

COLLECTIVE BARGAINING AGREEMENT

BY AND BETWEEN

WALLINGFORD NURSING AND
REHABILITATION CENTER

AND

NATIONAL UNION OF HOSPITAL AND
HEALTH CARE EMPLOYEES, AFSCME,
AFL-CIO
AND ITS AFFILIATE DISTRICT 1199C

Effective
October 30, 2007
through
October 30, 2010

ARTICLE	PAGES
AGREEMENT	1
WITNESSETH:	1
Article 1 : RECOGNITION	1
Article 2 : MANAGEMENT RIGHTS	2
Article 3 : UNION SECURITY	3
Article 4 : CHECK-OFF	4
Article 5 : NO STRIKE OR LOCK-OUT	6
Article 6 : UNION ACTIVITY, VISITATION AND BULLETIN BOARDS	7
Article 7 : DISCHARGE AND PENALTIES	8
Article 8 : GRIEVANCE PROCEDURE	8
Article 9 : ARBITRATION	9
Article 10 : PROBATIONARY EMPLOYEES	10
Article 11 : SENIORITY	10
Article 12 : SHIFTS	13
Article 13 : HOURS OF WORK	13
Article 14 : OVERTIME	14
Article 15 : GENERAL PROVISIONS	15
Article 16 : PERSONNEL FILES	17
Article 17 : MISCELLANEOUS	17
Article 18 : RESIGNATION	19
Article 19 : UNPAID LEAVES	19
Article 20 : PAID LEAVES	21
Article 21 : HEALTH INSURANCE	22
Article 22 : LIFE INSURANCE	22
Article 23 : SICK LEAVE	23
Article 24 : VACATIONS	24
Article 25 : HOLIDAYS	25
Article 26 : ON-THE-JOB INJURY OR SICKNESS	26
Article 27 : SAFETY	26
Article 28 : NON-DISCRIMINATION	26
Article 29 : SEPARABILITY	27
Article 30 : ENTIRE AGREEMENT	27
Article 31 : DURATION	27
Appendix A Wages	1
Appendix B Attendance Policy	1
Appendix C Letter of Understand - Pay for Participating in Negotiations	1
Exhibit A Check-Off Form	A
Exhibit B District 1199C Political Action Fund Form	B

Exhibit C Conscientious Objector Form C

AGREEMENT

This Agreement made and entered into this 26th day of October 2007, by and between Wallingford d/b/a Wallingford Nursing and Rehabilitation Center, Wallingford Nursing and Rehabilitation Center, owner Wallingford Nursing and Rehabilitation Center, Wallingford, PA, LLC (hereinafter referred to as "Employer") and National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO and its affiliate District 1199C (hereinafter referred to as the "Union"), acting on behalf of the Employees of said Employer as hereinafter defined, now employed and hereinafter to be employed and collectively designated as the "Employees".

WITNESSETH:

WHEREAS, the Employer recognizes the Union as the collective bargaining representative for the Employees covered by this Agreement as hereinafter provided, and

WHEREAS, it is the intent and purpose of the parties hereto that this Agreement promote and improve the mutual interests and harmonious relationship of the Employer as well as of its Employees and to avoid interruptions and interferences with services to patients and to set forth herein their agreement covering rates of pay, hours of work and conditions of employment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE 1: RECOGNITION

Section 1.

The Employer recognizes the Union as the sole and exclusive representative for purposes of collective bargaining, as certified by the National Labor Relations Board, with respect to wages, hours of work and other conditions of employment for the term of this Agreement for all full time and regular part-time service and maintenance Employees including all regular part-time and full-time non-professional Employees, nurses aides, cooks, dietary Employees, maintenance Employees, housekeeping Employees, laundry Employees, recreation aides, central supply Employees, ward clerks, restorative aides, and physical therapy aides employed at the Employer's Wallingford, Pennsylvania, facility. Excluded are all other Employees, registered nurses, licensed practical nurses, licensed graduate practical nurses, administrators, assistant administrators, administrator trainees, admissions coordinator, regional dietary manager, assistant dietary manager, medical records supervisor, business office manager, office clerical Employees, RN/in service training coordinator, social services director, director of nursing, confidential secretaries, receptionists, maintenance supervisor, cook supervisor, guards and supervisors as defined in the Act.

Section 2.

Whenever the word "Employee" is used in this Agreement, it shall be deemed to mean the Employee in the bargaining unit covered by this Agreement as defined in Section 3 hereof.

Section 3. Categories of Employees

A full-time Employee is one who works a regularly scheduled week of 30 hours or more.

A regular part-time Employee is one who is regularly scheduled to work at least 15 hours per week but less than 30 hours per week. Employees who work less than 15 hours per week are not covered by this Agreement. Regular part-time Employees are eligible for benefits as defined in this Agreement.

A summer Employee is hired as a temporary replacement during the period from May 1 through September 30 of any year. Such Employee remains probationary in status throughout their employment year and will not be a union member or pay dues. Summer Employees are not entitled to benefits.

A temporary Employee excluded from the bargaining unit is one who is hired for a period of up to four months and is so informed at the time of hire, and who is hired to fill a temporary job or for a special project or to replace any Employee on leave or vacation. The said four-month period may be extended up to an additional two months or for the length of maternity leave of the Employee being replaced, with the consent of the Union, which shall not be unreasonably withheld. However, such Employee shall become a member of the Union after expiration of such initial or extended period. Temporary Employees are not eligible to receive benefits.

Section 4.

If a new classification is established or an existing classification substantially changed, the Employer will assign to it a rate of pay and immediately advise the Union of the proposed rate. The Union shall have the opportunity to discuss with the Employer the duties of the new or changed classification. If the parties are unable to agree to a rate for the classification, such dispute may be submitted through the grievance procedure.

ARTICLE 2: MANAGEMENT RIGHTS

The Union recognizes that the Employer has the obligation to provide care for its residents with the highest quality of efficient and economically reasonable medical care.

All inherent and common law management functions which have not been modified by this Agreement are retained by the Employer.

Included in such rights but not limited thereto are the right to determine the size and composition of the work force; determine medical and patient care standards and methods; determine the staffing or staffing patterns; the areas to be worked, the quantity and type of equipment to be used; the operation of such equipment, the manning requirement of any job; to determine or change work times; the work to be performed; the method and place of performing work, including the right to determine that the Employer's work force shall or shall not perform certain work and to change work requirements at management's discretion; to schedule work breaks, lunch breaks; to fix, alter, modify or change standards of quality and/or quantity of work to be done; to determine whether any part or the whole of its operation shall continue to operate; to alter, combine, or abolish any job, job classification or service; to subcontract out any work; to

assign supervisors or any other non-bargaining unit Employees to do bargaining unit work; to maintain order and efficiency; to determine the duties of Employees; to discharge probationary Employees for any reason whatsoever; to hire, to layoff, to assign, to transfer, to demote, to promote, to discharge Employees for just cause; the right to determine the starting and quitting time, overtime; the number of hours to be worked; the right to manage the properties and affairs of the Employer; the right to determine the number of Employees it shall employ in any classification at any time; and the right to introduce new, improved or different methods or facilities or to change existing methods or facilities in the interest of patient care and conduct of properly maintaining operation of the facility; to close down the Employer or any part thereof, or expand, reduce, alter, combine, transfer, assign or cease any job, department, section or nursing unit, operation, or service; the right to introduce new equipment, machinery or processes, and to change or eliminate existing equipment, machinery or processes, the right to determine the number, location and operation of the facility and its departments; the right to determine the qualifications, training, experience and knowledge necessary for the filling of any job and to judge Employee's conformity thereto by testing or other such methods as the Employer shall deem proper; the right to reduce the Employee work force and recall Employees to work; and the Employer also retains all other rights and prerogatives prior to the existence of this Agreement subject only to such written regulations and restrictions governing in exercise of these rights as are expressly provided in writing in this Agreement. The Employer maintains the right to change, delete, modify, or continue any part or all of any past practice at any time that is not specifically modified by written provision of this Agreement.

