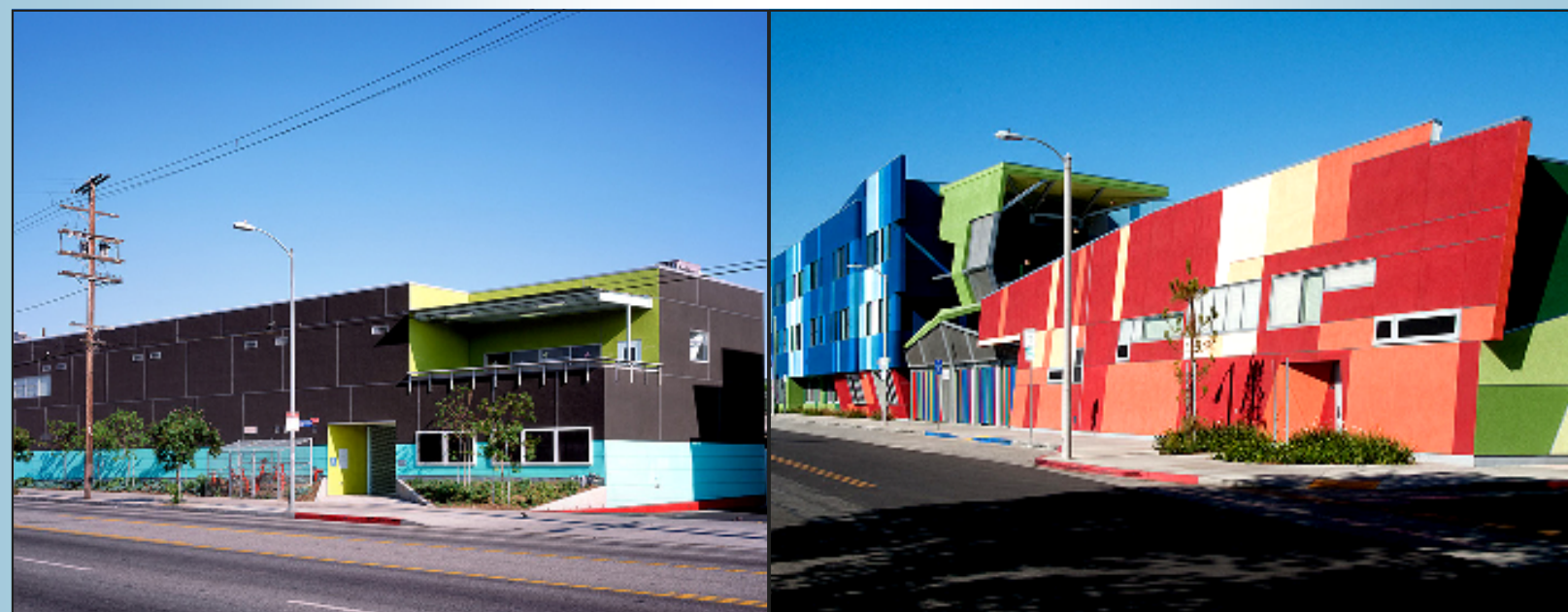
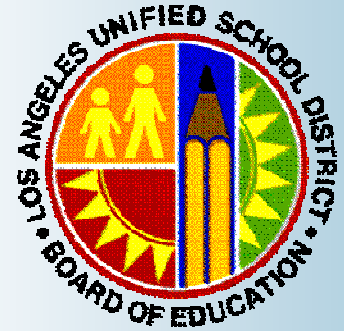


Los Angeles Unified School District FACILITIES SERVICES DIVISION

Project Stabilization Agreement



**New School Construction and Major Rehabilitation
For Project Work Awarded Through December 31, 2023**

**LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT –
NEW SCHOOL CONSTRUCTION AND MAJOR REHABILITATION
FUNDED BY PROPOSITION BB AND/OR MEASURE K***

***Article 2, Section 2.2 (c)** – All contracts for similar work, subject to the same threshold limitations, funded by future propositions or measures and awarded prior to the expiration date of this Agreement.

Effective Date: June ____, 2003

May 12, 2003

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**LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT -
NEW SCHOOL CONSTRUCTION AND MAJOR REHABILITATION
FUNDED BY PROPOSITION BB AND/OR MEASURE K**

This Project Stabilization Agreement (hereinafter, "Agreement") is entered into this 12th day of May, 2003, by and between the Board of Education of the Los Angeles Unified School District, its successors or assigns, (hereinafter, "District") and The Los Angeles/Orange Counties Building and Construction Trades Council (hereinafter, "Council"), and the signatory Craft Unions (hereinafter, together with the Council, collectively, the "Union" or "Unions"). This Agreement, understood by the parties to be a modification of the Proposition BB Project Stabilization Agreement, establishes the labor relations Policies and Procedures for the District and for the craft employees represented by the Unions engaged in the District's new school and building construction and substantial rehabilitation and capital improvement program funded, in whole or in part, by Proposition BB and/or Measure K (hereinafter, "Project" or "Project Work", and more specifically defined in Article II, Section 2.2).

It is understood by the Parties to this Agreement that if this Agreement is acceptable to the District, it will become the policy of the District for the Project Work to be contracted exclusively to contractors who agree to execute and be bound by the terms of this Agreement, directly or through the Letter of Assent (Attachment A), and to require each of its subcontractors, of whatever tier, to become bound. The District shall include, directly or by incorporation by reference, the requirements of this Agreement in the advertisement of and/or specifications for each and every contract for Project Work to be awarded by the District.

It is further understood that the District shall actively administer and enforce the obligations of this Agreement to ensure that the benefits envisioned from it flow to all signatory

parties, the contractors and craftspersons working under it, and the ratepayers, residents and students of the District. The District shall, therefore, designate a "Project Labor Coordinator," either from its own staff or an independent contractor acting on behalf of the District, to monitor compliance with this Agreement; assist, as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which or critical to fulfilling the intent and purposes of the Parties and this Agreement; and to otherwise implement and administer the Agreement. For such purposes, each contractor recognizes and appoints the Project Labor Coordinator, its successors or assigns, as its agent; and together with District and the Unions, the Project Labor Coordinator shall be considered a "negotiating party" of this Agreement.

The term "Contractor" as used in this Agreement includes any contractor to whom the District awards a construction contract through its public bidding process for Project Work, and also to subcontractors of whatever tier utilized by such contractors for Project Work. The term "Contractor" includes any individual, firm, partnership, or corporation, or combination thereof, including joint ventures, which as an independent contractor has entered into a contract with the District with respect to the Project Work, or with another contractor as a subcontractor for Project Work.

The term "Responsible Contractor" as used in this Agreement shall be defined as one that has a record of complying with federal, state and local government requirements for the determination of workplace wages, hours and conditions, including prevailing wages, apprenticeship, safety, workers' compensation and contract code and contractor licensing.

The term "Labor/Management Apprenticeship Program" as used in this Agreement shall be defined as a jointly administered apprenticeship program certified by the State of California.

The Union and all contractors agree to abide by the terms and conditions of this Agreement and that this Agreement represents the complete understanding of the parties. No contractor is or will be required to sign or otherwise become a party to any other collective bargaining agreement with a signatory union as a condition of performing work within the scope

of this Agreement. No practice, understanding or agreement between a contractor and a Union party which is not specifically set forth in this Agreement shall be binding on any third party contractor or union on Project Work unless endorsed in writing by the Project Labor Coordinator.

The Parties agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project Work, without regard to whether that successful bidder performs work at other sites on either a union or non-union basis. This Agreement shall not apply to any work of any contractor other than that on Project Work specifically covered by this Agreement.

The use of masculine or feminine gender or titles in this Agreement should be construed as including both genders and not as gender limitations unless the Agreement clearly requires a different construction. Further, the use of Article titles and/or Section headings are for information only, and carry no legal significance.

ARTICLE 1

INTENT AND PURPOSE

Section 1.1 Background. The District's new construction and major rehabilitation projects funded by Proposition BB and/or Measure K will affect over a thousand school buildings and offices that are owned, leased or controlled by the District. The Project is the largest overall educational construction program developed and undertaken by a school district in the history of State of California. The goal of this Project is to provide new construction and major rehabilitation of the District's facilities so as to provide sufficient facilities and technologies to properly educate the children within the District's boundaries. The District, therefore, wishing to utilize the most modern, efficient and effective procedures for construction, including assurances of a sufficient supply of skilled craftpersons, and the elimination of disruptions or interference with Project Work, adopts of this Agreement in the best interests of the students, parents, District staff, and the tax payers of the District to meet the District's goal that the Project work be completed on time and within budget.

Section 1.2 Identification and Retention of Skilled Labor and Employment District Residents. The vast amount of new school construction, substantial rehabilitation, and capital improvement work scheduled to be performed pursuant to Proposition BB and/or Measure K will require large numbers of craft personnel and other supporting workers. It is therefore the explicit understanding and intention of the parties to this Agreement to use the opportunities provided by the extensive amount of work to be covered by this Agreement to identify and promote, through cooperative efforts, programs and procedures (which may include, for example, programs to prepare persons for entrance into formal apprenticeship programs, or outreach programs to the community describing opportunities available as a result of the Project), the interest and involvement of District residents in the construction industry; assist them in entering the construction trades, and through utilization of the joint labor/management sponsored apprenticeship programs, provide training opportunities for those residents and other individuals wishing to pursue a career in construction. Further, with assistance of the Project Labor Coordinator, the District, the contractors, the Unions and their affiliated regional and national organizations, will work jointly to promptly develop and implement procedures for the identification of craft needs, the scheduling of work to facilitate the utilization of available craft workers, and the securing of services of craft workers in sufficient numbers to meet the high demands of the Project Work to be undertaken.

Section 1.3 Encouragement of Small Local Business. The Project will provide many opportunities for local small business enterprises to participate as contractors or suppliers, and the parties therefore agree that they will cooperate with all efforts of the District, the Project Labor Coordinator, and other organizations retained by the District for the purpose, to encourage and assist the participation of local small businesses in Project Work. Specifically, all parties understand that the District has established and quantified goals which place a strong emphasis on the utilization of small, local business on the Project. Each party agrees that it shall employ demonstrable efforts to encourage utilization in an effort to achieve such goals. This may include, for example, participation in outreach programs, education and assistance to businesses not familiar with working on a project of this scope, and the encouragement of local residents to

participate in Project Work through programs and procedures jointly developed to prepare and encourage such local residents for apprenticeship programs and formal employment on the Project through the referral programs sponsored and/or supported by the parties to this Agreement. Further, the parties shall ensure that the provisions of this Agreement do not inadvertently establish impediments to participation of such small local businesses and residents of the District.

Section 1.4 Project Cooperation. The parties recognize that the construction to take place under this Agreement involves unique and special circumstances which dictate the need for the parties to develop specific procedures to promote high quality, rapid and uninterrupted construction methods and practices. The smooth operation and successful and timely completion of the work is vitally important to the people of Los Angeles and the students of the District. The parties therefore agree that maximum cooperation among all parties involved is required; and that with construction work of this magnitude, with multiple contractors and crafts performing work on multiple sites of over an extended period of time, it is essential that all parties work in a spirit of harmony and cooperation, and with an overriding commitment to maintain the continuity of Project Work.

Further, the parties recognize that an Act of God or on Act of War could require the District to partially or fully suspend Project Work. The parties shall fully cooperate with any request by the District to redirect their equipment, skills and expertise to support the District's efforts necessitated by such events.

Section 1.5 Workers' Compensation Carve-out. Further, the parties recognize the potential which the Project may provide for the implementation of a cost effective workers' compensation system as permitted by revised California Labor Code Section 3201.5, and it is understood that the District is in an ongoing review of the value of such a program. Should the District request, the Union parties agree to meet and negotiate in good faith with representatives of the District for the development, and subsequent implementation, of an effective program

involving improved and revised dispute resolution and medical care procedures for the delivery of workers compensation benefits and medical coverage as permitted by the Code.

