

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

**CARE CENTER (MOLALLA), Inc.
dba
MOLALLA MANOR CARE CENTER**

AND

SEIU LOCAL 503, OPEU

October 1, 2007 – September 30, 2011

INDEX

Page

I.	PREAMBLE	1
II.	RECOGNITION	1
III.	NON DISCRIMINATION.....	2
IV.	UNION SECURITY	3
V.	MANAGEMENT RIGHTS	4
VI.	SUBCONTRACTING	4
VII.	NO STRIKES AND NO LOCKOUT	4
VIII.	UNION REPRESENTATION.....	5
IX.	PROBATIONARY EMPLOYEES.....	6
X.	LAYOFF AND RECALL.....	7
XI.	CENSUS ADJUSTMENTS.....	8
XII.	ASSIGNMENTS AND JOB POSTINGS.....	9
XIII.	WAGES	9
XIV.	HOURS OF WORK AND OVERTIME	11
XV.	HOLIDAY PREMIUM PAY.....	13
XVI.	PAID TIME OFF PROGRAM	13
XVII.	OTHER LEAVE	15
XVIII.	HEALTH & DENTAL INSURANCE.....	16
XIX.	401 K RETIREMENT SAVINGS	17
XX.	OTHER BENEFITS/CONDITIONS	17
XXI.	DISCIPLINE AND DISCHARGE	18
XXII.	PERSONNEL RECORDS	19
XXIII.	GRIEVANCE AND ARBITRATION PROCEDURE.....	19
XXIV.	LABOR MANAGEMENT COMMITTEE	21
XXV.	MUTUAL RESPECT AND DIGNITY	21
XXVI.	SAFETY AND TRAINING	22
XXVII.	SAVINGS CLAUSE.....	22
XXVIII.	SUCCESSORSHIP	22
XXIX.	DURATION.....	22
	MOU-ONE: DRUG FREE WORKPLACE.....	23
	MOU-TWO: UNION INSIGNIA.....	24
	MOU-THREE: PAY IN LIEU OF BENEFITS TRANSITION.....	28

APPENDIX A: CENTRAL TABLE AGREEMENT.....29
APPENDIX B: STARTING WAGES.....35

I. PREAMBLE

This Agreement is made and entered into between Care Center (MOLALLA), Inc. (the “Employer”) and the Service Employees International Union Local 503, OPEU (the “Union”). The purpose of this Agreement is to set forth the understanding reached between the parties with respect to wages, hours of work and conditions of employment.

WHEREAS, the purpose of this Agreement is to promote harmonious relations between the Employer and its employees; to secure efficient operations and to establish standards of wages, hours and other working conditions for employees within the collective bargaining unit; and

WHEREAS, the Employer recognizes the Union as the sole collective bargaining representative for the employees covered by this Agreement, as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereunto agree as follows:

II. RECOGNITION

2.0 The Employer recognizes the Union as the sole and exclusive bargaining agent for all full-time part-time, and on-call employees in those classifications listed below, excluding supervisors, managers, managerial staff, RN’s, LPN’s, office clerical and confidential employees.

Molalla Manor Care Center
Certified Nursing Aide – CNA
Nursing Aide – NA
Certified Medication Aide – CMA
Restorative Aide – RA
Dietary Aide
Housekeeper
Laundry Aide
Cook

2.1 Any new classifications will be considered on a case-by-case basis according to standard NLRB guidelines.

2.2 When the Employer hires a new employee, it shall advise that employee in writing within three (3) business days, that there is an Agreement with the Union. This notice

shall quote the Union security and check-off provisions of this Agreement. The notice will be included in the employee's new hire packet.

2.3 Employment Status

2.3.1 "Full-time" employees are employees who are regularly scheduled to work thirty (30) or more hours per week.

2.3.2 "Part-Time" employees are employees who are regularly scheduled to work less than thirty (30) hours per week. Part-time employees receive limited benefits.

2.3.3 Temporary Employees

(a) Temporary employees may be hired only for special projects or to replace employees on vacation or leave of absence. Agency Personnel shall not be considered temporary employees.

(b) Temporary employees may be hired for up to three (3) months. The Union should be notified when temporary employees are hired. If a temporary employee is hired to replace an employee on leave of absence, the three (3) month period may be extended for the length of the approved leave up to a total of six (6) months. However, after the initial three (3) months, temporary employees shall be covered by this Agreement and shall accrue seniority from their dates of hire.

(c) Temporary employees shall be covered by all terms of this Agreement, except that they shall not be entitled to seniority, PTO, or health insurance benefits. If a temporary employee is hired into a permanent position, his or her seniority shall be retroactive to his or her date of hire as a temporary employee.

2.3.4 An On-Call Employee is hired to work at the convenience of the Employer to cover workload fluctuations, emergency situations or employee absences. On-Call employees are not regularly scheduled, and do not receive PTO, health insurance, or additional shift bonus benefits.

2.3.5 A Union member who is temporarily contracted to work at a non-Union represented facility shall continue to be covered by this Agreement.

III. NON-DISCRIMINATION

3.1 The Employer and the Union agree that there shall be no discrimination against any employee on the basis of race, religion, color, age, national origin, citizenship status, creed, disability, marital status, current or future veteran's status, political activity, sex, sexual preference, or Union activity.

3.2 Employees are required to use English when performing job related duties. This rule does not apply to break rooms, casual conversations between employees when not performing job-related duties in resident care areas, or if the resident speaks the language spoken.

IV. UNION SECURITY

4.1 Not later than the thirty-first (31st) day following the beginning of employment, or the effective date of this Agreement, whichever is later, every employee subject to the terms of this Agreement shall, as a condition of employment, become and remain a member of the Union, paying the periodic dues uniformly required, or in the alternative shall, as a condition of employment, pay a fee in the amount equal to the periodic dues uniformly required as a condition of acquiring or retaining membership.

4.2 Upon a voluntary signed authorization by an employee, the Employer agrees to deduct the Union dues and remit the same to the office of the Union not later than the twentieth (20th) day of the month following the month in which the dues were deducted.

4.3 Along with the dues, the Employer will furnish the Union each month with a list of employees for whom dues were deducted, the amount of dues deducted, facility where the employee works, home address, home phone number, job classification, base pay rate, hire date, and nine-digit employee number. This information shall be furnished electronically, if possible.

4.4 The Employer will also furnish the Union each month with a list of newly hired employees, employees on leaves of absence, and newly terminated employees. For new hires, the list shall include each employee's name, hire date, home address, home phone number, facility where she or he works, job classification, base pay rate, and nine-digit employee number. This information shall be furnished electronically, if possible.

4.5 The Employer will deduct voluntary political action dues each month from employees who submit voluntary political action dues check-off authorization forms (also called CAPE check-off). Such forms must be submitted by the twentieth of the month before voluntary political action dues will be forwarded to the Union office not later than the twentieth (20th) day of the month following the month in which the dues were deducted, along with a list of employees for whom political action dues were deducted and the amount of dues deducted from each employee. This information shall be furnished electronically, if possible.

4.6 The Union will indemnify and hold harmless the Employer with respect to any asserted claim or obligation or cost of defending against any such claim or obligation of any person arising out of the Employer's deducting and remitting of Union dues.

V. MANAGEMENT RIGHTS

5.1 Except as otherwise specifically provided in this contract, the management and operation of the nursing home, the control of the premises and the direction of the work force are vested with the Employer.

5.2 The right to manage includes, but is not limited to, the right to hire, assign, transfer, suspend, discharge and discipline employees for just cause; select and determine the number of its employees, including the numbers assigned to any particular work; to increase or decrease that number; direct and schedule the workforce; determine the location and type of operation; determine and schedule when overtime shall be worked; install or remove equipment; discontinue the operation of the business by sale or otherwise, in whole or in part, at any time; determine the methods, procedures, materials and operations to be utilized or to discontinue their use; transfer or relocate any or all of the operations by sale, in whole or in part, at any time; determine the work duties of employees; promulgate, post and enforce reasonable rules and regulations governing the conduct and act of employees during working hours, select supervisory employees; train employees; discontinue or reorganize or combine any department or branch of operation with any consequent reduction or other change in the working force; establish, change, combine or abolish job classifications and transfer employees, either temporarily or permanently, within programs and/or job classifications; determine job qualifications, work shifts, work pace, work performance levels, standards of performance, and methods of evaluation of the employees, and in all respect carry out, in addition, the ordinary and customary functions of management.