The Employer also retains the right to promulgate, enforce and modify reasonable rules, regulations and policies as it may from time to time deem best for the purpose of maintaining, order, discipline, safety, and/or effective operation of the facility and after advance notice to the Union and Employees require compliance therewith by Employees.

The Employer also retains the right to discipline and/or discharge Employees for just cause for insubordination, excessive absenteeism or tardiness, violations of patient rights or other Employer rules and regulations and for other reasons; provided that in the exercise of this right, the Employer will not act in violation of the expressed written terms of this Agreement.

The Employer by not exercising any functions hereby reserved to it, or by exercising any such function in a particular way, shall not be deemed as waiver of its rights to exercise such function or preclude the Employer from exercising the same in some other way not in conflict with the express provisions of this Agreement.

ARTICLE 3: UNION SECURITY

Section 1.

All Employees on the active payroll as of the effective date of this Agreement shall maintain their membership in the Union in good standing as a condition of continued employment.

Section 2.

All Employees on the active payroll as of the effective date of this Agreement who are not members of the Union shall become members of the Union within 30 days after the effective date of this Agreement, and shall thereafter maintain their membership in the Union in good standing as a condition of continued employment.

Section 3.

All Employees hired after the effective date of this Agreement shall become members of the Union after completion of the probationary period and shall thereafter maintain their membership in the Union in good standing as a condition of continued employment.

Section 4.

For the purpose of this Article, an Employee shall be considered a member of the Union in good standing if he/she tenders his/her periodic dues and initiation fee uniformly required as a condition of membership.

Section 5.

Subject to the grievance procedure provisions contained in this Agreement, an Employee who has failed to maintain a membership in the Union in good standing as required by this Article shall, within 20 calendar days following receipt of a written demand from the Union requesting his/her discharge, be discharged if, during such period, the required dues and initiation fee have not been tendered.

Section 6.

The Union agrees that it will indemnify and hold the Employer harmless from any recovery of damages sustained by reason of any action taken under this Article.

ARTICLE 4: CHECK-OFF

Section 1.

Upon receipt of a written authorization from an Employee in the form annexed hereto as Exhibit "A," the Employer shall, pursuant to such authorization, deduct from the wages due said Employee each month, starting not earlier than the first pay period following the completion of the Employee's probationary period, and remit to the Union, regular monthly dues, initiation fees and/or assessments, as fixed by the Union. The initiation fee shall be paid in two consecutive monthly installments beginning the month following the completion of the probationary period. In the event the Union amends the initiation fee and/or dues schedule, the Employer agrees to make the revised deduction from the Employee's pay upon 30 days' written notice from the Union.

Section 2.

Upon 30 days' written notice from the Union, the Employer agrees to remit said dues and initiation fees to the Philadelphia Office of the Union, as designated in said notice.

Section 3.

Employees who do not sign written authorization for deduction must adhere to the same payment procedure by making payments directly to the Union.

Section 4.

The Employer shall not be obligated to make dues deductions of any kind from any Employee who, during any month, shall fail to receive sufficient wages to equal the dues deductions. Each month the Employer shall remit to the Union all dues and initiation fees deductions made from wages of the Employees for the preceding month, together with a list of all Employees from whom dues and/or initiation fees have been deducted.

Section 5.

It is specifically agreed that the Employer assumes no obligation, financial or otherwise, arising out of this Article, and the Union hereby agrees that it will indemnify and hold the

Employer harmless from any claims, actions or proceedings by any Employee arising from deductions made by the Employer hereunder. Once the funds are remitted to the Union, their distribution thereafter shall be the sole and exclusive obligation and responsibility of the Union.

Section 6.

The Employer agrees to furnish the Union each month with the names of newly hired Employees, their addresses, social security numbers, classifications of work and dates of hire, and the name of terminated Employees together with the dates of termination, and the names of Employees on leave of absence.

Section 7.

The Employer agrees to make a payroll deduction once each calendar year from an Employee's pay for the District 1199C Political Action Fund. Said authorization shall be in the form annexed hereto as Exhibit "B". This deduction shall be made only once per year for those Employees in the bargaining unit authorizing the deduction. The Employer shall remit the lump sum of all deductions to District 1199C by separate check.

Section 8.

Any Employee who is a member of, and adheres to, established and traditional tenets or teachings of a *bona fide* religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations, and who demonstrates such

membership or adherence to the Union and Employer, shall not be required to join and remain a member of the Union as a condition of employment.

Section 9.

Such Employees shall be required, as a condition of continued employment, to remit to either Lupus Foundation, Sickle Cell Anemia Foundation, or the American Cancer Society, recognized and valid charities under Section 501(c)(3) of Title 26 of the Internal Revenue Code, monthly a sum equal to the initiation fee and regular dues of the Union as provided for herein. Such sums shall be checked off by the Employer from the Employee's pay at the same time and in the same amount as initiation fees and dues are and remitted by the Employer to the charity designated by the Employee from the list above. Such designation shall be made in the form of a written authorization in the form annexed hereto as Exhibit "C".

ARTICLE 5: NO STRIKE OR LOCK-OUT

Section 1.

No Employee shall engage in any strike, sit-down, sit-in, slow-down, cessation or stoppage or interruption of work, boycott or other interference with the operations of the Employer.

Section 2.

The Union, its officers, agents, representatives and members, shall not in any way, directly or indirectly, authorize, assist, encourage, participate in or sanction any strike, sit-down, sit-in, slow-down, cessation or stoppage or interruption of work, boycott, or other interference with the operations of the Employer, or ratify, condone or lend support to any such conduct or action.

Section 3.

The Union agrees that in the event an unauthorized strike or work stoppage of any kind occurs it will immediately notify the Employees involved of the violation of this Article and advise them to return to work immediately. The Union will also promptly notify the Employer of its actions and that the Employees' action is unauthorized. After notification to the Employer by the Union, those members who continue the unauthorized activity may be discharged or otherwise disciplined subject to the grievance and arbitration Articles of this Agreement.

Section 4.

In the event of the occurrence of any activities prohibited in Section 1 above, the Union shall immediately, upon receipt of notice of such action by any of its officers or upon notice communicated to the officers of the Union, instruct the involved bargaining unit Employees that their conduct is in violation of the Agreement, and that the Union instructs all such Employees to return to regular work at once. In addition to this, the Union shall attempt to contact as many of the involved bargaining unit Employees as quickly as possible in order to achieve immediate resumption of work, and the Union shall use its best efforts to achieve the resumption of regular

work schedules as quickly as possible. The Union shall also publicly disavow approval of such actions and agree not to support any such actions in any manner.

Section 5.

The Employer agrees that it will not lock-out Employees during the term of this Agreement.

ARTICLE 6: UNION ACTIVITY, VISITATION AND BULLETIN BOARDS

Section 1.

An authorized representative of the Union shall have reasonable access to the Employer's premises for the purpose of conferring with the Employer, delegates of the Union and/or Employees, and for the purpose of administering this Agreement. The only purpose of such visits will be to administer this Agreement and shall not interfere with the normal operations of the facility. When a Union representative enters the Employer's premises, he/she shall notify the Administrator or Human Resources Manager of his/her visit so that his/her activities do not interfere with patient care or the efficient operation of the facility. The Employer will not unreasonably withhold permission from the Union representative to accomplish the purpose of his/her visit. If the time is not convenient, the Union representative will accept this and make arrangements to return at another time. Consistent with this Section, the Employer will schedule the Employee break-room for the Union's exclusive use for the purpose of holding meetings related to the administration of this Agreement.

