

EXHIBIT "A.1"
35 PAGES TOTAL

PROJECT LABOR AGREEMENT
FOR
PULTE HOMES MAGNOLIA PARK PROJECT
IN
THE CITY OF OAKLEY,
CONTRA COSTA COUNTY,
CALIFORNIA

1 INITIAL PROVISIONS

1.1 This Project Labor Agreement ("Agreement") is entered into by Pulte Homes, Inc. ("Primary Employer") and UA Plumbers and Steamfitters Union, Local 159, International Brotherhood of Electrical Workers Union, Local 302 and Sheet Metal Workers Union, Local 104, individually referred to as a "Union" and collectively referred to as the "Unions "

1.2 The Magnolia Park Project in the city of Oakley, Contra Costa County (the "Project") is the project that consists of 194.5 acres located on the north side of Neroly Road, east of Empire Avenue, west of O'Hara Avenue and south of Carpenter Road (the "Project Real Property") upon which Primary Employer intends to build 560 single family homes and duets, a 20 acre commercial parcel and a 10 acre school site parcel, with associated infrastructure and related improvements (the "Improvements")

1.3 Primary Employer is a Michigan corporation primarily engaged in the development of real property. Primary Employer possesses a contractor's license and controls the site at which the Project will be constructed and may perform covered work (as defined in Paragraph 3.1) on the Project with its own employees and reserves the right to do so. In addition, subject to the provisions of this Agreement and the applicable Master Labor Agreement (as defined in Paragraph 1.5), Primary Employer also retains the right to control and coordinate all Project construction work by determining work scheduling, including uniform start times,

the necessity for and the times of shift work, by directly enforcing any drug and alcohol abuse policy, which is agreed to by any contractor or subcontractor and the Unions, and otherwise directly removing any employee whether employed directly or by any contractor or subcontractor for breach of reasonable rules promulgated by Primary Employer governing conduct on the job. Primary Employer or its delegee shall have the right to order corrective action necessary to maintain reasonable and lawful standards for work place health and safety. Primary Employer or its delegee shall act as the Coordinator, participate in pre-job conferences and mark-up meetings, and, at its option, participate in the resolution of any grievances.

1.4. As provided below, all project managers, construction managers, contractors, subcontractors or other persons or entities assigning, awarding or subcontracting Covered Work (as defined in Paragraph 3.1), or authorizing another party to assign, award or subcontract Covered Work, or performing Covered Work, will be subject to this Agreement by executing Attachment A, the Employer Agreement to be Bound (all of whom, including the Primary Employer, are individually and collectively referred to as "Employer" or "Employers")

1.5. The Unions are labor organizations in the mechanical trades 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 Labor Agreement") that covers the geographic area

of the Project. Where the term Master Labor Agreement is used, it means the existing Master Labor Agreement currently in effect as to each of the Unions

1.6 It is understood and agreed by and between the Parties to this Agreement that the final plans for the Project may be subject to modifications and approval by those public agencies possessing lawful approval authority over the Project and that this Agreement applies to the Project as they each are finally approved by such entities and agencies

2. PURPOSES

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

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

the work including interference that may arise at a common-situs jobsite when union employees have to work along side non-union employees in their own craft, or in those other crafts with which they generally work in close proximity performing work that is closely related and coordinated

2.3. 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.

3. SCOPE OF AGREEMENT

3.1. This Agreement covers all on-site construction, demolition, alteration or repair of buildings, structures and other works and related activities for the Project which are within the craft jurisdiction of the Unions and which are a part of the Project, including, without limitation, all construction, demolition or improvements required as a condition of approval by any public agency, and all fabrication work, provided such work is within the fabrication provision of a local Master Labor Agreement or local addenda to a national agreement of one of the Unions. All such work is referred to as "Covered Work" in this Agreement.

3.2. The following work is excluded from the definition of Covered Work under this Agreement:

(a) All work of non-manual employees, including, but not limited to, superintendents, supervisors, staff engineers, inspectors, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory, executive and management employees or to any employees not covered by the Master Labor Agreement of one of the Unions.

(b) All work on or with equipment and machinery owned or controlled and operated by the Primary Employer

(c) All off-site manufacture and handling of materials, equipment or machinery (except at dedicated staging, lay-down or storage areas) which is not covered by the fabrication provisions in the applicable Master Labor Agreement or local addenda to a national agreement of one of the Unions.