VI. SUBCONTRACTING

No bargaining unit work shall be subcontracted without the consent of the Union, except during temporary periods of emergency when resident care is jeopardized (such as fire or flood). Use of agency personnel shall not be prohibited by this provision.

VII. NO STRIKES AND NO LOCKOUT

7.1 During the term of this Agreement or any written extension thereof, the Union shall not call nor authorize any strike against the Employer at the establishment covered by this Agreement, and the Employer will not lock out any employee. For the purpose of this Article, a walk-out, sit-in, sick-out, slow-down, sympathy strike, or other work stoppage will be considered a strike.

7.2 If an employee or employees engage in any strike, and the Employer notifies the Union of such action, a representative of the Union shall, as promptly as possible, instruct the employees to cease such action and promptly return to their jobs.

7.3 Employees who participate in a strike in violation of this Article will be subject to discipline up to and including termination.

7.4 In the event of a violation of the no-strike provision, the Union will:

7.4.1 As promptly as possible publicly disavow such action by the employees;

7.4.2 Notify the employees of its disapproval of such action and instruct such employees to cease such action and return to work immediately;

7.4.3 Post notices on Union bulletin boards advising that it disapproves of such action and instructing employees to return to work immediately.

7.5 In recognition of the unique partnership between the Union and the Employer that has led up to this Agreement, the Union will not conduct informational picketing for the duration of this Agreement. This provision will sunset on the last date of the Agreement and will not continue in effect unless it is explicitly renegotiated.

VIII. UNION REPRESENTATION

8.0 Employees shall have the right to engage in Union activity so long as such activity does not interfere with resident care.

8.1 Union Stewards: The Union shall have the right to designate Union Stewards and alternate Union Stewards. The Union shall provide the Employer with a written list of all Stewards. Only employees on an updated list shall be considered Stewards. The Employer's representatives shall deal exclusively with Union designated Stewards or representatives in the resolution of grievances. Union Stewards may receive phone calls, in private if requested, during non-working hours including breaks and lunch. If the Union informs the administrator or designee that the call is urgent the Employer will make every reasonable effort to allow the steward to take the call during working hours. One Union steward per facility, selected by the Union, shall be granted one (1) day off per month without pay for the purpose of conducting Union business including but not limited to attendance at steward training. The steward may bank unused hours, up to thirty (30) hours, to be used for multi-day training and events. Notice must be given to the Employer for requested time off by the twentieth (20th) of the month prior to participating in Union activity. The steward may use available accrued PTO leave.

8.2 Investigation: The Employer and Union acknowledge the general proposition that the investigation of complaints and grievances by Union Stewards will be conducted during non-working hours (e.g. breaks, lunch period and before and after shift). The Union Stewards' performance of their duties shall not interfere with the operations of the Employer. Union Stewards shall not assign or direct the work of any employee, during the investigation process.

8.2.1 Union Stewards will be paid for up to one hour for the purposes of attending a grievance meeting, attending an investigatory meeting at an employee's request which the employee reasonably believes might result in disciplinary action, or for investigating a grievance under the following conditions:

- (a) Investigating a grievance shall not be conducted during regularly scheduled working times, unless mutually agreed by the Employer.
- (b) Good faith, informal efforts with management have been undertaken and proved unsatisfactory to the employee.
- (c) One Union Steward per each grievance will be allowed this paid time.
- (d) Any conversation with employees must be during the employee's break time or off-duty hours.
- (e) All paid time must be reported to the shop steward's supervisor.

8.3 Union Activity: Except with respect to Grievance meetings pursuant to this Agreement, no employee shall engage in Union activities, including distribution of literature, during work time or in resident care areas of the facility.

8.4 Facility Access: Union staff representatives shall have access to the facility for the purposes of conferring with the Employer, Union Stewards, and/or employees, and for the purpose of administering this Agreement. With one business day's prior notice to the Employer, a representative of the Union shall have reasonable access to the Employer's premises. Upon filing of an employee's grievance, the Union representative shall have immediate access to the Employer's premises. Prior notification may include notice by telephone. Upon entering the facility the Union representative shall notify the Administrator or his/her designee of the representative's presence in the building. Such Union representative shall confer with employees during the employee's non-working time in the employee break room and other non-work areas. The Union will furnish the name of the Union representative to the Employer.

8.5 Employee Notification: Union Stewards will be granted five to ten (5-10) minutes to speak with new employees on their shift about the Union. Such conversations must occur during the employees' break time. If there is not a Union steward on shift, the Employer will give new employees information packets provided by the Union regarding Union membership. The packet will include an introduction to the facility's Union steward. The Employer will notify the Union steward of each new hire eligible for Union membership.

8.6 Bulletin Boards: The Employer will furnish a bulletin board in the employee's break room for posting of Union notices. Such notices shall not be defamatory in nature. A copy of all material to be placed on the bulletin board shall be furnished to the Administrator at the time of posting.

IX. PROBATIONARY EMPLOYEES

New Full and Part time employees shall be on probation for ninety (90) days of continuous active employment from their date of hire. On-call employees shall be on probation until completion of 450 hours of work. During the probationary period employees may be disciplined or discharged by the Employer for any reason without recourse to the Grievance and Arbitration provisions of this Agreement. Temporary employees are not subject to a probationary period and may be terminated by the Employer at any time without recourse to the Grievance and Arbitration provisions of this Agreement.

X. LAYOFF AND RECALL

10.1 Definitions:

10.1.1 Seniority: An employee's seniority shall be defined as the length of time the employee has been employed in any bargaining unit classification at the facility. Accrual of seniority begins upon an employee's successful completion of the probationary period, and is retroactive to the employee's date of hire.

10.1.2 Layoff: A layoff shall be defined as an expectation of loss of work in a particular classification for three (3) weeks or more. In the event the Employer anticipates loss of work for a shorter period of time Article XI, Census Adjustment, shall apply.

10.2 Seniority shall cease to accrue but shall not be lost in the event of a layoff or leave of absence.

10.3 An employee's seniority shall be lost in the event of his/her:

- (a) voluntary resignation or retirement;
- (b) discharge for just cause;
- (c) failure to return to work upon expiration of an authorized leave of absence;
- (d) layoff in excess of one year.

10.4 General Conditions: It is the intent of the parties to administer this Agreement to minimize the impact of layoff, hours reduction or displacement of employees.

10.5 Layoff: Prior to a layoff taking effect, the Employer shall provide notice to the Union of the layoff, the affected employees, the shifts, job classifications and number of hours affected, and if known, the anticipated length of the layoff. The notice shall be provided fourteen (14) calendar days prior to the implementation of the layoff. The Union may request a meeting for the purpose of avoiding or mitigating said layoff and discussion of the procedures to be followed. Any such meeting shall be held within seven (7) days of the notice of layoff.

10.6 Layoff Procedures: In the event of a layoff, the Employer will layoff the least senior employee in the effected job category. In the event that two (2) or more employees have equal seniority the Employer shall consider the disciplinary records of the employees for the prior eighteen (18) months to determine the order of the layoff. Probationary and Temporary employees within the effected job classification shall be laid off first or have their hours reduced first without regard to seniority.

10.7 Recall: In the event of a recall, the Employer will recall the most senior employee in the affected job classification. In the event that two or more employees have equal seniority the Employer shall consider the disciplinary records of the employees for the prior eighteen (18) months to determine the order of the recall.

10.8 The employee will remain on a recall list for one (1) year and it shall be the employee's sole responsibility to provide, in written form, the Employer with updated contact information. Probationary employees will not be placed on a recall list.