Section 2.

A Union delegate who must visit a department other than his/her own for the purpose of investigating a grievance shall be allowed to do so with the mutual permission of the Department Heads involved. Such permission shall not be unreasonably denied. Delegates will not abuse their office by staying away from their work station under the pretext of performing duties as delegates.

Section 3.

The Employer shall provide a bulletin board located in the non-smoking Employee break room which shall be used for posting of appropriate Union notices.

Section 4.

The work schedule of Employees elected as Union delegates shall be adjusted to permit their attendance at Delegate Assembly Meetings provided that the Employer's operation shall not be impaired and two weeks' written notice is given.

Section 5. Delegate Functions

Union delegates shall be granted two days off in each contract year to attend Union seminars and Union functions which require delegates' attendance provided the Employer's operation shall not be impaired and two weeks' written notice is given.

Section 6.

The Union will provide the Employer a written list of current Union delegates on an ongoing basis.

ARTICLE 7: DISCHARGE AND PENALTIES

Section 1.

The Employer shall have the right to discharge, suspend or discipline any Employee for just cause.

Section 2.

The Employer will notify the Union in writing of any discharge or suspension within 72 hours from the time of discharge or suspension.

ARTICLE 8: GRIEVANCE PROCEDURE

Section 1.

A grievance shall be defined as a dispute or complaint arising between the parties hereto under this Agreement or the interpretation, application, performance, termination, or any alleged breach thereof of the express written provisions of this Agreement and shall be processed and disposed of in the following manner:

Step 1. Within five calendar days (except as provided in Article entitled "Discharge and Penalties,") an Employee having a grievance and/or his/her Union delegate or other representative shall take it up with his/her immediate supervisor. The Employer shall give an oral answer to the Employee and/or Union delegate or other representative within five working days after the presentation of the grievance.

Step 2. If the grievance is not settled in Step 1, the grievance may, within five working days after the answer in Step 1, be presented in Step 2. The grievance shall be reduced to writing, signed by the grievant and his/her Union representative, and presented to the Department Head. A grievance so presented in Step 2 shall be answered by the Employer in writing within five working days after its presentation.

Step 3. If the grievance is not settled in Step 2, the grievance may, within five working days after the answer in Step 2, be presented in Step 3. A grievance shall be presented in this Step to the Employer's facility administrator or designee; and he/she or his/her

designee shall render a decision in writing within five working days after this presentation of the grievance in this Step.

Section 2.

Anything to the contrary notwithstanding, a grievance concerning a discharge or suspension may be presented initially at Step 3 in the first instance, within the time limit specified above. If the Union desires to contest the discharge or suspension, it shall give written notice thereof to the Employer within five working days. In such event, the dispute shall be submitted and determined under the grievance and arbitration procedure hereinafter set forth, however, commencing at Step 3 of the Grievance Procedure.

Section 3.

Without waiving its statutory rights, a grievance on behalf of the Employer may be presented initially at Step 3 by notice in writing addressed to the Union at its offices.

Section 4.

All time limits herein specified shall be deemed to be exclusive of Saturdays, Sundays or holidays:

Section 5.

A grievance which affects a substantial number, i.e., three or more, or class of Employees, and which the Employer's representative designated in Steps 1 and 2 lacks authority to settle, may initially be presented at Step 3 by the Union representative.

Section 6.

The time limits and procedure provided in this Article for the presentation and appeal of a grievance at any Step are absolute, and the failure of the Union or the aggrieved Employee to proceed at any Step within the time prescribed or in the manner prescribed shall constitute the Union's acceptance of the Employer's position. Failure on the part of the Employer to answer a grievance at any Step shall not be deemed acquiescent thereto and the Union may proceed to the next Step. The time limits and procedure provided in this Article for the presentation and appeal of a grievance at any Step may be extended by mutual agreement of the Union and the Employer.

ARTICLE 9: ARBITRATION

Section 1.

A grievance which has not been resolved may, within 30 working days after completion of Step 3 of the grievance procedure, be referred for arbitration by the Employer or the Union to an arbitrator selected in accordance with the procedures of the American Arbitration Association. The arbitration shall be conducted under the Voluntary Labor Arbitration Rules then prevailing of the American Arbitration Association.

Section 2.

The fees and expenses of the American Arbitration Association and the arbitrator shall be borne equally by the parties.

Section 3.

If the discharge of any Employee results from conduct relating to a resident and the resident does not appear at the arbitration, the arbitrator shall not view this as detrimental to the Employer's case.

Section 4.

The arbitrator shall have no power to add to, subtract from, nullify, ignore or modify any of the terms of this Agreement. He shall consider and decide on only the particular issue presented to him/her as stipulated in writing by the Employer and the Union, and his/her interpretation or application of the terms of this Agreement. If the matter sought to be arbitrated does not involve an interpretation of the terms or provisions of this Agreement, the arbitrator shall render no award. No award rendered shall be retroactive beyond the date the grievance was originally filed with the Employer. The award of the arbitrator shall be final and binding on the Employer, the Union and the Employee or Employees involved.

Section 5.

Each arbitration hearing shall deal with not more than one grievance except by mutual written agreement of the Employer and the Union.

ARTICLE 10: PROBATIONARY EMPLOYEES

Newly hired Employees shall be considered probationary for a period of 90 days from the date of employment, excluding time lost for sickness and other leaves of absence.

During or at the end of the probationary period, the Employer may suspend, demote, discipline or discharge any such Employee and such action shall not be subject to the grievance and arbitration provisions of this Agreement.

ARTICLE 11: SENIORITY

Section 1. Definition

- (a) Bargaining unit seniority is defined as the length of time an Employee has been continuously employed in the bargaining unit in any capacity in the facility.
- (b) Classification seniority shall be defined as the length of time an Employee has worked continuously in a specific job classification within a department.

Section 2. Accrual

- (a) An Employee's seniority shall commence after the completion of his/her probationary period and shall be retroactive to the date of his/her last hire.
- (b) Bargaining unit seniority shall accrue during a continuous authorized leave of absence without pay for a period of up to six months for Employees with more than one year of seniority. Benefits will not be accrued or paid during such a leave, except for payment of earned but unused vacation.
- (c) Classification seniority shall accrue during the periods specified in (b) above during the time an Employee works in a specific job classification.
- (d) Temporary Employees, as defined in this Agreement, shall have no seniority during the time they occupy the status of temporary Employees, but should temporary Employees become permanent Employees, then their seniority shall be retroactive to their date of employment.

Section 3. Loss of Seniority

Seniority and the employment relationship shall cease if any of the following occur:

- (a) The Employee is discharged for just cause.
- (b) The Employee voluntarily resigns or retires.
- (c) The Employee is absent from work for two consecutive working days without prior and proper notification to the Employer, unless the Employee presents an excuse acceptable to the Employer, provided that this provision shall not be construed as authorizing absence for any period.
- (d) The Employee, when recalled from layoff, fails to inform the Employer of his/her intent to return to work within three calendar days after the date on which the notice of recall is received at the Employee's address as shown on the records of the Employer or he/she fails to report to work when scheduled to report by the Employer. Employee notice will be sent by certified mail, a copy of which will be sent to the Union, excluding Saturday, Sunday and holidays.
- (e) The Employee fails to return to work on the day following the expiration of a leave of absence or vacation, unless the Employee presents an excuse acceptable to the Employer, provided that this provision shall not be construed as authorizing absence for any period.
- (f) While on a leave of absence, takes another job during his/her normal working hours without written permission of the Administrator.
- (g) Falsifies the reason for a leave of absence, whether such leave is paid or unpaid.

