

Collective Bargaining Agreement

Between

**Kineth Hospitality Company, Inc. as
managing agent for
Kahler Hotels, LLC**

and

UNITE HERE Local 21, AFL-CIO

Rochester, Minnesota

February 6, 2019-December 31, 2021

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This Agreement made this 6th day of February 2019 by and between UNITE HERE Local 21, AFL-CIO hereafter referred to as the "Union" and Kineth Hospitality Company, Inc. as managing agent for The Kahler Grand Hotel, Rochester Marriott Mayo Clinic Area, Kahler Inn & Suites, Residence Inn and Starbuck's, Rochester Mayo Clinic Area located in Rochester, Minnesota, hereinafter referred to as "Employer," "Hotel" "Company" or "Management".

WITNESSETH

In consideration of mutual agreements and covenants expressly stated herein, the Employer and Union agree as follows:

ARTICLE I
PURPOSE, COVERAGE, RECOGNITION

- 1.1 Purpose. The purpose of this Agreement shall be to achieve mutual understanding, harmony and cooperation among the Union, the Employer and its employees; to provide sound working conditions for the employees; to secure a prompt and fair disposition of grievances; eliminate all interruptions of work and the interference with the efficient operation of the Employer's Hotel; to obtain maximum efficiency in the Hotel; to assure excellent customer relations and service; and to set forth the Agreement covering rates of pay, hours of work and conditions of employment to be observed by the Parties during the life of this Agreement.
- 1.2 Coverage. For the purpose of this Agreement, the term "employees" shall cover housekeepers, bellperson, telephone operators, engineers, restaurant employees, but excluding all employees assigned to work in the Hotel which include all administrative assistants/office/clerical, accounting, Human Resources, Front Office, including front desk agents, concierge, sales and catering department, host, clerical employees, purchasing agents, retail store employees, groundskeepers, engineering and maintenance managers, professional, confidential, temporary outside contract labor, contract employees and all guards and supervisors as defined by federal law. The listing of a classification in the Schedule of Wages does not require the Employer to employ any employee in that classification. The Hotel may opt to utilize job combinations or not to use certain of these positions.
- 1.3 Respect and Dignity. Local 21 and the Employer recognize that workers in the hospitality industry are professional employees deserving of the highest regard. The Union, the Employer, the nonunion and union employees will work together to honor the principles of respect and dignity. The parties and nonunion and union employees agree that the continued success and operation of this establishment is dependent upon their mutual respect for one another's work.
- 1.4 Guest Service. It is recognized and understood that the tradition of Kahler Hospitality Group, Kahler Grand Hotel, Kahler Inn & Suites, Rochester Marriott, Rochester Residence Inn and Starbuck's has been built around providing guests with empathy and the highest standards for accommodations and personalized service. The hotels sets high standards of service for our guests seeking serious medical care which requires a high sense of empathy and patience and as a result expects a high level of service performance from our employees. An important key to this success is a willingness of all parties always place the guest's needs first. The Hotels, the employees and the Union mutually agree to work together to ensure that the highest level of professional guest service is delivered. The Employer reserves the right to direct, change, modify or amend hotel or outlet procedures as it relates to guest service.

ARTICLE 2
COMPLETE AGREEMENT, UNION AND MANAGEMENT COOPERATION

2.1 Complete Agreement. The express provisions of this Agreement constitute the complete collective bargaining contract which shall prevail between the Employer and the Union with respect to wages, hours of work, and other conditions of employment. This Agreement can be added to, detracted from, altered, amended or modified only by a written document signed on behalf of the Parties by their duly authorized agents and representatives. This agreement incorporates the entire understanding between the parties and supersedes all prior agreements, letters of understanding, grievance settlements and past practices between the parties except for those practices identified by the parties thus would require the Employer and the Union to mutually agree in writing. This agreement shall be modified or amended only through the Employer and Union and both must mutually agree on the terms, modifications or amendments set forth and outlined in this agreement.

2.2 No Vested Interest Acquired by Employees. Employees shall acquire no vested interest in the rights or benefits granted herein which are not subject to being changed, revised or divested, in accordance with this Agreement or any subsequent revisions or terminations. All rights or benefits which employees acquire under the terms of this Agreement shall extend only for the duration of this Agreement and shall then terminate, unless expressly renewed or extended for an additional term by written agreement or by application of the automatic renewal clause of this Agreement.

2.3 Union and Management Cooperation. The Union and the Employer agree to work together to enhance the Employer's business and to improve conditions under which employees work. The Union agrees to cooperate with the Employer in maintaining and improving safe and sanitary conditions and practices; and in maintaining, safeguarding and conserving the equipment, supplies, materials, vehicles, machinery, buildings and other property used by the employees in connection with their work assignments.

ARTICLE 3
UNION RIGHTS

3.1 Union Recognition and No Individual Agreements. The Employer recognizes the Union as the duly certified bargaining agent of those employees covered by this Agreement. The Employer agrees not to ensure into any agreements or contracts with its employees, individually or collectively, which conflict with the terms and provisions of this Agreement, except as expressly agreed to and in the form of a written addendum for the hotel company.

3.2 Union Shop. It shall be a condition of employment for all employees covered by this Agreement that all employees who are members of the Union on the effective date of this Agreement shall remain members of the Union or pay fees in lieu thereof. Furthermore, any of these employees who are members of the Union on the effective date of this Agreement shall, on or after the 31st day of the effective date, become and remain members of the Union or pay fees in lieu thereof. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on or after the (thirty first) 31st day of their employment, become and remain members of the union or pay fees in lieu thereof. The employer reserves the right to dismiss an employee before (30) calendar days without union representation or without notifying the union should the employee fail to meet the expectations of the role or department.

3.3 Check-off. The Employer shall check-off monthly Union dues and initiation fees and/or other required fees in a manner according to procedures agreed upon between the representatives of both Parties upon receipt of the written authorization form to deduct union dues or fees signed by the employee. The employer shall update the dues checkoff list provided by the union for new hires and terms each month.

3.4 Check Off. The Employer agrees to honor political contribution deduction authorizations from employees in the follow form:

I hereby authorize my Employer to deduct from pay the sum of \$_____ per pay period and to forward that amount as my voluntary contribution to the UNITE HERE INTERNATIONAL Political Committee, 275 Seventh Avenue, New York, NY 10001. My decision to participate in the UNITE HERE Political Program is a voluntary one and I understand that I am under no compulsion to contribute to it, since such contributions are neither a condition of my continued employment or of membership in the Union. I also understand that this authorization may be revoked by me at any time and that it is automatically revoked upon termination of my employment.

The political contribution deduction shall be made once each month during which an employee who has performed compensated service has in effect a voluntarily executed political contribution deduction authorization. The money shall be remitted within (30 days after the last day of the preceding month to the UNITE HERE INTERNATIONAL, 275 Seventh Avenue, New York, NY 10001, accompanied by a form stating the name and Social Security number of each employee for whom a deductions has been made, and the amount deducted.

The Union shall indemnify, defend and save the Employer harmless against any and all claims, demands, suites or other terms of liability that may rise out of or by reason of action taken by the Employer in reliance upon payroll deduction authorization cards submitted to the Employer.

3.5 Indemnification. The Union shall indemnify the Employer and hold it harmless against any and all suits, claims, demands and liabilities that may arise out of or by reason of, any action that shall be taken by the Employer for purposes of complying with the foregoing provisions of this Article 3 or in reliance of any authorization or list which shall be furnished to the Employer by the Union under any of such provisions.

3.6 Bulletin Boards. The Employer agrees to provide a space in which the Union may place a bulletin board for the posting of all Union communications in a conspicuous area frequented by employees, provided such material is not detrimental to the labor-management relationship.

3.7 Union Representation

- (a) Shop Stewards from among the employees who are members of the Union. The names of such Shop Stewards shall be sent to the Employer in writing. Union Shop Stewards shall be required to fulfill their obligations to the Employer and the Employer's guests and to perform their job duties as any other employee covered by the Agreement. Shop Stewards shall not interrupt employees while working. Union Stewards shall work in accordance with the hotel rules.
- (b) Stewards shall not, however, interfere with the management of the business or direct the work of any employees regardless of whether they believe a grievance exists. When the Employer requests that a Steward participate in a grievance meeting that is scheduled during a Steward's regular shift, such hours will be considered work time for that Steward. If additional Stewards are in attendance at such a meeting, the Hotel shall be under no obligation to consider their time spent at the meeting as work time. Only the Regional Manager, General Manager or his/her designee and the Union's principal officer shall have the authority to alter or modify any terms or provisions if this Agreement. Such changes shall be in writing and signed by both parties.

3.8 Union Visitation. Union representatives and officers shall be privileged to visit the premises of the Employer, generally in the non-working area at all reasonable hours for the transaction of official Union business. Union Officers and Business Agents shall call or email the Human Resources representatives and/or designated management representative of their presence upon the premises and shall not interrupt employees while working.

3.9 Voter Registration. The Employer and the Union will provide employees with the opportunity to register to vote in the employee break areas.

3.10 Copies of Agreement. The Employer agrees to provide a copy of the collective bargaining agreement to all new hires along with the Employer's Handbook and/or rules. The Union will provide copies of the collective bargaining agreement to the Employer.

