

INDEPENDENT BUILDING JANITORIAL AGREEMENT

**SERVICE EMPLOYEES INTERNATIONAL UNION,
LOCAL 1**

COMMERCIAL BUILDING SERVICE DIVISION

APRIL 6, 2009 THROUGH APRIL 8, 2012

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**JANITORIAL AGREEMENT
INDEPENDENT BUILDINGS**

APRIL 6, 2009 THROUGH APRIL 8, 2012

THIS AGREEMENT, entered into by **Roosevelt University** hereafter designated as the "Employer") and Service Employees International Union Local 1 (hereafter designated as the "Union") covers wages, hours and working conditions for Janitorial employees and working supervisors (hereafter designated as "Employees") who are now or may hereafter be employed by the Employer.

**ARTICLE I
BARGAINING UNIT**

The Employer recognizes the Union as the sole and exclusive representative of the Janitorial employees and working supervisors employed by said Employer. The Employer and employees shall not bargain independently of the Union with respect to wages, hours of employment or working conditions as provided in this Agreement; the right to bargain on behalf of such employees is vested solely in the Union. All bargaining unit work which the Employer controls shall be performed solely by members of the bargaining unit set forth in this Agreement.

**ARTICLE II
UNION MEMBERSHIP, EMPLOYER RIGHTS AND CHECKOFF**

Section 1. The right to employ and discharge for just cause shall be vested solely in the Employer. Nothing herein shall be construed as stipulating the number of employees to be employed by any building; provided, however, that the Employer shall not reduce the number of employees without prior written ten (10) day notice to the Union.

Section 2. The Employer agrees not to discriminate against members of the Union nor to engage in unfair labor practices. On and after the 31st day following the execution of this Agreement, all employees who are then members of the Union shall as a condition of employment, remain members of the Union in good standing for the duration of this Agreement. All present employees who are not members of the Union and all employees employed after the date of this Agreement, whichever is the later, become members of the Union (unless they are already members) and all such employees shall, as a condition of their employment, remain members of the Union in good standing for the duration of this Agreement. The term member or members in good standing shall be limited to the payment of the initiation fees and dues uniformly required as a condition of acquiring or retaining membership and shall be a financial obligation only.

Section 3. The Employer agrees to deduct in the first month of each quarter, (and prior to the 20th day of such month) from the pay of every employee, who has executed and caused to be delivered to the Employer a written assignment, the regular quarterly dues and the initiation fee of the Union, if due and owing, which are necessary to keep such employee as a member in good standing in accordance with the Constitution and Bylaws of the Union, as certified to the Employer by the Union. Where the employee, who is on check-off, has insufficient earnings during the first month of the quarter, the deductions shall be made by the Employer from the next wage payment in accordance with billings furnished by the Union.

The Employer will submit such sums in total to the Secretary Treasurer of Local 1 no later than ten (10) days after such deduction was made. Where the employee, who is on check-off, has insufficient earnings during the first pay period, the deductions shall be made by the Employer from the next wage payment in accordance with billings furnished by the Union. With each monthly check-off record, the Employer shall give the names, social security numbers and starting dates of all employees of the Employer who performed janitorial services in the building during the preceding month including, where known, their status as temporary, extra, substitute, or regular employees.

The Employer agrees that such deductions shall constitute Trust Funds and will be forwarded by the Employer to the Union within ten (10) days after such deduction is made. Any Employer who, without a bonafide reason, intentionally fails to remit such deductions within thirty (30) days on two (2) occasions within any twelve (12) month period shall in the event of any subsequent failure, be required to pay in addition to the delinquent amount, interest at the rate of two percent (2%) per month thereon, and liquidated damages at the rate of five percent (5%) per month thereon, as well as all costs incurred by the Union in recovering such delinquent amounts, including attorney and auditor fees and court costs.

The Union agrees to indemnify and save the Employer harmless from any liability incurred by reason of such deductions.

Section 4. The Employer shall discharge an employee for non-payment of Union initiation fees or dues within ten (10) days after the Employer's receipt of written notice from the Union that such employee is not in good standing. Said notice shall state that the employee has previously been given fifteen (15) days' written notice: (a) of the delinquency; (b) the amount and method of computation thereof; (c) that the employee is not in good standing; and (d) that discharge will result at the end of said fifteen (15) day period unless all arrears are paid. The Union will indemnify, defend and hold the Employer harmless against all liability, damages, claims and costs incurred by the Employer, including but not limited to court costs, judgments and attorney fees and expenses, by reason of the Employer's compliance with this Section. The Union reserves the right, at its option and at its own expense, to appear and defend all such claims whenever suit is against the Employer. Employee protests of discharge for alleged non-payment of Union initiation fees or dues will not be subject to the grievance procedure or arbitration.

Section 5. COPE CHECKOFF The Employer agrees to deduct and transmit to SEIU COPE, on a monthly basis, contributions to SEIU COPE deducted from the wages of employees who voluntarily authorize such deductions on the forms provided for that purpose by the Union. These transmittals shall be accompanied by a list of the names of those employees for whom such deductions have been made and the amount deducted for each employee.

ARTICLE III DISCHARGE AND DISCIPLINE

Section 1. Except as otherwise provided by this Agreement, no employee may be discharged, suspended, disciplined or otherwise penalized without just cause. The Employer agrees that all discipline should be progressive, absent compelling circumstances warranting immediate termination or acceleration of disciplinary penalties.

Section 2. In cases where the Employer believes that an employee's job performance has become unsatisfactory, such as when an employee is believed to be careless or excessively absent or tardy, the Employer will notify the Union, in writing, of such belief and the Union and the Employer shall cooperate in investigating the matters and taking corrective measures, if warranted. If the Employer contemplates severe disciplinary action beyond a reprimand, then the Employer will notify the Union in writing of such belief and the Union will promptly acknowledge in writing, receipt of such notice. The Union need not acknowledge receipt of simple warnings or reprimands in which the Employer does not state that severe disciplinary action is contemplated. No warnings or reprimands shall be considered for purposes of disciplinary action after twenty-four (24) months from the date of the warning or reprimand.

ARTICLE IV WAGES

Section 1. Employees covered by this Agreement other than Trainees, shall receive the following pay rates during the term of this Agreement:

For the period April 6, 2009 through April 4, 2010 - \$14.80 per hour.

For the period April 5, 2010 through April 3, 2011 - \$15.05 per hour.

For the period April 4, 2011 through April 8, 2012 - \$15.30 per hour.

Employees who, as of the above effective dates, were receiving pay rates in excess of those provided by the previous agreement between the parties or this Agreement shall be entitled to receive the full amount of the hourly increases included in the above rates.

Section 2. In lieu of Article IV, Section 2, a \$0.05 per hour premium shall be paid to each employee for all hours worked.

TRAINEES

Section 3. Employees who do not have prior work experience in office buildings in the Chicago Central area will be trainees during their first ninety (90) days of employment at an hourly rate 7% below scale for the job for which they are being trained. In order to be considered as having prior work experience, an employee must have completed the trainee period.

WORKING SUPERVISORS

Section 4. Working supervisors shall be paid the greater of (1) the hourly rate of the highest paid employee, they supervise or their own job rate, if higher, plus the cents per hour they were over scale under the prior Agreement: or (2) minimum of \$0.20 per hour above their own job rate, or \$0.20 per hour above the hourly rate of the highest paid employee they supervise, whichever is higher. Salaried working supervisors are entitled to corresponding differentials.