Section 4. Application

- (a) Bargaining unit seniority shall apply in the computation and determination of eligibility for all benefits where length of service is a factor pursuant to this Agreement.
- (b) Classification seniority shall apply in layoffs and recalls and for scheduling of vacations as herein provided.

Section 5. Layoff

- (a) In the event a layoff becomes necessary within a job classification, Employees not covered by this Agreement in the job classification will be laid off first, then probationary Employees within that job classification shall be laid off next, without regard to their individual periods of employment. Non-probationary Employees shall be the next to be laid off on the basis of their classification seniority.
- (b) In the event an Employee is scheduled to be laid off in one department and there exists a vacant position or a less senior Employee in another classification in another department, which the Employee has the ability and qualifications to perform and has held that job classification in the past, then job classification seniority shall prevail in assigning such Employees scheduled to be laid off to such position. This provision is not intended to circumvent the job posting provision of this Agreement. When an Employee fills a vacant position or exercises his/her bumping rights, he/she shall be paid the wage rate of said position. When an Employee exercises such bumping rights, he/she will bump the least senior Employee in that classification.
- (c) For the purpose of layoff, all delegates will have super seniority.
- (d) Part-time Employees shall be given the option of becoming full-time Employees before the Employer hires from the outside.

Section 6. Temporary Transfer

The Employer shall have the right to transfer Employees to another job classification on a temporary basis. An Employee temporarily so assigned to a different classification for the convenience of the Employer will be paid the rate of pay which he/she received in his/her regular classification or the rate of pay of the classification to which he/she is temporarily assigned, whichever is higher.

Section 7. Recall

- (a) Whenever a vacancy occurs in a job classification, Employees who are on layoff in that classification shall be recalled in accordance with their classification seniority in the reverse order in which they were laid off. If a vacancy occurs in a job classification where no Employee in that classification has recall rights, then

the laid off Employee with the most bargaining unit seniority will be recalled if he/she has the ability and qualifications to do the work and, if not, the next senior qualified Employee will be recalled, and so on. When an Employee is recalled to a job other than his/her regular job and which he/she is qualified to perform, he/she shall receive the rate for the job which he/she is performing.

- (b) Newly hired probationary Employees who have been laid off have no recall privileges.

ARTICLE 12: SHIFTS

Section 1.

Regular full-time Employees shall work on the shift, shifts, or shift arrangement for which they were hired. This should not be construed as restricting voluntary acceptance of work. Whenever the Employee requests a change of shift, approval of such request shall not be unreasonably withheld if a vacancy exists in the classification in which he/she is then working, and if more than one Employee applies, such change shall apply to the Employee with the most classification seniority qualified to do the work. Notwithstanding the foregoing, the Employee shall have preference in filling vacancies on another shift in the classification in which he/she is then working over new Employees.

Section 2.

Employees may trade days off provided they do so within the same work week and provided it does not cost the Employer any additional money as overtime. The change request must be in writing and submitted to the supervisor and designee for his/her approval prior to the change. Both Employees must sign the request before the change will be considered. If the Employee who changes does not show, the said Employee shall not be allowed to trade for 30 days.

Section 3.

The Employer will schedule Employees working in seven day departments every other weekend off. Those with a greater benefit shall maintain said benefit.

ARTICLE 13: HOURS OF WORK

Section 1.

An Employee shall receive an unpaid lunch period of 30 minutes during a shift lasting at least 7-1/2 hours.

Section 2.

An Employee shall receive a paid break period of 15 minutes in the first four hours of a shift lasting at least four hours and a paid break period of 15 minutes in the second four hours of a shift lasting eight hours.

Section 3.

Work schedules shall be posted a minimum of 10 days prior to the start of the work period. The work week for regular full-time Employees shall be defined as not less than 37-1/2 hours.

Section 4.

Regular part-time Employees shall be defined as those Employees who are normally scheduled for a minimum of 15 hours per week but less than 30 hours per week.

Section 5.

Employees shall not be required to make up weekends due to vacation. If an Employee is called out on their weekend to work, said Employee shall make up the weekend within 30 days, with the option of rescheduling said weekend right after the absence or the next scheduled weekend off. Employees with 18 or more years of service will not be required to make up a weekend; 20-year Employees are not required to work weekends.

Section 6.

The payroll period is from 12:01 a.m. Wednesday until 12:00 a.m. the second Wednesday thereafter.

Section 7.

Employees who are not scheduled for work and who are asked to come in and who report within 1-1/2 hours of the start of the shift for which they are called in, will be paid for the full shift, it being understood that Employees will report to work as soon as possible after being called.

ARTICLE 14: OVERTIME

Section 1.

Overtime pay shall be paid at the rate of one 1-1/2 times the regular rate of pay. All Employees shall be paid overtime pay for all hours worked in excess of eight hours per day or 80 hours per biweekly pay period. Overtime shall not be pyramided.

Section 2.

The Employer will assign, on an equitable basis, required pre-scheduled overtime among qualified Employees, whenever possible.

ARTICLE 15: GENERAL PROVISIONS

Section 1.

The Employer shall establish a grace period of six minutes per shift. The Employer shall dock for each actually minutes late after six minutes. The grace period is for pay purposes only and not a grace period for reporting to work late.

Section 2.

Job descriptions shall be provided by the Employer to the Union and to each Employee.

Section 3.

The Employer shall provide a break room.

Section 4.

All payroll errors which are the fault of the Employer and which exceed twenty-five dollars (\$25.00) or more shall be corrected within three working days from the date the Employee notifies the Employer of the error so long as the Employee notifies the Employer after receiving the paycheck. Employee must notify Employer within 24 hours of receipt of check.

Section 5.

The Employer will continue to maintain past practice of pulling Employees to another floor.

Section 6. Shift Differential

Effective the first full pay-period following ratification (October 27, 2004), each Employee required to work the second or third shifts shall receive a shift differential of One Dollar (\$1.00) per hour.

Section 7. Uniforms

Effective January 1, 2008 all full-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$155.00 per year. Effective January 1, 2009 all full-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$160.00 per year. Effective January 1, 2010 all full-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$165.00 per year. Effective January 1, 2008 all regular part-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$135.00 per year. Effective January 1, 2009 all regular part-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$140.00 per year. Effective January 1, 2010 all regular part-time Employees in the housekeeping, dietary and nursing departments shall receive a uniform allowance of \$145.00 per year.

Section 8.

The Employer shall provide free parking.

Section 9.

If the Employer requires a physical examination of its Employees, this shall be provided at no cost to Employees.

Section 10.

All Employees who are off on a regular payday as well as Employees who work 3-11 and 11-7 shifts, shall receive their paychecks on Wednesdays.

Section 11.

If an Employee is called to take care of a patient on his/her lunch period, the Employee will be able to resume his/her lunch period or be paid for the time not taken.

Section 12.

The Employer agrees to post notice of vacancies for all bargaining unit positions.

Section 13. ~~Smoke-Free Work Force.~~

The Employer and the Union agree that the Employer may implement a policy of "No Smoking" in the facility. If this policy is put into effect, the union will be given at least 30 days' notice to the policy becoming effective.

Section 14. ~~Weekend Differential.~~

Effective November 7, 2007 all bargaining unit Employees working weekend hours (from 11 p.m. Friday to 11 p.m. Sunday) shall receive a \$.70 per hour bonus; \$.75 per hour bonus in the second year of the Agreement (effective November 5, 2008); and \$.80 per hour bonus in the third year (effective November 4, 2009) for all hours worked during this time provided they work the last scheduled workday prior to the weekend, all scheduled hours during the weekend and the first scheduled day after the weekend. Employees who do not work the required time will forfeit their weekend bonus. The intent of this benefit is to reduce the amount of weekend absences.

