PROJECT LABOR AGREEMENT

FOR

BEACH CITIES HEALTH DISTRICT
ALLCOVE BEACH CITIES

REDONDO BEACH, CALIFORNIA

1. INITIAL PROVISIONS AND DEFINITIONS

1.1. This Project Labor Agreement ("Agreement") is entered into by __(Design-Build Firm)___ ("Primary Employer" or "Design Builder"), and the _____ (collectively, the "Unions"). The Primary Employer and the Unions may be collectively referred to herein as the "Parties" and individually as a "Party."

1.2. The Beach Cities Health District, formerly known as South Bay Hospital District, a governmental agency ("BCHD" or "Owner") and the Primary Employer are parties to a Design-Build Contract for the Owner's Allcove Beach Cities Project, located at 1727 Beryl Street, Redondo Beach, CA 90277 (the "Project"). The Design-Build Contract consists of two phases: Phase 1 will include a fixed price for Design and Preconstruction Technical Services, and Phase 2 will be a guaranteed maximum price to provide Construction Services. BCHD is not obligated to proceed with Phase 2 of the Design-Build Contract nor is BCHD obligated to proceed to Phase 2, the Construction Services Phase, with the selected Design-Builder.

1.3. Provided that BCHD proceeds with Phase 2 of the Design-Build contract, the Primary Employer will construct the Project through its employees, contractors, subcontractors and agents.

1.4. As provided below, all contractors, subcontractors or other persons or entities (other than the Primary Employer, who is a direct signatory to this Agreement, and the Owner) performing, assigning, awarding or subcontracting, or authorizing another party to assign, award or subcontract Covered Work (as defined in Article 2), will be subject to this Agreement by executing Attachment A, the Agreement to be Bound (all of whom, including the Primary Employer, are individually and collectively referred to as "Employer" or "Employers").

1.5. The signatory Unions are labor organizations whose members are construction industry employees who generally work in close proximity to one another at construction job sites and whose jobs are closely related and coordinated. Each of the Unions

is a party to a multi-employer collective bargaining agreement ("Master Agreement") that covers the geographic area of the Project. Where the term Master Agreement is used, it means the existing Master Agreement currently in effect as to each of the signatory Unions.

1.6. Timely construction of the Project is important to ensure the services provided by the BCHD. The Parties further recognize problems that may arise when union and nonunion employees are permitted to work side by side at a common construction site. This Agreement is intended to avoid such problems and to enhance a cooperative effort through the establishment of a framework for labor-management cooperation and stability. The completion of the construction and improvements of the Project covered under this Agreement will require substantial numbers of construction trades personnel and other supporting craft workers possessing skills and qualifications that are vital to its completion. Unions can provide a local, skilled workforce to perform construction work within Unions' craft jurisdiction on the Project, in that Unions' active members are skilled and qualified to perform construction work within the scope of Unions' craft jurisdiction as defined in the current Master Labor Agreements.

1.7. The Parties desire to mutually establish and stabilize wages, hours and working conditions for the craft workers on this Project, to encourage close cooperation between the Employers and the Unions to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to the Agreement.

1.8. The Parties enter into this Agreement to establish a working partnership that will help ensure that the Project is constructed in a safe, efficient and environmentally sound way that benefits the community, BCHD, the Employers, and Unions and its members.

1.9. The terms and conditions of employment contained in this Agreement will result in project-wide continuity, which will enable the Project to be managed in a fair and cost-effective manner. The intent of this Agreement is to provide fair terms and conditions of employment on the Project while ensuring good construction methods and productivity, so that the Project may be completed on a timely and cost-effective basis with protection against strikes and lockouts and other interference with the process of the work.

1.10. In the interest of the future of the construction industry in the local area, of which the Unions are a vital part, and to maintain the most efficient and competitive posture possible, the Unions pledge to work and cooperate with the management of the Project to produce the most efficient utilization of labor and equipment in accordance with this Agreement.

1.11. The Project is a public work as defined by the California Labor. The Project receives funding for construction from both the State of California and the United States government. Accordingly, construction work performed on the Project is subject to federal and state prevailing statutes and regulations, including the Davis-Bacon Act of 1931 (40 U.S.C. §§ 3141 *et seq*.) and the California prevailing wage statutes (California Labor Code sections 1720 *et seq*.)

1.12. It is understood and agreed by the Parties that the BCHD is an express and intended beneficiary of this Agreement and shall have the right to enforce its terms as if it were a party to the Agreement.

2. SCOPE OF AGREEMENT

2.1. This Agreement covers all on-site construction relating to the installation of modular buildings and site work for the Project that is within the craft jurisdiction of one of the Unions and which is part of the Project. This Agreement does not cover the construction, manufacture or fabrication of modular buildings, which will be performed off-site.

2.2. Exclusions: the following shall not be considered Covered Work ("Non-Covered Work") on the Project:

(a) Construction projects that are not within the definition of the Project.

(b) All off-site construction, manufacture. fabrication or handling of structures, materials, equipment or machinery, including, but not limited to the off-site construction, fabrication or manufacture of modular buildings.

