

CONTRACT

BETWEEN

**AASE HAUGEN HOMES, INC.
DECORAH, IOWA**

AND

**SERVICE EMPLOYEES INTERNATIONAL
UNION LOCAL 199**

Effective August 11, 2010 through August 10, 2013

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PREAMBLE

THIS AGREEMENT is entered into on this 11th day of August, 2010 by and between the Aase Haugen Homes, Inc., 4 Ohio Street, Decorah, Iowa, hereinafter referred to as the Employer, and the Service Employees International Union, Local 199, hereinafter referred to as the Union.

The Employer and the Union agree that the purpose of this Agreement is to provide a procedure for orderly collective bargaining between the parties, to set forth the parties' agreements concerning wages, hours, and working conditions, to assist in realizing the primary objectives of all parties; specifically to furnish the highest level of employee performance and quality resident care, and to establish a basis for the cooperative solution of labor relations concerns by responsible parties. Both the Employer and the Union will use their best efforts to further these objectives. Moreover, the parties also recognize that there are both state and federal regulations governing the operation of this facility, and both the Employer and the Union will use their best efforts to ensure compliance with these rules and regulations.

Article I Recognition

1.1. The Employer recognizes the Union as the sole collective bargaining representative of all employees employed at its Decorah, Iowa facility, as described in the National Labor Relations Board Certification contained in Case No. 18-RC-15532 or any legally amended version of this certification. Casual, temporary and seasonal employees are not covered by this Agreement.

1.2. The Employer agrees that no agreements, written or oral, shall be made with any employees individually or collectively which shall be in conflict with any of the provisions of this Agreement.

1.3. A duly authorized representative of the Union shall be permitted to visit the Employer's premises between the hours of 8:00 a.m. and 4:30 p.m. for the purpose of resolving or investigating written grievances, or as otherwise authorized by the Administration. The visits shall be prearranged with the Administrator and shall take place at times when the Administrator or his/her designated representative is at the facility. Any conversations with employees shall be in break areas and the employees, if not on break, shall have permission from their immediate supervisor to be away from their job and shall be off the clock. There shall be no interference with the operation of the business or care of the residents.

Article II Management Rights

2.1. Except where otherwise provided in this Agreement, the Employer retains, solely and exclusively, the right to manage the facility and the business including, but not limited to, the right to determine the starting and quitting times, daily and weekly work schedules, the number of hours and shifts to be worked by employees and departments, and the length of the workday and workweek; the right to hire, discharge or discipline for proper cause, lay off, recall, promote, demote, and transfer employees; the right to assign and reassign employees to specific shifts, stations, classifications and departments; the right to reduce hours in lieu of lay off; the right to determine qualifications, efficiency, and abilities of employees; the right to determine the work load and work performance level required and to modify those levels; the right to establish and change facility procedures, rules, work rules, safety rules, regulations, and practices; the right to establish and change incentive programs with written notice of same to the Union (this shall be prohibited on an individual basis); the right to close down or move or otherwise transfer the facility or any part thereof or to curtail operations; the right to discontinue the operation in whole or in part and to sell or dispose of all or any part of its assets; the right to subcontract for economic or other reasons; the right to control and regulate the use of equipment, machinery, and other property of the Employer; the right to determine the number of employees in each classification, the number and types of classifications necessary, and the duties to be performed by each classification; the right to establish qualifications necessary for employment in each classification; the right to introduce new or improved equipment, processes, and health care procedures and techniques; the right to determine the number and locations of operations, the services rendered, and products and equipment to be utilized; the right to establish new departments and discontinue existing departments; and, otherwise generally, the right to manage the operation and direct the work force.

2.2. The above rights are not all-inclusive, but enumerate by way of illustration only, the types of rights which belong to the Employer, and it is understood that any of the rights, power, or authority the Employer had prior to the signing of this Agreement are retained by the Employer except those specifically abridged or modified by this Agreement.

Article III No Strike - No Lockout

3.1. It is agreed that during the life of this Agreement there shall be no lockout on the part of the Employer and no strike, sympathy strike, walkout, slowdown, picketing, boycott, or other interference with or interruption of work at this facility on the part of the Union or employees, regardless of whether the cause thereof was or was not subject to arbitration.

3.2. The Union agrees that during the life of this Agreement, neither its officers nor its membership will call, instigate, participate in or condone any strikes, sympathy strikes, walkouts, slowdowns, picketing, boycotts, or other interference with or interruption of work at this facility.

3.3. Except where otherwise provided in this Agreement, the Union shall not question the unqualified right of the Employer to discipline or discharge employees who have engaged in any of the conduct described above in Section 3.1 and 3.2. However, an issue of fact as to whether any particular employee was engaged in such unauthorized action shall be subject to the Grievance and Arbitration Procedures.

Article IV Grievance and Arbitration Procedure

4.1. Grievances, for purposes of this Agreement, are defined as questions of interpretation and application of specific provisions of this Agreement arising during the life of this Agreement; provided, however, that the exercise of the rights set forth in Management Rights Article II shall not form the basis of a grievance or arbitration. Grievances shall not be filed, discussed, investigated, or otherwise processed during working time. Working days for the purposes of this Agreement are defined as days the business office is open.

4.2. Step 1. Any grievance shall be taken up directly between the employee, with or without the Union steward, and the employee's department manager or his/her designated representative(s) within fifteen (15) working days after the occurrence giving rise to the grievance. The parties shall attempt to resolve the grievance. The department manager or his/her designated representative shall respond to the grievance within two (2) working days after the grievance is presented to them. Failure of the department manager or designated representative to respond to the grievance within the allotted time frame shall be construed as an automatic denial of the grievance and the grievant may proceed to Step 2, as outlined below.

4.3. Step 2. If the matter is not resolved in Step 1, it must be reduced to writing and presented to the Administrator (or the Administrator's designated representative) within ten (10) working days of receiving the denial at Step 1. Grievances must be submitted on a form provided by the Union. The grievance form is attached hereto and made a part of this Agreement.

4.4. The written grievance must contain a description of the conduct complained of, the section of the contract allegedly violated, the relief requested, and the signature of the Worksite Leader. Any grievance which fails to conform to this requirement may be disregarded by the Employer and may not be processed further.