(d) Any work performed on, near, or leading to the Project and undertaken by state, county, city or other governmental bodies or their contractors, or by public utilities or their contractors, or off-site work undertaken by the Primary Employer or its contractors for work which is not part of the Project or which is not required as a condition of approval for that Project.

(e) All off-site maintenance of leased equipment and on-site supervision of such maintenance work

(f) All work by employees of a manufacturer or vendor necessary to maintain its warranty or guarantee

(g) All laboratory work for specialty testing or inspections and all testing or inspections not covered by the Master Labor Agreement of one of the signatory Unions

(h) All non-construction support services contracted by the Primary Employer in connection with this Project

(i) All work contracted for directly by a genuine retail homebuyer, provided that such work is contracted for and performed after closing or while the purchase of the home is in escrow.

(j) All maintenance and repair work customarily performed by customer service representatives in association with a retail customer walk-through or thereafter.

(k) All maintenance and repair work which is not the contractual responsibility of the original contractor or subcontractor, or where the homeowner elects to use an alternative contractor pursuant to Civil Code Section 918.

(l) All maintenance and repair work that is not customarily contracted out to a contractor in the building and construction industries.

(m) Work occurring on a parcel after the initial certificate of completion or certificate of occupancy and after title to that parcel has been transferred to a homeowners' association or a non-profit organization.

3.3 It is understood that the Primary Employer at its sole option, may terminate, delay and/or suspend any or all portions of the Project at any time. Furthermore, Primary Employer may terminate and/or replace any employee for any lawful reason at any time, except that employees of subcontractors performing covered work may only be terminated or replaced pursuant to the provisions of the Master Labor Agreement.

3.4 Primary Employer shall have the right to terminate any contractor or subcontractor performing Covered Work for any reason at any time.

3.5 This agreement shall be binding upon the signatory Primary Employer and Employers and it shall not apply to their parents, affiliates, divisions, or subsidiaries solely by virtue of the Primary Employer or an Employer executing or becoming bound to this Agreement. This Agreement only applies to the Project.

3.6 It is understood that the liability of any Employer and the liability of the separate Unions under this Agreement shall be several from and not joint with the liability of any other Employers and Unions, except as expressly provided in this Article and in Article 13. No Employer shall be considered to have a joint employer relationship with any other Employer solely by virtue of executing or

becoming bound to this Agreement. In no event shall the Primary Employer or any Employer be subject to any withdrawal liability under the Multiemployer Pension Plan Amendment solely because of executing this Agreement.

3.7 Each Employer shall be liable and responsible for its own individual acts and conduct and for its own breach or alleged breach of this Agreement. Any alleged breach of this Agreement by an Employer or other contractor or any dispute between the signatory Union(s) and the Employer or other contractor respecting compliance with the terms of this Agreement shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and each other Employer party to this Agreement. Each Employer who fails to require that an Employer become signatory to this Agreement as required by Paragraph 5.1 or 5.2 shall be liable for any failure of that Employer or any Employer at a lower tier to comply with the provisions of this Agreement. An Employer who has otherwise complied with the provisions of this Agreement and has required an Employer to become signatory to this Agreement as a condition precedent to a contract covered by Paragraph 5.1 or 5.2 shall not be liable for any failure of that Employer or any Employer at a lower tier to comply with the provisions of this Agreement.

4. MANAGEMENT RIGHTS

4.1 The Primary Employer and Employers retain full and exclusive authority for the management of the Project, their operations and directing their work forces. The management rights retained by the Primary Employer and Employers, including those rights set forth in this Paragraph 4.1, shall not be limited except under the provisions of this Agreement and the applicable Master Labor Agreement. Those management rights include, but are not limited to, the right to direct their working forces at their prerogative, including, but not limited to, hiring, promotion, transfer, layoff, discipline or discharge for just cause, the assignment and scheduling of work, the assignment of overtime work, deciding the number and types of employees required to perform the work, requiring all employees to observe any and all Project rules and regulations, utilizing any work methods, procedures or techniques, and selecting and using any type or kind of materials, apparatus or equipment regardless of source, manufacturer or design. No rules, customs or practices shall be permitted or observed which limit or restrict production or limit or restrict the working efforts of employees. The Primary Employer and Employers shall use the most efficient method or techniques of construction, tools, or other labor saving devices. There shall be no limitations upon the choice of materials or design, nor shall there be any limit on production by workers. There shall be no restriction, other than may be required by safety regulations, on the number of employees assigned to any crew or to any service.

