COLLECTIVE BARGAINING AGREEMENT BETWEEN

SEIU LOCAL 503, OPEU

and

AVAMERE CRESTIVEW OF PORTLAND

6530 SW 30th Avenue, Portland, OR 97239

Effective: June 26, 2014 to September 30, 2017

SEIU Local 503, 1730 Commercial Street SE, Salem, OR 97302
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MEMORANDUM OF UNDERSTANDING

Preface. This Memorandum of Understanding (hereinafter referred to as "this Memorandum") has been entered into between the Service Employees International Union, Local 503, (hereinafter referred to as "the Union") and Avamere Health Services, LLC, hereinafter referred to as "the Employer").

Recognition. The Union and separate employers:

1. Lebanon Care Center, LLC (doing business as Avamere Rehabilitation of Lebanon)
2. Peckham-Miller, Inc. (doing business as Avamere Rehabilitation of Hillsboro)
3. Mountain View Rehabilitation, LLC (doing business as Avamere Rehabilitation of Oregon City)
4. South Salem, LLC (doing business as Avamere Rehabilitation of Salem)
5. Newport Rehabilitation, LLC (doing business as Avamere Rehabilitation of Newport)
6. Clackamas Rehabilitation , LLC (doing business as Avamere Rehabilitation of Clackamas)
7. Coos Bay Rehabilitation, LLC (doing business as Avamere Rehabilitation of Coos Bay)
8. King City Rehabilitation, LLC (doing business as Avamere Rehabilitation of King City)
9. Twin Oaks Rehabilitation, LLC (doing business as Avamere Twin Oaks of Sweet Home)
10. Junction City Rehabilitation, LLC (doing business as Avamere Rehabilitation of Junction City)
11. Laurelhurst Operations, LLC (doing business as Laurelhurst Village Rehabilitation Center)
12. Eugene Rehabilitation, LLC (doing business as Avamere Rehabilitation of Eugene)
13. Crestview Operations, LLC (doing business as Avamere Crestview of Portland)

and the Employer; which all parties agree are separate employers, each agree to associate with the other for the purpose of recognizing the Union as the exclusive bargaining representative of a single bargaining unit, as provided for under federal labor law regarding multi-employer bargaining for the classification identified in each employer's respective collective bargaining agreements.

IN WITNESS WHEREOF, the parties cause this Memorandum to be executed effective June 26, 2014.

For the Union:

Heather Conroy
Executive Director
SEIU Local 503

12-8-14
Date

For the Employer:

William G. Paven, PHR
Vice President Human Resources
Avamere Health Services, Inc

12/18/14
Date

PREAMBLE

This Agreement is made and entered into this 26th day of June 2014 by and between Crestview Operations, LLC doing business as Avamere Crestview of Portland (the "Employer") and Service Employees International Union Local 503, OPEU (the "Union"), acting on behalf of the Bargaining Unit Employees of the Employer as defined in the recognition clause (the "Bargaining Unit Employees"). The Agreement has been executed June 26, 2014 and the Effective Date shall be June 26, 2014.

For ease of contract administration, all facilities are listed in this agreement.

WHEREAS, the purpose of this Agreement is to:

1. promote harmonious relations between the Employer and its Bargaining Unit Employees;
2. to secure efficient operations;
3. to establish standards of wages, hours and other working conditions for Bargaining Unit Employees within the collective bargaining unit;
4. to ensure that the Employer earns a sufficient return to enable it to:
   a. employ the Bargaining Unit Employees and other employees;
   b. provide the seniors it cares for the quality of life and living environment that they deserve; and,
   c. better enable the Employer and the Bargaining Unit Employees to accomplish our Mission Statement: To Enhance the Life of Every Person We Serve;

WHEREAS, the Employer recognizes the Union as the sole collective bargaining representative for the Bargaining Unit 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:

ARTICLE 1- RECOGNITION

1.1 Employees Covered By Agreement. The Employer recognizes the Union as the sole and exclusive bargaining agent for all Bargaining Unit Employees, excluding supervisors, managers, department supervisors, and confidential employees, even if that person is currently the only person in the department, the Staffing Coordinator, the Bookkeeper, RN's and LPN's.

1.2 New Employee Notice. When the Employer hires a new Bargaining Unit Employee, it shall advise that employee in writing, that there is an Agreement with the Union. This notice shall quote the union security and check-off provisions of this Agreement and shall be in the form of Exhibit A to this Agreement.

ARTICLE 2 - UNION SECURITY

2.1 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.

2.2 The condition of employment specified above shall not apply during periods of formal separation from the bargaining unit by any such employee but shall reapply to such employee on the thirty-first (31st) day following his or her return to the bargaining unit. For purposes of this Paragraph, the term "formal separation" shall include transfers out of the bargaining unit, removal from the payroll of the Employer and leaves of absence of more than one (1) month duration.

2.3 Upon voluntary signed authorization by an employee, the Employer agrees to deduct the Union dues and remit 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.

2.4 On the twentieth (20th) of each month, the Employer will furnish the Union with a list of names, addresses, email address (if any), job classifications, full-time/ part-time/ on-call status, shifts (DAY, EVE, NOC) if available, phone numbers as provided and updated by employee to Employer, dates of hire, base pay rates, of all employees within the past month. The Employer will also furnish the Union each month with a list of employees identifying bargaining unit status changes for each employee since the last report (i.e. on leave of absence, new hire, transfer into bargaining unit, terminated, or transfer out of the bargaining unit). All information shall be furnished electronically in a mutually agreeable format. Along with the dues, the Employer will furnish the Union electronically in a mutually agreeable format, a list of employees for whom dues were deducted and the amount deducted from each employee, base pay and hours worked for the period dues were deducted, as well as a unique

identification number assigned by the Employer. The Employer shall also periodically provide the name, address, phone number, job classification, base pay rate and hire date of all bargaining unit employees upon request from the Union.

2.5 The Employer will deduct voluntary political action dues each month from employees who submit voluntary political action dues check-off authorization forms (also called C.A.P.E. check-off). 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 an electronic list of employees for whom political action dues were deducted and the amount of dues deducted from each employee.

2.6 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.

ARTICLE 3 - NO DISCRIMINATION

3.1 No Discrimination. No employee or applicant for employment covered by this Agreement shall be discriminated against because of membership in the Union or activities on behalf of the Union. Neither the Employer nor the Union shall unlawfully discriminate for or against any employee or applicant covered by this Agreement on account of race, color, religious creed, national origin, citizenship status, lawful political affiliation, veteran status, disability, medical condition, sexual orientation, sex, gender identity, gender expression, age, marital status or any other protected class.

3.2 Languages. In order to operate safely, efficiently and consistently with the rights of facility residents, English shall be used in resident care areas and common areas typically occupied by residents and family members, unless the resident or family members are conversant in a foreign language and wish to communicate with staff in that language. For instructional purposes in resident care areas, languages other than English may be used with consideration for facility residents and family members. The rule to communicate in English does not apply to employee break rooms, casually-exchanged greetings, or casual conversations between employees except when such conversations occur in resident care areas or other common areas where residents converge.

3.3 Gender. The use of the masculine or feminine gender or any titles which connote gender in this Agreement shall be construed as including both genders and not as sex limitations unless the Agreement clearly requires a different construction.

ARTICLE 4 - MANAGEMENT RIGHTS

4.1 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.

4.2 The right to manage includes, but is not limited to, the right to hire, assign, transfer, suspend, discharge and discipline Bargaining Unit Employees for just cause; select and determine the number of its Bargaining Unit 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 Bargaining Unit Employees; promulgate, post and enforce reasonable rules and regulations governing the conduct and act of Bargaining Unit Employees during working hours; select supervisory Bargaining Unit Employees; train Bargaining Unit 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 Bargaining Unit 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 Bargaining Unit Employees, and in all respect carry out, in addition, the ordinary and customary functions of management.

4.3 None of these rights shall be exercised in an arbitrary or capricious manner.

ARTICLE 5 - UNION RIGHTS, REPRESENTATIVES & STEWARDS

In the interest of promoting a positive approach to labor-management relations and strengthening an ability to achieve joint goals of the Labor-Management Coalition for Quality Care, the parties agree to the following:

5.1 Professional Courtesy and Behavior. The Employer and the Union agree to encourage everyone, regardless of position or profession, to perform in an efficient, courteous and dignified manner when such individuals interact with fellow employees, facility residents, and visitors. The Employer and the Union agree that all facility employees, managers, and Union representatives will treat each other with dignity, respect and courtesy. The foregoing principles shall also apply in providing service to patients and visitors. Neither the Union nor the Employer shall use negative rhetoric in the form of written or verbal communication that concerns the mission, motivation, leadership, character, integrity or representatives of the other. No Party shall circulate, or cause to be circulated, any charge or report that is designed to bring another Party into public disrepute or otherwise adversely affecting the integrity, credibility or reputation of such Party, including all written material connected with any organizational campaign or collective bargaining negotiation. The foregoing two (2) sentences shall be waived for any successor contract bargaining thirty (30) days prior to the expiration of the Agreement, unless the parties mutually agree to binding arbitration for any successor contract bargaining.

5.2 Union Representatives. Union staff representatives shall have access to the facility for the purposes of conferring with the Employer, Union Stewards, and/or bargaining unit members, and for the purpose of administering this Agreement. With at least one (1) business day's prior notice, or less with mutual agreement with the Employer, a representative of the Union shall have reasonable access to the Employer's premises. If the facility visit is in relation to filing of an employee's grievance or the investigation of a potential grievance, the Union representative shall have immediate access to the Employer's premises. Prior notification may include notice by telephone or email. Upon entering the facility the Union representative shall notify the Administrator, or his/her designee, of the representative's presence in the facility. 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.

5.3 Union Information. The Employer will:

1. Furnish and install at least one (1) bulletin board in each employee break room or each facility for posting of Union notices with a copy being given to management at the time of the posting. This bulletin board shall be no smaller than three feet by four feet (3' x 4'). The Union and Employer will confer upon the location of the bulletin board.
2. Allow the Union to furnish a binder to be kept in the break room for the purpose of storing materials such as membership forms, copies of the contract, Union contact information, and other Union materials.
3. Additionally, as space permits, allow the Union to furnish a secure deposit box and/or a shelf, installed by the Employer on the wall of the break room for the purpose of keeping internal Union information including, but not limited to, Union election nomination forms and ballots, grievance forms, membership surveys, etc.

5.4 Union Stewards. The Union shall designate Union Stewards and notify the Employer in writing as to who the Stewards are. The Union Stewards' performance of Union work shall not interfere with the operation of the facility nor the performance of employees' job duties. A Union Steward shall receive her/ his base rate of pay for time spent processing grievances and representing Bargaining Unit Employees in meetings with the Employer during Stewards' scheduled hours of employment. A Union Steward shall also receive her/his base rate of pay for time spent representing Bargaining Unit employees in all meetings where the Employer requested that the Steward process a grievance or represent a Bargaining Unit Employee outside of the Stewards' scheduled hours of employment. In no case shall the Employer be required to pay more than one (1) Steward at a time for such work. A Union Steward may receive phone calls from Union Representatives while on work time, in private if requested, not to exceed ten (10) minutes per shift. Such calls shall not interfere with resident care. If Bargaining Unit Employees request time off to attend Steward training, the Employer will make every effort to approve such requests in consideration of operational needs. Bargaining Unit Employees requesting time off to attend Steward training will make every effort to comply with Employer's policy for requesting time off.

5.5 New Union Member Orientation. Each month, Employer will provide a designated

Union Steward with the names of all employees newly hired into bargaining unit job classifications and the scheduled date for such employees' general orientation. During general orientation of Bargaining Unit Employees covered by this Agreement, or within one (1) month of a Bargaining Unit Employee's hire date, whichever occurs first, a Union Steward (on the clock) will be given an opportunity at a mutually agreed upon time to speak with the Bargaining Unit Employees in private for up to fifteen (15) minutes. Part of this discussion will include an explanation and distribution of Union Membership/Dues Authorization cards to the new Bargaining Unit Employees. The purpose of this session shall be to explain to new Bargaining Unit Employees that they are covered by this Agreement and to answer any questions about this Agreement, SEIU Local 503, or the Oregon Labor-Management Coalition for Quality Care. Such Union Orientations will be mandatory for all Bargaining Unit Employees within her/ his first month of hire.

5.6 Union Activities. There shall be no reprisal, coercion, intimidation or discrimination against any Union Steward or Union member for participation in union activities, as defined by applicable law.

5.7 Daily Stipend for Joint Lobby Days. The Employer will designate two (2) days per calendar year to grant leave time for employees participating in lobby days approved by the Labor-Management Coalition for Quality Care. The Union and the Employer may, upon mutual agreement, establish additional days. The Employer will make every reasonable effort to release employees, as designated by the Union for lobby days, considering operational needs. Additionally, the Employer agrees to pay up to two (2) bargaining unit employees per facility a fifty dollar ($50) daily stipend when such employee(s) incurs lost wages for time spent in conjunction with such approved lobby days. The stipend will be paid in the qualified employee's regular paycheck subject to all payroll rules. The Employer can alternatively select more than two (2) employees per facility if operational needs allow and the total number of employees participating company-wide does not exceed the overall total of up to two (2) employees per facility. The Union will identify and select the employees eligible for the stipend within the framework above and verify such employee's lobby day participation at the approved event.

5.8 Volunteer Union Activities. For employee activity under this Article, including collective bargaining with the Employer, that does not fall under paid time, employees will be able to utilize earned paid time off. Under no circumstance will employees have a reduction of status or lose health care benefits for employee activity under this Article.