(c) Work of non-manual employees, including but not limited to superintendents; supervisors; staff engineers; quality control and quality assurance personnel; building official construction inspectors; geologists; timekeepers, mail carriers, clerk, officer workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory and management employees.

(d) Design teams (including, but not limited to architects, engineers, and master planners), or any other consultants for the Primary Employer or the Owner (including, but not limited to, project managers and construction managers and their employees) and their sub-consultants, and other employees of professional service organizations, not performing manual labor within the definition of Covered Work.

(e) Work performed by state, county, or other governmental bodies or their contractors, or by public utilities, or their contractors, including, but not limited to, work performed by companies that install fiber optic cable or other telephone or telecommunications equipment.

(f) Off-site maintenance of leased equipment.

(g) Installation, repair, maintenance or warranty work performed by employers or entities who will or have provided, sold, maintained or installed equipment or machinery on the Project, whether or not such equipment or machinery is otherwise within the scope of the Project, including, but not limited to, work performed by employees of a manufacturer or vendor necessary for start-up, commissioning and to maintain its warranty or guaranty.

(h) Ongoing maintenance, janitorial, and security services, including, but not limited to, routine maintenance or repair work customarily performed by BCHD facilities maintenance group, outside contractors who have historically performed such work (or successors to such contractors), or other work performed by BCHD's own employees.

(i) Work on the Project performed directly by BCHD with their own employees as a result of a threat to life, limb, or property or other emergency or circumstances requiring immediate action.

(j) All non-construction support services contracted by any Employer or the Owner in connection with the Project.

(k) Clean-up Work performed on the Project by workers of an Employer that is incidental to the craft of the work otherwise performed by that Employer; however, if such work is assigned to the Union by the Employer, it shall be deemed Covered Work.

2.3. The Agreement shall not apply to material suppliers or delivery by any means of material, supplies, or equipment required, to any point of delivery.

2.4. This Agreement is not intended to, and shall not, affect the operation or the maintenance of the Project after it is constructed. The Agreement shall cease to apply, and shall not apply, to any maintenance, operations or similar functions undertaken by the Owner at the Project work site once the construction work by the Employers covered under the Agreement has been completed and accepted by the Owner.

2.5. Choice of Materials and New Technologies:

(a) Subject to Section 2.1, there shall be no limitation or restriction upon the choice of materials or upon the full use and installation of equipment, machinery, package units, factory precast, prefabricated or preassembled materials, tools or other labor-saving devices.

(b) The use of new technology, equipment, machinery, tools and/or labor-saving devices and methods of performing work may be initiated by Employers in their respective discretion from time to time. The Union agrees that it will not in any way restrict the implementation of such new devices or methods of work. If there is any disagreement between an Employer and the Union concerning the manner or implementation of such

device or method of work, the implementation shall proceed as directed by the Employer and the Union shall have the right to arbitrate the dispute as set forth in the Agreement.

3. SUBCONTRACTING

3.1. Any Employer (including the Primary Employer) performing Covered Work on the Project shall, as a condition to working on the Project, perform all work under the terms of this Agreement. Accordingly, Primary Employer and each other Employer agree that they will contract for the assignment, awarding or subcontracting of Covered Work, or authorize another party to assign, award or subcontract Covered Work, only to a person, firm, corporation or other entity that, at the time the contract is executed, has become a party to this Agreement with respect to Covered Work on the Project by executing the Agreement to be Bound, a copy of which is attached as Attachment A. Any Employer not already bound to the Master Labor Agreement who becomes bound to this Agreement to participate in the Project, shall not be bound to or required to apply any Master Labor Agreement and shall not be bound to the Master Labor Agreement.

3.2. Nothing in this Agreement shall in any manner whatsoever limit the rights of the Primary Employer, or any other Employer, to subcontract Covered Work or to select its contractors or subcontractors, provided, however, that all Employers, at all tiers, assigning, awarding, contracting or performing, or authorizing another to assign, award, contract or perform Covered Work shall be required to comply with the provisions of this Agreement. To the extent permissible by law, the Owner, Primary Employer, and any other Employer have the absolute right to award contracts or subcontracts on the Project notwithstanding the existence or non-existence of any agreement between the Contractor and any union provided only that such Employer is ready, willing and able to execute and comply with this Agreement. No Employer will be obligated to sign any local area or national agreement as a condition for bidding on or being awarded Covered Work on the Project.

3.3. The Primary Employer and every other Employer shall notify each of its contractors and subcontractors of the provisions of this Agreement and require as a condition precedent to the assigning, awarding or subcontracting of any Covered Work or allowing any subcontracted Covered Work to be performed, that all such contractors and subcontractors

at all tiers become a party to this Agreement by executing the Agreement to be Bound as provided in section 3.1. Every Employer, and each of their respective subcontractors, shall provide a copy of the Agreement to be Bound executed by the Employer or subcontractor to Owner at least 30 days prior to commencement of work on the Project by the Employer or subcontractor executing the Agreement to be Bound.

3.4. In the event that any Covered Work on the Project is contracted to a contractor that has a collective bargaining agreement covering such work with another Building Trades Construction Union that predates the execution of this Agreement, Unions shall recognize that contractor's traditional assignment of work to such union. Building Trades Construction Union for purposes of this Agreement shall mean a union that is affiliated with the State Building and Construction Trades Council of California and whose International Union is affiliated with the North America's Building Trades Unions ("NABTU").