CALL IN PAY

Section 5. An employee not scheduled to work on a Saturday or Sunday who is called in to work shall be given at least four (4) hours of work.

PAY PERIOD

Section 6. Employees shall be paid at their job location no less often than every two (2) weeks.

VACATION REPLACEMENTS

Section 7. During the term of this Agreement, Janitorial vacation replacements, during the months of May through September shall be paid at the following hourly rates:

SUMMERS OF:

<u>2009</u>	<u>2010</u>	<u>2011</u>
\$12.80	\$13.05	\$13.30

ARTICLE V
WORKWEEK

Section 1. The workweek for employees shall be from 35 to 40 hours to be worked in five consecutive days. An employee whose workweek is between 35 and 40 hours as of the effective date of this Agreement shall continue to maintain such workweek.

Section 2. The workday (or night) shall not exceed one (1) hour in excess of actual working time.

Section 3. The Employer guarantees thirty-five (35) hours of work to regularly employed employees who are ready, willing and able to work such hours; provided, however, that Employers maintaining regular work weeks between thirty-five (35) and forty (40) hours as of the effective date of this Agreement may continue to maintain such work weeks.

Section 4. All work in excess of forty (40) hours in one workweek or all work in excess of the regular weekly schedule of the employees shall constitute overtime and shall be paid for at the rate of one and one-half (1-1/2) times the employee's regular hourly rate.

Section 5. If an employee is required to work beyond his or her regularly scheduled hours in any day, he or she shall not be required to take compensative time off unless otherwise agreed to by the Employer and the Union, and he or she shall be paid for the extra time, except that overtime payment is not required unless the employee's total of work hours in that workweek is more than forty (40) hours, or in excess of the regular weekly schedule of the employee.

Section 6. The Employer shall not unreasonably demand work in excess of regularly scheduled hours of any employee and the refusal of an employee to work more than twenty (20) hours of such excess time in any month shall not constitute grounds for discharge of such employee.

Section 7. With the consent of the Union, the Employer may use a six-day week, Monday through Saturday.

Section 8. For the term of this Agreement, the presently scheduled hours of individual employees shall not be reduced without the written consent of the Union, but employees presently working more than forty (40) hours may, at the election of the Employer, be reduced to forty (40) hours per week.

Section 9. All work done on Sunday shall be paid at one and one-half (1-1/2) times the employee's regular straight time hourly rate.

Section 10. Overtime work shall be distributed equitably among employees able and qualified to perform the needed overtime work.

**ARTICLE VI
HOLIDAYS**

Section 1. The following days shall be observed as holidays for all employees except trainees during their first ninety (90) days of employment:

New Year's Day		Fri, 1/1/10	(d)
Memorial Day	Mon, 5/25/09	Mon, 5/31/10	Mon, 5/30/11
Fourth of July	(a)	(b)	Mon, 7/4/11
Labor Day	Mon, 9/7/09	Mon, 9/6/10	Mon, 9/5/11
Thanksgiving Day	Thu, 11/26/09	Thu, 11/25/10	Thu, 11/24/11
Day after Thanksgiving Day or such other day as may be mutually acceptable to the Employer and the Union			
½ Day Christmas Eve*	Thu, 12/24/09	(c)	(c)
Christmas Day	Fri, 12/25/09	(c)	(c)
½ Day New Year's Eve*	Thu, 12/31/09	(d)	(d)

Either Martin Luther King's Birthday, Presidents' Day, Lincoln's Birthday, Good Friday, or such other day as may be mutually acceptable to the Employer and the Union.

[*] In lieu of ½ holidays on Christmas Eve and New Year's Eve, the Employer may elect to schedule full day holidays for some or all of its bargaining unit employees on Christmas Eve or on New Year's Eve.

(a) The Employer may designate either Friday, July 3, 2009, Saturday, July 4, 2009, or Sunday, July 5, 2009 as the Fourth of July holiday for some or all of its bargaining unit employees.

(b) The Employer may designate either Friday, July 2, 2010, Sunday, July 4, 2010 or Monday, July 5, 2010 as the Fourth of July holiday for some or all of its bargaining unit employees.

(c) The Employer may designate any combination of the following dates as the Christmas Day and Christmas Eve holidays for some or all of its bargaining unit employees:

Christmas Eve

Friday, December 24, 2010
Saturday, December 25, 2010
Sunday, December 26, 2010

Friday, December 23, 2011
Saturday, December 24, 2011
Sunday, December 25, 2011

Christmas Day

Saturday, December 25, 2010
Sunday, December 26, 2010
Monday, December 27, 2010

Saturday, December 24, 2011
Sunday, December 25, 2011
Monday, December 26, 2011

(d) The Employer may designate any of the following dates as the New Year's Day and New Year's Eve holidays for some or all of its bargaining unit employees.

New Year's Eve

Friday, December 31, 2010
Saturday, January 1, 2011
Sunday, January 2, 2011

Friday, December 30, 2011
Saturday, December 31, 2011
Sunday, January 1, 2012

New Year's Day

Saturday, January 1, 2011
Sunday, January 2, 2011
Monday, January 3, 2011

Saturday, December 31, 2011
Sunday, January 1, 2012
Monday, January 2, 2012

Each employee covered by this Agreement who has completed one (1) or more full years of service with the Employer shall, in each year of employment, receive two (2) personal holidays, one on a day mutually acceptable to the Employer and the employee, and the other on the employee's birthday or another day needed by the employee provided the employee has notified the Employer of the employee's need to be absent from work at least four (4) hours in advance of the employee's scheduled starting time.

Section 2. Each regular employee shall be credited with the normal number of hours at straight time in his or her shift on each of such holidays and, in the case of those holidays which fall on what would have been the employee's regular workday, such time shall be credited as time worked in computing overtime.

Section 3. When a holiday falls on an employee's day off, he or she shall be credited with eight (8) hours at straight time (four (4) hours in the case of one-half day holidays). For employees who regularly work less than 40 hours per week, the credited hours shall be the number of hours of the employee's regular daily shift, excluding Saturdays or short hour shifts; one-half that number in the case of one-half day holidays.

Section 4. Employees required to work on holidays shall be paid extra for such hours worked at one and one-half times their regular hourly rate, in addition to the holiday pay. The Employer may schedule regular night shifts either at the beginning or end (but not both) of a calendar day designated as a holiday. Employees working on one of these regular shifts will not be considered to be working on a holiday even if some of the hours worked happen to fall on the calendar day of the holiday. Night shift employees working a regular night shift which is at the beginning of the calendar holiday will be deemed to celebrate their holiday at the end of that day, and vice versa.

Section 5. To be eligible to receive holiday pay, the employee must have been

employed by the Employer for at least ninety (90) calendar days prior to the holiday and worked all of his or her scheduled hours on the employee's last scheduled work day before and the employee's next scheduled work day following the holiday, provided that tardiness of up to one hour or leaving work early (with the approval of the Employer) on either of such days shall not disqualify the employee from receiving holiday pay. Employees on approved leaves of absence or layoff who are otherwise eligible to receive holiday pay shall, upon their return to work, receive holiday pay for holidays occurring within ninety (90) days following their last previous day worked. Employees substituting for employees on approved leaves of absence shall not be eligible to receive holiday pay for the first ninety (90) days of said leaves of absence.