ARTICLE 4 MANAGEMENT RIGHTS

4.1 Rights of Management. The Employer and the Union specifically agree that management shall have all of the inherent rights to operate and manage its business, solely and exclusively, and the right to direct the work force and to determine the policies and methods of operating the Hotels. Such management rights and responsibilities shall include, but not limited to, the following: the right to select employees it will hire, including the right to make the final determination of the qualifications of applicants and on who it will hire; the right to establish or revise work schedules; to determine the size and composition of its working force; to determine the number and type of equipment, material, products and supplies to be used or operated and services to be delivered; to discipline or discharge employees for just cause; to maintain efficiency of employees; to determine assignments of work; to determine the number of employees who may be off on paid time off (PTO) or other approved time off at any given time; to modify or discontinue all or any part of its business operations; to expand, reduce, alter, combine or transfer, assign, or cease any job, department or operation for business purposes; to introduce new, different or improved methods and procedures in its operations; the right to utilize management or other non-bargaining unit workers to meet business demands, including but not limited to demands created by absenteeism or other attendance-related issues and to otherwise generally manage the Hotels, except as expressly restricted by the provision of this Agreement. Provided, however, the Union shall be notified of any new job classification combination.

4.2 Rules and Regulations. The Employer shall have the right to create, implement, modify and enforce reasonable rules, regulations, policies or procedures or to modify or eliminate the same at any time so long as such rules, regulations, policies or procedures or modifications are not in conflict with any specific provision of this Agreement.

ARTICLE 5 NO STRIKE/NO LOCKOUT

5.1 No Strikes or Lockouts. The Union agrees that there shall not be any strike, sympathy strike, stoppage of work, slowdowns, boycotts, refusal to handle merchandize, picketing of the Employer's establishment covered by this Agreement or other interruption of work or interference with the Employer's Hotels during the term of this Agreement or any extension; and the Employer agrees that there shall be no lockouts during the term of this Agreement or any extension. Participation by any employee in any such practices is prohibited by this Section shall be considered just and reasonable cause for discharge or other disciplinary action by the Employer.

5.2 Unauthorized Action. In the event any violation of the previous paragraph occurs which is unauthorized by the Union, the Employer agrees that there shall be no liability on the part of the International or Local Union or any of their officers or agents provided that in the event of such unauthorized action, the Union first meets the following conditions:

- (a) The Union shall declare publicly that such action is unauthorized by the Union if requested to do so by the Employer.
- (b) The Union shall promptly order its members to return to work, immediately, notwithstanding the existence of a picket line, if requested to do so by the Employer.
- (c) The Union shall not question the unqualified right of the Employer to discipline or discharge employees engaging in, participating in, or encouraging such action. It is understood that such action of the part of the Employer shall be final and binding upon the Union and its members, and shall in no case be construed as a violation by the Employer of any provision of this Agreement. However, an issue of fact as to whether or not any particular employee has engaged in, participated in, or encouraged any such violation may be subject to arbitration. Only the fact as to whether or not an employee is engaged in a violation of this Article may be subject to the grievance and arbitration provisions of this Agreement and the Arbitrator shall have no authority to alter the discipline issued by the Employer.

5.3 Jurisdictional Dispute. It is agreed that any jurisdictional dispute between any union or unions involved with this Agreement shall not result in or interfere with the business of the Employer or in any manner.

ARTICLE 6 PAY, GRATUITIES AND JOB CLASSIFICATIONS

6.1 Minimum Pay. The minimum rates of pay for the job classifications covered by this Agreement are set forth in the Schedule of Wages which is attached and made part of this Agreement and will be made effective the first pay period following the ratification of this agreement. State or Federal minimum wage requirements will be applied if applicable.

6.2 Merit Increases. The wage scale as set forth in the Schedule of Wages of this Agreement reflects minimum rates and does not prohibit an employee from receiving a higher wage or one time incentive. The Employer may, in its sole discretion, provide a higher wage or one time incentive to an individual employee without having to pay the same amount to every employee in the same classification. If the Employer provides the employee a higher rate the Employer will notify the Union. All rate increases shall become effective in the first pay period following the eligibility date.

6.3 New Classifications and Combinations. When the Employer establishes a new job classification or a combination of two or more job classifications within the scope of this agreement, the Union shall be notified and the rate of pay for the new job classification or combination of job classifications.

6.4 Higher Rate and Lower Rate of Pay. An employee shall be paid the higher rate pay for all work performed in a higher job classification and shall be paid the lower rate for all work performed in a lower paid job classification. This shall not apply where the change in job classification may be considered a minor factor, or is unscheduled, infrequent, of short duration or is due to an emergency.

6.5 Full Time Payroll Employees. Regular full time payroll employees are employees who have completed their probationary period and work an average of 30 hours a week and shall be calculated on a quarterly basis. A full time employee shall maintain his or her full time status and eligibility for benefits unless and until he or she fails to meet the 30 hour average requirement in two consecutive quarters.

6.6 Business Costs. In accordance with applicable laws, employees shall not have unauthorized deductions made from their paychecks.

6.7 Gratuities. (Excluding Banquet Servers and All Banquet and Catered Events)

- (a) All gratuities, excluding service charges, shall be the sole property of the serving person or persons. The Employer shall not require employees divide or pool tips nor shall an employee be required to pay the tipped service charge on credit cards.
- (b) Employees shall reimburse the Employer tips paid on returned credit card charges provided proof of the guest's failure to pay Employer is shown to the employee.
- (c) The Hotel will pay all tipped employee any tips earned for the pay period through payroll and the amounts will be placed on the employee's check. This includes all credit card tips, direct bill tips, house charge tips, etc. All tipped wages will be subject to taxes in accordance with federal and state laws.

ARTICLE 7
MEALS, UNIFORMS AND EMPLOYEE AREAS

7.1 Meals. At properties where meals are served, the Employer will offer employees a discounted meal cost per scheduled shift. Meal periods shall be an uninterrupted one-half (1/2) hour for which the employee is not to be compensated. Employees must not disrupt service for a discounted meal and shall be instructed and approved by management. If employees are required to work any portion of the meal period, they shall receive the regular hourly rate for the entire meal period. Employees are responsible for clocking in and out at the beginning and end of each (30) minute meal period.

7.2 Uniforms. The Employer agrees to furnish uniforms for the culinary, engineering and room attendants. Coats for bellman will be provided and laundered if needed. Unless authorized by management, employees must not wear the uniforms off property. The employee is expected to ensure the uniform is clean and professional at all times. The Employer also agrees to replace, at no cost to the employees those uniforms which appear to be worn or stained. The Employer will notify the Union when there is a change in this provision.

7.3 Regular Rate of Pay. It is specifically agreed by the Union and Employer that any meals or uniforms furnished by the Employer to an employee shall not be considered as part of the employee's regular rate of pay for overtime and wage computation purposes within the meaning of Wage and Hour Law and that an employee's regular rate of pay is that rate reflected on the Schedule of Wages.

7.4 Employee Areas. The Employer shall maintain sanitary areas for employees like dining areas or locker rooms. The Employee is not allowed to use any guest facilities without management authorization.

ARTICLE 8
HOURS OF WORK AND OVERTIME

8.1 No Guarantee. This Article is intended to indicate the normal number of hours of work. It shall not be construed as a guarantee of minimum or maximum hours of work per day or per week or of the number of days of work per week, or of working schedule, however, this section is subject to Article 9 on Seniority.

8.2 Standard Workweek. The basic work week shall consist of five (5) days, forty (40)

hours with two (2) consecutive days of rest within a seven (7)-day period which may be varied by mutual agreement. Employer's standard workweek begins at 12:00 am Wednesday through 11:59 pm the following Tuesday. The Employer agrees to notify the Union of any change in the standard work week. Any employee in the maintenance departments who is called from home for an emergency condition and has to report to the hotel shall be given four (4) hours minimum pay or work time for such call-in work. Emergency callbacks will be handled on a seniority basis amongst employees qualified to correct the emergency.

8.3 Standard Workday. The standard workday shall be eight (8) working hours within eight and one-half (8 ½) on the Employer's premises, except for banquet employees. Banquet employees will be scheduled according to the needs of the business, including split shifts. Employees who work beyond their regular daily schedule in any day shall not be required to take time off later in the work week because of such extra hours. The Employer agrees not to schedule employees for work with less than eight (8) hours between shifts, unless mutually agreed upon by the employee and the Employer. By mutual agreement between the employee and employer, non-consecutive days off may be scheduled to include banquets and on-call employees.

8.4 Overtime Work. When necessary, overtime shall be worked based on seniority (volunteers based on highest seniority, required based on lowest seniority) of those employees on duty and performing the work on the shift for which overtime is required. Employees shall be paid for all overtime work and shall not be required to take time off for extra time worked. Overtime will not apply to function and on-call employees who work less than (4) days per week.

8.5 Overtime Pay. Time and one-half shall be paid after forty (40) hours worked in any one work week period. Employees who are scheduled to work the overnight shift shall be paid a premium of one dollar (1.00) for all hours worked between 10:00 p.m. and 7:00a.m.

8.6 No Guarantee for 6th and 7th Day. No employee shall be guaranteed work on the sixth (6th) or seventh (7th) consecutive day. No employee shall be required to work on the sixth (6th) or seventh (7th) consecutive day, provided, however, under unusual business circumstances, the seniority list shall be followed in this regard with respect to those working the job.