4. WAGES AND BENEFITS

4.1. Wages: All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications no less than the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations or the federal Davis-Bacon Act. The Employer must pay no less than the higher prevailing wage set forth in the California or federal wage determination and meet whichever requirements (state or federal) that are more protective of workers. If the applicable prevailing wage rate increases, the Employer shall pay the rate as of its effective date under the law.

4.2. Benefits: Employers who perform Covered Work are required to make all contributions in accordance with the prevailing wage rate determination established pursuant to the California Labor Code or the federal Davis-Bacon Act, whichever is higher.

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

Employers for less favorable wages, benefits or working conditions than are generally accorded other industrial projects in the same general geographic area.

5. NO DISCRIMINATION

5.1. The Union and Employers agree that they will not engage in any form of discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, ancestry, age, physical or mental disability, legally protected medical condition, family care status, veteran status, marital status, sexual orientation, gender identity, transgender status, or any other basis protected by local, state or federal laws, in dispatching workers or hiring employees for the Project. The Employers and Union further agree that they will not discriminate against any employee, contractor or subcontractor based on political affiliation or membership in a labor organization.

6. UNION RECOGNITION AND REFERRAL

6.1. The Employers recognize the Unions as the sole and exclusive collective bargaining agent for the construction craft employees performing Covered Work for the Project, and further recognize the traditional and customary craft jurisdiction of Unions. Such recognition is limited to Covered Work performed by workers performing work on the Project only and who are subject to the craft jurisdiction of Unions as set forth in this Agreement. Recognition under this Agreement does not extend: (i) to workers performing work other than Covered Work on the Project; (ii) to workers performing work subject to other crafts or trades that are not subject to the jurisdiction of Unions; or (ii) beyond the period when the employee is engaged in Covered Work.

6.2. No employee covered by the Agreement shall be required to join the Union as a condition of being employed, or remaining employed, to complete Covered Work. However, any employee who is a member of a Union at the time of referral shall maintain that membership in good standing while employed under this Agreement. Further, all employees shall be required for the period during which they are performing Covered Work to render the applicable periodic working dues and non-initiation or application fees

uniformly required for union membership in the local union which is a signatory to this Agreement.

6.3. The Union(s) shall be the primary source of all craft employees the Covered Work for the Project (excluding the Employers' "Core Employees," as that term is defined), but only when such employees are engaged in Covered Work. A "Core Employee" is someone: (1) whose name appeared on the Employer's active payroll for 60 of the last 100 working days before award of a construction contract or subcontract and meets all standards required by applicable local, State or Federal law; (2) who has the ability to safely perform the basic functions of the applicable trade; and (3) who possesses any certification required by State or Federal law for the Covered Work to be performed by such employee.

6.4. In the event that the local Union's registration or referral system does not fulfill the requirements for specific classifications of covered employees requested by an Employer within forty-eight (48) hours (excluding Saturdays, Sundays and legal holidays), the Employer may use employment sources other than the local Union registration and referral systems and may employ applicants from any other available source, provided that the Employer notifies the local Union within 72 hours of the employee's hiring and such employee is subject to all of the terms and conditions of the Agreement for Covered Work on the Project, including the union security clause contained in the Master Labor Agreement. The Employers retain the right to reject any job applicant referred by the local Union for good cause.

7. WORK STOPPAGES AND LOCKOUTS

7.1. Unions and Employers agree that during the term of this Agreement, there shall be no strikes, sympathy strikes, picketing, hand billing (where the hand billing relates to the Project or Employer), work stoppages, slow-downs, interference with the work or other jobsite disruptive activity for any reason by the Union or by any employee and there shall be no lockout by the Employer at the job site of the Project or at any other facility of the BCHD because of a dispute. Failure of the Union or any employee to cross any picket line established at the Project site is a violation of this Article.

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

7.3. Unions shall not be liable for acts of employees for which it has no responsibility. The Business Manager of the local Union will immediately instruct, order and use the best efforts of his or her office to cause the Union to cease any violations of this Article. The Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Employer to exercise its right in any instances shall not be deemed a waiver of its right in any other instance.

7.4. The Employer(s) shall not cause, incite, encourage or participate in any Lockout of its employees during the term of the Agreement. The term "Lockout" refers only to an Employer's exclusion of employees in order to secure a collective bargaining advantage, and does not refer to the discharge, termination, or layoff of employees by the Employer(s) for any reason in the exercise of its rights as set forth in other provisions of the Agreement, nor does the term include the BCHD's decision to terminate or suspend work on the Project or any portion thereof for any reason other than a labor dispute.

7.5. Unions agrees that if any union or any other persons, whether parties to this Agreement or otherwise, engage in any picketing or work stoppages, the Unions shall refuse to honor such picket line or work stoppage.

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

7.7. In lieu of, or in addition to, any other action at law or equity, any party may institute the following procedure when a breach of this Article is alleged, after the Union or Employer alleged to be in violation has been notified of the fact.