5.9 All Staff Meetings. When the Employer holds its regularly scheduled All Staff Meetings at the facility, a Union Representative and/or Union Steward shall be given the opportunity to address the Bargaining Unit for five (5) minutes when possible.

ARTICLE 6 - PROBATIONARY BARGAINING UNIT EMPLOYEES

6.1 Probationary Period. New Bargaining Unit Employees shall be on probation for ninety (90) calendar days from their date of hire.

6.2 No Just Cause During Probationary Period. During or at the end of the probationary period, the Employer may discharge any probationary Bargaining Unit Employee at will and such discharge shall not be subject to the grievance and arbitration provisions of this Agreement.

ARTICLE 7 - TEMPORARY BARGAINING UNIT EMPLOYEES

7.1 Temporary Bargaining Unit Employees may be hired where the Employer reasonably perceives at the time of the hiring that the work will be of a temporary nature, or to replace Bargaining Unit Employees on vacation or leave of absence.

7.2 Temporary Bargaining Unit Employees may be hired for up to four (4) months. The Union should be notified when temporary Bargaining Unit Employees are hired. If a temporary employee is hired to replace an employee on leave of absence, the four (4) month period may be extended for the length of the approved leave of absence. Non-paid volunteers and non-paid interns earning school credits shall not be considered Bargaining Unit Employees, temporary or otherwise, and shall not be subject to this Agreement.

7.3 Temporary Bargaining Unit Employees shall not be covered by any of the terms of this Agreement, and shall be treated for all purposes as outside of the Bargaining Unit and as unrepresented Bargaining Unit Employees. 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.

7.4 If a permanent Bargaining Unit Employee receives a temporary position, he or she may return to his or her prior position when the temporary position ends, if that prior position is available. If it is not available, that employee shall receive a position equal in wage.

ARTICLE 8- SENIORITY

8.1 Definition of Seniority. A Bargaining Unit Employee's seniority shall be defined as the length of time the employee has been employed at the facility.

8.2 Accrual of Seniority

1. Accrual of seniority begins upon a Bargaining Unit Employee's successful completion of the probationary period, and is retroactive to the employee's date of hire.

2. Seniority shall cease to accrue but shall not be lost in the event of a Layoff or leave of absence longer than three (3) months.
3. A Bargaining Unit Employee's seniority shall be lost in the event of his/her: voluntary resignation or retirement; unless the Bargaining Unit Employee is hired and relocated to another Avamere Facility covered by this Agreement within three (3) months of a voluntary resignation, discharge for just cause; failure to return to work upon expiration of an authorized leave of absence; Layoff in excess of twelve (12) months.

8.3 Layoff. A Layoff is defined as the termination of thirty-three percent (33%) or more of the Bargaining Unit Employees. No Layoff shall be implemented without:

1. Notifying the Union thirty (30) days in advance. Such notice shall indicate the job classifications, number of hours, and Bargaining Unit Employees who will be affected by the Layoff;
2. 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 fifteen (15) days of the notice of Layoff.
3. Probationary and temporary Bargaining Unit Employees within the affected job classification shall be laid off first without regard to their individual periods of employment. Non-probationary Bargaining Unit Employees shall be laid off next in reverse order of their seniority. No more senior employee shall be laid off as long as there is a less senior employee working hours in the same job classification on the same shift.

8.4 Reduction of Hours. During temporary periods of low census, the Employer shall reduce hours in the following manner:

1. The Employer may eliminate full shifts. The Employer may also shorten the length of the work shift of one or more Bargaining Unit Employees per department, per shift.
2. The Employer shall first ask for volunteers who wish to reduce their hours. If there are multiple volunteers, then the Employer will accept volunteers in rotating seniority order, starting with the most senior employee on the shift.
3. If there are no volunteers, and the Employer is going to cancel a full shift or reduce hours, it will cancel shifts or reduce hours in rotating seniority order, starting the rotation with the least senior employee working the shift and progressing to the most senior employee on that shift.
4. A Reduction in Hours shall not be considered a Layoff as defined in Section 8.3, Layoff.
5. Bargaining Unit Employees who volunteer to reduce their hours or who have had their hours reduced have the option of using Paid Time Off, if the Bargaining Unit Employee has accrued Paid Time Off. If the Bargaining Unit Employee chooses not to use available Paid Time Off, then the Bargaining Unit Employee will not be paid for time not worked.

6. No Bargaining Unit Employee will lose eligibility for benefits because of hours reductions that take place, voluntarily or involuntarily, unless s/he is scheduled (on the posted monthly schedule) for an average of less than (30) hours per week for more than (2) straight months or as current practice allows.

8.5 Bumping

1. A Bargaining Unit Employee whose hours are being cut or who is being laid off may fill any vacant position or may displace a less senior Bargaining Unit Employee in any job classification provided that he or she has the qualifications to do the job. A Bargaining Unit Employee who is displaced in a Layoff or has hours reduced shall also have bumping rights.
2. A laid off Bargaining Unit Employee may combine the jobs of two (2) less senior Bargaining Unit Employees in the same classification, provided that there is no conflict in schedule.

8.6 Recall.

1. Whenever a vacancy occurs while employees are on layoff, laid off Bargaining Unit Employees who are qualified to fill the vacancy shall be recalled in order of seniority.
2. Recall rights shall last for eighteen (18) months.
3. Those laid off Bargaining Unit Employees with recall rights are called "Recallables."
4. The Employer shall notify any Recallables in writing of the Recallables' option to return to employment no less than seven (7) calendar days prior to when the Employer desires that the Recallable Employee(s) return to employment. The Recall notice shall be in the form of Exhibit B of this Agreement. These Recallables shall have twenty-four (24) hours from receipt of the Recall Notice sent by registered mail by the Recallable to indicate unequivocally that the Recallable will return to employment ("Yes Notice"). If the Recallable fails to provide the Yes Notice, then that Recallable has irredeemably waived his/her Recall rights.

ARTICLE 9 - ASSIGNMENTS & JOB POSTINGS

9.1 Job Class and Shift Assignments. Bargaining Unit Employees shall work in the job classifications and on the shifts for which they were hired or onto which they have been transferred in accordance with the terms of this Agreement.

9.2 Internet Job Postings. The Employer may utilize an internet or other computer-based job posting and/or screening system without approval by the Union, so long as the screening component is used solely with persons who are not already Bargaining Unit Employees.

9.3 Filling Job Vacancies. When a vacancy in a bargaining unit job occurs, the following principles shall apply in the following order:

1. All vacancies and new positions in the bargaining unit shall be posted for a period of five (5) calendar days including at least one weekend day. Postings shall include classification, shift, and rate of pay. "Posted" or "Postings" may include use of an internet or other computer-based job posting and/or screening system, but must include a physical posting in the facility, including a posting on the Union bulletin board that Stewards will have an opportunity to post on day one of the five (5) calendar days described above. If no Steward is available or working that day, Management will post the vacancy or new position on the Union bulletin board.
2. The Employer will offer the vacancy to the qualified bargaining unit applicant with the most seniority at the facility provided that applicant is qualified for the position. If that Bargaining Unit Employee decides not to accept the position, then the vacancy will be offered to the next most senior applicant, and so forth until the pool of bargaining unit applicants is exhausted, or the vacancy is filled.
3. The Employer may then offer the position to a person outside the bargaining unit if that person is qualified; however, Stewards may post the position at all other Avamere facilities covered by this Agreement. Bargaining Unit Employees at such facilities shall have the same opportunity to apply for the vacancy or new position as other applicants.

9.4 Change in Shift or Workdays. The Employer has the right to, upon fourteen (14) days notice, move a Bargaining Unit Employee from one shift, or set of workdays, to another. If, prior to the fourteen (14) day period, the Bargaining Unit Employee represents in writing to the Employer that the Bargaining Unit Employee will not be able to meet the Employee's child or family care arrangements with the directed change, then the Bargaining Unit Employee will have a total of thirty (30) days from the date the move was given by the Employer to the Bargaining Unit Employee in order to make that move. In situations involving Layoff, reduction of hours or department reorganization, the Employer will ask for volunteers first, and if there are no volunteers, Bargaining Unit Employees will be moved from one set of workdays or shift, to another, based on seniority, with the least senior Bargaining Unit Employee moved first.

*The phrase, "family care" shall mean care of a child, parent, grandparent, or sibling, or the step relations of any of these persons, or care of a Domestic Partner as defined in Article 14, Section 14.1 of this Agreement.

ARTICLE 10 - HOURS & OVERTIME

10.1 Work Week. The work week shall be Sunday at 12 am through Saturday at 11:59pm.

10.2 Meal Breaks. Bargaining Unit Employees working a shift of six (6) hours or more

shall receive a thirty (30) minute unpaid meal break within the shift. The meal break shall be scheduled by the department supervisor. If an employee works through all or part of his or her meal break, he or she will be paid for that time. A Bargaining Unit Employee must be pre-authorized before working the meal break and is required to note the work on the appropriate Employer documentation.

10.3 Breaks/ Rest Periods. In addition, Bargaining Unit Employees shall be entitled to a fifteen (15) minute paid rest period for every four (4) hours worked or major fraction thereof. Rest periods shall be scheduled by the department supervisor. If a Bargaining Unit Employee works through his/her break s/he will be paid for an additional fifteen (15) minutes. Further, that employee is required to immediately notify his/her supervisor, and is required to note the work on the appropriate Employer documentation.

10.4 Avoiding Interruption/ Scheduling of Breaks. Bargaining Unit Employees shall not be called back to work during their breaks except in cases where resident care will be adversely impacted. It shall be the responsibility of the supervisor to ensure that Bargaining Unit Employees are able to take their breaks by scheduling break times (in consultation with the affected employees) and, if necessary, covering the Bargaining Unit Employees' work during the break time.

10.5 Work Schedule Posting and Changes. Work schedules shall be posted as early as practical, but no later than the fifteenth (15th) day or the twenty fifth (25th) day (according to current practice of the facility) of the month preceding the month on the schedule. Once work schedules are posted, the Employer must give Bargaining Unit Employees fourteen (14) days notice if changes are to be made to the schedule, unless affected Bargaining Unit Employees approve changes. This Section does not apply where:

1. Additions to hours are necessary pursuant to Section 10.7 of this Article, or
2. Reductions in hours are necessary pursuant to Article 8- Seniority, Section 8.4- Reduction of Hours.

10.6 Extra Shifts More Than Seven Days. The Employer will fill extra shifts that become known to Employer at least seven (7) days in advance of that shift by posting a list of open shifts with space for Bargaining Unit Employees to sign up for those shifts. If more than one Bargaining Unit Employee signs up for the same shift, then that shift will be assigned to the competing Bargaining Unit Employees in rotating Seniority order. (Once a Bargaining Unit Employee has received a shift in this manner in a given month, then that Bargaining Unit Employee shall go to the bottom of the list for receiving such assignments in all months.) If no Bargaining Unit Employee signs up for the shifts at least two (2) days prior to the shift, then the Employer may assign those shifts pursuant to Section 10.7 of this Article.

10.7 Extra Shifts Less Than Seven Days. Extra Shifts that are not filled at least seven (7) days before the shift will be filled pursuant to this Section. The Employer will fill extra shifts (extra or additional shift shall be defined as any work time beyond a Bargaining Unit Employee's regularly scheduled shift) that become available on an occasional basis as a result

of short-term needs or Bargaining Unit Employees' last minute or temporary absences in the following manner, and all steps of this process will be followed, and will be documented by the Employer and made readily available upon Bargaining Unit Employees' request:

1. First, the Employer will assign certified non-Bargaining Unit staff who are qualified and can perform the necessary job functions to fill the shifts;
2. Second, the Employer may assign non-Bargaining Unit staff who are qualified and can perform the necessary job functions to fill the shifts;
3. Third, in the event that non-Bargaining Unit staff who are qualified and can perform the necessary job functions to fill the extra shift are not available, such shifts shall then be offered to qualified Bargaining Unit Employees in rotating Seniority order, with the following considerations:
   a. The Employer will make all reasonable efforts to follow Seniority, but may offer the shift to on-duty Bargaining Unit Employees before calling off-duty employees at home. The Employer will maintain a log (available upon request) documenting its efforts to contact off-duty Bargaining Unit Employees;
   b. Bargaining Unit Employees that voluntarily perform work outside their designated scheduled shift 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 from one (1) hour up to eight (8) hours during the extra shift.
      b1: Any earned extra shift premiums may not be revoked after the extra shift has been completed.
      b2: Extra shift premium pay will be paid out within the pay period it was worked.
4. Fourth, if the Employer is unable to fill shifts in accordance with 1 and 2 and 3 above, it will offer shifts to on-call Bargaining Unit Employees, hired in accordance with Section 10.14 of this Article.
5. Fifth, if there are no on-call Bargaining Unit Employees available, the Employer will borrow an employee from another skilled nursing facility ("SNF"), compensating that other SNF for the services of the employee.
6. Sixth, if the Employer is unable to fill shifts in accordance with 1, 2, 3, 4 or 5 above, and it is within thirty (30) minutes of the scheduled open shift, it may utilize agency personnel.
7. A Bargaining Unit Employee may be required to work an additional four (4) hours and no more than four (4) hour after the efforts to fill the shift above have been made. This will be done in rotating seniority order beginning with the least Senior Bargaining Unit Employee on shift, then moving through Bargaining Unit Employees on shift, then moving to Bargaining Unit Employees off-shift (also in reverse Seniority order) and will also be considered a premium shift. Bargaining Unit Employees that are required to work shall receive the extra shift premium of five dollars ($5.00) per hour added to their base rate of pay for actual hours worked up to four (4) hours. In determining required shifts, Management will consider issues of hardship; including, but not limited to: child care needs, second jobs, school schedules, etc.

