

MEMORANDUM OF SETTLEMENT

Between: Gateway Casinos & Entertainment Limited
Operating as Palace Casino (“Palace Casino”)

And: United Food and Commercial Workers Canada Union, Local 401 (“Union”)

Whereas: The parties, mutually agree, subject to ratification, that the following points constitute the agreed amendments and addition to the collective bargaining agreement in the current bargaining:

Article Number	Article Name	Amend/ New	Signed Date	Page #
5.01	Union Membership	Amend	18 Aug 2015	4
6.08	Union Representation	Amend	18 Aug 2015	4
8.04	Discipline and Discharge	Amend	18 Aug 2015	4
8.06	Discipline and Discharge	Amend	18 Aug 2015	5
12.10	Job Posting	NEW	12 Mar 2015	5
13.01	Probation Period/ Trial Period/Evaluation	Amend	12 Feb 2015	6
14.04	Grievance Procedure	Amend	26 Jun 2015	6
14.06	Grievance Procedure	Amend	26 Jun 2015	7
21.01- 21.02	Leaves of Absence	Amend	18 Aug 2015	7
22	Maternity and Paternity Leave	Amend	18 Aug 2015	8
25.01 & 25.05	Bereavement Leave	Amend	18 Aug 2015	8
38.05	Training	Amend	20 Apr 2015	9
39.02	Health & Safety Committee	Amend	24 Jul 2015	9
40	Benefit Plan and Sick Day Entitlement	Amend	18 Aug 2015	9
42.01	Statutory/Paid Holidays	Amend	24 Jul 2015	12

Letter of Understanding	Title	Action	Signed Date	Page #
LOU # (replace 1 & 2)	Sit Stand Stools & Anti-Fatigue Mats	Amend	24 Jul 2015	13
LOU #3	Outdoor Break Area	Renew	18 Aug 2015	15
LOU #4	Boxman Position and Rate of Pay	Renew	18 Aug 2015	15
LOU #5	Baccarat	Renew	18 Aug 2015	16
LOU #	Employee's Right to Relocate to Temporary or Permanent Location & Job Guarantee	NEW	12 Feb 2015	18
LOU #	Security of Employees and Patrons	NEW	03 Jun 2015	19
LOU # (to replace LOU STD program signed 20 Apr 2015)	STD Program	NEW	18 Aug 2015	24
LOU #	Union Visibility	NEW	20 Apr 2015	20
LOU #	Employee Training	NEW	18 Aug 2015	21
LOU #	Retro Pay	NEW	18 Aug 2015	24
LOU #	New Casinos	NEW	18 Aug 2015	23

Apart from the above, errors, and omissions excluded, there are no other changes to the collective agreement.

The Persons & Parties signing below agree to recommend these agreed items as a basis for settlement of all matters in dispute in this collective bargaining.

Signed at Edmonton, Alberta, this 18th day of August, 2015.

For Palace Casino

For UFCW Local 401

Article 5.01 – Union Membership

Signed: August 18, 2015

As a condition of continued employment, all employees hired, rehired, reinstated, or transferred (someone returning to the bargaining unit), will be required to complete and sign an application for Union membership and authorization of a payroll deduction of monthly Union Dues and initiation fees. The employer will give this application to an employee ~~on their start date~~ **and it will be complete on their start date.** ~~In the membership application, the Union will provide a list of the membership dues and initiation fees.~~

Article 6.08 – Union Representation

Signed: August 18, 2015

Both parties are in agreement that Union Representatives will attend a **yearly** briefing on gaming floor AGLC rules and regulations and applicable house policies pertaining to security standards on the casino floor.

Article 8.04 – Discipline and Discharge

Signed: August 18, 2015

~~The employer will advise the employee of his or her right to Union representation by either a Shop Steward or Union Representative if readily available prior to disciplinary action being taken.~~

~~It is recognized that “readily Available” means that a Union Representative can be contacted and can be available to be on site within a reasonable period of time in the totality of the circumstances.~~

A Union Steward or a Union Representative shall be present at the time of discipline, in disciplinary meetings when discipline might occur, and during investigatory meetings.

Union Representatives and Stewards shall be readily available. Readily available means one of them can be contacted to be on site within a reasonable period of time in the totality of the circumstances.

No employee reprimands shall be used in any disciplinary action after twelve (12) months. No suspension shall be used in any disciplinary action after twenty-four (24) months.

Effective the date of ratification, all new disciplinary action relating to Food & Beverage or Slot Variances will remain on an employee file for a period of six (6) months. In order for this time period to elapse the employee must:

- a) be actively at work and/or**
- b) must not incur any further infractions – or –**

the six (6) month time period will re-start.