Section 6. Any employee who habitually takes an extra day off in connection with the holidays provides for in this Article for reasons obviously not justified, shall be subject to a warning or reprimand, and thereafter to progressive discipline by the Employer.

Section 7. The Union will, through its usual forms of communications and its stewards, urge all employee's to provide the Employer with not less than two (2) calendar week's advance notice of the date upon which the employee's birthday falls.

Section 8. If a regular pay day falls on a holiday, employees shall be paid on the day before the holiday and paychecks shall be dated accordingly.

ARTICLE VII **VACATIONS**

Section 1. Regular employees who have been in the service of any building continuously for:

One year, shall be given an annual vacation of one week with pay;
Two years, shall be given an annual vacation of two weeks with pay;
Six years, shall be given an annual vacation of two weeks and one day with pay;
Seven years, shall be given an annual vacation of two weeks and two days with pay;
Eight years, shall be given an annual vacation of two weeks and three days with pay;
Nine years, shall be given an annual vacation of two weeks and four days with pay;
Ten years shall be given an annual vacation of three weeks with pay;
Eighteen years shall be given an annual vacation of four weeks with pay;
Twenty-five years shall be given an annual vacation of five weeks with pay.

Section 2. An additional day's vacation (or 1/2 day in the case of one-half holidays) shall be allowed an employee whose vacation period includes one of the holidays listed in this Agreement.

Section 3. Service shall be deemed continuous notwithstanding leaves of absence or for sickness, maternity, or other reasons agreed to by the Employer.

Section 4. A week's vacation shall be computed upon the employee's regularly scheduled weekly hours of work for the fifty-two (52) weeks preceding his or her vacation.

If an employee has worked less than fifty-two (52) weeks, such vacation shall be based upon the scheduled hours during the total number of weeks the employee has worked.

Section 5. Vacation accrual shall be given to a regular employee so long as such employee is carried on the payroll of the Employer (even though no compensation is paid). No vacation accrual is to be credited to a temporary, extra, substitute, floater or vacation replacement employee; provided, however, that any temporary, extra, substitute, floater or vacation replacement employee who has been employed either by the Employer or by the janitorial contractor performing bargaining unit work for the Employer for more than twelve (12) consecutive months shall be eligible to receive vacation benefits. Vacation accrual for such temporary, extra, substitute, floater or vacation replacement employee begins only at such time as the regular employee is dropped from the payroll or after twelve (12) consecutive months of employment by the Employer or by the janitorial contractor performing bargaining unit work for the Employer, whichever occurs first. An employee who is absent for 180 days or more shall not be eligible for paid vacation until he/she has returned to active employment for at least 90 days, unless the employee is permanently disabled.

Section 6. Vacation rights of employees shall not be affected by a change of ownership or management of the building so long as they remain in the employ of the new owners or managers. Any employee employed by a contractor whose employment is terminated by reason of change of contractors during the employee's first year of employment in a building and who is retained in the same building by the new contractor shall, upon completion of his or her full first year of employment in the building, be entitled to a full vacation with pay from the new contractor, less any vacation pay which may have been received by the employee from the displaced contractor.

Section 7. For vacation scheduling purposes, an employee shall receive his or her vacation in accordance with seniority and in keeping with the normal vacation scheduling or at such other time as may be mutually acceptable to the Employer and the employee.

Section 8. Vacation checks shall be paid to the employee no later than the last scheduled day of work before the beginning of the employee's scheduled vacation.

Section 9. Each regular employee shall be credited with the normal number of hours at straight time in his or her shift on each of such vacation days and, in case of those vacation days which fall on what would have been the employee's regular workday, such time shall be credited as time worked in computing overtime.

Employees required to work on scheduled vacation day(s) shall be paid for hours worked on such day(s) at one and one-half times their regular hourly rate in addition to vacation pay; provided, however, that the foregoing shall not apply if the Employer and employee agree to reschedule the previously scheduled vacation day(s).

Section 1. Any employee who has been in the service of an Employer for more than one year and whose employment is terminated for any reason, shall be compensated on a pro rata basis, taking into account the employee's accrued vacation, if any, and the period worked since the first or anniversary date of employment compared with the vacation to which the employee would be entitled if the employee worked the entire year.

Section 2. Any employee shall receive his or her final paycheck in full at the time of separation, if possible, but in any case within five (5) days or at the next regular payday, whichever comes first.

ARTICLE IX **FUNERAL LEAVE**

The Employer agrees to pay employees covered by this Agreement for necessary absence on account of death in the immediate family, up to and including a maximum of three (3) scheduled workdays at straight time, provided the employee attends the funeral.

The term "immediate family" shall mean: current spouse, parent, step parent, child, step child, brother, sister, current father-in-law and mother-in-law, grandparent or grandchild. In the event the employee is unable to attend the funeral, the employee shall be allowed one day at straight time. One day's pay at straight time shall be given on account of death of an employee's current brother-in-law, sister-in-law, son-in-law or daughter-in-law. At the request of the Employer, the Employee shall furnish a death certificate or other acceptable verification of death and proof of relationship acceptable to the Employer.

ARTICLE X **WORKING CONDITIONS**

Section 1. If uniforms are required, it is agreed that the Employer shall, at its own expense, furnish and maintain them. The employees on their part agree to take good care of such uniforms and to wear them only in the course of their duties during working hours and during lunchtime. The Employer shall furnish rubbers to employees whose duties require them to walk in water. If uniforms are furnished by the Employer, the Employer shall also furnish appropriate outdoor garments for snow removal or other outdoor work.

Section 2. The Employer shall provide a clean sanitary locker room area and lockers with washing facilities, soap and towels to the extent that such facilities exist. Each building shall provide and maintain an adequate first aid kit in the office of the building or some other central location.

Section 3. The Employer shall furnish cleaning supplies in sufficient quantity and maintain all equipment in such state of repair as is required to perform the work assigned.

Section 4. The Employer shall maintain comfortable working conditions and reasonable temperatures for all employees, including night crews in sealed buildings. The

Employer shall operate such heating and air conditioning equipment and or fans, under its control, in order to maintain comfortable working temperatures in a manner consistent with the foregoing provision. Adequate lighting shall be provided in public areas to allow employees access to the areas they are to service.

Section 5. It is agreed that there shall be no limitation on the type of work now being performed by any employee.

Section 6. Each employee shall be entitled to 20 minutes of paid nonworking time per day which shall be taken in two rest periods.