The foregoing list of management rights shall not be deemed to exclude other legal rights and functions not specifically set forth here

5 SUBCONTRACTING

5.1 Primary Employer, and each other Employer as defined in Paragraph 1.4, 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 by executing Attachment A, the Employer Agreement to be Bound.

5.2 Primary Employer, and each other Employer as defined in Paragraph 1.4, agree that they will contract for the performance of Covered Work only with a person, firm, corporation or other entity that is a party to this Agreement and signatory to the Master Labor Agreement with the Union covering the geographic area of the Projects and having traditional and customary jurisdiction over the work performed by that contractor or subcontractor. Any Employer (including the Primary Employer) performing Covered Work on the Project shall, as a condition to working on the Project, at the time the work is performed, be signatory to and perform all work under the terms of this Agreement and the applicable Master Labor Agreement. Employers, other than Primary Employer or its successors, shall become a party to this Agreement by executing Attachment A, the Employer

Agreement to be Bound An Employer shall not be regarded as performing Covered Work solely by virtue of assigning, awarding, or subcontracting Covered Work or authorizing another party to assign, award or subcontract Covered Work.

5.3 Nothing in this Agreement shall in any manner whatsoever limit the rights of the Primary Employer, or any other Employer, to subcontract work or to select its contractors or subcontractors; provided, however, that all Employers, at all tiers, assigning, awarding or subcontracting Covered Work or performing Covered Work shall be required to comply with the provisions of this Agreement. 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 award of any construction contract or subcontract for the performance of Covered Work, that all such contractors and subcontractors, at all tiers, become signatory to this Agreement and the applicable Master Labor Agreement

6 COMPETITIVE BID REQUIREMENT

6.1 The provisions of Article 5 shall not apply to the award of Covered Work if the contractor or subcontractor awarding that work does not receive bona fide bids on that work on or before the deadline for receiving such bids from at least three persons, firms or corporations that are signatory to a Master Labor Agreement with the Union having jurisdiction over the work.

6.2 The provisions of Paragraph 6.1 shall not apply unless the contractor or subcontractor seeking to invoke such provisions has: (1) provided notice of the solicitation of bids to the Union having jurisdiction over the work at least 30 days in advance of awarding that work, (2) provided the same bid specifications and information that were provided to any non-signatory contractor to any signatory contractor requesting such materials, and (3) provided notice to the Union having jurisdiction over the work at least 72 hours prior to the deadline for receipt of bids that bids have not been received from three or more persons, firms or corporations signatory to a Master Labor Agreement with the Union having jurisdiction over the work.

6.3 Any Employer has the right to reject all bids submitted and to re-bid the work. An Employer who rebids the work may request a meeting with the Business Manager or Business Agent of the applicable Union and the prospective subcontractors to discuss any matters relevant to the rebidding. Any rebidding process shall be subject to the requirements of Paragraph 6.2.

7 WAGES

7.1 All employees, including foremen and general foremen if covered by the applicable Master Labor Agreement, performing Covered Work, shall be classified and paid wages and other payments and contributions made on their

behalf to multi-employer trust funds, all in accordance with the then current multi-employer Master Labor Agreements of the applicable Union

8. UNION RECOGNITION

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

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

8.3 The Unions shall be the source of all craft employees for Covered Work for the Projects. Employers agree to be bound by the hiring practices of the Unions and to utilize their registration facilities and referral systems.

8.4 In the event the referral facilities maintained by the Unions do not refer the skilled employees as requested by the Employer within a forty-eight (48) hour period after such requisition is made by the Employer (Saturdays, Sundays and holidays excepted), the Employer may employ applicants from any source.

8.5 Unions shall exercise their utmost efforts to recruit sufficient numbers of skilled employees to fulfill the labor requirements of the Project.

