

**SIDE LETTER OF UNDERSTANDING**  
**BY AND BETWEEN**  
**IRON RIVER COOPERATIVES, INC.**  
**AND**  
**UNITED FOOD AND COMMERCIAL WORKERS**  
**LOCALS NUMBER 1189 AND**

**WHEREAS**, the Parties are signatory to a Labor Agreement covering the term January 1, 2014 through December 31, 2017; and

**WHEREAS**, the Labor Agreement at Article 14, Section B provides that the Coop shall contribute up to one thousand ninety (\$1,090) dollars per month for health insurance for eligible employees; and

**WHEREAS**, in 2016 and 2017 the Northern Minnesota-Wisconsin Area Fringe Benefit Funds (Funds) has increased premiums for health insurance above what the Coop had agreed to pay for employee coverage, and

**WHEREAS**, the Parties have negotiated for a method that will provide for the payment of insurance benefits with as little cost as possible to employees:

**NOW THEREFORE**, the Parties agree as follows:

1. Notwithstanding the provisions of Article 14 of the current Labor Agreement, effective April 1, 2017, the following nine (9) employees may elect to have either single or family coverage. The first five employees have elected to move to single coverage and may move back to family coverage if needed only if a qualifying event occurs. All current employees who receive family health care currently shall be grandfathered as long as they remain employed as full-time employees of the Coop.

Patrick Dickrell  
Don Hide  
Cindy Austin  
Penny Nelson  
Sandy Jaski

The following Union members shall continue to have family health care coverage.  
Brock Levelius

Jesse Olesiak  
Roxella Scharp  
David Schedlier

2. The maximum amount of money the Coop has agreed to pay for employee health care coverage (including non-bargaining unit employees) is \$14,170.00 per month.

Maximum Coop contribution	\$14,170.00 per month
Minus four non-bargaining	<u>4,360.00</u> per month
Money for Union members	\$ 9,810.00 per month

Four members at family	\$ 6,300.00 per month
Five members at single	<u>3,000.00</u> per month
Total	\$ 9,300.00 per month

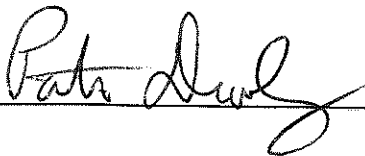
Allotted money for insurance	\$ 9,810.00 per month
Less adjusted cost	<u>9,300.00</u> per month
Excess money	\$ 510.00 per month

3. The excess money (\$510.00) shall be put into a separate fund, and may be used only for the union members.
4. All new employees and promoted employees shall be covered by single health insurance.
5. This Agreement shall continue in effect until a new collective bargaining agreement has been signed.
6. This Agreement must also be approved by the Health Fund.

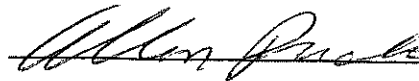
Signed this 30th day of March 2017

IRON RIVER COOPERATIVES, INC.

UNITED FOOD AND COMMERCIAL  
WORKERS UNION, LOCAL 1189



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