7.7.1. The Party invoking this procedure shall notify the Federal Mediation and Conciliation Service (the "FMCS"). Should the parties be unable to mutually agree on the selection of an arbitrator, the FMCS shall appoint an arbitrator within twenty-four (24) hours of notice. Notice to the FMCS shall be by the most expeditious means available, with notice by fax or electronic means or any other effective written means, to the party alleged to be in violation and the involved Union.

7.7.2. Upon receipt of said notice to the FMCS and appointment of an arbitrator, the arbitrator shall set and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists.

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

7.7.4. The sole issue at the hearing shall be whether or not a violation of this Article has in fact occurred. The award shall be issued in writing within three (3) hours after the close of the hearing and may be issued without an opinion. If any party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the award. The arbitrator may order cessation of the violation of this Article by the Union, and such award shall be served on all parties by hand or registered mail upon issuance.

7.7.5. Such award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. The fax or electronic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 7.7.4 of this Article, all parties waive the right to

a hearing and agree that such proceedings may be *ex parte*. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or by delivery to their last known address or by registered mail.

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

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

7.8. The procedures contained in Section 7.7 shall be applicable to alleged violations of this Article. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation or mitigation of any violation of this Article, shall be resolved under the grievance procedures of Article 8.

7.9. In the event that a Master Labor Agreement for a signatory Union expires and the parties to that agreement fail to reach agreement on a new contract by the date of expiration, the Union shall continue to provide employees to the Employers working on the Project under all the terms of the expired agreement until a new agreement is negotiated, at which time all terms and conditions of that new agreement shall be applied to Covered Work at the Project in the same manner as the prior Master Labor Agreement, except to the extent they conflict with any provision of this Agreement.

8. GRIEVANCE PROCEDURE

8.1. In lieu of the grievance and arbitration procedures contained in the Master Labor Agreement of any signatory Union, all grievances or disputes between the parties to this Agreement, other than disputes subject to the procedures contained in Section 7.7 and jurisdictional disputes subject to the procedures contained in Article 9, shall be adjusted as

provided in this Agreement; provided, however, that the resolution of hiring hall disputes shall be resolved pursuant to the hiring hall provisions of the Master Labor Agreement.

8.2. A grievance or dispute by the Employer shall be presented to the signatory Union. A grievance by Unions or by a local Union shall be presented to the Employer.

8.3. A grievance shall be considered null and void if not brought to the attention of the Employer(s) within ten (10) working days after the incident that initiated the alleged grievance occurred or was discovered, whichever is later. The term "working days" as used in this Article shall exclude Saturdays, Sundays or holidays regardless of whether any work is actually performed on such days.

8.4. Grievances shall be settled according to the following procedure except that grievances that do not involve an individual grievant shall be discussed by the Owner or its designee, or the Primary Employer, and Unions. If such a grievance is not resolved within five (5) working days of written notice unless extended by mutual consent, the grievance may be advanced to Step 3 below. Individual grievances shall commence this process at Step 1.

8.4.1. Step One: The steward and the grievant shall attempt to resolve the grievance with the Employer's representative within five (5) working days after the Grievance has been brought to the attention of the Employer.

8.4.2. Step Two: In the event the matter remains unresolved in Step 1 above after five (5) working days, within five (5) working days thereafter, the alleged grievance may be referred in writing to the Business Manager of the local Union and the representative of the Employer for discussion and resolution. A copy of the written grievance shall also be sent to the Primary Employer by mail, facsimile or e-mail.

8.4.3. Step Three: If the grievance is not settled in Step 2 within five (5) working days, within five (5) working days thereafter, either party may request the dispute be submitted to arbitration or the time may be extended by mutual consent of both parties. The request for arbitration and/or the request for an extension of time must be in writing with a copy to the Primary Employer. Should the parties be unable to mutually agree on the selection

of an Arbitrator, selection for that given arbitration shall be made by seeking a list of seven (7) labor arbitrators with construction industry experience from the Federal Mediation and Conciliation Service and alternately striking names from the list of names on the list until the parties agree on an Arbitrator or until one name remains. The first party to strike a name from the list shall alternate between the party bringing forth the grievance and the party defending the grievance. Primary Employer shall keep a record of the sequence and shall notify the parties to the grievance as to which party has the right to strike a name first.

8.5. The arbitrator shall conduct a hearing at which the parties to the grievance shall be entitled to present testimonial and documentary evidence. Hearings will be transcribed by a certified court reporter. The parties shall be entitled to file written briefs after the close of the hearing and receipt of the transcript.

8.6. Upon expiration of the time for the parties to file briefs, the arbitrator shall issue a written decision that will be served on all parties and on the Primary Employer. The arbitrator's decision shall be confined to the issue(s) posed by the grievance and the arbitrator shall not have the authority to modify, amend, alter, add to or subtract from, any provision of this Agreement, except as provided in Paragraph 11.1.1. The arbitrator shall have the authority to utilize any equitable or legal remedy to prevent and/or cure any breach or threatened breach of this Agreement. The arbitrator's decision shall be final and binding as to all Parties who are signatories to this Agreement.

8.7. The cost of the arbitrator and the court reporter, and any cost to pay for facilities for the hearing, shall be borne equally by the parties to the grievance. All other costs and expenses in connection with the grievance hearing shall be borne by the party who incurs them.

