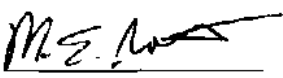


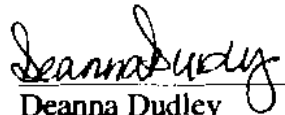
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Mike Rotkin

Side Letter on Appendix E.II, III and IV and Waiver (Article 28)

1. The parties agree that the relevant sections of APM-140 that are contained in Appendix E.II in the MOU dated January 12, 2006 will become a new article, Alternative Dispute Resolution, in the successor MOU to the MOU dated January 12, 2006.
2. The parties agree that a small group will meet to finalize the language in the Alternative Dispute Resolution article. Such negotiations are required to incorporate modifications to APM-140 made since July 1, 2000 and for housekeeping connected to moving the former Appendix E.II language into the MOU. The parties agree to finalize the language of the new Alternative Dispute Resolution article by March 20, 2008.
3. The parties agree that the small group will also review the Waiver article (Article 24). Final agreement on Waiver (Article 24) will not occur until the parties have reviewed and discussed all implications of moving the language of the former Appendix E.II, III, and IV to new articles in the MOU.
4. If the parties cannot reach agreement through this small group process, the successor MOU will contain the same language in Waiver and Appendix E.II, E.III, and E. IV as the MOU dated January 12, 2006.

  
Mike Rotkin  
Chief Negotiator  
UC-AFT

3/9/08  
Date

  
Deanna Dudley  
Chief Negotiator  
University of California

3/9/08  
Date