



December 4, 2008

Ms. Kathy Geroux  
President  
Oregon Federation of Nurses and Health Professionals  
2045 S.E. Ankeny Street  
Portland, Oregon 97214

Dear Ms. Geroux:

RE: LOU: Oregon Federation of Nurses and Health Professionals – Kaiser Foundation Health Plan Retirement Plan ("OFN Plan")

The following is an agreement between Kaiser Foundation Hospitals (Hospitals), Kaiser Foundation Health Plan of the Northwest (Health Plan) and Oregon Federation of Nurses and Health Professionals, AFT Healthcare – Local 5017, AFL-CIO (Union) modifying collective bargaining agreements of the same parties with respect to Registered Nurses (October 1, 2005 – September 30, 2010), Registered Dental Hygienists (October 1, 2005 – October 15, 2011) and Technical Employees (October 1, 2005 – October 1, 2011).

Under the above-referenced collective bargaining agreements Hospitals and Health Plan are required to contribute to the OFNHP-KFHP Retirement Plan and Trust (the Plan). The parties have agreed that the Plan should be frozen and that future accrual of retirement benefits for eligible Plan members will be addressed by other means. The freeze and accrual of benefits will be in accordance with an Agreement and Memorandum of Action signed by the parties, copy of which is attached hereto for reference. This Letter of Understanding will take effect on the effective date of the Agreement and Memorandum of Action.

The parties agree to amend all portions having to do with the defined contribution pension plans in these three labor agreements between the parties:

- Oregon Federation of Nurses and Health Professionals, AFT Healthcare – Local 5017-AFL-CIO, Registered Dental Hygienists.
- Oregon Federation of Nurses and Health Professionals, AFT Healthcare – Local 5017-AFL-CIO, Registered Nurses.
- Oregon Federation of Nurses and Health Professionals, AFT Healthcare – Local 5017-AFL-CIO, Technical Employees.

The parties agree that effective January 1, 2009 the defined contribution pension will be as follows:

OFNHP RN: contribution rate of 1.5% of "compensation"

OFNHP RDH & Technical groups: contribution rate of 1.0% of "compensation"