise Article 11.3 as follows:

Step Increases:

All employees, except Merchandisers, hired on and after June 1, 2006, shall receive twenty percent (20%) per standard work week less than the above prescribed minimum for their job category during the first twelve (12) months of employment, fifteen percent (15%) less for the second twelve (12) months of employment, ten percent (10%) less for the third twelve (12) months of employment, five percent (5%) less for the fourth twelve (12) months of employment, and the full prescribed minimum thereafter. The provisions set forth herein shall also pertain to a Merchandiser who transfers, after June 1, 2006, to the position of a Production Worker or a Warehouse Worker.

All employees, except Merchandisers, hired on and after June 1, 2011, shall receive twenty-five percent (25%) per standard work week less than the above prescribed minimum for their job category during the first twelve (12) months of employment, eighteen percent (18%) less for the second twelve (12) months of employment, twelve percent (12%) less for the third twelve (12) months of employment, six percent (6%) less for the fourth twelve (12) months of employment, and the full prescribed minimum thereafter. The provisions set forth herein shall also pertain to a Merchandiser who transfers, after June 1, 2011, to the position of a Production Worker or a Warehouse Worker.

Merchandisers shall receive ten percent (10%) per standard workweek less than the above prescribed minimum for their job category during the first twelve (12) months of employment, five percent (5%) percent less for the second twelve (12) months of employment, and the full prescribed minimum thereafter.

Article 11 – Wages – Revise Article as follows:

1. OFS delivery vehicles shall be the normal and customary function of the driver merchandiser classification within the facilities where OFS delivery vehicles are implemented. The parties agree that there shall not be a separate OFS Driver Merchandiser classification and drivers of OFS vehicles shall be included on the Driver Merchandiser seniority list described in Article 5.1 of the Collective Bargaining Agreement. An OFS delivery route is a delivery route on a trailer (regardless of the size of the trailer) containing either OFS carts or pallets and the driver is required to merchandise the product being delivered. A delivery route on a trailer, comprised exclusively of pallets where the driver is not required to merchandise the products contained on those pallets shall be considered a bulk delivery route. A delivery route on a sideload vehicle is a sideload route.

2. Driver Merchandisers shall be compensated in accordance with the vehicle they are driving for that day.

a. For a driver merchandiser assigned to drive a sideload delivery vehicle, the driver shall be paid in accordance with performance based compensation provisions of Article 11.8 of the Collective Bargaining Agreement.

b. For a driver merchandiser assigned to driver an OFS delivery vehicle the driver shall be paid as follows:

See Exhibit "2"

Commission: The driver shall be paid per case commission, according to the sideload delivery vehicle commission schedule contained in Article 11.8 of the Collective Bargaining Agreement for deliveries not designated as a bulk delivery stop.

Bulk Delivery Rate

See Exhibit "2"

c. Commission compensation is paid for accounts delivered through OFS carts. Commission compensation is also paid, regardless of whether the product is loaded onto an OFS cart, for any stops requiring merchandising of product. Merchandising product includes, but is not limited to, the placement of product for consumer purchase on the sales floor, shelves, coolers and or the rotating or inspection of product on the sales floor for proper placement and product date quality. Merchandising accounts also include accounts with bottle can equipment

(coolers, vendors) with merchandising time built into the driver itinerary delivery time, even if the driver is not required to perform merchandising, at that account, during that specific delivery.

- d. Bulk stop delivery rate is paid for each pallet drop delivery that day. The pallet drop delivery rate shall be in lieu of any per case compensation for the cases contained on the pallet.
- e. There shall be no pyramiding of per case compensation and pallet drop delivery compensation.
- f. A bulk stop delivery is defined as product contained on a full size pallet, brought into a customer location on said pallet and not required to be merchandised the employee. The routine handling and breaking down of product on pallets as required to complete a delivery, where the driver is not required to merchandise the product, is included as a bulk delivery. Drivers may be required to handle cases for scanning purposes at customer locations with no per case compensation.
- g. The bulk stop delivery rate includes bulk stop reloads performed by driver merchandisers assigned an OFS delivery vehicle that day.
- h. Pallets of BIBs for delivery to fountain customers, where the driver is picking individual BIBs for delivery shall be paid per case compensation. Where a complete pallet of BIBs is delivered to a customer, the driver shall be paid bulk stop delivery rate for the delivery.
- i. Guarantee: Each driver merchandiser assigned to drive an OFS vehicle shall be guaranteed:
 - 1. For employees on a 5 day workweek a weekly dollar average equal to commission on 355 cases per day for days worked.
 - 2. For employees on a 4 day workweek a weekly dollar average equal to commission on 385 cases per day for days worked.
- j. The Company will designate on the driver's route itinerary the stops that require merchandising and are paid per case compensation and the stops on the route that are bulk stop delivery customers and are paid the bulk stop delivery rate described above.