Section 7. The Employer shall not impose an unreasonable workload upon any employee or add on any duties over a reasonable work load. In the event an employee is absent the remaining employees may be temporarily assigned to do part of the work assignments of the absent employees but they shall not be expected to perform their regular full work loads and the extra work. Employees shall not be directed to do part of the work assignments of the absent employees unless and until they have first been instructed, in writing (and, if reasonably practicable, in Spanish and/or Polish), as to what portions of their regular work assignment shall not be done in order to do the extra work. Copies of these instructions shall be provided to the steward and the building manager. If the instruction is not given in writing or if copies thereof are not provided to the steward, any discipline imposed upon employees for failure to perform the extra work shall be rescinded. The Employer shall either hire a temporary replacement or assign relief coverage (other than regularly-assigned cleaning employees) to perform the duties of any regularly-assigned general cleaning employee whose recurring job responsibilities cannot be postponed and who is absent for more than five (5) consecutive working days; provided, that in those buildings with regular night general cleaning staffs of 40 or more employees, the Employer shall hire temporary replacements or assign relief coverage if more than 20% or 12 employees (whichever is less) of the regularly-assigned night general cleaning staff employees are off due to previously scheduled absences.

Section 8. No employee shall be required to perform any work under abnormally dangerous conditions, and a failure to perform work under such circumstances, shall not be considered a cause for discharge or discipline.

Section 9. It is agreed that Janitorial personnel will perform all traditional Janitorial work which consists of general cleaning in and around the buildings. It is recognized that

certain tasks performed by Janitorial personnel require added physical exertion, strength, or dexterity.

- Heavy cleanup in connection with construction, painting and repair
- Heavy trash removal
- Furniture polishing
- Metal polishing
- High dusting with ladders
- Hosing and sweeping of exterior sidewalks
- Dismantling and cleaning of light fixtures
- Operation of floor-type interior and exterior power machines, industrial tube vacuum cleaners, and wet pick up machines
- Sweeping and dry mopping of public corridors outside of normal general cleaning assignment
- Washroom sanitation-hand scrubbing, hands and knees (refers to washrooms outside of normal general cleaning assignment)
- Washing drapes
- Cleaning venetian blinds (other than dusting)
- Wet mopping - over 16 ounce mop
- Low ladder work
- Sustained washing and polishing of walls and ceilings
- Marble maintenance, exclusive of washing
- Interior metal refinishing
- Operation of incinerators, balers and compactors
- Removal of old carpeting

Janitorial personnel who have heretofore been performing routine Janitorial functions, shall not be assigned to the foregoing duties or to the duties described in Article IV, Section 2, except on an emergency basis; provided, however, that nothing in this Agreement shall be construed to restrict or change existing building practices regarding assignment of Janitorial personnel.

Section 10. The Employer shall not require medical approval because of short term illness or disability up to and including five (5) working days; provided, however, that when an employee is chronically absent because of illness or disability, the Employer may require such medical approval.

ARTICLE XI VETERAN'S RIGHTS

The reemployment rights of employees who are now or may later be in the military service and the duties of the Employer in relation to them, shall be governed by the applicable provisions of Federal and State laws.

ARTICLE XII HEALTH AND WELFARE FUNDS

Section 1. For the period April 6, 2009 through June 30, 2010, the Employer shall contribute \$395.19 (three hundred ninety five dollars and nineteen cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare Fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leave of absence for periods in excess of those specified in Article XVI, Sections 1 and 2 and Section 5 of this Article, respectively.

Section 2. For the period July 1, 2010 through June 30, 2011, the Employer shall contribute the amount of \$403.86 (four hundred three dollars and eighty-six cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare Fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence for periods in excess of those specified in Article XVI, Sections 1 and 2 and Section 5 of this Article respectively.

Section 3. For the period July 1, 2011 through April 8, 2012, the Employer shall contribute the amount of \$421.19 (four hundred twenty-one dollars and nineteen cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare Fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence for periods in excess of those specified in Article XVI, Sections 1 and 2 and Section 5 of this Article, respectively.

Section 4. The Employer adopts the provisions of and agrees to comply with and be bound by the Trust Agreement establishing the Local 25 S.E.I.U. Welfare Fund and all amendments thereto, and also hereby irrevocably designates as its representatives the Trustees named as Employer Trustees in said Agreement, together with their successors selected in the manner therein provided, and further ratifies and approves all matters heretofore done in connection with the creation and administration of said Trust and all actions to be taken by such Trustees within the scope of their authority.

Section 5. Welfare Fund payments shall be continued on eligible employees when said employees are on a medical leave of absence up to the periods provided for in Article XVI, Section 1, or beyond that period for special reasons agreed to by the Employer and the Union. Welfare Fund payments shall be continued on eligible employees when said employees are on a personal leave of absence up to a period of ninety (90) days, or beyond that period for special reasons agreed to by the Employer and the Union. Beyond that time, the Welfare Fund payment shall be made for and on behalf of the temporary, extra, substitute, floater or vacation replacement employee, but in no event shall an Employer incur such costs on behalf of both the employee on leave and the replacement employee concurrently. Any temporary, extra, substitute, floater or vacation replacement employee who has been employed either by the Employer or by the janitorial contractor performing bargaining unit work for the Employer for more than twelve (12) consecutive months shall have contributions made on his/her behalf.

Section 6. The Employer shall make remittances to the Welfare Fund within

fifteen (15) days of the month following the month in which the work was performed.

Section 7. With each report to the Welfare Fund, the Employer shall give the names, Social Security numbers and starting dates of new, regular employees and termination dates of regular employees.

Section 8. Payments to the Welfare Fund shall be made on the prelisted remittance forms sent by the Fund Office, or reproduced records which give all of the required information in a form acceptable to the Fund. Failure to submit the required information in a form acceptable to the Fund will result in the Employer to be deemed delinquent.

ARTICLE XIII **PENSION PLAN**

Section 1. For the period April 6, 2009 through April 4, 2010, Employers shall contribute to the Local 25 SEIU and Participating Employers Pension Trust at the rate of \$32.00 per week for each employee regularly scheduled to work thirty (30) or more hours per week who actually work at least 50% of the employee's scheduled workweek. In the event such employee does not work at least 50% of the employee's scheduled workweek, the Employer shall make contributions at the rate of eighty cents (\$0.80) per hour for all hours actually worked. For employees not meeting the aforesaid conditions, contributions shall be made at the rate of eighty cents (\$0.80) per hour worked for employees who actually worked less than 30 hours per week. Paid holidays, paid vacations and funeral absence (up to three working days) are deemed time worked for Pension contribution purposes. The Union and the Employer shall endeavor to have the Trustees of the Pension Fund arrange to have the employee's last Employer notified when an employee makes application for a Pension. In the event an employee works during his or her holiday or vacation, one payment to the Pension Fund is all that will be required.

Section 2. For the period April 5, 2010 through April 3, 2011 Employers shall contribute to the Local 25 SEIU and Participating Employers Pension Trust at the rate of \$38.00 per week for each employee regularly scheduled to work thirty (30) or more hours per week who actually work at least 50% of the employee's scheduled workweek. In the event such employee does not work at least 50% of the employee's scheduled workweek, the Employer shall make contributions at the rate of ninety-five cents (\$0.95) per hour for all hours actually worked. For employees not meeting the aforesaid conditions, contributions shall be made at the rate of ninety-five cents (\$0.95) per hour worked for employees who actually worked less than 30 hours per week. Paid holidays, paid vacations and funeral absence (up to three working days) are deemed time worked for Pension contribution purposes. The Union and the Employer shall endeavor to have the Trustees of the Pension Fund arrange to have the employee's last Employer notified when an employee makes application for a Pension. In the event an employee works during his or her holiday or vacation, one payment to the Pension Fund is all that will be required.