NOTE: employees with existing discipline related to Food & Beverage or Slot variances on their file at date of ratification will be included in the new clause. As a result, these existing disciplines will remain on an employee’s file for a period not to exceed six months following the date of ratification provided they meet the above criteria.

12.01 In the event a vacancy occurs, the Employer will post such vacancy for a minimum period of ten (10) days in order to allow full-time and part-time employees to apply.

12.04 Employees wishing to step down from a position or classification may do so by notifying Management in writing. When the next position in their department becomes available they will be given the opportunity to step down. The employee will go to the new position with an equal placement on the wage scale (hours and level) and take all of their seniority with them.

12.10 Transfers

Employees will be afforded the opportunity to transfer between the Palace Casino and Baccarat Casino as follows:

- (a) Vacant position will be posted in both locations at the same time. Priority will be given to internal applicants from the posting casino, pursuant to the provisions of the Collective Agreement. Once all internal efforts have been exhausted, the position will then be opened up to all applicants from the other location;**
- (b) The selection process, as identified in Article 12 – Job Postings, will then be used to fill the vacancy;**

- (c) **Employment start date with Gateway, Palace Casino or Baccarat, whichever is greater, will be used to determine length of service and vacation entitlement;**
- (d) **The transferring employee will start at the bottom of the seniority list within the classification to which they have transferred; and**
- (e) **Employees accessing the transfer language will be subject to a trial period as identified in 13.02.**

Remainder of Article – Current Agreement

Article 13 – Probationary Period/Trail Period/Evaluation 2015	Signed: February 12,
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13.01 Probation Period – All new employees of the Palace Casino shall have a probationary period as follows:

New Dealers – Seven hundred twenty (720) hours, with an evaluation at three hundred sixty (360) hours to determine progress and identify areas that need improvement.

All other staff – Four hundred eighty (480) hours **or six calendar months, whichever is sooner**, with an evaluation at two hundred forty (240) hours to determine progress and identify areas that need improvement? This probationary period will be credited towards hours worked on the pay scale.

During this probationary period employees may be terminated at any time without recourse to the grievance procedure or any other remedy. Any exceptions require the approval of the Employer. The Union shall be notified of any such exceptions within five (5) days.

13.02 Current Agreement

13.03 Current Agreement

Article 14.04 – Grievance Procedure 2015	Signed: June 24,
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If unresolved within twenty-one (21) calendar days of being brought, the grievances shall be put in writing. Within twenty-one (21) calendar days of the grievance having been put in writing, the Human Resources Manager and Union Representative shall meet and make efforts to resolve

the matter. During this time frame the ~~Human Resources Manager shall put the~~ Company's response to the grievance **shall be put** in writing and provided ~~it~~ to the Union Representative.

Article 14.06 – Grievance Procedure

Signed: June 24, 2015

If the Union Representative and the ~~Human Resources Manager~~ **Company** do not resolve the matter, a mutually agreed upon single arbitrator shall be appointed within thirty (30) calendar days. The parties will make every reasonable effort to develop a mutually agreed list within thirty (30) calendar days following the ratification of this agreement.

In the event the parties cannot agree on a single arbitrator, the Director of Mediation Services will be asked to appoint one. The cost of the arbitrator will be shared equally by the Palace Casino and The United Food and Commercial Workers Canada Union, Local No. 401.

All other costs will be the responsibility of each party involved.

The arbitrator shall hear the circumstances of the grievance and shall issue a decision. The arbitrator shall not have jurisdiction to alter, add to, subtract from, modify, amend, or change any provision of this Agreement or to deal with any matter not covered by this Agreement, but may, however, interpret its provisions. Findings and decisions of the arbitrator shall be binding and enforceable on all parties.

Article 21 – Leaves of Absence

21.01 An employee, with approval of the Employer, may be granted a leave of absence not to exceed three (3) months. An employee requesting a leave must do so in writing two (2) weeks prior to the commencement and indicate their intention to return two (2) weeks prior to the end of the approved leave. The Employer will respond in writing within one (1) week. A request for an extension of leave must be made two (2) weeks prior to returning, and may be granted by the Employer if request is reasonable. Request for leave of absence shall not be unreasonable denied. A full-time employee who wished to remain covered by the Benefits Plan prescribed in this Agreement must make provisions to pay the full cost of the monthly premiums in advance. Any exceptions require the approval of the Employer. Where an employee utilizes this clause for compassionate reasons, not otherwise defined in the Agreement, less notice will be accepted in emergent circumstances.

21.02 The Employer agrees to allow time off work, without pay, to not more than five (5) employees for delegates selected to attend seminars and Union conventions. The Union will give the Employer two (2) weeks' notice in regard to conventions and seminars and reasonable notice for other matters.