- k. When a stop has been designated as a bulk stop delivery location and the customer requests merchandising be performed by the Driver Merchandiser, the driver shall call their supervisor. The Company shall provide the drivers with telephone contact information for the distribution supervisors. In the event the driver has attempted to contact the distribution supervisors, and not received instruction from the distribution supervisor within fifteen (15) minutes, the driver shall use their best judgment whether or not to merchandise the product, pursuant to the customer's request. The Driver Merchandiser shall not be paid per case compensation unless they receive approval from their supervisor to merchandise the product.
3. At the time of implementation of OFS at a facility covered by this Collective Bargaining Agreement, representatives of the branch and drivers shall meet and discuss the classification of accounts as commission stops or bulk delivery stops in accordance with the definitions contained above. In the event the local facility is unable to reach agreement, the issue shall be submitted to a representative of the Company and Union for discussion and final resolution.
4. Transfers: A driver merchandiser who is temporarily transferred for the day to drive bulk shall be paid the higher of their average daily rate of pay or the bulk hourly rate of pay for the day.¹ A bulk driver transferring to the driver merchandiser classification for the day shall be paid the bulk driver hourly rate of pay. For bulk drivers who have elected to be paid performance based compensation, the bulk driver transferring to the driver merchandiser classification shall be paid the higher of the bulk driver hourly rate of pay or the driver merchandiser performance based compensation.
- a. Before the Company involuntarily transfers an hourly paid bulk driver to the driver merchandiser classification for the day, the Company will offer a bulk driver who has elected to be paid performance based compensation, and is working that day, the opportunity to temporarily transfer to the driver merchandiser classification for the day.

Article 11 – Wages – Revise Article 11.8 as follows:

11.8. Performance Based Compensation

Except for jury duty and bereavement pay, P paid time off under performance based compensation is:

Vacation Pay = Prior year W-2 earnings divided by the number of weeks an employee receives any form of compensation which is reflected on his W-2 earnings but in no event less than a regular workweek's pay for each week of vacation due him.

Daily = 1/4 or 1/5, as applicable, of the vacation pay formula set forth above. If a holiday falls outside an employee's regularly scheduled workweek it shall be paid at 1/5 of the vacation pay formula.

Jury duty pay and bereavement pay are calculated as outlined in Articles 28 and 29, respectively.

Article 11 - Wages - Revise Article as follows:

~~Driver Merchandisers at each branch/location who were permanently employed in the category before June 1, 2001 ("eligible DMs"), may make a permanent election to be paid under the performance-based compensation program set forth herein, and if said election is made, will be additionally compensated under the terms of the following monetary payment program:~~

- ~~1. All Eligible DMs that make a permanent election to be paid under the performance-based compensation system will receive a monetary payment of fifteen thousand (\$15,000.00) dollars payable in three installments of \$5,000.00 each.~~
- ~~2. All Eligible DMs will have thirty (30) days from the ratification date of this Agreement to decide on their method of compensation. Notice of Election shall be made in writing and provided to the Branch Manager. Eligible DMs that make a permanent election to be paid under the performance-based compensation system will receive their first five thousand dollar (\$5,000.00) installment the first pay period following thirty five (35) calendar days after the thirty (30) day election period is over. The second five thousand dollar (\$5,000.00) and third five thousand dollar (\$5,000.00) installments will be paid in six month intervals thereafter. Employees must be employed on the date an installment payment is due in order to receive said payment.~~

~~On a location by location basis, the Company will be able to force eighty percent (80%) of those Eligible DMs who did not make the permanent election to be compensated under the performance-based compensation system to said system on a permanent basis without any financial payment.~~

Article 11 - Wages - Revise Article 11.13 as follows:

1. The Company may hire seasonal employees from May 1 ~~15~~ through September 15 of any calendar year.

- a. The Company will have the discretion to hire whomever it chooses for these seasonal positions, whether the applicants for these positions are or are not currently Company employees.
- b. The Company understands that the Union intends to present candidates for seasonal positions to the Company. The Company will consider any such applicants for these jobs. The Union understands that any such applicants must satisfy all Company pre-employment requirements. (Any applicants who apply for summer positions will not be rejected solely on the basis that they are related to current employees).

