

**SKILLED WORKFORCE
SUPPLY & TRAINING AGREEMENT**

LANE FIELD NORTH HOTEL AND RETAIL PROJECT

**CITY OF SAN DIEGO,
SAN DIEGO COUNTY,
CALIFORNIA**

BETWEEN

HENSEL PHELPS CONSTRUCTION CO.

AND

SAN DIEGO COUNTY BUILDING & CONSTRUCTION TRADES COUNCIL

1. INITIAL PROVISIONS

1.1 This Skilled Workforce Supply & Training Agreement (“Agreement”) is entered into by Hensel Phelps Construction Co. (“Primary Employer”), and the San Diego County Building & Construction Trades Council (“Council”) and its affiliated local unions that have executed this Agreement, all of whom are referred to collectively as the “Unions.”

1.2. The Lane Field North Hotel and Retail Project includes, but is not limited to, construction of a 250 room medium service hotel, a second approximately 150 room extended stay hotel, and approximately 24,000 square feet of retail and restaurant uses outside the hotels, an approximately 365 stall parking facility, with associated infrastructure and related improvements (the “Project”). The Project will be constructed on an approximately 1.97-acre site within tidelands property administered by the Unified Port District of San Diego (“Port of San Diego”) located on the north side of Broadway, between North Harbor Drive and Pacific Highway, directly across from San Diego Bay, City of San Diego, San Diego County, California (the “Project Real Property”). LPP Lane Field, LLC (“Owner”) is leasing the Project Real Property from the Port of San Diego and controls the site at which the Project will be constructed. It is understood and agreed by and between the parties to this Agreement that the final plans for the Project may be subject to design changes and modifications, or may be revised as a result of the approval by those public agencies possessing lawful approval authority over the Project, and that this Agreement applies to the Project as it is finally approved by such entities and agencies. It is further understood that if the Primary Employer is awarded additional projects on the Lane Field property, including but not limited to the proposed Lane Field Park and the Lane Field South projects, those projects shall be considered part of this Project and subject to this Agreement.

1.3 Primary Employer is a contractor primarily engaged in the building and construction industry. Primary Employer has been authorized by the Owner to enter into this Agreement with respect to the Project.

1.4 As provided below, all project managers, construction managers, contractors, subcontractors or other persons or entities assigning, awarding or subcontracting Covered Work (as defined in Section 2.1), or authorizing another party to assign, award or subcontract Covered Work, or performing Covered Work, will be subject to this Agreement by executing Attachment A, the Employer Agreement To Be Bound (all of whom, including the Primary Employer, are individually and collectively referred to as “Employer” or “Employers”).

1.5 The Unions are labor organizations whose members are construction industry employees who generally work in close proximity to one another at construction job sites and whose jobs are closely related and coordinated. Each of the Unions is a party to a multi-employer collective bargaining agreement (“Master Agreement”) that covers the geographic area of the Project. Where the term Master Agreement is used, it means the existing Master Agreement currently in effect as to each of the Unions.

1.6 A large labor pool represented by the Unions will be required to execute the work involved in the Project. Employers wish, and it is the purpose of this Agreement, to ensure that a sufficient supply of skilled craft workers are available at the Project, that all construction work and related work performed by the members of the Unions on this Project shall proceed continuously, without interruption, in a safe and efficient manner, economically with due consideration for the protection of labor standards, wages and working conditions.

1.7 In furtherance of these purposes and to secure optimum productivity, harmonious relations between the parties and the orderly performance of the work, the parties to this Agreement agree to establish adequate and fair wage levels and working conditions and to protect the Project against strikes and lockouts and other interference with the process of the work.

1.8 In the interest of the future of the construction industry in the local area, of which the Unions are a vital part, and to maintain the most efficient and competitive posture possible, the Unions pledge to work and cooperate with the

management of the Project to produce the most efficient utilization of labor and equipment in accordance with this Agreement.