4.5. The Administrator or the Administrator's designated representative shall upon request of either party schedule a meeting with the grievant and a Union representative, if so desired by the grievant, to discuss the merits of the grievance. At such meeting, both parties must submit or disclose all known available evidence bearing on the grievance (i.e., description of the practice, custom, or dispute; relevant dates; material witnesses; etc.) along with the specific contract clause that is allegedly violated. Failure to do so may serve as a bar to the introduction of any such evidence or theory of recovery by the grieving party at arbitration. The Administrator or the Administrator's designated representative shall issue a written decision within ten (10) working days following receipt of any grievance which conforms to the requirements of Section 4.4 above. Failure of the Administrator or the Administrator's designated representative to issue a written decision within the allotted time shall be construed as an automatic denial of the grievance, and the Union may proceed to arbitration, as outlined below. If a time cannot be agreed upon during which the grievant and a Union representative are off the clock, then time spent in conference with the Administrator, pursuant to this Section only, shall be on the clock.

4.6. Step 3. If the Union declines to accept or does not receive the Employer's response described in Section 4.5 above, it may proceed to arbitration. At any step in this grievance procedure, the Executive Board of the Union shall have the final authority with 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 Board, such grievance or dispute lacks merit or lacks justification under the terms of this Agreement to the satisfaction of the Union Executive Board. No employee covered by the terms of this Agreement shall have any individual right outside of the Union to process a grievance beyond the second step of the grievance procedure set forth in this Article.

4.7. If the Union wishes to proceed to arbitration, it must notify the Administrator in writing within ten (10) working days of the day of the decision by the Employer described in Section 4.5 above.

4.8. No issue may be submitted to arbitration which has not been raised as a written grievance, and no written grievance may be submitted to arbitration unless it conforms to the requirements of Section 4.4 above.

4.9. Failure by the Union to adhere to the time limitations set forth in this Article shall permanently bar any further processing of the grievance, including the submission of said grievance to arbitration. In no event shall a settlement or award be made retroactive beyond the date on which the occurrence giving rise to the grievance was first presented in Step 1 of this grievance procedure. However, the time limits herein may be extended by mutual agreement of the parties on a non-precedent setting basis.

4.10. Unless the parties agree otherwise in writing, no settlement of any grievance shall operate or be construed as a precedent or a prior practice for any subsequent situations.

4.11. In the event that a proper request to arbitrate is made by the Union, either party may request from the Federal Mediation and Conciliation Service a list of seven (7) arbitrators. Upon receipt of this panel of seven (7) arbitrators, selection will be by agreement, if possible; otherwise, by the parties alternately eliminating names from the list. The parties will flip a coin to determine who is to strike first. Arbitrator names shall thereafter be struck alternatively until one name remains. (Either party may reject the panel prior to striking, one time only, in which case a new panel shall be requested.) A letter will thereupon be drafted notifying the arbitrator selected and asking that person to submit with his/her reply of acceptance the earliest dates of availability.

4.12. In rendering a decision, the arbitrator shall be governed and limited by the provisions of this Agreement, applicable law, and the expressed intent of the parties as set forth in this Agreement. The arbitrator shall have no power to add to, subtract from, or modify any of the terms and provisions of this Agreement, or substitute his/her judgment for that of the Employer and shall confine his/her judgment strictly to the facts submitted in the hearing, the evidence before him/her, and the express or implied terms and provisions of this Agreement. To the extent that the arbitrator complies with these limitations, the arbitrator's decision shall be final and binding upon the parties.

4.13. The cost and expenses of the arbitrator shall be equally borne between the parties. The total cost of any stenographic record which may be made or transcripts thereof shall be paid by the party ordering same; provided, however, that if the arbitrator requests a transcript, the cost of the stenographic record shall be shared equally between the parties.

4.14. If either party shall claim before the arbitrator that a particular grievance fails to meet the tests of arbitrability as set forth herein, the arbitrator shall proceed to decide such issue before rendering a decision on the instant case. Where the issue of arbitrability is raised, the Arbitrator shall first hear the arbitrability arguments immediately followed by the merits of the instant case, but should the Arbitrator find the case not arbitrable, the Arbitrator shall withhold comment or decision on the instant case.

Article V Wages

5.1. Attached hereto, and made a part of this contract, wage rates appear as Appendix A. The wages found herein shall constitute the minimum scale of wages to be paid to employees working in the classifications covered by this Agreement. The Employer retains the right, after meeting with the Union, to pay wages above the

minimum scale reflected in Appendix A, whether on a classification, departmental or facility-wide basis. The Employer must submit the plan and its justification for the increases to the Union in advance of the meeting referenced above. Thereafter, the parties agree to meet and confer regarding the Employer's plan no later than two (2) weeks following such notice to the Union.

5.2. An employee temporarily assigned to a higher-paying classification shall be compensated at the rate of pay for that classification, provided the employee is assigned to said classification for the entire shift and said classification is a classification covered by the collective bargaining agreement. An employee temporarily assigned to a lower-paying classification shall be compensated at the rate of pay for his or her regular classification.

5.3. When an employee permanently transfers to a higher-paying classification, he or she shall receive a minimum wage increase of twenty-five cents (25¢) per hour, or the applicable Start/After 90 Days rate for that classification, whichever is higher. When an employee permanently transfers to a lateral position, he or she shall maintain his/her current wage rate, or at the Employer's discretion, a higher wage rate. When an employee permanently transfers to a lower-paying classification, he or she shall be paid in accordance with the applicable Start/After 90 Days rate for that classification, or at the Employer's discretion, a higher wage rate.

5.4. Employees may elect to have their bi-weekly pay check deposited electronically into the bank account of their choice by providing the employer with the proper routing and account numbers. Employees who elect this option will receive a voided paper check with the same detail as those employees who elect to receive their pay in the same manner as is currently provided.

Article VI Hours of Work

6.1. All hours worked in excess of forty (40) hours in a seven (7) day work week shall be considered overtime and paid at the rate of time and one-half (1½) the employee's straight-time rate of pay. Payment of holiday premium pay (see Article IX) shall be credited toward any overtime compensation due for hours worked in excess of forty (40) hours in a seven (7) day work week.

Bargaining unit employees may trade or alter work schedules or shifts subject to prior approval of management and cannot create overtime for any of the trading parties.

6.2. An employee's work schedule shall be posted at least one (1) week in advance of the effective date. No scheduling changes shall be made without twenty-four (24) hours notice either in person or by telephone.

6.3. In the event of layoff or reduction of hours, the Employer shall communicate a complete list of proposed layoffs or hours reduction to the employee Union representatives at the home, and meet with the Union prior to any action taken. The Employer will first ask for volunteers for layoff or hours reduction. It is understood that for hours reductions of less than thirty (30) minutes per employee per day, each employee's hours may be reduced not more than thirty (30) minutes across-the-board in each department for thirty (30) calendar days. However, after thirty (30) calendar days and every thirty (30) calendar days thereafter, the Union reserves the option of reinstatement of the former schedule for members under this Agreement and the implementation of the provisions of Section 10.3 may come into effect.