Article 12 - Layoff/Transfers - Revise Article 12.3 as follows:

12.3. Reduction in Work Force and Recall

When production or distribution schedules require a reduction of the work force in a department, layoffs on a daily layoff basis or greater shall be made in the following manner provided the employees are immediately qualified and have the skill and ability to perform the remaining work:

- (1) The reduction of force at a location in a department shall be made on the basis of classification seniority, the least senior employee being the first removed.
- (2) Employees shall be recalled on the basis of seniority in the reverse order of layoffs as specified above and subject to the same considerations
- (3) Employees on layoff from a manufacturing facility must call in daily to a designated line between 6:30 a.m. to 7:00 a.m. and between 2:30 p.m. and 3:00 p.m. to receive instructions on available work for the day.

Article 12 - Transfers/Layoffs - Revise Article 12 as follows:

~~12. Annual Bidding~~

~~During the month of February of each year, the Employer shall post for bid the general geographic areas for Delivery Merchandisers, and OFS Delivery Merchandisers, if applicable. The general geographic areas will remain posted for five (5) calendar days. Employees will be allowed to select their general geographic area within their classification according to seniority.~~

12.6 Daily Dispatch.

The Employer shall determine the daily case loads for each Delivery Merchandiser, Mini-Bulk Delivery Merchandiser and OFS Delivery Merchandiser ~~with the objective of keeping a delivery person working in his general geographic area.~~ The Employer shall also determine the daily delivery schedule for Bulk Drivers. If a bulk delivery is needed prior to or after the normal scheduled start time the delivery shall be offered to available Bulk Drivers on a seniority basis and forced on a reverse seniority basis. The Employer shall also determine the daily accounts to be serviced for each Full Service Driver. It is understood between the parties that volume fluctuates on a daily basis and delivery persons may not be servicing the same accounts from day to day.

Route and Schedule Bidding:

All Driver Merchandisers, OFS Driver Merchandisers and Mini-Bulk Drivers paid under the Base Plus Case compensation system shall have the right to bid their routes on a daily basis as follows:

- All sideload routes, OFS truck routes and Mini-Bulk routes available for the shift shall be posted no later than 15 minutes prior to the start of the shift reporting for that day.
- Each Driver Merchandiser, OFS Driver Merchandiser and Mini-Bulk Driver in the same shift start time may use their classification seniority to bid on available routes for which they are qualified to drive.
- If daily bidding by all Driver Merchandisers, OFS Driver-Merchandisers and Mini-Bulk Drivers within the same shift start time is not completed prior to 15 minutes after the start of the work shift, the Company shall have the right to assign remaining Driver Merchandisers, OFS Driver Merchandisers and Mini-Bulk Drivers to any available route for which they are qualified to drive.
- The process shall be repeated for each Driver Merchandiser, OFS Driver-Merchandiser and Mini-Bulk Driver shift start time.
- The Company may reassign Driver Merchandisers who possess a Class A CDL and have bid a route not requiring a Class A CDL to routes requiring such license in the event that there are insufficient Class A CDL drivers bidding for routes requiring a Class A CDL.
- When the Company has less Driver Merchandisers, OFS Driver Merchandisers and/or Mini-Bulk Drivers report on a given day than routes dispatched, the Company may restrict routes from the daily bid process. Such restricted customer deliveries shall be identified on the route posting as scheduled reloads or hot shots.

Article 24 – Group Insurance – Revise Article as follows:

Health Insurance will be provided through Company contributions to the Local 812 Health Fund ("Health Fund") subject to the following provisions:

1. The maximum Company contributions to the Local 812 Health Fund per eligible employee shall be as follows:

	<u>EFFECTIVE</u>				
	<u>6/1/11</u>	<u>6/1/12</u>	<u>6/1/13</u>	<u>6/1/14</u>	<u>6/1/15</u>
<u>Per Month</u>	<u>\$884.00</u>	<u>\$919.36</u>	<u>\$956.13</u>	<u>\$1027.84</u>	<u>\$1104.93</u>

2. For purposes of this Article, eligible employee means any employee whether full-time, regular, probationary, casual or seasonal who is covered by this Agreement and who has completed the required waiting period. The required waiting period under this agreement is as follows:

The waiting period is the period ending on the last day of the calendar month following two (2) full months of employment. In such case, an employee will become eligible on the first day of the month following two (2) full months of employment.