8.7 No Duplication of Overtime. There shall be no pyramiding or duplication of overtime and/or premium pay for the same hours worked.

8.8 Work Schedules. All work schedules shall be posted as far in advance as possible prior to the first day of the schedule but not later than Thursday at 5:00 pm, prior to the beginning of the work week involved. Employees will have until 5:00 p.m. on Friday to contest any discrepancies in the schedule. Such schedules may be changed in cases of emergencies or business necessities as determined by the Employer. No employee shall be entitled to Report in Pay or other if the lack of work is due to any strike, work stoppage, or labor dispute, or to a fire, flood, Act of God, or other condition, which are beyond the control of the Employer. When cancelling a scheduled shift the Employer will attempt to speak with the employee directly by calling the phone number in the employee's personnel file. A call will be made to the employee and the Employer will leave a message, employees are responsible for ensuring the department and Human Resources Office has the current contact information on file also to include an emergency contact. Work schedules and scheduled days off may be changed without notice in case of emergency and/or for business needs. Schedule requests including preferential work schedules will be based in accordance with Article 9. Seniority. Employees who are scheduled in advance to work one or both of their days off, and calls in sick earlier in the week, shall not be eligible for time and one-half on the scheduled day off. In order to secure time off for a doctor's appointment, employees must provide

notice of the appointment at least a week prior to the start of the new schedule except in cases of emergency. The employer may offer additional hours to a qualified employee at another property where that employee has been scheduled for less than 40 hours. If additional work at another property is still available, that work is assigned by inverse seniority.

(a) A four (4) hour call in on an employee's day off with 4 hours of work and a minimum reporting pay on a regular work day of four (4) hours for all employees normally scheduled to work in excess of twenty (20) hours per week. An employee that chooses to leave voluntarily shall only be paid for the time actually worked.

(b) Employees who normally are scheduled for twenty (20) or less hours per week or on-call employees including function personnel will be guaranteed two (2) hours pay or work.

(c) A person-called back after having completed his work shift will receive a minimum of two (2) hours call back pay or work.

(d) Split-shift employees will receive a three (3) hour guarantee per shift, however, this guarantee would not apply to those employees who choose to voluntarily leave early.

(e) Employees scheduled or called in for a training session or mandatory meeting will be paid a minimum of two (2) hours at the appropriate rate of pay.

(f) The Employer shall not require an Employee to work alone without a reasonable amount of training as provided and determined by the Employer.

8.9 Replacements. Management shall be responsible for scheduling replacements. If an employee proposes a replacement such substitute must be approved in advance by the Manager.

8.10 Meetings. An employee who attends a mandatory employer meeting that is held on the employee's scheduled day off shall receive two (2) hour pay for work. Pay for voluntary meetings (not parties or general sessions that are informational) shall be equal to the actual time in attendance at the meeting.

8.11 Temporary Discontinued Business. If it necessary to temporarily close the business for remodeling or close for a full calendar month or more due to lack of business or permanently close any part of the Hotel, the Employer will give affected employees a minimum of a two (2) week notice unless the cause of the discontinuance of the business is beyond the control or knowledge of the Employer. If the Employer fails to give affected employees the two (2) week notice and no suitable alternative employment is provided, the employer will allow the affected employees to use any available PTO or unpaid time off until further notice. The Employer will make every effort to place affected employees at other hotels where bargaining unit positions are available regardless of the classification. The Parties acknowledge that unexpected fluctuations of business are beyond the control or knowledge of the Employer in the application of this section.

8.12 Rest Breaks. Employees shall be entitled to one (1) fifteen (15) minute break for each four (4) hours of work. Employees are not required to take their paid rest period. However, an employee who does not take a break may not leave before the end of his/her shift for that reason. The Employer reserves the right to schedule the breaks. Employees who work overtime beyond the end of their shift will be entitled to an additional (15) minute break after each additional (2) hours of work. The Employer will observe all state wage and hour laws as they relate to rest periods.

ARTICLE 9 SENIORITY

9.1 Seniority. Seniority shall mean continuous length of service at the hotel properties from first day of work in the classification covered by the Agreement after completing probation. With the exception of the banquet servers, such seniority shall be established by being regularly scheduled in a classification. Employees who work on an intermittent basis in another classifications shall not build seniority in that classification.

(a) Banquet Servers. Banquet servers shall accrue seniority from first function worked after job classification at the hotel properties. Employees shall not acquire seniority until they have successfully completed the employer's probationary period in the classification within either the regular or extra list where such lists apply. Employees moving from the regular list to the extra list shall be placed on the extra list in accordance with their overall banquet seniority. Employees moving from the extra to the regular list shall be placed at the bottom of such list.

9.2 Same Start Date. For those employees hired after ratification of this agreement, in the event two or more employees begin work on the same day, a numerical suffix will be attached to the seniority date of such employees based on the last four (4) digits of the employee's social security number. The employee with the lowest four digit number shall be deemed the most senior.

9.3 Probationary Period. New Employees. Any new employee shall be employed on a ninety (90) day probationary basis, during which time he/she may be discharged without recourse.

9.4 New Classification. An employee moving to a new classification shall serve a (30) calendar day probationary period. During the probationary period, the Employer may return the employee to their previously held classification provided that the position is still available. If the position is not available, the employee can be considered for other available positions in the classification or in the hotel if eligible. If the Employer elects to allow the employee to return to the previous held classification, the transfer must occur within 30 days and the employee so returning shall suffer no loss of seniority. The Employer reserves the right to discharge an employee for unsatisfactory performance.

9.5 Areas of Seniority. The Employer and Union agree to recognize seniority in the following areas:

- (a) Employees shall be laid off and returned to work according to their length of service in their respective job classifications as set out in 9.6 and 9.8 below.
- (b) Scheduling of PTO time off or other benefit time off.
- (c) Offering of overtime work and requiring in reverse order, subject to 8.4.
- (d) Scheduling of Work. Where practical, senior employees who are qualified shall be scheduled to receive the maximum number of available hours on the work schedule up to an eight (8) hour day, five (5) day, forty (40) hour week. Senior employees may not claim part of a shift and may claim shifts only when they become available on a regular basis. Split shifts shall be considered separate shifts for scheduling purposes. It is understood that employees shall be not be permitted to establish their own work schedules nor shall they be permitted to work overtime without specific approval of their supervisor or manager. Nothing herein shall be interpreted as a guarantee of a minimum number of hours or days of work. Schedules will be based on business needs and amended accordingly. The above factors in the use of part time employees and work schedules will be recognized in scheduling.

- (e) Upon request in writing, any employee scheduled less than (5) days per week may exercise his/her seniority for five (5) days of work per week when additional shifts become vacated on a regular basis, unless such shifts are eliminated. The employee must bid the five (5) day schedule as posted. The Employer reserves the right to modify and change schedules according to the business needs of the operation.

9.6 Layoffs and Recalls. During layoffs or reductions in the working force, employees with the least seniority in the job classification affected shall be laid off first. When the working force is again increased, employees on layoff shall be recalled in the order of their job classification seniority unless circumstances have occurred during layoff which make them disqualified. The Employer reserves the right to determine recalls as the business needs will be considered for the job classifications.

9.7 Classification Seniority. Employees changing classifications shall begin their seniority for scheduling on the day of entry in the new classification. During layoffs or reductions in the work force within a classification, an employee may exercise any accrued seniority in their prior classification to revert to the classification from which he/she was last transferred. Any regular employee within a classification and section may exercise their seniority as it applies to shift preference schedules and or days off up to forty (40) hours in a work week. All new hires will be trained in accordance with their direct manager's discretion. Employees shall not be placed on the third shift until their direct manager approves the employee is capable of meeting the job requirements.

9.8 Notice of Recall. Where an employee is notified at the time of layoff when he/she is to report back to work, he/she will promptly report as such time without further notice. When an employee is not notified at the time of layoff when to report back to work, he/she shall be given three (3) days' notice of when to report back to work, if the period of layoff has been less than fourteen (14) days. If the layoff period extends for fourteen (14) days or more, the employee shall be given seven (7) days' notice of the time to report back to work. Notice to report back to work shall be given by a letter to the address furnished to the Employer by the Employee. While waiting for an employee to report back to work, Employer may utilize any other available person to perform the work.

