

SIDE LETTER
PEB Negotiations

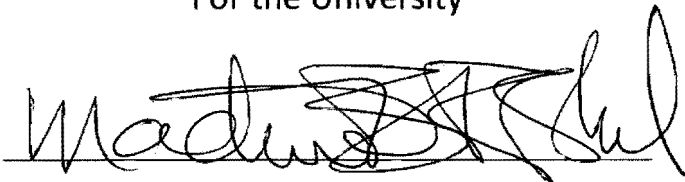
The University of California intends to propose a new benefit tier in UCRP and changes to retiree health care benefits. AFSCME and the University agree to address these issues in the context of successor negotiations in the SX and EX bargaining units.

In recognition of the complex nature of the issue(s), the parties shall meet not later than February 15, 2012 to develop a mutually agreeable process to facilitate the negotiation of these matters, with the understanding it is the intent of the parties to reach an agreement by April 2013. In the event agreement is not reached by the onset of successor negotiations for each unit, any and all PEB issues will then be subject to the successor negotiations, only.

In support of this objective, the parties agree to the following initial timeline:

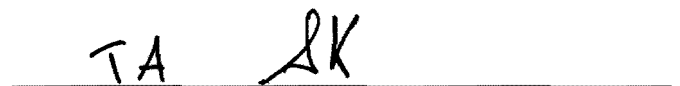
- AFSCME shall provide the University with its initial PEB bargaining information request by February 15, 2012. AFSCME reserves the right to make supplemental information requests.
- The University shall respond to all PEB information requests as soon as practicable.
- Meet and confer sessions shall occur with sufficient frequency as to enable the parties to reach agreement by April 2013, if possible. Prior to the onset of successor negotiations, PEB issues and discussions will be integrated into discussions of other issues subject to meet and confer, or may be discussed separately from other issues, or may be discussed with a coalition of unions, as agreed by the parties.

For the University



Nadine Fishel September 22, 2011

For AFSCME



Steven Kreisberg September 22, 2011