Section 3. For the period April 4, 2011 through April 8, 2012 Employers shall

contribute to the Local 25 SEIU and Participating Employers Pension Trust at the rate of \$44.00 per week for each employee regularly scheduled to work thirty (30) or more hours per week who actually work at least 50% of the employee's scheduled workweek. In the event such employee does not work at least 50% of the employee's scheduled workweek, the Employer shall make contributions at the rate of one dollar and ten cents (\$1.10) per hour for all hours actually worked. For employees not meeting the aforesaid conditions, contributions shall be made at the rate of one dollar and ten cents (\$1.10) per hour worked for employees who actually worked less than 30 hours per week. Paid holidays, paid vacations and funeral absence (up to three working days) are deemed time worked for Pension contribution purposes. The Union and the Employer shall endeavor to have the Trustees of the Pension Fund arrange to have the employee's last Employer notified when an employee makes application for a Pension. In the event an employee works during his or her holiday or vacation, one payment to the Pension Fund is all that will be required.

Section 4. The Employer adopts the provisions of and agrees to comply with and be bound by the Trust Agreement establishing said Local 25 SEIU and Participating Employers Pension Trust, and all amendments thereto, and also hereby irrevocable designates as its representatives the Trustees named as Employer Trustees in said Agreement, together with their successors selected in the manner therein provided, and further ratifies and approves all matters heretofore done in connection with the creation and administration as said Trust and all actions to be taken by such Trustees within the scope of their authority, including the authority of the Trustees to restrict the benefits provisions with respect to a new Employer group as provided by the Trust Agreement.

Section 5. The Employer shall make remittances to the Pension Trust within fifteen (15) days of the month following the month in which the work was performed.

Section 6. With each report to the Pension Trust, the Employer shall give the names, Social Security numbers and starting dates of new, regular employees and termination dates of regular employees.

Section 7. Payments to the Pension Trust shall be made on the prelisted remittance forms sent by the fund Office, or reproduced records which give all of the required information in a form acceptable to the Fund. Failure to submit the required information in a form acceptable to the Fund will result in the Employer to be deemed delinquent.

Section 8. Pension Trust payments shall be continued on eligible employees when said employees are on a medical leave of absence up to the periods provided for in Article XVI, Section 1, or beyond that period for special reasons agreed to by the Employer and the Union.

Pension Trust payments shall be continued on eligible employees when said employees are on a personal leave of absence up to a period of ninety (90) days, or beyond that period for special reason agreed to by the Employer and the Union.

Beyond that time, the Pension Fund payment shall be made for and on behalf of the

temporary, extra, substitute, floater or vacation replacement employee, but in no event shall contributions be made for both the eligible employee and the temporary, extra, substitute, floater or vacation replacement; provided, however, that any temporary, extra, substitute, floater or vacation replacement employee who has been employed either by the Employer or by the janitorial contractor performing bargaining unit work for the Employer for more than twelve (12) consecutive months shall have contributions made on his/her behalf.

ARTICLE XIV

HEALTH AND WELFARE-PENSION DELINQUENCIES

Section 1. Resolution of Coverage Issues. Any uncertainty regarding the obligation of the Employer to make contributions to the appropriate Welfare Fund or Pension Trust with respect to new buildings or new employees shall be resolved by the parties hereto.

Section 2. Right to Strike. The Employers recognize the necessity of making prompt Health and Welfare and Pension contributions to preserve the benefit standing of employees and ensure adequate funding of benefits. If an Employer remains delinquent in making payments to either the Welfare Fund or appropriate Pension Trust for a period of 10 days after written notice of delinquency is given to the Employer, or refuses to produce payroll records in accordance with the payroll audit provisions of the Trustees' collection policy, the Union may strike the Employer to enforce such payments or production or records without regard to the no-strike clause in Article XVII or the grievance and arbitration procedure provided in Article XVIII. The delinquent Employer shall be responsible for reimbursement to employees of wages lost because of any strike action taken by the Union under this Article.

Section 3. Delinquencies, Interest and Liquidated Damages. If the Trustees do not receive the full amount of the Employer's required Welfare Fund or Pension Trust contribution and the accompanying remittance form by the dates set forth in Article XII, Section 6 and Article XIII, Section 5 with respect to which contributions are due, the Employer will be required to pay, in addition to the amount of such contribution, interest and liquidated damages at the rates specified in the Trust Agreements on the unpaid amount, as well as accountants' and attorneys' fees and court costs, if any, incurred in effecting collection. The Employer acknowledges receipt of the Trust Agreements and represents to the Union and the Funds that it has read the interest and liquidated damages provisions and that the liquidated damages provision is a reasonable approximation of damages to the Funds which are difficult to ascertain. Employer further acknowledges that any right of the Trustees to waive interest or liquidated damages pursuant to the collection policy described in Section 4, below, shall not modify the Employer's Agreement that the maximum liquidated damages specified in the Trust are reasonable approximation of actual damages under all circumstances where the Employer is delinquent.

Section 4. Collection Policy. Employer acknowledges that the Trustees of the
INDEPENDENT JANITORIAL AGREEMENT 04/06/09-04/08/12

Funds have the fiduciary obligation under the Employee Retirement Income Security Act of 1974 as amended ("ERISA") to ensure prompt collection of Employer contributions and the resolution of delinquencies through the use of payroll audits and other enforcement procedures. Accordingly, the Employer hereby irrevocably designates as its representatives the Trustees named as Employer Trustees of the Funds and their successors in connection with the adoption, amendment and administration of a collection policy setting forth payroll audit and collection procedures in accordance with the terms and conditions of ERISA prohibited transaction class exemption 76-1.

Employer hereby consents to and agrees to be bound by the provisions of such collection policy, as amended, as though fully set forth in this Agreement. A copy of the current collection policy as adopted by the Trustees is attached as Exhibit A.

Section 5. Assignment of Payments to the Trust. Employer hereby assigns to the Funds a portion of its compensation for services rendered to building manager(s) equal to the Employer's monthly contributions to the Funds based on the most recent remittance report on file at the Funds' Offices (the "Monthly Contribution"). If the Trustees of either of the Funds determine that an Employer is delinquent in making full contributions to the Funds with respect to any three months (whether or not consecutive), then in addition to all other remedies available to the Funds, the Funds may present a copy of this executed collective bargaining agreement to the manager(s) and request direct payment from the manager(s) of the full Monthly Contribution. Payment of all Monthly Contributions to the Funds will continue to be made directly to the Funds by the manager until the Employer submits a separate payment to the Funds to satisfy all delinquencies and accrued interest and liquidated damages.

ARTICLE XV SENIORITY

Section 1. The term "seniority" shall mean the length of service of a regular employee in a building; provided that new employees shall be considered probationary employees for the first 45 calendar days of employment. During their probationary period, employees shall have no seniority and may be laid off or terminated at the sole discretion of the Employer and such action shall not be subject to the grievance procedure of this Agreement. An employee's seniority rights shall not be affected by a change of ownership or management of the building so long as said employee remains in the employ of the new owners or managers. The Employer agrees to notify the Union, in writing, promptly upon the consummation of any change in the ownership or management of the building. Seniority shall not be broken except by discharge for cause, resignation or layoff for more than one year (two years in the case of employees with ten or more years of service). The Employer shall post a seniority list in each building in a place accessible to all employees. Said list shall contain the names of all employees who have seniority as provided for herein and their respective seniority date; and shall be updated quarterly including a date prior to vacation scheduling. A copy of the seniority list shall be made available to the Union upon request.