8.6 Primary Employer agrees to not enter into any labor agreements with respect to the Projects in which it recognizes or accepts craft jurisdiction for any other union that overlaps with or conflicts with the craft jurisdiction of Local 159, Local 302 or Local 104, as set forth in the Master Labor Agreements of the local Unions.

9. STRIKES AND LOCKOUTS

9.1 During the term of this Agreement, the Unions, officers, their agents, their representatives, their employees, and any other persons employed by the Unions shall not instigate, incite, lead, encourage, engage in, condone, authorize, cause, assist or participate in any strike, walkout, slowdown, sit-down, stay-in, boycott, sympathy strike, picketing or other work stoppage with respect to the Project. It is expressly agreed that any such actions are in violation of this Agreement. In the event of a violation of this paragraph, Primary Employer and/or Employer shall be entitled to seek relief from a court of competent jurisdiction, including injunctive relief and monetary damages.

9.2 If a violation of Paragraph 9.1 of this Article occurs or should any union member and employee engage in any of the actions specified in paragraph 9.3 of this Agreement, upon written facsimile notice of such an occurrence to the applicable local Union's and International Union's offices, the Unions and their officers shall take immediate action to undertake all reasonable means to prevent

any such activity violative of this Article and to publicly disavow any such action and order any such officers, representatives, and/or employees who participate in such activity and instruct any members who participate in such activity to cease and desist from same immediately and return to work and comply with its orders and instructions. The Employer shall have the right, in the event of a work stoppage by the Unions to terminate any employee who engages in any activity in violation of this Article and to replace them pursuant to Article 8 of this Agreement. Nothing in this Agreement shall be construed to limit or restrict the right of any of the parties to this Agreement to pursue fully any and all remedies available in the event of a violation of this Article 9.

9.3 Any union member and employee or employees instigating, inciting, leading, encouraging, engaging in, condoning, authorizing, causing, assisting or participating in any strike, walkout, slowdown, sit-down, stay-in, boycott, sympathy strike, picketing or other work stoppage with respect to the Project is subject to immediate discharge. Furthermore, Primary Employer and/or Employer shall be entitled to seek injunctive relief from a court of competent jurisdiction.

9.4 Notwithstanding the provisions of Paragraph 9.1 above, it is agreed that the Unions retain the right to withhold the services of their members from a particular contractor or subcontractor who fails to make timely payments to the Union's benefits plans, or fails to timely pay its weekly payroll, in accordance with its agreements with the Unions. Before withholding employees for failure to make

timely payments to the Union's benefits plans pursuant to this paragraph, the affected Unions must provide at least 72 hours advance notice by written facsimile to Primary Employer and Employers of the intent to exercise their rights under this paragraph and then allow 72 hours from the time such facsimile is sent to permit an opportunity for curing the claim giving rise to the notice. In the event the failure is cured or satisfactory arrangements have otherwise been agreed to by the parties, the services of the union members shall be promptly restored. In the event the Unions or any of their members withhold their services for any reason from any contractor or subcontractor, Primary Employer shall have the right to replace such contractor or subcontractor with any other contractor or subcontractor who executes the Agreement to be Bound in accordance with Paragraphs 5.1 and 5.2. In the event any Union wrongfully withholds its members' services pursuant to this paragraph, Primary Employer shall also have all the remedies provided for in Article 9.1.

9.5 In consideration of the Unions' commitments as set forth in this Article, there shall be no lockout by Primary Employer or any other Employer during the term of this Agreement.

9.6 In the event that any applicable Master Labor Agreement expires and the parties to that agreement fail to reach agreement on a new contract by the date of expiration, the Unions shall continue to provide employees to the Employers working on the Projects 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, except to the extent they conflict with any provision of this Agreement. In addition, if the new labor agreement provides for retroactive wage or benefit increases, then any Employer shall pay to its employees who performed Covered Work during the period between the effective dates of such labor agreements an amount equal to any such wage and benefit increases established by the new labor agreement for such work performed.

10. JOINT LABOR/MANAGEMENT MEETINGS

10.1 A Pre-Job Conference will be held prior to the commencement of work to establish the scope of work in each contractor's contract. When a contract has been let to a contractor(s) covered by this Agreement, a Pre-Job Conference and/or Mark-Up Meeting shall be required upon request of the Unions, contractor or the Primary Employer

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

11. GRIEVANCE PROCEDURE

11.1 It is mutually agreed that any question arising out of this Agreement involving its interpretation and/or application (except for those arising out of Article 14) shall be considered a grievance. Questions arising out of or involving the

interpretation of a Master Labor Agreement shall be resolved under the grievance procedure provided in that Master Labor Agreement.

