

LETTER OF UNDERSTANDING – HOLIDAY PAY RULE

This Letter of Understanding (“LOU”), effective this 1st day of January 2025, by and between UFCW Local #1189, (the “Union”), and Monarch Healthcare Management LLC (“Monarch”) which oversees the operations of The Emeralds at Grand Rapids LLC, The Emeralds at St Paul LLC, The Estates at Linden LLC, The Estates at Lynnhurst LLC, Villas at New Brighton LLC, Villas at Roseville LLC, Villas at St. Paul LLC, The Waterview Pines LLC, and The Waterview Woods LLC (referred to individually at the “Employer” and collectively at the “Employers”), supplement the parties' existing Collective Bargaining Agreements (“CBAs”).

As of November 13, 2024, the Minnesota Nursing Home Workforce Standards Board has proposed Rule 5200.2010, the Holiday Pay Rule (the “Rule”) which provides for certain holidays worked by a “Nursing Home Worker,” defined by Minnesota Statute § 181.211, subd. 9, to be paid at a minimum rate of time and one-half.

As of January 1, 2025, the Union has designated the following days as eligible for time-and-a-half pay under the Rule if an eligible Union member works on these days:

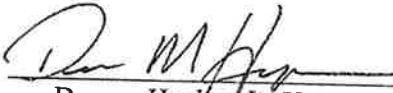
- 1) New Years’ Day; January 1st
- 2) Martin Luther King’s Birthday; the third Monday in January
- 3) Easter Sunday
- 4) Memorial Day; the last Monday in May
- 5) Juneteenth; June 19th
- 6) Independence Day; July 4th
- 7) Labor Day; the first Monday in September
- 8) Indigenous Peoples’ Day; the second Monday in October
- 9) Veteran’s Day; November 11th
- 10) Thanksgiving Day; the fourth Thursday in November
- 11) Christmas Day; December 25th

- A. For the purposes of the CBA and this LOU, the parties agree that a “holiday” is defined as beginning at the start of the overnight shift on the eve of the holiday and ending at the conclusion of the afternoon shift on the holiday. The Employer shall have no obligation to pay holiday pay for hours worked outside this defined twenty-four-hour period.
- B. Eligible Union members working the defined holiday period on any of the above identified holidays will receive either Premium Pay under the CBA or time-and-a-half pay under the Rule, whichever is greater. Union employees not working the above holidays will receive any holiday benefits as outlined in their applicable CBA.
- C. Only holidays recognized in the CBA may be subject to scheduling rotation outlined in a given CBA. Recognized holidays in addition to those in the CBA will be scheduled according to the normal scheduling practices and will not be included in any holiday scheduling rotation.

D. This LOU shall go into effect on January 1, 2025, provided that proposed Minnesota Rule 5200.2010, as drafted as of November 13, 2024, goes into effect on January 1, 2025, and remains effective throughout the term of this LOU.

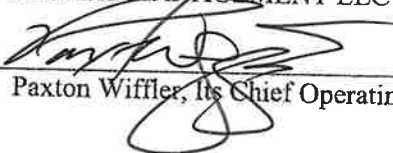
E. The Employer reserves the right to discontinue paying Holiday pay for any Holidays that are not recognized in a respected CBA if the Rule is overturned, suspended, modified, or otherwise struck down during ongoing litigation. If the Rule is altered, rendered inapplicable, or otherwise deemed unenforceable, the Employer will notify the Union in writing and adjust compensation practices accordingly. If the Rule is partially struck down, the parties agree to meet and discuss potential revisions to this LOU. If the Rule is struck down in full, the parties agree to execute a separate LOU that memorializes the definition of "Holiday" as outlined in Section A of this LOU for the purpose of the CBA.

THE UNION: UFCW #1189

Date: 2/28/25 By: 
Deanna Hughes, Its Union Representative

Date: 2/28/2025 By: 
Abraham Wangnoo, Its Union Representative

THE EMPLOYERS: MONARCH HEALTHCARE MANAGEMENT LLC

Date: 3/7/25 By: 
Paxton Wiffler, Its Chief Operating Officer