Section 15. ~~Preceptor Differential.~~

Effective October 27, 2004, any bargaining unit Employee required to train newly hired Employees, shall be paid an additional one dollar (\$ 1.00) per hour while training a employee.

ARTICLE 16: PERSONNEL FILES

Section 1.

An Employee and his/her Union representative and/or delegate, upon written consent from the Employee, may inspect the contents of his/her personnel file under the following terms and conditions:

- (a) He/she must make an appointment with the Personnel Department;
- (b) He/she will not be paid for the time inspecting his/her file;
- (c) Nothing may be removed from the file; and
- (d) Nothing may be written by the Employee or his/her representative or delegate on any papers in the file.

Section 2.

All minor infractions on an Employee's records shall be inactive after 12 months, provided that the 12 months' period shall be free of related infractions.

Section 3.

Any Employee whose job performance or conduct becomes subject to an official evaluation shall have the right to participate in a review of such evaluation. An Employee who disagrees with the evaluation shall have the right to express his/her written opinion of the evaluation and the written opinion will be attached to the evaluation form and placed in his/her personnel file.

ARTICLE 17: MISCELLANEOUS

Section 1. Correct Home Address and Phone Number.

It is the obligation of every Employee, including those on layoff, to keep the Employer informed in writing of his/her current home address and telephone number. The Employer's obligation in connection with recall shall end with a notice of recall sent by the Employer by certified mail or by telegram to the Employee's current address as shown on the records of the Employer. A copy of the recall certified letter will be sent to the Union.

Section 2. Bargaining Unit Work.

Supervisors shall not do work normally performed by bargaining unit Employees, except for the purpose of instruction, training, supervision, filling in for absenteeism, emergencies, or where the normal duties of supervisors overlap the duties of Employees.

Section 3. Change of Starting Time.

In the event that the Employer wishes to permanently change an Employee's starting time, the Employer shall notify the Employee in writing of such change two weeks in advance. In the event that the Employer wishes to temporarily change an Employee's starting time due to some emergency or other condition beyond the Employer's control, no advance written notice is necessary, but the Employer will attempt to notify the Employee as far in advance as possible. The provision shall not apply to probationary Employees.

Section 4. Reporting Pay.

An Employee who reports for work at the start of his/her regular assigned shift without being notified not to report shall, in the event no work is available, be compensated by payment of a total of four hours' pay at the regular hourly rate of pay or they may be assigned other work to do that they can perform at their applicable rate of pay. This provision shall not apply when failure to provide work is due to an Act of God or other condition or causes beyond the control of the Employer.

Section 5. Unclassified Jobs.

If the Employer should establish a new position or change the duties of any Employee to such an extent that the Employee's work does not fall within any classification covered by this Agreement and yet involves duties which render the Employee subject to the Agreement, the wage rate of such Employee shall be determined by negotiation between the Union and the Employer. Before the position is implemented, the wage rate must be mutually agreed upon. Prior to the negotiation of the wage rate, the Employer shall submit to the Union the description of the new position or change in the duties of the existing position.

Section 6. Legal Fund.

The Employer shall pay \$.075 per hour worked per Employee for non-work related Employee legal services. Effective October 30, 2009, the Employer agrees to increase its Legal Fund contribution to \$.10 per hour worked per Employee for non-work related legal services.

Section 7. Pension Fund.

Pension Fund/401(k) Plan. Effective December 31, 2007, the HCR Union Employees' Pension Plan ("Pension Plan") will be frozen. Future service by eligible participants as defined under the Pension Plan will count toward vesting under the Pension Plan. (Vesting Example - An employee with three years of qualified service as of December 31, 2007 who continues to work for the Employer will continue to have his/her future service count towards vesting. As a result, once the employee completes five years of qualified service, he/she would be 100% vested for their three years of service that ended December 31, 2007. If the employee fails to complete five years of service, he/she would not be entitled to a benefit under the Pension Plan.)

Effective January 1, 2008, the Pension Plan will be replaced with the HCR ManorCare Stock Purchase and Retirement Savings 401(k) Plan, ("401(k) Plan") as may be amended from time to time in accordance with the 401(k) Plan. Eligible participants as defined by the 401(k)

Plan will be credited with all years of service for vesting purposes under the 401(k) Plan. Employees hired on or after January 1, 2008, will become eligible participants in accordance with the 401(k) Plan. Enrollment for eligible employees will begin on or about November 2007. For every dollar an employee contributes to his/her account, (up to 6% of pay), HCR Manor Care matches \$.50 cents (up to 3% of pay). The match is provided annually for eligible participants who complete 1,000 hours of service and are employed for at least one year on December 31 of that year.

Years of Service	Percent Vested
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
6 or more years	100%

Section 8. Educational Assistance.

Employees will be eligible to participate in the Employer's Education Assistance Plan which includes: the Nurse Student Loan Program (Maximum of \$100 per month, \$1200 per year), the Tuition Loan Program (\$2000 per year up to \$10,000 life time maximum) and the Nurse Scholarship Program in accordance with the terms and conditions of those Programs as may be amended from time to time for all Company Employees. In addition, the Employer agrees to provide all full-time housekeeping, laundry, dietary, maintenance and activities Employees, who have completed one year of continuous service time off with pay to complete the 75 hour CNA certification program. The Employer also agrees to pay the tuition and tests costs for the CNA certification program.

ARTICLE 18: RESIGNATION

Section 1.

An Employee who resigns shall give the Employer 14-calendar days' written notice.

Section 2.

An Employee who gives written notice of resignation, as provided above, shall be entitled to receive payment for earned vacation and holiday time unused on the effective date of the resignation or retirement. If notice is not given as provided above, an Employee shall not be entitled to terminal benefits.

ARTICLE 19: UNPAID LEAVES

Section 1. Leaves of Absence.

Leaves of absence for personal reasons may be granted to an Employee who has completed the probationary period. A leave of absence may be granted for up to 30-calendar

days. Extensions will be considered on a case-by-case basis. Extensions may be granted at the discretion of the Administrator, but the total length of a leave and any extensions may not exceed six months. Such extensions shall not be unreasonably denied.

The Employee is responsible for requesting such a leave and obtaining management approval prior to his/her absence. An Employee may not accept other employment while on a leave and may be terminated for violation of this provision except where written consent has been obtained from the Employer.

Two weeks prior to returning to work, a written notice must be presented to the personnel clerk or immediate supervisor. When possible, an Employee returning from a leave will be assigned to the same or substantially equivalent job. If this is not possible, the Employee will be given preference in filling other jobs for which he/she is qualified, based on seniority.

The Company agrees to abide by the provisions of the Family Medical Leave Act (FMLA).

Section 2. Disability Leave.

Leaves of absence due to injury, illness or maternity may be granted to an Employee who has completed the probationary period. A leave of absence can be granted on a month-to-month basis. Requests for extensions must be in writing. Such extensions shall not be unreasonably denied and the total length of a leave and any extensions may not exceed six months. In requesting a leave of absence, the Employee must give prompt written notice of disability to the Employer.

The notice will include a doctor's certificate stating the nature of the disability, the date until which the Employee may work (if applicable) and the expected date of return to work. If a request for an extension is made, a doctor's certificate of continued disability must be submitted for each month that the leave is extended.

Two weeks prior to returning to work, a doctor's certificate stating that the Employee is physically able to return to work must be submitted to the personnel clerk or immediate supervisor. The Employer reserves the right to require the Employee to be examined by a designated physician.

In the event of a disagreement between the doctor designated by the Employer and the Employee's doctor, the Employee will be examined by a third doctor mutually agreed to by the Employer and the Union. The decision of the third doctor concerning the Employee's condition will be binding on all parties.