6.4. Meals and rest periods are scheduled at times which will not interfere with the efficient operation of the facility. There will be one (1) thirty (30) minute meal break for each eight (8) hour shift worked: Employees shall be granted one (1) rest period of fifteen (15) minutes between the first four (4) hours worked and an additional rest period of ten (10) minutes when the employee is scheduled to work a shift of seven (7) hours, but less than eight (8) hours, without deduction in pay. An employee working twelve (12) or more consecutive hours will be granted an additional rest period of fifteen (15) minutes without deduction of pay. When an employee is scheduled for an eight (8) hour shift, the second break shall be fifteen (15) minutes. Employees who work less than six (6) hours will not have a meal break, absent approval from the department manager. However, any employee who works four (4) or more hours will be given a fifteen (15) minute paid break. Meal breaks shall not be paid. No employee shall be allowed to leave the premises on paid breaks unless an emergency arises and with supervisor/charge nurse permission only.

6.5. Employees required to attend staff meetings and in-service educational meetings held at the facility during their non-working hours will be paid only for the time actually spent in attendance at such meetings. Mandatory In-Services must be attended or viewed by all staff within one month. The Employer will make available a recording of all mandatory in-services within two (2) working days of the date of the in-service.

6.6. The regular work week starts with the beginning of the third shift on Saturday and ends at the conclusion of the second shift on the following Saturday.

6.7. Nothing in this Article or Agreement shall be construed as a guarantee of any number of hours in a work day or work week; nor, a limitation on the Employer's right to utilize casual, seasonal or temporary employees, to require employees to work on their days off, or to reduce hours in lieu of a lay-off; provided, however, employees on approved leaves of absence, vacation or funeral leave shall not be required to return to work prior to the expiration of any such approved time off. The Employer agrees that this provision will not be used to accomplish a lockout otherwise prohibited by Section 3.1 of this Agreement.

6.8. No duplication or pyramiding of holiday pay, daily or weekly overtime, or premium pay shall be allowed under this Agreement.

6.9. Nothing contained in this Article shall be construed to restrict the Employer's right to place certain classifications on an 8/80 schedule for determining entitlement to overtime, in which case said employees would be paid at the rate of pay of time and one-half (1½) the employee's straight-time rate of pay for all hours worked in excess of eight (8) hours in a day or eighty (80) hours in a two (2) week pay period. Prior to doing so, however, the Employer must give the Union notice of the planned change and the classifications thereby affected, at a minimum of two (2) weeks prior to implementation, and upon such notice, this Section of the Agreement may be re-opened for negotiations.

6.10. The Employer reserves the right, which right shall not be exercised arbitrarily, to require an employee to make up a scheduled week-end shift missed, regardless of reason the shift was missed; provided, however, employees on approved leaves of absence, vacation or funeral leave shall not be required to make up a scheduled week-end shift missed. Employees will be notified of the requirement to make up a week-end shift within two (2) calendar weeks from the time the week-end shift was missed. In such cases, the employee will be given an extra day off during the week or payroll period where such rescheduling would otherwise result in the payment of overtime pay.

Article VII Vacations

7.1. Annual vacation pay shall be granted to regular employees after one (1) calendar year of continuous employment, commencing with the employee's most recent date of hire with the Employer.

7.2. Earned vacation hours are based on the number of hours compensated during the twelve (12) months preceding an employee's anniversary date. Eligible employees will accrue vacation hours at the rate of .01923 times each hour compensated, multiplied by the number of vacation weeks available according to the schedule below. For example, an employee who is compensated for two-thousand and eighty (2,080) hours during his/her previous year of employment would receive the following vacation benefits:

After one (1) year of continuous employment . . . forty (40) hours;

After three (3) years of continuous employment . . . eighty (80) hours;

After five (5) years of continuous employment . . . one-hundred and twenty (120) hours;

After ten (10) years of continuous employment . . . one-hundred and sixty (160) hours.

When hours compensated are less than two-thousand and eighty (2080) in a year, earned vacation hours will be adjusted in direct proportion to the above schedule.

7.3. In calculating vacations, the anniversary date of employment for each individual employee shall be used in determining years of continuous employment upon which vacation allowances will be based. For purposes of this paragraph, anniversary date shall be the date of the employee's most recent employment with the Employer.

7.4. Vacations must be taken in increments equal to the employee's regularly scheduled shift. Vacations should be requested in writing at least two (2) weeks prior to and within twelve (12) months of the proposed start date of an employee's vacation. Up to five (5) accumulated vacation days may be used for the care of sick dependents residing with the employee without providing two (2) weeks' notice, in which case, the notice provisions specified in Section 8.7 shall apply. An employee's department manager (or his or her designee in the event of the department manager's absence) must approve or deny an employee's vacation request within seven (7) calendar days of its submission or it will otherwise be deemed approved. If there is a conflict in vacation scheduling, preference will be given to the employee first requesting, and in the event of a continuing conflict, then to the employee with the longest service. Vacations cannot be scheduled between December 22 and January 2 of any year without specific approval from the employee's department manager, or in accordance with the Family and Medical Leave Act. Emergency use of vacation leave may be granted at the discretion of the Administrator or department manager.

7.5. Except as otherwise provided in Section 8.7, vacations must be taken within a year after they are earned, unless the employee is prevented from doing so because of staffing shortage, request of the Employer, or similar occurrences. In such event, the employee will receive payment for his or her earned, unused vacation; otherwise, unused vacation time will be forfeited, absent agreement of the Employer.

7.6. In the event a holiday occurs during an employee's vacation, he/she will receive an extra day of vacation or an extra day of pay, the choice of which shall be at the Administrator's discretion. However, no other wage compensation is available to employees while receiving vacation pay, and vacation pay is not available to employees while receiving any other wage compensation as a result of their employment with this facility.

7.7. An employee who voluntarily terminates without two (2) weeks' notice or who is terminated for cause, will not receive vacation pay upon termination. All other

employees will be paid their earned, unused vacation time upon termination. Vacation time will not be considered earned until the employee has reached his/her anniversary date. Vacation leave may not be used during an employee's regular resignation notice period. A regular employee who transfers to casual, temporary or seasonal status, as defined in Section 12.1 of this Agreement, shall be paid for all earned, but unused vacation time.

7.8. In the event of an employee's death, all earned vacation and personal days shall be paid to the estate.

7.9. Vacation and personal days not preceded by a two (2) week written request, may be taken provided the employee finds their own replacement on a non-overtime basis and obtains approval of management.

7.10. Unpaid time off may be allowed on a case-by-case basis upon approval of the Administrator or his/her designee, in those situations that do not qualify as a leave of absence pursuant to Article XI. Vacation days must be used up before this is granted.