2. SCOPE OF AGREEMENT

2.1 This Agreement covers all on-site construction, alteration, painting or repair of buildings, structures and other works and related activities for the Project that is within the craft jurisdiction of one of the Unions and that is directly or indirectly part of the Project, including, without limitation, pipelines (including those in linear corridors built to serve the Project), pumps, pump stations, start-up, site preparation, survey work, field soils and material inspection and testing, all on-site fabrication work provided such work is within the fabrication provision of a local master or national agreement of one of the Unions, demolition of existing structures, and all construction, demolition or improvements required to be performed as a condition of approval by any public agency. On-site fabrication work includes work done for the Project in temporary yards or areas near the Project. All fabrication work over which the Owner, Primary Employer or other Employer possesses the right of control, including without limitation, the fabrication of medical gas piping, air-handling systems and ducts, and HVAC sheet metal work, and which is traditionally claimed as on-site fabrication shall be performed on-site. For the convenience of the Primary Employer or other Employers, such work may be performed off-site. In that event, such fabrication work shall be performed in accordance with the union standards established by this Agreement for the appropriate craft Union or by a fabrication agreement approved by the craft's International Union. On-site construction shall also include the site of any batch plant constructed solely to supply materials to the Project. This Agreement also covers the construction of offsite utilities if a contract for such work is awarded directly or indirectly by Primary Employer or other Employer, provided that work performed by San Diego Gas & Electric or another utility, or their contractors, is excluded from this Agreement. All work described in this Section is within the scope of this Agreement and is referred to herein as "Covered Work". Covered work

shall not include tenant improvement work performed in the Podium Retail Area of the project or the installation of furniture, fixtures and equipment in the project.

2.2 This Agreement applies to all employees performing Covered Work. It does not apply to Primary Employer's supervisors not covered by a collective bargaining agreement, non-manual employees including, but not limited to, executives, office and clerical employees, drafters, engineers not performing Covered Work described in Section 2.1, time keepers, messengers, or any other employees above the classification of general foreman or who perform administrative/clerical functions.

3. SUBCONTRACTING

3.1 Primary Employer, and each other Employer, agree that it will contract for the assignment, awarding or subcontracting of Covered Work, or authorize another party to assign, award or subcontract Covered Work, only to a person, firm, corporation or other entity that, at the time the contract is executed, has become a party to this Agreement by executing Attachment A, the Employer Agreement To Be Bound.

3.2 Primary Employer, and each other Employer, agree that it will subcontract Covered Work only to a person, firm, corporation or other entity who, at the time the work is performed, is a party to this Agreement and is signatory to the Master Agreement of the craft Union having traditional and customary jurisdiction over the work to be performed by that contractor or subcontractor. Any Employer other than Primary employer performing Covered Work on the Project shall, as a condition to working on the Project, at the time the work is performed, be signatory to and perform all work under the terms of this Agreement and the applicable Master Agreement. Employers (other than Primary Employer) shall become a party to this Agreement by signing Attachment A, the "Employer Agreement to be Bound." Every Employer shall notify the Council in writing within five (5) business days after it has subcontracted work, and shall at the same time provide to the Council a copy of the executed Employer Agreement to be Bound.

3.3 Primary Employer will require all contractors and subcontractors who are signatory to an applicable Master Agreement and who are awarded or are performing work on the Project, to become signatories to this Agreement prior to performing Covered Work and will not allow any such contractors or subcontractors to work unless it becomes signatory to this Agreement. In addition, any of the Employers who are required to become signatory to this Agreement (and not including Primary Employer) will also become signatory to the applicable Master Agreement, subject to section 3.3.2.

3.3.1 This Agreement does not apply to work performed by Owner's employees not normally performed by the craft Unions signatory to this Agreement

3.3.2 Primary Employer agrees to the extent that it performs any construction with its own employees on this project, all such work shall be in accordance with this project specific Agreement and the appropriate Schedule A.

3.4 Except as provided in Section 2.1, the delivery of materials, supplies or equipment shall in no case be considered subcontracting.

4. WAGES AND BENEFITS

4.1 All employees covered by this Agreement (including foremen and general foremen if they are covered by the Master Agreement) shall be classified and paid wages, other compensation, including but not limited to travel, subsistence, and shift premium pay, and contributions made on their behalf to multi-employer trust funds, all in accordance with the then current multi-employer Master Agreement of the applicable Union.

4.2 Any special interest bargaining which establishes wage rates, classifications, zones, or wage escalations which apply exclusively to the Project will not be recognized. In addition, there shall be no redlining of the Project in any future multi-employer collective bargaining agreements by singling out, either by name or by effect, the Project or the Employers for less favorable wages, benefits or

working conditions than are generally accorded other industrial projects in the same general geographic area.