3. Employees shall remain eligible and contributions are due for any month in which an employee is actively employed on any day in such month and, in addition, for a period of up to twelve (12) months for any month in which an employee is not actively employed in any day of the month due to disability or workers compensation.

4. Maximum Contributions for Retirees. The Company shall contribute for each eligible retiree as follows:

- a. For retirees who are married and neither spouse is Medicare eligible, the Company contribution shall be as follows:

	<u>EFFECTIVE</u>				
	<u>6/1/11</u>	<u>6/1/12</u>	<u>6/1/13</u>	<u>6/1/14</u>	<u>6/1/15</u>
<u>Per Month</u>	<u>\$751.92</u>	<u>\$782.00</u>	<u>\$813.28</u>	<u>\$874.27</u>	<u>\$939.84</u>

- b. For retirees who are married where one spouse is Medicare eligible, the Company contribution shall be as follows:

EFFECTIVE

	<u>6/1/11</u>	<u>6/1/12</u>	<u>6/1/13</u>	<u>6/1/14</u>	<u>6/1/15</u>
Per Month	\$713.44	\$741.98	\$771.66	\$829.53	\$891.75

- c. For retirees who are Medicare eligible, the Company contribution for husband and wife shall be as follows:

EFFECTIVE

	<u>6/1/11</u>	<u>6/1/12</u>	<u>6/1/13</u>	<u>6/1/14</u>	<u>6/1/15</u>
Per Month	\$213.20	\$221.73	\$230.60	\$247.89	\$266.48

- d. For purposes of this Article, eligible retiree means any employee hired on or before May 30, 2016 who retires at age 60 or over and who has at least ten years of service with the Company or any employee who retires at age 55 or over, with at least ten years of service with the Company and who is totally disabled as determined by an award issued by the Social Security Administration. Employees hired after May 30, 2016 are not eligible for retiree medical.

5. Due Date. All contributions shall be made no later than the third business day of the month for which contributions are due. Contributions shall be accompanied by a properly completed employer remittance report.

6. Right to Audit. A representative from the Health Fund or the Union shall have the right to audit the books and records of the Company for the purpose of determining that required contributions have been made. The Employer shall make available to the Health Fund any and all pertinent records of the employees covered by Health Fund that may be required in connection with the operation of the Health Fund.

7. The Company agrees to comply with the Agreement and Declaration of Trust and the policies and procedures of the Health Fund as such may be duly adopted or amended from time to time (receipt of copies of which are hereby acknowledged by the Company), provided that such amendments shall not alter, modify, or contradict any provision of this Agreement or past practice between the parties.

8. The Trustees of the Health Fund shall have the right, in their sole discretion, to take any action necessary to collect contributions or other monies due and owing.

Article 27 – Retirement Fund – Revise Article as follows:

1. The Company shall contribute to the Local 812 Retirement Fund ("Retirement Fund") for each employee who has been employed thirty (30) days, whether full time, regular, probationary or casual, including temporary employees and employees on a trial period, the sum of three dollars and sixty cents (\$3.60) per hour for all compensable hours, including hours of actual work (except overtime in excess of forty (40) hours per week), paid sick leave, paid vacation, paid holidays, paid Jury Duty days, paid bereavement and paid military reserve days, up to a maximum of 2080 hours per year (2120 in a 53 week year) per employee. If overtime hours in a given week result in, or are caused by, the reduction of hours in any other week, then in such case, payment for all hours, including overtime hours in excess of forty (40) hours per week shall be made subject to the annual limit set forth herein. For those employees working on a thirty seven and one half (37 1/2) hour flex week and who actually work at least thirty seven and one half (37 1/2) hours in that week, contributions hereunder shall be for forty (40) hours in that week. The Employer shall not be obligated to make contributions to the Local 812 Retirement Fund for seasonal employees. The contribution rate set forth herein shall be increased according to the following schedule:

Effective 6/1/12 - \$3.95 per compensable hour

Effective 6/1/13 - \$4.30 per compensable hour

Effective 6/1/14 - \$4.65 per compensable hour

Effective 6/1/15 - \$5.00 per compensable hour

Article 28 – Jury Duty – Revise Article 28 as follows:

All regular employees who have been steadily employed for one (1) year who are called for service on Jury Duty, shall receive a full day's pay for each day of Jury service up to a maximum of ten (10) days per calendar year, irrespective of the number of days served during the term of Jury service, and further provided that any money received by such employees for any payment for such Jury Duty service shall be a reduction from the Company's payment required hereunder.

