

LETTER OF UNDERSTANDING
(2015 WAGE RE-OPENER)

The Evangelical Lutheran Good Samaritan Society d/b/a Good Samaritan Society – MAPLEWOOD (the "Employer") and UFCW Local 1189 (the "Union"), parties to a Collective Bargaining Agreement ("CBA") in effect from October 1, 2013, through September 30, 2016, have reached the following understandings and agreements with respect to wage increases during the second year of the contract term (October 1, 2015 through September 30, 2016).

As authorized in Article 22 of the CBA, the parties have agreed to re-open negotiations for the purposes of negotiating wages. This Letter of Understanding summarizes the terms of the parties' agreement following such negotiations, which took place on September 15, 2015. Specifically, it is agreed and understood that:

1. Effective July 19, 2015, the Employer implemented new start rates in accordance with the wage grid attached as Exhibit A. The wage grid will continue to be used as a hiring tool in determining start rates.
2. Effective July 19, 2015, all bargaining unit employees received a one-time wage adjustment pursuant to the wage grid (Exhibit A). The wage grid reflects a 1.5% spread between wages based on each year of service. For example, the new start rate for a Certified Nursing Assistant (CNA) is \$13.00 per hour. A CNA with one year of credited service received \$13.20 per hour (a 1.5% increase over the start rate). A CNA with two years of credited service received \$13.39 (a 1.5% increase over the adjusted rate for a CNA with one year of credited service). **The wage grid is not intended to operate as an ongoing scale with progression steps (i.e., employees will not continue to receive increases based on the wage grid in future years).** Employees with more than 10 years of credited service received a 1% adjustment-to-gross based on all hours worked during the preceding 12 months.
3. Effective September 27, 2015, all employees with 11 to 20 years of credited service (as of that day), will receive a \$0.25 per hour wage increase. All employees with 21 or more years of credited service as of September 27, 2015, will receive a \$0.30 per hour wage increase.
4. In light of the Employer's implementation of the hiring wage grid, Article 5.8 of the Collective Bargaining Agreement will be amended as follows: **Employees who have worked in other long-term care facilities or related industries will receive credit for prior years of equivalent experience at the rate of one (1) year's credit for each year of prior experience, up to a maximum of ten (10) years' credit. In awarding such experience credit, employees will receive a 1.5% increase over the applicable start rate for each credited year of experience up to ten (10) years.**

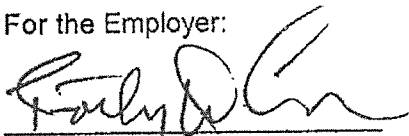
Experience credit generally will be verified through work-related references prior to extending a conditional offer of employment. In the event a new

employee has difficulty receiving verification of employment from previous employers, such difficulty will be discussed and resolved on an individual basis. For purposes of this section, a year of prior experience credit will be based on prior employment on a full-time basis (i.e., defined as a minimum of thirty (30) hours per pay period, or 1,560 hours per credited year of experience).

Good Samaritan employees who previously worked at this facility and are rehired to their previous classification will receive no less than the rate they left at, unless they are hired back in a different classification, in which case, Section 5.9 would apply.

5. This Letter of Understanding shall become effective September 27, 2015

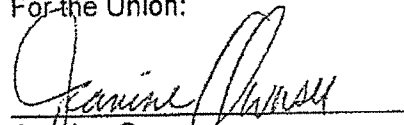
For the Employer:



Timothy D. Loudon

Date: 10/14/2015

For the Union:



Jeanine Owusu

Date: 10/7/2015