XI. CENSUS ADJUSTMENTS

11.1 Low Census: The Employer may reduce an employee's hours of work on a shift-by shift and day-by-day basis if the Employer deems it necessary to reduce hours for declining census or resident case mix.

11.1.2 The Employer will incorporate the following guidelines when making necessary hour reductions:

- (a) The Employer will accept volunteers to relinquish assigned shift hours. Employees who volunteer will have the option of using PTO, if available, or taking unpaid time.
- (b) The Employer will reduce assigned shift hours of temporary employees;
- (c) The Employer will reduce assigned shift hours of on-call employees;
- (d) The Employer will reduce assigned shift hours based on a seniority list for each shift, to include part-time and full-time employees.

11.2 Increased Census: Employer may offer an employee additional hours of work on a shift-by shift and day-by day basis if the Employer deems it necessary to add hours for increasing census or other reasons.

11.2.1 The Employer will incorporate the following guidelines when making necessary hour increases:

- (a) The Employer will request on-duty employees to work extended hours to cover the unassigned shift and shall offer such hours to the most senior volunteer.
- (b) The Employer will accept volunteers to assume unassigned shift hours using a seniority based volunteer list (Employees must sign-up on the list by the twentieth (20th) of the month prior to the posting of the schedule);
- (c) The Employer will request on-call employees to work the unassigned shift hours;
- (d) The Employer will request temporary employees to work the unassigned shift hours.

11.3 Specialty Units: The above procedures for census adjustments within a specialty unit will only apply to staff qualified to be assigned to those units.

11.4 Planned Staffing Patterns: The Employer will post planned staffing patterns for a range of average daily census projections. Variations to planned staffing patterns will be discussed and explained upon request.

XII. ASSIGNMENTS AND JOB POSTINGS

12.1 Employees shall work in the job classifications and on the shifts for which they were hired or onto which they transferred in accordance with the terms of this Agreement unless the employee agrees to a temporary assignment change. This does not apply to section assignment changes.

12.2 When a vacancy in a bargaining unit job occurs, the following principles shall apply in the following order:

12.2.1 All vacancies and new positions in the bargaining unit shall be posted for a period of seven (7) calendar days. Postings shall include classification, shift, and rate of pay.

12.2.2 Before considering applications from employees outside the bargaining unit, the Employer shall consider applications from bargaining unit employees.

12.3 The Employer will offer the vacancy to the most senior bargaining unit applicant who is qualified based on necessary certifications. In the event that two or more qualified employees have equal seniority the Employer shall consider the disciplinary records of the employees for the prior eighteen (18) months to determine who will be offered the vacancy. If that employee elects not to accept the position, then the vacancy will be offered to the next equally qualified senior applicant, and so forth.

XIII. WAGES

13.1 This Agreement shall be effective as of October 1, 2007 and shall remain in full force and effect unless amended by mutual written agreement of the parties through the end of the term September 30, 2011 and year to year thereafter, provided, however, that either party may serve written notice on the other at least ninety (90) days prior to the expiration date, or subsequent expiration anniversary date, of its desire to amend any provision hereof. Notwithstanding the above, the parties agree that either party may make a written request to reopen the Agreement for negotiation of wage and benefit increases conditioned upon receipt of a Medicaid rate of at least \$187.06 for 7/1/07-6/30/08, \$193.21 for 7/1/08-6/30/09, \$216.65 for 7/1/09-6/30/10 and \$223.78 for 7/1/10-6/30/11 up to sixty (60) days following Employer's receipt of written notification by an official and authoritative representative of Oregon's Government reporting the next scheduled Medicaid skilled nursing facility rate. If either party does not agree with the other's request to reopen the Agreement per the foregoing statement, the determination of whether "written notification by an official and authoritative representative of Oregon's Government reporting the next scheduled Medicaid skilled nursing facility rate" exists shall be arbitrable under this Agreement. Upon such reopener, Employer and Union agree to apply the methodology from the July 27, 2007 Memorandum of Understanding and change scheduled wage and/or benefit increases consistent accordingly. Since numerous historical

examples exist of Oregon’s Government Representatives announcing Medicaid rate changes scheduled for future years and then failing to implement such changes as specifically announced, the parties agree that any wage and/or benefit change negotiated through the foregoing re-opener provision shall not be effective until Employer actually receives the Medicaid rate increase as specifically promised by the official and authoritative representative of Oregon’s Government.

13.2 Wages shall be set in accordance with *Central Table Agreement Between SEIU Local 503 (herein “Union”) And Avamere Health Services LLC, Evergreen Oregon Healthcare LLC, Pinnacle Healthcare Inc., and Prestige Care Inc. on behalf of each company or as agent for certain entities pursuant to a Limited Agency Agreement*, which is incorporated as Appendix A.

13.3 Negotiated Wage increases include the *Discretionary Envelope* monies referred to in Appendix A. The actual wage increases will apply to all job classifications as follows:

October 1, 2007	\$0.85/hour
October 1, 2008	\$0.50/hour
October 1, 2009	\$0.80/hour
October 1, 2010	\$0.50/hour

13.4 Starting Wages: All Employees hired after the effective date of this agreement will be hired at the starting wages as outlined in Appendix B. Starting wages will increase at the same rate and at the same time as the negotiated wage increases in section 13.3 of this agreement.

13.4.1 All employees hired after the effective date of this Agreement will be hired at the minimum rates listed above, except that the Employer may increase a newly hired employee’s wage rate by up to fifty cents (\$.50) if that employee has previous experience in the job category into which he or she is being hired. Employees with five (5) or more years previous experience in the job category may be hired at an increased starting wage rate not to exceed seventy-five (\$.75) cents. In the event that the Employer determines that labor market conditions justify increasing the minimum starting rates listed above, the Employer may increase such minimum starting rates. The Employer will notify the Union of any such increases. Any employee on the payroll at the time of any such increase to the minimum starting rates who is below the “new” minimum will be raised to the minimum starting rate.

13.5 Attendance Reward: All Employees who work all their scheduled shifts, complete a minimum of 130 compensated hours worked for the month, and attend all required staff and unit meetings shall receive an attendance bonus of twenty-five cents (\$.25) per hour for all hours worked during the month. Employees who are excused from the meetings with prior approval of the administrator or his/her designee shall remain eligible for the bonus. Such approval shall not be unreasonably denied.

13.6 Extra Shift Premium: Employees who volunteer to work Employer designated shifts shall receive an Extra Shift Premium of six dollars and fifty cents (\$6.50) per hour added to their base rate of pay for actual hours worked during the extra shift.

13.7 Paychecks: Paychecks will be available to employees at the scheduled time for paycheck distribution without preconditions. An employee will not be required to attend meetings or perform any function for the Employer as a condition of receiving his or her paycheck.

13.8 Accruals: Employees' earned PTO will be posted monthly in a conspicuous location within the facility. A copy of the accrual will be given to the shop steward.

XIV. HOURS OF WORK AND OVERTIME

14.1 Workweek: The basic workweek period shall consist of a fixed and regularly recurring period of seven (7) consecutive twenty-four hour periods. The Employer will send written notice to the Union thirty (30) days in advance of any change in time to when the workweek period begins. The workdays and workweek periods as specified in this Article shall not constitute guaranteed hours of work.

14.2 Workday: The normal workday for full-time employees shall consist of seven and a half (7.5) hours of work and an unpaid thirty (30) minute meal period completed within eight (8) consecutive hours within a twenty-four (24) hour period. The normal workweek for full-time employees consists of at least thirty (30) actual hours of work per workweek period. The Employer may schedule up to three shifts in each day. Employer may schedule twelve (12) hour shifts. A twelve (12) hour work day consisting of eleven and one-half (11 1/2) hours of work and an unpaid thirty (30) minute meal period completed within twelve (12) consecutive hours within a twenty-four (24) hour period. Employer may schedule ten (10) hour shifts. A ten (10) hour work day consisting of nine and one-half (9 1/2) hours of work and an unpaid thirty (30) minute meal period completed within ten (10) consecutive hours within a twenty-four (24) hour period.