8.8. Any party to a grievance may invite the Owner to participate in resolution of a grievance. The Primary Employer may, at its own initiative, participate in Steps 1 through 2 of the grievance procedure.

8.9. In determining whether the time limits of Steps 2-3 of the grievance procedure have been met, a written referral or request shall be considered timely if it is personally

delivered, faxed or postmarked within the five (5) working day period. Any of the time periods set forth in this Article may be extended in writing by mutual consent of the parties to the grievance, and any written referral or request shall be considered timely if it is personally delivered, faxed or postmarked during the extended time period.

9. JURISDICTIONAL DISPUTES

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

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

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

10. MANAGEMENT RIGHTS

10.1. The Employers retain full and exclusive authority for the management of the Project and shall retain all existing rights of management and all rights conferred by law. Management of the Project (including, but not limited to, the hiring, promoting, laying off, suspending, disciplining or discharging for cause, direction of work force, work schedules, and work practices) is vested solely in the Employers, except as specifically and expressly limited by this Agreement. The BCHD has the right to establish reasonable Project rules for the Project and distribute such Project rules to each employee.

10.2. It is recognized that certain industry standard equipment of a highly technical and specialized nature may be installed at the Project. The nature of this equipment, together

with requirements of the manufacturer's warranty, dictate that it be prefabricated, pre-piped and/or pre-wired and that it be installed under the supervision and direction of the BCHD's personnel and/or the manufacturer's personnel. The Union agrees that such equipment is to be installed without incident.

10.3. Subject to Section 2.1, Employers may utilize any method or technique of construction and there shall be no restrictions on the use of machinery, pre-cast or pre-assembled units, materials, equipment, tools, or other devices, methods, procedures or technology.

10.4. There shall be no restrictions upon the choice of materials, equipment, or design, nor upon the source of such materials, equipment, or design, whether purchased, leased, rented, or otherwise obtained.

10.5. In addition to the other rights of the Owner enumerated in this Agreement, the Owner is expressly conferred its management rights and all rights provided by law. The Owner's rights include, but are not limited to, the right to: (i) inspect any construction facility to ensure that the Employers follow applicable safety or other work requirements; (ii) require Employers to establish a different work week or shift schedule for particular employees as required to meet the operational needs of the Project work; (iii) approve any work methods, procedures or techniques used by the Employers whether or not these methods, procedures or techniques are a part of industry practices or customs; and, (iv) investigate and process complaints.

11. SAFETY AND DRUG TESTING

11.1. It shall be the responsibility of each Employer for site safety to ensure safe working conditions and Employer and employee compliance with all job safety rules and applicable provisions of local, State and Federal laws and regulations including the Occupational Safety and Health Act of 1970 as amended, relating to job safety and safe working practices.

11.2. Employees shall be bound by the safety, security and visitor rules established by the Employers and the Owner. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy their obligations under this section will subject them to discipline, including discharge.

11.3. The Employer(s) shall provide: (a) a convenient and sanitary supply of cooled drinking water and sanitary drinking cups, and (b) adequate sanitary toilet facilities for the employees.

11.4. The parties to this Agreement acknowledge that the Owner and the Employers have a policy, which prohibits the use, sale, transfer, purchase and/or possession of a controlled substance (illegal drugs), alcohol and/or firearms while on the Project. Additionally, the Employers have a "drug free" workplace policy, which prohibits those working on the Project from having a level of alcohol in their system, which could indicate impairment and/or any level of controlled substances in their system. To that end, the parties agree that the Labor/Management Memorandum of Understanding ("MOU") on Drug Abuse Prevention and Detection negotiated with the various General Contractor Associations and the Basic Trades/Unions shall be the agreed upon protocol concerning drug testing for workers who will be employed on the Project. The MOU is appended to this Agreement as Attachment B.

12. SKILLED AND TRAINED WORKFORCE

12.1. In accordance with Part 1 of Chapter 2.9 of the California Public Contract Code (California Public Contract Code sections 2600 – 2603), Employers shall use a skilled and trained workforce to perform Covered Work on the Project that falls within an apprenticeable occupation in the building and construction trades.

12.2. Within 10 days from executing the Agreement to be Bound, Employers shall execute and submit to Primary Employer the Skilled and Trained Workforce Certification form, a copy of which is attached as Attachment C.

12.3. Employers shall complete and submit to Primary Employer with payment requests at the end of each month the Skilled and Trained Workforce Monthly Report, a copy of which is attached as Attachment D.

13. GENERAL PROVISIONS

13.1. If any article or provision of this Agreement shall become invalid, inoperative and/or unenforceable by operation of law or by declaration of any competent authority of the executive, legislative, judicial or administrative branches of the federal or state government, the Parties shall suspend the operation of such article or provision during the period of its invalidity, and the Primary Employer and Unions shall negotiate in its place and stead an article or provision that will satisfy the objections to its validity and that, to the greatest extent possible, will be in accord with the intent and purpose of the article or provision in question. The new article or provision negotiated by the Primary Employer and Unions shall be binding on all Parties signatory to this Agreement.