8. Extra Shifts Less Than Seven Days – may be a topic for review and discussion at each regularly scheduled facility LMC meeting.

10.8 Scheduling Weekends Off. Weekends off will be scheduled by Employer in an equitable manner.

10.9 Scheduled Regular Hours. Bargaining Unit Employees will be scheduled for their regular hours, which shall be defined as the hours for which they were hired, or the hours that have been adjusted, altered, changed or modified in accordance with this Agreement.

10.10 Full-Time Employees. For the purpose of benefits, an average of thirty (30) hours or more per week over twelve (12) months shall be considered full time.

10.11 Call-Off. If a Bargaining Unit Employee who reports to work when on the posted schedule is not needed by the facility, he or she will receive work and/or pay for four (4) hours of his or her shift.

1. During periods of low census when the Employer needs to call off an Employee or Employees and the Employer is aware prior to the beginning of the next shift that an Employee will need to be called off, the Employer will follow the process defined in Article 8, Seniority, Section 8.4, Reduction of Hours and will give Employees at least three (3) hours' notice by phone before the starting time that the Employee is scheduled to report for work.

10.12 Part-Time Employees. Except as set forth in Article 13, Paid Time Off, Part-time Bargaining Unit Employees will not receive any benefits.

10.13 Notice for Shift Absence. Bargaining Unit Employees who do not provide four (4) hours notice to their supervisor prior to being absent for a scheduled shift, but do call in prior to the shift, shall be considered an unexcused absence and may be subject to discipline, up to and including termination. Notice shall be considered made if: (1) the employee can credibly provide the name of the person notified; (2) the employee can credibly provide the time of the notification; and (3) the person notified is either the Bargaining Unit Employee's immediate supervisor or a person who would naturally be expected (by the nature of his/her position) to inform the immediate supervisor in a timely manner. The Bargaining Unit Employee shall not be disciplined if, through no fault of his/her own, the employee was unable to give this notice.

10.14 On-Call Employees. The Employer may hire a limited number of on-call Bargaining Unit Employees. On-call Bargaining Unit Employees are Employees who do not have regularly scheduled hours and are called in to provide coverage for absent Bargaining Unit Employees.

10.15 Switching Shifts. Provided that no overtime costs are incurred, and patient care is not adversely affected, Bargaining Unit Employees may switch days as long as they give the

Employer written notice signed by both employees and approved by Staffing Coordinator / Designee.

10.16 CMA Staffing. CMAs shall not be assigned residents for purposes of meeting minimum staffing ratios on day shift and when there are less than two (2) CMAs on evening and NOC shifts.

ARTICLE 11 - WAGES

11.1 PTO on Paychecks. Bargaining Unit Employees' earned paid time off will be printed on paychecks.

11.2 Paychecks. Paychecks will be available to Bargaining Unit Employees by 9:00 am on payday without preconditions. A Bargaining Unit Employee will not be required to attend meetings or perform any function for the Employer as a condition of receiving his or her paycheck. If a payday falls on a Saturday, checks will be available by 9:00 am the preceding Friday. If a payday falls on a Sunday, checks will be available by 9:00 am the succeeding Monday.

11.3 Shift Differentials. Any Bargaining Unit Employee who works on evening/EVE (2nd) shift or night/NOC (3rd) shift shall receive an additional per hour differential for hours worked during that shift of:
Effective June 1, 2014, five cents ($0.05) EVE and ten cents ($0.10) NOC
Effective June 1, 2015, ten cents ($0.10) EVE and fifteen cents ($0.15) NOC
Effective June 1, 2016, fifteen cents ($0.15) EVE and twenty cents ($0.20) NOC
Effective June 1, 2017, twenty five cents ($0.25) EVE and thirty five cents ($0.35) NOC

11.4 Longevity Bonuses. Effective June 1, 2014, Bargaining Unit Employees shall receive the following longevity bonuses, to be paid on the first payday after the employee's anniversary date: (any Bargaining Unit Employee who has ten (10) or more years of employment at the effective date of the contract shall receive the ten (10) year bonus within sixty (60) days of contract ratification).

LONGEVITY BONUS ANNIVERSARY	DOLLAR AMT
After the 2nd Anniversary	$250
After the 5th Anniversary	$500
After the 8th Anniversary	$750
After ten (10) years of employment	$1,000

11.5 Ten Year Longevity Bonus. Beginning August 1, 2014, at ten years of employment, bargaining unit employees shall receive an additional longevity bonus of $40 (forty dollars) per month to be paid starting on the 1st (first) payday after the employee's anniversary date.

11.6 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.

11.7 Cost-of-Living Increases, Implementing Wage Scales, and Wage Adjustment. Employees who were employed prior to the ratification date of the first Collective Bargaining Agreement at Crestview shall receive and additional wage adjustment equal to a 1.7% per hour increase.

Upon ratification of this agreement, the Employer agrees to implement wage scales and all employees shall be placed on the appropriate step of the wage scale resulting in at least a fifty cent ($0.50) per hour increase. Employees at or above the top step of the wage scale shall also receive the fifty cent ($0.50) per hour increase referenced above. Wage scales shall have at least thirty-five cent ($0.35) per hour increases between each step and shall be incorporated as appendices to this Agreement.

Seniority Wage Corrections. Effective June 1, 2014, employees who are below the appropriate step placement shall be placed on the new higher step based on years of service.

Effective October 1, 2014 all employees shall be increased to the next step on the wage scale equivalent to a thirty-five cents ($0.35) per hour increase. Additionally, effective October 1, 2014 all employees and all steps of the wage scale shall receive the remaining Cumulative Total Economic Package annual increases as defined in Section 1.3 of the Central Table Agreement minus the thirty-five cent ($0.35) step increase (for example if the Cumulative Total Economic Package annual increases effective October 1, 2014 is seventy-five cents ($0.75) per hour, all employees and all steps of the wage scale shall receive an additional forty cents ($0.40) per hour increase). Employees at or above the top step of the wage scale shall receive the full amount of the Cumulative Total Economic Package annual increases (for example if the Cumulative Total Economic Package annual increases effective October 1, 2014 is seventy-five cents ($0.75) per hour, the employees at or above the top step of the wage scale shall receive seventy-five cents ($0.75) per hour).

Effective October 1, 2015 all employees shall be increased to the next step on the wage scale equivalent to a thirty-five cents ($0.35) per hour increase. Additionally, effective October 1, 2015, all employees and all steps of the wage scale shall receive the remaining Cumulative Total Economic Package annual increases as defined in Section 1.3 of the Central Table Agreement minus the thirty-five cent ($0.35) step increase. Employees at or above the top

step of the wage scale shall receive the full amount of the Cumulative Total Economic Package annual increases.

Effective October 1, 2016 all employees shall be increased to the next step on the wage scale equivalent to a thirty-five cents ($0.35) per hour increase. Additionally, effective October 1, 2016, all employees and all steps of the wage scale shall receive the remaining Cumulative Total Economic Package annual increases as defined in Section 1.3 of the Central Table Agreement minus the thirty-five cent ($0.35) step increase. Employees at or above the top step of the wage scale shall receive the full amount of the Cumulative Total Economic Package annual increases.

At the end of the contract term, wage scales shall be frozen and employees shall not receive step increases until both parties mutually agree to a new collective bargaining agreement.

Applying Increases. Increases apply to all bargaining unit employee wage rates, starting rates and wage scales. By subsequent mutual written agreement, the parties may agree to increase bargaining unit members' hourly wage rates, starting and wage scales more than the amount(s) specified above during the term of the contract. In the event the Employer proposes to increase starting wages rates, it is understood all existing employees and all existing points of the wage scale will also be increased to ensure no existing employees will be paid less than newly hired employees with less or equal years of experience.

Hiring Rates. The wage rates of all new employees hired on or after the effective date of this Agreement shall be in accordance with the wage scale based on years of experience in the given job classification or other relevant experience.

Avamere's Wage Scales are based upon the facility's regional demographic area as follows:

Greater PORTLAND Area –	Clackamas, King City, Hillsboro, Mt. View, Newport, South Salem, Crestview
Greater EUGENE Area –	Coos Bay, Junction City, Lebanon, Twin Oaks

Please refer to Regional Wage Scales in Appendix C of this document.

ARTICLE 12 - HOLIDAYS AND PERSONAL DAYS

12.1 Holidays. The following days shall be paid holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Upon written request with reasonable notice, a Bargaining Unit Employee may substitute one other day for either Memorial Day, Independence Day, or Labor Day, in which case, that otherwise-holiday shall not be considered a holiday for that Bargaining Unit Employee.

12.2 Scheduling Holidays Off. Holidays off shall be scheduled in an equitable manner,

taking into consideration: the needs of the residents, the Employer's needs and judgment, and the interests of the Bargaining Unit Employees.

12.3 Premium Pay on Holidays. If a Bargaining Unit Employee works on Thanksgiving, Christmas Day or New Year's Day s/he will receive double his or her regular rate of pay for all hours worked. If a Bargaining Unit Employee works on any other holiday, s/he will receive 1 ½ times his or her regular rate of pay for all hours worked. However, in order to receive either 1 ½ or two times his/her regular rate, s/he must work their scheduled holiday shift and the scheduled shift immediately prior to that shift, and their scheduled shift immediately after that holiday shift. For the purposes of this article, 'holiday' will be defined in twenty-four (24) hour increments. For example: for a shift beginning at 10:00 pm on December 24 and ending at 6:00 am on December 25th, a Bargaining Unit Employee will receive his or her regular rate of pay for the first two (2) hours of the shift and holiday pay for the last six (6) hours of the shift.

12.4 Work on a Holiday. Except where stated in Section 12.1 of this Article, if an employee does not work on a holiday, she or he shall not receive pay.

12.5 Paid Personal Day. Effective January 1, 2011, regular full time and regular part time employees shall be entitled to one paid personal day per year. This benefit shall be pro-rated for part time employees. Employees must have completed their probationary period to be eligible for a personal day. Personal days shall be scheduled by mutual agreement between the Employer and employee.

*The phrase "reasonable notice" shall mean no less than thirty (30) days notice.

ARTICLE 13 - PAID TIME OFF

13.1 PTO Accrual. Bargaining Unit Employees shall be entitled to paid time off each year (in addition to holidays and specific leaves described in Article 14- Additional Paid Leave), pro-rated for part time employees. The "year" refers to each Bargaining Unit Employee's individual employment year dating from their hiring. The end of each Bargaining Unit Employee's year is their "Anniversary".

Paid Time Off will accrue on a monthly basis as follows:

Length of service	Full-time employee
1–4 years	8.3 hours per month
5-9 years	11.66 hours per month
10+ years	15 hours per month
15+ years	18 hours per month

13.2 PTO Accrual Caps. Bargaining Unit Employees PTO shall be capped as follows:

Length of service	Full-time employee
1-4 years	100 hours
5-9 years	140 hours
10+ years	180 hours
15+ years	216 hours

13.3 PTO Cap Process. Bargaining Unit Employees shall accrue PTO on an ongoing basis from their date of hire but once a Bargaining Unit Employee reaches his/her cap, he/she shall not be permitted to accrue any additional PTO until he/she has used PTO such that his/her PTO drops below the cap.

13.4 PTO Request Approval Process. If Paid Time Off is requested in advance, the Employer will approve or deny the request in writing within fourteen (14) days of having received the written request. Paid time off requests made more than two (2) months in advance shall not be unreasonably denied. Written requests for PTO may be made up to six (6) months in advance of the requested time off. Written requests will be considered on a first come, first served basis. If two or more written requests for the same time off are received within a twenty-four (24) hour period, and if the Employer is inclined to honor the request, then the request shall be honored on a Seniority basis, as Seniority is defined elsewhere in this Agreement.

13.5 PTO and Termination of Employment

1. Resignation with proper notice – Employees who resign with proper notice (a minimum of 2 weeks), will be eligible to receive payment for all PTO earned hours at 100% the value.
2. Resignation without proper notice – Employees who resign without proper notice (less than 2 weeks) will not be paid any earned PTO time.
3. Termination for Cause – Employees who are terminated for cause will not be paid for earned PTO time.

13.6 PTO Use for Illness. Bargaining Unit Employees may use paid time off for an illness or to care for family members who are ill.

13.7 PTO Based on Regular Pay Rate. Any Paid Time Off shall be at the employee's regular pay rate.

13.8. Calling Out Sick. Bargaining Unit Employees shall not be required to find their own replacements if they use paid leave or if they use unpaid leave when they call out sick.

13.9 Leaving Work Early Due to Illness. A Bargaining Unit Employee who leaves work early due to illness or a personal emergency may use PTO for the hours of her or his scheduled shift that were not worked.

*The regular hourly rate does not include shift differentials and any incentive pay.
*"Family members" include Domestic Partners as defined in Section 14.1, Bereavement Leave.
*The word "employee" shall mean Bargaining Unit Employee.