It is recognized that operational demands during the period of July, August, and December may limit this to two (2) employees.

The Employer agrees to grant time off, without pay and without discrimination, to not more than **two (2)** employees designated by the Union, for a maximum period of ~~three (3)~~ **six (6)** months, or a longer period as may mutually be agreeable, to serve in the capacity of official Union business; providing that, notification is given to the Employer in sufficient time to procure a relief person for the job involved.

21.03 Current Agreement

21.04 Current Agreement

Remainder of Article – Current Agreement

Article 22 – Maternity and Paternity Leave
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Signed: August 18, 2015

Amend first paragraph as follows:

An employee who is about to become a father or co-parent shall be entitled to an unpaid leave of absence of up to two (2) days at the time of birth **or adoption** of a child.

Remainder of Article – Current Agreement

Article 25 – Bereavement

Signed: August 18, 2015

25.01 In the event of the death of an employee's spouse, partner, child (including current step-child), mother, father (**including mother-in-law, father-in-law, current step parents**), sister, brother (including step-sister or step-brother), grandparent, grandchild, the employee shall be granted an excused absence of five (5) days (excluding regular days off and holidays) during the period commencing with the date of death, at the employee's regular straight time hourly rate of pay.

25.02 In the event of the death of an employee's current son-in-law, daughter-in-law, current brother-in-law or sister-in-law, current step-parent, legal guardian, grandparent of a spouse, aunt, uncle, niece and nephew, the employee shall be granted an excused absence of one (1) day (excluding regular days off and holidays) during the period commencing with the date of death and ending with the second calendar day after the day of the funeral, ~~provided the employee attends the funeral~~, at the employee's regular straight time hourly rate of pay.

25.03 Current Agreement

25.04 Current Agreement

Article 38 – Training

Signed: April 20, 2015

38.05 Orientation

The Company will provide new hires with training and an orientation program that will include information regarding their employment with the Palace Casino. This will include fire and general safety procedures. **A Union Representative of Shop Steward will be allowed thirty (30) minutes to present an orientation to all new employees regarding Union Membership. This orientation will be on Company paid time.**

Article 39.02 – Health & Safety Committee

Signed: July 24, 2015

A committee of **a minimum of eight (8)** ~~six (6)~~ will be struck with equal representation from both the bargaining unit and the Employer. Employee representatives shall be selected by the employees themselves through a democratic process conducted by their Union. Committee members will be paid for the actual time spent at meetings at straight time rates. **It is understood that the Employer will agree to increase the size of the committee, if the staff compliment and/or the square footage of the Casino increases such that it would be reasonable to do so.**

Article 40 – Benefit Plan & Sick Day Entitlement

Signed: August 18, 2015

Article 40 – Benefit Plan and Sick Day Entitlement

The current employee benefit levels and entitlements will not be reduced during this Agreement. **Benefits between the Baccarat Casino and Palace Casino will be reconciled and made uniform to the superior of the two plans.**

Full-Time Employee Benefit Plan

- 40.01 The following summarizes the full-time employee benefit plan. Included in the package are basic term life, accidental death & dismemberment, dependent life, extended health care, dental and vision, until the age of 70, **short term disability**, and employee paid long term disability (until the age of 65).
- 40.02 All employees who have worked an average of **thirty (30)** hours or more per week for three (3) consecutive months are eligible and must participate in the benefit plan.

- 40.03 The Employer will pay one hundred (100%) percent of the premium cost for each staff member who participates in the plan.
- 40.04 Eligibility is in accordance with the Agreement with the insurer.

Part-Time Employees Benefits

- 40.05 The following outlines the part-time employee benefits that are funded and administered as a Health Spending Account through the insurer. Each part-time employee is entitled to a maximum of ~~three hundred (\$300.00) dollars until November 1st, 2011, then four hundred (\$400.00) dollars until November 1st, 2012 and then five hundred (\$500.00) dollars until November 1st, 2013~~ **six hundred fifty (\$650.00) dollars effective the date of ratification of this agreement** to be used to assist with expenses relating to the following items, as example: eye exams, prescription glasses, prescription drugs, dental procedures or prescribed medical therapy. Eligible expenses are at the insurer's sole discretion. **The benefit entitlement amount will be prorated in 2015; dependent on the month of ratification.** The part-time benefit program shall be prorated for a partial year of employment.
- 40.06 All part-time employees working an average of sixteen (16) hours per week qualify for the part-time benefit program. Before an employee qualifies for part-time benefits, he or she must have worked three (3) consecutive months and have worked a minimum of two hundred eight (208) hours in the past three (3) months. Entitlement continues provided the employee maintains an average of sixteen (16) hours of employment per week.