9.9 Loss of Seniority. Seniority and job rights shall be terminated for the following reasons, as well as any other reasons established under the terms of this agreement:

- (a) Retirement
- (b) Voluntary Resignation
- (c) Discharge or separation of employment
- (d) Failure to return to work within seven (7) days after the employer has notified employee to report to work from a layoff
- (e) Failure to return to work at the end of authorized time off
- (f) Remaining on layoff for longer than six (6) months or the employee's length of seniority, whichever is shorter
- (g) Terminates employment from the regular schedule and works on an intermittent call-basis only
- (h) Is absent for three (3) consecutive workdays without reporting by phone or arriving to the shift and not advising the reasons for the absence or tardy or failure to comply with hotel time off request procedures. The Employer can deem this action as job abandonment
- (i) Remaining on a leave of absence for any reason for more than one year
- (j) Working for another employer during a medical leave of absence-FMLA: Unless the employee was working for another employer concurrently with the hotel prior to the

start date and the employer was aware of this other employment than the employer reserves the right to terminate the employee and remove from payroll

9.10 Job Posting. New job openings will be posted for a minimum of five (5) days, including the weekend and candidates who are most qualified will be selected by the Employer. If qualifications are equal, seniority shall prevail provided however, the Employer may consider the Employee's disciplinary file. Employees interested in any position must advise their manager and the Human Resources Office in writing. The job opening may be filled from any source on a temporary basis during its vacancy. If there are no bidders or no qualified bidders, the Employer may offer the job to a qualified employee of choice or hire outside of the hotel for the position. Employees who bid and accept a new position have a thirty (30) day trial period. At the end of the trial period if the employee is unable to meet job requirements or is unhappy in the position, he/she will be returned to the previous position. The employer shall consider other job openings that will match the employee's skillset. If the employee is transferred to another classification, the employee will maintain house seniority for purposes of their original hire date, health benefits and time off benefits and will start at the bottom of the schedule for that new department classification. If an employee bids for and receives a permanent job vacancy, he/she cannot bid again for a posted job opening for a period of six (6) months. The six (6) month limitation will not apply to requests for shift preferences or work schedules within a classification and section. "Either the employee or management may initiate the return. In the event management initiates the return, the employee shall have the right to grieve the decision under the Grievance and Arbitration Procedure contained herein, provided however, the Employer has acted in an arbitrary or capricious manner. The employer reserves the right to review position openings as it relates to the course of business needs and employee qualifications. Employees who were previously discharged from the Employer for violations of the Employee Handbook or unsatisfactory performance will not be eligible for rehired. The Employer reserves the right to determine if the current employee(s) are an overall fit for the position and department. Interested employees will be subject to the interview process for all bargaining unit classifications just as a candidate who applies outside of the employer.

- (a) Qualifications, as used herein, shall be based on the Employer's reasonable judgment of the applicant's skills, abilities, aptitude, and overall performance and work history. Notwithstanding the foregoing, the Employer may postpone a transfer or promotion where it would leave another department with an insufficient number of skilled employees or an excessive number of vacancies. Until a permanent job opening is filled, the Employer may use its discretion to select an employee to temporarily fill the opening. The employer reserves the right to change, modify, and remove vacancies and schedules based on the needs of the operation.

9.11 Seniority List. The Employer shall furnish an accurate seniority list to the Union upon request including any employee who has been separated from employment and any other information on employees previously provided. The Employer will provide a letter to employees, upon request, stating that they have been out work due to lack of hours, provided the employee has not been scheduled for work for a pay period.

ARTICLE 10
GRIEVANCE AND ARBITRATION PROCEDURE

10.1 Grievance Procedure for Employees. Should differences arise concerning the Employer, the Union and/or any employee who has completed their probationary period, as to the meaning and application of this Agreement, the following procedure shall be followed by an employee and the Union.

Step 1. The employee may refer their concern with the supervisor, manager and Human Resources in order to settle the matter promptly. The Employee can request a union representative on property to assist with the concern.

Step 2. The Union Representative and the Human Resources Director shall meet within twenty one (21) calendar days of receipt of the written grievance and attempt to settle the grievance. If the grievance is not settled, the Employer shall issue a written response to the grievance within seven (7) calendar days of the meeting. The Employer's failure to issue a written response within this time period shall be considered a denial of the grievance; provided, however, it is the Employer's intent and it will use its best efforts to provide a substantive written response to the grievance within seven (7) calendar days of the grievance meeting.

Step 3 (Optional). If the grievance is not settled at Step 2, the Union Business Agent may appeal the grievance to mediation within seven (7) calendar days from the date of the decision rendered in Step 2 by giving written notice of a request for mediation to the Employer and the Federal Mediation and Conciliation Service (FMCS), Minnesota Bureau of Mediation, or other neutral mediation agency. Mediation shall consist of up to two (2) Employer representatives and up to two (2) Union representatives, and a neutral mediator acceptable to both parties, who shall mediate the dispute in an attempt to have the parties reach a settlement. Attorneys or other consultants requested may participate in the mediation per the request of the employer. If no settlement is reached, the mediator shall provide the parties with an immediate written advisory decision of the grievance, including the grounds for such decision. All offers to compromise presented during the mediation, as well as any decision of the mediator, shall be confidential unless requested for legal proceedings.

Step 4. If the grievance is not settled at Step 3, or if the Union Business Agent chooses to skip Step 3, the Union may submit the matter to arbitration within fourteen (14) calendar days of the date of the mediation or the Employer's written response (or failure to respond) to the grievance by furnishing the Employer with a written request for arbitration and proposing therein the names of three (3) arbitrator(s) acceptable to the requesting party. The Union shall also state in writing the matter to be arbitrated and the relief that is sought. If the parties are unable to agree upon an arbitrator within fourteen (14) days, the Union shall request the FMCS to submit a panel of seven (7) names. The Employer and the Union shall alternate striking one name from the list submitted until only one name remains. The Union shall take the first strike. The cost of securing the list of arbitrators shall be shared equally between the Employer and the Union.

10.2 Effect of Failure to Appeal. Any grievance not appealed to a succeeding step within the time limits specified shall be deemed abandoned and not entitled to further consideration. Such abandonment by the Employer shall be deemed an acceptance of the grievance as stated and the remedy requested shall be accepted and enforced.

10.3 Arbitration Procedure. If the grievance cannot be satisfactorily settled by the above

steps of the grievance procedure, either of the parties may request Arbitration or legal counsel by giving the other party written notification of its intent to arbitrate within fourteen (14) calendar days after the

Employer or the Union has made its final written answer as provided in Step 3 (unless the Employer and the Union mutually agree in writing to extend the time limit), in which event the grievance shall be arbitrated according to the following procedure:

The Employer and the Union shall exercise their right to arbitrate to their chosen legal team. The expenses shall be paid equally by the Union and the Employer, each Party bearing its own preparation and presentation expenses. No evidence shall be introduced as to the withdrawal, during negotiations, of any proposal to change this agreement.

10.4 Final and Binding. Any decision reached at any stage of the grievance proceedings or by the Arbitration Procedure shall be final and binding upon the Employer, the Union and the employees involved. The Employer, the Union and the aggrieved employee shall comply in all respects with the result of such decision reached. The Parties agree that such decision shall be enforceable in a court of law.

10.5 Arbitrator Limitations. Only one (1) individual grievance may be decided by the Arbitrator at any hearing, however, the parties may agree to waive this requirement in writing. The Arbitrator shall not have the power to add to, ignore, or modify any of the terms, conditions or sections of this Agreement. His/her decision shall not go beyond what is necessary for the interpretation and application of this Agreement in the case of the specific grievance at issue. The Arbitrator shall not substitute his/her judgement for that of the parties in the exercise of rights granted or retained by this agreement. The Arbitrator shall render no award which shall be retroactive beyond the date the grievance was originally filed with Employer (except in cases of improper wage rate), or impose any liability not explicitly expressed herein.

10.6 Award of Arbitrator. Where an Arbitrator determines that an employee has been discharged in violation of this Agreement, he/she may order the employee reinstated, either with or without back pay for the loss of income resulting from such discharge. The Arbitrator's written decision shall be issued within sixty (60) days of the hearing, unless otherwise mutually agreed in writing.

10.7 Mitigation of Damages. An Arbitrator award for back wages, if any, shall be reduced by unemployment compensation, worker's compensation, short and/or long term disability, PTO payments, other benefit payments or replacement income.

10.8 Exclusive Contract Remedy. Consistent with all parties rights and remedies under the law, it is agreed that when an employee has any complaint, grievance or difference regarding the application of the terms and conditions of this Agreement, it is agreed that the grievant will use the grievance/arbitration procedures set forth in Article 10 as the mandatory and exclusive process for seeking and obtaining a remedy of any grievance, claim, administrative claim or other judicial or legal claim for relief or dispute.

10.9 Employer/Union Grievances. Any grievance the Employer or Union may have raised within the time limits set in Step 2 shall be reduced to writing and submitted to the other party's designated representative who will arrange a meeting according to the provisions set out in Step 3, section 10.1 above. If the matter is not satisfactorily settled at this Step, the grievance may be processed through the Arbitration Procedure hereafter.

ARTICLE 11 DISCIPLINE AND DISCHARGE

11.1 Discipline and Discharge. The Employer will discipline employees for just cause unless the employee fails to complete the probationary period successfully than the Employer reserves the right to discharge accordingly. The Employer will consider the following when handling employee disciplinary action:

- (a) Verbal Warning
- (b) Written Warning
- (c) Final Written Warning
- (d) Termination of Employment

The Employer reserves the right to administer "suspensions pending investigation" when warranted and will be routinely issued as part of the disciplinary process. The Employer reserves the right to discharge for serious offenses including but not limited to those offenses set forth in the Employee Handbook.

11.2 Written Notices. Written documentation issued to the employee will be part of the employee's file and shall be read and signed by the employee. The employee's refusal to sign a disciplinary document shall not impact the validity or in no way be an admittance of wrongdoing on the part of the employee. A copy of such reprimands and/or notices shall be given to the employee and the Union.

11.3 Warning Notices. Warning notices shall not be used as a basis for discipline after twelve (12) months from that date noted on the notice.