Section 1.6 Peaceful Resolution of All Disputes. In recognition of the special needs of the Project and to maintain a spirit of harmony, labor-management peace and stability during the term of this Project Stabilization Agreement, the parties agree to establish effective and binding methods for the settlement of all misunderstandings, disputes and grievances; and in recognition of such methods and procedures, the unions agree not to engage in any strike, slowdowns or interruptions or disruption of Project work, and the contractors agree not to engage in any lock-out.

Section 1.7 Binding Agreement on Parties and Inclusion of District Residents and Business. By executing this Agreement, the District, Council, Unions and contractors agree to be bound by each and all of the provisions of this Agreement, and pledge that they will work together to adopt, develop and implement processes and procedures which are inclusive of the residents and businesses of the District.

ARTICLE 2

SCOPE OF THE AGREEMENT

Section 2.1 General. This Agreement shall apply and is limited to all new construction, rehabilitation and capital improvement work as described in Section 2.2 of this Article, performed by those contractor(s) of whatever tier that have contracts awarded for such work, for the development of the District's facilities which, jointly, constitute the Project, and have been designated by the District for new construction or major rehabilitation, where such work is funded in whole or in part by (a) Proposition BB Funds, the prime contract for which is awarded more than 30 days after the effective date of this Agreement, (b) or Measure K, all of which are hereinafter referred to as the "Project" or "Project Work".

Section 2.2 Specific. The Project is defined and limited to:

(a) All construction and major rehabilitation work pursuant to prime multi-trade construction contracts that exceed \$175,000.00, and

(b) all prime specialty contracts that exceed \$20,000.00, and are funded in whole or in part by monies from Proposition BB and/or Measure K as described above, and all subcontracts flowing from these prime contracts; and

(c) All contracts for similar work, subject to the same threshold limitations, funded by future propositions or measures and awarded prior to the expiration date of this Agreement.

(d) It is understood by the Parties that the District may at any time, and at its sole discretion, determine to build segments of the Project under this Agreement which were not currently proposed, or to modify or not to build any one or more particular segments proposed to be covered.

Section 2.3 Bundling of Contracts. The Parties understand that, to the maximum extent feasible, and consistent with goals of the District to (i) utilize this Agreement as the labor relations Policy for its new construction and major rehabilitation program and (ii) fully utilize the services of local small business enterprises for such construction and rehabilitation work,

(a) the District, in its sole discretion, with the advice of the Project Labor Coordinator, will seek to group (or "bundle") for bidding, contracts not meeting the thresholds of Section 2.2(a) or (b) above. (Small contracts for like types of work, scheduled to be undertaken at the same school, in the same district or on the same Project site, and within the same timeframe, will be considered for such bundling, consistent with economies of scale, and the purposes of this Agreement); and

(b) project work will not be split, divided or otherwise separated for contract award purposes to avoid application of this Agreement.

Section 2.4 Exclusions. Items specifically excluded from the Scope of this Agreement include the following:

(a) Work of non-manual employees, including but not limited to: superintendents; supervisors; staff engineers; quality control and quality assurance personnel; time keepers, mail carriers, clerks, office workers, messengers; guards, safety personnel, emergency medical and first aid technicians; and other professional, engineering, administrative, supervisory and management employees;

(b) Equipment and machinery owned or controlled and operated by the District;

(c) All off-site manufacture and handling of materials, equipment or machinery; provided, however, that lay down or storage areas for equipment or material and manufacturing (prefabrication) sites, dedicated solely to the Project or Project Work, and the movement of materials or goods between locations on a Project site are within the scope of this Agreement;

(d) All employees of the District, Project Labor Coordinator, design teams (including, but not limited to architects, engineers and master planners), or any other consultants for the District (including, but not limited to, project managers and construction managers and their employees where not engaged in Project Work) and their sub-consultants, and other employees of professional service organizations, not performing manual labor within the scope of this Agreement; provided, however, that it is understood and agreed that Building/Construction Inspector and Field Soils and Materials Testers (Inspectors) are a covered craft under the PLA. (This inclusion applies to the scope of work defined in the State of California Wage Determination for said Craft. Every Inspector performing under the Wage classification of Building/Construction Inspector and Field Soils and Material Testers under a professional services agreement of a construction contract shall be bound to all applicable requirements of the PLA.) Nothing in this section will be construed to include Department of State Architects-certified inspectors as included under the scope of this Agreement;

(e) Any work performed on or near or leading to or into a site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors; or by public utilities, or their contractors; and/or by the District or its contractors (for work for which is not within the scope of this Agreement);

(f) Off-site maintenance of leased equipment and on-site supervision of such work;

(g) Work by employees of a manufacturer or vendor necessary to maintain such manufacturer's or vendor's warranties or guaranty;

(h) Non-construction support services contracted by the District, Project Labor Coordinator, or contractor in connection with this Project;

(i) Laboratory work for testing.

Section 2.5 Awarding of Contracts. (a) The District and/or the contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project to any contractor notwithstanding the existence or non-existence of any agreements between such contractor and any union parties, provided only that such contractor is willing, ready and able to execute and comply with this Project Stabilization Agreement should such contractor be awarded work covered by this Agreement.

(b) It is agreed that all contractors and subcontractors of whatever tier, who have been awarded contracts for work covered by this Agreement, shall be required to accept and be bound the terms and conditions of this Project Stabilization Agreement, and shall evidence their acceptance by the execution of the Agreement or of the Letter of Assent as set forth in Attachment A hereto, prior to the commencement of work. No contractor or subcontractor shall commence Project Work without having first provided a copy of the Agreement or Letter of Assent as executed by it to the Project Labor Coordinator and to the Council 48 hours before the commencement of Project Work, or within 48 hours after the award of Project Work to that contractor (or subcontractor), whichever occurs later.

(c) The District agrees that to the extent permitted by law and consistent with the economy and efficiency of construction and operation, it will use its best efforts to purchase materials, equipment and supplies which will not create labor strife. Under all circumstances, however, the District shall retain the absolute right to select the lowest reliable and responsible bidder for the award of contracts on all Proposition BB and Measure K-funded projects.

Section 2.6 Coverage Exception. The Parties agree and understand that this Agreement shall not apply to any work that would otherwise be covered Project Work except when a governmental agency or granting authority partially or fully funding such Project Work determines that it will not fund if such Project Work is covered by this Agreement; or a law regulation, proposition or measure prohibits such coverage or the use by the District, or for its benefit, of particular funds if such coverage exists. The District agrees that it will make every effort to establish the enforcement of this Agreement with any governmental agency or granting authority.

Section 2.7 Schedule A's. (a) The provisions of this Agreement, including the Schedule A's, (which are the local collective bargaining agreements of the signatory unions having jurisdiction over the work on the Project, as such may be changed from time-to-time consistent with Article XXI, Section 21.3, and which are incorporated herein by reference) shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreement which may conflict with or differ from the terms of this Agreement; provided, however, that such does not apply to the NTL Articles of Agreement or the Elevator Constructors (except, in the latter case, as provided in Attachment B). Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall apply. Where a subject is covered by a provision of a Schedule A and not covered by this Agreement, the provisions of the Schedule A shall prevail. Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours of working conditions of employees on this Project shall be resolved under the procedures established in Article X.

(b) It is understood that this Agreement, together with the referenced Schedule A's, constitutes a self-contained, stand-alone agreement and by virtue of having become bound to this Project Stabilization Agreement, the contractor will not be obligated to sign any other local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement (provided, however, that the contractor may be required to sign an uniformly applied, non-discriminatory Participation Agreement at the request of the trustees or administrator of a trust fund established pursuant to Section 302 of the Labor Management Relations Act, and to which such contractor is bound to make contributions under this Agreement, provided that such Participation Agreement does not purport to bind the contractor beyond the terms and conditions of this Agreement and/or expand its obligation to make contributions pursuant thereto). It shall be the responsibility of the prime contractor to have each of its subcontractors sign the documents with the appropriate Craft Union prior to the subcontractor beginning Project Work.

Section 2.8 Binding Signatories Only. This Agreement shall only be binding on the signatory parties hereto, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party.

Section 2.9 Other District Work. This Agreement shall be limited to the construction work within the Scope of this Agreement including, specifically, site preparation and related demolition work, and new construction and major rehabilitation work for new or existing facilities referenced in Section 2.2 above. Nothing contained herein shall be interpreted to prohibit, restrict, or interfere with the performance of any other operation, work or function not covered by this Agreement, which may be performed by district Employees or contracted for by the District for its own account, on its property or in and around a Project site.

Section 2.10 Separate Liability. It is understood that the liability of the contractor(s) and the liability of the separate unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the District or Project Labor Coordinator and/or any contractor.

Section 2.11 Completed Project Work. As areas of covered work are accepted by the District, this Agreement shall have no further force or affect on such items or areas except where the contractor is directed by the District or its representatives to engage in repairs, modification, check-out and/or warranties functions required by its contract(s) with the District.

ARTICLE 3

UNION RECOGNITION AND EMPLOYMENT

Section 3.1 Recognition. The Contractor recognizes the Council and the signatory local Unions as the exclusive bargaining representative for the employees engaged in Project Work. Such recognition does not extend beyond the period when the employee is engaged in Project Work.

Section 3.2 Contractor Selection of Employees. The Contractor shall have the right to determine the competency of all employees, the number of employees required, the duties of such employees within their craft jurisdiction, and shall have the sole responsibility for selecting employees to be laid off, consistent with Section 3.12 and with Article IV, Section 4.3, below. The contractor shall also have the right to reject any applicant referred by a Union for any reason, subject to any reporting pay required by Article VI, Section 6.6; provided, however, that such right is exercised in good faith and not for the purpose of avoiding the Contractor's commitment to employ qualified workers through the procedures endorsed in this Agreement.

Section 3.3 Referral Procedures. (a) For signatory unions now having a job referral system contained in a Schedule A, the contractor agrees to comply with such system and it shall be used exclusively by such contractor, except as modified by this Agreement. Such job referral system will be operated in a nondiscriminatory manner and in full compliance with federal, state, and local laws and regulations which require equal employment opportunities and non-discrimination. All of the foregoing hiring procedures, including related practices affecting apprenticeship, shall be operated so as to consider the goals of the District to encourage employment of District residents and utilization of small local businesses on the Project, and to facilitate the ability of all contractors to meet their employment needs.

(b) The local unions will exert their best efforts to recruit and refer sufficient numbers of skilled craft workers to fulfill the labor requirements of the contractor, including specific employment obligations to which the contractor may be legally and/or contractually obligated; and to refer apprentices as requested to develop a larger, skilled workforce. The local Unions will work with their affiliated regional and national unions, and jointly with the Project Labor Coordinator and others designated by the District, to identify and refer competent craftpersons as needed for Project Work, and to identify individuals, particularly residents of the District, for entrance into joint labor/management apprenticeship programs, or to participation in other identified programs and procedures to assist individuals in qualifying and becoming eligible for such apprenticeship programs, all maintained to increase the available supply of skilled craft personnel for Project Work and future construction of maintenance work to be undertaken by the District.

(c) The Union shall not knowingly refer an employee currently employed by a contractor on Project Work to any other contractor.

(d) The parties are aware of the District's policy that contractors and other employers shall not employ, on Project Work when minors may be present on or around the site of such Project Work during working hours, a person who would not be eligible for employment by the District under California Educational Code Sec. 45123. The Parties shall endeavor to employ persons under this Article in compliance with this policy, and the contractors agree to remove such an individual in their employ from the particular Project site at the request of the District or the Project Labor Coordinator.