5. UNION RECOGNITION

5.1 The Employers recognize the Unions signatory to this Agreement as the sole and exclusive collective bargaining agents for their respective construction craft employees performing Covered Work for the Project, and further recognize the traditional and customary craft jurisdiction of each Union.

5.2 All employees performing Covered Work shall be or shall become and then remain members in good standing of the appropriate Union as a condition of employment on or before the eighth (8th) day of employment, or the eighth (8th) day following the execution of this Agreement, whichever is later.

5.3 The Unions shall be the source of all craft employees for Covered Work for the Project. Employers agree to be bound by the hiring and layoff practices of the respective Union, including hiring of apprentices, and to utilize its registration facilities and referral systems.

5.4 Employers and Unions agree not to engage in any form of discrimination based on age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion, sexual orientation, political affiliation, or membership in a labor organization or other protected status recognized under the laws of the State of California or applicable federal law.

5.5 In the event the referral facilities maintained by the Unions do not refer the employees as requested by the Employer within a forty eight (48) hour period after such requisition is made by the Employer (Saturdays, Sundays and holidays excepted), the Employer may employ applicants from any source, but shall arrange for a dispatch to be issued for such applicant from the Union within twenty four (24) hours of the commencement of employment and the dispatch shall upon request be issued by the Union to the employee. Employer will notify the Unions of such gate-hires.

5.6 Each Union shall have the right to designate a working journeyperson as a steward. The steward shall be a qualified employee performing the work of that craft and shall not exercise any supervisory functions. Each steward shall be concerned with the employees of the steward's Employer and not with the employees of any other Employer. A steward shall be allowed sufficient time to perform his duties.

6. WORK STOPPAGES AND LOCKOUTS

6.1 During the term of this Agreement there shall be no strikes, sympathy strikes, picketing, work stoppages, slow downs, interference with the work or other disruptive activity for any reason by the Union or by any employee and there shall be no lockout by the Employer. Failure of any Union or employee to cross any picket line established at the Employer's Project site is a violation of this Article.

6.2 The Union shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Employer's Project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the same Project for a period of not less than ninety (90) days.

6.3 The Union shall not be liable for acts of employees for which it has no responsibility. The business manager(s) of the respective Union(s) will immediately instruct, order and use the best efforts of his office to cause the employees the Union represents to cease any violations of this Article. The principal officer or officers of a Union will immediately instruct, order and use the best efforts of his office to cause the employees the Union represents to cease any violations of this Article. A Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Employer to exercise its right in any instances shall not be deemed a waiver of its right in any other instance.

6.4 The Union(s) agrees that if any union or any other persons, whether parties to this Agreement or otherwise, engage in any picketing or work stoppages, the signatory Unions shall consider such work stoppage or picketing to be illegal, and refuse to honor such picket line or work stoppage.

6.5 In the event of any work stoppage, strike, sympathy strike, picketing interference with the work or other disruptive activity in violation of this Article, the Employer may suspend all or any portion of the Project work affected by such activity at the Employer's discretion and without penalty.

6.6 In lieu of, or in addition to, any other action at law or equity, any party may institute the following procedure when a breach of this Article is alleged, after the Union(s) and/or local union(s) has been notified of the fact.

6.6.1 The party invoking this procedure shall notify Joe Gentile or Joe Grodin, whom the parties to this Agreement agree shall be the permanent Arbitrators under this procedure. In the event that either of the permanent Arbitrators is unavailable at any time, the American Arbitration Association shall select an alternative arbitrator within twenty-four (24) hours of notice. Notice to the Arbitrator shall be by the most expeditious means available, with notice by fax or electronic means or any other effective written means, to the party alleged to be in violation and the involved International Union President, and or local Union.

6.6.2 Upon receipt of said notice the Arbitrators named above shall set and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists.

6.6.3 The Arbitrator shall notify the parties by fax or electronic means or any other effective written means, of the place and time he has chosen for this hearing. Said hearing shall be completed in one session. A failure of any party or parties to attend said hearing shall not delay the hearing of evidence or issuance of an Award by the Arbitrator.

6.6.4 The sole issue at the hearing shall be whether or not a violation of this Article has in fact occurred. The Award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion.