Employee Sick Pay Entitlement

- 40.07 All employees, who have worked an average of thirty (30) hours per week for a period of one (1) year are eligible for sick pay entitlement.
- 40.08 Eligible employees will be entitled to three (3) sick days from January 1st to December 31st in each calendar year.
- 40.09 The sick pay entitlement will be based on the employee's regular wage rate, including those shifts missed during Statutory Holidays.

If the employee works a consistent shift length, the daily hours of work missed for that shift will be paid.

If the employee works an irregular schedule, where shift lengths vary, an averaged hours of work per day will be calculated and paid.

The sick pay entitlement cannot be carried over to the next sick pay qualification period and employees will not be compensated for unused sick days.

Sick pay entitlement paid will be identified separately on the employee's pay cheque stub.

40.10 Details

The sick pay entitlement may be applied to an approved non-WCB related medical leave of absence; where the employee has contacted the appropriate Department Manager as required by Company Policy and if requested, where the employee has provided a satisfactory medical certificate.

The sick pay entitlement can be approved/booked in advance to replace a full shift in conjunction with an approved medical leave of absence and/or for hospitalization, surgery or out-patient treatment. A medical certificate may be required.

When an employee is required to be absent for a full shift in order to attend medical, dental or other medical specialist appointment that cannot be booked outside of work hours, the sick pay benefit can be approved/booked in advance. Proof of attendance at the appointment(s) may be required.

The sick pay entitlement will not apply to partial shifts missed. Where the employee is not able to complete a shift due to a serious illness or injury, the employee will be paid for the remainder of the uncompleted shift as outlined in Article 23.

The sick pay entitlement will not be used during or to extend a vacation period or a regular unpaid leave of absence unless specifically approved by the Department Manager. The Department Manager may require the employee to provide a medical certificate confirming that the employee was ill or injured during the vacation or leave of absence.

An employee commencing pregnancy leave is not entitled to the sick pay benefit unless the employee has provided a satisfactory medical certificate. If an employee accumulates more than one hundred twenty (120) calendar days of non-medical leave of absences (in any qualifying period), he or she will have his or her remaining sick pay benefit entitlement pro-rated accordingly.

The sick pay entitlement policy will allow employees to call in sick when a day off is required due to illness, illness of an immediate family member, or an emergent situation.

The sick pay entitlement will be subject to Company policies and practices as issued from time to time.

Full-time Employee Group RRSP

40.11 To assist in providing for an employee's retirement, the Employer has established a Registered Retirement Savings Plan (RRSP), administered through an external vendor. Participation is strictly voluntary.

The Employer will match contributions of full-time employees, eligible for the full-time group benefit plan at a rate of thirty (\$0.30) cents for every hour worked, up to a maximum of two thousand eighty (2080) hours per calendar year.

Part-Time Employee Group RRSP

40.12 To assist in providing for an employee's retirement, the Employer has established a Registered Retirement Savings Plan (RRSP), administered through an external vendor. Participation is strictly voluntary.

The Employer will match contributions of part-time employees, eligible for the part-time group benefit rate of fifteen (\$0.15) cents for every hour worked, up to a maximum of forty (40) hours per week.

Article 42.01 – Statutory/Paid Holidays

Signed: July 24, 2015

Statutory/paid holidays for full-time employees will be paid on the Statutory/paid holiday for all hours worked plus one and one half (1 ½ X) times their regular rate of pay on that day.

An employee is not entitled to Statutory/holiday pay when the employee:

Does not work on a statutory/paid holiday when required or scheduled to do so, or is absent from employment, without consent of the Employer, on the employee's last regular work day preceding or first regular working day following the Statutory Holiday.

Full-time employees entitled for Statutory/paid holidays that do not work on the holiday will receive eight (8) hours pay at their primary rate.

This amount will be paid bi-weekly in accordance with the regular pay periods.

~~Paid Statutory Holidays for full-time employees will be paid at the rate of four (4%) percent for all hours worked with the exception of hours worked on days listed in Article 42.06. This amount will be paid bi-weekly in accordance with the regular pay periods.~~

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Sit-Stand Stools & Anti-Fatigue Mats

The Company agree to the following, in regards to Sit-Stand Stools:

1) Pit Areas

Dealers, including Roulette Dealers, will be permitted to utilize sit-stand stools at times when their table is dead.

Floor Supervisors/Pit Bosses will be permitted to utilize sit-stand stools at times when their pit is very quiet. As part of the job, these positions are expected to walk throughout the pit and provide a physical presence at each live table on a frequent basis.