For employees who are regularly paid base plus commission, a day's pay for jury service shall be either 1/5 or 1/4 of the weekly guarantee dollar average, as applicable based on the employee's workweek schedule.

In the event of a claimed abuse of the foregoing provision by any employee, and if the matter cannot be resolved between the Company and the Union, the matter shall be submitted to arbitration hereunder.

Article 29 – Death in the Family – Revise Article 29 as follows:

All regular employees shall receive three (3) days off with pay in the event of a death in the immediate family (spouse, mother, father, mother-in-law, father-in-law, brother, sister, child or grandparents) except if the employee is on vacation during such period. For employees who are regularly paid base plus commission, a day's pay shall be either 1/5 or 1/4 of the weekly guarantee dollar average, as applicable based on the employee's workweek schedule. For all other employees, a day's pay shall be calculated at the fixed holiday rate.

All days taken shall be within a reasonable period, up to ten (10) days, from the date of death.

Article 30 – Outside Contractors and Haulage – Revise Article as follows:

(a) The Company will guarantee that all local work, within a 100-mile radius from the pickup point to facilities within the NY Division will be offered to its union drivers before utilizing an outside carrier. The Company may out source haulage operations where the trip is either:

- (1) to a destination point which is a NY Division facility outside a 100-mile radius from the pick-up point; or
- (2) to a destination point outside the NY Division.
- (3) to the South Brunswick, NJ facility

The Company will not utilize outside carriers for runs within a 100 mile radius from the pick-up point, whether within or outside the NY Division, or for runs to Albany, NY, while Local 812 haulage drivers are on layoff.

(b) Haulage drivers will be paid as follows for the term of the Agreement: Current Haulage drivers will be red circled at the existing hourly rate if employed on or before November 24, 1992, subject to Article 11.

All employees will be assigned to one common seniority list by their date of hire. All Haulage employees hired before June 1, 1996 will be guaranteed the opportunity to work forty (40) hours per week if scheduled for the week.

Haulage Drivers shall be dispatched in seniority order to any location at the Company's discretion. Haulage Drivers will be required to perform other duties as assigned to the Company during non-driving periods.

Article 31 – Closing, Relocation or Addition of Company Facilities - Revise Article as follows:

~~The Company guarantees that no member of the bargaining unit under this contract presently employed will have any of the terms and conditions of his employment changed or terminated as a result of the closing or relocation of any facility under contract to Local 812. Moreover, should any existing facility covered hereby be moved or should the Company utilize an additional facility or another location for the performance of work of the covered employees, this Agreement shall follow and be applicable to the moved or additional location.~~

If the Company desires to close a facility or transfer work presently performed by bargaining unit members to another location, whether existing or hereinafter established in the counties listed herein, the Company shall provide the Union with thirty (30) days advance notice of its desire to close a facility or to transfer work.

In the event that the Company transfers work to an existing facility or one hereinafter established within the counties of New York, Bronx, Kings, Queens, Richmond, Westchester, Rockland, Dutchess, Orange, Sullivan, Ulster, Putnam, Nassau and/or Suffolk, then this Agreement, and the terms herein, shall follow and be applicable to all existing facilities or facilities hereinafter established within the counties listed herein where the work is transferred. In the event that the Company desires to close a facility within the counties listed herein or to transfer work to a facility either inside or outside of the counties listed herein, the parties shall enter into negotiations regarding the effects of the Company's decision. The terms of this Article 31 shall be applicable to Fountain Service Work that is presently being performed by Local 812 members in New Jersey.

The Company reserves the right to transfer make-ready work performed by Cold Drink Equipment Service Department employees to locations outside of the territory covered by this Labor Agreement. Employees affected by said transfer shall remain employed in the Cold Drink Equipment Service Department. Said employees shall be guaranteed the availability of forty (40) hours of work or pay during each week during the term of this Agreement. The Employer shall train affected employees so that said employees will have the ability to fill positions within the Department that become available during the term of the Agreement.

Article 32 – Military Service – Revise Article 32 as follows:

Military Service Reserve

Employees serving in the Armed Forces of the United States shall be afforded such rights as are provided under applicable law.

Article 37 – Drug and Alcohol Testing – Revise Article as follows:

~~The Company and the Union have agreed on a Drug and Alcohol policy which shall be incorporated herein.~~

Employees are subject to the existing Substance Abuse Policy effective through 12/31/11.
Employees are subject to the Company revised Substance Abuse Policy, effective 1/1/12.