If any party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The Arbitrator may order cessation of the violation of this Article, and such Award shall be served on all parties by hand, fax or other electronic means upon issuance.

6.6.5 Such Award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to herein in the following manner. The fax or electronic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's Award as issued under Section 6.6.4 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by fax or other electronic means.

6.6.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the parties to whom they accrue.

6.6.7 The fees and expenses of the Arbitrator shall be borne by the party or parties found in violation, or in the event no violation is found, such fees and expenses shall be borne by the moving party.

6.7 The procedures contained in Section 6.6 shall be applicable to alleged violations of this Article. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation or mitigation of any violation of this Article, shall be resolved under the grievance procedures of Article 8.

6.8 Notwithstanding the provisions of Section 6.1 above, it is agreed that, with seventy-two (72) hours prior notice to the Primary Employer, a Union retains the right to withhold the services of its members from a particular contractor or subcontractor who fails to make timely payments to the Union's benefit plans, or fails to timely pay its weekly payroll, in accordance with its agreements with the

Union; provided, however, that in the event the Union or any of its members withholds their services from such contractor or subcontractor, Primary Employer shall have the right to replace such contractor or subcontractor with any other contractor or subcontractor who executes the Agreement to be Bound.

6.9 In the event that any applicable labor agreement expires and the parties to that agreement fail to reach agreement on a new contract by the date of expiration, a Union shall continue to provide employees to the Employers working on the Project under all the terms of the expired agreement until a new agreement is negotiated, at which time all terms and conditions of that new agreement shall be applied to Covered Work at the Project, except to the extent they conflict with any provision of this Agreement. In addition, if the new labor agreement provides for wage or benefit increases and a retroactivity provision relating to the payment of wage rates or benefits, then any Employer shall pay to its employees who performed Covered Work at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such wage and benefit increases established by the new labor agreement for such work performed.

7. HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

7.1 The standard work day shall consist of eight (8) hours of work between 6:00 a.m. and 5:30 p.m. with one-half hour designated as an unpaid period for lunch. The standard work week shall be five (5) consecutive days of work commencing on Monday. Nothing herein shall be construed as guaranteeing any employee eight (8) hours of work per day or forty (40) hours of work per week.

7.2 It is recognized by the parties to this Agreement that Primary Employer may desire a change to the standard work week. Such proposed modifications to the standard work week shall be worked out between the Primary Employer and the Union. Project schedules, manpower requirements, the geographic locations of the Project and other appropriate factors, will be taken into consideration by the parties in reaching an understanding on work schedules.

7.3 Common shifts during the standard work day may be established when considered necessary by the Employer. The Employer shall provide at least one week's notice to the Council and the Unions involved prior to any change in shift time, except in unforeseen circumstances, in which case notice shall be given as soon as practicable. Any shifts established shall continue for the established work week. If a Master Agreement provides for a different work shift schedule, the Employer may opt for that schedule for that craft.

7.4 Recognized holidays shall be as follows: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day. Under no circumstances shall any work be performed on Labor Day except in cases of emergency involving life or property. In the event a holiday falls on Saturday, the previous day, Friday, shall be observed as such holiday. In the event a holiday falls on Sunday, the following day, Monday, shall be observed as such holiday. There shall be no paid holidays. If employees are required to work on a holiday, they shall receive the appropriate rate; but in no case shall such overtime rate be more than double the straight time rate.

8. GRIEVANCE PROCEDURE

8.1 This Agreement is intended to provide close cooperation between management and labor. Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

8.2 The Employers, Unions, and the employees, collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

8.3 Any question or dispute arising out of and during the term of this Agreement (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

Step 1.(a) When any employee subject to the provisions of this Agreement feels he or she is aggrieved by a violation of this Agreement, he or she, through his or her local union business representative or job steward, shall, within five (5) working days after the occurrence of the violation, give notice to the work-site representative of the involved Employer stating the provision(s) alleged to have been violated. The business representative of the local union or the job steward and the work-site representative of the involved Employer and the Primary Employer shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the Employer shall keep the meeting minutes and shall respond to the Union representative in writing (copying the Primary Employer) at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Agreement alleged to have been violated.