Section 3.4 Non-Discrimination in Referral, Employment, and Contracting. The Unions and contractors agree that they will not discriminate against any employee or applicant for employment on the basis of race, color, religion, gender, national origin, age, union status, sexual orientation, marital status or disability. Further, it is recognized that the District has certain policies, programs, and goals for the utilization of local small business enterprises. The parties shall jointly endeavor to assure that these commitments are fully met, and that any

provisions of this Agreement which may appear to interfere within a local small business enterprises successfully bidding for work within the scope of this Agreement shall be carefully reviewed, and adjustments made as may be appropriate and agreed upon among the parties, to ensure full compliance with the spirit and letter of the District's policies and commitment to its goals for the significant utilization of local small businesses as direct contractors or suppliers on Proposition BB and/or Measure K financed work.

Section 3.5 Employment of District Residents. (a) In recognition of the District's mission to serve the District and its residents, the Unions and contractors agree that, to the extent allowed by law, and as long as they possess the requisite skills and qualifications, residents of the District shall be first referred for Project Work, including journey person, apprentice, or other positions which may be established under a Schedule A and covered by the applicable prevailing wage for utilization on Project Work, until at least 50 percent of the positions for Project Work for a particular contractor (including the contractor's "core workforce"), by craft, have been filled with District residents; provided, however, that in circumstances determined by the District, the Project Labor Coordinator shall furnish a contractor and the affected Union(s) with a designated list of zip codes for which employment preference shall be given in lieu of general District residency, up to a minimum of 30 percent of such contractor's work force, by craft, where available); and

(b) only if:

(1) at least 50 percent of the positions for any one contractor, by individual craft, are filled by District residents (or 30 percent in the case of zip-coded referral); or

(2) such individuals are not available, may others be referred to that contractor for Project Work.

(c) The Project Labor Coordinator shall work with the Unions and contractors in the administration of this local residency preference; and the contractors and Unions shall cooperate by maintaining adequate records to demonstrate to the Project Labor Coordinator that

such preferences have been pursued. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate benefit fund coverage, all contractors shall require their “core work force” and any other persons employed other than through the referral process, to register with the appropriate hiring hall, if any.

Section 3.6 Core Employees. Except as otherwise provided in separate collective bargaining agreement(s) to which the contractor is signatory,

(a) A specialty or sub-contractor may employ, as needed, first, a member of his core workforce, then an employee through a referral from the appropriate union hiring hall, then a second core employee, and a second employee through the referral system, and so on until a maximum of five core employees are employed, after which all further employees shall be employed pursuant to the other provisions of this Article, starting with Section 3.3. In laying off, an employer with 10 or less employees, the number of core employees shall not exceed one-half plus one of the workforce, assuming the remaining employees are qualified to undertake the work available.

(b) A general and/or multi-trade contractor (not engaged in specialty work) may first employ his core workforce prior to utilizing the referral procedures.

(c) The core work force is comprised of those employees:

(i) whose names appeared on the contractor’s active payroll for fifty of the one hundred working days before award of Project Work to the contractor;

(ii) who possess any license required by state or federal law for the Project Work to be performed;

(iii) who have the ability to safely perform the basic functions of the applicable trade; and

(iv) who are residents of the District on the effective date of this Agreement, or have been residents of the District for the one hundred working days prior to the award of Project Work to the contractor.

(d) If there are any questions with regarding a core employee's eligibility under this provision, the Project Labor Coordinator, at the Council's request, shall obtain appropriate proof of such from the contractor. For proof of employment eligibility, quarterly tax records or payroll records normally maintained by the contractor (or officially recognized substitutes) shall be utilized; and for residency, adequate proof thereof through drivers license, voter registration, postal address, or other official acknowledgements.

Section 3.7 Time for Referral. If any Union's registration and referral system does not fulfill the requirements for specific classifications of covered employees (including residency standards) requested by any contractor within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), that contractor may use employment sources other than the union registration and referral services, and may employ applicants meeting such standards from any other available source. The contractor should promptly inform the Union of any applicants hired from other sources, and such applicants shall register with the appropriate hiring hall, if any.

Section 3.8 Lack of Referral Procedure. If a signatory local Union does not have a job referral system as set forth in Section 3.3 above, the contractors shall give the union equal opportunity to refer applicants. The contractors shall notify the union of employees so hired, as set forth in Section 3.5.

Section 3.9 Union Membership. No employee covered by this Agreement shall be required to join any union as a condition of being employed, or remaining employed, for the completion of Project Work; provided, however, that any employee who is a member of the referring union at the time of referral shall maintain that membership in good standing while employed under this Agreement. All employees shall, however, be required to comply with the union security provisions of the applicable Schedule A for the period during which they are performing on-site Project Work to the extent, as permitted by law, of rendering payment of the

applicable monthly working dues and any non-initiation or application fees uniformly required for membership in the Union.

Section 3.10 Individual Seniority. Except as provided in Article IV, Section 4.3, individual seniority shall not be recognized or applied to employees working on the Project; provided, however, that group and/or classification seniority in a Union's Schedule A as of the effective date of this Agreement shall be recognized for purposes of layoffs.

Section 3.11 Foremen. The selection and number of craft foreman and/or general foreman shall be the responsibility of the contractor. All foremen shall take orders exclusively from the designated contractor representatives. Craft foreman shall be designated as working foreman at the request of the request of the contractors.

ARTICLE 4

UNION ACCESS AND STEWARDS

Section 4.1 Access to Project Sites. Authorized representatives of the Union shall have access to Project Work, provided that they do not interfere with the work of employees and further provided that such representatives fully comply with posted visitor, security and safety rules.

Section 4.2 Stewards. (a) Each signatory local Union shall have the right to dispatch a working journeyman as a steward for each shift, and shall notify the contractor in the writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

(b) In addition to his/her work as an employee, the steward should have the right to receive, but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward should be concerned only with the employees of the steward's contractor and, if applicable,

subcontractor(s), and not with the employees of any other contractor. The contractor will not discriminate against the steward in the proper performance of his/her union duties.

(c) When a contractor has multiple, non-contiguous work locations at one site, the contractor may request and the union shall appoint such additional working stewards as the contractor requests to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the contractor.

(d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

Section 4.3 Steward Layoff/Discharge. The relevant contractor agrees to notify the appropriate Union twenty-four (24) hours before the layoff of a steward, except in the case of disciplinary discharge for just cause. If the steward is protected against such layoff by the provisions of the applicable Schedule A, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the steward is discharged or disciplined for just cause, the appropriate Union will be notified immediately by the contractor, and such discharge or discipline shall not become final (subject to any later filed grievance) until twenty-four (24) hours after such notice have been given.

Section 4.4 Employees on Non-Project Work. On work where the personnel of the District may be working in close proximity to the construction activities covered by this Agreement, the Union agrees that the Union representatives, stewards, and individual workers will not interfere with the District personnel, or with personnel employed by the any other employer not a party to this Agreement.

ARTICLE 5

WAGES AND BENEFITS

Section 5.1 Wages. All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in

compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations. If a prevailing rate increases under state law, the contractor shall pay that rate as of its effective date under the law. If the prevailing wage laws are repealed during the term of this Agreement, the contractor shall pay the wage rates established under the Schedule A's, except as otherwise provided in this Agreement.

Section 5.2 Benefits. (a) Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A and make all employee – authorized deductions in the amounts designated in the appropriate Schedule A; provided, however, that the contractor and Union agree that only such bonafide employee benefits as accrue to the direct benefit of the employees (such as pension and annuity, health and welfare, vacation, apprenticeship, training funds, etc.) shall be included in this requirement and required to be paid by the contractor on the Project; and provided further, however, that such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. Contractors directly signatory to one or more of the Schedule A's are required to make all contributions set forth in those Schedule A's without reference to the foregoing. Bonafide jointly-trusted benefit plans or authorized employee deduction programs established or negotiated under the applicable Schedule A or by the parties to this Agreement during the life of this Agreement may be added, subject to the limitations upon such negotiated changes contained in Article XXI, Section 21.3, and provided that the contributions do not exceed the amounts set forth in the applicable prevailing wage determination.

(b) The contractor adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s) specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds for its employees. The contractor authorizes the parties to such trust funds to appoint trustees and successors trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the contractor.

(c) Each contractor and subcontractor is required to certify to the Project Labor Coordinator that it has paid all benefit contributions due and owing to the appropriate Trust(s) prior to the receipt of its final payment and/or retention. Further, upon timely notification by a Union to the Project Labor Coordinator, the Project Labor Coordinator shall work with any prime contractor or subcontractor who is delinquent in payments to assure that proper benefit contributions are made, to the extent of requesting the District or the prime contractor to withhold payments otherwise due such contractor, until such contributions have been made or otherwise guaranteed.

Section 5.3 Wage Premiums. Wage premiums, including but not limited to pay based on height of work, hazard pay, scaffold pay and special skills shall not be applicable to work under this Agreement, except to the extent provided for in any applicable prevailing wage determination.

Section 5.4 Compliance with Prevailing Wage Laws. The parties agree that the Project Labor Coordinator shall monitor the compliance by all contractors and subcontractors with all applicable federal and state prevailing wage laws and regulations, and that such monitoring shall include contractors engaged in what would otherwise be Project Work but for the exceptions to Agreement coverage in Article II, Section 2.2. All complaints regarding possible prevailing wage violations shall be referred to the Project Labor Coordinator for processing, investigation and resolution, and if not resolved within thirty calendar days, may be referred by any party to the state labor commissioner.

ARTICLE 6

HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 6.1 Hours of Work. Eight (8) hours per day between the hours of 6:00 a.m. and 5:30 p.m., plus one-half (1/2) hour unpaid lunch approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Sunday and conclude on Saturday. The foregoing provisions of this Article are applicable unless otherwise provided in the applicable prevailing

wage determination, or unless changes are permitted by law and such are agreed upon by the parties. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week, or a Monday through Friday work standard work schedule.

Section 6.2 Place of Work. Employees shall be at their place of work (as designated by the contractor), at the starting time and shall remain at their place of work, performing their assigned functions, until quitting time. The place of work is defined as the gang or tool box or equipment at the employee's assigned work location or the place where the foreman gives instructions. The parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the contractor.

Section 6.3 Overtime. Overtime shall be paid in accordance with the requirements of the applicable prevailing wage determination. There shall be no restriction on the contractor's scheduling of overtime or the nondiscriminatory designation of employees who will work overtime. There shall be no pyramiding of overtime (payment of more than one form of overtime compensation for the same hour) under any circumstances.

Section 6.4 Shifts and Alternate Work Schedules. (a) Alternate starting and quitting time and/or shift work may be performed at the option of the contractor upon three (3) days' prior notice to the affected union(s), unless a shorter notice period is provided for in the applicable Schedule A, and shall continue for a period of not less than five (5) working days. Saturdays and Sundays, if worked, may be used for establishing the five (5) day minimum work shift. If two shifts are worked, each shall consist of eight (8) hours of continuous work exclusive of a one-half (1/2) hour non-paid lunch period, for 8 hours pay. The last shift shall start on or before 6:00 p.m. The first shift starting at or after 6:00 a.m. is designated as the first shift, with the second shift following.

(b) Contractors, the Council and the Union recognize the economic impact upon the District and District rate payers of the massive project being undertaken by the District and agree that all parties to this Agreement desire and intend Project Work to be undertaken in a

cost efficient and effective manner to the highest standard of quality and craftsmanship. Recognizing the economic conditions, the parties agree that, to the extent permitted by law, employees performing Project Work shall not be entitled to any differentials or additional pay based upon the shift or work schedule of the employees. Instead, all employees working on Project Work shall be paid at the same base rate regardless of shift or work schedule worked.

(c) To the extent permitted by state and federal law, the contractor may, upon five (5) days' notice to appropriate union(s), establish a work week of four (4) consecutive ten (10) work hour days (exclusive of the one half hour unpaid lunch approximately halfway through the shift). Such work week should consist of the same four days each week, with the fifth day available as a make-up day if needed. Pay compensation for such shift shall be at the applicable rates established for first shift worked in this Agreement.