14.3 Meal Period:

14.3.1 Employees who work a shift of five (5) hours or more are provided an unpaid thirty (30) minute meal period. If an employee works during all or part of a meal break it shall be immediately reported to the employee's supervisor. If an employee works through all or part of his or her meal break, he or she will be paid for that time.

14.3.2 Employees shall not be called back to work during their breaks except in case of emergency.

14.3.3 It shall be the responsibility of the supervisor to ensure that employees are able to take their breaks by scheduling break times (in consultation with the affected employees) and, if necessary, covering the employees' work during their break time.

14.4 Rest Break: Employees are provided paid rest breaks up to fifteen (15) minutes for every four (4) hours worked or major fraction thereof. Rest breaks may be scheduled by the Employer or taken on an intermittent basis. The employee shall notify his/her supervisor prior to taking a break. In an urgent situation, the supervisor may require the employee to postpone his/her break until the situation has been resolved.

14.5 Work Schedule: Work schedules will be posted as early as possible, but no later than the twentieth (20th) day of the month preceding the month on the schedule. The Employer reserves the right to change the schedule even after it has been posted to meet its operational needs, including for low census reductions. Once posted, schedules shall not be changed by the Employer without notifying the employee affected by such change. Employees may switch their schedules in the same workweek provided the Employer approves. The Employer will incorporate the following guidelines when making necessary schedule adjustment due to absences:

14.5.1 The Employer will request on-duty employees to work extended hours to cover the unassigned shift. The Employer shall offer the shift to the most senior volunteer.

14.5.2 The Employer will accept volunteers to assume unassigned shift hours using a seniority-based volunteer list (Employees must sign-up on the list by the twentieth (20th) of the month prior to the posting of the schedule).

14.5.3 The Employer will request on-call employees to work the unassigned shift hours.

14.5.4 The Employer will request temporary employees to work the unassigned shift hours.

14.6 Overtime: Employees shall receive overtime at one-and-one-half times their regular rate of pay for all actual hours worked in excess of forty (40) hours in the workweek. All overtime must be approved in advance by the Administrator/designee.

14.7 Report Pay: Employees reporting to work shall receive a minimum guarantee of two (2) hours of paid time. Such minimum guarantees shall not apply if the Employer makes a reasonable effort to notify the employee at least two (2) hours prior to the scheduled starting time that the employee is scheduled to report to work or as mutually agreed upon by the Employer and employee. It shall be the employee's responsibility to keep a current telephone number on file with the Employer. Failure by the employee to do so will exempt the Employer from the notification requirement and from the minimum guarantee. Reasonable effort shall be defined as an Employer telephone call to the telephone number provided by the employee and either leaving a message with the person who answers the telephone or leaving a voice mail message.

XV. HOLIDAY PREMIUM PAY

15.1 Designated Holidays: All employees shall receive premium pay of one and one-half times (1.5) the employee's base rate of pay for actual hours worked on the holiday for the following Holidays: New Years Day; Labor Day; Easter; Memorial Day; and Independence Day; premium pay of two (2) times the employee's base rate of pay for actual hours worked will be paid for Thanksgiving and Christmas. The Holiday period runs from 12:00 a.m. until 12:00 p.m. on that day designated by the Employer as the Holiday. Employees will receive holiday premium pay for their entire shift if the majority of hours of their shift occur during the Holiday period.

15.2 The Employer shall have the right to require any employee to work on any designated Holidays however the Employer agrees to distribute work on Holidays on an equitable basis.

15.3 Upon written request, an employee may substitute a religious holiday for any of the above named holidays.

15.4 All employees will receive a free meal when working a Holiday shift.

XVI. PAID TIME OFF PROGRAM

16.1 The purpose of the Paid Time Off Program (PTO) is to allow each eligible employee to utilize PTO as the employee determines best fits the employee's personal needs or desires. The PTO program is inclusive of vacation and sick leave.

16.2 Eligibility: All full-time and part-time employees are eligible for PTO. PTO is accrued upon hire or transfer into a PTO eligible position. Temporary and On-Call employees do not accrue PTO.

16.3 Availability to Use: PTO accruals are available for use in the pay period following completion of 180 days continuous employment. PTO may not be taken before it is actually accrued. All hours are available for use in the pay period following the month in which they were earned.

16.4 Accrual of PTO: Accruals are based upon hours actually worked. Part-time employees will earn PTO hours on a pro-rated basis, according to the applicable accrual rate per hour. Length of service will determine the rate at which an employee will accrue PTO. PTO does not accrue during unpaid leaves of absences. No PTO hours will accrue beyond the listed maximum accruals.

16.5 Accrual Chart:

Years of Service Based on Anniversary Date	Accrual Rate Per Hour	Maximum PTO Accrual Bank
1 year	.0423 per hour	128 Hours
2 to 4 years	.0615 per hour	168 Hours
5 to 9 years	.0807 per hour	208 Hours
Over 10 years	.0999 per hour	240 Hours

16.6 Scheduled PTO: PTO used for this purpose will be paid out at the employee's base hourly rate of pay and does not include any shift differentials, premium pay, or other work incentives. PTO is not part of any overtime calculations. Scheduled PTO is requested in advance and is subject to supervisory approval and department staffing needs. PTO must be requested prior to posting of the upcoming month's schedule. If there are more requests for time off than the Employer will allow due to operational needs, seniority shall determine who is allowed the time off.

16.6.1 Vacation and Holidays: Employees shall be eligible to take accrued PTO time for vacation and holidays.

16.6.2 Personal Time: Employees shall be eligible to take accrued PTO time for personal reasons. Such time must be scheduled in advance in accordance with Employer policies and be approved by the employee's supervisor. Personal time PTO must be taken in at least one hour increments.

16.7 PTO Use for Unanticipated Medical Reasons: Any payment of PTO due to unanticipated medical reasons for the employee or their family (*i.e.*, sickness, injury, emergency medical treatments, and unscheduled medical appointments) shall be subject to immediate notification of absence. When reasonably possible, employees must provide the Department Supervisor or Charge Nurse a minimum two (2) hour notice before the start of a scheduled shift.

16.7.1 In the event of an occupational illness or injury, PTO may be used at the employee's request, for lost work time not covered by Workers' Compensation Insurance. PTO can be integrated with Workers' Compensation to the extent available to continue normal earnings.

16.8 Healthcare Statements: Employees who miss work for three (3) or more days due to illness may be required to present the Employer with a healthcare provider's statement. The Employer also reserves the right to require a healthcare provider's statement in circumstances where the Employer reasonably believes an employee is abusing the PTO policy.

16.9 Unpaid Time Off: Except for scheduled and approved leave or as listed in this section, before an employee can be granted unpaid time off (UTO), an employee must have used the balance of the employee's accrued paid time off (PTO).

16.9.1 Collective Bargaining: Employees who attend collective bargaining sessions with the Employer on behalf of the Union may have such time charged as unpaid time off rather than PTO.

16.9.2 Tardiness: An employee who is tardy will have such time charged as unpaid time off and may not use PTO.

16.9.3 Disaster Aid: If the Employer approves an employee's written request for absence from work to perform volunteer disaster relief service, the employee may use unpaid time off rather than PTO.

16.10 PTO Accumulation: PTO credits may be accumulated and carried over from one (1) calendar year of employment to another up to the designated maximum for the employee's service year. Hours over the maximum amount shall be placed in an extended illness bank, which may be accessed for the use of medical qualifying leave for the employee or for family after three days of continuous illness or if all PTO has been exhausted. Such hours will be retained for this use until exhausted. Hours in the extended illness bank shall not be paid out upon termination of employment.

16.11 Payment Upon Termination: After completion of at least twelve (12) months of continuous employment, upon termination of employment an employee may be eligible for payout of PTO credits earned but not used. PTO payout shall be made at the employee's base hourly rate of pay at the time of termination. If the employee (1) resigns and gives two weeks written notice, or (2) is laid off from employment with the Employer (this does not include low census adjustments) or, (3) transfers from a full or part time position to a temporary or on-call position, the Employee shall receive a pay-off of accrued but unused PTO credits. If the Employee fails to give two weeks written notice the employee is not eligible for payout of PTO.

