

April 4, 2008

Mr. Joe Lanthier
Secretary Treasurer
IBT Local 856
453 San Mateo Ave.
San Bruno, CA 94066

Re: 2006 - 2009 San Bruno Professional Fire Fighters Association

Dear Joe:

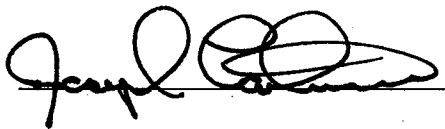
This letter reflects the agreement between the City of San Bruno and the Teamsters Local 856 and clarifies the understanding of the parties related to the Medical, Dental, and Vision Insurances in the September 5, 2007 Letter of Understanding.

The intent is to clarify relevant sections of the Letter of Understanding regarding the dollar amount remaining above the actual medical premium increase (on October 1) and the 10% maximum medical premium increase to be paid by the City. The City and Union agree that effective October 1, 2008, the City will apply the October 2007 medical premium savings below the 10% cap (\$34.75 per month) to the salary schedule for each position, along with any additional October 2008 medical premium cap savings.

If on October 1, 2008, the new medical premium amount is over the 10% medical premium cap, that difference will be the responsibility of the employees. This amount will be added to each employee's contribution toward the medical premium.

Sincerely,

Teamsters, Local 856

A handwritten signature in black ink, appearing to read "Joe Lanthier", written over a horizontal line.

City of San Bruno

A handwritten signature in black ink, appearing to read "Constance Adelson", written over a horizontal line.