Section 2. When it becomes necessary to reduce the working force, the last

person hired shall be laid off first provided the employees to be retained have the ability to be trained to perform the available work; and the employee whose job assignment has been eliminated or combined shall be placed on the job assignment held by the least senior employee whose job assignment the impacted employee is capable of performing with minimal training. If the employee displaced by such reassignment is not the least senior employee in the building, he or she shall be placed on the job assignment held by the least senior employee in the building, provided he or she is capable of performing this job assignment with minimal training. Employees who cannot be placed on active job assignments in accordance with the foregoing shall be laid off. If the working force thereafter be increased, employees with seniority shall be recalled in the reverse order in which they were laid off, subject to the employee's qualifications to perform the work for which they are being recalled. The Employer shall give not less than one (1) week's notice of recall in writing to the employee's last known address.

A failure to report for work prior to expiration of such notice period, shall result in the loss of all seniority rights under this Agreement. No notice of recall need be given in cases where the Employer and the Union agree to waive notice because it is apparent to them the particular employee will not return.

Section 3. Whenever a vacancy occurs in any job covered by this Agreement, said job shall be posted for bidding in a conspicuous place and all employees may apply for the job. The posting shall contain a full description for the job duties, starting time and rate of pay. Seniority shall be the governing factor in filling the vacancy provided the employee has the ability to be trained to perform the job. For any vacancy not filled pursuant to the foregoing posting procedure, the Employer shall offer the position to qualified replacement employees who are then working in the Employer's building before hiring new employees to fill the vacancy.

Section 4. Selection and preference as to the time of taking vacation shall be granted to employees on the basis of seniority, except that a building may depart from seniority in vacation scheduling where it is required in order to maintain normal operations of the building, in which event the Union shall be notified as soon as possible of the departures from seniority.

Section 5. Union stewards shall have superseniority for purposes of layoff and recall under Section 2 of this Article.

ARTICLE XVI

LEAVES OF ABSENCE

Section 1. The Employer shall grant a leave of absence in writing because of illness or disability, substantiated by medical approval (when the medical leave of absence extends beyond five working days), upon the following schedule: under one (1) year seniority, no leave; one (1) year to three (3) years seniority, six (6) months leave; three (3) years to five (5) years seniority, nine (9) months leave; after five (5) years seniority, one (1) year of leave. By agreement between the Employer and the Union, employment of an employee on such leave of absence may be terminated. Upon return from such leaves, the employee shall return to the assignment previously being performed by the employee or in the event such assignment no longer exists, a substantially comparable position. Once an employee exhausts the leave pursuant to the schedule set forth above, he or she is not entitled to additional leave until after having worked continuously for an additional twelve (12) months.

Section 2. The Employer shall not unreasonably withhold the granting of personal leave of absence submitted and approved in writing of reasons other than illness or disability of up to fourteen (14) days after two (2) years and up to ninety (90) days after five (5) years of seniority. The Employer shall not be required to grant a personal leave of absence until after twenty-one (21) months have expired since an employee's previous leave of absence. Failure to return to work without justifiable cause following a personal leave of absence will be grounds for termination.

Section 3. An employee selected to represent the Union at conventions, conferences, collective bargaining, grievance and arbitration proceedings or for other Union business shall be granted unpaid leaves of absence for the period required to fully carry out said business. The Union shall give written notice of such leaves at least three (3) days in advance, including the expected dates and duration of such leaves. If the Union requires an extension of the duration of the leave, it shall provide notice of the extension, including duration of the extension, one (1) week prior to the initial ending date of the leave.

Section 4. During all such leaves of absence provided for in this Article, seniority shall continue to accumulate and accrue. By agreement between the Employer and the Union, employment of an employee of such leave of absence may be terminated.

Section 5. The provisions of the Family Medical Leave Act, where more favorable, shall supersede the provisions of this Article.

ARTICLE XVII **STRIKES, LOCKOUTS, PICKETING**

Section 1. During the term of this Agreement, there shall be no strikes, lockouts or picketing, nor shall there be any demonstrations or rallies of any kind inside any building, nor shall there be any handout or distribution of handbills or leaflets of any kind in any areas of the buildings, except janitorial breakrooms, without the Employer's consent.

Section 2. No action or suit of any kind or description shall lie by the Employer

against the Union, or any officers, representative or agent thereof, because of a strike, work stoppage or picketing in violation of this Agreement if:

(a) The Union has not authorized or instigated the strike, work stoppage or picketing, and

(b) The Union promptly denounces such strike, work stoppage or picketing, and makes an earnest effort to terminate the same within a period of five (5) days.

Section 3. Refusal of any employee to cross a picket line established or maintained by a recognized labor organization shall not be grounds for discharge or disciplinary action provided that the Union has given the Employer at least forty-eight (48) hours advanced written notice that there is a picket line which might be honored by bargaining unit employees.

ARTICLE XVIII

GRIEVANCE PROCEDURE AND ARBITRATION

Section 1. The procedure for handling a grievance pertaining to any difference or dispute which may arise under this Agreement shall be as follows:

STEP I

The aggrieved employee, accompanied by the steward, if the employee desires, shall consult with the employee's foreman or immediate supervisor. If a group of employees are involved in the grievance, the steward shall represent the employees. In any event, since it is in the best interest of all concerned that a grievance be promptly and expeditiously resolved, an aggrieved employee and/or the steward of the employee or employees involved, shall present such grievance as soon as reasonably possible following the event which gives rise to its occurrence, or after such employee and/or the steward of the employee or employees involved first acquired knowledge concerning such event.

STEP II

If the matter is not settled in the first step and the Union wishes to further pursue it, the grievance shall be reduced to writing and presented to the building manager and, where applicable, the contractor within thirty (30) calendar days following the event which gave rise to its occurrence or after the employee or employees involved first acquired knowledge concerning such event. The foreman or immediate supervisor, together with the aggrieved employee, the steward, and a Union Representative shall discuss the grievance with the building manager and the contractor. The building manager or contractor shall give his or her written answer within fifteen (15) calendar days after receipt of the written grievance.

STEP III

If the matter is not resolved in Steps I and Steps II of this Article and the Union wishes to further pursue it, the Union shall fifteen (15) calendar days following its receipt of the building manager's or contractor's written answer to Step II, serve a written demand for arbitration upon the Employer or, where applicable, the contractor. The grievance shall thereafter be submitted to an arbitrator who shall be selected by mutual agreement of the Employer or, where applicable the contractor and the Union from the following panel (which may be added to hereafter upon agreement of the parties):

EDWIN BENN
STEVEN BIERIG
JOHN FLETCHER
LISA SALKOVITZ KOHN
SINCLAIR KOSSOFF
MARTIN MALIN
ROBERT McALLISTER
ROBERT PERKOVICH
JEANNE VONHOF

The Union's representative will contact the Employer, or, where applicable, the contractor, within thirty (30) calendar days of the demand for arbitration to propose an arbitrator. The Union's failure to do so shall result in the grievance being waived. If the parties are unable to immediately agree upon an arbitrator, the parties shall alternately, strike one name from said list, and the last remaining name shall be the arbitrator selected to hear and decide the grievance. The parties shall select an arbitrator within forty-five (45) calendar days of the demand for arbitration. The compensation of the said arbitrator shall be paid one-half by the Employer or, where applicable, the contractor, and one-half by the Union.

