

### Memorandum of Understanding

To resolve the pending grievance filed by the Washington State Nurses Association ("WSNA") against Providence Sacred Heart Medical Center's ("PSHMC") on July 16, 2015, on behalf of Aimy Jordan and all affected RNs concerning certain PSHMC pay practices (including, without limitation, pay practices relating to payment of RNs' premium pay and overtime, calculation of the overtime rate for RNs and payment of callback time on holidays), the parties hereby enter into this Memorandum of Understanding with the following terms and conditions:

1. **Changes to PSHMC Pay Practices To Resolve Grievance.** In exchange for WSNA's release of any and all claims or causes of action against PSHMC relating in any way to PSHMC's current pay practices concerning calculation of the regular rate for OT and non-pyramiding of premium pay, overtime and holidays, PSHMC will, effective, August 20, 2017, make the following changes to its pay practices for RNs:
  - a. Effective August 20, 2017, PSHMC will, on a go forward basis only, pay RNs who work Callback Time and weekly overtime (over 40 hours per week for those RNs who work 10 or 12 hour shifts or 80 hours in a two-week period for those RNs who work 8 hour shifts) in the same work week, a doubletime (2x) rate for the number of OT hours related to callback status for that week. The following is an example: RN who works four 10-hour shifts works 40 regular hours, and five callback hours for a total of 45 hours in the same work week. The nurse will be paid at a doubletime (2x) rate for the five hours of callback time that exceeded 40 hours in one workweek.
  - b. Effective August 20, 2017, PSHMC will, on a go forward basis only, pay nurses who work shifts that qualify for Rest Between Shift pay (1.5x rate) and weekly overtime (over 40 hours per week for those nurses who work 10 or 12 hour shifts or 80 hours in a two-week period for those nurses who work 8 hour shifts) in the same work week, a doubletime (2x) rate for the number of overtime hours related to the rest between shift time for that week. The following is an example: A RN is regularly scheduled for three 12 hour shifts per work week. The RN works her regularly scheduled 12 hour shifts, but is also asked to work an additional six hours beyond the end of her second regularly scheduled shift. Under this example, the RN would be eligible to earn Rest Between Shift pay (1.5x rate) for her third 12-hour shift, and would be paid at a doubletime (2x) rate for two hours of that shift due to the fact those hours were considered overtime and also eligible for Rest Between Shift pay.
2. **Withdrawal of All Related Grievances.** Within three (3) days of the parties' execution of this Agreement, WSNA must withdraw with prejudice any and all grievances relating to PSHMC's current pay practices regarding the regular rate for OT and non-pyramiding of premium pay, OT and holidays. The parties will split any arbitration fees related to cancellation of any scheduled arbitration regarding the grievance listed in paragraph 1 of this Agreement.
3. **Release of Claims & Liability.** In exchange for the consideration set forth in this Agreement, the Union agrees to release PSHMC, and/or its parents, subsidiaries, affiliates, predecessors, successors, transferees, assigns, insurers, insurance policies and benefit plans, past and present shareholders, officers, directors, agents, employees, representatives, administrators, and

fiduciaries (collectively, "Released Parties"), of any claims, actions, grievances, and/or disputes regarding PSHMC's calculation of the regular rate for overtime hours and pyramiding of pay.

4. **No Admission of Liability.** This Agreement is not an admission of liability or wrongdoing by either party to this Agreement.
5. **Severability.** If any part or aspect of this Agreement is held to be unenforceable, it shall not affect any other part or aspect. If any part or aspect of this Agreement is held to be unenforceable as written, it shall be enforced to the maximum extent allowed by applicable law.
6. **Governing Law; Venue.** This Agreement is governed by the laws of the state of Washington. Venue and jurisdiction of any lawsuit involving this Agreement shall exist exclusively in state and federal courts in Spokane County, Washington.
7. **Waiver.** No waiver of any provision of this Agreement shall be valid unless in writing, signed by the party against whom the waiver is sought to be enforced. The waiver of any breach of this Agreement or failure to enforce any provision of this Agreement shall not waive any later breach.
8. **Binding Effect.** This Agreement is binding upon and shall benefit the parties and their personal representatives, heirs, successors and assigns.
9. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, taken together, shall constitute a single agreement. Facsimile or scanned signatures shall suffice as originals.
10. **No Reliance.** The parties acknowledge that they have had the opportunity to conduct an investigation into the facts and evidence relevant to the decision to sign this Agreement. The parties acknowledge that, in deciding to enter into this Agreement, they have not relied on any promise, representation, or other information not contained in this Agreement.
11. **Non-Precedent Setting.** Nothing in this Agreement is intended to, or does, set or form a precedent by and between the parties in regard to any future situation, practice, grievance or dispute.
12. **Final and Complete Agreement.** This Agreement is the final and complete expression of all agreements between WSNA and PSHMC regarding the subjects addressed by this Agreement, and supersedes and replaces all prior discussions, representations, agreements, policies and practices. This Agreement may not be amended orally. It may be amended only by a writing that specifically refers to this Agreement and is signed by all parties.

Agreed by Providence Sacred Heart Medical Center:

August 18, 2017

Date

Mark Smith

Chief Human Resources Officer, Mark Smith

Agreed by Washington State Nurses Association

August 17, 2017

Date

Timothy Sears

WSNA General Counsel Timothy Sears