2) Entrances

Security officers will be permitted to utilize sit-stand stools at times when the entrances are quiet. The sit-stand stool will be located at the security podium

3) Training and Education

Annual training will be provided by a technical expert who will provide a 4 hour training session on ergonomics in the workplace. Participants for this annual session will come from the Health & Safety committee, from Supervisors and from managers. Union Representatives shall also be present. This training will be on Company paid time.

Education will be provided to employees who are identified to have access to sit-stand stools in the course of their employment. This education will be provided by the supervisor or manager and will include:

- a) the ergonomic process and benefits of the sit-stand stools
- b) details on the sit-stand stools being provided and how to use it
- c) encouragement for employees to properly use the sit-stand stool(s) and that there will be no repercussion for their proper use.
- d) expectations on the job performance and the expectation that use of the sit-stand stool will not negatively impact on the ability to perform the expectations of the job

- e) expectations that feedback on the sit-stand stool(s) will be completed quickly
- 4) Sit-stand stools will continue to be used, on an ad hoc basis, as part of employee accommodation programs.

5) Ongoing Commitment and other Areas

- a) Anti-Fatigue Mats – The Company will ensure that the condition of anti-fatigue mats is added to the monthly inspection report for the health & Safety Committee. Anti-fatigue mats that are damaged or worn to the point of disrepair, as identified through this process, shall be replaced
- i) The areas shall include:
 - At the games table for Dealers; and
 - In the slot bank, at Cashiers' and Head Cashiers' work stations; and
 - Any other area where an employee works for protracted periods of time in a fixed spot or area.
 - ii) It is understood that some areas might require “runner” style or a “reshaped” anti-fatigue mat.
- b) Annual Ergonomic Review – The Company and the Union will equally share the costs of an annual ergonomic review of the facility.
- c) Minimum Number of Sit-Stand Stools – The Company will normally make available to employees a minimum of six (6) sit-stand stools at the facility. Recognizing the future growth of the Casino, the Company will increase the number of sit-stand stools accordingly.
- d) Other Items – The Health & Safety Committee and the Union Representative will investigate other identified areas for the ergonomic improvements, and make recommendations for the Company to implement reasonable actions to address those areas.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Outdoor Break Area

The Employer commits to meet with the Mall ownership group for the purpose of identifying the need for a safe and secure outdoor break area for employees. If approval can be obtained, this area shall be fenced and the public shall not have access.

This Letter of Understanding will remain in place for the duration of the Collective bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Boxman Position and Rate of Pay

The following has been agreed by both parties:

There has been a removal of Craps, as a non-proprietary game dealt in the Palace Casino, and therefore the removal of the associated wage grid and previous letter of understanding (Dated January 16, 2008).

Any employee currently on the Boxman wage grid will be paid at the Floor Supervisor rate of pay and will remain at the same level they held in the Boxman wage grid.

If, in the future, Craps is reintroduced, the previous wage grid of Boxman will be reintroduced adjusted with the wage increases agreed to in this Collective Agreement.

All full-time and part-time Floor Supervisors who have and maintain the operational standard skills required to supervise and monitor the activity of the Craps games will be paid according to the wage grid, as determined above, and all previously accumulated hours in the Boxman wage grid will be applied to the reintroduced wage grid.

The Employer reserves the right to determine the skills required to supervise and monitor the game of craps as per Article 7.01.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING #5

Between

UFCW, Local 401

And

Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Baccarat

Whereas the Employer recognizes the right and freedom of Employees to choose to unionise;

And whereas the Employer and the Union have demonstrated, and continue to demonstrate, the desire to achieve an improved working relationship;

The parties have agreed as follows:

1. The Employer voluntarily recognises the Union as the bargaining agent for all of its Employees at the Baccarat Casino at its current or any future location. The Union is also voluntarily recognised for successors. Office, Administration, and Surveillance personnel are excluded.
2. The Employer also voluntarily recognises the Union as the bargaining agent for all of its Employees at the Palace Casino at its current or any future location. The Union is also voluntarily recognised for successors. Office, Administration, and surveillance personnel are excluded.
3. The Company and the Union agree to negotiate a Collective Bargaining Agreement, in good faith, for the Employees contemplated in point #1 after notice to commence collective bargaining is served.