Article VIII Sick Leave and Personal Leave Days

8.1. Regular employees earn sick leave benefits, which are credited to a "sick leave bank" at the rate of .0444 times each hour worked, up to a maximum of thirty (30) days (240 hours). Employees begin earning sick leave bank credits the first day of the calendar month following completion of their ninety (90) day probationary period; however, employees will not be eligible to receive paid sick leave until after their first anniversary date of employment.

8.2. A "waiting period" will be imposed for the first and second working days an employee is absent from his or her regular schedule, except where otherwise provided in this section.

(a) If an employee misses three (3) consecutive scheduled working days, or misses twenty-four (24) consecutive scheduled working hours, the two (2) day waiting period will be waived and all such time will be treated as paid sick leave, if otherwise available; provided, he or she submits medical verification of the reason for his or her absence, upon request of the Administrator or department manager;

(b) For employees regularly scheduled to work thirty-two (32) or more hours per week, the waiting period is waived once an employee accumulates the maximum of thirty (30) days (240 hours) in his or her sick leave bank. For employees regularly scheduled to work less than thirty-two (32) hours per week,

the waiting period is waived once an employee accumulates twelve (12) days (96 hours) in his or her sick leave bank. Once an employee has reached the applicable thirty (30) day (240 hours)/twelve (12) day (96 hours) threshold, the waiting period is waived for a rolling twelve (12) month period, commencing with the first such absence that drops the employee's sick leave bank below the applicable thirty (30) day (240 hours)/twelve (12) day (96 hours) threshold.

(c) The waiting period is waived if an employee is admitted to the hospital or receives an out-patient procedure at a hospital, provided that the out-patient procedure is an approved surgical procedure recognized for benefit purposes by a health insurance company.

8.3. If an employee is going to be absent, he or she must call in and notify the appropriate the Director of Nursing or Charge Nurse (for Meadows, Woodlands, and Rivers), or the appropriate department manager for departments other than nursing, at least three (3) hours in advance of his or her scheduled starting time (or, one (1) hour, in the case of day-shift employees) in order to be eligible for sick leave benefits. The employee must explain the nature of the illness and the estimated number of days he or she is going to be absent. Under no circumstances shall the employee be required to obtain replacement coverage for a shift missed due to an illness. The employee must also call in each subsequent day he or she is absent, unless based on the seriousness of the illness, this requirement is waived by the employee's supervisor or department manager.

The Employer normally will not require a doctor's excuse for week-end illnesses, unless the employee has exhibited an absenteeism problem or where the Employer has a reasonable basis for suspecting abuse of the Employer's attendance policy. The week-end work shift shall be defined as beginning with the third shift on Friday and ending with the second shift on Sunday.

8.4. Sick leave benefits are not paid automatically; eligible employees must apply for them in writing to the Director of Nursing, or the appropriate department manager. A written statement from the employee's physician or other health care provider may be required to support each benefit claim. The Employer may also require a medical authorization allowing the employee to return to work; and, the Employer may require a second opinion from a physician or other health care provider of the Employer's choosing, provided the Employer pays the expense of the second opinion.

8.5. Sick leave may only be used in the event of an employee's personal illness or other serious health condition. If an employee abuses his or her sick leave benefits by falsification of a claim, he or she will be subject to disciplinary action, up to and including termination. Unused sick leave benefits are not payable at time of separation from employment, whether voluntary or otherwise.

8.6. Two (2) personal leave days shall be granted to regular employees after one (1) calendar year of continuous employment, commencing with the employee's most recent date of hire, and annually thereafter on the employee's anniversary date (provided the employee has worked a minimum of 1664 hours in the twelve (12) months preceding the employee's anniversary date).

8.7. Personal leave days may not be carried over from year to year. Personal leave days and up to five (5) vacation days per year may be used for the care of sick dependents residing with the employee without providing the required two (2) weeks notice specified in Section 7.4 (vacation leave requests) and Section 8.8 below, in cases where the need for such leave is not foreseeable. An employee desirous of using a personal leave or vacation day for purposes of care for a sick dependent must call in and notify the Director of Nursing, or the appropriate department manager for departments other than nursing at least three (3) hours in advance of his or her scheduled starting time (or, one (1) hour, in the case of day shift employees) in order to be eligible for personal leave days. Payment for earned, unused personal leave days shall be governed in accordance with the provisions of Section 7.7.

8.8. Requests for personal leave days off must be submitted at least two (2) weeks in advance, unless approved by management, or as otherwise provided in this Agreement.

8.9. Payment for and use of earned, unused personal leave days shall be governed in accordance with the provisions of Section 7.7. Personal days may not be used during an employee's regular resignation period.

8.10. Unpaid time off may be allowed on a case-by-case basis, upon approval of the Administrator or his/her designee, in those situations that do not qualify as a leave of absence pursuant to Article XI.

8.11. Employees who have completed at least ten (10) years of continuous employment with the Employer and who have reached the applicable cap on the accrual of sick leave (i.e., 30 days/240 hours for employees regularly scheduled to work 32 or more hours per week; and 12 days/96 hours for employees regularly scheduled to work less than 32 hours per week) may convert accumulated sick leave days into vacation days at the ratio of 3:1, up to a maximum of two (2) vacation days per anniversary year, provided such conversion is only permissible if the employee is presently "capped" at the time of the conversion request. For employees regularly scheduled to work 32 or more hours per week, a converted vacation day consists of eight (8) hours; for employees regularly scheduled to work less than 32 hours per week, a converted vacation day consists of four (4) hours.

Article IX Holidays

9.1. All regular employees who have completed their ninety (90) day probationary period and who are required to work on any of the following holidays will be paid at the rate of two (2) times their regular hourly rate of pay for all hours actually worked. Regular employees who have completed their ninety (90) day probationary period and who do not work on any of the days listed below will receive holiday pay based on their regular straight-time hourly wage times eight (8) for employees who average thirty-two (32) hours per week, and times four (4) for employees who average less than thirty-two (32) hours per week.

Employees not scheduled, who are called in to work on a holiday, shall be paid at the rate of two (2) times their regular hourly rate of pay for the entire shift regardless of the hours of the shift actually worked.

New Year's Day	Labor Day
Easter Sunday	Thanksgiving Day
Memorial Day	Christmas Day (defined as including the "p.m. shift" on Christmas Eve in addition to the three (3) regular shifts on Christmas day)
Independence Day	Birthday (If it falls on a holiday, employee may choose an alternate day to celebrate as their birthday holiday.)

