

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into this 21st day of March 2012, by and between the Charter Township of Redford, a Michigan municipal corporation, whose address is 15145 Beech Daly Road, Redford Township, Michigan 48239 (hereinafter "Township"), and the Redford Township Fire Fighters Union Local 1206 (hereinafter "Union").

WHEREAS, the parties have met and negotiated certain revisions to the parties' current collective bargaining agreement which is set to expired on March 31, 2013.

WHEREAS, based on those negotiations, the parties' have reached an agreement to modify the existing collective bargaining agreement with the terms and conditions as set forth below.

NOW THEREFORE, in consideration of the mutual covenants, promises, and obligations contained in this Letter of Understanding, the parties agree as follows:

1. Effective April 1, 2012, there shall be a two (2%) percent reduction in base salary for all employees. However, such two (2%) percent reduction in salary shall not affect an employee's calculation for final average compensation. Instead, the final average compensation shall be based on the original wages as set forth in the parties' collective bargaining agreement.
2. Effective April 1, 2012, all employees shall pay ten (10%) percent of the annual illustrative rate for provided medical insurance regardless of provider.
3. Effective April 1, 2012, the food allowance as set forth in Article XXV shall be suspended for all employees until March 31, 2013.
4. During the term of the parties' current collective bargaining agreement (through March 31, 2013) the Township shall schedule nine (9) firefighters per shift. The Township may utilize up to three (3) auxiliary firefighters to meet the nine (9) firefighters per shift requirement.

The Township's obligation to schedule nine (9) firefighters per shift shall expire on its own terms on March 31, 2013, and after that date shall have no further force or effect. The union's obligation to allow up to three (3) auxiliary firefighters to meet the nine (9) firefighters per shift shall also expire its own terms on March 31, 2013, and after that date shall have no further force or effect.

5. The Township agrees that new hire auxiliary fire fighters will be trained as a "third rider" for 240 hours.

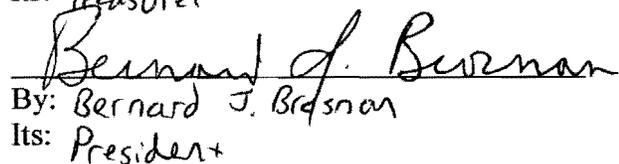
6. Effective April 1, 2012, the parties agree that the Township will be permitted to transfer the three (3) lowest in seniority full-time firefighters to become auxiliary firefighters. Such employees will no longer be members of the bargaining unit and will be paid in accordance with the Township's established pay schedule for other auxiliary fire fighters. It is understood that the three firefighters who are transferred to auxiliary firefighter status, will be returned to the bargaining unit with full time status when openings occur. It is further agreed that if the transferred employees are reinstated to fulltime status, they shall do so with the same level of seniority accrued prior to the transfer to auxiliary status.

7. All other terms and conditions of the parties' collective bargaining agreement not otherwise modified by this Letter of Understanding shall remain in full force and effect.

REDFORD TOWNSHIP FIRE FIGHTERS

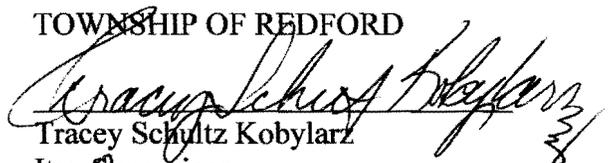


By: Chris Mayer
Its: Treasurer

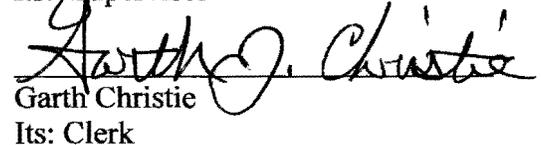


By: Bernard J. Brennan
Its: President

TOWNSHIP OF REDFORD



Tracey Schultz Kobylarz
Its: Supervisor



Garth Christie
Its: Clerk