4. Before commencing collective bargaining, the Union shall be required to demonstrate reasonable support among the employees from the Baccarat in one, or, at the Union's option, more of the following forms:
 - i) Membership or petition evidence of 50% (plus 1) support as of the date of production of such evidence verified by an independent third party (i.e. Alberta Arbitrator, Andrew Sims)
 - ii) A granted by the Alberta Labour Relations Board
5. In the alternative, either party may cause Collective Bargaining to commence by serving the other with a notice to commence Collective Bargaining. As a minimum, however, the Union shall demonstrate representational capacity by conducting negotiations with a representational bargaining committee and by advancing proposals drawn from employees through employee surveys, meetings, etc. In order to give effect to this voluntary recognition agreement, the agreement shall be ratified by a majority vote of those casting votes at Union conducted ratification meeting(s).
6. In order to facilitate reasonable employee freedom of choice, the Employer agrees to provide the Union with a list of the names, addresses, and telephone numbers of Baccarat employees, such list to be updated every thirty (30) days for the Union. The Union agrees this information will be kept secure and private by the Union except it will be utilised by Union officials and organizers to give employees the opportunity to pursue their statutory right to organise pursuant to the Labour Relations Code.
7. In addition, and also to facilitate reasonable employee freedom of choice, the Employer agrees to grant the Union site access to the Baccarat. The Union shall conduct itself professionally and shall be allowed to present the unionisation option to employees in the lunchroom and in private office space designated by the Employer.
8. If necessary, and upon Union request, the Employer shall arrange onsite staff meeting(s) to allow employees to hear Union presentations.
9. The Employer agrees to be neutral with its employees with respect to their possible unionisation efforts. Employees who question the Employer about their position shall be advised by the Employer that it is their choice whether or not to support the unionisation effort, but that the Employer will negotiate a Collective Agreement with the Union in good faith should unionisation be achieved. The Employer will also direct employees to a designated Union Representative with their questions.
10. If collective bargaining occurs for Baccarat employees, the parties agree to make efforts to negotiate terms that will enhance opportunities for movement between Palace Casino and Baccarat Casino or their successors.
11. This Letter of Understanding is part of the Employer's overall offer of settlement and is subject to ratification by the Palace Casino Employees.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Employees' Right to Relocate to Temporary or Permanent Locations & Job Guarantee

If the Employer moves the Palace Casino business/operation, employees shall have the right to move with it. Employees shall enjoy this right if the operation moves temporarily or permanently and regardless of the number of times it moves. To be clear, unless an employee has otherwise been terminated for just cause, Palace employees will be guaranteed their employment if and when the business, in whole or in part moves, transfers or relocates in any way to any other location, temporarily or permanently. The employees have the right to "go" with the business.

This Collective Agreement and the Union, and all related rights and privileges for the bargaining agent and the employees will "move", transfer and flow as well. Rights and privileges such as seniority shall be uninterrupted.

It is understood that if the Palace continues to operate and the Employer opens a new operation in the Greater Edmonton Area, employees shall have the right to stay at the Palace or transfer to the new location.

All employees shall be entitled to ninety (90) days' notice of the expected date of closure and/or opening of a new permanent or temporary casino. They shall also be entitled to ninety (90) days' notice of the closing of any part of the casino and the opening of any new facility in addition to the current casino.

Employees who do not wish to move to any new location and do not wish to avail themselves of this guarantee of employment shall be entitled to receive notice or pay in lieu of notice in accordance with the Employment Standards Code of Alberta.

Employees, pursuant to the guarantee of employment, if they choose to relocate to any new facility, shall be entitled to continuous employment in the same position they had at the Palace.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Security of Employees and Patrons

The Company is committed to ensuring the safety of the employees, in part, by knowing the patrons in our casinos.

Assessments of Patrons:

All patrons will be asked for, and required to provide, proper identification (ID), with the exception of patrons who have existing files with the Casino, or who are clearly known to the Casino. They will be assessed for intoxication, underage, suspicious behaviour, and banned patrons (including voluntary self-exclusions) and any other relevant risk factors. Bags that patrons bring into the Casino shall be inspected and patrons shall be directed to Guest Services for mandatory bag checking. Purse and small personal bags can be exempted, but Officers can and should inspect if necessary.

Commitment of Resources:

The Company is committed to ensuring staffing levels of the Security department is above the AGLC minimum requirements.

Training of Security Officers:

The Company is committed to ensuring that all Security Officers successfully complete security officer training programs, and we will enroll Security Officers in the programs within 60 days of probation completion. Security programs will be similar to Pressure Point Control Tactics (PPCT), Verbal Judo, and First Aid training. The Company shall pay for training and it shall be treated as time worked for all purposes. Any other necessary or recommended training shall also be provided, upon agreement between the Company and Union.

Ongoing Meetings:

The Company is committed to ensuring that security of employees and patrons remains a standing topic agenda item for the Joint Health & Safety Committee. The Company shall implement all reasonable recommendations, subject to fair Corporate Security review.