9.2. To be eligible for holiday pay, employees must work their entire scheduled work day immediately before and after the holiday unless excused by the Administration. Employees on lay-off or leave of absence shall not be eligible for holiday pay.

9.3. The Employer will make a reasonable effort to schedule holidays so that no employee is required to work the same holidays in consecutive years unless the employee requests to work those holidays.

Article X Seniority

10.1. An employee's seniority is defined as his/her most recent period of continuous employment with the Employer. Seniority within classification shall be defined as the most recent date of permanent employment in that classification.

10.2. An employee's seniority shall be lost in the following instances:

- (a) When an employee quits voluntarily;

- (b) When an employee is discharged for proper cause;
- (c) When an employee fails to return to work within five (5) calendar days after receipt of notice of recall by phone or by registered mail, sent to the employee at the address on file with the Employer (employee will also be terminated);
- (d) When an employee does not perform any work for the Employer for a period of twelve (12) months (employee will also be terminated);
- (e) When an employee fails to return as scheduled from a leave of absence (employee will also be terminated);
- (f) When an employee has an unexplained absence for two (2) scheduled days (employee will also be terminated);
- (g) When an employee accepts employment by another employer during a leave of absence (employee will also be terminated);
- (h) When an employee accepts a non-bargaining unit position.

10.3. In all matters of selection of personnel (for example, lay-off, reductions in hours and recall), except temporary transfers, promotions to non-bargaining unit positions, assignment of extra hours and overtime, the Employer shall first consider employees' demonstrated skills, ability, and performance. When, in the sole judgment of the Employer, which shall not be arbitrarily exercised, there are two (2) or more employees of relatively equal skill, ability, and performance, the principle of seniority within the classification shall govern. Temporary transfers, promotions to non-bargaining unit positions, assignment of extra hours and overtime shall be at the Employer's discretion. Bargaining unit employees may be asked to accept temporary transfers to non-bargaining unit positions. Should no volunteer be found, the Employer may mandate a bargaining unit employee to perform the non-bargaining unit function for a period not to exceed five (5) working days. Bargaining unit employees are not required to accept permanent transfers to non-bargaining unit positions.

10.4. When the Employer determines that a vacancy exists in a bargaining unit position and should be filled on other than a temporary basis, it will post a notice of the vacancy for five (5) calendar days. The notice of vacancy shall include the position, shift, number of hours and effective date, if known. Selection from the employees who sign up will be according to the method described in Section 10.3 above. The Employer shall fill such vacancy from employees bidding provided, in the judgment of the Employer, which shall not be exercised arbitrarily, there are employees bidding on said vacancy who possess the qualifications to perform the position without additional training. All applicants shall be notified of the disposition of the bid. Qualified

employees on layoff shall receive preference over outside applicants as far as eligibility to fill vacancies. In the event that after a vacancy has been filled by an internal applicant, thus creating an additional vacancy, an employee previously laid off (for up to a year) shall be recalled to fill the vacant position before hiring from the outside is permitted.

10.5. Each new employee shall be a probationary employee for the first ninety (90) calendar days of employment from the first date of work. During this period an employee may be terminated or otherwise disciplined without any recourse to the grievance procedure. Upon satisfactory completion of the probationary period, the employee's seniority shall begin effective on said employee's first day of employment. An employee's probationary period may be extended for thirty (30) calendar days provided mutual agreement is reached with the Union.

10.6. The Union shall be furnished with a seniority list on each anniversary date of this Agreement for all employees covered by this Agreement. At any time the seniority lists are revised during the term of this Agreement, a revised list shall be posted and a copy shall be given to a representative for the Union.

Article XI Leaves of Absence

11.1. General Provisions. All regular employees may be eligible for certain unpaid leaves. Appropriate documentation will be provided by the employee for each type of leave, including anticipated leave and return dates. A person accepting other similar employment during leave shall be considered to have voluntarily resigned. All insurance matters must be arranged for prior to a leave. An employee granted a leave of absence will be reinstated to his or her previous position and/or shift upon expiration of an approved leave, or if such position no longer exists, or if the leave extends beyond six (6) months, to a substantially equivalent one. Employees on approved leaves of absence, other than for those reasons specified in Sections 11.2 and 11.3, must first exhaust all earned vacation and personal leave days prior to commencing such leave.

11.2. Family And Medical Leave.

(a) All regular employees who have completed at least one (1) year of employment and who have worked a minimum of 1250 hours during the preceding year, will be eligible for an unpaid leave of absence up to twelve (12) calendar weeks in a rolling twelve (12) month period for the birth, adoption or placement of a child in foster care; the employee's own serious health condition; or for a serious health condition involving an employee's parents, spouse or children; or for a continuous period of up to six (6) months in the event of an employee's own serious health condition. An employee may elect to use earned vacation, personal leave, and/or accumulated sick leave (where applicable).

Leave requests must be submitted to the Administrator in writing as soon as possible so that necessary staffing arrangements can be made. Medical certification from a physician or other health care provider must accompany all medical leave requests. Medical certification shall include the nature of disability, expected duration of the disability, and statement of the employee's ability to continue working (performing his/her assigned duties) up to the time the leave begins. In those cases involving an employee's request for leave to care for a parent, spouse or child with a serious health condition, the employee must identify the relationship involved, the nature of the disability, expected duration of the leave, and a statement from a physician or other health care provider attesting to the need for the employee's presence. Failure to provide the requested certification within fifteen (15) days of the Employer's request may result in termination.

(b) Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain "qualifying exigencies." Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. Qualifying exigencies may also include up to five days of leave for periods of rest and recuperation for the servicemember, leave of up to seven days as a result of short-notice deployment, or leave for other activities arising out of the servicemember's active duty or call to active duty and agreed upon by the Employer and the employee. This leave may be taken for up to 12 weeks in a 12-month period. The 12-month period is determined on a "rolling" basis, measured backward from the date an employee uses any FMLA leave as described in further detail above.

(c) FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list. The single 12-month period is measured forward beginning from the date an employee's first FMLA leave to care for the covered servicemember begins. While a total of 26 weeks of leave may be allowed, please keep in mind that leave to care for the ill or injured service member and leave for any of the other reasons discussed in this policy cannot exceed a total of 26 weeks in a single 12-month period.

(d) When possible, at least two (2) weeks prior to return from all medical leaves, the employee shall furnish upon request medical certification stating the medical condition, ability to resume duties, any physical or mental limitations, and the date the employee may return to his/her duties. An employee who fails to notify the facility of his/her availability or fails to report to work on the first scheduled shift will be considered to have voluntarily resigned.

(e) It is the employee's responsibility to provide all the necessary requests and certifications associated with disability leaves.