ARTICLE 14 - ADDITIONAL PAID LEAVE

Bargaining Unit Employees, after their probationary period, shall be entitled to additional paid leave as follows:

13.1 Bereavement Leave. A Bargaining Unit Employee shall be paid her/his regular rate of pay for up to three (3) scheduled working days absence in the event of the death of an immediate family member. For the purpose of this Article, "immediate family" shall include the employee's parent, spouse, sibling, grandparent, child, grandchild, corresponding "step" relations, in-law relations, domestic partner or another member of the immediate household. "Domestic partner" shall mean a person of either gender who is neither married nor related by blood or marriage to the employee; is the employee's sole spousal equivalent; lives together with the employee in the same residence and intends to do so indefinitely; and is responsible with the employee for each other's welfare. A domestic partner relationship may be demonstrated by any two (2) of the following types of documentation: a) a joint mortgage or lease; b) designation of the domestic partner as beneficiary for life insurance; c) designation of the domestic partner as primary beneficiary in the employee's will; d) domestic partnership agreement; e) powers of attorney for property and/or health care; and f) joint ownership of either a motor vehicle, checking account or credit account.

14.2 Jury/Witness Duty Leave. A Bargaining Unit Employee who is called to serve as a juror shall receive pay for each work day missed, for up to three (3) days paid leave, minus her/his pay as a juror for those days. A Bargaining Unit Employee who is subpoenaed as a witness in any court shall receive unpaid leave; if, however, the Bargaining Unit Employee is called as a witness in a matter in which the Employer is a party, the Employee will be paid for that time.

ARTICLE 15 - UNPAID LEAVE

Bargaining Unit Employees who have completed their probationary period shall be eligible for unpaid leave.

15.1 Family Leave. 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.

15.2 Non-Work-Related Disability Leave. Bargaining Unit Employees who are disabled due to injuries, illness, or pregnancy, will be eligible for disability leave of up to six (6) months. The Employer may fill the position. Leaves for more than six (6) months may be granted at the discretion of the Employer. At the end of any such leave (regardless of duration), the Bargaining Unit Employee shall be returned to a position that is comparable in terms of pay and job classification, but which may be on a different shift.

15.3 Military Leave. Leaves of absence for the performance of duty with the US Armed Forces or with a reserve component shall be granted in accordance with applicable law.

15.4 Return from Leave of Absence. Upon return from leave of absence, a Bargaining Unit Employee shall be reinstated to his or her former position with seniority.

15.5 Union Leave. A leave of absence for a period not to exceed six (6) months shall be granted to one Bargaining Unit Employee during the term of this contract in order to accept a full-time position with the Union, provided that such a leave will not interfere with the operation of the Employer. At the end of any such leave, the Bargaining Unit Employee shall be returned to a position that is comparable in terms of pay and job classification, but which may be on a different shift.

15.6 Other Leaves. Leaves of absence may be granted by the Employer at its discretion.

ARTICLE 16 - RETIREMENT

The 401(k) plan will continue with the following provisions:

16.1 Eligibility. Eligibility after ninety (90) days of employment, twenty-one (21) years old or older.

16.2 Open Enrollment. Open enrollment is January 1-10, April 1-10, July 1-10 and October 1-10 following one (1) year of employment.

16.3 Employee Contribution. Employee can defer up to 20% of Gross Income (maximum determined by federal law.)

16.4 Employer Match. The Employer may, in its sole discretion, match up to 15% of the Employee's contribution, which is not discretionary. The Employer's contribution will be capped at $500.00.

16.5 Contribution Amounts. Contributions must be made in whole percent increments or as a specified dollar amount.

16.6 Hardship Withdrawals. Hardship withdrawals are available for the Employee under federal law. Employee loans against 401(K) accounts are not available.

ARTICLE 17 - TUITION ASSISTANCE

17.1 Program. The Employer will pay tuition and books/supplies for qualified full-time Bargaining Unit Employees up to $1,500.00 per term. Bargaining Unit Employees participating in the program will be reimbursed for tuition, books/supplies no later than thirty (30) days after submitting the receipts to the Employer.

17.2 Application Process. To apply for the continuing education benefits, the Bargaining Unit Employee must:

1. Submit a written proposal, to include class sought, requirements to be completed, time frame, estimated costs, projected classes, and the Employee's goals once the education requirement is completed. The facility administrator must sign off on it.
2. Have an excellent evaluation from the facility immediately prior to the formal education request;
3. Sign an agreement that states that the cost of education will be repaid to the Employer from the employee's paycheck under the following conditions:
   a. Failure to complete the course with a passing grade of C or better;
   b. Bargaining Unit Employee resigns or is terminated within one (1) year of the date of completion of the course.

17.3 Eligibility. The Bargaining Unit Employee must work at least one (1) year before being eligible for educational benefits. The Regional Director of Operations of Avamere Skilled Advisors, LLC, who has the option of interviewing the Bargaining Unit Employee to review the education benefit, will review the proposal.

17.4 Certification and Renewal Fees. The Employer shall reimburse for the following: C.N.A., C.M.A., RA, CPR, and Food Handlers certification. The Employer shall reimburse Bargaining Unit Employees within 30 days of receipt for fees paid to maintain certifications required as a condition of employment in their job classifications.

*Tuition Assistance will be considered a loan that is made for the exclusive benefit of the Bargaining Unit Employee. The only purpose of defining this as for the "exclusive benefit of the Bargaining Unit Employee" is that the loan be repaid to the Employer, including but not limited to his/her last paycheck. The loan is repayable only under the following conditions:
Failure to complete the course with a passing grade of C or better;
Bargaining Unit Employees resigns or is terminated within one (1) year of the date of completion of the course.

ARTICLE 18 - DISCHARGE AND PENALTIES

18.1 Just Cause. The Employer shall have the right to discharge, suspend or discipline any Bargaining Unit Employee for just cause. Examples of grounds for discipline or discharge including immediate discharge, are set forth in the Employer's Employee Handbook. Those grounds listed are examples only, and are not an exclusive list. The Union and Employer acknowledge the Employer's right to have disciplinary policies in its Employee Handbook so long as the Employer follows the principles of just cause. Offenses warranting immediate termination shall include but not be limited to a single serious action or inaction that is misconduct towards a resident, or repeated action or inaction that is abuse or neglect. To decide if an action or inaction is Serious, the Employer shall consider the following factors (no one factor is determinative, but all factors should be considered when deciding if the action or inaction was Serious):

- Was there physical or psychological injury to the resident?
- Were immediate remedial steps taken by the Bargaining Unit Employee?
- Was there recognition and contrition on behalf of the Bargaining Unit Employee?
- Do the Bargaining Unit Employee's actions show disregard for the resident?
- Did failure to follow the care plan cause injury to the resident?
- Was it reasonable to expect the Bargaining Unit Employee in his/her position to know what s/he should have done?

A government finding of abuse or neglect is not required for a conclusion that the Bargaining Unit Employee's action or inaction is defined as such. Notwithstanding any other language in this Agreement, any Bargaining Unit Employee terminated and who is later found responsible for abusing, neglecting or mistreating a resident in a final administrative action that is not under appeal or in a court of law shall be deemed to have been terminated with just cause. Further, any Bargaining Unit Employee terminated because the Employer is legally required to do so shall be deemed to have been terminated for just cause.

18.2 Resident Information. Where a Bargaining Unit Employee Grievance involves direct resident information, the Employer's failure to produce the affected resident as a witness shall in and of itself not be grounds to overturn a discharge, suspension or other discipline issued for misconduct towards a resident provided the Employer has other means of establishing evidence against the Employee.

18.3 Disciplinary Process. If a supervisor has reason to discipline a Bargaining Unit 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. All employees are entitled to be treated with respect and dignity at all times. If any conversation 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. Such conversation shall include the supervisor's explanation of why the Bargaining Unit Employee is being investigated or being disciplined. The supervisor may also elect to have a witness present during the conversation.

In a situation involving suspension of a Bargaining Unit Employee, the supervisor will provide explanation to the Bargaining Unit Employee for why the suspension is being given before the suspension begins. If a suspension is given for the purpose of investigation and such investigation is unable to substantiate the allegations then the Bargaining Unit Employee will be paid for the time spent on suspension. The Bargaining Unit Employee will receive that pay on the pay period following the suspension.

18.4 Principles of Progressive Discipline. Except for offenses so serious as to warrant immediate termination, as defined in Section 18.1 of this Article, the Employer will apply the principles of progressive discipline.

18.5 Discharge and Suspension Notification. 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.

18.6 Discharge and Suspension Grievances. Grievances about suspensions and discharges will start at Step 1 of the grievance process.

18.7 Removing Disciplines from Personnel File. A record of disciplinary action related to resident care shall be removed from an employee's personnel file twenty-four (24) months after it was issued, except that if a Bargaining Unit Employee receives a related discipline during the twenty four (24) month period, the original discipline will remain in his or her file until twenty-four (24) months have elapsed during which the Bargaining Unit Employee received no related discipline. This provision shall not apply to disciplines issued for resident abuse, resident neglect, sexual or racial harassment, medication errors, or other behavior that violates state or federal law.

ARTICLE 19 - PERSONNEL RECORDS

19.1 Personnel Files. Personnel files are the Employer's property. A Bargaining Unit Employee shall be permitted to examine all materials in her/his personnel file within three (3) working days of making such a request. The records may be reviewed in the presence of an Employer representative. The Bargaining Unit Employee will receive copies within five (5) working days, upon written request.

19.2 Disciplinary Materials and Evaluations. No disciplinary material and/or evaluations shall be placed in a Bargaining Unit Employee's personnel 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.

*The phrase "working days" shall mean non-weekend/holiday days.

ARTICLE 20 - GRIEVANCE & ARBITRATION PROCEDURE

20.1 Grievance. It is the desire of the parties to this Agreement that grievances be resolved

informally whenever possible and at the first level of supervision. The Open Door Concept is for an employee and an immediate supervisor to discuss the problems together. The Open Door Concept is an informal way of resolving problems early, preserving working relationships and promoting a productive work environment for all employees. To facilitate open communication between and promptly resolve problems, employees are encouraged to bring any work-related questions or concerns to the attention of the Employer. The Employer welcomes such discussions because it allows the Employer to maintain a productive and harmonious atmosphere. Employees will not be subject to any adverse employment actions for raising good-faith concerns in a professional manner. Although any member of management may be contacted to discuss a problem or concern, the Employer recommends that employees try to resolve the situation first with their immediate supervisor, as that person is generally in the best position to evaluate the situation and provide an appropriate solution. If an employee is not satisfied with the supervisor's decision, or the employee is uncomfortable discussing the issue with the immediate supervisor, the employee may go to the person his/her immediate supervisor reports to. Concerns may be voiced verbally or submitted in writing. Employees have a right to Union Representation for any dispute arising out of the application of this Agreement. Regardless of the Open Door Concept, the timeline of the grievance process will still be followed. 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:

Step 1. Within fourteen (14) calendar days after the employee knew or reasonably should have known of the cause of any grievance, an employee having a grievance and her/his Union delegate 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 seven (7) calendar days after the grievance hearing. The written grievance shall specifically set forth the nature of the grievance, the facts upon which it is based, the provisions of the Agreement allegedly violated and the remedy sought.

Step 2. If the grievance is not settled in Step 1, the grievance may, within seven (7) calendar 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 2 grievances will be handled as follows:

a. 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.
b. 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 Employer's facilities are discussed.

c. 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.
d. Step 2 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.
e. The designated day will be rescheduled if it falls on a holiday or if there is mutual agreement.
f. If a grievance is appealed to Step 2 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 (72) hours prior to the designated day, the Union shall have the option of postponing the hearing until the next month.
g. 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.
h. The Employer shall respond to Step 2 grievances seven (7) calendar days from the Step 2 grievance meeting, but no later than fourteen (14) calendar days from when the grievance was filed at Step 2 in the event that no Step 2 grievance meeting occurred.

20.2 Arbitration

1. Arbitration Filing and Arbitrator Selection. If the grievance or complaint is not settled on the basis of the foregoing process, the Union may submit a written demand for arbitration of the issue within twenty-one (21) calendar days after the Employer's denial notification in Step 2 is sent. If the Employer and the Union fail to agree on an arbitrator or a permanent panel of five (5) arbitrators has not been mutually established, upon the timely submission of a demand for arbitration, the Federal Mediation and Conciliation Service (hereinafter called the "FMCS") FMCS shall provide the parties with a list of nine (9) arbitrators, of which at least five (5) must have earned a Juris Doctor degree from the graduate program of a law school accredited by the American Bar Association. Within seven (7) calendar days after receiving the list, the parties shall select the arbitrator by alternately striking names from the list. The last remaining name shall be the arbitrator. The party proceeding first in the striking of names procedure shall be determined by coin toss.
2. Arbitration Timelines. Once an arbitrator has been properly selected, an arbitration date must be set within sixty (60) calendar days of such selection. The

Union and the Employer may, with mutual agreement, make procedural changes to the following arbitration process given unique circumstances of individual cases. Prior to the arbitration hearing date, the Employer and Union will develop a stipulation of facts and use affidavits and other time saving methods whenever possible. The hearing will be completed within one (1) business day unless otherwise agreed upon by the parties. The arbitrator shall conduct the hearing in whatever manner will most expeditiously permit full presentation of the evidence and arguments of the parties. Any arbitrator accepting an assignment under this Article agrees to issue an award within thirty (30) calendar days of the close of the hearing or sixty (60) calendar days if post-hearing briefs are submitted.