11.4 Disciplinary Meetings. An Employee shall have the right upon request to request a union steward or union representative on property to participate in a disciplinary meeting. The Employer reserves the right to conduct the disciplinary meeting with the union employee and a union representative who is available and on the hotel property the day of the meeting so as to not delay the process.

11.5 Confidentiality. The Employer may decline to give the employee the name of the complaining party but must supply to the Union upon request and the Union shall keep confidential unless directed by an Arbitrator. The Employer and Union can mutually agree to settle the matter without the representation of legal counsel or an Arbitrator.

11.6 Right of Review. The Union shall have the right of review of any discharge of an employee who has completed the probationary period by following the grievance procedure of this Agreement.

11.7 Communication of Rules. All rules and procedures shall be communicated to employees prior to implementation. The Employer's rules shall not conflict with this Agreement. The Employee can refer questions related to the employee handbook or this agreement to both the Employer and Union.

11.8 Employee Files. The Employer shall at reasonable times and upon the request of an employee permit the employee to review their employee file in the Human Resources department. The Employee cannot remove any contents of the file without management review. The Employee can request changes and add information to the contents in the file regarding emergency contacts, personal contact information, beneficiary information, W4 form, and direct deposit.

ARTICLE 12 LEAVES OF ABSENCE

12.1 Personal Leave. Employee's may be granted unpaid leaves of absence because of extraordinary personal or family circumstances after exhaustion of Paid Time Off, but must first secure written permission from the Employer. Personal leave shall not exceed thirty (30) calendar days and can only be taken once every twelve (12) months. Longer personal leave may be granted by the Employer but not beyond (1) year. The Employer shall not be expected to grant a leave of absence that will interfere with the Employer's operations. Leaves of absence shall be without pay. During the leave of absence, the employee shall not engage in gainful employment unless the leave is a result of the employee being hired for a position of full time service with the Union. The employee must return to work following the leave of absence. Failure to comply with this Article shall result in the complete loss of seniority rights of the employee involved. Seniority shall but other benefits shall not accrue or be provided during Personal Leave. An employee must complete his/her probationary period in order to be eligible for consideration. The Employer retains the right to fill the employee's position to meet operational needs of employer.

12.2 FMLA (Family Medical Leave. Qualified employees shall be entitled to family medical leave pursuant to applicable law. The employee must follow the FMLA federal guidelines and the procedures outlined in the employee handbook.

12.3 Medical Leave-An employee that has exhausted family medical leave may apply for a leave of absence for illness or injury that may be granted by the employer or a period of up to 1 one year beyond the expiration of family medical leave unless a longer period is required by law.

- (a) Failure to report for work at the end of the period of a leave of absence is equivalent to resignation. The Employer may recover the cost of medical premiums paid during a covered leave of absence should the employee fail to return.
- (b) Seniority shall accumulate during the period of leave of absence.

12.4 Return from Leave of Absence. An Employee returning from an authorized leave as stated in this Agreement shall return to his/her previously held job classification and schedule provided that neither has been eliminated and the employee is qualified to perform the essential functions of the job. The Employer reserves the right to modify schedules according to business needs.

12.5 Military Leave. A regular employee who enters the Armed Forces of the United States shall have the right to his/her former position as required by law.

12.6 Bereavement Leave. In the event of the death of a member of an employee's immediate family, a member of the immediate family is defined as spouse, child, parent, brother, sister, brother-in-law, sister-in-law, mother-in-law or father-in-law, grandparents. He/she will be granted time off from work with pay for up to three (3) consecutive days and one (1) day without pay for a non-immediate family member. The Employer may require an employee to provide proof of death. For tipped employees, adjusted rates will be applied.

12.7 Jury Duty: If a regular employee with seniority is summoned for petit or grand jury service, such employee shall be paid the difference between jury pay and the pay the employee would have earned from the Employer for each day of jury duty which falls on a day on which the employee would otherwise be scheduled to work. If on a day the employee would otherwise be working for the Employer, he or she is released from jury duty prior to the end of his or her scheduled shift, the employee will be expected to return to work as soon as possible. No employee shall be required to perform work for the employer during any twenty-four (24) hour period (11 :00 p.m. - 1 1:00 p.m.) during which the employee is required to be present for a petit jury or grand jury service.

To be eligible for benefits under this section, the employee must endorse and turn over to the Employer the check received for jury duty. All hours spent on jury duty will be credited for purposes of calculating vacation and holiday benefits. The Employer will in turn pay the employee the pay the employee would otherwise have earned on that day. Payment for jury duty service will be limited to a maximum of three (3) calendar weeks for each Agreement year.

12.8 Union Business. The Employer agrees to grant the necessary time off without pay to any employee delegated to attend a labor convention up to a maximum of seven (7) days for up to two (2) employees at any one time and two (2) employees annually. In the event that an employee is elected to a position of full-time service with the Union, the employee shall continue to accrue his/her seniority during the period of leave provided the leave does not exceed three (3) years.

Upon completion of service in the Union, the employee shall be returned to his/her former job as provided in the Return from Leave section, provided the employee notifies the Employer of such return within ten (10) calendar days after completion of Union Service. The Employer agrees to grant a ninety (90) day leave of absence to an employee to work for the Union provided the request is submitted to the Employer in writing with the start date and return date at least two (2) weeks in advance. The Employer reserves the right to allow a temporary employee to work in that classification for business needs. The Employer reserves the right to hire an employee in that classification or bid the schedule should the employee work for the Union full time. The Employer will follow the section rules in the Seniority section of the agreement. The Employer and the Union must mutually agree with any time granted as it may adversely affect the business needs.

12.9 Immigration Status Change. Employees who resigned or were discharged for expired documentation and were unable to provide valid documentation as it relates to the I-9 Form for eligibility and authorization will be able to re-apply with the Employer when the employee can provide legitimate documentation. The Employee will have 6 months from the date of resignation or termination to re-apply and receive approval to be rehired to maintain seniority and benefits with the Employer. The Employer reserves the right to E-Verify all employees to ensure compliance with federal and state laws as it relates to the immigration status of the rehire.

ARTICLE 13 HOLIDAYS

13.1 Holiday Pay. The following shall be classified as holidays: Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day. Employees are only eligible for holiday pay after their probationary period of ninety (90) days. Holiday will be based on average regular hours worked for the previous twelve (12) week period at their current pay rate, not to exceed eight (8) hours. If scheduling requires that the employee work the holiday the employee will receive regular pay for all hours worked, plus the holiday pay. The employer reserves the right to approve holiday time off in accordance with Article 9 Seniority and will be based on business demands. If the employee works forty (40) hours during a holiday pay week, the employee will receive their additional holiday pay at the regular rate of pay. Holiday pay will not be paid to employees while on any leave of absence.

Management shall have the exclusive right to approve to schedule employees in accordance with seniority. In all facilities covered by this agreement, if an employee calls out and is unable to work on the day before and the day after the holiday, the employee will not be paid for the Holiday. The Employee will not be disqualified from Holiday Pay if the Holiday falls within a pre-authorized Paid Time Off week. In addition, an excused absence on the day before or day after a holiday will not disqualify an employee from receiving holiday pay.

ARTICLE 14
PAID TIME OFF-PREVIOUS VACATION AND SICK BALANCES

Employees shall receive paid time off (PTO) according to the following schedule:

Years of Continuous Employment Completed		PTO Earned Based on Average Hours Worked per Year	Time to Use Available PTO
1 Year or more		1 Week	12 Months
2 Years		2 Weeks	12 Months
5 Years		3 Weeks	12 Months
10 Years		4 Weeks	12 Months

- (a) A week of earned PTO is defined as the average hours worked rounded to the nearest hour. The average must equal a minimum of fifteen (15) hours up to a maximum of forty (40) hours.
- (b) Employees shall be given the option to use two (2) hours of their available PTO or vacation time. In addition to their base hourly rates, tipped employees working in the classifications of doorman, bellperson, bell captain, servers shall be compensated at the rate of three dollars and fifty cents (\$3.50) per hour for all PTO and vacation hours taken.
- (c) The employer tracks all PTO time as of October 1, 2018 with Kinseth Hotel Company, Inc. Full time Employees shall earn paid time off on average hours worked in the previous year. Full time employees averaging thirty (30) hours or more per week over a continuous twelve (12) month period (1,560 hours) receive PTO according to the schedule noted in Article 14. Part time employees averaging 15-29.99 hours per week over a continuous twelve (12) month period receive one week of PTO based on the average hours worked per week in the previous year, regardless of the number of years employed. The employer will provide PTO balances for all employees upon request. PTO requests must be submitted at least two (2) weeks in advance and the employer will respond with an approval or denial. PTO may be taken only after the twelve (12) month period of eligibility has been completed. PTO is not available until the pay period following the employee's anniversary date. If the employee is on an unpaid leave, PTO will not be available until the pay period following the employee's return to work. PTO does not accumulate and cannot be carried over to another twelve (12)-month period unless approved in writing by the Regional Director of Operations/Ownership.
- (d) Hourly employees may elect to take their PTO in pay, instead of taking time off. Employees can take the actual time off at a later date unpaid. Request for this payment must be submitted to Human Resources at least one pay period in advance for review and verification. Requests to take the time off unpaid must also be submitted at least one pay period in advance so the employer can review the request to ensure the business need allows the time off. The employer has to track average hours for insurance eligibility purposes and should the employee fail to provide adequate notice, the employee will not receive credit for the PTO hours toward maintenance of insurance benefits and the employee's insurance will be cancelled.
- (e) PTO will be based on the current rate of pay at the time PTO is taken. For those employees who have more than one wage rate and/or job code, PTO will be paid at the primary wage or primary job code. Tipped employees will be paid at the primary wage rate or primary job code or at the minimum wage rate, whichever is the higher rate.