13.1.1. If the Primary Employer and Unions are unable within thirty (30) calendar days to negotiate a substitute article or provision, any of them may at any time thereafter submit the matter directly to interest arbitration pursuant to the procedures set forth in Section 8.4.3 (Step 3), and Sections 8.5 through 8.7. The arbitrator shall have the authority to modify, amend and alter the Agreement by providing a substitute article or provision to replace the one(s) that have become invalid, inoperative or unenforceable. The arbitrator's decision, and the new article or provision, shall be final and binding on all Parties signatory to the Agreement.

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

13.3. The provisions of the Master Labor Agreement shall apply except to the extent they are in conflict with provisions of this Agreement. The provisions of this

Agreement shall take precedence over conflicting provisions of the Master Labor Agreement or any other national, area or local collective bargaining agreement.

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

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

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

To BCHD:

Beach Cities Health District
1200 Del Amo Street
Redondo Beach, CA 90277
Attention: Monica Suua, CFO
(310) 374-3426 x8210
Monica.Suua@BCHD.org

With copies to:

Gary E. Scalabrini, Esq.
Gibbs Giden Locher Turner Senet & Wittbrodt LLP
12100 Wilshire Blvd., Suite 300
Los Angeles, CA 90025
(310) 552-3400
gscalabrini@gibbsgiden.com

To Primary Employer:

With copies to:

To Unions:

With copies to:

The Parties shall notify the other in writing if its person designated to receive notice is changed.

14. TERM OF AGREEMENT

14.1. The term of this Agreement shall commence on the date indicated below as the date of execution and shall continue in effect until completion of all Covered Work on the Project.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and effective as of February 11, 2020.

[Design-Build Firm]	[Unions]
By: _____	By: _____

ATTACHMENT A
AGREEMENT TO BE BOUND

PROJECT LABOR AGREEMENT FOR
ALLCOVE BEACH CITIES

The undersigned hereby certifies and agrees that:

1. It is an Employer as that term is defined in Section 1.4 of the Project Labor Agreement (the "Agreement") for the Allcove Beach Cities Project, located at 1727 Beryl Street, Redondo Beach, CA 90277 (the "Project") because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2. In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement.

3. It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

4. It will secure a duly executed Agreement to be Bound, in form identical to this document, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer: _____

_____
(Authorized Officer & Title)

_____
(Address)

ATTACHMENT B

Labor/Management Memorandum of Understanding on Drug Abuse Prevention and Detection

The Parties recognize the problems which drug and alcohol abuse have created in the construction industry and the need to develop drug and alcohol abuse prevention programs. Accordingly, the Parties agree that in order to enhance the safety of the work place and to maintain a drug and alcohol free work environment, individual Employers may require applicants or employees to undergo drug and alcohol testing.

1. It is understood that the use, possession, transfer or sale of illegal drugs, narcotics, or other unlawful substances, as well as being under the influence of alcohol and the possession or consuming alcohol is absolutely prohibited while employees are on the Employer's job premises or while working on any jobsite in connection with work performed under the Project Labor Agreement ("PLA").

2. No Employer may implement a drug testing program which does not conform in all respects to the provisions of this Policy.

3. No Employer may implement drug testing at any jobsite unless written notice is given to the Union setting forth the location of the jobsite, a description of the project under construction, and the name and telephone number of the Project Supervisor. Said notice shall be addressed to the office of each Union signing the PLA. Said notice shall be delivered in person or by registered mail before the implementation of drug testing. Failure to give such notice shall make any drug testing engaged in by the Employer a violation of the PLA, and the Employer may not implement any form of drug testing at such jobsite for the following six months.

4. An employer who elects to implement drug testing pursuant to this Agreement shall require all employees on the Project to be tested. With respect to individuals who become employed on the Project subsequent to the proper implementation of this drug testing program, such test shall be administered upon the commencement of employment on the project, whether by referral from a Union Dispatch Office, transfer from another project, or another method. Individuals who were employed on the project prior to the proper implementation of this drug testing program may only be subjected to testing for the reasons set forth in Sections 5(f) (1) through 5(f) (3) of this Policy. Refusal to undergo such testing shall be considered sufficient grounds to deny employment on the project.

5. The following procedure shall apply to all drug testing:

a. The Employer may request urine samples only. The applicant or employee shall not be observed when the urine specimen is given. An applicant or employee, at his or her sole option, shall, upon request, receive a blood test in lieu of a urine test. No employee of the Employer shall draw blood from a bargaining unit employee, touch or handle urine specimens, or in any way become involved in the chain of custody of urine or blood specimens. A Union Business Representative, subject to the approval of the individual applicant or employee, shall be permitted

to accompany the applicant or employee to the collection facility to observe the collection, bottling, and sealing of the specimen.

b. The testing shall be done by a laboratory approved by the Substance Abuse & Mental Health Services Administration (SAMHSA), which is chosen by the Employer and the Union.

c. An initial test shall be performed using the Enzyme Multiplied Immunoassay Technique (EMZT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the applicant or employee. The confirmation test will be by Gas Chromatography Mass Spectrometry (GC/MS). Cutoff levels for both the initial test and confirmation test will be those established by the SAMHSA. Should these SAMHSA levels be changed during the course of this agreement or new testing procedures are approved, then these new regulations will be deemed as part of this existing agreement. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain of custody procedures.

