

Villa Court

Contract

Effective
10/01/2020 – 09/30/2023



United Food and Commercial Workers Union Local 1189

2002 London Rd Ste 211
Duluth MN 55812

Phone: 218-728-5174 or 800-942-3546

Fax: 218-724-5178

Website: www.ufcw1189.org

Other important phone numbers:

Health care/dental (Wilson McShane): 1-800-570-1012
Employee Assistance Program (T.E.A.M., Inc.): 1-651-642-0182

Wage re-opener:

October 1st, 2021

Wage and Benefits re-opener:

October 1st, 2022

Know Your Rights

Request that your Union Representative be present!

U.S. Supreme Court ruled in 1975 "Weingarten" that an employee has certain rights when questioned by their employer. The following are rights that were granted under this case. It applies only when your employer is interviewing you for the purposes of determining whether discipline is warranted. It does not apply when the discipline is already decided.

1. You have a right to Union representation, but you must ask for that representation.
2. You must ask for Union representation from the person doing the questioning. The questioner must be told that you do not want to proceed without Union representation.
3. If the discipline has already been decided upon by the Employer, your right to representation is not there; however, you only need to listen – you do NOT have to answer any further questions.
4. This rule does NOT apply to everyday conversations between a supervisor and an employee regarding performance of job duties and normal work performance.
5. After you have requested Union representation, the Employer rights are:
 - a. They can grant your request and bring in a Union Representative.
 - b. They can discontinue the interview and proceed with the investigation without your participation.
 - c. The Employer can offer you the choice of proceeding without Union representation.

Remember:

What you say can be used against you. Know your rights!
Demand Union representation when you are facing discipline.

COLLECTIVE BARGAINING AGREEMENT

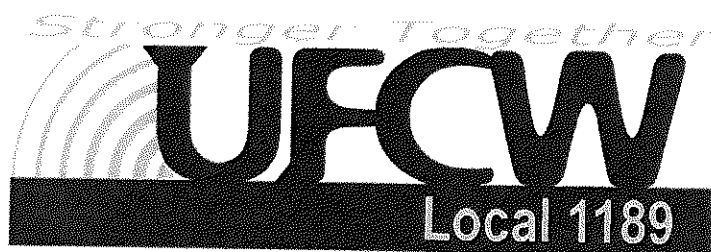
By and Between

VILLA COURT

and

UNITED FOOD AND COMMERCIAL WORKERS

LOCAL #1189



OCTOBER 1st, 2020 to SEPTEMBER 30th, 2023

1-800-942-3546

FAX 1-218-728-5178

WEB: www.ufcw1189.org

WILSON MCSHANE

Pension & Health Care

1-877-752-3863

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COLLECTIVE BARGAINING AGREEMENT

By and Between

VILLA COURT

and

UNITED FOOD AND COMMERCIAL WORKERS UNION

Local #1189

THIS AGREEMENT made this first day of October 2020, by and between VILLA COURT, Cromwell, Minnesota, hereinafter referred to as the Employer, and the United Food and Commercial Workers Union, Local #1189, chartered by the United Food and Commercial Workers International Union, and hereinafter referred to as the Union.

UNION MANAGEMENT RELATIONSHIP

The Employer recognizes the established rights, responsibilities, and values of the Union and has no objection to its employees becoming members of the Union, responsible in conjunction with the Employer and for making and keeping this Agreement. The Employer will not tolerate on the parts of its partners or representatives any discrimination or activity whatever against the Union and will discipline any employee who, on the Employer's time, carries on anti-union or pro-union activity.

The Union agrees to do all in its power to discourage and prevent any irregular interruptions in the efficient operation of the Employer's business and agrees that the Employer has the right to take appropriate disciplinary action against any employee or employees participating in or responsible for such interruption. Any complaints as to the propriety of the disciplinary action taken by the Employer in such cases shall be taken up through the grievance procedure set up herein.

The Employer and the Union agree that they will not engage in any lockout of employees or strikes during the life of this Agreement.

In consideration of the mutual promises herein contained and for the purpose of creating a working agreement by and between the Employer and its employees and the Union, the parties hereto mutually covenant and agree to and with each other as follows:

ARTICLE I

RECOGNITION OF UNION:

A. The Employer recognizes said Union as the sole representative of all its employees, excluding supervisory employees as defined by the

National Labor Relations Act, Administrator, Registered Nurses, Activities Director and Beautician, for the purpose of collective bargaining with respect to the hours of labor, rates of pay and working conditions hereinafter specified.

CLASSIFICATION OF EMPLOYEES:

B. Employees shall be classified as follows: Full-time employees are those employees regularly scheduled to work at least forty (40) hours in a two (2) week period. Regular part-time employees are those employees regularly scheduled to work less than forty (40) hours in a two (2) week period. Casual employees are those employees who work sixteen (16) hours or less in a two-week period or those employees who are not regularly scheduled and work on an as-needed basis. Casual employees shall not be covered by the Collective Bargaining Agreement. Casual employees who average twenty (20) hours per pay period and have completed probation shall receive holiday pay.

Summer Help;

a. The "Summer Period" shall extend from May 15 until September 15.

b. Employees hired for the Summer Period only shall not receive benefits under the terms of the contract, including pension payments, health and welfare contributions, holidays, vacation or seniority. Summer help who average twenty (20) hours per pay period shall receive holiday pay.

c. The Employer shall notify the Union, in writing, of any employee hired during the Summer Period.

d. There shall be no reduction in hours of work available to other employees as a result of the hiring of Summer employees.

e. Employees hired during the summer months shall be required to belong to the Union on the same basis as other part-time employees and shall receive the part-time beginning rate of pay.

f. If a Summer help employee is retained beyond the Summer Period, that employee shall be treated as a regular part-time employee for all purposes and that employee's seniority date shall date back to the date of original hire with the Employer.

UNION SECURITY AND DUES CHECK-OFF:

C. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union and in good standing on the date of execution of this Agreement shall remain members in good standing, and those who are not members on the date of the execution of this Agreement shall, on or after the thirty-first (31st) day following the execution

of this Agreement become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its date of execution shall on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union.

The Employer agrees to deduct union dues from the wages of employees in the bargaining unit who provide the Employer with a voluntary, written authorization which shall not be revocable for a period of more than one year, or beyond the termination date of this Agreement, whichever occurs sooner. Such deductions will be made by the Employer from the wages of employees each payroll period and transmitted to the Union by the 15th of the month following the month deductions were taken.

The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of this Article or in reliance on any list, notice or assignment furnished under any of the provisions of this Article.

In the event no wages are then due the employee, or are insufficient to cover the required deduction, the deduction for such month shall nevertheless be made from the first wages of adequate amount next due the employee and thereupon transmitted to the Union. Either party shall promptly notify the other in writing of any revocation of the aforesaid authorization.