(b) Should the Local Union(s) or the Primary Employer or any Employer have a dispute with the other party and , if after conferring, a settlement is not reached within three (3) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The International Union Representative and the involved Employer shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the Employer. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

Step 3.(a) If the grievance has been submitted but not adjusted under Step 2, either party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to an Arbitrator mutually agreed upon by them. The parties agree that Louis Zigman, Douglas Collins and Howard Block shall be the permanent arbitrators for purposes of this Article 8. Should the permanent arbitrators be unavailable and the parties are unable to mutually agree on the selection of an Arbitrator, selection for that given arbitration shall be made by seeking a list of seven (7) arbitrators with construction experience from the Federal Mediation and Conciliation Service and alternately striking names from the list of names on the list until the parties agree on an Arbitrator or until one name remains. The first party to strike a name from the list shall alternate between the party bringing forth the grievance and the party defending the grievance. Primary Employer shall keep a record of the sequence and shall notify the parties to the grievance as to which party has the right to strike a name first.

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him or her, and he or she shall not have authority to change, amend, add to or detract from any of the provisions of this Agreement.

8.4 The Primary Employer shall be notified of all actions at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

9. JURISDICTIONAL DISPUTES

9.1 The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

9.2 All jurisdictional disputes between or among the Unions and their employees, parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions, parties to this Agreement.

9.3 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this Section shall be subject to immediate discharge.

9.4 Each Employer will conduct a Pre-Job Conference with the Council prior to commencing work. The Primary Employer will be advised in advance of all such conferences and may participate if they wish.

10. GENERAL WORKING CONDITIONS

10.1 Employment begins and ends at the Project site.

10.2 The selection of craft foreman and/or general foremen shall be entirely the responsibility of the Employer, it being understood that in the selection of such foremen and/or general foremen the Employer will give primary consideration to the qualified individuals referred to the Employer who are available in the local area. After giving such consideration, the Employer may select such individuals from other areas. The number of foremen and general foremen required shall be in accordance with the applicable Master Agreement. All foremen shall take orders from the designated Employer representative. Craft foremen shall be designated working foremen at the request of the Employer, in accordance with the Master Agreement.

10.3 There shall be no limit on production by employees or restrictions on the full use of tools or equipment. Employees using tools shall perform any of the work of the trade and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required

by safety regulations.

10.4 Employees shall be at their place of work and ready to work at the starting time (which is the gang box, tool box or place where the foreman gives instructions to employees). A reasonable time will be allowed for employees to put company and personal tools in secured storage and return to the parking lot by quitting time. The Employer will provide adequate facilities for checking in and out in an expeditious manner.

10.5 The Employer may utilize the most efficient methods or techniques of construction, tools or other labor saving devices to safely accomplish the work practices not a part of the terms and conditions of this Agreement or the Master Agreement; stand by crews and feather bedding practices will not be recognized.

10.6 Individual seniority shall not be recognized or applied to employees working on projects under this Agreement.

10.7 The Employer shall establish and employees shall observe such reasonable Project job site work rules as the Employer deems appropriate. These rules will be reviewed and discussed at the Pre-Job Conference, distributed to all employees, posted at the project site by the employer, and may be amended thereafter as necessary.

10.8 All equipment assigned to a project shall be under the control of the Employer. The Employer shall have the right to determine how many pieces of equipment an individual employee shall operate. In an emergency involving safety or health, foremen shall operate any equipment assigned by the Employer, and there shall be no restriction on foremen in the use of the tools of his craft in such emergency. The foreman shall be from the craft normally operating the equipment. In accordance with currently recognized craft jurisdiction, the Employer shall determine the assignment of employees to start, stop, and maintain small portable construction equipment. Such work may be assigned to craft employees within a reasonable distance of their primary duties or an employee may be assigned full time to start, stop and maintain the Employer's small, portable equipment on the job site. There shall be no over manning of this type of equipment.

11. MANAGEMENT RIGHTS

11.1 The Employer retains and shall exercise full and exclusive authority and responsibility for the management of its operations and work forces, except as expressly limited by the terms of this Agreement or the Master Agreement. This authority includes, but is not limited to, the right to:

11.1.1 Plan, direct and control the operation of all the work.

11.1.2 Decide the number and type of employees required for the work.

11.1.3 Hire, promote and lay off employees as deemed appropriate to meet work requirements and/or skills required.

11.1.4 Require all employees to observe the Employers' and Owner's Project Rules, Security, Environmental and Safety Regulations, consistent with the provision of this Agreement. These Project Work Rules and Regulations shall be supplied to the Unions and to all employees, and shall be posted on the job site.