(f) The employee must pay his/her share of insurance premiums when due. If the employee fails to make these payments, the Employer may act to terminate the insurance.

(g) An employee who is on family and medical leave will not receive holiday benefits.

(h) An employee on leave pursuant to this section for a period greater than six (6) months and up to one (1) year shall be eligible to return to any available opening he or she is qualified to perform. In such circumstances, the employee shall be given the highest priority to thereafter return to his or her former position when available and if still qualified.

11.3. Military Leave.

(a) All regular employees who enter the Military Service are eligible for an unpaid leave of absence. These employees must present a copy of their service papers to their department manager and/or Administrator as soon as they receive them so that necessary staffing arrangements can be made.

(b) An employee affected by any type of military service requirements may, upon written request, use vacation time to fulfill such obligation.

(c) Upon applying for reinstatement within ninety (90) days following the date of satisfactory completion of his/her term of military service, an employee will be reinstated in his/her previous position or one of like status and pay. (In all respects, the Military Leave of Absence policy will be applied in accordance with existing Federal laws.)

(d) All employee benefits are suspended until such time as the individual returns to work.

11.4. General Leave (Educational or Personal).

(a) All employees who have completed one (1) year of service with the facility may be granted, upon approval by the Administrator, a general leave for educational or personal reasons. An employee must submit a written request to his/her department manager and Administrator stating the reasons for the leave and the maximum length of time the employee expects to be away. Any employee who does not return at the expiration of the leave will be considered to have voluntarily resigned.

(b) When on such leave the employee must pay both his/her share and the Employer's share of insurance premiums. If the employee fails to make these payments, the Employer may act to terminate the insurance. He/she will not receive holiday benefits; nor, will personal leave or vacation benefits accrue. When the employee returns from leave, the anniversary date will be adjusted to reflect actual time of service.

11.5. Scheduling permitting, employees who hold elected or appointed Union office will be allowed time off without pay to attend the Union's convention or official meetings; provided such employees have given written notice to the Administrator at least two (2) weeks prior to the date of the requested time off.

11.6. A leave of absence not to exceed ninety (90) days shall be granted to an employee in order to accept a full-time position with the Union. The employee shall not lose or accrue seniority during this period. Upon return from such leave, the employee shall return to their former unit and position, or if such position no longer exists, to a substantially equivalent one.

Article XII Miscellaneous Provisions

12.1. Non-Bargaining Unit Personnel. Except where otherwise set forth in this Agreement, it is understood that, while supervisory and other employees not described in Article I and Appendix A of this Agreement are not included in the bargaining unit or covered by the collective bargaining agreement, this Agreement shall not affect, dictate, or interfere with what duties these employees may perform. Non-bargaining unit personnel shall not be assigned the duties of bargaining unit personnel who are in layoff status.

12.2. Non-Discrimination. There shall be no discrimination under any circumstance by either the Union or the Employer on the basis of race, creed, color, gender, union activity and status, non-union activity and status, national origin, disability, age, religion, marital status, or sexual orientation.

12.3. Definition of Employees. Full-time employees are defined as those employees who are scheduled for work and work an average of thirty-two (32) or more straight-time hours per week. Regular part-time employees are defined as those employees who are regularly scheduled and work less than thirty-two (32) straight-time hours per week. Seasonal employees are defined as those employees who are hired for a specific period of time. Casual and temporary employees are defined as those employees who work on a "PRN" or intermittent basis and who are not regularly scheduled to work in a twelve (12) month period.

12.4. Uniforms. All employees shall wear uniforms as required and defined by the manager of the department in which they are working. The Employer and the Union will determine the style and color of all required uniforms with input from the affected employees. The Employer will provide two (2) \$15.00 gift certificates upon an employee's hiring and upon any mandatory changes in styles or colors. The Employer will thereafter contribute Fifteen and No/100 Dollars (\$15.00) toward the cost of uniforms required by an employee, on his or her anniversary date. An employee may waive this benefit if she or he feels an additional uniform is unnecessary. The Employer may implement special days to allow for flexibility of not wearing uniforms.

12.5. Smoking. Effective August 1, 2005, smoking by personnel will not be allowed anywhere within the buildings and grounds. Upon ratification of this Agreement, the Employer agrees to offer assistance with smoking cessation including classes and reimbursement for up to three (3) months worth of nicotine skin patches for each employee who submits a proper request for reimbursement of such cost. The Employer agrees to implement such assistance within six (6) months of the effective date of this Agreement.

12.6. Physicals. New employees are required to have a physical and T.B. test before the starting date of their employment. Every four (4) years, employees are required to have another physical. The Employer will offer these physicals and/or T.B. tests on-site free of charge. Alternatively, employees may elect to have such physicals and/or T.B. tests provided by a health care provider of their choice, in which event, the Employer will pay up to Twenty-Five and No/100 Dollars (\$25.00) toward the cost of such physicals and/or T.B. tests, provided affected employees submit proper documentation verifying the physical and the cost thereof.

12.7. Bulletin Boards. The Employer will allow a designated Union representative access to employee bulletin boards for the purpose of posting authorized Union notices regarding such matters as Union meetings, social affairs, recreation affairs, and election of stewards and any other pertinent Union business.

12.8. Solicitations. Non-employees will not be permitted to solicit employees for any cause on the premises of the Employer, including parking lots of the Employer, with the exception of certain, pre-authorized charitable organizations (e.g., the United Way). Solicitations by employees should not be made while either the solicitor or the

recipient of the solicitation are working. For the purposes of this policy, "working" excludes rest and meal breaks, pre-shift and post-shift activities. Distribution of printed literature is only permitted during non-working hours in non-resident care areas.

12.9. Personnel Records. Employees will be allowed access to and permitted to obtain a copy of their personnel file (at a cost not to exceed Five and No/Dollars (\$5.00)) maintained by the Employer, including performance evaluations, disciplinary records, and similar information maintained by the Employer in their personnel files.

12.10. Use of Telephones. Except for lunch or rest periods, employees may not make outgoing personal telephone calls without the express approval of their immediate supervisors, which will only be granted in case of a genuine emergency. Employees may not receive incoming personal telephone calls when at work, except those of an emergency nature. Cell phones are banned during working hours except in an emergency situation.

12.11. Safety and Health. The Employer agrees to provide a safe working environment for its employees, including the implementation of universal precautions, in accordance with federal and state regulations and guidelines. Failure to address an employee's written complaint involving a safety hazard shall be subject to the grievance and arbitration procedures outlined in Article IV.