(d) Because of operational necessities, the second shift may, at the District's direction, be scheduled without the preceding shift having been worked. It is recognized that the District's operations and/or mitigation obligations may require restructuring of normal work schedules. Except in an emergency or when specified in the District's bid specification, the contractor shall give affected Union(s) at least three (3) days notice of such schedule changes.

Section 6.5 Holidays. Recognized holidays on this Project shall be those set forth and governed by the prevailing wage determination(s) applicable to this Project, unless or until such may be, and are, revised by mutual agreement of the parties to this Agreement.

Section 6.6 Show-up Pay. (a) Employees reporting for work and for whom no work is provided, except when given prior notification not to report to work, shall receive two (2) hours pay at the regular straight time hourly rate. Employees who are directed to start work shall receive four (4) hours of pay at the regular straight time hourly rate. Employees who work beyond four (4) hours shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they will be required to remain at the Project Site and available for work for such time as they receive pay, unless released earlier by the principal supervisor of the contractor(s) or his/her designated representative. Each employee shall furnish his/her contractor

with his/her current address and telephone number, and shall promptly report any changes to the contractor.

(b) An employee called out to work outside of his/her shift shall receive a minimum of two (2) hours pay at the appropriate rate. This does not apply to time worked as an extension of (before or after) the employee's normal shift.

(c) When an employee leaves the job or work location of his/her own volition, or is discharged for cause or is not working as a result of the contractor's invocation of Article XII, Section 12.3, the employee shall only be paid for actual time worked.

Section 6.7 "Brassing". The contractor may utilize "brassing" (or similar system) to check employees in and out. Each employee must check himself/herself in and out. The contractor will provide adequate facilities for checking in and out in an expeditious manner.

Section 6.8 Meal Periods. The contractor will schedule a meal period of no more than one – half hour duration at the work location at approximately mid-point of the schedule shift; provided, however, that the contractor may, for efficiency of the operation, establish a schedule which coordinates the meal periods of two or more crafts. An employee may be required to work through his meal period because of an emergency or a threat to life or property, or for such other reasons as are in the applicable Schedule A, and if he is so required, he shall be compensated in the manner established in the applicable Schedule A.

Section 6.9 Make-up Days. To the extent permitted by the applicable general wage determination, when an employee has been prevented from working for reasons beyond the control of the employer, including, but not limited to inclement weather or other natural causes, during the regularly scheduled work week, a make-up day may be worked on a non-regularly scheduled work day for which an employee shall receive eight (8) hours pay at the straight time rate of pay or any premium rate required for such hours under the prevailing wage law.

ARTICLE 7

WORK STOPPAGES AND LOCK-OUTS

Section 7.1 No Work Stoppages or Disruptive Activity. The Council and the Unions signatory hereto agree that neither they, and each of them, nor their respective officers or agents or representatives, shall incite or encourage, condone or participate in any strike, walk-out, slow-down, picketing, observing picket lines or other activity of any nature or kind whatsoever, for any cause or dispute whatsoever with respect to or any way related to Project Work, or which interferes with or otherwise disrupts, Project Work, or with respect to or related to the District or contractors or subcontractors, including, but not limited to, economic strikes, unfair labor practice strikes, safety strikes, sympathy strikes and jurisdictional strikes whether or not the underlying dispute is arbitrable. Any such actions by the Council, or Unions, or their members, agents, representatives or the employees they represent shall constitute a violation of this Agreement. The Council and the Union shall take all steps necessary to obtain compliance with this Article and neither should be held liable for conduct for which it is not responsible.

Section 7.2 Employee Violations. The Contractor may discharge any employee violating Section 7.1 above and any such employee will not be eligible for rehire under this Agreement.

Section 7.3 Standing to Enforce. The District, the Contractor Administrator, or any contractor affected by an alleged violation of Section 7.1 shall have standing and the right to enforce the obligations established therein.

Section 7.4 Expiration of Schedule A's. All employees shall continue to work and to perform all their obligations with respect to Project Work despite the expiration of any Schedule A Agreement. Should a contractor engaged in Project Work enter into an interim agreement with the Union for work being performed elsewhere after the expiration, and before the renewal, of a local collective bargaining agreement forming the basis for Schedule A, such interim agreement shall be utilized by that contractor for Project Work (subject to the provisions of Article XXI, Section 21.3, Paragraph 2).

Section 7.5 No Lockouts. Contractors shall not cause, incite, encourage, condone or participate in any lock-out of employees with respect to Project Work during the term of this Agreement. The term “lock-out” refers only to a contractor’s exclusion of employees in order to secure collective bargaining advantage, and does not refer to the discharge, termination or layoff of employees by the contractor for any reason in the exercise of rights pursuant to any provision of this Agreement, or any other agreement, nor does “lock-out” include the District’s decision to stop, suspend or discontinue any Project Work or any portion thereof for any reason.

Section 7.6 Best Efforts To End Violations. (a) If a contractor contends that there is any violation of this Article, Section 8.3 of Article VIII, or the provisions of Article XXI, Section 21.4, it shall notify, in writing, the Executive Secretary of the Council, the Senior Executive of the involved Union(s) and the Project Labor Coordinator. The Executive Secretary and the leadership of the involved Union(s) will immediately instruct, order and use their best efforts to cause the cessation of any violation of the relevant Article.

(b) If the Union contends that any contractor has violated this Article, it will notify that the contractor and the Project Labor Coordinator, setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures of Section 7.7. The Project Labor Coordinator shall promptly order the involved contractor(s) to cease any violation of the Article.

Section 7.7 Expedited Enforcement Procedure. Any party, including the District, which the parties agree is a party to the Agreement for purposes of this Article and an intended beneficiary of this Article, or the Project Labor Coordinator, may institute the following procedures, in lieu of or in addition to any other action at law or equity, when a breach of Section 7.1 or 7.5, above, or Section 8.3 of Article VIII, or Section 21.4 of Article XXI, is alleged.

(a) The party invoking this procedure shall notify John Kagel, who has been selected by the negotiating parties, and whom the parties agree shall be the permanent arbitrator under this procedure. If the permanent arbitrator is unavailable at any time, the party invoking

this procedure shall notify one of the alternates selected by the negotiating parties, Joseph Gentile or Chester Brisco, in that order on an alternating basis. Notice to the arbitrator shall be by the most expeditious means available, with notices to the parties alleged to be in violation, and to the Council if it is a union alleged to be in violation. For purposes of this Article, written notice may be given by telegram, facsimile, hand delivery or overnight mail and will be deemed effective upon receipt.

(b) Upon receipt of said notice, the arbitrator named above or his/her alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after notice has been dispatched to the Executive Secretary and the Senior Official(s) as required by Section 7.6, as above.

(c) The arbitrator shall notify the parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of Sections 7.1 or 7.5, above, of Section 8.3 of Article VIII, or Section 21.4 of Article XI, has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages, (except for damages as set forth in 7.8 below) which issue is reserved for court proceedings, if any. 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 a written 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 the Article and other appropriate relief, and such Award shall be served on all parties by hand or registered mail upon issuance.

(e) Such award shall be final and binding on all parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant

documents referred to herein above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In any judicial proceeding to obtain a temporary order enforcing the arbitrator's Award as issued under Section 7.4(d) 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 address as shown on this Agreement (for a Union), as shown on their business contract for work under this Agreement (for a contractor) and to the representing Union (for an employee), by certified mail by the party or parties first alleging the violation.

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

(g) The fees and expenses of the arbitrator shall be equally divided between the party or parties initiating this procedure and the respondent party or parties.

Section 7.8 Liquidated Damages. (a) If the Arbitrator determines in accordance with Section 7.7 above that a work stoppage has occurred, the respondent Union(s) shall, within eight (8) hours of receipt of the award, direct all the employees they represent on the Project to immediately return to work. If the craft(s) involved do not return the work by the beginning of the next regularly scheduled shift following such eight (8) hour period after receipt of the arbitrator's award, and the respondent Union(s) have not complied with their obligations to immediately instruct, order and use their best efforts to cause a cessation of the violation and return the employees they represent to work, then the non-complying respondent Union(s) shall each pay a sum as liquidated damages to the District, and each will pay an additional sum per shift, as set forth in (c), below, for each shift thereafter on which the craft(s) has not returned to work.

(b) If the arbitrator determines in accordance with Section 7.7 above that a lock-out has occurred, the respondent contractor(s) shall, within eight (8) hours after receipt of the award, return all the affected employees to work on the Project, or otherwise correct the violations found by the arbitrator. If the respondent contractor(s) do not take such action by the beginning of the next regular scheduled shift following the eight (8) hour period, each non-complying respondent contractor shall pay or give as liquidated damages, to the affected Union(s) (to be apportioned among the affected employees and the benefit funds to which contributions are made on their behalf, as designated by the arbitrator) and each shall pay an additional sum per shift, as set forth in (c), below, for each shift thereafter in which compliance by the respondent contractor(s) has not been completed.

(c) The arbitrator shall retain jurisdiction to determine compliance with this Section and to establish the appropriate sum of liquidated damages, which shall not be less than \$1,000 (one thousand dollars) and no more than \$15,000.00 (fifteen thousand dollars) per shift for each non-complying entity.

ARTICLE 8

WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

Section 8.1 Assignment of Work. The assignment of work will be solely the responsibility of the contractor 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") currently in effect, or any successor plan.

Section 8.2 The Plan. All jurisdictional disputes between or among Building and Construction Trades Unions party to this Agreement, shall be settled and adjusted according to the Plan, or any other plan or method of procedures that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the contractors and Union parties to this Agreement.

Section 8.3 No Work Disruption Over Jurisdiction. All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, disruption, or slow down of any nature, and the contractor's assignments shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 8.4 Pre-Job Conferences. As provided in Article XVI, each contractor will conduct a pre-job conference with the appropriate affected Union(s) prior to commencing work. The Council and the Project Labor Coordinator shall be advised in advance of all such conferences and may participate if they wish.

Section 8.5 Resolution of Jurisdictional Disputes. If any actual or threatened strike, sympathy strike, work stoppage, slow down, picketing, hand-billing or otherwise advising the public that a labor dispute exists, or interference with the progress of Project Work by reason of a jurisdictional dispute or disputes occurs, the parties shall exhaust the expedited procedures set forth in the Plan, if such procedures are in the plan then currently in affect, or otherwise as in Article VII above.

ARTICLE 9

MANAGEMENT RIGHTS

Section 9.1 Contractor and District Rights. The contractors and the District have the sole and exclusive right and authority to oversee and manage construction operations on Project Work without any limitations unless expressly limited by a specific provision of this Agreement. In addition to the following and other rights of the contractors enumerated in this Agreement, the contractors expressly reserve their management rights and all the rights conferred upon them by law. The contractor's rights include, but are not limited to, the right to:

- (a) Plan, direct and control operations of all work;
- (b) Hire, promote, transfer and layoff their own employees, respectively, as deemed appropriate to satisfy work and/or skill requirements;

(c) Promulgate and require all employees to observe reasonable job rules and security and safety regulations;

(d) Discharge, suspend or discipline their own employees for just cause;

(e) Utilize, in accordance with District approval, any work methods, procedures or techniques, and select, use and install any types or kinds of materials, apparatus or equipment, regardless of source of manufacture or construction; assign and schedule work at their discretion; and

(f) assign overtime, determine when it will be worked and the number and identity of employees engaged in such work, subject to such provisions in the applicable Schedule A(s) requiring such assignments be equalized or otherwise made in a non-discriminatory manner.