d. In the event of a confirmed positive test result the applicant or employee may request, within forty-eight (48) hours, a sample of his/her specimen from the testing laboratory for purposes of a second test to be performed at a second laboratory, designated by the Union and approved by SAMHSA. The retest must be performed within ten (10) days of the request. Chain of custody for this sample shall be maintained by the Employer between the original testing laboratory and the Union's designated laboratory. Retesting shall be performed at the applicant's or employee's expense. In the event of conflicting test results the Employer may require a third test.

e. If, as a result of the above testing procedure, it is determined that an applicant or employee has tested positive, this shall be considered sufficient grounds to deny the applicant or employee his/her employment on the Project.

f. No individual who tests negative for drugs or alcohol pursuant to the above procedure and becomes employed on the Project shall again be subjected to drug testing with the following exceptions:

1. Employees who are involved in industrial accidents resulting in damage to plant, property or equipment or injury to him/herself or others may be tested pursuant to the procedures stated hereinabove.

2. The Employer may test employees following thirty (30) days advance written notice to the employee(s) to be tested and to the applicable Union. Notice to the applicable Union shall be as set forth in Paragraph 3 above and such testing shall be pursuant to the procedures stated hereinabove.

3. The Employer may test an employee where the Employer has reasonable cause to believe that the employee is impaired from performing his/her job. Reasonable

cause shall be defined as exhibiting aberrant or unusual behavior, the type of which is a recognized and accepted symptom of impairment (i.e., slurred speech, unusual lack of muscular coordination, etc.). Such behavior must be actually observed by at least two persons, one of whom shall be a Supervisor who has been trained to recognize the symptoms of drug abuse or impairment and the other of whom shall be the job steward. If the job steward is unavailable or there is no job steward on the project the other person shall be a member of the applicable Union's bargaining unit. Testing shall be pursuant to the procedures stated hereinabove. Employees who are tested pursuant to the exceptions set forth in this Article and who test positive will be removed from the Employer's payroll.

g. Applicants or employees who do not test positive shall be paid for all time lost while undergoing drug testing. Applicants who have been dispatched from the Union and who are not put to work pending the results of a test will be paid waiting time until such time as they are put to work. It is understood that an applicant must pass the test as a condition of employment. Applicants who are put to work pending the results of a test will be considered probationary employees.

6. The employers will be allowed to conduct periodic job site drug testing on the Project under the following conditions:

a. The entire jobsite must be tested, including any employee or subcontractor's employee who worked on that project three (3) working days before or after the date of the test;

b. Jobsite testing cannot commence sooner than thirty (30) days after start of the work on the Project;

c. Prior to start of periodic testing, a business representative will be allowed to conduct an educational period on company time to explain periodic jobsite testing program to affected employees;

d. Testing shall be conducted by a SAMHSA certified laboratory, pursuant to the provisions set forth in Paragraph 5 hereinabove.

e. Only two periodic tests may be performed in a twelve month period.

7. It is understood that the unsafe use of prescribed medication, or where the use of prescribed medication impairs the employee's ability to perform work, is a basis for the Employer to remove the employee from the jobsite.

8. Any grievance or dispute which may arise out of the application of this Agreement shall be subject to the grievance and arbitration procedures set forth in the PLA.

9. The establishment or operation of this Policy shall not curtail any right of any employee found in any law, rule or regulation. Should any part of this Agreement be found unlawful by a court of competent jurisdiction or a public agency having jurisdiction over the

parties, the remaining portions of the Agreement shall be unaffected and the parties shall enter negotiations to replace the affected provision.

10. Present employees, if tested positive, shall have the prerogative for rehabilitation program at the employee's expense. When such program has been successfully completed the Employer shall not discriminate in any way against the employee. If work for which the employee is qualified exists he/she shall be reinstated.

11. The Employer agrees that results of urine and blood tests performed hereunder will be considered medical records held confidential to the extent permitted or required by law. Such records shall not be released to any persons or entities other than designated Employer representatives and the applicable Union. Such release to the applicable Union shall only be allowed upon the signing of a written release and the information contained therein shall not be used to discourage the employment of the individual applicant or employee on any subsequent occasion.

12. The Employer shall indemnify and hold the Union harmless against any and all claims, demands, suits, or liabilities that may arise out of the application of this Agreement and/or any program permitted hereunder.

13. Employees who seek voluntary assistance for substance abuse may not be disciplined for seeking such assistance. Requests from employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Employees enrolled in substance abuse programs shall be subject to all Employer rules, regulations and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.

14. This Memorandum, of Understanding shall constitute the only Agreement in effect between the parties concerning drug and alcohol abuse, prevention and testing. Any modifications thereto must be accomplished pursuant to collective bargaining negotiations between the parties.