12.12. Dues Check-off. During the term of this Agreement, the Employer will deduct from each paycheck the required Union dues of each employee for whom there is a valid authorization. The amounts so deducted shall be forwarded to the appropriate address as provided by the Union on a monthly basis, provided that the Union shall submit any new written payroll deductions to the Employer at least ten (10) days prior to the next pay period. The Employer shall have the payroll deduction check to the appropriate address as provided by the Union within seven (7) days of the last pay day of each month. Along with the monthly submission of dues, a list of employees from whom deductions were made shall be provided to the Union Segment President and Segment Treasurer and a copy submitted with the dues check transmission. The Employer shall at the end of the year give each employee an accounting of how much he or she paid out in Union dues the previous year.

The Union shall indemnify, defend and save the Employer harmless against any and all claims, demands, suits, and other forms of liability that shall arise out of or by reason of action taken by the Employer in complying with and administering the provisions of this Section. If an improper deduction is made, for whatever reason, the Union shall refund any such amount directly to the affected employee.

The Employer shall not be obliged to make deductions of any kind from any employee, who, during the pay period in which dues are deducted from the employee, shall have failed to receive sufficient wages to equal the deduction.

The Employer agrees to furnish the Union each month with the name, address, date of hire and classification of each newly hired bargaining unit employee.

12.13. Nepotism. Immediate family members of current employees may be employed, provided the affected employees do not have a supervisory-subordinate relationship. Reasonable attempts will be made to accommodate employees' concerns about taking care of family members residing at the facility.

12.14. Labor-Management Meetings. The Employer and the staff recognize their mutual responsibility to work toward developing and maintaining an atmosphere of mutual respect and cooperation. Accordingly, a committee will be established consisting of no more than five (5) members of the bargaining unit and five (5) members of management and their representatives which may meet whenever it is deemed necessary for the purpose of discussing subjects of mutual concern, but in no event, less frequently than on a quarterly basis, unless otherwise agreed to by both the Employer and the Union. Such bargaining unit members will be compensated at their applicable rates for time spent at such meetings, provided such meetings take place during the employees' scheduled work time.

12.15. Employee Orientation. The Employer agrees to distribute a pre-approved packet of union information to all new employees during their initial orientation period. It shall be the responsibility of the Union to copy, prepare, and provide all such materials to the Employer for distributing to new employees.

12.16. Bargaining Unit Information. On the anniversary date of the contract, the Employer shall provide the Union with a complete listing of employees in the bargaining unit along with their name, home address, home phone number (if known), job classification, seniority date and salary rate. The Union agrees that this information is to be used solely for the purpose of communicating union business with these employees and will not release the information to any other party, and will take measures to ensure that the information provided is secured from unauthorized use.

12.17. Drug-Free Workplace Policy. The parties agree that the Employer may implement a drug-free workplace policy during the term of this Agreement, consisting of post-offer, reasonable cause, and/or post-accident testing intended to detect the use of alcohol and/or the illegal use of drugs. Prior to implementing such drug-free workplace policy, the Employer agrees to solicit the Union's input regarding the contents of the Employer's proposed policy. The Union reserves the right to challenge the application of the Employer's drug-free workplace policy to any situation arising in the future that involves a bargaining unit employee.

Article XIII Discipline and Discharge

13.1. The Employer may discipline an employee for just cause, but in respect to discharge, shall give a copy of the termination notice to such employee in writing, and one copy of the same to the Chief Union Steward. The Chief Union Steward will be notified within seventy-two (72) hours after an employee is discharged. Progressive discipline will be followed except where the infraction warrants immediate termination.

13.2. The Employer will issue discipline no later than ten (10) days following the time the Employer became aware of the incident, absent extenuating circumstances. Discipline for attendance may be issued for up to thirty (30) days following the incident giving rise to the discipline.

Article XIV Jury Duty

14.1. Employees required to serve on a jury will be paid the difference between the amount of jury pay and the pay they would have received had they not been required to serve on the jury, provided the employee verifies to the Employer's satisfaction that such service actually occurred and the rate of pay the employee received. If an employee is called for jury duty, the Employer shall be responsible for finding replacement personnel. Employees who are summoned for jury duty but not selected, or who are released from jury duty with an hour or more remaining on their shift, must return to work without delay. If subpoenaed to testify in any proceedings, the Employer will assist the employee in finding a work replacement. If subpoenaed to testify, an employee may request a vacation or personal day without notice.

Article XV Funeral Leave

15.1. In the event of a death in the immediate family (defined as including the employee's legal spouse, parent or child), an employee will receive up to five (5) days off with pay. For deaths involving the employee's brothers, sisters, grandparents, great-grandparents, great-grandchildren, grandchildren, significant other, in-law relationships (i.e., mother/father-in-law, sister/brother-in-law, and son/daughter-in-law), or step relationships (i.e., step brothers, sisters, mothers, fathers, etc.) up to three (3) days off with pay will be provided. The actual length of time will depend on the circumstances and will be determined by the Administrator. Time off without pay or vacation time may be used to attend the funeral of someone other than those defined above. An unpaid extension of funeral leave may be granted. Probationary employees are not entitled to paid funeral leave. At the Employer's discretion, an employee may be required to provide proof of death.

Article XVI Insurance

16.1. The Employer agrees to pay seventy-five (75%) of the monthly premium cost of single coverage health insurance for eligible full-time employees (as defined in Section 12.3 of this Agreement) during the term of this Agreement. Eligible employees may purchase dependent or family coverage at their own expense. The Employer will pay 75% of any increases in premium payments during the term of this Agreement and the remaining 25% will be paid by the affected employees. However, the parties agree that the Employer retains the right to eliminate or reduce certain plan features (e.g., life insurance, accidental death and dismemberment, and prescription drug card) and/or increase the amount of the plan deductibles in order to reduce or eliminate any premium increase that would otherwise become effective, provided the Employer's minimum monthly premium contribution of seventy-five percent (75%) of the cost of the single coverage is still maintained. The Employer agrees to meet and confer with Union representatives regarding health insurance premium adjustments and/or changes in plan coverage.

16.2. In the event national health insurance is enacted into law during the term of this Agreement, the Employer may re-open this Agreement for negotiations regarding changes to the Employer's insurance program. In such event, the Employer must provide the Union with thirty (30) days' notice of its desire to meet for such negotiations.

16.3. The Employer may implement long-term disability coverage.

Article XVII Pension

17.1. The Employer agrees to continue Aase Haugen Homes, Inc.'s Pension Plan in effect at the time of this Agreement, and the provisions of same shall continue during the term of this Agreement except as amended from time to time in the sole discretion of the Trustees. During the term of this Agreement, the Employer's contribution shall be as follows: 3½% of the gross earnings of all eligible and participating employees. Any disputes as to the Pension Plan shall not be subject to the grievance procedures outlined in Article IV of this Agreement.

