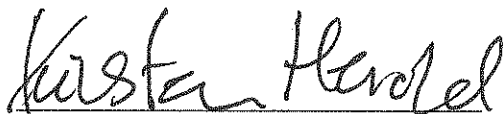


June 12, 2009

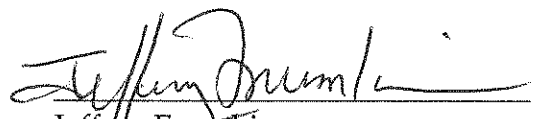
SETTLEMENT AGREEMENT

The University of Michigan (hereafter the Employer) and the Lecturers' Employee Organization (hereafter the Union) agree to the following as full and final settlement for the grievance filed by the Union on November 13, 2008 regarding the annual salary increase for the 2008-09 academic year on the Ann Arbor campus. The parties agree that this settlement shall not be used to establish a precedent or practice in any other proceeding between the parties and shall not be admissible in any other matter between the parties except one to enforce the terms of this agreement.

1. In exchange for the following items, the Union will withdraw the grievance filed on November 13, 2008 without prejudice.
2. The Employer agrees to provide each eligible Employee, as defined below, an additional 1.5% increase to the 2007-08 Full Time Rate (FTR) for work performed between September 1, 2008 and August 31, 2009. This increase will be paid in a single payment in the June 2009 pay cycle and will be considered an adjustment to an Employee's full time salary rate for any future contractual salary increases occurring on or after September 1, 2009.
3. An Employee is considered eligible for the additional 1.5% increase if he or she was eligible for the annual increase in the 2008-09 academic year. (See Article XV.A.2.b). Please see the attached list of eligible Employees. In limited situations, if an Employee was on an approved leave of absence or layoff in a previous academic year and was reappointed in the 2008-09 academic year, the Employer and Union may review the circumstances to determine eligibility for the 1.5% increase.
4. The Employer and the Union agree to discontinue the use of the current language in Article XV, section A.2.b for the Ann Arbor campus and instead will bargain the basis for computation of any annual ("across the board") increase for the 2009-2010 academic year no later than July 31, 2009.
5. All of the named parties listed on the signatory lines have agreed to the following as full and final settlement and release of all claims with respect to the instant grievance.



Kirsten Herold
For the Lecturers' Employee Organization


Jeffrey Frankin
For the University of Michigan