3. Arbitrator Award and Cost. Any dispute as to arbitrability may be submitted and determined by the arbitrator. The Arbitrator's determination shall be final and binding. All decisions of the Arbitrator shall be limited to the terms and provisions of this Agreement and in no event may the terms and provisions of this Agreement be altered, amended or modified by the Arbitrator. Unless otherwise provided in this Article, all costs, fees and expenses of the Arbitration, including the cost of the Arbitrator, court reporter, hearing transcript (if requested by either party or the arbitrator), and any hearing room, shall be borne by the party whose position is not sustained by the Arbitrator. If, in the opinion of the Arbitrator, neither party's position is clearly sustained by the Arbitrator, the Arbitrator shall assess the foregoing costs to each party on an equal basis. In all arbitrations, each party shall pay its own attorney's fees and the cost of the presentation of its respective case, including the cost of any expert witnesses.
4. Timelines. In order to be timely filed, the Union's demand for arbitration must be submitted within twenty-one (21) calendar days after receipt of the Employer's denial notification in Step 2. Except as otherwise indicated, the time periods and limits provided herein shall be calculated as of the date of actual receipt. All notifications under this Article shall be sent via fax, e-mail or certified mail or be delivered by in-hand service. Such time periods may be extended only by mutual written agreement of the Employer and the Union. In the absence of such agreement, the time limits shall be mandatory.
5. The failure of the aggrieved employees or Union to properly present a grievance in writing initially, to process a grievance in any of the steps in the grievance procedure thereafter and/or to submit the grievance to arbitration in accordance with the express time limits provided herein, shall automatically constitute a waiver of the grievance and bar all further action thereon.
6. The failure of the Employer to submit a response in any of the steps of the grievance procedure or to meet with the Union Representative within such time periods, shall not constitute acquiescence thereto or result in the sustaining of the grievance. The failure to so respond or meet shall be deemed a denial of the grievance as of the expiration date of the applicable adjustment period. Should the Union desire to pursue the grievance further, it may, within seven (7)

calendar days of such expiration date, submit the grievance to the next step of the Grievance and Arbitration Procedure.

ARTICLE 21 - SEPARABILITY

If any part of this Agreement is against any current laws or laws passed in the future, that part of the contract shall be superseded, but all other parts of the Agreement shall remain in effect.

ARTICLE 22 - LABOR-MANAGEMENT COMMITTEE

The parties agree to meet and discuss issues of concern and importance to each. Such meetings will occur every month and either party may submit items for discussion. The Employer and the Union shall each designate their own committee members. Bargaining Unit LMC membership shall be one (1) LMC member for every ten (10) people in the bargaining unit, but will not exceed three (3) bargaining unit members, to a maximum of three (3) non-Bargaining Unit Employees, which committee membership may vary from month to month based on the agenda items or for other reasons. Topics for discussion may include, but are not limited to:

- Resident care
- Training needs
- Staffing levels
- Staff recognition
- Staff morale
- Facility policies
- Scheduling
- Political issues relating to nursing homes

Bargaining Unit Employees will be paid for such time. This LMC will not have any authority to bargain, or reach agreement over any terms or conditions of employment. This LMC will not have any authority to change any terms of this Agreement.

ARTICLE 23 - SAFETY & TRAINING

23.1 Safety Rules and Regulations. The Employer shall carry out its obligations as set forth in applicable federal, state and local laws and regulations to provide a safe and healthy work environment for its Bargaining Unit Employees. The Employer shall be responsible for enforcement of such rules and regulations and of its own safety rules and regulations.

23.2 Equipment, Materials and Training. The Employer shall provide the necessary equipment, materials and training to Bargaining Unit Employees in order to provide a safe workplace.

23.3 Infectious Disease. The Employer shall provide Bargaining Unit Employees with information about residents' infectious diseases provided that such information does not compromise residents' rights to confidentiality.

23.4 Employer Paid Vaccines and Tests. The Employer shall make hepatitis B vaccines, flu vaccines, initial TB tests, and initial chest x-rays (if an employee's TB test is positive) available to Bargaining Unit Employees at no cost to the employee. The Employer will pay for lice and scabies tests and treatment in the event of a documented case at the facility.

23.5 Safe Equipment and Safe Conditions. No Bargaining Unit Employee shall be required to work on, with or about an unsafe piece of equipment or under an unsafe condition. This language may only be invoked after a Bargaining Unit Employee discusses the matter with his or her supervisor and, if disagreement still exists, with the Administrator, or in his/her absence, his/her designee. Whether the situation constitutes an unsafe condition will be based upon safety guidelines to be determined by the Labor-Management Committee and the Safety Committee.

ARTICLE 24 - NO STRIKE/NO LOCKOUT

24.1 No Strike/ No Lockout. 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.

24.2 Union Notification. If an Employee or Bargaining Unit 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 Bargaining Unit Employees to cease such action and promptly return to their jobs.

24.3 Violation. Bargaining Unit Employees who participate in a strike in violation of this Article will be subject to discipline up to and potentially including termination.

24.4 Union Communication. In the event of a violation of the no-strike provision, the Union will:
Publicly disavow such action by the Bargaining Unit Employees;
Notify the Bargaining Unit Employees of its disapproval of such action and instruct such Bargaining Unit Employees to cease such action and return to work immediately;
Post notices on Union bulletin boards advising that it disapproves of such action and instructing Bargaining Unit Employees to return to work immediately.

24.5 Informational Picketing. In recognition of the unique partnership between the Union and the Employers 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.

ARTICLE 25 - SUCCESSORSHIP

In the event a facility is to be sold, assigned, leased or transferred, the Employer shall notify the Union in writing, at least sixty (60) calendar days prior to such transaction, subject to SEC and other applicable laws and regulations. Such notice shall include the name and address of the prospective new owner, assignee, lessee or transferee. The Employer shall meet with representatives of the Union to bargain over the effects of the transaction on bargaining unit employees, not later than forty-five (45) days prior to any transaction. No confidential business information shall be disclosed to Union at any time unless the Union agrees to suitable arrangements for protecting the confidentiality and use of such information.

When the Employer's notification to Union requirement is triggered above per a qualified transaction, the Employer shall also notify the prospective new owner, assignee, lessee, or transferee Successor in writing of the existence of this Labor Agreement and provide a copy.

The Employer agrees that, in the event that it decides to sell any facility covered under this Agreement, which facility shall continue to be operated as a skilled nursing facility, the Employer shall require as a condition of any sale that the successor operator recognize the Union as the exclusive collective bargaining agent for currently-represented employees at the facility; and further as condition of sale, the buyer shall be obligated to continue the terms and conditions of the collective bargaining agreement for a period of one hundred and twenty (120) days, in which time the successor employer has the option to notify the Union it wishes to negotiate the terms and conditions of employment during that period. If the successor employer does not exercise that option then the Collective Bargaining Agreement shall remain intact through its full term.

a. Nothing in this provision shall require the successor employer to offer the same medical, dental or vision insurance plans, or the same retirement or 401k, or the same group life or disability plans. The successor employer may implement its own medical, dental or vision plans, retirement or 401k plan, disability plan, and group life insurance plan and may also implement its own time off plan.

b. With regard to the medical insurance benefits, the successor employer shall offer a plan that is similar on the whole to the Employer offered plan.

c. Nothing in this provision shall require the successor employer to continue in effect the contractual vacation and sick leave provisions provided that the successor employer offers a comparable amount of time off as the total time off amounts for vacation and sick leave contained in this Agreement.

d. In the event that the Employer is unable to find a purchaser that is willing to purchase the facility under the terms and conditions specified herein and the Employer is faced with closing the facility, the Employer shall notify the Union of its intent to close the facility. Upon notifying the Union, the parties shall meet

within ten (10) business days to discuss the possible closure. The Employer shall provide evidence of its intent to close because the potential buyer will not purchase the facility if said buyer has to honor the "successorship" provision. Upon providing such evidence, the Employer shall be relieved of its obligation under the "successorship" provisions of the contract.

The Employer shall have no responsibility or liability for any breach of the provisions of this Section by the successor employer as long as the Employer performs the obligations set out in this Article.

ARTICLE 26- HEALTH INSURANCE

26.1 Joint Legislative Work. Parties agree to work jointly to resolve affordability concerns through Oregon-based legislative solutions, such as directly passing health insurance cost increases to the Medicaid program. To the extent parties establish a cost-reimbursed minimum benefit level of health insurance and/or direct pass-through of actual Employer costs that enables all Employers to provide 100% employer-paid health insurance, parties will reopen this Agreement and bargain as expected per the legislative results.

26.2 Payroll Deductions. Employees shall authorize payroll deductions to pay for their portion of the coverage.

26.3 Health Care Joint Committee. The Employer and the Union shall establish a joint committee for the purposes of maintaining quality, affordable health care for bargaining unit employees. The committee shall have five (5) bargaining unit employees selected by the Union and five (5) Employer representatives. Meetings shall take place quarterly or as mutually agreed, and the bargaining unit employees shall be paid her/ his base hourly wage for all hours worked during committee meetings.

26.4 Employee Contributions. The Employer agrees to maintain current employee premium contribution amounts for all plans and coverage levels without change for the remainder of the current plan year. For each plan year for the duration of the contract, the Employer agrees to maintain existing premium contribution amounts for all plans and coverage levels as shown in Section 6 of this article. Any increases in premium levels will be purchased using the remainder of the Cumulative Total Economic Package from October 1, 2013.

26.5 Benefits in Existence. Bargaining Unit Employees will receive the Health, Dental and Life Insurance Benefits in Existence at ratification of this Agreement. By "Benefits in Existence" the Employer and the Union mean that the Employer will maintain the following premium contribution amounts till 6/30/14:

Without Wellness Plan	With Wellness Plan	Catastrophic Plan
78% of Employee only premium	85% of Employee only premium	100% of Employee only premium

For Health Plan Years 7/1/14 – 6/30/15, 7/1/15 – 6/30/16, 7/1/16 – 6/30/17, existing employee premium contribution amounts are defined below:

Employer	Tier	Plan	Employee Contribution Per Month
Avamere	EE Only	Kaiser	$99.92
Avamere	EE/Child(ren)	Kaiser	$508.66
Avamere	EE Only	Kaiser Wellness	$68.12
Avamere	EE Only	Base	$74.96
Avamere	EE+1 Child	Base	$175.46
Avamere	EE+2 Children	Base	$276.46
Avamere	EE Only	Base Pstx	$74.96
Avamere	EE Only	Base Wellness	$51.04
Avamere	EE/Spouse	Base Wellness	$442.04
Avamere	EE Only	Premium	$117.96
Avamere	EE+1 Child	Premium	$276.96
Avamere	EE+2 Children	Premium	$435.96
Avamere	EE Only	Premium Well	$84.00

26.6 Plan Design, Employee Input, Co-Pay Reimbursements, Other. The Employer pays none of the premium for any persons in addition to the Employee. "Benefits in Existence" does not mean that the plan itself, or any co-pays, charges from the plan, provider(s) deductibles, or any other plan design elements will remain the same during the life of this contract. The Employer shall negotiate with plan providers during the life of this Contract, and shall, in good faith, agree to such plan designs. Employer shall use its best efforts to try to maintain a plan providing similar benefits for similar costs, including normal inflationary increases for health insurance in the same geographic area. The Union shall designate one Bargaining Unit Employee who shall join with representatives of the Employer at negotiations towards any new or revised health, dental and life insurance plan. This employee shall be empowered to comment upon the plan negotiations, but all decision-making authority shall rest with Employer. Employee shall be paid for this time. Employer shall reimburse Bargaining Unit Employees for the first two co-pays in each of the four (4) calendar years of this Agreement, to a maximum of $50.00 in total for each year. In order to receive reimbursement, the employee must submit to the Employer proof of payment.

26.7 Employee Eligibility. The Employer shall not change hours for employees for the sole purpose of limiting eligibility to health benefits coverage.

26.8 Grand-Parenting of Spousal Coverage. The Employer agrees to use best efforts to add the below language to all Collective Bargaining Agreements unless legal concerns are presented in writing that would preclude the Employer from doing so. It is the intent of the Parties to Grand-Parent Spousal Coverage if found to be legal.

"Spousal Medical Coverage. Employees, who did not elect to take the employee plus spouse coverage on or before open enrollment 2014, shall not be eligible for such coverage by the Employer. Employees, who elected to take spousal coverage on or before open enrollment in 2014, will have the option to continue that coverage. An employee currently receiving spousal coverage who drops such coverage at 2014 open enrollment will no longer be eligible for spousal coverage in the future."

"It is expressly anticipated that otherwise eligible individuals will be eligible to enroll in Medicaid and CHIP, and that spouses who otherwise meet the requisite income tests will be eligible to receive individual subsidies under the Affordable Care Act. If, as the result of the requirements of this Article, such individuals are made ineligible for such program or credits, the Union shall have the ability to modify the Employer's obligation to provide health coverage at the next available open enrollment opportunity in a manner that will restore such eligibility for all eligible spouses, provided the modification does not result in an increase in the cost to the Employer."

ARTICLE 27 – SUBCONTRACTING

27.1 Sub-Contracting. The Employer agrees that there shall be no sub-contracting of bargaining unit work, with the exception of Housekeeping and Laundry, for the duration of this Agreement unless the Parties mutually agree to sub-contract Dietary bargaining unit work upon Employer's demonstration of extraordinary circumstances. Employer shall give the Union thirty (30) days notice of any sub-contracting of bargaining unit work during the life of this Agreement. The Employer will meet with the Union during said thirty (30) day period to discuss the impact of the sub-contracting on bargaining unit employees. This Article does not apply to agency staff being utilized when necessary.