Article XVIII Complete Agreement

18.1. The parties agree to negotiate any changes that result in reductions in compensation and/or increased out-of-pocket payments in order to maintain current benefits not otherwise addressed in this Agreement, during which negotiations only, the provisions of Article III shall be waived upon impasse. Other terms and conditions of

employment which currently exist and which are not specifically identified and dealt with in this Agreement remain at the total discretion of the Employer.

18.2. Maintenance of Standards. As a result of this Agreement, no employee shall suffer any reduction in his or her current base wage rate or vacation or personal leave benefits.

**Article XIX
Separability and Savings**

19.1. If any provision of this Agreement is subsequently declared by the proper legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable statutes or ordinances, all other provisions of this Agreement shall remain in full force and effect for the duration of this Agreement.

**Article XX
Duration**

20.1. This Agreement shall be effective from August 11, 2010 through August 10, 2013.

20.2. This Agreement shall automatically renew itself for a period of one (1) year, and from year to year thereafter, unless either the Union or the Employer shall give written notice by certified mail at least ninety (90) days prior to the expiration date of this Agreement, and any anniversary thereof, of a desire to negotiate changes in any of its provisions to the parties at the addresses set forth below. Notices to the Employer shall be sent to the Administrator, P.O. Box 510, Decorah, Iowa 52101. Notices to the Union shall be sent to SEIU Local 199, 2000 James Street, Suite 111, Coralville, Iowa 52241.

20.3. The parties agree that this Agreement may be reopened for negotiations, regarding health insurance only, upon written notice by either party to the other party, in the event the Employer's health insurance plan is canceled due to the failure to satisfy the Plan's minimum participation levels for continued coverage.



AASE HAUGEN HOMES, INC.

8-3-10
Date



SEIU LOCAL 199

8-10-10
Date

APPENDIX A

MINIMUM SCHEDULE OF WAGES

A.1. The following shall constitute the minimum rates of pay for regular full-time and regular part-time employees in the bargaining unit, effective August 11, 2010.

CLASSIFICATION	START	AFTER 90 DAYS	2011 Start/After 90 Days	2012 Start/After 90 Days
LPN	\$ 18.19 Hr.	\$18.39 Hr.	\$18.55/18.75	\$18.92/19.12
RN	\$ 21.69 Hr.	\$ 21.90 Hr.	\$22.12/22.33	\$22.56/22.77

A.2. Effective **August 11, 2010**, all bargaining unit employees who have completed at least ninety (90) days' employment as of that date shall receive an across-the-board wage increase of three percent (3%) times their base hourly wage rate.

A.3. Effective **August 11, 2011**, all bargaining unit employees who have completed at least ninety (90) days employment as of that date shall receive an across-the-board wage increase of three percent (3%) times their base hourly wage rate.

A.4. Effective **August 11, 2012**, all bargaining unit employees who have completed at least ninety (90) days employment as of that date shall receive an across-the-board wage increase of three percent (3%) times their base hourly wage rate.

A.5. Given the present uncertainty surrounding state and federal funding levels, the parties agree that notwithstanding the provisions of Sections A.3 and A.4 above, in the event state and/or federal funding is reduced in either or both contract years, the Employer may re-open the contract for wage negotiations only, in which event, the wage increases specified for the applicable contract year(s) shall be deemed null and void.

A.6. In recognition of the fact that the Employer's revenue is tied directly to its resident population, the parties further agree that notwithstanding the provisions of Sections A.3 and A.4 above, in the event resident census drops below the agreed-upon level of 85% occupancy in either or both contract years, the wage increases specified in the applicable contract year(s) shall be deemed null and void, and the following table shall be used to determine what, if any, wage increases shall be given in either or both contract years:

Occupancy Level	Wage Increase
If 85% occupancy or above	3% Across-the-board
If 84% occupancy	2% Across-the-board
If 83% occupancy	1% Across-the-board
If less than 83% occupancy	No wage increases

A.7. Except where otherwise provided, the Employer may, at its discretion, hire seasonal, casual, and temporary employees at a rate set by it, who shall not be covered by this Agreement.

A.8. Except where otherwise provided, the Employer may hire experienced employees at a rate set by the Employer that is commensurate with such employee's level of experience for a particular classification.

A.9. Effective August 1, 2002, the weekend shift differential shall be increased to a total of twenty-five (25¢) cents per hour.

LETTER OF UNDERSTANDING

BETWEEN Aase Haugen Home, Inc. and SEIU Local 199.

THIS IS TO CONFIRM certain understandings reached between the parties during recent negotiations regarding the implementation of a weekend shift. Specifically, it is agreed and understood that:

1. This Letter of Understanding is not intended to alter or abrogate the Employer's Management Rights, as defined in Section 2.1 of the parties' Collective Bargaining Agreement. The weekend shift position may be continued or discontinued at the Employer's discretion, subject to the following terms.

2. The weekend shift position will consist of twenty-four (24) hours, comprised of either three 8-hour shifts or two 12-hour shifts, to be determined by the Employer based on scheduling needs, employee preferences, and staffing availability. The regular weekend shift will extend from the second shift on Friday through the third shift on Sunday.

3. Employees electing to work the weekend shift will be paid for thirty-two (32) hours, provided they fulfill their weekend obligation (i.e., they actually work their full scheduled weekend shifts). In the event an employee fails to satisfy his or her weekend obligation as outlined herein, the employee will only be paid his or her base rate for hours actually worked that weekend. However, a weekend shift employee who successfully replaces himself/herself on the schedule will receive premium pay for all weekend hours actually worked that weekend.

4. Employees electing to work the weekend shift will be considered full-time, as defined in Section 12.3 of the parties' Collective Bargaining Agreement. If any hours are picked up during the week (i.e., Monday-Friday), they will be paid at the employee's base rate (i.e., not at the premium rate), or at the overtime rate, if applicable.

5. Employees who elect to continue their current scheduling pattern consisting of every other weekend off will not be eligible for the weekend shift premium outlined herein.

6. Overtime pay will be calculated only on actual hours worked in accordance with Section 6.1 of the parties' Collective Bargaining Agreement.

7. In the event a weekend shift employee works a weekend day that is also a recognized holiday, the employee will receive the holiday pay, but the holiday pay will be paid at the employee's base rate.

8. Employees working the weekend shift will be allowed up to one weekend off every three (3) months, provided they give a minimum of thirty (30) days' notice of the requested weekend off.

AASE HAUGEN HOME, INC.

SEIU LOCAL 199

By: *[Signature]*
Date: 8-3-10

By: *Cathy Gasso, President*
Date: 8-4-10