Section 9.2 Specific District Rights. In addition to the following and other rights of the District enumerated in this Agreement, the District expressly reserves its management rights and all the rights conferred on it by law. The District's rights (and those of the Contractor Administrator on its behalf) include but are not limited to the right to:

(a) Inspect any construction site or facility to ensure that the contractor follows the applicable safety and other work requirements;

(b) Require contractors to establish a different work week or shift schedule for particular employees as required to meet the operational needs of the Project Work at a particular locations or in order to accommodate the instructional programs and pupil control problems at various project sites where school may be in session during periods of construction activity;

(c) At its sole option, terminate, delay and/or suspend any and all portions of the covered work at any time; prohibit some or all work on certain days or during certain hours of the day to accommodate the ongoing operations of the District's educational facilities and/or to mitigate the effect of ongoing Project Work on businesses and residents in the neighborhood

of the Project site; and/or require such other operational or schedule changes it deems necessary, in its sole judgment, to effectively maintain its primary mission and remain a good neighbor to those in the area of its facilities. (In order to permit the contractors and unions to make appropriate scheduling plans, the District will provide the Project Labor Coordinator, and the affected contractor(s) and union(s) with reasonable notice of any changes it requires pursuant to this section; provided, however, that if notice is not provided in time to advise employees not to report for work, show-up pay shall be due pursuant to the provision of Article VI, Section 6.6);

(d) Approve any work methods, procedures and techniques used by contractors whether or not these methods, procedures or techniques are part of industry practices or customs; and

(e) Investigate and process complaints, through its Project Labor Coordinator, in the matter set forth in Articles VII and X.

Section 9.3 Use of Materials. There should be no limitations or restriction by Union upon a contractor's choice of materials or design, nor, regardless of source or location, upon the full use and utilization, of equipment, machinery, packaging, precast, prefabricated, prefinished, or preassembled materials, tools or other labor saving devices, subject to the application of the State Public Contracts and Labor Codes as required by law in reference to offsite construction. Generally, the onsite installation or application of such items shall be performed by the craft having jurisdiction over such work. The District and its Project Labor Coordinator shall advise all contractors of, and enforce as appropriate, the off-site application of the prevailing wage law as it affects Project Work.

Section 9.4 Special Equipment, Warranties and Guaranties. (a) It is recognized that certain equipment of a highly technical and specialized nature may be installed at Project Work sites. The nature of the equipment, together with the requirements for manufacturer's warranties, may dictate that it be prefabricated, prepiped and/or prewired and that it be installed under the supervision and direction of the District's and/or manufacturer's personnel. The Unions agree that such equipment is to be installed without incident.

(b) The parties recognized that the contractor will initiate from time to time the use of new technology, equipment, machinery, tools, and other labor-savings devices and methods of performing Project Work. The Union agrees that they will not restrict the implementation of such devices or work methods. The Unions will accept and will not refuse to handle, install or work with any standardized and/or catalogue parts, assemblies, accessories, prefabricated items, preassembled items, partially assembled items, or materials whatever their source of manufacture or construction.

(c) If any disagreement between the contractor and the Unions concerning the methods of implementation or installation of any equipment, or device or item, or method of work, arises, or whether a particular part or pre-assembled item is a standardized or catalog part or item, the work will precede as directed by the contractor and the parties shall immediately consult over the matter. If the disagreement is not resolved, the affected Union(s) shall have the right to proceed through the procedures set forth in Article X.

Section 9.5 No Less Favorable Treatment. The parties expressly agree that Project Work will not receive less favorable treatment than that on any other project which the Unions, contractors and employees work.

ARTICLE 10

SETTLEMENT OF GRIEVANCES AND DISPUTES

Section 10.1 Cooperation and Harmony on Site. (a) This Agreement is intended to establish and foster continued close cooperation between management and labor. The Council shall assign a representative to this Project for the purpose of assisting the local Unions, and working with the Project Labor Coordinator, together with the contractors, to complete the construction of the Project economically, efficiency, continuously and without any interruption, delays or work stoppages.

(b) The Project Labor Coordinator, the contractors, Unions, and employees collectively and individually, realize the importance to all parties of maintaining continuous and

uninterrupted performance Project Work, and agree to resolve disputes in accordance with the grievance provisions set forth in this Article or, as appropriate, those of Article VII or VIII.

(c) The Project Labor Coordinator shall oversee the processing of grievances under this Article and Articles VII and VIII, including the scheduling and arrangements of facilities for meetings, selection of the arbitrator from the agreed-upon panel to hear the case, and any other administrative matters necessary to facilitate the timely resolution of any dispute; provided, however, it is the responsibility of the principal parties to any pending grievance to insure the time limits and deadlines are met.

Section 10.2 Processing Grievances. Any questions arising out of and during the term of this Agreement involving its interpretation and application, which includes applicable provisions of the Schedule A's, but not jurisdictional disputes or alleged violations of Article VII Section 7.1 and 7.4 and similar provisions, shall be considered a grievance and subject to resolution under the following procedures.

Step 1. – Employee Grievances. When any employee subject to the provisions of this Agreement feels aggrieved by an alleged violation of this Agreement, the employee shall, through his local union business representative or job steward, within ten (10) working days after the occurrence of the violation, give notice to the work site representative of the involved contractor stating the provision(s) alleged to have been violated. A business representative of the local Union or the job steward and the work site representative of the involved contractor shall meet and endeavor to adjust the matter within ten (10) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within ten (10) working days thereafter, pursue Step 2 of this grievance procedure provided the grievance is reduced to writing, setting forth the relevant information, including a short description thereof, the date on which the alleged violation occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved.

Union or Contractor Grievances. Should the Union(s) or any contractor have a dispute with the other party(ies) and, if after conferring within ten (10) working days after the disputing party knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within five (5) working days, the dispute shall be reduced to writing and processed to Step 2 in the same manner as outlined in 1(a) above for the adjustment of an employee complaint.

Step 2. The business manager of the involved local Union or his designee, together with the site representative of the involved contractor, and the labor relations representative of the Project Labor Coordinator, shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. 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 after the initial meeting at Step 2.

Step 3. (a) If the grievance shall have been submitted but not resolved under Step 2, either the Union or contractor party may request in writing to the Project Labor Coordinator (with copy(ies) to the other party(ies)) within seven (7) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from the agreed upon list below, on a rotational basis in the order listed. Those arbitrators are: (1) Joseph Gentile; (2) Howard S. Block; (3) Thomas T. Roberts; (4) Chester Brisco; (5) William Rule; (6) Anthony Sinicropi; and (7) Wayne Estes. The decision of the arbitrator shall be final and binding on all parties and the fee and expenses of such arbitrations shall be borne equally by the involved contractor(s) and the involved union(s).

(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 and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

Section 10.3 Limit on Use of Procedures. Procedures contained in this Article shall not be applicable to any alleged violation of Article VII or VIII, with a single exception that any employee discharged for violation of Article VII, Section 7.2, or Article VIII, Section 8.3, may resort to the procedures of this Article to determine only if he/she was, in fact, engaged in that violation.

Section 10.4 Notice. The Project Labor Coordinator (and the District, in the case of any grievance regarding the Scope of this Agreement), shall be notified by the involved contractor of all actions at Steps 2 and 3, and further, the Project Labor Coordinator shall, upon its own request, be permitted to participate fully as a party in all proceedings at such steps.

ARTICLE 11

REGULATORY COMPLIANCE

Section 11.1 Compliance with All Laws. The Council and all Unions, contractors, subcontractors and their employed shall comply with all applicable federal and state laws, ordinances and regulations including, but not limited to, those relating to safety and health, employment and applications for employment. All employees shall comply with the safety regulations established by the District, the Project Labor Coordinator or the contractor. Employees must promptly report any injuries or accidents to a supervisor.

Section 11.2 Monitoring Compliance. The parties agree that the District shall require, and that the Project Labor Coordinator and Council shall monitor, compliance by all contractors and subcontractors with all federal and state laws regulation that, from time to time may apply to Project Work. It shall be the responsibility of both the Council and the Project Labor Coordinator (on behalf of the District) to investigate or monitor compliance with these various laws and regulations. The Council may recommend to the Project Labor Coordinator and/or the District procedures to encourage and enforce compliance with these laws and regulations.

Section 11.3 Prevailing Wage Compliance. The Council or Union shall refer all complaints regarding any potential prevailing wage violation to the Project Labor Coordinator,

who on its own, or with the assistance of the District's labor compliance program, shall process, investigate and resolve such complaints, consistent with Article V, Section 5.4. The Council or Union, as appropriate, shall be advised in a timely manner with regard to the facts and resolution, if any, of any complaint. It is understood that this Section does not restrict any individual rights as established under the State Labor Code, including the rights of an individual to file a complaint with the State Labor Commissioner.

Section 11.4 Violations of Law. Based upon a finding of violation by the District of a federal and state law, and upon notice to the contractor that it or its subcontractors is in such violation, the District, in the absence of the contractor or subcontractor remedying such violation, shall take such action as it is permitted by law or contract to encourage that contractor to come into compliance, including, but not limited to, assessing fines and penalties and/or removing the offending contractor from Project Work. Additionally, in accordance with the Agreement between the District and the contractor, the District may cause the contractor to remove from Project Work any subcontractor who is in violation of state or federal law.

ARTICLE 12

SAFETY AND PROTECTION OF PERSON AND PROPERTY

Section 12.1 Safety. (a) It shall be the responsibility of each contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the District, the Project Labor Coordinator or the contractor. It is understood that employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the contractor and the District.

(b) Employees shall be bound by the safety, security and visitor rules established by the contractor, the Project Labor Coordinator and/or the District. These rules will be published and posted. An employee's failure to satisfy his/her obligations under this section will subject him/her to discipline, up to and including discharge.

(c) The Project Labor Coordinator may, at the request of the District establish and implement, after negotiation with the Union, reasonable substance abuse testing procedures and regulations, which may include pre-hire, reasonable cause, random and post accident testing to the extent permitted by federal and state law. Should the Project Labor Coordinator approve, an established program to which signatory Union(s) are currently a party shall become the project-wide substance abuse testing program, after consultation with the unions. Until there is such a project-wide substance abuse testing procedure negotiated and/or otherwise adopted by the Project Labor Coordinator, such substance abuse testing procedures as are contained in the Schedule A's shall be applicable to work on the Project pursuant to their terms.

Section 12.2 Inspection. The inspection of incoming shipments of equipment, machinery, and construction materials of every kind shall be performed at the discretion of the contractor by individuals of its choice.

Section 12.3 Suspension of Work for Safety. A contractor may suspend all or a portion of the job to protect the life and safety of employees. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the contractor requests employees to remain at the site and be available for work, the employees will be compensated for stand-by time at their basic hourly rate of pay.

Section 12.4 Water and Sanitary Facilities. The contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees as required by state law or regulation.

ARTICLE 13

TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowances and/or zone rates and parking reimbursements shall not be applicable to work under this Agreement, except to the extent provided for in any applicable prevailing wage determination. Parking for employees covered by this Agreement shall be provided by the Contractor(s) according to the provision of the

Schedule A(s) existing on the effective date of this Agreement, and upon presentation of proof of any expense incurred.

ARTICLE 14

APPRENTICES

Section 14.1 Importance of Training. The parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the local work force in the area served by the District, and the opportunities to provide continuing work under the construction program funded by Proposition BB and Measure K. To these ends, the parties will facilitate, encourage, and assist local residents to commence and progress in Labor/Management Apprenticeship and/or training Programs in the construction industry leading to participation in such apprenticeship programs. The District, the Project Labor Coordinator, other District consultants, and the Council, will work cooperatively to identify, or establish and maintain, effective programs and procedures for persons interested in entering the construction industry and which will help prepare them for the formal joint labor/management apprenticeship programs maintained by the signatory unions.

Section 14.2 Use of Apprentices. (a) Apprentices may comprise up to thirty (30) percent of each craft's work force at any time, unless the standards of the applicable joint apprenticeship committee confirmed by the State Labor Commissioner establish a lower maximum percentage, and where such is the case, the applicable unions should use its best efforts with the committee and, if necessary, the Commissioner to permit up to thirty percent apprentices on the project. When available and capable of undertaking the tasks involved, forty (40) percent of such apprentice workforce of each craft shall consist of first (1st) year apprentices.