The Employer agrees under the contract requirements above to have each new employee complete a Union membership application and a dues deduction authorization form at the time of hiring and to remit them with the initial dues and fees deducted to the Union office.

SUCCESSOR CLAUSE:

- D. The Employer shall notify the Union one (1) week in advance of any pending sale.
- E. This Agreement shall apply to the Employer's operations as performed on the effective date of this Agreement and this Agreement and Union representation thereunder shall also extend to any extension, expansion, or relocation of such present operations in the geographical area of jurisdiction that is covered under the charter of this Local Union.
- F. In the event of any sale, purchase, merger, or other transaction affecting ownership of the Employer's business or ownership of the assets of the Employer's business, the Employer shall make known to the Union prior to said transaction, the nature of the transaction and further, shall make known to all parties to the transaction the terms and conditions of this Agreement. Following any such transaction, the Employer shall use its best efforts to assure that:
 - (1) All employees shall be provided employment by the successor Employer.
 - (2) A new seniority list shall be drafted and posted by the new successor Employer upon which the seniority of each employee will date from his earliest date of employment with the Employer or the successor Employer.
 - (3) If there is to be a reduction in work force as a result of such transaction, any such

reduction shall be in inverse order according to the amount of continuous service of the employees with the Employer or the successor Employer; and;

- (4) Service by the employees with the Employer shall be included whenever continuous service is required for other benefits or practices instituted by the successor Employer.

Any department or space leased, or a new department operated by the Employer shall be covered by an appropriate collective bargaining agreement negotiated between the Employer and the Union.

ARTICLE II

MANAGEMENT RIGHTS:

Except as specifically limited by the express written provisions of this Agreement, the management of the nursing home and the direction of the working forces shall be deemed the sole and exclusive function of the Employer.

Such management and direction shall include, but is not limited to, the rights to:

1. Hire, lay off, demote, promote, transfer, discharge or discipline for just cause;
2. Maintain discipline;
3. Assign and delegate work;
4. Determine quality and quantity of work performed;
5. Maintain and improve efficiency;
6. Require observance of nursing home rules and regulations;
7. Direct the working forces;
8. Determine the number of hours to be worked;
9. Determine the materials, means and type of services provided;
10. Determine the methods, supplies and equipment to be utilized;
11. Determine methods of compliance with Federal and State regulations affecting nursing homes;
12. Discontinue jobs because of valid management and economic reasons;
13. Decide employee qualifications consistent with Federal and State standards, and;
14. Manage and administer the Employer's operation.

ARTICLE III

HOURS OF LABOR:

- A. The normal hours of work shall be eight (8) per day and eighty (80) in each two (2) week work period. All hours worked in excess of eight (8) hours per day or eighty (80) hours in each two (2) week work period shall be considered overtime and shall be compensated for at a time and one-half (1½) rate. There shall be no duplicating or pyramiding of overtime.
- B. Work schedules for a period of not less than four (4) weeks beginning on Sunday or Monday, will be posted no later than the prior Monday morning, thus complying with the four (4) week pre-schedule. Any scheduling requests need to be submitted to the scheduler on the Monday prior to the posting of the schedule the next Monday. Student's hours will be highlighted and employees, by seniority, shall have the opportunity to bid for those hours, up to eighty (80) hours, until noon on Friday. After noon on Friday a final schedule shall be posted with the changes. Once the schedule is posted, employees will be responsible for finding their own replacement if trading or dropping a shift. Employees shall be entitled to every third weekend off. (If there is sufficient staffing available, the Employer, whenever possible, agrees to schedule as many employees off as possible by seniority on a basis of every other weekend off.) Employees shall receive time and one-half (1½) for their seventh consecutive scheduled day or if the employee is asked to work the seventh consecutive day by the employer. When changes in the work schedule are made affecting employees, who are scheduled on day off at the time the change is made, the employee so affected shall be notified of such change at his place of residence. The Employer agrees that split shift work will not be scheduled. More senior employees shall be scheduled the longer shifts than less senior employees, unless mutually agreed upon.
- C. An employee reporting for work at his regular scheduled starting time who has not been previously notified not to report for work shall receive a minimum of four (4) hours work that day or four (4) hours straight time in lieu thereof. A bona fide attempt by the Employer to contact the employee shall be taken as notice under this provision.
- D. Employees working the full day shall be entitled to two (2) fifteen (15) minute rest periods. These rest periods shall be taken as near to between the starting time and lunch, and lunch and quitting time, as possible. Employees working a short day of four (4) hours or less shall be entitled to one (1) fifteen (15) minute rest period.
- E. All time worked shall be consecutive except one (1) hour or less, and no less than one-half (½) hour shall be allowed for lunch each day if the employee works more than four (4) hours. No employee shall be scheduled to work in excess of five (5) hours without meal period.
- F. No employees shall be required to work sooner than ten (10) hours from the last shift, except in cases of emergencies or occurrences out of the control of management.
- G. Employees shall be called in on their scheduled day off by seniority starting with the most senior employee who would not require the payment of overtime. If no employee agrees to work,

and overtime is required, all hours in excess of eight (8) hours per day shall be offered to the senior employees qualified to do the work. The company agrees to offer overtime over eighty (80) hours per two (2) week period to the more senior employees within their seniority unit, provided they are qualified to do the work, but at no time shall the employer be left without a sufficient number of employees to do the work. Employees who are on vacation, holiday, disciplinary suspension, or an excused absence, such as funeral leave, etc., shall not be called.

H. If no employee agrees to come in or stay over to fill a shift, the vacancy shall be filled in accordance with the provisions of Article 3, Section G.

ARTICLE IV

MINIMUM SCHEDULE OF WAGES:

The following shall constitute the minimum scale of wages in the following classifications, effective October 1st, 2020 through September 30th, 2023.

Employees may progress through the schedule as seniority dictates.