XVII. OTHER LEAVE

17.1 Bereavement: Full-time and Part-time employees who have completed their initial probationary period may take up to two (2) paid and one (1) unpaid days of leave in the event of the death of a spouse, child, parent, sibling, grandparent, grandchild, or corresponding in-laws or "step" relations and up to two (2) days unpaid in the event of the death of any other relative. Eligible employees may use accrued PTO for any unpaid bereavement days.

17.2 Disability Leave: The Employer shall comply with all state and federal rules and regulations regarding disability leave.

17.3 Non-Work Related Disability Leave: Employees who have been continuously employed for at least five (5) years and who are disabled due to injuries, illness, or pregnancy, are eligible for an unpaid disability leave of up to six (6) months. While on leave employees will not lose or accrue seniority. PTO does not need to be exhausted before such unpaid leave is

taken. An employee on disability leave will be returned to their same job classification and shift upon their return.

17.4 Jury Duty: Employees must immediately advise their supervisor of receipt of a jury summons. Employees will receive unpaid days of leave for the jury duty period. Eligible employees may use accrued paid PTO leave. Employees must contact their supervisor and report for their regular duties when temporarily excused from attendance in court.

17.5 Family Leave: The Employer shall comply with the terms of the Oregon and Federal Family and Medical Leave Acts. Such compliance shall not diminish any additional rights offered by the language of this Agreement.

17.6 Military Service: Leaves of absence for the performance of duty with the U.S. Armed Forces or with a reserve component shall be granted in accordance with applicable law. Employees must notify their supervisors and provide a copy of their orders as soon as possible.

17.7 Union Leave: An unpaid leave of absence for a period not to exceed one (1) year shall be granted to employees in order to accept a full-time position with the Union, provided such leaves will not interfere with the operation of the Employer. Union leave must be requested at least thirty (30) days in advance and PTO need not be taken. While on leave employees will not lose or accrue seniority. An employee on Union leave will be returned to their same job classification and shift upon their return.

17.8 Personal Leave: Should a situation arise that temporarily prevents an employee from working, he/she may be eligible for a Personal Leave of Absence without pay for up to forty-five (45) calendar days. Unpaid personal leaves of absence will be considered only after all paid time off has been exhausted. Personal leave must be requested at least sixty (60) days in advance. Employees must be continuously employed for at least six months prior to the requested leave. An employee on personal leave will be returned to their same job classification but not necessarily the same shift upon their return. While on personal leave employees will not lose or accrue seniority. The decision to approve or deny a personal leave of absence will be based on the circumstances, length of time requested, employee's job performance, attendance and punctuality record, reason for the leave, the effect the employee's absence will have on the work in the department and the expectation that the employee will return to work when the leave expires.

XVIII. HEALTH AND DENTAL INSURANCE

18.1 Eligibility: A full time employee is eligible for employee coverage from the first day that he or she has completed the 180 day continuous employment waiting period as an active benefit eligible employee and maintains an average of 30 actual hours worked per week. The 30 hour average is achieved by maintaining 130 hours/month average based on a rolling 3 month cycle. The employee must comply with all of the eligibility provisions found in the Medical & Dental Summary Plan Document.

18.2 Employer Contributions: The Employer shall continue to contribute the same percentage(s) of the premium for individual employee and dependent health coverage as

of the effective date of this Agreement, except to the extent the parties agree to increase the employer contribution based upon use of the discretionary envelope. The negotiated percentage(s) for each facility may not be reduced during the life of this Agreement and shall be incorporated herein by reference.”

18.2.1 Employer shall pay the following percentages of medical insurance premiums for eligible employees:

Employee only	85%
Employee plus child	73%
Employee plus spouse	70%
Employee plus family	64%

18.3 Employee Contribution: The remainder on the medical insurance premiums shall be paid by the employee. Employees shall pay for 100% of the dental insurance premium.

XIX. 401 K RETIREMENT SAVINGS

The Employer shall provide a 401K Retirement Employee Savings Plan for the term of this Agreement. The Employer will match fifty percent (50%) of the employee’s elected contribution up to 3% of annual compensation.

XX. OTHER BENEFITS AND CONDITIONS

20.1 Incentive Programs: The Employer may, without acting in a manner resulting in individual favoritism within a job class, implement, modify or eliminate incentives to hire new employees, retain current employees, motivate employees to work as needed, encourage safe working practices, or for any other business reason, as long as the incentive program(s) was not specifically bargained for in this CBA.

20.2 Employee Referral Bonus: The Employer and the Union agree that the most abundant source of qualified applicants comes from current employees. Therefore, employees who recruit applicants that are hired by the Employer will be eligible for the following bonuses and drawings:

20.2.1 The employee will receive a twenty-five dollar (\$25.00) (before tax) bonus upon hire of the new employee.

20.2.2 The employee will receive an additional one-hundred dollars (\$100.00) (before tax) bonus at the new employee’s three (3) month employment anniversary.

20.2.3 The employee’s name will be submitted in a monthly drawing held by the Employer. If the employee’s name is drawn, he/she will receive fifty dollars (\$50.00) (before

tax). The employee will participate in the drawing at the All Staff Meeting following the new employee's date of hire.

20.3 Continuing Education: Employer will pay for continuing education pertaining to maintenance or advancement within bargaining unit classifications. Requests for continuing education reimbursement must be made in advance. The Employer and employee will mutually agree to payment protocol (e.g., reimburse with receipt, paying in advance, Employer directed billing).

20.3.1 Employer shall make annual contributions to the Oregon Health Care Foundation's Scholarship Award Program. See Article 24.3.

20.4 Meal Program: Dietary employees receive one free meal per day during shifts of duty. Employees may purchase breakfast meals for \$2.00 and lunch and dinner for \$3.00 per meal paid through a payroll deduction program. The cost of meals purchased will be deducted from net wages on the pay check following purchase. Employees will receive free meals served during extra shifts worked.

XXI. DISCIPLINE AND DISCHARGE

21.1 The Employer shall have the right to discharge, suspend or discipline any employee for just cause.

21.2 If a supervisor has reason to discipline an employee, she/he shall make a reasonable effort to impose such discipline in a timely manner that will not unduly embarrass the employee before other bargaining unit and non-bargaining unit employees, the residents, family members, or the public except that this shall not include Union representatives or other employees or persons that the employee has requested to be present. If the employee is present at any conversation that may lead to disciplinary action, the employee shall be informed of such and shall be given the opportunity to have Union representation during such conversation. The supervisor may also elect to have a witness present during the conversation.

21.3 Except for offenses so serious as to warrant immediate termination, the Employer will apply the principles of progressive discipline.

21.4 The Employer will notify the Union in writing of any discharge or suspension within forty-eight (48) hours (exclusive of Saturdays, Sundays, and holidays) from the time of discharge or suspension.

21.5 Grievances about suspensions and discharges will start at step 2 of the grievance process.

XXII. PERSONNEL RECORDS

22.1 An employee shall be permitted to examine and copy all materials in her/his personnel file within seventy-two (72) hours of making such a request.

22.2 No disciplinary material shall be placed in an employee's file unless the employee has had an opportunity to sign it and has received a copy. An employee has the right to attach her/his own views to any disciplinary record in her/his own file.

22.3 A record of disciplinary action shall be removed from an employee's personnel file eighteen (18) months after it was issued, except that if an employee receives a related discipline during the eighteen (18) month period, the original discipline will remain in his or her file until eighteen (18) months have elapsed during which the employee received no related discipline. This provision shall not apply to disciplines issued for resident abuse, resident neglect, sexual or racial or discriminatory harassment, medication errors, or other behavior that violates state or federal law.

XXIII. GRIEVANCE AND ARBITRATION PROCEDURE

23.1 Grievance Procedure

It is the desire of the parties to this Agreement that grievances be resolved informally whenever possible and at the first level of supervision.