Article 43 – Management Rights – Revise Article as follows:

The Union and the Employees agree that the right to operate and manage the business and the affairs of the Company, the right to direct the working forces and the right to control and direct the use of its equipment, (including the expenditure of capital, facilities), products it sells, and properties and all rights heretofore exercised by the Company are vested exclusively in the Company, including the right: to establish, distribute, modify and enforce rules of employee conduct, manuals of operating procedures, working assignments and scheduling, and safety regulations; to determine, control and change the methods and sources of the sale and distribution of its products, provided that any of such Company products that have been or could have been subcontracted prior to the date of execution of the Agreement will continue at the same or similar levels, up to the level the Company can produce such products with no restrictions thereafter; and to deliver product directly to customers, ~~provided that no warehouse employees will be laid off directly as a result of such direct delivery, taking into consideration business conditions and seasonality that may result in the layoff of warehouse employees; provided, however, that none of these rights shall be exercised by the Company contrary to any specific provision of this Agreement and the question of whether the Company actions are within the scope of this management's rights clause shall be subject to arbitration.~~ The failure by the Company to exercise any of the rights as provided in this paragraph shall not be construed a waiver of these rights with the understanding that such exercise by the Company of such rights will not act to restrict a contrary practice that has been agreed to by the parties.

Article 46 – Change in Operation - Revise Article as follows:

~~In the event the Employer desires to implement a method of selling and/or distributing that is not provided for in this Labor Agreement, the Employer shall provide the Union with a sixty (60) day advance written notice of its desire to re-open the Labor Agreement for the purpose of negotiating said proposed method of selling and/or distributing. The parties shall then enter into negotiations regarding the terms and conditions of the Employer's proposal.~~

~~If the parties are unable to reach an agreement over the terms and conditions of the Employer's proposal within sixty (60) days of the contract being reopened, either party may~~

~~submit the issue to interest arbitration before Robert Herzog which shall be conducted on an expedited basis. The parties agree to continue negotiating during the pendency of the arbitration. The decision of the arbitrator shall be final and binding upon the parties. During the re-open period, all terms and conditions of the Labor Agreement shall remain in full force and effect. In no event shall a change in the method of selling and/or distributing permit the Employer to use non-bargaining unit employees to perform functions associated with the proposed change in a method of selling and/or distributing.~~

For customers who customarily receive direct store delivery, in the event that the Company, whether on its own initiative or on the initiative or request of a customer or potential customer of the Company, seeks to have the Company institute (i) indirect sales/store deliveries, (ii) direct delivery to the customers' warehouse rather than to its retail outlets, or (iii) direct delivery to a third-party warehouse for delivery to its warehouses or retail outlets, then the Company shall give the Union two (2) weeks advanced notice of the intended change.

If the Company projects that the intended change in distribution method will result in a reduction of employees in covered job classifications, then the Company shall notify the Union of the proposed change and provide the Union with thirty (30) days advanced notice of the proposed change and a request to bargain. Concomitantly, if the Union contends that the Company's intended change in distribution method will result in a reduction of employees in covered job classifications, then the Union shall have the right to notify the Company in writing of an objection and a request to bargain. In either event, the Union and the Company shall negotiate the terms, conditions and effects of the alternative distribution method. The negotiations shall be held on an expedited basis, and shall begin no later than three (3) days after the Company and/or the Union give notice as provided herein.

The negotiation period shall last thirty (30) calendar days from the day it commences. During the negotiation period, the Company may not implement the intended change. Once negotiations begin, the Union may unilaterally withdraw upon forty-eight (48) hours written notice to the Company. In the event that the Company implements the alternative delivery arrangement following (i) the conclusion of the negotiation period, and/or (ii) the Union's withdrawal from the negotiations, then the Union shall have the right to engage in a strike, work stoppage or any other lawful forms of economic self-help and all provisions of the Agreement that would serve to otherwise alter, impair or prohibit such conduct, including but not limited to all provisions relating to grievance procedures, arbitration, strikes and lockouts shall be deemed no longer in force and effect regarding the Company's alternate delivery arrangement until such time as the issue is resolved.