Employees employed as of October 31, 2005:

Nurses' Aides, Activity Aides, Laundry Aides,
Kitchen Aides, Dietary
Housekeeping Aides

	Oct. 1 Retro to 2020	April 1, 2021
12 Years	\$16.00	\$16.15
19 Years	\$16.64	\$16.79
22 Years	\$16.85	\$17.00

Employees hired after October 31, 2005:

	Oct. 1 Retro to 2020	April 1, 2021
Start	\$12.00	\$12.15
6 Months	\$12.25	\$12.40
1 Year	\$12.40	\$12.55
2 Years	\$12.70	\$12.85
2½ Years	\$12.92	\$13.07
3 Years	\$13.37	\$13.52
3½ Years	\$13.53	\$13.68
4 Years	\$13.99	\$14.14
5 Years	\$14.75	\$14.89
7 Years	\$15.21	\$15.36
10 Years	\$15.51	\$15.71
12 Years	\$15.80	\$15.95
15 Years	\$16.05	\$16.20
19 Years	\$16.34	\$16.49
22 Years	\$16.59	\$16.74

LPN's

	Oct. 1 Retro to 2020	April 1, 2021
Start	\$16.85	\$17.00
6 Months	\$17.10	\$17.25
1 Year	\$17.40	\$17.55
2 Years	\$17.60	\$17.75
2½ Years	\$17.80	\$17.95
3 Years	\$18.00	\$18.15
3½ Years	\$18.25	\$18.40
4 Years	\$18.50	\$18.65
5 Years	\$18.75	\$18.90
7 Years	\$19.00	\$19.15
10 Years	\$19.25	\$19.40
12 Years	\$19.60	\$19.75
15 Years	\$20.00	\$20.15
19 Years	\$21.00	\$21.15
22 Years	\$22.00	\$22.15

An employee scheduled as a Head Cook by management (and who works in said capacity) shall be paid one dollar (\$1.00) per hour premium for those hours actually worked performing said responsibilities. Med passers shall receive an additional fifty cents (\$.50) per hour stipend.

HELPERS: It is mutually agreed between the United Food and Commercial Workers Union, Local #1189, and Villa Court, that during the contract period, the Employer may employ high school helpers.

The high school helpers will not have to join the Union.

SHIFT DIFFERENTIAL: All employees covered by this agreement working the afternoon shift shall receive an additional twenty-five cents (\$0.25) per hour over their regular rate of pay. All employees covered by this Agreement working the night shift shall receive an additional forty cents (\$0.40) per hour over their regular rate of pay.

ARTICLE V

HOLIDAYS

A. The following days shall be considered holidays:

New Year's Day	Labor Day	Memorial Day	Easter Sunday
Thanksgiving Day	July Fourth	Christmas Day	

B. Any employee with one (1) year of service and regularly scheduled twenty (20) hours a week shall be granted one (1) personal day.

Any employee with three (3) years of service and regularly scheduled twenty (20) hours a week shall be granted two (2) personal days, his or her birthday and an additional personal day.

Any employee with five (5) years of service and regularly scheduled more than twenty (20) hours a week shall be granted three (3) personal days, his or her birthday and two (2) additional personal days.

Any employee with ten (10) years of service and regularly scheduled more than twenty (20) hours a week shall be granted four (4) personal days, his or her birthday and three (3) additional personal days.

The total number of holidays and personal days granted per this Article V for any qualified employee with ten (10) years of service or more shall be eleven (11) days.

An employee's normal work schedule shall not be changed to avoid having an employee work on their birthday.

The selection of the day upon which the personal day may be taken shall be by mutual agreement of the Employer and the employee with at least two (2) weeks written notice given by the employee.

The fourth (4th) personal day must be taken as time off with pay on a regularly scheduled workday and which also may not increase the employees regularly scheduled hours during the pay period in which the fourth (4th) personal day is taken.

C. Regular employees (those who average twenty (20) hours per week or more) with seniority (that have completed their probationary period) who work on any of the above holidays or days celebrated as such, shall be paid at one and one-half (1½) times the straight time hourly rate for such work, in addition to holiday pay. Holiday pay shall be the employee's normal daily scheduled hours.

D. When a holiday falls on an eligible employee's day off, they shall receive straight time pay for their average workday.

E. No employee shall be rescheduled during the holiday week to avoid payment of holiday pay.

F. An employee who obtains an excused absence from work on an employee's scheduled workday preceding or following a holiday shall receive his or her holiday

G. All employees who average twenty (20) hours or more per pay period shall receive two (2) sick days per year. All employees who average less than twenty (20) hours per pay period shall receive one (1) sick day per year.

ARTICLE VI

SENIORITY:

- A. Seniority shall be defined as the length of continuous service with the Employer since the Employee's most recent date of hire. Seniority shall prevail in regard to laying off and rehiring, provided the employee is qualified to do the work available. Seniority shall apply to all conditions of employment, provided however, that the necessities of the business are not jeopardized.
- B. Employees shall be probationary employees for the first ninety (90) days of employment. During such probationary period the employees shall be covered by the terms and conditions of this Labor Agreement with the exception that he/she may be terminated without cause which shall not be subject to Article 9, Arbitration and he/she shall not be covered by Article 4, Minimum Schedule of Wages, Article 5, Holidays, or Article 11, Leaves of Absence. Upon successful completion of the probationary period, the employee shall be covered by all terms and conditions of employment contained in this agreement retroactive to the employee's date of hire except for Article 11, Leaves of Absence, which shall become effective upon successful completion of the probationary period. The probationary period may be extended an additional sixty (60) days upon written notice from the Employer to the employee affected and the Union.
- C. Any controversy over seniority or relative to any questions of seniority shall be subject to adjustment, settlement and arbitration in the same manner as other controversies arising under this contract.
- D. The selection of Head Cook and Team Leaders shall be the prerogative of management, and these classifications shall have super seniority.
- E. If an employee becomes an LPN, their seniority as an LPN shall begin when they start working as an LPN. For the purpose of wages, employees will slot in on the new wage scale one (1) step above their current wage and will progress based on scale with date of transfer.
- F. A seniority list shall be posted and kept current every six (6) months on September 1, and March 1.

ARTICLE VII

TERMINATION OF EMPLOYMENT:

- A. Employees covered by this contract electing to resign or quit their employment will give the Employer eight (8) working days written notice and shall continue in the Employer's service during this eight (8) working days period with the exception that the employee may leave sooner when competent replacement can be made by the Employer. The Employer is to furnish printed forms

of such resignation. In the event of layoff, the Employer shall give a notice of layoff equivalent to the employee's regularly scheduled work week.

B. Any new employee shall be subject to discharge at the option of the Employer during the first ninety (90) days of employment. No employee shall be suspended, demoted or dismissed without sufficient cause. If, after proper investigation, it is found that an employee has been disciplined unjustly, he or she will be reinstated with full rights and compensated in full for time lost; provided, however, that no claim for compensation for time lost shall be paid unless the claim is presented to the Employer in writing within ten (10) days after the suspension, demotion, or dismissal in question. In case of a dismissal, the employee affected may request and shall receive from the Employer in writing, the reason for said dismissal.

C. Employees discharged without notice for any of the specified causes provided above or employees who terminate their employment without giving the Employer the required notice, or who leave their employment before the end of the one (1) week period, shall forfeit all vacation pay or other to which such employee may be entitled, except his wages earned to the date of his last employment.