- (f) PTO requests may be denied if the business and scheduling does not warrant the request.
- (g) Full and Part Time employees who are discharged by the employer or who voluntarily resign from their position without submitting a two week notice or 14 days in writing will forfeit any available PTO even if the previous request was submitted and approved. This two week working notice period may not include any PTO or unpaid time.
- (h) Employees hired before September 30th, 2018. Any previous Richfield available and confirmed vacation, personal days or fifty (50) percent sick balances as of September 30, 2018 will be tracked separately from the Kinseth Hotel Company, Inc. Paid Time Off Policy, which took effect on October 1st, 2018. The Employee will have 24 months to use the available time confirmed with the Employer and will forfeit any unused time after December 31st, 2020. For vacation, the Employee will have the option to use up to 80 hours each year or cash out up to 80 hours each year up to December 31st, 2020. Up to fifty (50) percent of Richfield's previous sick balances will be carried to this new agreement. The employee will only be able to request to carry over available sick time prior to September 30th, 2018 for approved medical leave following 3 days of absence or FMLA time off and the Employer will approve accordingly as long as the Employee is eligible under the Federal Law requirements. There will be no carry-over of previous vacation or sick balances after December 31st, 2020 and any question or dispute in connection with the Employer's previous or current paid time off plan is specifically excluded from the grievance and arbitration procedures of this Agreement.
- (i) A paid time off sign-up list shall be posted in each department at which time employees will sign for paid time off between January fifteenth (15th) through May fifteenth (15th) of each year. Time off will be selected by seniority during the PTO sign up time period, and then on a first come, first serve basis. Scheduling of paid time off shall be arranged so that the functioning of the department shall not be impaired and shall be subject to the Employer's approval. Employees who fail to submit their time off request from January fifteenth (15th) through May fifteenth (15th) will have to abide by the employer's schedule and each request for time off will be reviewed with the department manager with no guarantees of granting the time off. Paid time off can be arranged in four (4) hour increments by mutual agreement between the manager and the employee involved.
- (j) Employees will be permitted to take paid time off year round, provided, however, that the Employer may require adequate staffing levels to meet business needs. Employees should also consider alternative dates of time off to review with the manager in the event the preferential dates are denied. The paid personal days must be used within the employee's anniversary year. If an employee makes a timely request for time off that is denied for the convenience of the employer, the employee shall be allowed to carry that time over into the next anniversary year. Eligibility is based upon the employee's anniversary date of employment.
- (k) Employees shall use their available Paid Time Off in four (4) hour increments if requested and approved in advance.
- (l) Where more than one (1) employee in a job classification requests PTO at the same time, PTO will be granted according to Seniority. The Employer and employee may mutually agree upon the PTO time.

- (m) Once a request for PTO has been approved by the Employer, the PTO dates shall not be changed unless by mutual consent of the Employer and employee. Employees must use their available unused accrued PTO for all scheduled and unscheduled absences.
- (n) Time spent by members of the Union Negotiating Committee in negotiations for renewal of this Agreement at the time of its expiration shall be included in computing an employee's average work week.

ARTICLE 15 STATE AND FEDERAL LAW

15.1 Recognition of Applicable Federal and State Laws. Nothing contained in this Agreement shall be deemed or construed to require, directly or indirectly, the Employer to do anything inconsistent with the laws or regulations governed by the State or Federal Law requirements. The Union and the Employer agree that neither party will compel, force, or cause, directly or indirectly, the other respective Party to do anything inconsistent with any applicable laws.

15.2 Legislation. Any laws, legislation, or applicable executive orders, rules or regulations of the county, city and State of Minnesota or the United States of America which impact favorably upon employees covered by this agreement shall be coordinated with the provisions of this agreement for the purposes of eliminating pyramiding treatment of wages and benefits. If such laws, legislation, etc., excludes individuals covered by a collective bargaining agreement, such exclusion will be applicable to employees covered by the agreement and the parties shall promptly execute any required waivers.

15.3 Equal Opportunity. The Union and Employer agree that there shall be no discrimination by either party which violates any of the City, State or Federal laws, ordinances or regulations with regards to Equal Opportunity.

ARTICLE 16 MEDICAL EXAMINATIONS

The Employer may require and pay for physical and medical examinations, including random and post-accident drug screening/testing in compliance with the employer's Drug and Alcohol Testing Policy, of employees for job-related reasons and may discharge employees who refuse to comply with the request to submit to a drug test. The Employer may discharge the employee with drug screening/testing results that reveal unfavorable results. The Union may require the Employer to furnish evidence of the results and may pay for and proceed with an independent medical examination.

ARTICLE 17
INSURANCE
BENEFITS AND 401(k)

Health. Employees who satisfy the average hours worked requirements of 30 hours per week will be eligible to participate in the Employer's health and insurance plans. The Employer has the right to modify or eliminate these benefits (including providers) and increase the employee contributions to same. Said changes or increase in contributions shall be the same as those applicable to other employees of the Employer. It is also agreed that the plan year, including enrollment periods shall be determined by the employer and will be applicable to other employees determined by the Employer.

401(K). Employees will be eligible to participate in the 401(k) plan created and administered by the Employer and the employee must have twelve (12) months of continuous service, 1000 hours worked, must be the age of 21 and can participate every July 1st and January 1st of each year.

To become eligible for pre-tax benefits, employees must be full-time, averaging a minimum of 30 hours per week. If an employee's average hours worked falls below 30 hours per week in the measurement period, the following actions will allow the employee to maintain insurance benefits:

- **Medical, Dental and Vision Insurance:** Pay the COBRA premium directly to the hotel or coverage will be cancelled. Once an employee's average hours worked reaches 30 per week in the next measurement period, he or she will be placed back on pre-tax payroll deduction the 1st of the next month.
- **Other Supplemental Insurance:** Pre-tax deductions will be cancelled and the employee can elect to continue the insurance directly. Once the employee's average hours worked reaches 30 per week, the employee must contact the HR department to convert back to a payroll deduction.
- **When calculating average hours for pre-tax eligibility,** employees will not be penalized for time off taken in accordance with the Family and Medical Leave Act (see Family and Medical Leave Policy). In addition, employees will not be penalized for PTO time taken, as long as the actual time taken as PTO is documented and approved by management.

Plan Comparison							
	Cost	Kinseth - Gold			Kinseth - Bronze		
		Plan	EE	Hotel	Plan	EE	Hotel
Medical	- Employee only	\$563.24	\$322.50	\$240.74	\$446.44	\$93.76	\$352.68
	- Employee + spouse	\$919.39	\$525.00	\$394.39	\$679.39	\$250.00	\$429.39
	- Employee + children						
	- Family	\$1,277.70	\$747.50	\$530.20	\$1,079.35	\$350.00	\$729.35
	Deductibles						
	- Single		\$1,000.00			\$5,000.00	
	- Family		\$2,000.00			\$10,000.00	
	Out of Pocket						
	- Single		\$2,800.00			\$6,600.00	
	- Family		\$5,600.00			\$13,200.00	
	Copayment		\$15.00			N/A	
	Coverage		80%			70%	

ARTICLE 18
SUCCESSORS AND
ASSIGNS

In the event the Employer becomes aware and decides to sell, transfer or assign its interest in any of the hotels listed on page one (1) of this Agreement, it will, communicate the same to the Union with the name of the purchaser and/or new operator when able and permitted to do so.

ARTICLE 19
SAVINGS CLAUSE

If any sections of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction; or if compliance with or enforcement of any provision should be restrained by such tribunal pending final determination as to its validity, the remaining provisions of this Agreement shall not be affected thereby but shall continue in full force and effect. Provided, furthermore, the Union and the Employer agree to meet and confer within two (2) weeks of any ruling invalidating any Article or portion of this Agreement to negotiate a lawful provision and come to an agreement.