Article 47 – Term of Agreement – Revise Article 47 as follows:

TERM

This Agreement shall become effective the 1st day of June, ~~2011~~ ~~2006~~, and shall continue in full force and effect through May 31, ~~2016~~ ~~2011~~, and shall continue automatically on an annual basis thereafter, unless written notice is given by either party sixty (60) days prior to May 31, ~~2016~~ ~~2011~~ or May 31st of any subsequent year, as the case may be. The parties shall arrange negotiations as soon as conveniently possible.

B. Notwithstanding the above, either party may terminate the agreement on May 31, 2014 if the following conditions are met. A party seeking to terminate the Agreement shall notify the other party in writing of its intention to modify or terminate the Agreement at least ninety (90) and no more than one hundred twenty (120) calendar days prior to May 31, 2014. In the event a party terminates the Agreement as of May 31, 2014, all provisions, rights and benefits accruing to employees under this Agreement that become effective after May 31, 2014 shall expire and have no force and effect on the parties. In the event such notice is given, the parties shall bargain over all wages, benefits and other terms and conditions of employment in this Agreement in good faith, and if the parties are unable to reach an agreement by May 31, 2014, this Agreement expires at 11:59 p.m. on May 31, 2014, and either party may resort to any and all economic action permitted by the NLRA.

C. Condition Precedent for the Union to Terminate the Agreement:

It is understood by the parties that the Union may exercise its rights to terminate the agreement effective May 31, 2014 if and only if, on or before the expiration of the notification window described in Section B above, (i) the Department of Health and Human Services declines to issue a waiver to the Local 812 Health Fund under the Healthcare Reform Act or (ii) the waiver is no longer available under the Healthcare Reform Act, and, as a result of such declination and/or loss, the Local 812 Health Fund is thereby required to remove the annual benefit maximum stop loss cap from the Local 812 Health Fund's plan design.

D. Condition Precedent for the Company to Terminate the Agreement:

It is understood by the parties that the Company may exercise its rights to terminate the agreement effective May 31, 2014 if and only if, on or before the expiration of the notification window described above, the Trustees of the Local 812 Pension Fund modify the required contributions under the preferred rehabilitation and require contributions from participating employers during period between June 1, 2014 and May 31, 2016, that are more than \$.10 below the hourly contribution per participant required under the Agreement for the 6/1/14 to 5/31/15 and 6/1/15 to 5/31/16 periods.

IN WITNESS WHEREOF, the parties hereto have set their respective signatures this _____ day
of _____, ~~2011~~ 2006.

Coca-Cola Refreshments USA Enterprises, Inc.
Northeast Business Unit

Local 812
International Brotherhood of Teamsters

Director of Labor Relations

Business Agent

Understandings – Side Letter regarding Article 1-B

See attached.

Understandings – Side Letter regarding Merchandiser Mileage:

See attached.

Understandings –Side Letter regarding Quarterly Meetings for Haulage:

See attached.

Understandings – Side Letter regarding Cross-training for Customer Care:

See attached.

Understandings – Side Letter regarding Part-Time Employees:

See attached.

Exhibit "1"

	Eff. 6/1/11 (Flat)	Eff. 6/1/12 (2%)	Eff. 6/1/13 (2.25%)	Eff. 6/1/14 (2.25%)	Eff. 6/1/15 (2.25%)
<u>Production Department</u>					
Production Mechanic	\$25.56	\$26.07	\$26.66	\$27.26	\$27.87
Production Worker	\$22.92	\$23.38	\$23.90	\$24.44	\$24.99
Quality Control Technician	\$23.92	\$24.40	\$24.95	\$25.51	\$26.08
<u>Cold Drink EO Dept.</u>					
Bottle-Can Technician	\$25.56	\$26.07	\$26.66	\$27.26	\$27.87
Fountain Service Technicians	\$25.56	\$26.07	\$26.66	\$27.26	\$27.87
Fountain Install Technicians	\$25.56	\$26.07	\$26.66	\$27.26	\$27.87
Cooler Mover	\$23.32	\$23.79	\$24.32	\$24.87	\$25.43
Vending Utility	\$22.03	\$22.47	\$22.98	\$23.49	\$24.02
All other Vending	\$19.98	\$20.38	\$20.84	\$21.31	\$21.79
<u>Warehouse Department</u>					
Warehouse Worker	\$22.92	\$23.38	\$23.90	\$24.44	\$24.99
<u>Fleet Maintenance Department</u>					
Fleet Mechanic A	\$27.56	\$28.11	\$28.74	\$29.39	\$30.05
Fleet Mechanic B	\$25.56	\$26.07	\$26.66	\$27.26	\$27.87
<u>Transportation Department</u>					
Switcher (hourly)	\$25.16	\$25.66	\$26.24	\$26.83	\$27.43