D. If the employee fails to report for work as scheduled or to furnish the Employer with a justifiable excuse within forty-eight (48) hours thereof, such failure to report to work shall be conclusively presumed to be a resignation from the service of the Employer and termination of such employee's seniority and employment, provided, however, that if such employee can within one (1) week furnish the Employer with reasonable proof that such employee could not report for work or could not notify the Employer of his absence because of illness and unforeseen emergency or other justifiable reason, then such employee shall be reinstated without any break in the service record.

ARTICLE VIII

DISCHARGE:

A. With respect to discharge, the Employer shall give at least one (1) warning notice of a complaint against an employee to the employee in writing, and a copy of the same to the Union, prior to discharge. After an employee has received a warning letter, any complaint with respect to an employee which would justify the issuance of a warning letter shall be grounds for immediate discharge. No such warning notice need be given to an employee where he is discharged for "just cause".

The term "just cause" shall include but not be limited to:

1. Dishonesty
2. Incompetence
3. Racial intolerance
4. Drunkenness

5. Drinking on the job
6. Reporting to work intoxicated
7. Failure to notify the Employer to be excused from work
8. Use of drugs
9. Falsification of records
10. Theft on the premises
11. Giving confidential information pursuant to Minnesota Statute 144.651 (the Bill of Rights for Patients and Residents of Health Care Facilities)
12. Violating patients' rights pursuant to Minnesota Statute 144.651 (the Bill of Rights for Patients and Residents of Health Care Facilities)
13. Violence on the premises
14. Gross insubordination
15. Use of foul or abusive language
16. Disrespectful treatment of residents in any form or degree.
17. Physical or psychological abuse of residents in any form or degree.

B. In addition to the foregoing, no warning notice need be given in the instance of a "suspension" which is defined as a removal from payroll for a period of time with a right to be reinstated without loss of seniority at the end of said period of time.

C. A warning notice as herein provided shall not remain in effect for a period of more than twelve (12) months from the date of the warning notice.

D. All discharges must be by proper written notice to the employee and the Union.

E. Any employee may request an investigation as to his or her discharge. Should such investigation prove that an injustice has been done an employee, he or she shall be reinstated and compensated at his or her usual rate of pay while he or she has been out of work. Appeal from discharge or suspension shall be taken up as provided for in the grievance procedure of this Agreement.

ARTICLE IX

GRIEVANCE AND ARBITRATION PROCEDURE:

A. Any grievance or dispute regarding the interpretation or application of the provisions of this contract must be submitted for settlement by the aggrieved employee or employees, or by the Union on behalf of such aggrieved employee or employees, or by the Union on its own behalf under the procedure as herein provided. This procedure shall be the sole and exclusive method for settlement of such disputes.

STEP 1. Any employee or employees who believe there has been a violation of the terms or conditions of this contract in relation to his or their employment shall immediately and promptly take such complaint to the immediate supervisor. Such employee and supervisor shall attempt to resolve said complaint. No complaint will be considered by any supervisor or representative of the Employer unless it is brought to the attention of the supervisor or representative of the Employer within five (5) days of its alleged occurrence, except as hereinafter provided as to wages. (This Step 1 does not apply to any matter presented by the Union on its own behalf).

STEP 2. If said employee or employees and the supervisor cannot resolve said complaint within such five (5) day period, the employee and employees shall reduce the complaint to writing which shall be considered a grievance. This grievance shall be so reduced to writing and submitted within ten (10) days after the occurrence of the alleged violation of this contract to the General Manager of the Employer; provided, however, that complaints and grievances as to the amount of money due and payable to any employee for wages, hours worked, vacation allowances and days off may be filed and furnished to the General Manager within thirty (30) days after the first regular pay day following the occurrence of such alleged violation relating to such wages.

Failure to give any such notice of any grievance arising under the terms and conditions of this contract shall constitute a permanent waiver and bar of the grievance and the employee or employees shall be forever foreclosed from raising any complaint or grievance in regard thereto in any manner whatsoever.

The representatives of the Employer and the Union shall immediately after the submission of such grievance, in writing, by mutual negotiation, attempt to arrive at a satisfactory settlement thereof.

After such grievance is reduced to and submitted in writing the employee or employees shall be represented by the business agent of the Union or such other persons as may be designated by the Union to represent such employee or employees, not exceeding, however, three (3) in number. The Employer may be represented by such representative as it shall select.

STEP 3. Non-Binding Mediation. If such grievance cannot be settled promptly between the parties within five (5) calendar days after the delivery of written notice of the grievance, the parties, by mutual agreement may submit the matter to non-binding mediation. The services of the Federal Mediation and Conciliation Service will be used for this step. The opinion of the mediator will be non-binding on either party.

STEP 4. If such grievance cannot be settled within five (5) calendar days after delivery of written notice of the grievance (Step 2) or if used, within five (5) calendar days of the Non-Binding Mediation (Step 3), the matter may be submitted to arbitration by either party.

B. The expenses and remuneration of the arbitrator shall be borne by the parties equally.

C. The Union will not authorize, assist or support any strike or stoppage of work, and the employees agree that they will not individually or concertedly engage in, assist or support any strike, slowdown, sit down or stoppage of work brought about either by action of the Union in violation of this Agreement or by action of individuals or groups without Union authority. Such

action shall be just cause for dismissal or discipline by the Employer (subject to the grievance procedure herein provided).

D. In the event that either party fails to abide by the grievance procedure, as set forth above, or fails to abide by the decision or award of the arbitrator, the parties may use such economic or legal recourse as they individually deem necessary (any legislative act to the contrary notwithstanding).

E. Such disputes as may arise under Clause D. above are hereby deemed by the parties to be "contract disputes", and not "labor disputes" within the meaning of any legislative act.

F. At any step in this grievance procedure the Executive Committee of the Local Union shall have the final authority, in respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty, or dispute further, if in the judgment of the Executive Committee such grievance or dispute lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Committee.

ARTICLE X

VACATIONS:

A. All employees shall receive the following vacations which shall be at the employees' current regular straight time rate prorated on time worked.

1. All regular employees with one (1) year full-time service shall be entitled up to one (1) weeks of vacation.
2. All regular employees with two (2) years full-time service shall be entitled up to two (2) weeks of vacation.
3. All regular employees with five (5) years full-time service shall be entitled up to three (3) weeks of vacation.
4. All regular employees with eight (8) years full-time service shall be entitled up to four (4) weeks of vacation.
5. All regular employees with seventeen (17) years full time service shall be entitled up to five (5) weeks of vacation.

B. Employees who are eligible for three (3) or four (4) weeks' vacation may be requested to take the third or fourth weeks not in sequence with the other two (2) or three (3) weeks, unless it is mutually agreed by the Employer and the employee to the contrary.

C. Any employee who wishes their vacation pay prior to their scheduled vacation time must request same in writing at least one (1) pay period prior to the time of said vacation. It is understood and agreed that a week's vacation period is seven (7) calendar days.