ARTICLE 20
TERMS OF AGREEMENT

This Agreement shall be in effect for a period of three (3) years commencing on the 6th of February 2019 and shall continue to and including the 31st day of December 2021 and be automatically renewed thereafter, unless at least sixty (60) days prior to the termination date either Party serves written notice upon the other by certified mail of a desire to terminate, change or modify this Agreement

IN WITNESS WHEREOF, the Employer and the Union hereby execute, sign and attest to this
Agreement this 23rd day of January, 2019

FOR THE EMPLOYER:

KINSETH HOTEL CORPORATION

By: Bruce Kinest

Date: 1-29, 2019

UNITE HERE LOCAL 21, AFL-CIO

By: [Signature]

Date: 1-29, 2019

SCHEDULE A-WAGE RATES

***Senior employees who currently exceed the cap will receive 2% increase for non-tipped employee and \$0.15 raise for tipped employees and will be effective the first pay period following ratification and annually thereafter.**

Rooms Division

PBX/Telephone Operators	2019	2020	2021
Start Rate through 2 Years	\$12.75	\$13.00	\$13.25
3 Years through 5 Years	\$13.50	\$13.75	\$14.00
6 Years through 8 Years	\$14.25	\$14.50	\$14.75
9 Years through 11 Years	\$15.00	\$15.25	\$15.50
Bellperson	2019	2020	2021
Start Rate through 2 Years	\$9.86	\$9.86	\$9.86
3 Years through 5 Years	Based on minimum wage		
6 Years through 8 Years			
9 Years through 11 Years			
Room Attendant	2019	2020	2021
Start Rate through 2 Years	\$12.50	\$12.75	\$13.00
3 Years through 5 Years	\$13.25	\$13.50	\$13.75
6 Years through 8 Years	\$14.00	\$14.25	\$14.50
9 Years through 11 Years	\$14.75	\$15.00	\$15.25
Houseperson/Public Area	2019	2020	2021
Start Rate through 2 Years	\$12.50	\$12.75	\$13.00
3 Years through 5 Years	\$13.25	\$13.50	\$13.75
6 Years through 8 Years	\$14.00	\$14.25	\$14.50
9 Years through 11 Years	\$14.75	\$15.00	\$15.25

**Food and Beverage
Front of House**

Servers		2019	2020	2021
	Start Rate through 2 Years	\$9.86	\$9.86	\$9.86
	3 Years through 5 Years	Based on minimum wage		
	6 Years through 8 Years			
	9 Years through 11 Years			
Bartenders		2019	2020	2021
	Start Rate through 2 Years	\$11.00	\$11.25	\$11.50
	3 Years through 5 Years	\$11.75	\$12.00	\$12.25
	6 Years through 8 Years	\$12.50	\$12.75	\$13.00
	9 Years through 11 Years	\$13.25	\$13.50	\$13.75
Busperson		2019	2020	2021
	Start Rate through 2 Years	\$10.00	\$10.25	\$10.50
	3 Years through 5 Years	\$10.75	\$11.00	\$11.25
	6 Years through 8 Years	\$11.50	\$11.75	\$12.00
	9 Years through 11 Years	\$12.25	\$12.50	\$12.75
Room Service Server		2019	2020	2021
	Start Rate through 2 Years	\$12.50	\$12.75	\$13.00
	3 Years through 5 Years	\$13.25	\$13.50	\$13.75
	6 Years through 8 Years	\$14.00	\$14.25	\$14.50
	9 Years through 11 Years	\$14.75	\$15.00	\$15.25
Baristas-Coffee Attendants		2019	2020	2021
	Start Rate through 2 Years	\$11.50	\$11.75	\$12.00
	3 Years through 5 Years	\$12.25	\$12.50	\$12.75
	6 Years through 8 Years	\$13.00	\$13.25	\$13.50
	9 Years through 11 Years	\$13.75	\$14.00	\$14.25
Banquets Service Server		2019	2020	2021
	Start Rate through 2 Years	\$15.00	\$15.25	\$15.50
	3 Years through 5 Years	\$15.75	\$16.00	\$16.25
	6 Years through 8 Years	\$16.50	\$16.75	\$17.00
	9 Years through 11 Years	\$17.25	\$17.50	\$17.75

Any employee in Starbucks who is a certified trainer will be paid an additional \$1.00 above their normal rate for all hours actually spent training.

**Food and Beverage
Back Of House**

Cook 1- High Level	2019	2020	2021
Start Rate through 2 Years	\$18.75	\$19.00	\$19.25
3 Years through 5 Years	\$19.50	\$19.75	\$20.00
6 Years through 8 Years	\$20.25	\$20.50	\$20.75
9 Years through 11 Years	\$21.00	\$21.25	\$21.50
Cook 2- Mid Level	2019	2020	2021
Start Rate through 2 Years	\$15.00	\$15.25	\$15.50
3 Years through 5 Years	\$15.75	\$16.00	\$16.25
6 Years through 8 Years	\$16.50	\$16.75	\$17.00
9 Years through 11 Years	\$17.25	\$17.50	\$17.75
Preparation Cook	2019	2020	2021
Start Rate through 2 Years	\$14.00	\$14.25	\$14.50
3 Years through 5 Years	\$14.75	\$15.00	\$15.25
6 Years through 8 Years	\$15.50	\$15.75	\$16.00
9 Years through 11 Years	\$16.25	\$16.50	\$16.75
Cook 3- Entry Level	2019	2020	2021
Start Rate through 2 Years	\$12.50	\$12.75	\$13.00
3 Years through 5 Years	\$13.25	\$13.50	\$13.75
6 Years through 8 Years	\$14.00	\$14.25	\$14.50
9 Years through 11 Years	\$14.75	\$15.00	\$15.25
Dishwasher	2019	2020	2021
Start Rate through 2 Years	\$11.50	\$11.75	\$12.00
3 Years through 5 Years	\$12.25	\$12.50	\$12.75
6 Years through 8 Years	\$13.00	\$13.25	\$13.50
9 Years through 11 Years	\$13.75	\$14.00	\$14.25

Banquets

Banquets Setup/Houseperson			
	2019	2020	2021
Start Rate through 2 Years	\$14.50	\$14.75	\$15.00
3 Years through 5 Years	\$15.25	\$15.50	\$15.75
6 Years through 8 Years	\$16.00	\$16.25	\$16.50
9 Years through 11 Years	\$16.75	\$17.00	\$17.25

Engineering

Yard/Preventative Maintenance

	2019	2020	2021
Start Rate through 2 Years	\$16.50	\$16.75	\$17.00
3 Years through 5 Years	\$17.25	\$17.50	\$17.75
6 Years through 8 Years	\$18.00	\$18.25	\$18.50
9 Years through 11 Years	\$18.75	\$19.00	\$19.25

Engineering 1- Apprentice

	2019	2020	2021
Start Rate through 2 Years	\$18.00	\$18.25	\$18.50
3 Years through 5 Years	\$18.75	\$19.00	\$19.25
6 Years through 8 Years	\$19.50	\$19.75	\$20.00
9 Years through 11 Years	\$20.25	\$20.50	\$20.75

Engineering 2- Mechanic

	2019	2020	2021
Start Rate through 2 Years	\$21.00	\$21.25	\$21.50
3 Years through 5 Years	\$21.75	\$22.00	\$22.25
6 Years through 8 Years	\$22.50	\$22.75	\$23.00
9 Years through 11 Years	\$23.25	\$23.50	\$23.75

Engineering 3- Lead Specialist

	2019	2020	2021
Start Rate through 2 Years	\$23.00	\$23.25	\$23.50
3 Years through 5 Years	\$23.75	\$24.00	\$24.25
6 Years through 8 Years	\$24.50	\$24.75	\$25.00
9 Years through 11 Years	\$25.25	\$25.50	\$25.75

*\$0.75 per hour increase for each Certification approved for the classification that benefit the operation (i.e. HVAC, boiler, electrical, plumber)

*Shift Differential of \$1.00/hour for Third (3rd) Shift

Starbucks Agreement

WITNESSETH

In consideration of the mutual promises and covenants expressly stated herein, the Employer and Union agree as follows:

- 1 Employees in this section and classification shall be covered by all of the terms and conditions of the collective bargaining agreement regarding wages, benefits and all other working conditions.
- 2 The wage rate for workers covered in the classification of Starbucks's Coffee Attendant shall follow all of the same agreed upon increases throughout the term of the collective bargaining agreement.
- 3 Temporary vacancies due to short term scheduled or unscheduled events such as (PTO) must be filled by a certified Starbucks's Coffee Attendant if available.
- 4 The Employer and the Union agree that all regular job openings within Starbucks's will be posted. Employees who bid on and receive a posted position will start at the current hire rate. The employees will receive increases in accordance with Schedule A and their section seniority. However, the parties agree that after completing their probationary period and working 12 months in the position, the employee will receive an increase according to the wage schedule and based on their continuous years of service.
- 5 The Starbucks's Manager, or Starbucks's Supervisor will be allowed to assist if/or when they are available. The employer reserves the right to utilize others to assist the operation within the hotel when there are staff shortages and emergency situations. Other management within the hotels can assist and provide assistance to the operation when the Starbucks's Lead, Manager or Supervisor is unavailable.
- 6 The Employer and the Union agree that this agreement is limited in scope to only work which is within the Starbucks's Operation.
- 7 Work performed by the Starbucks's Supervisor shall be work that is required to help out during peak periods of the day and/or of an incidental nature if and when needed and is not intended to be used to displace bargaining unit employees. To this end, the parties agree that there shall be a bargaining unit employee scheduled for all hours of operation.
- 8 It is understood however, that it will not be a violation of this agreement if the working supervisor is the only one present in the event a bargaining unit employee who was scheduled to work fails to show up for their scheduled shift. The parties agree that every effort will be made by the employer to bring in as soon as possible the appropriate a bargaining unit employees to resume normal staffing levels.
- 9 Starbucks's employees will abide by all Starbucks's Service Brand Standards and Hotel Service Standards.
- 10 The Employer and the Union shall modify the provisions in this addendum as long as both the Employer and Union agree to the terms of the revisions.

Departments and Seniority

Seniority in each department is listed below in a descending order based by department.