11.1.5 Discharge, suspend or discipline employees for just cause as provide in the work rules.

11.1.6 Assign and schedule work at its sole discretion and determine when overtime will be worked. There shall be no refusal by a Union to perform work, including overtime work, assigned. Such cases shall be subject to the grievance procedure.

11.1.7 Utilize any safe work methods, procedures or techniques and select and use any type or kind of materials, apparatus or equipment regardless of source, manufacturer or designer, except as limited by Section 2.1.

11.1.8 The Primary Employer and other Employers shall have the right to implement a drug and alcohol testing program consistent with accepted industry practice in the area, including pre-hire, post-accident, and reasonable suspicion testing, as agreed to by the Council. The Council's agreement shall not be unreasonably withheld. With regard to employees performing work on gas pipelines specifically, Primary Employer and Employers shall have the right to implement a drug and alcohol testing program in compliance with and to the extent

required by the Department of Transportation regulations.

11.1.9 The foregoing listing of management rights shall not be deemed to exclude other functions not specifically set forth herein. The Employers, therefore, retain all legal rights not specifically enumerated in this Agreement.

12. JOINT LABOR/MANAGEMENT MEETINGS

12.1 During the period of any work performed under this Agreement, a joint Labor/Management meeting will be held on an approximately monthly basis or more frequently as needed between the Primary Employer, the other Employers and the signatory Unions. The purpose of these meetings is to promote harmonious labor/management relations, ensure adequate communications and advance the proficiency and efficiency of the craft workers and contractors performing work at the Project. These monthly (or more frequent) meetings will also include discussion of safety, craft resource requirements, scheduling and productivity of work performed at the Project.

12.2 A Pre-Job Conference shall be held at least fourteen (14) days prior to the commencement of work to establish the scope of work in each Employer's contract. When a contract has been let to an Employer(s) covered by this Agreement, a Pre-Job Conference and/or Mark-Up Meeting shall be required upon request of any Union, Employer or the Primary Employer.

12.3 The Primary Employer will schedule and attend all Pre-Job Conferences and Mark-Up Meetings.

13. GENERAL PROVISIONS

13.1 If any article or provision of this Agreement shall become invalid, inoperative and/or unenforceable by operation of law or by declaration of any competent authority of the executive, legislative, judicial or administrative branches of the federal or state government, the Employers and the Council shall suspend the operation of such article or provision during the period of its invalidity, and the Primary Employer and the Council shall negotiate in its place and stead an

article or provision that will satisfy the objections to its validity and that, to the greatest extent possible, will be in accord with the intent and purpose of the article or provision in question. The new article or provision negotiated by the Primary Employer and the Council shall be binding on all parties signatory to this Agreement.

13.1.1. If the Primary Employer and the Council are unable within thirty (30) calendar days to negotiate a substitute article or provision, any of them may at any time thereafter submit the matter directly to interest arbitration pursuant to the procedures set forth in Section 8.4, Step 4, and Sections 8.5 through 8.9. The Arbitrator shall have the authority to modify, amend and alter the Agreement by providing a substitute article or provision to replace the one(s) that has become invalid, inoperative or unenforceable. The Arbitrator's decision, and the new article or provision, shall be final and binding on all parties signatory to the Agreement.

13.2 If any article or provision of this Agreement shall be held invalid, inoperative or unenforceable by operation of law, or by any of the above mentioned tribunals of competent jurisdiction, the remainder of the Agreement or application of such article or provision to persons or circumstances other than to which it has been held invalid, inoperative or unenforceable shall not be affected thereby.

13.3 Except as enumerated in this Agreement, all other terms and conditions of employment described in the Master Agreement of the Union having traditional and customary jurisdiction over the work shall apply.

13.4 The provisions of this Agreement shall take precedence over conflicting provisions of any Master Agreement, national agreement or any other collective bargaining agreement, except that all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement and the National Cooling Tower Agreement; all instrument calibration work and loop checking Covered Work shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, and work within the craft jurisdiction of the Elevator Constructors will be performed under the terms of the

National Agreements of the International Union of Elevator Constructors; provided that Articles 6 and 8 of this Agreement shall apply to all Covered Work. In the absence of a conflict, the provisions of the applicable Master Agreements shall govern.