D. Part-time employees will receive vacation pay prorated. All employees shall be able to carryover up to forty (40) hours of vacation each year.

E. Employees who elect to resign and give the proper written notice of termination of employment as herein before required, will be entitled to receive vacation pay in lieu of vacation to the extent that such vacation pay has been earned on the date of termination of employment, subject to the following qualifications:

1. Employees resigning within twelve (12) months from the date of their initial employment receive no vacation pay upon termination of employment.
2. Employees resigning within six (6) months from the date of their last previous vacation receive no vacation pay upon termination of their employment.
3. Employees who resign and give the proper notice after six (6) months have elapsed from the date of the employee's previous vacation shall be entitled to vacation pay as provided for in Section C. of this Article.

F. Vacation allowances and pay shall not be cumulative from year to year unless specifically agreed to in writing between the employee and the Employer.

G. A former employee whose employment is terminated and who is subsequently re-employed by the Employer assumes the same status as a new employee in regard to vacation allowances.

H. Any leaves of absence shall not be computed as working time for the purpose of computing vacation allowances and pay.

I. Employees shall be allowed to receive pay in lieu of vacation by separate check for up to one half of their annual vacation accrual unless mutually agreed otherwise (pay in lieu of vacation).

ARTICLE XI

LEAVES OF ABSENCE:

A. Employees shall be entitled to written leaves of absence for the following reasons:

1. Illness or injury of the employee which requires absence from work. Such absence shall be for a period of up to six (6) months, renewable upon request for a maximum period of one (1) year, provided that once each month after six (6) months the employee notifies the Union and the Employer of his whereabouts and status.

In cases of compensable injury, employees shall be granted a leave of absence for a period of one (1) year. Where required, two (2) six (6) month extensions shall be granted, provided the employee notifies the Employer in writing, that such extension is needed. In

no event shall such compensable leave of absence exceed a total of two (2) years.

2. Employees injured on the job shall not be docked for any part of the day in which the injury occurs, providing a call to the Employer is made from the doctor's office, by doctor's personnel, notifying them of the extent of the injury. If the injury is not serious the employee must return to work at once upon leaving the doctor's office. In no instance will the Employer be obligated to pay an employee for more than eight (8) hours.

3. Military service by the employee in compliance with the provisions of the Veteran's Re-employment Act.

4. Election or appointment to office in/or as a delegate representing the Union requiring either temporary or full time leave. Such leave shall not exceed the term of office to which he is elected, so long as it does not interfere with the Employer's operation.

5. Any other reason acceptable to the Employer. The Employer will use reasonable and fair judgment in determining whether or not an employee shall be granted a leave of absence.

6. It is understood and agreed that any maternity leave requested and granted, shall be handled in accordance with the provisions of this Article.

B. Other leaves as per item 5 above shall run to a maximum of three (3) months for employees.

C. Any employee who is granted a leave of absence and while on such leave of absence accepts employment from another employer, or who goes into business for himself, is subject to discharge.

D. Upon return to work from a leave of absence, the employee will be restored to the job previously held, or to a job comparable with regard to work and rate of pay. Upon notice of the Employer of availability for work prior to Thursday noon of any week, the employee shall be restored to work to begin not later than two (2) weeks after the giving of such notice.

E. Employees on leave of absence shall not be entitled to holiday pay or any other benefits of this contract, unless specifically provided for herein.

F. JURY DUTY. An employee who is called to serve on jury duty shall be paid for actual hours worked for the Company. If this pay, together with his jury duty pay, does not equal his regular weekly pay, the Employer will make up the difference for a maximum period of two (2) weeks, provided the employee works such hours as he is available during the hours when court is not in session. The above shall apply to petit jury duty only. An employee receiving full pay from his Employer while serving on a jury will be required to turn in to his Employer the jury duty pay for the period he served on the jury, not to exceed two (2) weeks.

G. FUNERAL LEAVE. Employees who have completed their probation period shall be given up to four (4) scheduled workdays off with pay for a death in the immediate family. For the purpose of this provision, "immediate family" is defined to be limited to the employee's wife or husband, brothers, sisters, children, father, mother, grandmother, grandfather and grandchild. (Father or

mother as herein used, shall mean parents of the employee or the spouse of the employee, whether such parent is the natural parent or step-parent). One of the days shall be the day of the funeral and the other three (3) days shall be within three (3) days before or two (2) days after the funeral.

Bereavement pay will be based on the employee's regular, base rate of pay, and only for days that an employee is scheduled to work.

ARTICLE XII

MISCELLANEOUS:

A. **PAY DAYS:** Employees will be paid every two (2) weeks.

B. **UNIFORMS:** All regularly scheduled employees will be granted an annual uniform allowance as follows:

All part-time employees shall receive an annual uniform allowance of one hundred twenty-five dollars (\$125.00).

All full-time employees (who averaged 56 hours per pay period for the previous 12 months) shall receive an annual uniform allowance of two hundred fifty dollars (\$250.00).

For employees hired on or after July 1, 2003, the uniform allowance shall be paid on each employee's anniversary date. Those employees who are currently receiving payment of uniform allowance on the first pay day before Christmas, such payment practice shall continue.

It is the responsibility of the employees to keep their uniforms neat and in good condition.

C. This allowance shall not be construed to mean that the Employer is requiring the employees to wear uniforms.

D. The Company agrees to provide, free of charge, coffee for the bargaining unit employees during their lunch period and rest breaks. Employees who work a double shift shall be given a free meal.

E. **POSTING VACANCIES:** Employees desiring to change their classification, department, or schedule shall notify the Employer of their desires in advance and any vacancy may first be filled from this advance bidding.

If any permanent regular scheduled vacancy shall occur in any of the designated departments, such vacancy shall be posted on the bulletin board for five (5) working days.

Employees of the department in which such vacancy occurs shall be given the position according to seniority, provided that the applicant has the skill and ability to perform the work. If no one in the department in which the vacancy occurs applies, or if the applicant does not have the minimum qualifications, then any employee outside the department applying shall be given the position according to seniority in the unit, also providing the applicant has the skill and ability to perform the work. The Employer, during such five (5) days, may assign temporarily any employee to such

vacancy.

If any employee transfers from one (1) classification to another, the employee shall have the option of returning to his/her classification within thirty (30) days of the transfer. The Employer may return a transferred or promoted employee to their original classification within thirty (30) days of the transfer if the Employer determines that the employee will not be satisfactory in the new position. The employee may grieve such determination.

F. Employees shall have the option of participating in a payroll deduction savings program.

G. Active Ballot Club Check Off. The Employer agrees to deduct amounts designated by employees for the UFCW Active Ballot Club (ABC) when the Employer has been furnished an individual written authorization for making such deductions. It is agreed that the ABC authorization is to be voluntary. The Employer agrees to remit the ABC contributions to Local #1189 in the same manner as the Union dues.