Upon return to work from a leave of absence, an Employee will be restored to the job previously held, or a comparable job with regard to work and rate of pay, i.e., an Employee on the first shift who goes on a leave of absence shall, upon return to work, be returned to the first shift. The replaced Employee will be transferred in accordance with the provisions of this Agreement.

Failure to notify the Employer of availability for work, failure to return to work upon the expiration of a leave or continued absence from work because a leave extends beyond the maximum allowed will be considered a voluntary termination of employment.

Nothing contained in this Article or in any other provision of this Agreement shall be construed as authorizing or permitting sporadic absence for any reason.

Except for leave of absence because of an Employee's illness or injury or other circumstances beyond the Employee's control, a leave of absence will not become effective earlier than the 14th calendar day following the Employee's submission of his/her written request for leave.

An Employee shall not be entitled to return from a leave of absence unless the Employee has given the Employer at least seven calendar days' advance written notice of returning to work. However, the Employer may waive this provision at its discretion.

Falsification of the reason for a request for a leave of absence or obtaining gainful employment during a leave of absence shall be cause for discharge.

Section 3. Military Leave.

Military Leave of Absence will be granted to any Employee who is on active duty in the U.S. Armed Forces in accordance with applicable laws.

Section 4. Education Leave.

The Employer will continue past practice of educational leave and its reimbursement policy.

Section 5. Union Leave.

A leave of absence for a period not to exceed three years, subject to Employer approval given in each year, shall be granted at the Union's request to not more than one Employee who has one or more years' of Employer seniority in order to accept a full-time position with the Union, provided such leave will not interfere with the operation of the Employer.

ARTICLE 20: PAID LEAVES

Section 1. Funeral Leave.

- (a) In the event of the death of an Employee's parent, legal guardian, spouse, child, brother, sister, grandparent, or grandchild, an Employee who has completed his/her probationary period will be allowed up to three regular scheduled days off with pay at his/her regular straight-time rate between the date of death and the day after the funeral. In the event of the death of an Employee's parent-in-law, an Employee who has completed his/her probationary period will be allowed up to two regularly scheduled days off with pay at his/her regular straight-time rate between the date of death and the day after the funeral. Any Employee traveling

more than 250 miles to attend the funeral of a covered family member shall receive one additional unpaid day off, with proper notification.

- (b) There shall be no duplication of payment that the Employee may otherwise receive under this Agreement. Proof of death and verification of relationship may be required.

Section 2. Jury Duty Pay.

The Employer shall grant to all Employees, after completion of their probationary period, who are required to serve on jury service, the difference between the Employee's regular straight-time weekly earnings, not to exceed 40 times the Employee's straight-time hourly rate of pay, and any jury fee paid to the Employee. The Employee shall notify the Employer upon receipt of jury service notice as soon as practical. When an Employee is released for a day during any period of jury service, he/she shall report to the facility for work, if it is a scheduled work day.

ARTICLE 21: HEALTH INSURANCE

Section 1.

All regular full-time employees (employees who regularly work 30 hours or more per week) who have completed their probationary period will have an opportunity to participate in the Employer's group insurance plans including: the MyCare Plan and the Employer's Vision, Dental, and Short-Term Disability Program. The Employer shall make available for eligible employees the same health insurance and employee premium contributions as provided in the Employer's Group/Company Plans. All insurances shall become effective on the first of the month following the completion of the 90-day probationary period.

Section 2.

The Employer will conduct open enrollment in each calendar year for the purpose of enrolling employees in the Employer's Group/Company Plan Standard Health Insurance Plans at the standard employee contribution rates.

Section 3.

The Employer shall not change Carriers without first meeting with the Union to discuss such changes. The Union shall have the right to use the Grievance and Arbitration Procedure and waives its right to strike if no agreement is reached.

ARTICLE 22: LIFE INSURANCE

The Employer will maintain its present practice of life insurance, one times annual base wage rounded to the next higher thousand, maximum fifty thousand dollars (\$50,000).

ARTICLE 23: SICK LEAVE

Section 1.

Sick leave is defined as an absence of an Employee from work by reason of illness or non-work connected accident which is not compensable under the workers' compensation laws of the Commonwealth of Pennsylvania.

Section 2.

Regular full-time Employees shall be entitled to 10 sick days per year. The added days will be given up front to all Employees on the present payroll. The added sick days will be part of the December buy back if unused during the first pay period.

Section 3.

To be eligible for benefits under this Article, Employees who are absent must notify the Employer two hours prior to the start of their regularly scheduled shift. The Employer may require written clarification of a physician or other proof of illness or injury hereunder for those Employees absent more than two consecutive days. Employees who have been on sick leave also may be required to be examined by the Employer's doctor or his/her designee before being permitted to return to duty.

Section 4.

An Employee may use sick days or partial sick days to cover time lost from work for visits to the doctor or dentist, provided such time is requested and approved in advance. Approval shall not be unreasonably denied.

Section 5.

Employees may use available sick leave to care for an ill spouse or ill dependent children residing in Employee's household.

Section 6.

All eligible Employees who work less than 37-1/2 but at least 15 hours per week shall receive pro-rated sick time.

Section 7.

Any earned unused sick time shall be paid to the Employee the first pay period in December.

Section 8.

Employees will not be penalized for using paid sick days in accordance with this Article for certified doctor appointments. However, employees who use sick leave in violation of this Article, may be disciplined.

ARTICLE 24: VACATIONS

Section 1.

All Employees covered by this Agreement shall, upon the completion of continuous service for the periods hereinafter specified, become entitled to annual vacations with pay for the periods indicated:

One Year's Employment:	Two Weeks
Five Years' Employment:	Three Weeks
15 Years' Employment:	Four Weeks
Effective January 2, 2005	
20 Years' Employment:	Four Weeks and Three Days

Section 2.

The right to schedule an Employee's vacation is reserved by the Employer in order to ensure proper and adequate care for the residents. Employees will be allowed to take a maximum of five single days of vacation per year with proper notice. Vacation schedules shall be established taking into account the wishes of the Employees and the needs of the Employer.

It is understood that the Employer's needs may be greater during the period December 20th through January 1st in any given year. However, no Employee shall have his/her vacation unreasonably denied.

Section 3.

Vacations shall be granted on a job classification per department basis and all vacation requests must be in by March 15th. Vacation selected after March 15th shall be on a first-come, first-served basis provided that at least three weeks' advance written notice of a desired vacation time is submitted for approval.

Section 4.

No part of an Employee's scheduled vacation may be charged to sick leave. Vacations shall be taken each anniversary year and may not be accrued from year to year and Employees will not be compensated for vacation time not taken.

Section 5.

Vacation pay shall be based upon the Employee's regular rate of pay in effect on the first day of his/her scheduled vacation.

Section 6.

An Employee shall be paid his/her vacation pay before starting his/her vacation provided three weeks' written notification has been given.

Section 7.

Vacation pay shall be pro-rated and based upon the average weekly hours worked for the 52-week period preceding the Employee's anniversary date for regular part-time Employees.

Section 8.

If a holiday as set forth in Article 25 occurs during an Employee's vacation period, he/she may have his/her vacation period extended an additional day, or he/she may have an additional day scheduled off at the convenience of the Employer and the Employee.

Section 9.

Earned but unused vacation time shall be paid to the Employee upon resignation if proper notice is given. No earned but unused vacation will be paid to an Employee who is terminated by the Company or who fails to work their complete schedule during their resignation notice.

ARTICLE 25: HOLIDAYS

Section 1.