27.2 Initial Sub-Contracting. In the event that the Employer enters into an initial contract with a Sub-Contractor to provide Housekeeping and/or Laundry services, the Sub-Contractor shall execute with Union the Memorandum of Agreement ("MOA") in Section 4 of this Article.

27.3 Pre-existing Sub-Contracting. An Employer, with a pre-existing contract with a Sub-Contractor of Housekeeping and/or Laundry employees who are not represented by the Union, shall follow the organizing process for such workers as defined in the 2008 "Agreement Between SEIU Local 503 and Responsible Companies Creating a Labor-Management Coalition for Quality Care" which is incorporated herein by reference. The Employer shall condition the extension and/or renewal of any sub-contracting agreement with the Sub-Contractor on executing with Union the MOA in Section 4 of this Article.

27.4 Memorandum of Agreement Between Union and Sub-Contractor.

MEMORANDUM OF AGREEMENT

It is hereby agreed by and between [Subcontractor] (the "Employer"), and SEIU Local 503 OPEU (the "Union") as follows:

1. The Employer recognizes the Union as the exclusive collective bargaining agent for all full-time and regular part-time Housekeeping, and Laundry employees (if any) employed by the Employer at the following facility operated by [Operator's Legal Name]: [Facility dba Name & Address]. Excluding: All other employees, confidential employees, managers, guards, and supervisors as defined in the Act.

2. The Employer and the Union agree to be bound by the terms and conditions of the collective bargaining agreement (the "CBA") currently in effect (and any subsequent amendments) and expiring on midnight September, 30 2017 between the Union and [Operator's Legal Name and/or Facility Name] for the Employer's Housekeeping and Laundry employees (if any) employed at [Facility Name], except as expressly provided below.
   a. A copy of the CBA is attached hereto as Exhibit 1 and incorporated herein.
   b. All bargaining unit eligible employees working for Employer at the facility in housekeeping and/or laundry will be hired by the Sub-Contractor.
   c. Employer's health and dental benefits will be the equivalent or better.
   d. The terms and conditions of employment set forth in the Employer's Employee Handbook, as modified from time to time, and the Employer's general Human Resources Policies and Procedures, as modified from time to time, shall govern the employment of employees covered by this Memorandum of Agreement (the "MOA") to the extent that any such term, condition, policy, or procedure is not inconsistent with this Agreement. If the Union believes that any such term, condition, policy, or procedure is in conflict with the MOA it shall have the right to file a grievance either when any such term, condition, policy, or procedure is initially implemented, or alternatively, when any such term, condition, policy, or procedure is applied to any employee such that the employee is either disciplined or terminated.
   e. Affected employees hire dates, seniority, and hourly wage rates will be maintained and not reduced. [The applicable base hourly wage rates are attached hereto as Exhibit 2].
   f. Employees shall wear uniforms as provided by Employer.
   g. Employee payday will be on _____.

3. The Employer and the Union agree to be bound by and comply with the grievance and arbitration procedure set forth in the CBA for any and all disputes that may arise with reference to the application or interpretation of the provisions of this MOA.

4. This MOA shall be effective as of [Execution Date] and will remain in full force and effect through midnight September 30, 2017, and shall be renewed from year to year

thereafter, provided that either party hereto may reopen the Agreement to modify, amend or terminate any of the provisions hereof by serving written notice on the other party at least ninety (90) days prior to midnight, September 30, 2017, or a subsequent September 30th of any contract year in which this Agreement remains in effect. The Employer further agrees that in addition to the Union's notice to [Operator Name] regarding modification, amendment, or termination of the CBA the Union shall provide notice to the Employer under this Agreement, and that the Employer shall be bound to any amendments or modifications to the current CBA that are negotiated and agreed to by the Union and [Employer Name] and that it shall sign an updated MOA and be bound by the terms of any successor CBA negotiated and agreed to by the Union [Employer Name], for Employer's Housekeeping and Laundry employees (if any) employed at [Facility Name].

[Subcontractor Name]	SEIU Local 503 OPEU
_____	_____
Name	Name

EXHIBIT 1

The "Collective Bargaining Agreement between SEIU Local 503 OPEU and [Operator Name and/or Facility Name]" for October 1, 2013 through September 30, 2017 is hereby incorporated by reference."

ARTICLE 28 – STAFFING

The Employer and Union agree to continue to discuss staffing in facility-based Labor Management Committees. In addition, each Employer agrees to summarize in writing its companywide policy related to the following issues to be presented for discussion at the Oregon Responsible Employers and SEIU Alliance Labor Management Committee before March 1, 2014:

CNA Staffing
The process for CNA's change of shift reporting
Certified Medication Aide Staffing

ARTICLE 29 – DURATION

This Agreement shall be effective on June 26, 2014 and shall remain in full force and effect through September 30, 2017, and from year to year thereafter, provided that either party may serve written notice on the other at least ninety (90) days prior to September 30, 2017, or any subsequent anniversary date the Agreement remains in effect, of its desire to amend or terminate any provision of the Agreement. Any change agreed upon by the parties shall be reduced to writing and executed by duly authorized officers or agents of the parties to this Agreement.

SIGNATURES

IN WITNESS WHEREOF, each party has caused this Agreement to be executed by their duly authorized officers and/or representatives on the date set forth immediately below their signature.

For the Union:

12.8.14

Heather Conroy Date
SEIU Local 503 Executive Director

For the Employer:

12/18/14

William G. Paven Date
Vice President Human Resources, Avamere

1-12-15

Ike Ebukam Date
Certified Medication Aide

1-12-15

Joni Lydic Date
Certified Nursing Assistant

1.23.15

Diane Parker Date
Certified Nursing Assistant

1.8.15

Sun Strait Date
Chief Negotiator, SEIU Local 503

UNION SECURITY NOTICE: EXHIBIT A

Dear Union Represented Employee,

Under the terms of the collective bargaining agreement in effect between your union SEIU Local 503, OPEU, and the employer, you must either become a member and pay dues or pay a fair share fee. Payment of dues or fair share fee is a condition of continued employment. Dues or fair share fee will be deducted through payroll deduction from your check. Dues are based on regular hours worked, not on overtime.

You will receive a union membership application in the mail soon, along with a copy of your union contract and information about additional union benefits.

If you have any questions regarding the union, you can contact your union steward or officers or call the SEIU Local 503, OPEU office at 1-800-527-9374.

RECALL NOTICE: EXHIBIT B

Dear Union Represented Employee,

Under the terms of the collective bargaining agreement between your union, SEIU Local 503, OPEU and the employer, whenever a vacancy occurs while Bargaining Unit Employees are laid off, Bargaining Unit Employees who are qualified to fill the vacancy are recalled in order of seniority as long as it is within eighteen months of the layoff.

You are being recalled to work and have the option to return to employment. You have 24 hours from when you've received this letter to indicate whether or not you want to return to employment. If you do not notify your employer within 24 hours then you will have waived your right to be recalled. Please contact your union steward or call the SEIU local 503 office at 1-800-527-9374 if you have any questions.

Letter of Agreement - Experience Credit Grid
Between

SEIU, Local 503 and Avamere Health Services, Inc

All Bargaining Unit employees hired after ratification date of this Agreement will be placed at wage rates on the wage scale according to the Experience Credit Grid, Appendix 11A.

Appendix 11A – Experience Credit Grid

Position	Avamere	SNF	Acute	Cert Health Care	Industrial	Sit Down	Health Care	Other
C.N.A.	100	80	50	25				
C.M.A.	100	80	50	25				
Cook	100				80	50		
Dietary Aide	100						80	50
Act Ast	100	80						50
Recep	100							80
Med R Asst	100	80					60	
Soc Serv Asst	100	80					60	
Feeding Asst	Min Wage							

For the Union:

12-8-14

Heather Conroy — Date
Executive Director
SEIU Local 503

For the Employer:

12/18/14

William G Paven, PHR — Date
Vice President Human Resources
Avamere Health Services, Inc

Appendix A: Central Table Memorandum of Agreement (the "CT-MOA")
between
SEIU Local 503 (herein "Union")
and
Avamere Health Services LLC, EmpRes 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 CT-MOA and attachments are resolved and not subject to additional bargaining, except as provided herein; and shall be included in the complete final CBAs for each Signatory Employer. Such final CBAs are subject to ratification by union members for each Signatory Employer. The Employer and the Union agree to be bound by and comply with the grievance and arbitration procedure set forth in the CBAs for any and all disputes that may arise with reference to the application or interpretation of this CT-MOA. The following summarizes the Agreement between the parties on all issues negotiated in coordinated bargaining:

The parties agree to maintain the mutually beneficial relationship established in the "Agreement Between SEIU Local 503 and Responsible Companies Creating a Labor-Management Coalition for Quality Care" that balances Employer's competitive needs and Union's goals for the Partnership (page 1, PREAMBLE AND MISSION, "Whereas, SEIU and Responsible Companies operating nursing facilities share an interest in improving the quality of care that Oregonians receive, improving the economic ability of companies to sustain responsible operations, and improving nursing facility worker wages, benefits, and quality of working life).

ARTICLE- WAGES

Section 1: Cumulative Total Economic Package Updated Annually Per Changes in the Actual Cumulative Net Medicaid Rate Increase Over the Four Year Term of the Contract: Employers and Union agree to work together through the duration of the Contract 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). In order to protect the cumulative economic package increases projected below and to improve the quality of resident care, the parties will advocate legislatively to secure the following projected Net Medicaid Rates (i.e., the daily Medicaid Rate minus the long-term care assessment tax) over the next four (4) years: $236.38 for 7/1/13- 6/30/14; $245.90 for 7/1/14-6/30/15; $255.62 for 7/1/15-6/30/16; and $265.72 for 7/1/16-6/30/17. If the actual Net Medicaid rates are different from the aforementioned projections, the cumulative total

economic package annual increases shall be altered as follows:

1.1 Starting in rate year 7/1/14-6/30/15, as soon as a State Official posts actual Medicaid rates, Union and Employer shall meet and confer to calculate the actual cumulative net increase from the 7/1/12-6/30/13 Net Medicaid rate of $193.77.

1.2 By each September 1st during the term of the contract, the Union and Employer shall compare the actual cumulative Net Medicaid rate increase total to date from the applicable projected cumulative Net Medicaid rate increase to date as follows: 7/1/13-6/30/14 forty-two dollars and sixty-one cents ($42.61); 7/1/14-6/30/15 fifty-two dollars and thirteen cents ($52.13); 7/1/15-6/30/16 sixty-one dollars and eighty-five cents ($61.85); and 7/1/16-6/30/17 seventy-one dollars and ninety-five cents ($71.95).

1.3 The Cumulative Total Economic Package annual increases per this agreement shall be defined as follows: one dollar and fourteen cents ($1.14) on 10/1/13; seventy-five cents ($0.75) on 10/1/14; one dollar and thirteen cents ($1.13) on 10/1/15; and seventy-five cents ($0.75) on 10/1/16. If the actual cumulative Net Medicaid rate increase differs from the projected cumulative Net Medicaid rate increase by less than eight percent (8%), the parties shall implement the "total economic package" increase(s) per this agreement.

1.4 If, instead, the actual Net Medicaid rate increase differs from the projected cumulative Net Medicaid rate increase by eight percent (8%) or more, the parties shall adjust the remaining Cumulative Total Economic Package as follows:

1.4.1 First, Union and Employer shall subtract eight percent (8%) from the difference between the actual cumulative Net Medicaid rate increase and the projected cumulative Net Medicaid rate increase.

1.4.2 Second, Union and Employer shall multiply the remainder by $0.052 and round the product to the nearest $0.01.

1.4.3 If the foregoing product is positive, the next scheduled annual increase in the Cumulative Total Economic Package shall be adjusted upward by that dollar amount, unless mutually agreed otherwise, and subject to the Section 1.4.5 minimum/maximum adjustments to the economic package.

1.4.4 If, however, the foregoing product is negative, the next scheduled annual increase in the Cumulative Total Economic Package shall be adjusted downward by that dollar amount, unless mutually agreed otherwise, and subject to the Section 1.4.5 minimum/maximum adjustments to the economic package.

1.4.5 Notwithstanding any adjustment per application of Sections 1.141 through 1.4.4, in no case shall the annual increase in the Cumulative Total Economic Package effective 10/1/14, 10/1/15 and 10/1/16 be less than thirty-five cents ($0.35), or greater than one dollar and

twenty-five cents ($1.25).

1.5 Each September 1st, the parties shall enter the fiscal year's daily Medicaid Rate and the long-term care assessment effective the preceding July 1st into the corresponding cell of the Excel Spreadsheet titled "2013-2017 SEIU Responsible Employers Total Economic Package Formulas" (the "Spreadsheet") as shown in Attachment I and the electronic version, relayed by electronic mail between the parties on September 25, 2013, is incorporated herein by reference. The parties will use the Spreadsheet to determine the Cumulative Total Economic Package annual increase each year starting with September 1, 2014.

1.6 No wage and/or employee benefit change negotiated pursuant to this agreement shall be effective until the employer receives the Medicaid Rate issued by DHS for that year. If implementation is delayed, all wage and/or employee benefit changes due under the Cumulative Total Economic Package shall be retroactive to Oct. 1st upon Employer's receipt of the new annual Medicaid Rate.

Section 2. Amount of the Cumulative Total Economic Package Spent Annually: The Employers agree to spend the Cumulative Total Economic Package as follows. Each October 1st and subject to adjustment by application of Section 1, the Employer shall spend over the duration of the agreement a Cumulative Total Economic package of three dollars and seventy-seven cents ($3.77) implemented per the following specific annual percentages: October 1, 2013 thirty percent (30%); October 1, 2014 twenty percent (20%); October 1, 2015 thirty percent (30%); and October 2016 twenty percent (20%).