ARTICLE XIII

SEPARABILITY: Should any part hereof or any provision herein contained be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction or an unfair labor practice by final decision of a labor relations board of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof.

Nothing herein shall be construed to replace or abridge the right of either party to appeal court or administrative decrees or decisions.

In the event any part or portion of this Agreement is declared illegal, the parties shall enter into immediate collective bargaining negotiations, upon the request of either party for the purpose of arriving at a mutually satisfactory replacement for such part or portion declared illegal.

ARTICLE XIV

HEALTH AND WELFARE:

All Employers who are or become signatory or bound by this Agreement agree to be bound by the Agreements and Declarations of Trust, as amended, establishing the Northern Minnesota-Wisconsin Area Retail Food Health and Welfare Fund, copies of which all parties agree have been furnished to and read by all Employers bound hereby prior to the execution of this Agreement.

It is mutually agreed that the provisions of said Agreements and Declarations of Trust and any rules, regulations or plans adopted by the Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. All Employers bound hereby irrevocably designate the Employer Trustees or said Fund, and their successors, as their representatives for the purposes set forth in said Agreements and Declarations of Trust.

Effective January 1, 2021, the Employer agrees to make monthly contributions of **six hundred**

sixty dollars (\$660.00) per month, or the ARGA rate whichever is less for all employees, commencing the first of the month following completion of the probationary period, who are regularly scheduled an average of sixty (60) hours per pay period.

Effective January 1, 2022 the Employer agrees to pay the monthly set by the trustees or ARGA rate, whichever is less.

Employees premium share will be thirty dollars (\$30.00) per month.

Employees may voluntarily elect to waive health insurance coverage provided the following terms are met; employee provides proof they are covered under another plan and the employee provides a written statement waiving health insurance coverage.

If so desired, any eligible participating employee may by self-payment participate in the Family coverage offered by the Trust, provided further that such participation is governed by and in accordance with the criteria established by the Trust for such participation.

If the Employer elects at some future time to provide alternate Insurance Coverage than the Northern Minn-Wis Area Retail Food Health and Welfare Fund, it is agreed by and between the parties that the Employer shall provide insurance coverage commensurate as presently is provided for under the Trust Agreement referred to herein, relative to Health and Welfare (hospital, medical, surgical, etc.), provided that the provisions do not constitute a loss to the employees in existing benefits and provided further that the insurance program be submitted to the Union and subject to their approval before it can be instituted, and; provided further, that there shall be no changes in said Insurance program without the participation of the Union and provided further, that should any of the provisions above be violated that the Employer shall be held accountable and liable for any non-approved variance, and provided further that should any violation occur; that the Employer agrees at the direction of the Union to institute compliance under the Northern Minn-Wis Area Retail Food Health and Welfare Fund within sixty (60) days from the date of direction at the submission rate in existence at that time and further agrees to assume any increases in submissions rate provided for, or shall arise as a result of negotiations between United Food and Commercial Workers Local #1189 and the Area Grocers.

The Employer agrees to pay the agreed upon amount for each employee, who is on the payroll the first day of any month, in accordance with the following rules:

(1) New employees hired shall have the payment made on their behalf by the Employer commencing on the first day of the month following completion of the probationary period.

(2) Payment to the Fund on behalf of the employees who are terminated due to discharge or voluntary termination of employment shall not be required commencing with the first of the month following the date of their termination.

(3) Employees returning to work or reinstated following an absence from work where their seniority has not been interrupted shall have payment made on their behalf on the first of the month following their return to work.

In the event of absence of an employee from work because of an injury, illness or sickness, the Employer shall continue to make the required contributions for a period of three (3) months from the date on which the employee leaves active employment due to illness or injury.

In the event of leave of absence, or military leave or in the event of employees who are laid off or are off because of illness, sickness, or injury beyond said three (3) months period, they shall be permitted to continue coverage as a member of the group by paying in advance the regular monthly contribution as paid by the Employer after the respective date that contributions by the Employer ceases pursuant to the provisions hereof, provided that such coverage may be continued only to the maximum period allowed under the rules established by the Trustees.

During times that the employees covered hereunder are on vacation, the Employer shall continue to pay the necessary contributions to secure coverage for the employees.

Contributions to the Trust fund shall be due and payable fifteen (15) days following the end of the preceding month for all employees covered under the Collective Bargaining Agreement, or for whom contributions are required. The failure of an Employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise shall subject the delinquent Employer to a payment of liquidated damages on an additional ten percent (10%) of the amount due plus all costs and reasonable attorney's fees incurred in connection therewith. Payment and liquidated damages unpaid by the first day of the following month shall be subject to an interest charge of eight percent (8%) per annum on the payments and liquidated damages.

If legal action is taken to recover the amount due the Trust Fund, the delinquent Employer shall also be required to pay all court costs including reasonable Attorney fees. In addition to the other provisions as herein set forth, any Employer who is delinquent in his payments to the Trust Fund shall make such Employer primarily liable and responsible to its employees or employee's estates for any claim for benefits accruing to such employee or employee's estates under the administration of this Trust Fund. The payment of any and all claims shall not operate to relieve such Employer from his liability to make the payments due the Trust Fund, including the liquidated damage payment.

Any Employer who on more than one occasion during any one year becomes delinquent in its payment to the Trust fund shall be required to post a bond with the Trustees in an amount equivalent to the total contributions which it was obligated to make during the preceding calendar year.

Non-payment by any Employer of any contributions or other monies owed to the Fund shall not relieve any other Employer from his or its obligation to make required payments to the Trust Fund.

In no event shall the provisions relating to Health and Welfare set forth herein be subject to or suitable for grievance and arbitration under the terms of this Agreement.

The above paragraphs shall not be applicable when in the judgment of the Trustees, the delinquency results from a clerical error or a bona fide difference or dispute concerning eligibility.

The Employer agrees that applicable payroll records shall be made available for audit to employees of the Health and Welfare fund as directed by action of the Board of Trustees of these Funds.

Funds.

ARTICLE XV

PENSION

A. All Employers who are or become signatory or bound by the Agreement agree to be bound by the Agreement and Declarations of Trust, as amended, establishing the Northern Minnesota-Wisconsin Area Retail Food Pension Fund, copies of which all parties agree have been furnished to and read by all Employers bound hereby prior to the executive of the Agreement. It is mutually agreed that the provisions of said Agreements and Declarations of Trust and any rules, regulations or plans adopted by the Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. All Employers bound hereby irrevocably designate the Employer Trustees of said Fund and their successors as their representatives for the purposes set forth in said Agreements and Declarations of Trust.