Public Entrance Control:

Entrance shall be configured to create pinch points. Security podiums shall be added to entrances to ensure Security Officers' visibility and ability to fulfill their obligations to engage in the ID and patron scrutiny described above. ID scanning equipment, that meets AGLC requirements, shall be acquired and utilized to scan ID's within 6 months of ratification.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Union Visibility

The following has been agreed to by both parties:

The Company is committed to fostering an environment where the Union has a fair voice and significant visibility.

The Company is also committed to compliance with the Collective Bargaining Agreement.

To assist in achieving these objectives, the Company shall grant time off to an employee selected by the Union to act in the role of a "Walking Steward". The Union will notify the Company of the named Walking Steward no later than two (2) weeks prior to their start date. The Walking Steward will maintain their benefits while on leave and the Baccarat Casino will be responsible for fifty percent (50%) of Company paid benefits.

Pursuant to this Collective Bargaining Agreement, the Walking Steward wage rate will be based on an amount equal to the top rate of Floor Supervisor – with Craps classification. In order to convert this to an annualized dollar figure the hourly wage rate will be multiplied by two thousand eighty (2080) hours and the Baccarat Casino will contribute fifty percent (50%) of this amount per year toward this position based upon the position being filled on a full-time basis.

The walking Steward shall be selected by, report to, and be responsible to the Union.

The employee designated as the Walking Steward shall continue to accrue seniority during the time they act as the Walking Steward and shall retain the other rights and privileges afforded to them under the Collective bargaining Agreement.

Accountabilities of the Walking Steward shall include, but not be limited to the following:

- Union Co-Chair for joint committees such as the Joint Health & Safety Committee and the Labour Management Committee
- Provide training for employees, Shop Stewards, and Management representatives on matters pertaining to the Collective Bargaining Agreement and labour relations generally
- Make efforts to ensure that there are sufficiently trained Shop Stewards to address issues and grievances in the Casino
- Participate as a Union Representative as provided for elsewhere in the Collective Bargaining Agreement (e.g. new employee orientations)
- Participate as a Union Representative for investigation, grievance resolution meetings and to facilitate/mediate resolution of issues
- Visit the Employers Edmonton workplaces, observe working conditions, and enforce the Collective Bargaining Agreement ensuring that their own conduct complies with the Collective Bargaining Agreement

The parties agree that new Walking Stewards shall have a reasonable period of time to learn their role and familiarize themselves with the position.

When the employee returns from their leave of absence, they will be provided a position the same as their pre-leave of absence in accordance with their new seniority.

Any issues in meeting the above accountabilities, or other issues with the Walking Steward position, will be raised by the Company for the Union to address through Article 14 – Grievance Procedure, but the Walking Steward, its related costs, and its related provisions cannot be changed or eliminated for the period of the Collective Bargaining Agreement.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING

Between

UFCW, Local 401

And

Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Employee Training

The Employer is committed to maintaining a standard level of competency for its staff and will provide training to maintain that standard where required.

The Employer also understands the need for growth in dealer game knowledge to accommodate staffing needs, as well as a desire for staff to improve their game knowledge and will provide training for staff. The Employer commits to offering a minimum of one (1) training course in every available table game during the lifetime of the Agreement.

The Employer further commits to offer Roulette training and training on one additional game within the first year after ratification at Palace Casino.

In the event that there are more applicants than space available for the scheduled training:

- 1) The Employer will post the notice of a training opportunity and the location of the training thirty (30) days prior to its scheduled start date
- 2) When an employee signs up for the training they will receive a pamphlet to study from for the entrance exam
- 3) In the event there are more applicants than openings for the training the opening will be filled as follows:
 - a) The Employer will look at all passing marks for the entrance exam
 - b) Of the employees with the passing marks – seniority (beginning with employees of the casino offering the training) will be used to determine how the opening slots are filled.

Training Model:

- 1) Employees will be expected to devote up to forty (40) hours a week to training until training is completed.
- 2) While in training, employees will be removed from the rotation and not scheduled to work
- 3) All hours spent in training will continue to count towards seniority
- 4) The Employer will pay employees their regular wage while they are participating in training.
- 5) The Employer will not reimburse or supplement tips while an employee is participating in training.
- 6) An employee is expected to attend all required/scheduled training sessions required
- 7) In the event that a training course is scheduled at a casino location other than the employees', it will be the employees' responsibility to source transportation to the casino. The Employer will not reimburse the employee for transportation costs.
- 8) The Employer will not provide meals or reimburse employees for meal expenses during training.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: New Casinos

The following has been agreed to by both parties:

New Casinos

As the opening of the new Casinos nears and the Company is able to solidify the business and operational requirements of the new Casinos, in a way that allows for a comprehensive and knowledge based determination of the required classifications; the Company agrees to notify the Union in writing of any new classifications and subsequent duties prior to implementing the relevant classifications. For new classifications the Company will follow Article 11 – New Classifications.