(b) The Unions agree to cooperate with the contractor in furnishing apprentices as requested up to the maximum percentage. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to

utilization of apprentices. The District shall encourage such utilization, and, both as to apprentices and the overall supply of experienced workers, the Project Labor Coordinator will work with the Council to assure appropriate and maximum utilization of apprentices and the continuing availability of both apprentices and journey persons.

(c) The parties agree that apprentices will not be dispatched to contractors working under this Agreement unless there is a journeyman or other contractor employee working on the Project where the apprentice is to be employed who is qualified to assist and oversee the apprentice's progress through the program in which he is participating.

Section 14.3 Joint Subcommittee on Training and Apprenticeship. To carry out the intent and purposes of this Article, a subcommittee of the Labor Management Committee established pursuant to Article XVII shall be established, jointly chaired by a designee of the District and a designee of the Council, to oversee the identification and/or effective development of procedures and programs leading to the full utilization of apprenticeship programs, and to work with representatives of each signatory craft's joint apprenticeship committee ("JAC") and representatives of the District's technical schools to establish appropriate criteria for recognition by such JAC's of the educational and work experience possessed by District students and graduates toward qualifying for entry or advanced level in the apprenticeship programs under the direction under such JAC's. The Subcommittee will meet as necessary at the call of the joint chairs to promptly to facilitate its purposes in an expeditious manner as soon as this Agreement becomes effective. In addition to the joint chairs, the membership of the committee will consist of at least three representatives of the signatory local Unions and three representatives of contractors signatory to this Agreement and experienced in overseeing and participating in joint labor management apprenticeship programs (or organizations to which the contractors belong).

ARTICLE 15

WORKING CONDITIONS

Section 15.1 Rest Periods. There will be no non-working times established during working hours except as may be required by applicable state law or regulations. Rest periods as

provided in IWC Order No. 16 (currently ten (10) minutes in each four hours worked) shall apply to all Project Work, consistent with its terms as then in effect. Individual coffee containers will be permitted at the employees' work location; however, there will be no organized coffee breaks.

Section 15.2 Work Rules. The District, the Project Labor Coordinator, and/or relevant contractor shall establish such reasonable work rules as they deem appropriate and not inconsistent with this Agreement. These rules will be posted at the work sites by the contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations by employees may be grounds for discipline up to and including discharge.

Section 15.3 Emergency Use of Tools and Equipment. There should be no restrictions on the emergency use of any tools by any qualified employee or supervisor, or on the use of any tools or equipment for the performance of work within the jurisdiction, provided the employee can safely use the tools and/or equipment involved and is in compliance with applicable governmental rules and regulations.

Section 15.4 Access Restrictions for Cars. Recognizing the nature of the work being conducted on the site, employee access by a private automobile may be limited to certain roads and/or parking areas.

ARTICLE 16

PRE-JOB CONFERENCES

Consistent with Article VIII, Section 8.4, all work assignments should be disclosed by the contractor at a pre-job conference held in accordance with industry practice. The contractor shall notify the Project Labor Coordinator at least two weeks before starting work under this Agreement, and the Project Labor Coordinator shall coordinate the scheduling of a pre-job conference with the Council, the contractor(s) and the affected union(s). Should there be any formal jurisdictional dispute raised under Article VIII, the Project Labor Coordinator shall be

promptly notified. At the pre-job, the Project Labor Coordinator shall review the District's employment and contracting programs and goals with the participants.

ARTICLE 17

LABOR/MANAGEMENT AND COOPERATION

Section 17.1 Joint Committee. The parties to this Agreement will form a joint committee consisting of representatives selected by the Council and the Project Labor Coordinator, to be chaired jointly by a representative of the Project Labor Coordinator and the Council. The purpose of the Committee shall be to promote harmonious and stable labor management relations on this Project, to ensure effective and constructive communication between labor and management parties, to advance the proficiency of work in the industry, and evaluate and ensure an adequate supply of skilled labor for all Project Work. Representatives of the District may participate upon its request.

Section 17.2 Functions of Joint Committee. The Committee shall meet on a schedule to be determined by the Committee or at the call of the joint chairs, to discuss the administration of the Agreement, the progress of the Project, general labor management problems that may arise, and any other matters consistent with this Agreement. Substantive grievances or disputes arising under Articles VII, VIII or X shall not be reviewed or discussed by this Committee, but shall be processed pursuant to the provisions of the appropriate Article.

The Project Labor Coordinator shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meetings, with input from the Unions the contractors and the District. Notice of the date, time and place of meetings, shall be given to the Committee members at least three (3) days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate.

The Project Labor Coordinator shall prepare quarterly reports on apprentice utilization and the training and employment of District residents, and a schedule of Project work and estimated number of craft workers needed. The Committee, or an appropriate subcommittee,

may review such reports and make any recommendations for improvement, if necessary, including increasing the availability of skilled trades, and the employment of local residents or other individuals who should be assisted with appropriate training to qualify for apprenticeship programs.

Section 17.3 Subcommittees. The Committee may form subcommittees to consider and advise the full Committee with regard to safety and health issues affecting the Project and other similar issues affecting the overall Project, including any workers compensation program initiated under this Agreement.

ARTICLE 18

SAVINGS AND SEPARABILITY

Section 18.1 Savings Clause. It is not the intention of the District, the Project Labor Coordinator, contractor or the Union parties to violate any laws governing the subject matter of this Agreement. The parties hereto agree that in the event any provision of this Agreement is finally held or determined to be illegal or void as being in contravention of any applicable law or regulation, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the parties agree that if and when any provision(s) of this Agreement is finally held or determined to be illegal or void by a court of competent jurisdiction, the parties will promptly enter into negotiations concerning the substantive effect of such decision for the purposes of achieving conformity with the requirements of any applicable laws and the intent of the parties hereto. If the legality of this Agreement is challenged and any form of injunctive relief is granted by any court, suspending temporarily or permanently the implementation of this Agreement, then the parties agree that all Project Work that would otherwise be covered by this Agreement should be continued to be bid and constructed without application of this Agreement so that there is no delay or interference with the ongoing planning, bidding and construction of any Project Work.

Section 18.2 Effect of Injunctions or Other Court Orders. The parties recognize the right of the District to withdraw, at its absolute discretion, the utilization of the Agreement as part of any bid specification should a Court of competent jurisdiction issue any order, or any applicable statute which could result, temporarily or permanently in delay of the bidding, awarding and/or construction on the Project. Notwithstanding such an action by the District, or such court order or statutory provision, the parties agree that the Agreement shall remain in full force and the fact on covered Project Work to the maximum extent legally possible.

ARTICLE 19

WAIVER

A waiver of or a failure to assert any provisions of this Agreement by any or all of the parties hereto shall not constitute a waiver of such provision for the future. Any such waiver shall not constitute a modification of the Agreement or change in the terms and conditions of the Agreement and shall not relieve, excuse or release any of the parties from any of their rights, duties or obligations hereunder.

ARTICLE 20

AMENDMENTS

The provisions of this Agreement can be renegotiated, supplemented, rescinded or otherwise altered only by mutual agreement in writing, hereafter signed by the negotiating parties hereto.

ARTICLE 21

DURATION OF THE AGREEMENT

Section 21.1 Duration. (a) This Agreement shall be effective October 1, 2003 for purposes of work funded under Measure K and awarded after such date, and [30 days later,], MS Work 17 2003 for all Project Work funded pursuant to Proposition BB (after which date, the parties agree, the Project Stabilization Agreement originally effective August 31, 1999 for Project BB Funded work shall be terminated in its entirety except as to work then underway pursuant to such

Agreement), and shall be continued in effect until October 1, 2008 (provided however, it shall continue in effect for all work awarded prior to such termination date until the completion of such Project Work).

(b) This Agreement may be extended by mutual consent of the District and the signatory unions for any further construction program initiated pursuant to Propositions BB or Measure K consistent with the Scope Provisions of Article II of this Agreement, and further, it is agreed that with regard to any new construction or major modification programs undertaken by the District pursuant to further Propositions or Measures enacted by District voters prior to October 1, 2008, this Agreement shall apply to all construction work awarded prior to said October 1, 2008, for work meeting conditions established in Article II, Section 2.2 above.

Section 21.2 Turnover and Final Acceptance of Completed Work. (a) Construction of any phase, portion, section, or segment of Project Work shall be deemed complete when such phase, portion, section or segment has been turned over to the District by the contractor and the District has accepted such phase, portion, section, or segment. As areas and systems of the Project are inspected and construction-tested and/or approved and accepted by the District or third parties with the approval of the District, the Agreement shall have no further force or effect on such items or areas, except when the contractor is directed by the District to engage and repairs or modifications required by its contract(s) with the District.

(b) Notice of each final acceptance received by the contractor will be provided to the Council with the description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the District and Notice of Acceptance is given by the District or its representative to the contractor. At the request of the Union, complete information describing any "punch" list work, as well as any additional work required of a contractor at the direction of the District pursuant to (a) above, involving otherwise turned-over and completed facilities which have been accepted by the District, will be available from the Project Labor Coordinator.

Section 21.3 Continuation of Schedule A's. Schedule A's incorporated as part of this Agreement shall continue in full force and effect, as previously stated, until the contract or and unions parties to the collective bargaining agreement(s) which are the basis for such Schedule A's notify the Project Labor Coordinator of the mutually agreed upon changes in such agreements and their effective date(s).

The parties agree to recognize and implement all applicable changes on their effective dates, except as otherwise provided by this Agreement; provided, however, that any such provisions negotiated in said collective bargaining agreements will not apply to work covered by this Agreement if such provisions are less favorable to the contractor under the Agreement than those uniformly required of contractors for construction work normally covered by those agreements; nor shall any provision be recognized or applied if it may be construed to apply exclusively or predominately to work covered by this Agreement. Any disagreement between the parties over the incorporation into a Schedule A of any such provision agreed upon in an negotiation of the Local Collective Bargaining Agreement which is the basis for a Schedule A shall be resolved under the procedures established in Article X.

Section 21.4 No Work Stoppages. The Union agrees that there will be no strikes, work stoppages, sympathy strikes, picketing, slowdowns or any other disruptive activity affecting the Project by any Union involved in the negotiation or renegotiations of the Local Collective Bargaining Agreement and the resulting Schedule A's, nor shall it be any lock-out on this Project of the involved Union(s) during the course of such negotiations.

Section 21.5 Final Termination. Final termination of all obligations, rights, and liabilities, and disagreements shall occur upon receipt by the Council of a Notice from the District saying that no work remains within the scope of the Agreement; or _____, 2008, (unless there is a mutually agreed upon extension) whichever occurs first.

In witness whereof the parties have caused this Project Stabilization Agreement for Los Angeles Unified School District New School Construction and Major Rehabilitation to be executed as of the date and year above stated.