A grievance shall be defined as a dispute or complaint arising between the parties about the interpretation, application, performance, termination, or any alleged breach of this Agreement and shall be processed in the following manner:

23.1.1 Step 1

Within five (5) working days of a termination, suspension, or Layoff, or within twenty (20) working days after the employee knew or reasonably should have known of the cause of any other grievance, an employee having a grievance and her/his Union delegate(s) and/or other Union representative shall present it in writing to the administrator or her/his designee. A grievance hearing shall be promptly scheduled by the Union and the Employer. The Employer shall give its answer to the employee and her/his Union delegate or other representative within fourteen (14) working days after the grievance hearing. In all cases, the grievant and his/her supervisor will attempt to meet within the twenty (20) calendar day filing period in an attempt to resolve the grievance at the lowest possible level of management.

23.1.2 Step 2

If the grievance is not settled in Step 1, the grievance may, within five (5) working days after the answer in Step 1, be presented in writing in Step 2 to a representative of the Employer's

corporate office whom the Employer has designated to receive such grievances. Step two grievances will be handled as follows:

23.1.2.1 The Employer and the Union shall designate one day per month (e.g. the second Tuesday of each month) for Step 2 grievance discussions at all of the nursing homes operated by the same operator.

23.1.2.2 Prior to that day, the corporate representative and a representative designated by the Union will arrange a schedule for that day so that all grievances pending at Step 2 at all of the facilities are discussed.

23.1.2.3 The grievant(s), steward(s), immediate supervisor(s) and administrator(s) will meet at the facility. The corporate representative may choose to participate in person or by telephone. If the Union chooses to be represented by a Union organizer at this step, the organizer may choose between participating in person or by telephone.

23.1.2.4 Second step grievances may be heard on dates other than the designated day by mutual agreement of the parties. Agreement will not be unreasonably withheld provided that good cause is shown for requesting a different hearing date.

23.1.2.5 The designated day will be rescheduled if it falls on a holiday or if there is mutual agreement.

23.1.2.6 If a grievance is appealed to step two less than a week before the designated day, either party shall have the option of postponing the hearing until the next month to ensure that there is sufficient time for preparation. If the Union has requested information relevant to the grievance from the Employer and the Employer has not provided this information at least seventy-two hours prior to the designated day, the Union shall have the option of postponing the hearing until the next month.

23.1.2.7 If scheduling conflicts make it impossible for the necessary parties to attend a hearing on the designated day, the parties shall jointly decide between scheduling a hearing on a different day or waiting until the designated day in the following month.

23.1.2.8 The corporate representative shall issue a written response to the employee and his/her union delegate within fourteen (14) calendar days after the Step 2 hearing.

23.1.3 Step 3 Arbitration.

If the grievance is not settled on the basis of the foregoing procedures, the Union may submit the issue in writing to arbitration within twenty (20) calendar days following the receipt of the written reply from the Executive Officer or designee. If the Employer and the Union fail to agree on an arbitrator, a list of nine (9) arbitrators, who are attorneys, shall be requested from the Federal Mediation and Conciliation Service. The parties shall thereupon alternate in striking

a name from the panel until one name remains. The person whose name remains shall be the arbitrator. Once an arbitrator is selected by both parties, an arbitration date must be set within thirty (30) calendar days of such selection. Any arbitrator accepting an assignment under this Article agrees to issue an award within sixty (60) calendar days of the close of the hearing or the receipt of post-hearing briefs, whichever is later. The arbitrator's decision shall be final and binding on all parties. The arbitrator shall have no authority to add to, subtract from, or otherwise change or modify the provisions of this Agreement, but shall be authorized only to interpret existing provisions of this Agreement as they may apply to the specific facts of the issue in dispute. The Arbitrator shall have no authority to award punitive damages. Each party shall bear one-half (1/2) of the fee of the arbitrator and any other expense jointly incurred incident to the arbitration hearing. All other expenses including but not limited to legal fees, deposition costs, witness fees, and any and every other cost related to the presentation of a party's case shall be borne by the party incurring them, and neither party shall be responsible for the expenses of witnesses called by the other party.

XXIV. LABOR MANAGEMENT COMMITTEE

24.1 The parties agree to meet and discuss issues of concern and importance to each. Such meetings will occur quarterly, or more frequently if both parties agree that there is a need, and either party may submit items for discussion. Such items shall be submitted at least (5) five business days prior to the meeting. The Union and the Employer may appoint up to two (2) current employees to attend such meetings. The committee membership may vary from month to month based on the agenda items or for other reasons. Employees shall be on paid time while attending meetings. Topics for discussion may include, but are not limited to:

- (a) Resident care
- (b) Training needs
- (c) Staffing levels
- (d) Staff morale
- (e) Facility policies
- (f) Political issues relating to nursing homes

24.2 Both Parties shall conduct themselves in a professional manner. Such meetings will be limited to a two (2) hour duration.

24.3 Each year the Labor Management Committee will nominate at least two (2) employees for the Oregon Health Care Foundation scholarship program awards.

XXV. MUTUAL RESPECT AND DIGNITY

All Employees are entitled to be treated with respect and dignity at all times.

XXVI. SAFETY AND TRAINING

26.1 The Employer and employee shall carry out their obligations as set forth in applicable federal, state and local laws and regulations to provide a safe and healthy work environment for its employees. The Employer shall be responsible for enforcement of such rules and regulations and of its own safety rules and regulations. The employee shall abide by all of the Employer's safety policies and procedures.

26.2 The Employer shall provide hepatitis B vaccines, flu vaccines, screening and subsequent treatment of lice and scabies during a diagnosed resident episode, TB tests, and chest X-rays (if an employee's TB test is positive) available to employees at no cost to the employee.

26.3 The Employer shall provide the equipment, materials and training to employees in order to promote a safe workplace.

XXVII. SAVINGS CLAUSE

In the event that any provision of this Agreement shall at any time be declared invalid by a court of competent jurisdiction or through government regulations or decrees, such decisions, regulations or decrees shall not invalidate the entire Agreement, it being the express intention of the parties, that all other provisions not declared invalid shall remain in full force and effect.

XXVIII. SUCCESSORSHIP

If the Employer decides to sell its operations, it will advise the Union at least sixty (60) days prior to the scheduled date of sale. Such notice shall include the name and address of the purchaser.

XXIX. DURATION

29.1 This Agreement shall be in full force and effect for the period commencing on October 1, 2007 and ending on September 30, 2011.

29.2 The parties agree to jointly enter into discussions relative to a renewal of this Agreement no later than ninety (90) days prior to the termination of this Agreement.

SEIU Local 503, OPEU

By: _____
Bargaining Team Member

Date: _____

By: _____
Bargaining Team Member

Date: _____

By: _____
Chief Negotiator

Date: _____

By: _____
Leslie Frane, Executive Director

Date: _____

CARE CENTER (MOLALLA), INC.dba
MOLALLA MANOR CARE CENTER

By: _____
Administrator

Date: _____

MEMORANDUM OF UNDERSTANDING – ONE

DRUG – FREE WORKPLACE

By and Between

SEIU Local 503, OPEU

AND

Care Center (MOLALLA), Inc.

The Employer reserves the right to structure and conduct drug and alcohol testing on a random basis and for specific incidents, probable cause, fitness for duty, and post-accident. Before random testing will be conducted, the Union will be informed of the testing protocol. No more than ten percent (10%) of the employees will be randomly tested at a time. There will be no more than one random testing protocol per quarter. Employees who test positive for drugs or alcohol after a random test shall be offered a last-chance agreement with treatment, in an Employer-approved plan (paid for by the employee), and random testing for a period of one year. A positive test result during that year may be deemed just cause for discipline up to and including termination of employment.

By: _____ DATE _____
Care Center (MOLALLA), Inc.