Eligible Employees, upon completion of their probationary period, shall be entitled to the following paid holidays within each calendar year:

New Year's Day	Norman Rayford Day (August 28)
Dr. Martin Luther King's Birthday	Labor Day
Good Friday	Thanksgiving Day
Memorial Day	Christmas Day
July 4th (Independence Day)	One Personal Day

Effective 10/30/99 each Employee with one or more years' seniority shall be entitled to one personal day per year.

Section 2.

Regular part-time Employees shall receive holiday pay on a pro-rated basis of an Employee's hours worked in the five pay periods immediately preceding the holiday. Fulltime Employees shall receive holiday pay equivalent to their normal hours worked.

Section 3.

If the holiday falls on the Employee's day off, the Employee will receive the holiday pay, or another day off in the pay period.

Section 4.

An Employee, to be eligible for the paid holidays, must have completed the probationary period.

Section 5.

Any Employee on unpaid leave of absence shall not be entitled to any holiday pay falling within the unpaid leave of absence. An Employee must work the day before and the day after said holiday to be eligible for holiday pay.

Section 6.

Effective January 1, 2006 Employees working on Christmas Day, New Year's Day, Martin Luther King Day, July 4th and Thanksgiving Day, excluding personal days, shall be 1-1/2 times for all hours worked on said day and shall receive another day off within 30 days after said holiday or may take pay in lieu of added day, and all options shall be between the Employee and their supervisor. Effective January, 1, 2009, the Employer agrees to add Memorial Day and Norman Rayford Day to the premium holidays.

Section 7.

If any of the above, excluding personal days, fall during the Employee's vacation, the Employee's vacation shall be extended by an added day.

ARTICLE 26: ON-THE-JOB INJURY OR SICKNESS

Section 1.

An Employee who is injured or becomes ill during the course of his shift, with such injury or illness requiring medical treatment, will be compensated for the time lost while receiving such treatment up to a maximum of the completion of the Employee's shift as long as the injury or illness is reported to the Employer. This provision shall not apply to illness or injury caused by the Employee's own negligence or brought on by the Employee's own intemperance. If the Employee is kept in the hospital or sent home pursuant to the orders of the physician, the Employee shall be paid for the balance of his shift at the appropriate hourly rate.

ARTICLE 27: SAFETY

Section 1.

Both the Employer and the Union agree that health and safety in the work place are important to the operation of the facility. The Union agrees to cooperate with the Employer in assuring conformity to all established safety rules and regulations.

ARTICLE 28: NON-DISCRIMINATION

Section 1.

Neither the Employer nor the Union shall discriminate against or in favor of any Employee on account of race, color, creed, national origin, sex, age, handicap or veteran status. All references to male Employees in this Agreement shall also be applicable to female Employees.

ARTICLE 29: SEPARABILITY

Section 1.

In the event that the enactment of any state or federal law or that the decision of any court of competent jurisdiction should render any particular portion or term of this Agreement invalid and unenforceable, then such provision shall be deemed to be automatically deleted from the Agreement but the remaining portions, terms, and provisions shall remain unaffected and continue in full force for the unexpired term of the Agreement.

ARTICLE 30: ENTIRE AGREEMENT

The parties acknowledge that during the negotiations that resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining and that all subjects have been discussed and negotiated and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities.

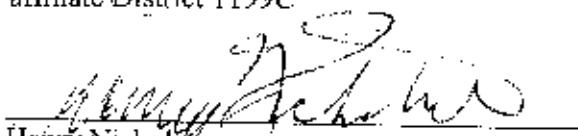
This Agreement supersedes and cancels all previous policy agreements and all past practices and this Agreement expresses the complete understanding of the parties on the subject of wages, working conditions, hours of labor, benefits, and conditions of employment and includes all collective bargaining for the term of this Agreement. All Employee benefits and rights existing before the effective date of this Agreement are superseded by this Agreement unless expressly contained herein. Further, the Union understands and agrees that the Company may change or eliminate any past practice that is not specifically written into this contract any time during the term of this contract and will not have any obligation to bargain over any such change or elimination.

ARTICLE 31: DURATION

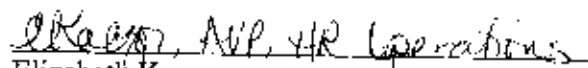
This Agreement shall be in full force and effect for the period commencing October 30, 2007 and ending at midnight, October 30, 2010. The Employer and the Union agree to jointly enter into discussions relative to a renewal of this Agreement no later than the 90th day immediately preceding the termination date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this ___ day of _____, 2007.

National Union of Hospital and Health Care
Employees, AFSCME, AFL-CIO and its
affiliate District 1199C


Henry Nicholas
President

HCR Manor Care - Wallingford Nursing and
Rehabilitation Center


Elizabeth Kaczor
Assistant Vice President
HR Operations

**APPENDIX A
WAGES**

Effective November 1, 2007, all non-probationary Employees shall receive the 3.5% across-the-board increase. All new employees shall receive the new minimum start rate for the job classification, as illustrated below.

Effective November 1, 2008, all non-probationary Employees shall receive the 3.5% across-the-board increase. All new employees shall receive the new minimum start rate for the job classification, as illustrated below.

Effective November 1, 2009, all non-probationary Employees shall receive the 3.0% across-the-board increase. All new employees shall receive the new minimum start rate for the job classification, as illustrated below.

Classifications	11/01/07		11/01/08		11/01/09	
	Minimum Start	90 Days	Minimum Start	90 Days	Minimum Start	90 Days
Dietary	\$10.05	\$10.40	\$10.20	\$10.50	\$10.40	\$10.71
Ward Clerks	\$10.48	\$11.03	\$10.69	\$11.01	\$10.90	\$11.22
Central Supply	\$10.48	\$11.03	\$10.69	\$11.01	\$10.90	\$11.22
Restorative Aides	\$10.48	\$11.03	\$10.69	\$11.01	\$10.90	\$11.22
Physical Ther. Aides	\$10.48	\$11.03	\$10.69	\$11.01	\$10.90	\$11.22
CNA's	\$10.48	\$11.03	\$10.69	\$11.01	\$10.90	\$11.22
Cooks	\$11.29	\$11.68	\$11.51	\$11.88	\$11.74	\$12.09
Maintenance	\$11.29	\$11.68	\$11.51	\$11.88	\$11.74	\$12.09

******IN THE EVENT THE STARTING WAGE RATES NEED TO BE INCREASED, THE PARTIES AGREE TO MEET TO DISCUSS AN IMPLEMENTATION SCHEDULE, BASED ON THE MARKET******

Employees shall be paid in accordance with Company Policy (currently paychecks are available every two weeks on Wednesday at 10:00 a.m.) as may be changed from time to time for all Company Employees. Before any changes are made, the Employer shall provide all affected Employees and the Union with advance notice of the changes. Employees working the Third Shift (11:00 p.m. to 7:00 a.m.) shall receive their pay check before the end of their shift. All wages will be paid by direct deposit in accordance with Pennsylvania law, provided the Employees have accounts to direct deposit to. The Employer agrees to assist Employees in establishing direct deposit accounts with area banks or credit unions.

Effective January 1, 2009 the Employer agrees to deduct from the paychecks of those employees who are required to pay earned income taxes to the City of Chester.

**APPENDIX B
ATTENDANCE POLICY**

The Wallingford Nursing & Rehabilitation Center

Policies and Procedures

Title Attendance Policy

Date	7/2/02	Reviewed	Reviewed	Reviewed	Page 1 of 2
------	--------	----------	----------	----------	-------------

Purpose: To insure that facility is adequately staffed.