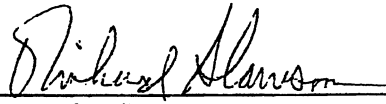
LOS ANGELES
UNIFIED SCHOOL DISTRICT

By: 

JAMES A. McCONNELL, JR.
Chief Facilities Executive

By: _____

LOS ANGELES ORANGE COUNTIES
BUILDING AND TRADES
CONSTRUCTION COUNCIL

By: 

Executive Secretary

Signatory Unions and Districts
(see attached)

LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT

LOCAL UNION/DISTRICT

<u>U.A. Local 280 Steamfitters</u>	By: <u>Eddie Barnes</u> <i>son</i>
<u>The Mach: Terrazzo Local #18</u>	By: <u>[Signature]</u>
<u>U.A.L. Plumbers #71</u>	By: <u>[Signature]</u>
<u>Sprinkler Fitters U.A. Local 709</u>	By: <u>Mike Svensen</u>
<u>Cement Masons #600</u>	By: <u>Tony Acord</u>
<u>I.B.E.W #11</u>	By: <u>[Signature]</u>
<u>TEAMSTERS 848</u>	By: <u>[Signature]</u>
<u>LABORERS' LOCAL #300</u>	By: <u>[Signature]</u>
<u>Plasterers #200</u>	By: <u>[Signature]</u>
<u>PRIMERS + Allied</u>	
<u>TRADES DISTRICT Council #36</u>	By: <u>Chas. P. Quinn</u>
<u>BRICKLAYERS LOCAL #4</u>	By: <u>Philip Morris</u>
<u>LABORERS local 882</u>	By: <u>[Signature]</u>
<u>SHEET METAL WORKERS #105</u>	By: <u>[Signature]</u>
<u>LANDSCAPE & IRRIGATION</u>	
<u>FITTERS UA LOCAL 345</u>	By: <u>Renee Bautista</u> <i>per J. Kerner</i>
<u>Iron Workers I.U. #433</u>	By: <u>Northeast Williams</u>
<u>Roofers & Waterproofer 36</u>	By: <u>[Signature]</u>

I.W. 416

By: David A. Alexander (DWA)

Boilermakers #92

By: Edward Marquez

ELEVATOR CONSTRUCTORS #18

By: Ernie Brown

Carpenters Regional Council

By: Lloyd Clay

Teamsters Local #986

By: Gene Stewer

Granite Local 345

[Signature]

By: [Signature]

Flour & Bread #13

By: [Signature]

Truck Local 12

By: Robert V. Curran

Plumbers Local 78

By: Paul Pinto

Laborer's Local 802

By: John C. Hall

Laborers Local 507

By: Paul Sambrano

Asbestos Workers Local 5

By: [Signature]

By: Jim Watkins

By: _____

ATTACHMENT B - ELEVATOR CONSTRUCTORS

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

E. Carl Uehlein, Jr.
ecuehleir. Jr.@morganlewis.com

May 23, 2003

FEDERAL EXPRESS

[Revised]

Ernie Brown
Business Manager
International Union of Elevator Constructors, Local 18
100 South Mentor Avenue
Pasadena, CA 91106

Re: Los Angeles Unified School District Project Stabilization Agreement

Dear Ernie:

Consistent with our discussions as part of the negotiations for the above-referenced Agreement, this is to confirm our understanding and agreement that International Union of Elevators Constructors, Local 18, will execute the Project Stabilization Agreement (PSA). In consideration thereof, the negotiating parties to the Agreement specifically agree that where there is a conflict, the terms and conditions of the Project Stabilization shall supercede and override the terms and conditions of any and all other national, area or local collective bargaining agreements, except as otherwise as specified in the Agreement and excepted further that the work of the International Union of Elevators Constructors within the scope of this Project Stabilization Agreement shall be performed under the terms of its National Agreement, with the exception that Articles 7, 8 and 10 of the PSA shall apply to such work; and, finally, with the understanding that all employees working within the scope of the Project Stabilization Agreement and within the craft jurisdiction of the International Union of Elevators Constructors shall be referred and/or employed in the manner consistent with Article 3 of the PSA.

All work within the Scope of the PSA will be awarded consistent with the terms of that Agreement, with the requirement that the successful contractor (and subcontractors of whatever tier) agree to execute the Letter of Assent (Attachment A), and that the contractors or

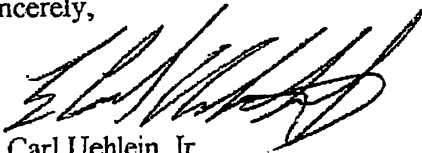
Ernie Brown
May 23, 2003
Page 2

subcontractors awarded work within the scope of the International Union of Elevator Constructors will apply the Project Stabilization Agreement consistent with this Letter of Understanding. For your convenience, a copy of the Agreement as it is being circulated by the Building Trades Council is enclosed.

If you are in agreement with the above understanding, we would appreciate your execution of a copy of this letter and returning it to the undersigned.

Thank you for your cooperation in this matter. The Los Angeles Unified School District looks forward to working with the International Union of Elevator Constructors, Local 18 under the Project Stabilization Agreement.

Sincerely,



E. Carl Uehlein, Jr.
Special Counsel for the Los Angeles Unified District

Agreed: Ernie Brown
Business Manager
International Union of Elevator Constructors
Local 18

cc: Los Angeles Unified School District
Dana Brigham, General President
International Union of Elevator Constructors

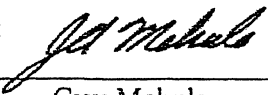

**AMENDMENT OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT**

The Parties agree that Section 21.1 of Article 21 of the Project Stabilization Agreement is hereby amended as follows:

Section 21.1 Duration. (a) This Agreement shall be effective October 1, 2003 for purposes of work funded under Measure K and awarded after such date, and October 31, 2003 for all Project Work funded pursuant to Proposition BB (after which date, the parties agree, the Project Stabilization Agreement originally effective August 31, 1999 for Project BB Funded work shall be terminated in its entirety except as to work then underway pursuant to such Agreement), and shall continue in effect through September 30, 2013 (provided however, it shall continue in effect for all Project Work awarded through September 30, 2013 until the completion of such Project Work).

(b) This Agreement may be extended by mutual consent of the District and the signatory unions for any further construction program initiated pursuant to Propositions BB or Measure K consistent with the Scope Provisions of Article II of this Agreement, and further, it is agreed that with regard to any new construction or major modification programs undertaken by the District pursuant to further Propositions or Measures enacted by District voters at any time through September 30, 2013, this Agreement shall apply to all construction work awarded through September 30, 2013, for work meeting conditions established in Article II, Section 2.2 above.

This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures are to be deemed equivalent to original "wet ink" signatures under this Amendment.

<p>LOS ANGELES UNIFIED SCHOOL DISTRICT</p> <p>By: </p> <hr/> <p>Guy Mehula Chief Facilities Executive</p>	<p>LOS ANGELES ORANGE COUNTIES BUILDING AND TRADES CONSTRUCTION COUNCIL</p> <p>By: </p> <hr/> <p>Executive Secretary</p>
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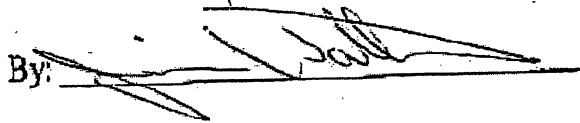
Signatory Unions and Districts (signatures continue on next page)

LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT AMENDMENT
Section 21.1 of Article 21 - Duration

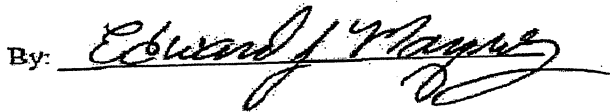
SIGNATURE PAGE

CRAFT LOCAL UNION OR COUNCIL

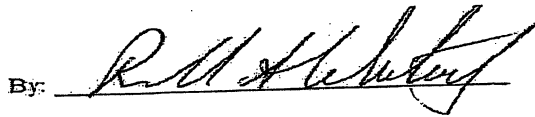
HEAT & FROST LOCAL 5
INSULATORS

By: 

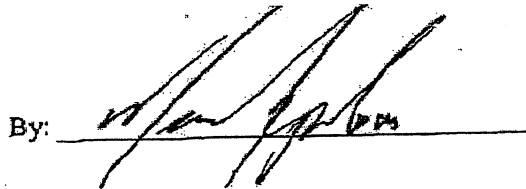
Boiler Makers Local 92

By: 


Bricklayers #4

By: 

I B E W #11

By: 

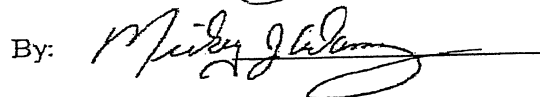
ELEVATOR CONSTRUCTORS #18

By: 

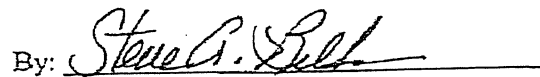
I. U. O. E., LOCAL UNION NO. 12

By: 

I. U. O. E., LOCAL UNION NO. 12

By: 

I U O E LOCAL #12

By: 

Gasite Workers Local 345

By: [Signature]

Ironworkers local 416

By: DAVID KEABLE

IRONWORKERS 433

By: Douglas Williams

LABORERS LOCAL 300

By: [Signature]

507 LABORERS

By: [Signature]

Laborers' Local 800

By: D. C. Bl

Printers & Allied Trades DC 36

By: ROBERT SMITH

UP PLUMBER'S LOCAL UNION 70

By: [Signature]

UA LOCAL 250

By: GEORGE VASQUEZ

LANDSCAPE/IRRIGATOR/UNDERGROUND
local 345

By: [Signature]

SPRINKLER FITTERS UA 709

By: Melvin P. Hunt

UA PLUMBER+FITTERS LOCAL 761 By: [Signature]

PLASTERERS LOCAL 200 By: Tom Wa

Concret Masons #600 By: [Signature]

LOCAL 36 By: [Signature]

SMWIA LOCAL UNION 105 By: Roy L. Ringwood

TEAMSTERS #848 By: Erik Joffman

TEAMSTERS LOCAL 986 By: Gene Brewer

Tile Marble & Terrazzo Local #18 By: [Signature]

Southwest Regional Council of Carpenters By: Ruben Zuniga

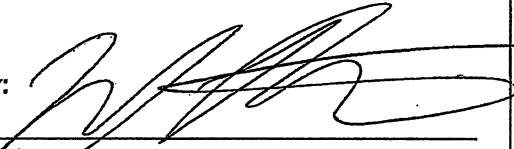

**AMENDMENT OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT**

The Parties agree that Section 21.1 of Article 21 of the Project Stabilization Agreement is hereby amended as follows:

Section 21.1 Duration. (a) This Agreement shall be effective October 1, 2003 for purposes of work funded under Measure K and awarded after such date, and October 31, 2003 for all Project Work funded pursuant to Proposition BB (after which date, the parties agree, the Project Stabilization Agreement originally effective August 31, 1999 for Project BB Funded work shall be terminated in its entirety except as to work then underway pursuant to such Agreement), and shall continue in effect through December 31, 2023 (provided however, it shall continue in effect for all Project Work awarded through December 31, 2023 until the completion of such Project Work).

(b) This Agreement may be extended by mutual consent of the District and the signatory unions for any further construction program initiated pursuant to Propositions BB or Measure K consistent with the Scope Provisions of Article II of this Agreement, and further, it is agreed that with regard to any new construction or major modification programs undertaken by the District pursuant to further Propositions or Measures enacted by District voters at any time through December 31, 2023, this Agreement shall apply to all construction work awarded through December 31, 2023, for work meeting conditions established in Article II, Section 2.2 above.

This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures are to be deemed equivalent to original "wet ink" signatures under this Amendment.

<p>LOS ANGELES UNIFIED SCHOOL DISTRICT</p> <p>By: </p> <hr/> <p>Mark Hovatter Chief Facilities Executive</p>	<p>LOS ANGELES ORANGE COUNTIES BUILDING AND TRADES CONSTRUCTION COUNCIL</p> <p>By: </p> <hr/> <p>Ron Miller Executive Secretary</p>
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Signatory Unions and Districts (signatures continue on next page)

LOS ANGELES UNIFIED SCHOOL DISTRICT
PROJECT STABILIZATION AGREEMENT AMENDMENT
Section 21.1 of Article 21 - Duration

SIGNATURE PAGE

CRAFT LOCAL UNION OR COUNCIL

Paul Robinson

By: Silver Metal Workers #105

Tom Johnson

By: Insulators / F.S.

Frank Gamin

By: Bricklayers Local #4

Marvin Kupke (EBS)

By: IBEW #11

Cliff

By: Roofers 36

George Vasquez 6th

By: U.A. Local 250

Gene Brewer

By: Terrace 986

Art

By: Cement Masons Local

J. Belmont

By: Ironworkers local 433

Gene Crowl

By: CEMENT MASONS LOCAL 500

M-L Jr

By: IRONWORKERS LOCAL 416

Roy Calder

By: Sprinkler Fitters 709

Amor

By: Plasterers Local #200

Refugio Paul Jr

By: Tile, Marble & Terrazzo Local #18

Deepak Marwan

By: Local 300

Miguel

By: Granite Local 345

M. J. L.

By: BOILERMAKERS LOCAL 92

Jaafar Surtar

By: LABORERS LOCAL 802

Carl Ely

By: Sepec

John P. L.