- Engineering
 - Engineer 3
 - Engineer 2
 - Engineer 1
 - Preventative Maintenance
 - Yard
- Rooms Division
 - Room Attendant
 - Houseperson
 - Bellperson
 - PBX Operator
- Food and Beverage Front of House
 - Bartender
 - Server
 - Barista
 - Room Service Server
 - Busperson
- Food and Beverage Back of House
 - Cook 1
 - Cook 2
 - Preparation Cook
 - Cook 3
 - Dishwasher
- Banquets
 - Banquet Server/Bartender
 - Banquet Setup Houseperson

Engineering Addendum

Engineering classifications will be the following:

- 1) Yard/Preventative Maintenance
- 2) Engineer 1
- 3) Engineer 2
- 4) Engineer 3

Advancement to a higher classification:

- 1) Associates in the Yard -Preventative Maintenance can be raised up to Engineer 1 by management approval upon demonstrable skills with mechanical systems and guest relations qualities. Chief Engineer or delegated management team will be the approval level.
- 2) Associates in the Engineer 1 class that wish to advance must demonstrate sufficient practical skills and pass a locally derived examination that stresses building knowledge.
 - a) Engineer 1 candidates for upgrade must apply in writing to the Chief Engineer or his designated representative seeking permission for the examination 60 days in advance.
 - b) A prerequisite for the examination is 2 years of active service in the Engineer 1 class.
 - c) If the associate should fail the provided examination, re test should not be provided for a minimum of 90 days.
 - d) Upon successful completion of the provided examination, the Chief Engineer will request to change the associate's class to Engineer 2 at the start of that base pay rate.
- 3) Associates in the Engineer 2 class can only be advanced when a specific opening is available as determined by the Chief Engineer or his designated representative. This applies as the Engineer 3 class is considered similar in scope to the previous Lead/ Specialist classification.

The employer will work with associates to obtain training and education that can be used to obtain licensure beneficial to the company operation. License requirements will be determined by the Chief Engineer and applicable laws.

Maintenance employees will be entitled to a tool allowance of up to \$400 per year to maintain and replace tools required by the Employer. Paid receipts must be presented to the Employer before payment is received by the employee.

The tool allowance will be paid to eligible employees who are actively employed. For those employed less than a full year at that time, the tool allowance will be prorated based on the number of full months worked in the preceding twelve (12) months.

Specialized tools and test equipment required for maintaining equipment will be provided by the employer. These tools will be available to the employees and stocked in the maintenance shop.

Housekeeping Addendum

A housekeeping employee at the Marriott, Kahler Grand and Inn& Suites shall not be required to clean more than sixteen (16) rooms within eight (8) hours. When a housekeeping employee cleans eleven (11) or more check outs in a day, the maximum number of assigned rooms shall be reduced by one (1), and when a housekeeping employee cleans fourteen (14) or more check outs in a day, the maximum number of assigned rooms shall be reduced by two (2). Each bedroom or separate sitting room of a suite shall count as one (1) room. Management in its sole discretion may reduce the number of rooms to be cleaned during a shift or assign a houseperson to assist a housekeeping employee with rooms where, for example, rooms are exceptionally dirty or extraordinary cleaning is required.

A housekeeping employee at the Residence Inn will be assigned rooms on the following basis.

- *10 minutes for refresh stay over*
- *10-20 minutes for refresh stay over*
- *30-40 minutes for full clean stay over*
- *45-55 Minutes for checkouts*

A housekeeping employee at the Marriott, Kahler Grand and Inn& Suites, Residence Inn who volunteers to clean more than the foregoing amount of rooms within eight (8) hours shall be paid a bought room bonus of seven dollars (\$7.00) for each additional room. However, the bought room bonus shall not apply to rooms cleaned during overtime.

Housekeepers at the Marriott, Kahler Grand and Inn& Suites assigned to clean rooms on three (3) or more floors during a shift shall have their room quota reduced by one (1) room.

Room Attendants will not normally be required to perform houseperson work with their normal duties.

Housekeeping supervisors will make reasonable efforts to have housekeepers assigned to the room accompanying them when entering a checkout room before it is cleaned.

The Employer shall not arbitrarily reassign housekeeping sections. It is at the discretion of the employer to assign rooms according to business demand.

Hotel employees shall not be required to handle any items that have been placed in a bio-hazard bag. Employees shall contact their supervisor for handling of those items.

In the event Hotel employees encounter improperly discarded syringes or other sharp objects while working, they shall be disposed of in accordance with established policy. The policy will include adequate available "sharps" containers for collection.

Bargaining unit employees shall not be required to clean up and/or dispose of human or animal waste, vomit or significant blood spill unless they have been specifically trained in accordance with law. Employees shall comply with the Employer's procedures whenever they encounter human or animal feces, vomit, or significant blood spill in the workplace, and shall immediately contact a qualified responder who will handle disposal. When an employee is required to clean or dispose of human or animal waste, vomit, or significant blood spill will be given the proper training and tools necessary to perform the cleaning and will receive a six dollar (\$6.00) payment for each occurrence.

In the event Hotel employees encounter improperly discarded syringes or other sharp objects while working, they shall be disposed of in accordance with established policy. The policy will include adequate available "sharps" containers for collection.

The Employer will provide linen, equipment and cleaning materials which is sufficient for Housekeeping employees to perform their jobs. Room Attendants will not be disciplined where they could not perform a task because they did not have the necessary equipment or supplies.

The Employer will provide assistance to a housekeeper in connection with moving or lifting any furniture weighing more than twenty-five (25) pounds.

The Employer will provide at least thirty (30) days' notice to the Union and, upon the Union's request, meet and discuss any renovation or new amenities or service standards which will significantly affect the housekeeper's workloads.

Food and Beverage Addendum

All Employees working in the cook classifications will receive the daily special as their meal during their shift at no cost to the employee.

It is agreed management will maintain the schedules accordingly and ensure that collective bargaining work will only be performed by union employees.

Banquet Department Addendum

Banquet Definition. A banquet shall be deemed to be any reserved function with a pre-set menu and a fixed cost, including receptions, supervised by the banquet department.

System-Wide Seniority. For purposes of lay-off, recall and filling available positions, the Employer shall maintain a master seniority list which shall contain the names of all regular full-time and regular part-time banquet servers who work in each of the Employer's hotels. Seniority shall be based on first function worked as a regular server following completion of probation.

A. First List.

The First List will contain the names of all regular full-time banquet employees. These employees must be available to work any shift at the hotels, seven days per week. The seniority list for regular full-time banquet employees shall be posted every month.

Although fluctuations in business will have an impact on the Employer's ability to consistently schedule these employees on a full-time basis, it is the intention of the parties to provide First List employees with a reasonable opportunity to work a full-time schedule. Accordingly, the number of employees on the First List will be established and maintained so as to reflect this intention.

B. Second List.

The Second List will contain the names of banquet employees who are available to work Part Time at the hotels. The days and shifts on which such employees are available will be submitted to management in writing. Second List employees will be on a separate seniority list, which will be posted. Second List employees will be scheduled only after the First List has been exhausted, when necessary, to meet staffing needs, or where use of the First List employees would result in the payment of overtime.

C. On-Call List.

The On-Call List will contain the names of banquet employees who are called and work on an "as needed" basis at the hotels. On-Call employees may be scheduled when the First and Second Lists have been exhausted, where necessary to meet staffing needs, or where use of First or Second List employees would result in the payment of overtime.

D. Seniority Standing.

1. First List employees moving to the Second List will be "dove-tailed" based on seniority date. The Second List employees moving to the First List will go to the bottom of the list with seniority based on date of transfer.
2. First List servers will have preference for scheduling purposes and preference over Second List and On-Call servers for the employer.
3. Maximum hours available will be offered to senior First List employees, up to forty (40) hours per week, but no employee will work a-triple shift until all First List employees have been offered a double shift.
4. Any regular server involuntarily cut from a function shall be entitled to bump the least senior server scheduled to work in that work week.

5. Employee requests for days off must be received in writing by noon, forty-eight (48) hours prior to posting of the weekly schedule and will be duly considered. A regular server will not be disciplined for his/her inability to work a shift if the server is notified less than twenty-four (24) hours before the scheduled shift.

6. All weekly banquet schedules shall be posted in the department. It is understood that employees will be required to work for the employer including off site events.

E. Special Conditions/Scheduling.

Employees will be scheduled by shifts. A shift is defined as a work period of no less than three (3) hours and no more than ten (10) hours. A shift may include working one, or any combination of, the following events:

- Breakfasts
- Coffee Breaks
- Lunches
- Dinners
- Receptions
- Special Events

Banquet Side Agreement

Kahler Grand Hotel Banquet Servers

In consideration of mutual agreement expressly stated herein, the Employer and Union agree as follows:

Banquet Servers who are active and currently have nine (9) years or more of continued service with the Kahler Grand Hotel will receive an hourly rate of pay of \$22.00 effective the first pay period following the ratification of this agreement and will receive an annual 2% increase until the end of this agreement December 31, 2021.

FOR THE EMPLOYER:

KINSETH HOTEL CORPORATION

By: 

Date: 1-29, 2019

UNITE HERE LOCAL 21, AFL-CIO

By: 

Date: 1-24, 2019