Section 2. Grievances which are not presented or appealed within the time limits set forth in Sections 1 shall be considered withdrawn and abandoned. If there is not a timely answer to a grievance by the building manager in the second step of the grievance procedure, the grievance shall be moved automatically to the third step.

Section 3. The award or decision of the arbitrator shall be final and binding upon the Employer and employee(s) involved, and the Union. The arbitrator shall not have authority to add to, subtract from or alter the provisions of this Agreement.

Section 4. If any Employer who is a party to this Agreement refuses to abide by an arbitration award made under this Article or refuses to abide by a written decision signed by representatives of the Employer and the Union which resolves any difference or dispute arising under this Agreement, the Union shall be relieved from the obligation of Article XVII as to such Employer.

ARTICLE XIX

INDEPENDENT JANITORIAL AGREEMENT 04/06/09-04/08/12

JOINT COMMITTEE ON SAFETY AND SECURITY

The Employer and the Union share a concern for the personal safety of Janitorial employees during their work time in the buildings and in their travel to and from their work. Accordingly, a Joint Committee on Safety and Security is established consisting of one (1) member from the Union and one (1) member from the Employer.

Such Joint Committee will work in cooperation with appropriate city, county, state and federal agencies in an effort to improve the security of employees during their travel to and from work and within particular buildings, in an effort to improve the security of employees at work and to improve the relationship between Employers and the Union in dealing with problems of safety and security.

The Employer and Union share a concern for the safety of all janitorial employees in the event of emergencies within the buildings in which they work. The Employer shall comply with the City of Chicago's Emergency Procedures Ordinance for High Rise Buildings with respect to emergency, safety and evacuation procedures.

ARTICLE XX JANITORIAL CONTRACTORS

The Employer, during the life of this Agreement, shall not contract for all or any part of the work being performed by persons in the bargaining unit covered by this Agreement unless all persons currently employed shall be employed by any contractor or subcontractor as a continuing condition of any contract or subcontract granted or permitted by the Employer.

If the Employer shall, during the life of this Agreement contract for all or any part of the work being performed by persons in the bargaining unit covered by this Agreement, it shall include in its agreement with the contractor, a provision binding the contractor to observe the economic terms and conditions of this Agreement, such as wages, hours and fringe benefits, and the making of reasonable arrangements to guarantee the payment of contributions due by such contractor to the Health and Welfare and Pension Funds as contemplated by Article XIV, Section 3.

Grievances alleging that a contractor is not faithfully observing such terms of this Agreement shall be processed in accordance with Article XVIII of this Agreement. If the contractor thereafter refuses to implement the remedy imposed, the contract between the contractor and the Employer shall be terminated within sixty (60) calendar days after written notice by the Union to the Employer.

The provisions of this Article are intended to apply in the event the Employer instead of contracting out bargaining unit work, resumes control of such bargaining unit work, either through itself or a building manager. It is further the intent of the parties that the provisions of this Article shall cover any successor contractor whose employees perform bargaining unit work on the premises.

ARTICLE XXI

MULTI-PURPOSE BUILDINGS

In buildings used for more than one purpose, the Agreement shall apply only to Janitorial employees who are employed in the office building portion of such building.

ARTICLE XXII UNION ACTIVITIES IN BUILDINGS

Section 1. The Employer shall permit the posting of Union bulletins in Janitorial quarters and shall permit Union stewards reasonable freedom to perform their duties during working hours. Duly accredited representatives of the Union shall have reasonable access to time cards or sign in sheets of the current day applicable to employees covered by this Agreement.

Section 2. Duly accredited representatives of the Union may enter the building of the Employer during the working hours to observe working conditions and to confer with the employees under circumstances that are not disruptive to working schedules. When a Union Representative enters a building after normal business hours, he or she will register and identify himself or herself to building security, abide by security rules and contact the night supervisor. In the event the supervisor cannot be contacted and 20 minutes have elapsed, the representative of the Union may proceed to confer with an employee or employees.

ARTICLE XXIII JURY SERVICE

The Employer shall compensate the employee for the difference between the pay which such employee would normally receive, excluding overtime, and the amount received for jury service.

ARTICLE XXIV MISCELLANEOUS PROVISIONS

Section 1. If the Employer shall list job vacancies with an employment agency, the Employer shall pay all the cost and charges of such agency.

Section 2. If any law now existing or hereafter enacted, or any proclamation, regulation or edict of any national or state official agency shall invalidate any portion of this Agreement, the entire Agreement shall not thereby be invalidated and either party hereto, upon request, may reopen for negotiation the invalidated portion. In the event agreement thereon cannot be reached within 30 days, either party may submit the matter to arbitration as herein provided.

Section 3. Neither the Employer nor the Union will discriminate against applicants or employees with regard to employment, tenure, or any other term or condition of employment in violation of any applicable law. Employees and management representatives will be treated with respect and dignity by all parties in this Agreement.

Section 4. Although this Agreement states essential provisions covering wages,

hours and working conditions applicable to all covered employees and buildings, it does not state each privilege, rule of the shop or working condition which employees in a particular building have enjoyed under the prior Agreement or the particular working conditions actually in effect in each such building. Accordingly, it is agreed that the employer shall not use this Agreement as a reason for reducing or eliminating a beneficial working condition, rule of the shop or privilege without first obtaining consent of the Union.

Section 5. The Employer agrees that any and all benefits now granted to employees or which may be granted in the future to employees shall be continued. No provisions of this Agreement shall be construed so as to allow a reduction in the present wages or impairment of the present working conditions of any employee covered by this Agreement.

Section 6. The Employer shall promptly notify the Union of any change in the management agent of the building, or the contracting out of the work covered by this Agreement or any change of contractor and the effective date of any such change.

ARTICLE XXV

DURATION-REOPENING

The Agreement becomes effective April 6, 2009 and shall remain in full force and effect through April 8, 2012. For its duration, the parties hereto waive further collective bargaining on all appropriate subjects of bargaining, whether or not mentioned herein except that this Agreement may be reopened for making such changes as are required by the Employee Retirement Income Security Act as subsequently construed by courts or appropriate governmental agencies.

DATED: _____

EMPLOYER

By: _____

**SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 1**

By: _____
**Thomas Balanoff
President**

LOCAL 25 S.E.I.U. WELFARE FUND

LOCAL 25 S.E.I.U. & PARTICIPATING EMPLOYERS PENSION TRUST

111 East Wacker Drive
25th Floor
Chicago, IL 60601-4205

Telephone: (312) 240-1600
Facsimile: (312)-233-8839
Email: McArdle@seiu25.org

COLLECTION POLICY

JANUARY, 2007

EMPLOYER CONTRIBUTION COLLECTION POLICY

INDEPENDENT JANITORIAL AGREEMENT 04/06/09-04/08/12

1. Delinquencies. Employer contributions shall be due in the Fund's Bank Depository (lock box) on or before the due date specified in the Collective Bargaining Agreement. An Employer is delinquent with respect to a contribution if the correct amount of the Employer contribution and the appropriate remittance reports are not received by the Bank Depository established for the Fund by such date. If the Employer pays by the due date, but the amount is less than what is required, the delinquency is the difference between the amount due and the amount paid.