By: UAW PUMPS LOCAL 1007

Lonny Cook

By: PAF DC 36



By: Local 12

Mickey J Adams

By: Local 12

Dan E. Hawn

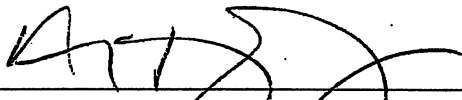
By: Local 12



By: Local 761

Antilla Red

By: Laborers Local 507



By: IUE Local 18

Gordon

By: Southwest Regional Council
of Carpenters

By: _____

By: _____

By: _____

By: _____


To All Contractors and Subcontractors:

Re: LAUSD PSA Section 3.6(a)
Core-to-Referred Ratio for Specialty Contractors and Subcontractors

Section 3.6(a) of the PSA states:


"A specialty or sub-contractor may employ, as needed, first, a member of his core workforce, then an employee through a referral from the appropriate union hiring hall, then a second core employee, and a second employee through the referral system, and so on until a maximum of five core employees are employed, after which all further employees shall be employed pursuant to the other provisions of this Article, starting with Section 3.3. In laying off, an employer with 10 or less employees, the number of core employees shall not exceed one-half plus one of the workforce, assuming the remaining employees are qualified to undertake the work available."

The ratio of core employees to hiring hall-referred employees in Section 3.6(a) is applicable on a per-contract basis. Thus, a specialty or subcontractor may employ up to a maximum of five (5) core employees for each District construction contract that includes the PSA, consistent with the employment procedures set forth in Article 3 of the PSA.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

2/10/09
Date



Richard Slawson
Executive Secretary
LOS ANGELES AND ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

2-10-09
Date

To All Contractors and Subcontractors

Re: LAUSD PSA Sections 5.1 and 5.2
Payment of fringe benefits not to exceed prevailing wage

Contractors on Project Stabilization Agreement ("PSA") projects, which are not signatory to a Schedule A Agreement(s), are not obligated to pay fringe benefits to Trust Funds in excess of the contribution amounts set forth in the applicable prevailing wage determination.

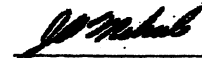
Article 5 of the PSA, which covers Wages and Benefits, states in Section 5.1:

"All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations."

Section 5.2(a) goes on to say that


"Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A and make all employee-authorized deductions in the amounts designated in the appropriate Schedule A, such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination."

The language is not ambiguous, and this section intends to preclude contractors, which are not signatory to a Schedule A Agreement(s), from having to pay benefits in excess of those set forth in the prevailing wage determinations. A contractor may always choose to pay its workers more than the prevailing wage rate.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 OCT 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

October 1, 2008
Date

To All Contractors and Subcontractors

Re. LAUSD PSA Section 5.2, 8.1 and 8.2
Jurisdictional Disputes
PSA Provisions for payment of fringes to trust funds

Under Section 8.1 of the PSA, a contractor has the responsibility to assign its work in good faith to particular craft union(s) in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan"). Another craft union may challenge a work assignment by that contractor through the Plan's jurisdictional dispute procedure.


Under Section 5.2(b) of the PSA, the "applicable" trust agreements for which benefits are to be paid are those of the Trust Funds associated with the craft union to which the work was assigned pursuant to Section 8.1. Unless and until a challenge to a work assignment is resolved pursuant to the Plan, a contractor must pay its fringe benefits payments to the Trust Funds of the craft union(s) identified in the contractor's original work assignment. A decision under the Plan will not require retroactive contributions to the Trust Funds of the challenging craft union.

Further, a Trust Fund may bring a valid claim for the payment of fringe benefits into its fund if the underlying craft union has first filed a grievance for improper work assignment under the Plan, as provided in Section 8.2 of the PSA. It is expected that a Trust Fund will not file such claim until after the underlying jurisdictional dispute has been resolved pursuant to the Plan.

Under Labor Code sections 1720-1781, contractors must pay their workers the prevailing wage rate associated with the appropriate prevailing wage classification for work performed by those employees. Underpayment of an employee as a result of misclassification by a contractor is a violation of prevailing wage law.


The District's Labor Compliance Department ("LCD") enforces California prevailing wage laws. If the LCD reclassifies workers to a prevailing wage classification with a higher prevailing wage rate than that used by the contractor, the contractor is responsible for paying the difference between the prevailing wage rate of the original classification and the reclassification, which may include a revision in the amount of fringe benefit contributions, as well as statutory penalties. The LCD will provide credit to the contractor for fringe benefit payments already made to a Trust Fund on behalf of workers on the project.

The LCD only enforces prevailing wage law, not the PSA. The LCD does not direct contractors as to which Trust Funds should receive their fringe benefit payments. The LCD also does not engage in PSA work assignments. Therefore, the LCD's reclassification by itself does not entitle the Trust Funds associated with the reclassified craft to obtain retroactive fringe benefit contributions.



Jay Mehala
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 Oct 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES-ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

Oct 1, 2008
Date

To All Contractors and Subcontractors

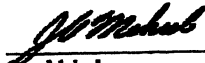
Re: LAUSD PSA Section 8.1
Contractor's Responsibility to Assign Work in Good Faith

Under Section 8.1 of the PSA, a contractor has the responsibility to assign its work to particular craft union(s) in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan"). Such work assignments will be made in good faith and in accordance with the Plan. Another craft union may challenge a work assignment by that contractor through the Plan's jurisdictional dispute procedure.

The Plan specifies the criteria to be used by contractors in making work assignments in Article I of the Procedural Rules (titled "Contractor's Responsibility"), section 2, paragraph (d).

"Criteria to be used in making assignments of work are set forth in Article V, Section 8, of the Plan"

The criteria contractors must use in making work assignments are contained in Article V, Section 8 of the Plan, which specifies the guidelines for an Arbitrator to follow when making a decision on a dispute over an assignment of work. Article V, Section 8 of the Plan was recently amended, and a copy of that amendment, effective as of March 15, 2008, is attached.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 OCT 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

October 1, 2008
Date

Re: LAUSD PSA Sections 2.1 and 2.5
Scope of the PSA.

In the preamble to the Project Stabilization Agreement ("PSA"), a contractor is described as including the following:

"The term 'Contractor' as used in this Agreement includes any contractor to whom the District awards a construction contract through its public bidding process for Project Work, and also to subcontractors of whatever tier utilized by such contractors for Project Work. The term 'Contractor' includes any individual, firm, partnership, or corporation, or combination thereof, including joint ventures, which as an independent contractor has entered into a contract with the District with respect to Project Work, or with another contractor as a subcontractor for Project Work."

The PSA applies to all contractors and subcontractors while performing work on covered projects. Sections 2.1 and 2.5 of the PSA further stress this point.

Section 2.1 of the PSA states:

"This Agreement shall apply and is limited to all new construction, rehabilitation and capital improvement work as described in Section 2.2 of this Article, performed by those contractor(s) of whatever tier that have contracts awarded for such work, for the development of the District's facilities which, jointly, constitute the Project, and have been designated by the District for new construction or major rehabilitation."


The above quoted section defines which projects fall under the PSA, and its applicability to all contractors and subcontractors working on these projects.

Section 2.5, subparts (a) and (b), of the PSA, covering the awarding of contracts, elaborates this PSA coverage for contractors and subcontractors working on these projects:

"(a) The District and/or the contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project to any contractor notwithstanding the existence or non-existence of any agreements between such contractor and any union parties, provided only that such contractor is willing, ready and able to execute and comply with this Project Stabilization Agreement should such contractor be awarded work covered by this Agreement.

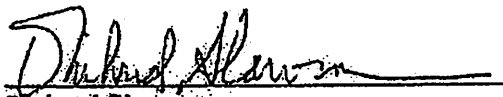
(b) It is agreed that all contractors and subcontractors of whatever tier, who have been awarded contracts for work covered by this Agreement, shall be required to accept and be bound by the terms and conditions of this Project Stabilization Agreement, and shall evidence their acceptance by the execution of the Agreement or of the Letter of Assent as set forth in Attachment A hereto, prior to the commencement of work. No contractor or subcontractor shall commence Project Work without having first provided a copy of the Agreement or Letter of Assent as executed by it to the Project Labor Coordinator and to the Council 48 hours before the commencement of Project Work, or within 48 hours after the award of Project Work to that contractor (or subcontractor), which occurs later."

The PSA applies to all contractors and subcontractors who perform Project Work pursuant to contracts awarded by the District, including, but not limited to Education Code section 17406 contracts procured through alternate delivery methods.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 OCT 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

October 1, 2008
Date

Re: LAUSD PSA Sections 2.4, 9.4 and 9.5
Warranty Work Exclusions to the PSA

Article 2 of the Project Stabilization Agreement ("PSA") covers the scope of the PSA. Specifically, Section 2.4 lists specific exclusions from the PSA, including subpart (g), which states:

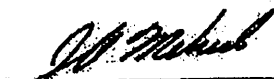
"Work by employees of a manufacturer or vendor necessary to maintain such manufacturer's or vendor's warranties or guaranty."

This covers situations where a manufacturer or vendor will only issue a warranty if the necessary work is performed by its own trained or certified personnel because of the highly technical or specialized nature of its equipment or product. This exclusion applies to "pre-completion" Project Work as well as "post-completion" warranty work.

This exclusion is intended to be interpreted narrowly.


In order to be excluded from the PSA, the equipment or ¹product should be a highly technical or specialty item which requires specialized manufacturer or vendor training and/or experience to handle. Additionally, the manufacturer's and/or vendor's ²standard warranty for the equipment or product, as opposed to an ad hoc change, should contain a provision that the warranty will be void unless the work is performed by the manufacturer's or vendor's own employees.

This exclusion shall not apply to catalogue components, parts and equipment which are installed and maintained by contractors and their craft employees regularly engaged in the building and construction industry.



Guy Mehula
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

1 OCT 2008
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

October 1, 2008
Date

**PLAN FOR SETTLEMENT OF JURISDICTIONAL DISPUTES
IN THE CONSTRUCTION INDUSTRY**

900 7th Street, N.W., Suite 1000, Washington, D.C. 20001
(202) 785-8300
Fax (202) 775-1950

NOTICE: The parties to the Plan have amended Article V, Section 8. The amendment applies to all cases filed on or after March 15, 2008. The new language is:

Article V, Sec. 8. In rendering his decision, the Arbitrator shall determine:

a) First whether a previous agreement of record or applicable agreement, including a disclaimer agreement, between the National and International Unions to the dispute governs;

b) Only if the Arbitrator finds that the dispute is not covered by an appropriate or applicable agreement of record or agreement between the crafts to the dispute, he shall then consider the established trade practice in the industry and prevailing practice in the locality. Where there is a previous decision of record governing the case, the Arbitrator shall give equal weight to such decision of record, unless the prevailing practice in the locality in the past ten years favors one craft. In that case, the Arbitrator shall base his decision on the prevailing practice in the locality. Except, that if the Arbitrator finds that a craft has improperly obtained the prevailing practice in the locality through raiding, the undercutting of wages or by the use of vertical agreements, the Arbitrator shall rely on the decision of record and established trade practice in the industry rather than the prevailing practice in the locality.

c) Only if none of the above criteria is found to exist, the Arbitrator shall then consider that because efficiency, cost or continuity and good management are essential to the well being of the industry, the interests of the consumer or the best practices of the employer shall not be ignored.

The Arbitrator shall set forth the basis for his decision and shall explain his findings regarding the applicability of the above criteria. If lower-ranked criteria are relied upon, the Arbitrator shall explain why the higher-ranked criteria were not deemed applicable. The Arbitrator's decision shall only apply to the job in dispute.