B. Pension Contributions: Effective January 1, 2021, the Employer's contribution for such employees shall be increased to one dollar and seven cents (\$1.07) per hour worked by all non-probationary employees covered by the Labor Agreement excluding casuals and high school student helpers. Payments beginning in January 2007 shall be based on December 2006 hours. Employee's hired after January 1st, 2012; the Employer agrees to contribute the following rates to the Northern Minnesota Wisconsin Area Retail Clerks Pension Fund, for each hour worked by a covered bargaining unit employee who have completed their probation (excluding casuals and high school student helpers):

91 days to 18 months:	\$0.72/hour
18 months to 36 months:	\$0.92/hour
36 months plus:	\$1.17/hour

For the purpose of this section, "hours worked" shall mean all hours worked not in excess of forty (40) hours in any one week by any regularly scheduled employee and shall include, pursuant to said forty (40) hour limitation, any holiday or vacation time for which any said employee of the Employer is entitled to straight time pay under the terms of this Agreement.

It is understood that the said Pension Trust and benefits to be provided from the Pension Trust shall conform in all respects to the requirements of the Treasury Department, Bureau of Internal Revenue, and to any other applicable state and federal laws and regulations.

C. Contributions to the Trust Fund shall be due and payable fifteen (15) days following the end of the preceding month for all employees for whom contributions are required. The failure of an Employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise, shall subject the delinquent Employer to a payment of liquidated damages in such amount as adopted by the Trustees, payments, and liquidated damages unpaid by the first day of the following month shall be subject to an interest charge on the payments and liquidated

required to pay all court costs, including reasonable attorney's fees. In addition to the other provisions, as herein set forth, any Employer who is delinquent in his payments to the Fund shall make such Employer primarily liable and responsible to its employees, beneficiaries or employee's estates for any claim for benefits accruing to such employees, beneficiaries or employees' estates which would otherwise be due from the Fund.

The payment of any and all claims shall not operate to relieve such Employer from his liability to make the payments due the Fund, including the liquidated damage payment. Any Employer who, on more than one occasion during any one year, becomes delinquent in its payments to the Fund shall be required to post a bond with the Trustees in an amount equivalent to the total contributions which it was obligated to make during the preceding calendar year.

D. In no event shall the provisions relating to Pension set forth herein be subject to or suitable for grievance and arbitration under the terms of this Agreement.

The above paragraphs shall not be applicable when, in the judgment of the Trustees, the delinquency results from a clerical error or a bona fide difference or dispute concerning eligibility.

The Employer agrees that applicable payroll records shall be made available for audit to employees of the Pension Fund as directed by action of the Board of Trustees of the Fund.

ARTICLE XVI

GENDER:

Whenever any words are used in this Agreement in the masculine gender, they shall also be construed to include the feminine or neuter gender in all situations where they would so apply; whenever any words are used in the singular, they shall also be construed to include the plural in all situations where they would so apply, and wherever any words are used in the plural they shall also be construed to include the singular.

ARTICLE XVII

EQUAL EMPLOYMENT OPPORTUNITY:

Villa Court will provide an Equal Employment Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity and Affirmative Action laws, directives and regulations of federal, state, and local governing bodies and agencies.

ARTICLE XVIII

TERMINATION:

The period of this Agreement shall be from **October 1st, 2020 to and including September 30th, 2023 and** shall automatically open ninety (90) days prior to **September 30th, 2023**, for the purpose of amending or terminating this Agreement.

An opener for the purpose of negotiating wages will be effective October 1, 2021. An opener for the purpose of negotiating wages and benefits will be effective October 1, 2022. During the opener, the No Strike/No Lockout clause will be waived.

An opener for the purpose of negotiating wages and benefits will be effective September 30th, 2019. During the opener, the No Strike/No Lockout clause will be waived.

IN WITNESS WHEREOF, we have set our hands and seals this 23 day of February 2021.

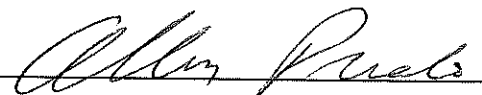
VILLA COURT

UNITED FOOD & COMMERCIAL WORKERS
UNION LOCAL #1189

BY



BY



MEMORANDUM OF UNDERSTANDING BETWEEN

Villa Court, LLC, EMPLOYER
AND

**LOCAL NO. 1189 WITH UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL
UNION, AFL-CIO (f/k/a LOCAL NO. 1116)**

_____, the Employer, and Local No. 1189 with United Food and Commercial Workers International Union, AFL-CIO (formerly, Local No. 1116), the Union, are parties to a collective bargaining agreement which requires contributions to the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan (the "Plan").

The Plan has been classified as being in critical status as of January 1, 2019. The Trustees of the Plan have adopted a Rehabilitation Plan pursuant to the terms of the Internal Revenue Code. **The Rehabilitation Plan will impose certain statutory surcharges (see page 3), unless the Employer and the Union affirmatively adopt the Rehabilitation Plan with this MOU and agree to one of the prescribed Schedules described below. The Employer and the Union must either:**

(1) adopt the Rehabilitation Plan along with one of the Schedules by executing this MOU on or before May 30, 2019, or

(2) not adopt the Rehabilitation Plan and be subject to contribution surcharges, and also further be subject to the Default Schedule if Employer and the Union do not agree to one of the prescribed Schedules below within 180 days of the expiration of its collective bargaining agreement.

In light of this information, and as more fully set forth below, Employer and Union, by signing this Memorandum of Understanding, adopt the Rehabilitation Plan. In addition, Employer and the Union further elect the following contributory schedule, which is described more specifically after the chart on the next page:

Election -- Select one of the Schedules	Schedule	Contribution Change	Effective Date of Contribution Changes
☐	Alternative One - Benefiting	Increase contribution rate by \$0.29 per hour	January 1, 2020
☒	Alternative Two - Benefiting	Increase contribution rates for 3 years cumulatively by: \$0.10 per hour, \$0.12 per hour, \$0.14 per hour	January 1 of 2020, 2021 and 2022 for each successive, cumulative rate increase
☐	Alternative Three - Limited Benefiting	Increase contribution rate by \$0.20 per hour	January 1, 2020
☐	Default Schedule* - Non-Benefiting	Increase contribution rate by \$0.20 per hour	January 1, 2020

***If Employer and Union sign this MOU, but do not check any of the above boxes, Employer and Union are deemed to have selected the Default Schedule.**

MORE DETAILED DESCRIPTION OF SCHEDULE OPTIONS IN THE REHABILITATION PLAN

Alternative Schedule One

A. **Employer Contributions.** Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.29 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting.

B. **Effect on Benefits.** Adoption of Alternative Schedule One will result in an increase in the future benefits available to Plan participants who are covered by the collective bargaining agreement which adopts it. The benefit increase is commensurate with the increase in employer contributions to the Plan called for by Alternative Schedule One, because the increased contribution will be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month.