13.5 Each person executing this Agreement represents and warrants that he or she is authorized to execute this Agreement on behalf of the party or parties indicated.

13.6 This Agreement may be executed in any number of counterparts, and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any signature pages may be assembled to form a single original document.

13.7 To the fullest extent consistent with the applicable Master Agreement and trust agreement, it is agreed that any liability under this Agreement by Primary Employer, the Council, a Union, or any other Employer shall be several and not joint. Any alleged breach of this Agreement by a party shall not affect the rights, liabilities, obligations, and duties among the other parties or between that party and any other party.

13.8 Any notices required under this Agreement shall be given as follows:

To Primary Employer:

Hensel Phelps Construction Co.
Attention: Paul Ligocki
18850 Von Karman Avenue
Suite 100
Irvine, CA 92612
Telephone: (949) 852-0111

To the Council:

Tom Lemmon
San Diego County Building &
Construction Trades Council
3737 Camino del Rio South, Suite 202
San Diego, CA 92108
Telephone: (619) 521-2914

With a copy to:

Ricardo Ochoa
Ochoa Legal Group
3737 Camino Del Rio South, Suite 407
San Diego, CA 92108
Telephone: (619) 285-1662

Either party may notify the other in writing if its person designated to receive notice is changed.

14. WAIVER

14.1 The parties hereby acknowledge that this Agreement is a lawful pre-hire agreement within the meaning of Section 8(f) of the National Labor Relations Act; and the Primary Employer and each other Employer hereby expressly waives its right to contest, challenge, repudiate or void (hereinafter collectively "challenge") this Agreement, directly or indirectly, on any basis, in any proceeding before any federal, state or local court, agency or other tribunal, including the National Labor Relations Board, or before any arbitrator or hearing officer, including any challenge to the validity of this Agreement that is raised as a defense to any action or claim brought by the Unions. This Agreement shall be a complete defense to any such challenge.

14.2 Each Employer further agrees that it shall not solicit, finance or participate in any challenge to this Agreement by any other person or entity. Payment of regular annual dues to an organization or association does not constitute "solicitation," "financing" or "participation in" a challenge as those terms are used in this Agreement.

14.3 This Article shall be enforced pursuant to Article 0 of this Agreement and any grievance shall commence at Step 3 of Section 0. The parties agree that the economic damages to the Unions from a breach of this Article include the reasonable fees and costs of defense.

15. HELMETS TO HARDHATS

15.1 The Employers and Unions recognize a desire to facilitate the entry into the building and construction trades of veterans and members of the National Guard and Reserves who are interested in careers in the building and construction industry. The Employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center"), a joint Labor-Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties

15.2 The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans and members of the National Guard and Reserves interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Employers and Unions will give credit to such veterans and members of the National Guard and Reserves for bona fide, provable past experience

15.3 The Center shall function in accordance with, and as provided in the Agreement and Declaration of Trust creating the fund, and any amendments thereto, and any other of its governing documents. Primary Employer approves and consents to the appointment of the Trustees designated pursuant to the Trust Agreement establishing the Center and hereby adopts and agrees to be bound by the terms and provisions of the Trust Agreement.


16. TERM OF AGREEMENT

The term of this Agreement shall commence on the date indicated below as the date of execution, and shall continue in effect until the completion of all Covered Work pursuant to Article 2.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and effective as of 5 FEBRUARY, 2013.

Hensel Phelps Construction Co.

Primary Employer:


By: PAUL B. LITZOW
Its: OPERATIONS MANAGER

SAN DIEGO COUNTY
BUILDING & CONSTRUCTION
TRADES COUNCIL


By: Tom Lemmon
Its: Business Manager

UNIONS

[insert local craft union signature page]

LANE FIELD NORTH HOTEL AND RETAIL PROJECT
UNIONS

Ironworkers Local 229

IBEW 569

LIUNA Local 29

Roofers, Waterproofers #45

SHEET METAL WORKERS L.U. 201

PLASTERERS Local 200

TEAMSTONS Local 36

Cement Masons Local 500/777

BRICKLAYERS & ALIEN CRANES

Francis Galan

John Lynn

Vol. a.m.