An Employer's delinquency may result in the loss of Welfare Fund eligibility for the respective employees.

2. Notice of Delinquency. After the first calendar day of each month, the Fund Office shall identify each Employer who remains delinquent as of such day. The Fund Office shall notify each delinquent Employer of its delinquency and of the accrual of interest charges and the assessment of liquidated damages. If the building serviced by the delinquent Employer belongs to any Building Manager's Association, the Fund Office may also inform the Association. The Fund Office may notify the applicable Management Association and Union of all delinquencies in summary form. A summary notice may also be sent to the Local Union Representative and to the Board of Trustees. The failure of the Fund to send notice or the Employer's failure to receive notice as provided in this paragraph shall not relieve the Employer of its liability for contributions and related interest and liquidated damages.

3. Interest and Liquidated Damages. Interest and liquidated damages will be imposed on all delinquent contributions identified by the Fund Office in the manner described in paragraph 2 at the rates specified in the Trust Agreement, except as provided below. Interest and liquidated damages will be determined from the date the contribution was due to the date payment is recorded as received by the designated bank depository.

If the delinquency arises because the Employer failed to make a payment, interest and liquidated damages will be imposed on the total amount due. If the Employer makes a payment by the due date, but pays less than the required amount, interest and liquidated damages will be imposed on the unpaid balance of the required contribution.

Interest and liquidated damages will accrue from the due date in the Collective Bargaining Agreement until the delinquencies have been corrected. The accrual of interest and liquidated damages will be calculated on a daily basis. Provisions in Collective Bargaining Agreements, that credit Employer contributions to the earliest period when the delinquent contributions are owed irrespective of the allocation shown on the Employers' remittance report apply only to the issue of the plan coverage for the affected employees and do not affect the calculation of interest and liquidated damages as set forth in this collection policy.

Interest and the assessment of liquidated damages may be waived by the Trustees if a waiver is consistent with the Trustees' fiduciary duties under ERISA and does not result in a prohibited transaction under ERISA Section 406, provided that (a) the Employer has not been delinquent during the previous 12 months (but interest and liquidated damages may be reimposed if the Employer again becomes delinquent during the subsequent 12 months); (b) the delinquency was isolated or inadvertent; (c) the delinquency remained uncorrected for less than 30 days and resulted from a failure of data processing equipment that was beyond the control of the Employer. Under these waiver provisions, the Trustees may waive either interest or liquidated damages or both. Interest and liquidated damages will not be waived in the event of the bankruptcy of the Employer.

4. Referrals to Fund Counsel. If a payment of a delinquency is not received within 60

days or is in excess of \$10,000; the delinquency and any interest and liquidated damages attributable to such delinquency are not received within 14 days after the mailing to the Employer of the notice described in paragraph 2 above, the amounts due shall be referred to Fund Counsel for collection; provided, however, that any delinquency of less than \$10,000 shall be referred to Fund Counsel in those cases in which the Employer has been repeatedly delinquent, or in other cases, when deemed in the Fund's best interest by the Trustees or the Fund Manager. By such referral, Fund Counsel will be authorized to demand from the delinquent Employer all amounts due and to file suit to collect such amount. Attorney's fees and costs incurred by the Fund with respect to any such referral shall be assessed against the delinquent Employer and added to the total delinquent amount due. Once a matter has been referred to Fund Counsel for collection, no Trustee or Fund representative shall negotiate payment terms with the Employer. If any Employer shall initiate or become the subject of a petition for bankruptcy, reorganization or liquidation, then any amounts then due from such Employer shall immediately be deemed delinquent and immediately payable and the account shall be immediately referred to Fund Counsel for collection.

5. Expired CBA. In the event a delinquency which would otherwise be referable to Fund Counsel under this Collection Policy shall arise out of employment which takes place after the expiration of the applicable collective bargaining agreement, but before an impasse in bargaining for a renewal of the collective bargaining agreement has occurred, the Fund Manager, in addition to referring the matter to Fund Counsel, may file with the National Labor Relations Board an unfair labor practice charge ("ULP charge") against the delinquent Employer, alleging a unilateral change in terms and conditions of employment. If this Fund is determined to have no standing to file such a ULP charge, the Fund Manager shall, in lieu of filing the ULP charge, notify the Local Union of the existence of the delinquency and request the Local Union to file the ULP charge.

6. Assignment. If the Fund Manager determines that an Employer is delinquent for three months (whether or not consecutive) the Trustees hereby direct the Fund Manager to seek payment of the full monthly contributions for each subsequent month directly from the building manager or managers that engage the Employer, provided the Employer has made an assignment of such future contributions to the Fund pursuant to the Collective Bargaining Agreement covering such Employer's employees. Direct payments will continue until the delinquencies for the three months have been paid by the Employer, along with any applicable interest and liquidated damages.

7. Compliance Audit. A compliance audit program of contributing Employers will be conducted in the following manner.

a. All contributing Employers are to be audited at least once over a six-year period. Large Employers with more than 100 employees are to be audited on a random basis once every three years.

b. Each Employer will be audited for not less than a one calendar quarter period to ascertain compliance with the terms of the Collective Bargaining Agreements. The audit period will be expanded if noncompliance is determined to be significant.

c. The Employers to be audited will be determined from a computer-generated list of contributions made by each Employer for the fiscal year October 1st through September 30th. The Employers will be randomly selected, except that no audit shall be performed in those cases in which the Trustees determine that an audit would not be cost effective, and Employers who have been audited as a result of random selection process shall not be randomly audited more frequently than once every two years.

d. Any Employer audit that results in a deficiency in excess of \$5,000.00 or 3% of its reported contributions may be subject to audit on an annual basis.

The payroll audit procedures will be those procedures established by the Funds'

independent certified public accountants.

Nothing in the aforementioned selection process will prevent payroll audits, for cause, at any time on any contributing Employer. The following criteria shall be considered cause for performing payroll audits:

- 1) The Employer's name appears as delinquent on multiple occasions; or
- 2) The Employer is suspected of not reporting accurately.

The Fund will pay the cost of payroll audits unless any such audit discloses an amount due from an Employer in excess of 2% of the reported contributions for the period audited in which event the Employer shall be responsible for and shall be assessed with the cost of the audit.

When a payroll audit discloses that an Employer has not made all required contributions, the auditor shall advise the Employer of the amount found to be due and the basis for the amounts owed, including interest and liquidated damages. Interest and liquidated damages will be calculated from the date the deficiency arose to the date of the audit report for purposes of notifying the Employer of the delinquency and will continue to accrue until all amounts are paid. If the amounts due are not paid within 14 days of the Employer's receipt of such a notice, the Trustees shall refer the matter to Fund Counsel for collection. In the event of a referral to counsel, the Employer shall be responsible for attorney's fees and any further costs incurred in collecting the delinquent amounts, interest and liquidated damages.

8. Dates. In the event of any inconsistency between due dates in this Policy and an applicable Collective Bargaining Agreement, the Collective Bargaining Agreement will control.