It is the Company's goal to own and operate any new food and beverage operations; the Company shall make every commercially reasonable effort to do so. That being said, any Gateway Casinos & Entertainment Ltd. owned and operated food & beverage areas, in the new Casinos, will be Union shops.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: As of Ratification

Subject: Retro Pay

All employees employed as of the date of ratification, and any employees that retired from the Palace Casino between the period of November 2, 2013, up to and including the date of ratification will receive 3.5% retro pay on all hours worked between November 2, 2013, and November 2, 2014, and the date of ratification at the new rate of pay, less applicable withholding taxes.

NOTE: Retro pay does not apply to any employee that voluntarily resigned, were terminated by the Company, or did not pass their probationary period during the above mentioned period.

This Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled, or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Affective: Within 30 Days of Ratification

Subject: Short Term Disability Program

The Employer will pay 100% of the premium cost of a Short Term Disability (STD) plan for the employees who meet, or have met, the eligibility requirements as per Article 40.01-40.04, Full-Time Employee Benefit Plan.

This plan will provide a benefit of sixty-six and two thirds (66.7%) percent of an employee's regular earnings following a three (3) day deductible period for any injury or illness that is not

work related. The term of the Short Term Disability plan will be approximately sixteen (16) weeks or the length of the waiting period for the Long term Disability (LTD) program. All applicants for Long Term Disability (LTD) are still subject to the adjudication process of the carrier.

NOTE: Approval for Short Term Disability in no way guarantees approval for Long Term Disability.

The terms and conditions of this plan will be defined by the STD policy document which shall be consistent with the document already reviewed by the Company and the Union.

The Company shall provide the Union with the STD policy document, once it is received from the carrier.

LETTER OF UNDERSTANDING

Between

UFCW, Local 401

And

Gateway Casinos & Entertainment Ltd.

Effective: As of Ratification

Subject: Housekeeping

The following has been agreed to by both parties:

The company agrees that no current employee (actively employed at the date of ratification) in the Housekeeping department shall not be displaced as a result of contracting out or contracting in.

The current employee list of the Housekeeping department is:

Alemul Kassa

Barb O'Brien

Debbie Riehl

Perfecto Clarito

The Letter of Understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, reviewed, cancelled or renegotiated based upon the success of the program.

LETTER OF UNDERSTANDING
Between
UFCW, Local 401
And
Gateway Casinos & Entertainment Ltd.

Effective: As of Ratification

Subject: Minimum Wage

The following has been agreed to by both parties:

Within 30 days of a minimum wage announcement, by the Provincial Government of Alberta, the Company shall prepare wage grids and share with the Union and meet with the Union to implement the following principles and steps;

1. If Level 1 of the classification is less than the new minimum wage, then increase Level 1 of the classification to the new minimum wage
2. Build a new wage grid as

Level 1 = Minimum wage	or	Level 1 = Minimum wage
Level 2 = +0.50		Level 2 = +0.50
Level 3 = +0.50		Level 3 = +0.50
Level 4 = +0.50		Level 4 = +1.00
3. For dealers, the parties agree they will also keep the 0.25 game knowledge premium between Dealer classification 1 and 6 as outlined in Article 43.01, separate from the minimum wage principles

Dealer 1 Level 1 = minimum wage
Dealer 2 Level 1 = 0.25
Dealer 3 Level 1 = 0.25
Dealer 4 Level 1 = 0.25
Dealer 5 Level 1 = 0.25
Dealer 6 Level 1 = 0.25
4. The new wage grid will be compared to the negotiated wage grid in Schedule A, for the year in which the minimum wage change is legislated
5. Then Choosing the higher wage (from the new wage grid or the negotiated wage grid in schedule A) level by level and compile a revised wage grid

6. Move the employees to the revised wage grid by level, based on hours, ensuring that no employee's wage or level will be decreased
7. At each CBA anniversary date the Company will:
 - a. Prepare an amended minimum wage grid as per step 5
 - b. Compare the amended minimum wage grid to the negotiated wage grid in Schedule A for the CBA anniversary year
 - c. Choose the higher wage (from the new grid or the negotiated wage grid in Schedule A) level by level and compile a revised wage grid
 - d. Move the employees to the new grid by level, based on hours, ensuring that no employee's wage or level will be decreased

This letter of understanding will remain in place for the duration of the Collective Bargaining Agreement at which time it may be removed, renewed, canceled, or renegotiated based upon the success of the program.

LETTER OF COMMITMENT – NOT PART OF CBA

Should a Security Guard be authorized and scheduled to act in the capacity of a Security Supervisor the Employer agrees to pay the guard a relief rate commensurate with the enhanced responsibility.