Our work goes on 24 hours a day, seven days a week. The work of all departments is interrelated, and your presence at your scheduled time is very important if we are to avoid interruption of the services we offer to our residents. For this reason, we have rules regarding absenteeism and lateness. To insure the fair administration of these rules, your supervisor maintains a record of your attendance. Failure to comply with the facility's rules will lead to disciplinary action and up to possible termination of your employment.

Attendance policy is as follows:

1. If you know you will need time off in the future, consult with your Supervisor and ask to be excused. Your Supervisor will make every effort to make the requested time available.
2. If you are going to arrive late, you must notify your Supervisor before your arrival to the facility.
3. If you cannot come to work, you must personally call in and speak to either your Supervisor or the Nursing Supervisor during hours when your Supervisor is unavailable, at least TWO HOURS BEFORE THE START OF YOUR SHIFT. This will permit your Supervisor to make other arrangements to get your job done.
4. If you must leave early, you must get your Supervisor's permission in advance to leave before leaving the facility.
5. An employee that is absent for two consecutive work days without notification to the facility to explain why you are not at work, you will be considered to have voluntarily resigned from your position, unless you can demonstrate that you were unable to contact your Administrator, Department Head, or Supervisor.
6. Excessive absenteeism, other than a FMLA approved absence, approved sick leave, disability, vacation, holiday, or bereavement, is defined as two or more instances of unexcused absence in any 30 consecutive day period. If your attendance reflects these patterns of behavior, your Supervisor will call it to your attention and issue an official verbal warning. If you continue to violate this policy, you will be issued a written warning. Further violations will result in progressive discipline and subject to the

Performance Improvement Procedure in the Employee Handbook. Tardiness and early quits will be treated as separate discipline issues in accordance with Company Policy.

7. Patterns or trends of unsatisfactory attendance are also of concern. Patterns or trends can include, but are not limited to: monthly absenteeism, weekends and absences before or after holidays or paid leaves. Patterns or trends will be called to your attention by your Supervisor and may be subject to the Performance Improvement Procedure in the Employee Handbook.
8. Calling off on a weekend will result in being scheduled for the day that was called off the next weekend or two weekends later. Every effort will be made by your Supervisor to coordinate with you the weekend day you must make up. If you and your Supervisor cannot agree upon a weekend day within 30 days following absence, a day will be assigned.

Employees who violate the attendance policy will be subject to progressive discipline in the Performance Improvement Plan in your Employee Handbook.

I have received a copy of the Attendance Policy. I agree to read it and comply with the information provided in the Attendance Policy.

Employee's Signature: _____

Date: _____

APPENDIX C
LETTER OF UNDERSTAND - PAY FOR PARTICIPATING IN NEGOTIATIONS

The Employer agrees that if the Union Committee agrees to recommend ratification of the Tentative Agreement reached on October 26, 2007, at its October 30, 2007 ratification meetings, the Employer agrees to compensate the Union Employees Committee (Barbara Naylor, Tenishia Johnson, Shirley Cosby and Rosa Thompson) for shifts they missed because they attended the bargaining sessions.

EXHIBIT A CHECK-OFF FORM

Hospital	Social Security No.	Init. Fee	Job Cat.	Dues Amt.	Starting Date
PLEASE DO NOT WRITE IN ABOVE SPACE—FOR OFFICE USE ONLY					

National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO
1319 Locust Street, Philadelphia, PA 19107

APPLICATION FOR MEMBERSHIP

Please print

Name _____ Date _____

Address _____ Apt. _____

City/State _____ Zip _____

Employed at _____ Dept./Job Title _____

Salary _____ Hrs. per week _____ Date Hired _____

Work Phone _____ Home Phone _____

I hereby accept membership in the National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO, and designate said union to act for me as collective bargaining agent in all matters pertaining to conditions of employment. I hereby pledge to abide by the Constitution and Bylaws of the National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO.

Signed _____ Soc. Sec. No. _____

CHECK-OFF AUTHORIZATION

Date _____, 20____

To: _____ (the Employer)
You are directed to deduct from any wages earned or to be earned by me as your employee, such amount as may be established by the National Union of Hospital and Healthcare Employees, AFSCME, AFL-CIO and become due to it as my membership dues and/or fees or assessments in said UNION or such equivalent or related amounts as may be required to fulfill my contractual and lawful obligation. I authorize you to deduct such amount from one or more of my weekly pay checks each month as required and to remit the same to the Secretary-Treasurer of said UNION.

This assignment, authorization, and direction shall become effective upon delivery, subject to the check-off provisions of the current Agreement between the above-named EMPLOYER and the UNION, is voluntary and is not conditioned on my present or future membership in the Union.

This assignment, authorization and direction shall be irrevocable for the period of one (1) year, or until the termination of said collective agreement between the EMPLOYER and the UNION, whichever occurs sooner, and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between the EMPLOYER and the UNION, which shall be shorter, unless written notice is given by me to the EMPLOYER and the National Union Finance Department at 1319 Locust Street, Philadelphia, PA 19107 not more than fifteen (15) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between the EMPLOYER and the UNION, which occurs sooner.

This authorization is made pursuant to the provisions of applicable law including Section 302(c) of the Labor Management Relations Act of 1947.

Print Name _____ Soc. Sec. No. _____

Dept. _____ Signature _____

Address _____



EXHIBIT B
DISTRICT 1199C POLITICAL ACTION FUND FORM

Political Action—Protection for your future

District 1199C Political Action Fund Pledge

PLEASE PRINT

Name _____
Address _____ Phone _____
City _____ State _____ Zip Code _____
Employed at _____
Department _____ Job Title _____
Amount of Pledge _____ per month _____ Soc. Sec. No. _____
Signature _____ Date _____

Register and Vote!

District 1199C Political Action Fund
Check-Off Authorization

Date _____

To: _____
(Name of Employer)

You are hereby authorized to deduct from my wages or salary the sum of \$ _____ per month, and to forward such amount to the District 1199C Political Action Fund. This is a voluntary authorization made with the specific understanding that this contribution to the District 1199C Political Action Fund is not conditional of membership in the Union or employment with the Employer. I authorize the District 1199C Political Action Fund to use this money to make political contributions and for expenditures in accordance with federal, state and local election laws and regulations. I reserve the right to cancel this instrument at any time, in writing.

Soc. Sec. No. _____ Signature _____
Dept. _____ Home Address _____

**EXHIBIT C
CONSCIENTIOUS OBJECTOR FORM**

DATE: _____

TO: _____

You are hereby authorized and directed to deduct a sum equal to the initiation fee required by District 1199C, National Union of Hospital and Health Care Employees as a condition of membership and in addition thereto, deduct each month a sum equal to the monthly membership dues required by said Union, and to remit all such deductions so made to the following charity:

This contribution will be deducted from my pay and remitted to the charity no later than the tenth (10th) day of each month immediately following the date of deduction or following the date provided in the Collective Bargaining Agreement for such deduction. This authorization will be irrevocable for a period of one (1) year or until the termination date of the Collective Bargaining Agreement, whichever is sooner, and will, however, renew itself from year to year unless the Employee gives written notice addressed to the Employer at the following address:

at least fifteen (15) days prior to any termination date of the revocation of this authorization. At the same time, notice must be given to the Union at the address of 1319 Locust Street, Philadelphia, Pennsylvania 19107, of such termination, at least fifteen (15) days prior to any termination date of the revocation of this authorization.

In addition to the foregoing, the undersigned hereby authorizes the Employer to deduct in twelve (12) equal monthly installments, the sum assessed by the Union against the undersigned, for fees incurred in connection with representation by the Union at all stages of the grievance procedure, including the reasonable customary fees of the Arbitration, arbitration fees, and the fees of the Union's attorney, as well as such other costs which the Union will assess in connection with that procedure.

Social Security Number _____

Clock Number _____

Department _____

Signature _____

Address _____