

August 24, 2012

44 Montgomery Street  
Suite 400  
San Francisco, CA  
94104-4606

Gregg McLean Adam  
Direct Dial: 415.743.2534  
gadam@cbmlaw.com

415.989.5900  
415.989.0932 Fax  
www.cbmlaw.com

**VIA EMAIL AND REGULAR MAIL**

Los Angeles  
Sacramento  
Walnut Creek

Charles D. Sakai, Esq.  
Renne Sloan Holtzman & Sakai  
350 Sansome Street, 3rd Floor  
San Francisco, CA 94104

**Re: The City's Refusal to Arbitrate the Parties' Dispute About the  
Meaning of Article 51 (Contracting Out)  
File No. 038780**

Dear Charles:

I write as my associate and I prepare pleadings in support of a petition to compel arbitration regarding the above referenced matter. We do so because your client refuses to arbitrate our dispute over the meaning and interaction of articles 51.1 and 51.2. These latest court proceedings are completely unnecessary.

As we have discussed, telephonically, the only basis your client has provided to the POA for refusing to arbitrate is Mr. Gurza's conviction that his interpretation is correct. As you well know, that is not a legitimate basis for refusing to arbitrate.

This appears to be a simple attempt by the City to throw as many roadblocks as possible – whether meritorious or not – in the way of the POA's challenge to this effort to contract out. Notably it comes at a time when the POA has, notwithstanding all of our current disputes, been trying to work collaboratively with the City over interest arbitration for new employee retirement benefits. It feels like "no good deed goes unpunished."

Going forward, the POA will bear in mind your client's conduct. We can accept the disagreement over what the language means – that's the whole point of the grievance and request to arbitrate – but trying to evade the obligation to arbitrate, simply because the City can, is something we cannot accept.

Charles D. Sakai, Esq.

Re: The City's Refusal to Arbitrate the Parties' Dispute About the Meaning  
of Article 51 (Contracting Out)

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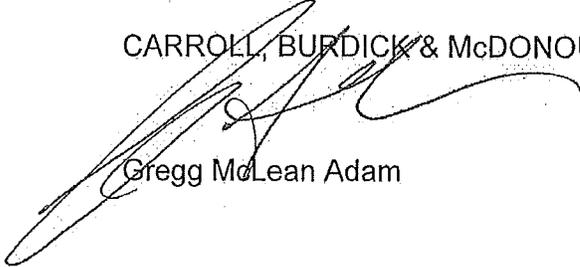
Regarding the underlying merits of the grievance, my client believes that Mr. Gurza knows full well what the parties agreed to at the table with respect to contracting out. In this business, one's handshake is one's bond.

With main table negotiations on the horizon, your client's conduct does not forebode well.

Consider this one last request that the City agree to arbitrate this dispute.

Very truly yours,

CARROLL, BURDICK & McDONOUGH LLP



Gregg McLean Adam