Section 3. Timing of Hourly Wage Increase: Employer shall apply the following specific hourly wage increases per the corresponding dates. Once Employer receives an updated net Medicaid rate change, all Cumulative Economic Package amounts available for wage-related increases will be implemented effective the first full pay period following the below enumerated dates. All increases specified below shall apply to all bargaining unit member wage rates, starting rates and wage scales, wage grids and/or wage matrix (where applicable).

3.1 Retroactively effective October 1, 2013, the Employer agrees to add a seventy cents ($0.70) per hour increase to each bargaining unit member's regular hourly rate of pay. The Employer agrees to add an additional forty four cents ($0.44) per hour increase retroactively effective to October 1, 2013 to be bargained at Company Bargaining Tables, in accordance with the "Individual Company Bargaining" provision of this CT-MOA, 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. In the event the Union and the Employer do not reach mutual agreement, the Union maintains the right to add the additional forty four cents ($0.44) per hour increase retroactively effective to October 1, 2013 outlined above to be applied as a per hour increase to each bargaining unit member's regularly hourly rate of pay, starting rates and wage scales, wage grids and/or wage matrix (where applicable).

3.2 Effective October 1, 2014, in accordance with the Cumulative Total Economic Package annual increases, the Employer agrees to add a minimum thirty-five cents ($0.35), a projected seventy five cents ($0.75), the calculated Cumulative Total Economic Package (amount determined by formula), or a maximum one dollar and twenty five cents ($1.25) per hour increase to each bargaining unit member's regular hourly rate of pay, starting rates and wage scales, wage grids and/or wage matrix (where applicable).

3.3 Effective October 1, 2015, in accordance with the Cumulative Total Economic Package annual increases, the Employer agrees to add a minimum thirty-five cents ($0.35), a projected one dollar and thirteen cents ($1.13), the calculated Cumulative Total Economic Package (amount determined by formula), or maximum one dollar and twenty five cents ($1.25) per hour increase to each bargaining unit member's regular hourly rate of pay, starting rates and wage scales, wage grids and/or wage matrix (where applicable).

3.4 Effective October 1, 2016, in accordance with the Cumulative Total Economic Package annual increases, the Employer agrees to add a minimum thirty-five cents ($0.35), a projected seventy five cents ($0.75), the Calculated Total Economic Package (amount determined by formula) per hour increase to each bargaining unit member's regular hourly rate of pay, starting rates and wage scales, wage grids and/or wage matrix (where applicable).
By subsequent mutual written agreement, the parties may agree to increase bargaining unit member's hourly wage rates, starting rates and wage scales, wage grids and/or wage matrix (where applicable) more than the amount(s) specified above during the term of the contract. The Employer will ensure that no current employee is paid less than a newly hired bargaining unit member who has an equal or lesser number of years of experience in the same job classification or other relevant experience.

Section 4. No Reductions. Nothing in this Agreement shall result in a reduction of base hourly wage rates for employees with the exception of temporary administrative payroll errors.

ARTICLE – HEALTH BENEFITS

Section 1: Joint Legislative Work: Parties agree to work jointly to resolve affordability concerns through Oregon-based legislative solutions, such as directly passing health insurance cost increases to the Medicaid program. To the extent parties establish a cost-reimbursed minimum benefit level of health insurance and/or direct pass-through of actual Employer costs that enables all Employers to provide 100% employer-paid health insurance, parties will reopen this Agreement and bargain as expected per the legislative results.

Section 2. Payroll Deductions: Employees shall authorize payroll deductions to pay for their portion of the coverage.

Section 3: Health Care Joint Committee. The Employer and the Union shall establish a joint committee for the purposes of maintaining quality, affordable health care for bargaining unit employees. The committee shall have five (5) bargaining unit employees selected by the

Union and five (5) Employer representatives. Meetings shall take place quarterly, or as mutually agreed, and the bargaining unit employees shall be paid her/ his base hourly wage for all hours worked during committee meetings.

Section 4: Employee Contributions. The Employer agrees to maintain current employee premium contribution amounts for all plans and coverage levels without change for the remainder of the current health plan year.

Section 5: Employee Eligibility. The Employer shall not change hours for employees for the sole purpose of limiting eligibility to health benefits coverage.

Section 6: Grand-Parenting of Spousal Coverage. The Employer agrees to use best efforts to add the below language to all Collective Bargaining Agreements unless legal concerns are presented in writing that would preclude the Employer from doing so. It is the intent of the Parties to Grand-Parent Spousal Coverage if found to be legal.

"Spousal Medical Coverage. Employees, who did not elect to take the employee plus spouse coverage on or before open enrollment 2014, shall not be eligible for such coverage by the Employer. Employees, who elected to take spousal coverage on or before open enrollment in 2014, will have the option to continue that coverage. An employee currently receiving spousal coverage who drops such coverage at 2014 open enrollment will no longer be eligible for spousal coverage in the future."

"It is expressly anticipated that otherwise eligible individuals will be eligible to enroll in Medicaid and CHIP, and that spouses who otherwise meet the requisite income tests will be eligible to receive individual subsidies under the Affordable Care Act. If, as the result of the requirements of this Article, such individuals are made ineligible for such program or credits, the Union shall have the ability to modify the Employer's obligation to provide health coverage at the next available open enrollment opportunity in a manner that will restore such eligibility for all eligible spouses, provided the modification does not result in an increase in the cost to the Employer."

ARTICLE – SUBCONTRACTING

Section 1: Sub-Contracting: The Employer agrees that there shall be no sub-contracting of bargaining unit work, with the exception of Housekeeping and Laundry, for the duration of this Agreement unless the Parties mutually agree to sub-contract Dietary bargaining unit work upon Employer's demonstration of extraordinary circumstances. Employer shall give the Union thirty (30) days notice of any sub-contracting of bargaining unit work during the life of this Agreement. The Employer will meet with the Union during said thirty (30) day period to discuss the impact of the sub-contracting on bargaining unit employees. This Article does not apply to agency staff being utilized when necessary.

Section 2: Initial Sub-Contracting: In the event that the Employer enters into an initial contract with a Sub-Contractor to provide Housekeeping and/or Laundry services, the Sub-

Contractor shall execute with Union the Memorandum of Agreement ("MOA") in Section 4 of this Article.

Section 3: Pre-existing Sub-Contracting: An Employer, with a pre-existing contract with a Sub-Contractor of Housekeeping and/or Laundry employees who are not represented by the Union, shall follow the organizing process for such workers as defined in the 2008 "Agreement Between SEIU Local 503 and Responsible Companies Creating a Labor-Management Coalition for Quality Care" which is incorporated herein by reference. The Employer shall condition the extension and/or renewal of any sub-contracting agreement with the Sub-Contractor on executing with Union the MOA in Section 4 of this Article.

Section 4: Memorandum of Agreement Between Union and Sub-Contractor:

MEMORANDUM OF AGREEMENT

It is hereby agreed by and between [Subcontractor] (the "Employer"), and SEIU Local 503 OPEU (the "Union") as follows:

5. The Employer recognizes the Union as the exclusive collective bargaining agent for all full-time and regular part-time Housekeeping, and Laundry employees (if any) employed by the Employer at the following facility operated by [Operator's Legal Name]: [Facility dba Name & Address]. Excluding: All other employees, confidential employees, managers, guards, and supervisors as defined in the Act.

6. The Employer and the Union agree to be bound by the terms and conditions of the Collective Bargaining Agreement (the "CBA") currently in effect (and any subsequent amendments) and expiring on midnight September, 30 2017 between the Union and [Operator's Legal Name and/or Facility Name] for the Employer's Housekeeping and Laundry employees (if any) employed at [Facility Name], except as expressly provided below.

a. A copy of the CBA is attached hereto as Exhibit 1 and incorporated herein.

b. All bargaining unit eligible employees working for Employer at the facility in housekeeping and/or laundry will be hired by the Sub-Contractor.

c. Employer's health and dental benefits will be the equivalent or better.

d. The terms and conditions of employment set forth in the Employer's Employee Handbook, as modified from time to time, and the Employer's general Human Resources Policies and Procedures, as modified from time to time, shall govern the employment of employees covered by this Memorandum of Agreement (the "MOA") to the extent that any such term, condition, policy, or procedure is not inconsistent with this Agreement. If the Union believes that any such term, condition, policy, or procedure is in conflict with the MOA it shall have the right to file a grievance either when any such term, condition, policy, or procedure is initially implemented, or alternatively, when any such term, condition, policy, or procedure is applied to any employee such that the employee is either disciplined or terminated.

e. Affected employees hire dates, seniority, and hourly wage rates will be maintained and not reduced. [The applicable base hourly wage rates are attached hereto as Exhibit 2].

f. Employees shall wear uniforms as provided by Employer.
g. Employee payday will be on _____.

7. The Employer and the Union agree to be bound by and comply with the grievance and arbitration procedure set forth in the CBA for any and all disputes that may arise with reference to the application or interpretation of the provisions of this MOA.

8. This MOA shall be effective as of [Execution Date] and will remain in full force and effect through midnight September 30, 2017, and shall be renewed from year to year thereafter, provided that either party hereto may reopen the Agreement to modify, amend or terminate any of the provisions hereof by serving written notice on the other party at least ninety (90) days prior to midnight, September 30, 2017, or a subsequent September 30th of any contract year in which this Agreement remains in effect. The Employer further agrees that in addition to the Union's notice to [Operator Name] regarding modification, amendment, or termination of the CBA the Union shall provide notice to the Employer under this Agreement, and that the Employer shall be bound to any amendments or modifications to the current CBA that are negotiated and agreed to by the Union and [Employer Name] and that it shall sign an updated MOA and be bound by the terms of any successor CBA negotiated and agreed to by the Union [Employer Name], for Employer's Housekeeping and Laundry employees (if any) employed at [Facility Name].

[Subcontractor Name]	SEIU Local 503 OPEU
_____	_____
Name	Name

EXHIBIT 1

The "Collective Bargaining Agreement between SEIU Local 503 OPEU and [Operator Name and/or Facility Name]" for October 1, 2013 through September 30, 2017 is hereby incorporated by reference."

ARTICLE – STAFFING

The Employer and Union agree to continue to discuss staffing in facility-based Labor Management Committees. In addition, each Employer agrees to summarize in writing its companywide policy related to the following issues to be presented for discussion at the Oregon Responsible Employers and SEIU Alliance Labor Management Committee before March 1, 2014:

CNA Staffing
The process for CNA's change of shift reporting
Certified Medication Aide Staffing

ARTICLE – DURATION

This Agreement shall be effective as of October 1, 2013 and shall remain in full force and effect through September 30, 2017, and from year to year thereafter, provided that either party

may serve written notice on the other at least ninety (90) days prior to September 30, 2017, or any subsequent anniversary date the Agreement remains in effect, of its desire to amend or terminate any provision of the Agreement. Any change agreed upon by the parties shall be reduced to writing and executed by duly authorized officers or agents of the parties to this Agreement.

Individual Company Bargaining

Negotiations at individual company tables shall be completed no later than thirty (30) calendar days from the signing of the CT-MOA. There shall be no individual facility tables. If negotiations at individual company tables are not completed by thirty (30) calendar days from the signing of this tentative agreement, the parties 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. The arbitrator shall be selected in accordance with the Parties' Collective Bargaining Agreements.

IN WITNESS WHEREOF, the parties have caused this CTA-MOA to be executed on their behalf by their duly authorized representatives, as of the 25th day of September in the year 2013.
[Remainder of page intentionally left blank]

Attachment I: [Attach face sheet of the "spreadsheet"]