Alternative Schedule Two

A. **Employer Contributions.** Contributing Employers are required to make increased contributions to the Pension Plan in the amounts specified in the table below:

Date of First Increased Contribution	Amount of Contribution Increase
January 1, 2020	\$0.10 per hour
January 1, 2021	\$0.12 per hour
January 1, 2022	\$0.14 per hour

The contribution increases called for by the above table are cumulative. For example, as of January 1, 2022, the cumulative increased contribution will be \$0.36 per hour. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting.

B. **Effect on Benefits.** Adoption of Alternative Schedule Two will result in an increase in the future benefits available to Plan participants who are covered by the collective bargaining agreement which adopts it. The benefit increases are commensurate with the increases in employer contributions to the Plan called for by Alternative Schedule Two, because the increased contributions will be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month. The increases in benefits will occur as the increases in contributions take effect.

Alternative Schedule Three

A. **Employer Contributions.** Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.20 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting. The increased contribution required by Alternative Schedule Three will also be non-benefiting except as determined by Paragraph B below.

B. **Effect on Benefits.** Adoption of Alternative Schedule Three will not result in an immediate increase in the future benefits available to Plan participants. However, the increased contribution called for by Paragraph A above will become benefiting for future benefit accruals, effective on

January 1st of the first Plan Year as to which the Plan actuary certifies the Plan as being in neither endangered or critical status (sometimes referred to as the "green zone") and, further, that causing the increased contribution to be benefiting will not cause the Plan to fall out of the green zone. The benefit increase then occurring will be commensurate with the increase in employer contributions to the Plan called for by Alternative Schedule Three, because the increased contribution will then be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month.

Default Schedule

The Plan was subject to a previous Rehabilitation Plan, effective November 27, 2010, which had the effect of reducing future accruals and other benefits to the maximum extent of the law. For that reason, the Default Schedule implements only contribution increases necessary for the Plan to emerge from critical status.

A. **Employer Contributions.** Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.20 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting. The increased contribution required by the Default Schedule will also be non-benefiting.

B. **Effect on Benefits.** Adoption of the Default Schedule will not affect future benefits available to Plan participants

EMPLOYER'S AND UNION'S RECOGNITION THAT FAILURE TO ADOPT REHABILITATION PLAN WILL RESULT IN SURCHARGES TO EMPLOYER

Employer and the Union recognize that if this MOU is not executed on or before May 30, 2019, that the following surcharges, as required by the Pension Protection Act, will apply:

- 5% of the contributions for hours worked on and after June 1, 2019 through December 31, 2019 (or, if earlier, when the MOU is adopted).
- 10% of the contributions for hours worked on and after January 1, 2020 until a satisfactory MOU is adopted.

Employer and the Union further recognize that this Surcharge cannot be waived and non-payment by an Employer must be treated as a violation of federal law and is subject to liquidated damages and interest charges.

EMPLOYER'S AND UNION'S RECOGNITION THAT DEFAULT SCHEDULE MAY BE IMPOSED

If a collective bargaining agreement providing for contributions to the Plan that was in effect on January 1, 2019 expires, and after receiving the Rehabilitation Plan Default Schedule, the bargaining parties fail to adopt one of the prescribed Schedules, the Default Schedule will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Furthermore, the surcharges will continue to be imposed until the bargaining parties adopt one of the prescribed Schedules.

EMPLOYER'S AND UNION'S RECOGNITION THAT REHABILITATION PLAN MAY BE AMENDED

The Employer recognizes that the Trustees of the Plan may need to amend the Rehabilitation Plan, and that the Rehabilitation Plan is monitored and reviewed by the Trustees and their service providers each year.

Dated: 5/29/19

[Insert Employer Name]
Villa Court, LLC
P.O. Box 98
1220 Villa Court Drive
Cromwell, MN 55726

By: Julie Peterson

Its _____

Dated: 5/29/19

Local No. 1189 with United Food and Commercial
Workers International Union, AFL-CIO

UFCW 1189

By: Allen P. [Signature]

Its Allen P. [Signature]

**SUPPLEMENTAL PENSION AGREEMENT
BETWEEN
UFCW Local 1189
AND
VILLA COURT-CROMWELL**

This Supplemental Pension Agreement is made by and between Villa Court, Cromwell, MN, ("Employer") and UFCW Local 1189 ("Union") and supplements the parties' collective bargaining agreement ("CBA") in the below manner. This Supplemental Pension Agreement is a stand-alone agreement and is not contingent in any manner upon the action of the parties with respect to the other terms and conditions of the Collective Bargaining Agreement that is set to expire October 1st, 2013.

1. The parties acknowledge they have received notice that the actuary for the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund ("Plan") certified that the Plan is in "critical status."
2. The parties further acknowledge they have received a copy of the rehabilitation plan adopted by the Plan's trustees dated November 27, 2010 ("Rehabilitation Plan"), which is incorporated by reference into this Supplemental Pension Agreement.
3. The parties have bargained over whether to adopt the terms of the Preferred Schedule or the Default Schedule as described in the Rehabilitation Plan.

NOW THEREFORE, the parties agree to adopt and implement the Preferred Schedule of Rehabilitation Plan as follows:

- A. Effective January 1, 2012, the Employer will contribute to the Plan in accordance with the Preferred Schedule. Specifically, the Employer's contribution rate will be modified as follows:
 1. On January 1, 2012, the Employer will permanently cease paying the PPA required surcharge it is currently paying to the Plan and its contribution rate will decrease by that amount.
 2. Also on January 1, 2012, the Employer's hourly contribution rate paid to the Plan – as set forth in the Parties' 2011 – 2013 Collective Bargaining Agreement will increase by \$0.17 per hour on all hours requiring a pension contribution. On December hours the newly increased portion of the employer contributions will not serve as the basis for any benefit accruals under the Plan.
- B. Pursuant to the Preferred Schedule outlined in the Rehabilitation Plan, the benefit multiplier in Section 5.1 of the Plan Document is reduced from 1.75% to 1.00% for future Normal Pension accruals. The benefit multiplier of 1.00% will apply to benefits earned on or after January 1, 2011.
- C. Additionally, the Plan's early retirement subsidy is eliminated for past and future benefit accruals. The Special Early Pension Benefit is eliminated, and the amount of the Early Pension is equal to the actuarial equivalent of the Normal Pension based on the Normal Retirement Age in

effect when the Participant earned each year of Credited Service. The actuarial equivalent of the Normal Pension is set forth in the Rehabilitation Plan.

- D. In the event the Rehabilitation Plan conflicts with this Supplemental Agreement, the terms of the Rehabilitation Plan shall control.

Dated December 13th, 2011.

Julie Peterson
Villa Court - Cromwell

Joyce Berglund
UFCW Local 1189