By: _____ DATE _____
SEIU Local 503, OPEU

MEMORANDUM OF UNDERSTANDING – TWO

UNION INSIGNIA AGREEMENT

MULTIPLE GRIEVANCE SETTLEMENT AGREEMENT
Between
WILLOWBOOK TERRACE AND SEIU, LOCAL 503, OPEU

1. Parties: Willowbrook Terrace (represented by Prestige Care Inc.) and the Service Employees International Union, Local 503, OPEU (collectively “the Parties”)
2. Grievances Resolved: This Multiple Grievance Settlement Agreement (“Agreement”) includes resolution of:

2.1 Two NLRB charges of unfair labor practices (Case No 9891 and Case No. 9897) which were deferred by the NLRB to the grievance process. Based on the deferral directive the Union filed one grievance with Willowbrook on March 21, 2006 (grievants listed: Carlotta Davison, Leola Grove, Nicky Cordell, Monica VanFossen). The parties have agreed that resolving the concerns raised in the referenced March 21, 2006 grievance would also resolve both NLRB unfair labor practice charges.

2.2. The March 21, 2006 grievance filed with Willowbrook Terrace (grievant: “All union members at Willowbrook Terrace”), regarding the wearing of union logos.

3. Grievance Settlement.

3.1 This Agreement is entered into by the Parties in the spirit of cooperative labor management relations. None of the terms of this Agreement are an admission of liability, violations of the Collective Bargaining Agreement, or wrongdoing on the part of either Party or an admission by either Party that the grievances were or were not, timely or correctly filed.

3.2 Upon signature of this Agreement the attached Memo will be posted at Willowbrook Terrace and at Hood Rive Care Center, MOLALLA Healthcare Center and Linda Vista Nursing and Rehab Center (all represented in this Agreement by Prestige Care Inc.)

3.3 Upon execution by all parties to this Agreement the Union and listed grievants withdraw the two grievances filed on March 21, 2006 as identified in this Agreement. In addition a letter will be written to the NLRB by the Parties indicating agreement that NLRB Case Nos. 9891 and 9897 have been settled

3. Execution and Approval. Each Party accepts this Agreement. This Agreement shall take force and be in effect when approved by both Parties.

THIS AGREEMENT CONSISTS OF ONE PAGE AND ONE ATTACHMENT

MEMO TO ALL EMPLOYEES

[Facility] and SEIU agree that under the terms of our collective bargaining agreement and the law that employees have the right to engage in Union activity so long as such activity does not interfere with Resident care.

Employees have the right to talk with their Union Steward about any issue. Such conversations with a Union Steward must be during the employee's break time or off-duty hours. If an employee has an urgent health and safety issue at work they should bring it to the attention of management. If there is disagreement between the worker and management about how to handle the situation, the worker may talk to his/her union steward during non-working time.

While employees may talk with their Union Steward, employees must at the same time follow all facility rules and policies and respond to their supervisors. Both SEIU and [Facility] believe that there should be a good faith effort to resolve issues to the employee's satisfaction at the lowest level of supervision.

If an employee is called into a meeting which the employee believes might reasonably result in discipline (an investigatory meeting) the employee has the right to ask to have a union steward or union representative, who is reasonably available, in that meeting. If the employee does ask for union representation, management will schedule the meeting so that the employee has time to talk with the union representative or delay the start of the meeting, so as to allow the employee at least ten minutes to talk with the union representative if the employee has not already done so. The employee has the right to privately talk with the union representative before and even during the meeting and management will not ask the employee to reveal to them the contents of any private discussions regarding Union related matters they have with their union representative. Not every management-initiated discussion is an investigatory interview. For example, when the meeting or discussion is merely for the purpose of conveying work instructions, training, or needed corrections or the purpose of the meeting is simply to inform the employee about a disciplinary decision that has already been made.

Both [Facility] and the Union agree that it is important for employees to dress appropriately and professionally. [Facility] dress code policy remains in effect and there should be no writing, no

stickers with writing or logos, other than Prestige logos, of any sort on clothing worn while at work. However, employees may wear a single SEIU Logo of not more than 2" x 2 1/8". This includes the scrubs, stickers, and breakaway lanyards provided by the Union. For safety reasons no pins of any kind may be worn on clothing while working.

By: _____ DATE _____
Care Center (MOLALLA), Inc.

By: _____ DATE _____
SEIU Local 503, OPEU

MEMORANDUM OF UNDERSTANDING – THREE

PAY IN LIEU OF BENEFITS TRANSITION

By and Between

SEIU Local 503, OPEU

AND

Care Center (MOLALLA), Inc.

The Pay-In-Lieu of Benefits program is not offered under this contract. However, those employees who have elected Pay-In-Lieu of Benefits may continue under those terms and conditions of the program in effect at the time of ratification of this Agreement.

By: _____ DATE _____
Care Center (MOLALLA), Inc.

By: _____ DATE _____
SEIU Local 503, OPEU

APPENDIX A

Central Table Agreement Between SEIU Local 503 (herein “Union”) And

Avamere Health Services LLC, Evergreen Oregon Healthcare LLC, Pinnacle Healthcare Inc., and Prestige Care Inc. on behalf of each company or as agent for certain entities pursuant to a Limited Agency Agreement (herein collectively “Employer” and individually as “Signatory Employers”)

The issues addressed in this Agreement and attachments are resolved and not subject to additional bargaining, except as provided herein; and shall be included in the complete final agreements for each Signatory Employer.

Such final agreements are subject to ratification by union members for each Signatory Employer.

The following summarizes the Agreement between the parties on all issues negotiated in coordinated bargaining:

Duration:

All collective bargaining agreements shall expire on September 30, 2011.

Rate Protection For Conditional Total Economic Package:

Employers and Union agree to work together through the duration of their collective bargaining agreements on mutual concerns affecting nursing facility care and services, including any and all legislative matters pertaining to maintaining the current Medicaid nursing facility statutory reimbursement system and to assuring the necessary funding levels needed to deliver Medicaid rates paid according to the statutory requirements (63rd percentile of allowable costs). The total economic package negotiated in this agreement is conditioned upon Employer receiving the following projected Medicaid rates on July 1st over the next four (4) years: \$187.06 for 7/1/07-6/30/08; \$193.21 for 7/1/08-6/30/09; \$216.65 for 7/1/09-6/30/10; and \$223.78 for 7/1/10-6/30/11. If the actual Medicaid rates are different from the foregoing projections, the total economic package shall be altered as follows:

- As soon as actual rates have been posted by a State Official, Union and Employer shall meet and confer to calculate the actual cumulative net increase from the 07/1/06-6/30/07 Medicaid rate of \$173.14.
- Union and Employer shall compare the actual cumulative Medicaid rate increase total to date from the applicable projected cumulative rate increase as follows: 7/1/07-6/30/08 \$13.92; 7/1/08-6/30/09 \$20.07; 7/1/09-6/30/10 \$43.51; and 7/1/10-6/30/11 \$50.64.
- If the actual cumulative Medicaid rate increase differs from the projected cumulative rate increase by up to five percent (5%), parties shall implement the “total economic package” increase(s) per this agreement.

- If, instead, the actual cumulative Medicaid rate increase is more than five percent (5%) different from the projected cumulative rate increase, parties shall adjust the remaining “total economic package” as follows:
 - Union and Employer shall subtract the five percent (5%) from the difference between the actual cumulative increase and the projected cumulative increase.
 - Union and Employer shall then multiply the remainder by \$0.00052 and round the product to the nearest \$0.01.
 - If the foregoing product is positive, the next scheduled bargaining unit employee “across the board” wage increase or “discretionary amount allocation” under the CBA shall be adjusted upward by that dollar amount, unless mutually agreed otherwise.
 - If, however, the foregoing product is negative, the next scheduled bargaining unit employee “across the board” wage increase or “discretionary amount allocation” under the CBA shall be adjusted downward by that dollar amount, unless mutually agreed otherwise.