DCD

John Paul


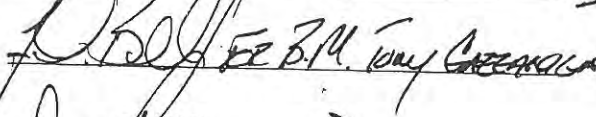

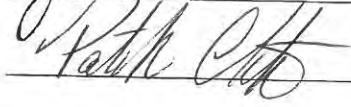
Jon Cast

Art Pat


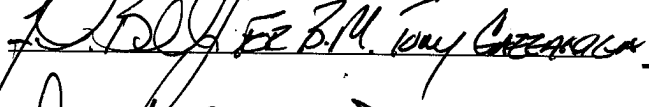
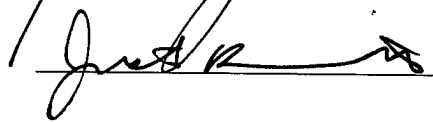
John

Don In Brad

LANE FIELD NORTH HOTEL AND RETAIL PROJECT
UNIONS


	INSULATOR, FIRE STOPPING Local 5
	E.E.P.M. Tony Cazzaniga T.U.E.C Local #18
	IUPAT DC 36 Ln 1397
	Laborers 1184 Parking & Highway Stripers

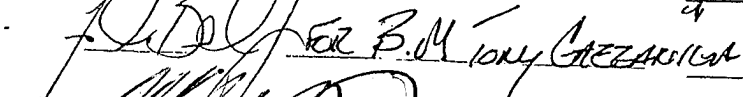
LANE FIELD NORTH HOTEL AND RETAIL PROJECT
UNIONS

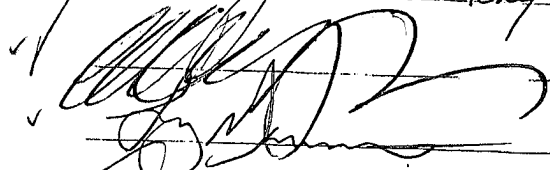
	INSULATOR, FIRE STOPPING Local 5
	I.U.E.C Local #18
	IUPAT DC 36 Local 1399

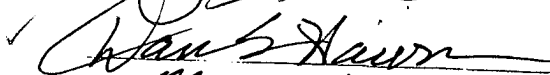
LANE FIELD NORTH HOTEL AND RETAIL PROJECT
UNIONS

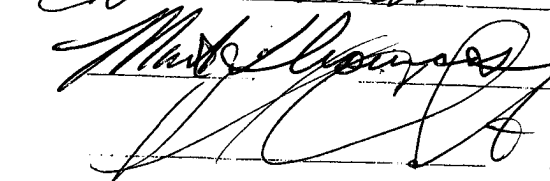




 FOR B.M. Tony GAZARICAN



 Wanda Hawn



- Insulators, Fire Stoppers Local 5

PLASTER TENDERS Local 1414

SPRINKLER FITTERS UA Local 669

I.U.E.C Local #18

I.U.O.E Local 12

I.U.O.E Local 12

I.U.O.E Local 12

Boilers makers #92

UAPP 230

LANE FIELD NORTH HOTEL AND RETAIL PROJECT
UNIONS

Ironworkers Local 229

Francis Galan

IBEW 569

Shy Supin

LIUNA Local 89

W. R. M.

Roofers, Waterproofers #45

Joe

Sheet Metal Workers L.U. 706

Paul

Plasterers Local 200

Jon Gentry

Tenants Local 36

Art Park

Cement Masons Local 500/711

Paul

Bricklayers & Allied Crafts

Paul M. Brandy

ATTACHMENT A
AGREEMENT TO BE BOUND

SKILLED WORKFORCE SUPPLY & TRAINING AGREEMENT
LANE FIELD NORTH HOTEL AND RETAIL PROJECT

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lane Field North Hotel and Retail Project Skilled Workforce Supply & Training Agreement ("Agreement") because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Sections 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2.) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3.) If it performs Covered Work, it will be bound by the legally established trust agreements designated in the applicable local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4.) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5.) It will secure a duly executed Agreement to be Bound, in form identical to this document, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: 2/5/13

Name of Employer

Hansen Phelps Const Co.
Paul J. Hansen, Jr. Ops Mgr
(Authorized Officer & Title)
9401 Gonsky
San Diego CA
(Address)