2013-2017 SEIU Responsible Employers Total Economic Package Formulas 06/25/2103	Year 0	Year 1	Proj Year 2	Proj Year 3	Proj Year 4	Total	Daily Average
2007 Bargaining (2 yr rebase)		Fixed	Fixed	10% shared risk	10% shared risk		
Projected Medicaid Rate	$173.14	$187.06	$198.21	$218.65	$223.78		
Projected % Rate Increase		8.04%	5.29%	12.13%	3.29%	26.75%	6.69%
Projected $ Rate Increase		$13.92	$9.15	$23.44	$7.13	$50.64	$12.66
Projected Cumulative Rate Increase		$13.92	$20.07	$43.51	$50.64		
Projected Economic Package		$0.85	$0.50	$0.80	$0.50	$2.65	$0.66
Projected hourly rate increase		$0.70	$0.50	$0.60	$0.50	$2.30	
Projected envelop hourly increase (wages, health benefits, holidays, paid time off and/or any other economic benefit		$0.15	$0.00	$0.20	$0.00	$0.35	
% of Projected Economic Package		32.1%	18.9%	30.2%	18.9%	100%	
Every $1 increase in daily Medicaid rate equals $1.26 increase in BU Pay-benefits/Day ($.052/hr over 24 hrs)		Fixed	Fixed	----- Share 10% risk corridor ----		$0.052	$1.256
Actual Medicaid Rate	$173.14	$187.06	$198.17	$208.29	$212.12		Daily Average
Actual % Rate Increase		8.04%	5.94%	5.11%	1.84%	20.92%	5.23%
Actual $ Rate Increase		$13.92	$11.11	$10.12	$3.83	$38.98	$9.75
Actual Cumulative Rate Increase		$13.92	$25.03	$35.15	$38.98		
Major Risks:	*Rebase in second year biennium; Changes in Provider Tax rate either reducing or increasing net Medicaid Rate*						
Cumulative Difference between Projected $ Medicaid Rate Increase and Actual Increase		Fixed	Fixed	-19.21%	-23.03%		
Reduce Cumulative Rate difference by shared risk corridor	10.00%	NA	NA	-9.21%	-13.03%		
Remainder Difference Between Projected Cumulative Rate Increase and Actual Increase after eliminating 10% shared risk corridor				-$4.01	-$6.60		
Risk-adjust Remaining Difference by $0.04	$0.04	NA	NA	-$0.16	-$0.26		
Projected $ Rate Increase						$50.640	
Projected Economic Package		$0.85	$0.50	$0.80	$0.50	$2.650	
Risk-adjusted Economic Package		$0.85	$0.50	$0.64	$0.24	$2.23	
						$0.044	$1.055
Apply Allowed Min/Max Range to Risk-Adjusted Economic Package		$0.85	$0.5	From $.35-$1.25	From $.35-$.65		
Actual $ Rate Increase						$38.98	
Actual Economic Package		$0.85	$0.50	$0.64	0.35	$2.34	
Every $1 increase in daily Medicaid rate equals $1.44 increase in BU Pay-benefits/Day ($.06/hr over 24 hrs)						$0.060	$1.441
	TA on August 26, 2013 subject to material change						
	Projection is based on 4 Year Average Medicaid Cost Growth (FY 2008-2012) & 8 Year Average P-tax Growth						
2013 Bargaining (annual rebase)		Fixed	Projected	Projected	Projected		
Projected Medicaid Rate	$212.12	$257.00	$267.38	$278.18	$289.42		
Provider Tax Paid on Every Patient	$18.35	$20.62	$21.48	$22.56	$23.70		
Net Medicaid Rate	$193.77	$236.38	$245.90	$255.62	$265.72		
Projected % Rate Increase		21.99%	4.03%	3.95%	3.95%	33.92%	8.48%
Projected $ Rate Increase		$42.61	$9.52	$9.72	$10.10	$71.95	$17.99
Projected Cumulative Rate Increase		$42.61	$52.13	$61.85	$71.95		
Projected Economic Package		$1.14	$0.75	$1.13	$0.75	$3.77	$0.94
% of Projected Economic Package		30.0%	20.0%	30.0%	20.0%	100%	
Every $1 increase in daily Medicaid rate equals $1.26 increase in BU Pay-benefits/Day ($.052/hr over 24 hrs)		Fixed	---------- Share a 8% risk corridor ----------			$0.052	$1.256
Actual Net Medicaid Rate	$193.77	$236.38	$245.90	$255.62	$265.72		Daily Average
Actual % Rate Increase		21.99%	4.03%	3.95%	3.95%	33.92%	8.48%
Actual $ Rate Increase		$42.61	$9.52	$9.72	$10.10	$71.95	$17.99
Actual Cumulative Rate Increase		$42.61	$52.13	$61.85	$71.95		
Major Risks:	*Annual rebasing; Annual change in Provider tax rate either reducing or increasing net Medicaid; ACA implementation Cost; Lose Managed Me*						
8% Trigger	8%		$4.17	$4.96	$5.76		
Risk Corridor-High			$56.30	$66.80	$77.71		
Risk Corridor-Low			$47.06	$56.90	$66.19		
Trigger?		no		no	no		
Over			$0.00	$0.00	$0.00		
Under			$0.00	$0.00	$0.00		
Risk Adjust Remaining Difference	5.23%		$0.00	$0.00	$0.00		
Ceiling		$1.14	$1.25	$1.25	$1.25	$4.89	
Projected Economic Package		$1.14	$0.75	$1.13	$0.75	$3.77	
Maximum Risk adjusted Economic Package		$1.14	$0.97	$1.25	$1.05		
Minimum Risk Adjusted Economic Package		$1.14	$0.53	$0.87	$0.45		
Floor		$1.14	$0.35	$0.35	$0.35	$2.19	
Revised Rate Increase		$1.14	$0.75	$1.13	$0.75	$3.77	
Apply Ceiling		$1.14 no		no	no		
Apply Floor		$1.14 no		no	no		
Actual Rate Increase with Ceiling/Floor, if applicable		$1.14	$0.75	$1.13	$0.75	$3.77	

APPENDIX B: ATTENDANCE POLICY

ABSENCES

In its discretion, Avamere may use the following procedure or any part of the procedure for excessive absenteeism. Listed below are the expectations for attendance and lateness. Excessive absenteeism is defined as five (5) or more incidents of absenteeism in a rolling twelve (12) month period.

1. **Coaching Session:** Third (3) incident of unscheduled absence – Friendly Reminder – "How can I help?"
2. **First offense: fifth (5) incident of unscheduled absence** - Verbal counseling session and warning that continued excessive absenteeism will lead to subsequent disciplinary action.
3. **Second offense: sixth (6) incident of unscheduled absence** – Written counseling session and warning that continued absenteeism will lead to subsequent disciplinary action up to and including termination.
4. **Third offense: seventh (7) incident of unscheduled absence** – Final written counseled session and warning that continued absenteeism will lead to subsequent disciplinary action up to and including termination.
5. **Fourth Offense: eighth (8) incident of unscheduled absence** – Termination.

NO CALL/NO SHOW

One (1) or more consecutive days of no call/no show may result in termination.

LATENESS

Lateness is disruptive to the normal routine of the center and will not be tolerated. An incident of lateness is defined as clocking in eight (8) minutes or more after the start of the scheduled shift. In its discretion, Avamere may use the following procedure for tardiness or any part of the following procedure. Excessive lateness is defined as five (5) or more instances occurring in a rolling twelve (12) month period.

1. **First offense: fifth (5) incident of unscheduled lateness** – verbal counseling session and warning that continued excessive lateness will lead to subsequent disciplinary action.
2. **Second offense: sixth (6) incident of unscheduled lateness** – written counseling session and warning that continued excessive lateness would lead to subsequent disciplinary action up to and including termination.
3. **Third offense: seventh (7) incident of unscheduled lateness** – Final written counseled session and warning that continued lateness will lead to subsequent disciplinary action up to and including termination.
4. **Fourth offense**: eighth (8) incident of unscheduled lateness – Termination.

GENERAL GUIDELINES:

- A call out occurring on a scheduled weekend may result in the team member being required to make up the shift within a thirty (30) day period at the discretion of management.
- Team members with patterns and trends of absenteeism and lateness as well as failure to report to work when requested may be subjected to progressive discipline and the denial of working future overtime hours.
- A physician's note will be required for all sick outs that are two (2) days or more or as required by the manager. Absences longer than three (3) days for the team member's own serious health condition or of a covered relation's will count towards Family Medical Leave (FMLA) and or OFLA.
- This is a *no fault attendance policy*, a physician's note does not necessarily excuse the team member for a call out unless it is associated with a Family/Sick Medical Leave of Absence.
- A sick call out is defined as one or more consecutive days absent.
- Management will evaluate extenuating circumstances in all categories.
- Team members who are absent without permission on a scheduled day before/after scheduled vacation time will not be eligible for PTO benefit pay. Team members who are absent without permission on a scheduled day before a Holiday, the actual or scheduled Holiday or the scheduled day following the Holiday will not be eligible to receive Holiday or PTO benefit pay.
- Team members must call out a minimum of four (4) hours prior to the start of the shift to the Manager or designee.
- Team members in their Introductory Period of employment who have incidents of absence or lateness may be subject to immediate progressive discipline per company policy.
- Team members may have future PTO requests denied due to excessive absenteeism/lateness.
- Any deviation of this policy must be approved by the RDO or VPHR.

APPENDIX C: REGIONAL WAGE SCALES

1: Greater Portland Wage Scale

Facilities: Clackamas, Hillsboro, King City, Newport, Oregon City/Mountain View, Salem, Crestview

	Feeding Asst	NA	CNA	RA	CMA	Cook	Diet Aide	Activities Aide	Reception ist	Med Rec Assistant	Soc Svc Assistant	Housekeeping	Laundry
0	$10.00	$12.00	$12.62	$13.17	$14.61	$11.96	$10.90	$11.07	$11.11	$12.58	$12.95	$9.10	$9.10
1	$10.00	$12.00	$12.97	$13.52	$14.96	$12.31	$11.25	$11.42	$11.46	$12.93	$13.30	$9.45	$9.45
2	$10.00	$12.00	$13.32	$13.87	$15.31	$12.66	$11.60	$11.77	$11.81	$13.28	$13.65	$9.80	$9.80
3	$10.00	$12.00	$13.67	$14.22	$15.66	$13.01	$11.95	$12.12	$12.16	$13.63	$14.00	$10.15	$10.15
4	$10.00	$12.00	$14.02	$14.57	$16.01	$13.36	$12.30	$12.47	$12.51	$13.98	$14.35	$10.50	$10.50
5	$10.00	$12.00	$14.37	$14.92	$16.36	$13.71	$12.65	$12.82	$12.86	$14.33	$14.70	$10.85	$10.85
6	$10.00	$12.00	$14.72	$15.27	$16.71	$14.06	$13.00	$13.17	$13.21	$14.68	$15.05	$11.20	$11.20
7	$10.00	$12.00	$15.07	$15.62	$17.06	$14.41	$13.35	$13.52	$13.56	$15.03	$15.40	$11.55	$11.55
8	$10.00	$12.00	$15.42	$15.97	$17.41	$14.76	$13.70	$13.87	$13.91	$15.38	$15.75	$11.90	$11.90
9	$10.00	$12.00	$15.77	$16.32	$17.76	$15.11	$14.05	$14.22	$14.26	$15.73	$16.10	$12.25	$12.25
10	$10.00	$12.00	$16.12	$16.67	$18.11	$15.46	$14.40	$14.57	$14.61	$16.08	$16.45	$12.60	$12.60
11	$10.00	$12.00	$16.47	$17.02	$18.46	$15.81	$14.75	$14.92	$14.96	$16.43	$16.80	$12.95	$12.95

2: Greater Eugene Wage Scale

Facilities: Coos Bay, Junction City, Lebanon, Twin Oaks

	Feeding Asst.	NA	CNA	RA	CMA	Cook	Diet Aide	Activities Aide	Reception ist	Med Rec Assistant	Soc Svc Assistant	Housekeeping	Laundry
0	$ 10.00	$9.66	$11.50	$12.23	$13.00	$10.61	$9.80	$10.42	$11.11	$12.95	$12.58	$9.10	$9.10
1	$ 10.00	$9.66	$11.85	$12.58	$13.35	$10.96	$10.15	$10.77	$11.46	$13.30	$12.93	$9.45	$9.45
2	$ 10.00	$9.66	$12.20	$12.93	$13.70	$11.31	$10.50	$11.12	$11.81	$13.65	$13.28	$9.80	$9.80
3	$ 10.00	$9.66	$12.55	$13.28	$14.05	$11.66	$10.85	$11.47	$12.16	$14.00	$13.63	$10.15	$10.15
4	$ 10.00	$9.66	$12.90	$13.63	$14.40	$12.01	$11.20	$11.82	$12.51	$14.35	$13.98	$10.50	$10.50
5	$ 10.00	$9.66	$13.25	$13.98	$14.75	$12.36	$11.55	$12.17	$12.86	$14.70	$14.33	$10.85	$10.85
6	$ 10.00	$9.66	$13.60	$14.33	$15.10	$12.71	$11.90	$12.52	$13.21	$15.05	$14.68	$11.20	$11.20
7	$ 10.00	$9.66	$13.95	$14.68	$15.45	$13.06	$12.25	$12.87	$13.56	$15.40	$15.03	$11.55	$11.55
8	$ 10.00	$9.66	$14.30	$15.03	$15.80	$13.41	$12.60	$13.22	$13.91	$15.75	$15.38	$11.90	$11.90
9	$ 10.00	$9.66	$14.65	$15.38	$16.15	$13.76	$12.95	$13.57	$14.26	$16.10	$15.73	$12.25	$12.25
10	$ 10.00	$9.66	$15.00	$15.73	$16.50	$14.11	$13.30	$13.92	$14.61	$16.45	$16.08	$12.60	$12.60
11	$ 10.00	$9.66	$15.35	$16.08	$16.85	$14.46	$13.65	$14.27	$14.96	$16.80	$16.43	$12.95	$12.95

Letter of Agreement

Between SEIU, Local 503 and Avamere Health Services, LLC

LOA: Regarding Collective Bargaining Agreement Training

The Employer and Union agree to facilitate a joint Collective Bargaining Agreement Training, at each facility, within thirty (30) days of the ratification date of this Agreement. This training shall include participants from Avamere Health Services LLC, SEIU, and the Avamere bargaining team and elected stewards. This is a one-time training session to last no more than two (2) hours in duration. Bargaining Team and/or Elected Stewards will be paid his/her regular rate of pay for this training not to exceed four (4) bargaining unit employees in attendance. The four (4) Bargaining Unit Employees will not be put into overtime status as a result of attending this meeting. The purpose of this training shall be to review language within this Agreement that reflects the following:

- A change from the **relevant polices *(relevant meaning any that are covered by the Agreement)*** that were in effect prior to the effective date of this Agreement.
- New policies or procedures
- Process for LMC

The Employer and Union, at this training, will also review shared goals and next steps in regard to advocating for Nursing Home Funding and improved Census.

For the Employer

Name: _____

Title: VPOR

Date: 12/18/14

For the Union

Name: _____

Title: Executive Director

Date: 12-8-14