Parties agree to amend current CBAs with the following language controlling reopener. *“This Agreement shall be effective as of October 1, 2007 and shall remain in full force and effect unless amended by mutual written agreement of the parties through the end of the term September 30, 2011 and year to year thereafter, provided, however, that either party may serve written notice on the other at least ninety (90) days prior to the expiration date, or subsequent expiration anniversary date, of its desire to amend any provision hereof. Notwithstanding the above, the parties agree that either party may make a written request to reopen the Agreement for negotiation of wage and benefit increases conditioned upon receipt of a Medicaid rate of at least \$187.06 for 7/1/07-6/30/08, \$193.21 for 7/1/08-6/30/09, \$216.65 for 7/1/09-6/30/10 and \$223.78 for 7/1/10-6/30/11 up to sixty (60) days following Employer’s receipt of written notification by an official and authoritative representative of Oregon’s Government reporting the next scheduled Medicaid skilled nursing facility rate. If either party does not agree with the other’s request to reopen the Agreement per the foregoing statement, the determination of whether “written notification by an official and authoritative representative of Oregon’s Government reporting the next scheduled Medicaid skilled nursing facility rate” exists shall be arbitrable under this Agreement. Upon such reopener, Employer and Union agree to apply the methodology from the July 27, 2007 Memorandum of Understanding and change scheduled wage and/or benefit increases consistent accordingly. Since numerous historical examples exist of Oregon’s Government Representatives announcing Medicaid rate changes scheduled for future years and then failing to implement such changes as specifically announced, the parties agree that any wage and/or benefit change negotiated through the foregoing re-opener provision shall not be effective until Employer actually receives the Medicaid rate increase as specifically promised by the official and authoritative representative of Oregon’s Government.”*

Total Economic Package:

Hiring rates will continue to be established on a company-specific basis determined by the market in which the facility operates. The Employers agree to the total cost of the economic package as reflected in the attached spreadsheets. [See Attachment A: Company Snapshot] Increases apply to bargaining unit employee’s starting rate, wage scale, wage grid and/or wage

matrix as determined by each individual nursing facility's existing collective bargaining agreement. [See Attachment B: Current Facility-specific Hourly Wage Rates; INCOMPLETE]

Hourly Wage Increase Amounts And Timing:

Hourly Wage Increase:

The employer's agree to the average total costs of economic package as follows. Effective October 1, 2007, the Employer shall apply over the life of the agreement a two dollars and thirty cents per hour (\$2.30) increase for all employees in the bargaining unit unless actual Medicaid rates received are different from those projected in the section "Rate Protection For Conditional Total Economic Package."

Timing of Increase: Employer shall apply the following specific hourly wage increases per the corresponding dates over the life of the agreement. Once Employer receives the applicable annual rate increase, all wage related increases will be implemented effective the first full pay period following the below enumerated dates.

- 10/1/07 - \$0.70 per hour across the board increase.
- 10/1/08 - \$0.50 per hour across the board increase.
- 10/1/09 - \$0.60 per hour across the board increase.
- 10/1/10 - \$0.50 per hour across the board increase.

Increases apply to all bargaining unit employee wage rates, starting rates and wage scales (where applicable).

The Union proposal to establish starting rates and/or wage grids in all facilities, in which the current CBA is silent or reflects the minimum wage, by applying all increases to the currently used starting rates and included in the CBAs shall be deferred to the company tables.

By subsequent mutual written agreement, the parties may agree to increase bargaining unit member's hourly wage rates, starting rates and wage scales more than the amount(s) specified above during the term of the contract.

Discretionary Amount (the "Envelope"):

The Envelope for each facility shall be thirty-five cents (\$0.35) per hour. The Parties agree that the Envelope shall be allocated as follows:

- Fifteen cents (\$0.15) on October 1, 2007.
- Twenty cents (\$0.20) on October 1, 2009.

The envelope shall be bargained at company-specific tables for the purposes of improving wages, health benefits, holidays, paid time off, and/or any other economic benefit for the

bargaining unit. Mutually agreed upon improvements shall be cost-estimated and then charged to the discretionary amount.

Incentive Programs:

The parties agree that each nursing facility recruits its staff from a unique labor market within the proximate geographic area and that facility leadership must remain flexible to implement incentive programs that prove effective in supplying facility residents with sufficient qualified staff. Accordingly, parties agree to amend all CBAs consistent with the following language: “The Employer may, without acting in a manner resulting in individual favoritism within a job class, implement, modify or eliminate incentives to hire new employees, retain current employees, motivate employees to work as needed, encourage safe working practices, or for any other business reason, as long as the incentive program(s) was not specifically bargained for in this CBA.”

Bargaining Unit:

Employers agree to continue their existing bargaining units, master agreements and LLC/related entity multi-employer bargaining arrangements.

Union recognizes and agrees that Evergreen, Avamere, Prestige and Pinnacle are separate companies, each comprised of separate LLC entities which employ bargaining unit employees, and that each will have a multi-employer bargaining arrangement.

Health Insurance And Other Such Benefits:

The Employer shall continue to contribute the same percentage(s) of the premium(s) for health insurance coverage as of the effective date of this Agreement. The following language will be added to all CBAs, and all prior controlling language shall be removed.

“X.XX The Employer shall continue to contribute the same percentage(s) of the premium for individual employee and dependent health coverage as of the effective date of this Agreement, except to the extent the parties agree to increase the employer contribution based upon use of the discretionary envelope. The negotiated percentage(s) for each facility may not be reduced during the life of this Agreement and shall be incorporated herein by reference.”

Additionally, Union agrees to the following:

- Keep Prestige’s current contract language under 18.4.4 “Employer will continue managing the health and dental insurance plans and will preserve the right to implement plan changes annually. Employer agrees to meet and confer annually with the Union regarding plan changes before implementation.”
- Keep Avamere’s current contract language concerning health insurance.
- Keep Evergreen’s relevant contract language concerning health insurance.
- Keep Pinnacle’s relevant contract language concerning health insurance.

Individual Company Bargaining:

Negotiations at individual company tables shall be completed no later than thirty (30) calendar days from the signing of this tentative agreement. There shall be no individual facility tables. The parties shall have the right to utilize all legal means to secure a successor agreement unless they mutually agree to submit all remaining unresolved issues as a union-package and management-package “last, best offer” interest arbitration. The arbitrator decision shall be restricted to only choose either the complete union-package or management-package.

At the applicable individual company table, the Union agrees to consider, on the merits, the currently pending list of specific Signatory Employer economic issues as outlined below:

- The proposal to eliminate the \$6.50 discretionary wage supplement in Prestige CBAs.
- The proposal to add the twenty-five cents per hour (\$0.25) attendance bonus to regular hourly wages in Prestige CBAs.
- The proposal to change Pinnacle’s paid time off program and holiday policy to resolve the PTO issue.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed on their behalf by their duly authorized representatives, as of the 27th day of July in the year 2007.

SEIU Local 503 OPEU

By: _____
It’s Authorized Representative

Avamere Health Services, LLC
As agent for certain entities pursuant to a
Limited Agency Agreement

By: _____
It’s Authorized Representative

Pinnacle Healthcare Inc.

By: _____
It’s Authorized Representative

Evergreen Oregon Healthcare, LLC
as agent for certain entities pursuant to a
Limited Agency Agreement

By: _____
It’s Authorized Representative

Prestige Care, Inc.
As agent certain entities pursuant to a
Limited Agency Agreement

By: _____
It’s Authorized Representative

Attachment A: Company Snapshot Costs

Company	Bargaining Unit Classification	Total New Wage Increase	Total Discretionary Envelope	Total Economic Package
Avamere	All Employees	\$2.30	\$0.35	\$2.65
Evergreen	All Employees	\$2.30	\$0.35	\$2.65
Pinnacle	All Employees	\$2.30	\$0.35	\$2.65
Prestige	All Employees	\$2.30	\$0.35	\$2.65

Appendix B: Starting Wages

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C.N.A.	\$ 11.50
C.M.A	\$ 12.50
Nursing Assistant	\$ 10.50
Restorative Aide	\$ 12.50
Dietary Aide	\$ 8.00
Cook	\$ 11.00
Housekeeping Aide	\$ 8.50
Laundry Aide	\$ 8.50