Haulage Driver (hourly)	\$25.16	\$25.66	\$26.24	\$26.83	\$27.43
Bulk Driver	\$22.83	\$23.29	\$23.81	\$24.35	\$24.89
Full Service Driver	\$21.65	\$22.08	\$22.58	\$23.09	\$23.61
Merchandiser (top rate) (plus mileage)	\$15.50	\$15.81	\$16.17	\$16.53	\$16.90
Driver/Merchandiser (Hourly)	\$21.85	\$22.29	\$22.79	\$23.30	\$23.83

NOTE: All regular full-time employees shall receive a lump sum payment of \$1000.00 on the first pay cycle following execution of the New CBA, and shall receive a second lump sum payment of \$750.00 on December 2, 2011. All sums are subject to appropriate withholdings. An employee must be actively employed on the date the lump sum payment is due in order to be eligible to receive such payment. Regular full-time employees who are out on leave of absence when the lump sum is issued will receive the lump sum two weeks after they have returned to active duty.

Exhibit "2"

SIDELOAD Base Pay 5-Day Workweek	\$88.00	\$89.76	\$91.78	\$93.84	\$95.96
OFS Base Pay 5-Day Workweek	\$95.00	\$96.90	\$99.08	\$101.31	\$103.59

Commission per Case Delivered (Sideload & OFS)

Case 1-300	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36
Case 301-400	\$0.40	\$0.41	\$0.41	\$0.42	\$0.43
Case 401-500	\$0.42	\$0.43	\$0.43	\$0.44	\$0.45
Case 501-600	\$0.46	\$0.47	\$0.47	\$0.48	\$0.49
Case 601 and above	\$0.47	\$0.48	\$0.48	\$0.49	\$0.50

SIDELOAD Base Pay 4-Day Workweek	\$100.00	\$102.00	\$104.30	\$106.64	\$109.04
OFS Base Pay 4-Day Workweek	\$107.00	\$109.14	\$111.60	\$114.11	\$116.67

Commission per Case Delivered (Sideload & OFS)

Case 1-300	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36
Case 301-400	\$0.40	\$0.41	\$0.41	\$0.42	\$0.43
Case 401-500	\$0.42	\$0.43	\$0.43	\$0.44	\$0.45
Case 501-600	\$0.46	\$0.47	\$0.47	\$0.48	\$0.49
Case 601 and above	\$0.47	\$0.48	\$0.48	\$0.49	\$0.50
Case 701 and above	\$0.48	\$0.49	\$0.49	\$0.50	\$0.51

OFS Bulk Delivery Rate (Stops 1-3)	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
OFS Bulk Delivery Rate (Stops 4 and above)	\$33.50	\$33.50	\$33.50	\$33.50	\$33.50

Mini-Bulk Delivery Merchandisers

Base Pay 5-Day Workweek	\$88.00	\$89.76	\$91.78	\$93.84	\$95.96
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Commission per Case Delivered

Case 1-450	\$0.19	\$0.20	\$0.20	\$0.21	\$0.22
Case 451-650	\$0.22	\$0.23	\$0.23	\$0.24	\$0.25
Case 651-850	\$0.29	\$0.30	\$0.30	\$0.31	\$0.32
Case 851 and above	\$0.31	\$0.32	\$0.32	\$0.33	\$0.34

Base Pay 4-Day Workweek	\$110.00	\$112.20	\$114.72	\$117.31	\$119.95
<u>Commission per Case</u>					
<u>Delivered</u>					
Case 1-450	\$0.19	\$0.20	\$0.20	\$0.21	\$0.22
Case 451-650	\$0.22	\$0.23	\$0.23	\$0.24	\$0.25
Case 651-850	\$0.29	\$0.30	\$0.30	\$0.31	\$0.32
Case 851-1000	\$0.31	\$0.32	\$0.32	\$0.33	\$0.34
Case 1001 and above	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36

NOTE: All regular full-time employees shall receive a lump sum payment of \$1000.00 on the first pay cycle following execution of the New CBA, and shall receive a second lump sum payment of \$750.00 on December 2, 2011. All sums are subject to appropriate withholdings. An employee must be actively employed on the date the lump sum payment is due in order to be eligible to receive such payment. Regular full-time employees who are out on leave of absence when the lump sum is issued will receive the lump sum two weeks after they have returned to active duty.