DRUG ABUSE PREVENTION AND DETECTION

APPENDIX A

CUTOFF LEVELS

DRUG	SCREENING METHOD	SCREENING LEVEL **	CONFIRMATION METHOD	CONFIRMATION LEVEL
Alcohol	EMIT	0.02%	CG/MS	0.02%
Amphetamines	EMIT	1000 ng/m*	CG/MS	500 ng/ml*
Barbiturates	EMIT	300 ng/ml	CG/MS	200 ng/ml
Benzodiazepines	EMIT	300 ng/ml	CG/MS	300 ng/ml
Cocaine	EMIT	300 ng/ml*	CG/MS	150 ng/ml*
Methadone	EMIT	300 ng/ml	CG/MS	100 ng/ml
Methaqualone	EMIT	300 ng/ml	CG/MS	300 ng/ml
Opiates	EMIT	2000 ng/ml*	CG/MS	2000 ng/ml*
PCP (Phencyclidine)	EMIT	25 ng/ml*	CG/MS	25 ng/ml*
THC (Marijuana)	EMIT	50 ng/ml*	CG/MS	15 ng/ml*
Propoxyphene	EMIT	300 ng/ml	CG/MS	100 ng/ml

* SAMHSA specified threshold

** A sample reported positive contains the Indicated drug at or above the cutoff level for that drug. A negative sample either contains no drug or contains a drug below the cutoff level.

EMIT - Enzyme Immunoassay
CC/MS - Gas Chromatography/Mass Spectrometry

SIDE LETTER OF AGREEMENT
TESTING POLICY FOR DRUG ABUSE

It is hereby agreed between the parties hereto that an Employer who has otherwise properly implemented drug testing, as set forth in the Testing Policy for Drug Abuse, shall have the right to offer an applicant or employee a "quick" drug screening test. This "quick" screen test shall consist either of the "ICUP" urine screen or similar test or an oral screen test. The applicant or employee shall have the absolute right to select either of the two "quick" screen tests, or to reject both and request a full drug test.

An applicant or employee who selects one of the quick screen tests, and who passes the test, shall be put to work immediately. An applicant or employee who fails the "quick" screen test, or who rejects the quick screen tests, shall be tested pursuant to the procedures set forth in the Testing Policy for Drug Abuse. The sample used for the "quick" screen test shall be discarded immediately upon conclusion of the test. An applicant or employee shall not be deprived of any rights granted to them by the Testing Policy for Drug Abuse as a result of any occurrence related to the "quick" screen test.

ATTACHMENT C

Skilled and Trained Workforce Certification

The undersigned does hereby certify as follows:

That I am a representative of the contractor currently performing Covered Work on the Project, as defined in the Project Labor Agreement ("Covered Work").

That I am familiar with the facts herein certified; and that I am authorized and qualified to execute this certificate on behalf of the contractor.

That contractors and its subcontractors at every tier will use a Skilled and Trained Workforce to perform all Covered Work on the Project, which falls within an apprenticeable occupation in the building and construction trades in accordance with Public Contract Code section 2600 et seq.

"Apprenticeable occupation" means an occupation for which the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations ("Chief") had approved an apprenticeship program pursuant to Section 3075 of the Labor Code before January 1, 2014.

"Skilled and Trained Workforce" means a workforce that meets all of the following conditions:

1. All of the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief.

2. The percentage of either (A) skilled journeypersons employed by the contractor or subcontractor to perform work on the Contract or Project who are graduates of an apprenticeship program for the applicable occupation, or (B) hours of work performed by skilled journeypersons employed by contractor or subcontractor to perform Covered Work who are graduates of an apprenticeship program for the applicable occupation, as set forth by statute.

3. For an apprenticeable occupation in which no apprenticeship program has been approved by the Chief before January 1, 1995, up to one-half of the above graduation percentage requirements set forth in the above chart may be satisfied by skilled journeypersons who commenced working in the apprenticeable occupation before the Chief's approval of an apprenticeship program for that occupation in the county in which the Project is located.

4. The contractor or subcontractor need not meet the apprenticeship graduation requirements if:

a. During a calendar month, the contractor or subcontractor employs skilled journeypersons to perform fewer than 10 hours of work on the Contract or Project; or

b. The subcontractor was not a listed subcontractor under Public Contract Code section 4104 or a substitute for a listed subcontractor and the subcontract does not exceed one-half of 1 percent of the price of the prime contract.

That contractor and its subcontractors will demonstrate its compliance with the Skilled and Trained Workforce requirements by either of the following methods (check what applies):

__ Using the form attached hereto, provide monthly reports to Beach Cities Health District (The "District") from the contractor and its subcontractors demonstrating that they are complying with the requirements of Public Contract Code section 2600 et seq., which shall be a public record under California Public Records Act, Government Code section 6250 et seq.; or

__ Provide evidence that contractor and its subcontractors have agreed to be bound by a project labor agreement entered into by the District that binds all contractors and all its subcontractors at every tier performing Covered Work on the Project to use a skilled and trained workforce.

I hereby certify that I am aware of the provisions of sections 2600 through 2602 of the Public Contract Code and will comply with such provisions during the performance of the Covered Work will bind all of my subcontractors at every tier, with the exception of the subcontractors identified in Public Contract Code section 2602, to comply with such provisions.

Date : _____
Name of Contractor: _____
Signature: _____
Print Name: _____

ATTACHMENT D

Skilled and Trained Workforce Monthly Report