11.2 Primary Employer and other Employers, as well as the Unions, may bring forth grievances under this Article.

11.3 A grievance shall be considered null and void if not brought to the attention of the Employer within five (5) 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.

11.4 Grievances shall be settled according to the following procedure, except that grievances that do not involve an individual grievant shall commence at Step 2:

Step 1

The Steward and the grievant shall attempt to resolve the grievance with the craft supervisor within five (5) working days after the grievance has been brought to the attention of the Employer.

Step 2

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(s) of the Union(s) affected and the Labor Relations representative of the Employer(s) for discussion and resolution. A copy of the written grievance shall also be mailed/faxed to the Primary Employer.

Step 3

In the event the matter is not resolved in Step 2 above within five (5) working days, within five (5) working days

thereafter, the grievance may be referred in writing to the Business Manager(s) of the affected Union(s) and the Manager of Labor Relations of the Employer(s) or the Manager's designated representative, and the Primary Employer, for discussion and resolution.

Step 4

If the grievance is not settled in Step 3 above within five (5) working days of referral, within five (5) working days thereafter, any party to the grievance may request the dispute be submitted to arbitration. The request for arbitration must be in writing with a copy to the Primary Employer. An Arbitrator selected from a permanent panel of Arbitrators consisting of Barry Winograd, John Kagel and Barbara Chvany will hear grievances filed pursuant to this Article. The Arbitrator will be selected by rotation from the permanent panel, rotating in the order set forth above. The Primary Employer shall keep a record of the sequence and shall notify the parties to the grievance as to the next arbitrator in the order of rotation. In the event the Arbitrator is not available in a reasonable time to hear the grievance, and the parties have not mutually agreed to extend the time for arbitration, the next arbitrator in order of rotation will be selected. This process will be followed until an arbitrator is found who is available in a reasonable time to hear the grievance. A "reasonable time" is defined as fifteen (15) calendar days when the grievance concerns employment discharge, and thirty (30) calendar days for all other grievances.

11.5 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 transcript.

11.6 Upon the expiration of the time for 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, except as provided in Paragraph 14.1.1 infra, the Arbitrator shall not have the authority to modify, amend, alter, add to or subtract from any provision of this Agreement. 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 signatory to this Agreement.

11.7 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 by whom they are incurred.

11.8 Any party to a grievance may invite the Primary Employer to participate in resolution of a grievance. The Primary Employer may, at its own initiative, participate in Steps 1 through 3 of the grievance procedure.

11.9 In determining whether the time limits of Steps 2 through 4 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.

11.10 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

12. WAIVER

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

12.2. Each Employer further agrees that it, its parents, subsidiaries, affiliated entities, managers and/or principals shall not solicit, finance or provide material support to or be a party to a challenge. Payment of regular annual dues to an organization or association and/or membership in any such organization or association does not constitute solicitation, financing or providing material support to a challenge as those terms are used in this Agreement.

12.3 This Article shall be enforced pursuant to Article 11 of this Agreement and any grievance shall commence at Step 3 of Article 11.4. The parties agree that

the economic damages to the Unions from a breach of this Agreement includes reasonable attorneys' fees and costs of defense.

13 SUCCESSORSHIP

13.1 This Agreement is and shall be binding and legally effective upon (i) any successor to Primary Employer, whether by merger, consolidation, acquisition, or otherwise, and (ii) any person or entity which acquires all or any portion of Primary Employer's right, title or interest in the Project or the Project Real Property whether by sale, lease, or other transfer; provided, however, that this Agreement shall not be binding upon any entity that acquires title to the Project Real Property at a foreclosure sale held by reason of the default of Primary Employer under a loan made by an institutional lender and secured by the Project Real Property. Any agreement for a sale, lease, or other transfer of the Project or the Project Real Property by Primary Employer and any agreement for a merger, consolidation, acquisition or other transfer of ownership or control of Primary Employer shall include an express assumption of the obligations and undertakings of Primary Employer under this Agreement, including this Paragraph 13, in the form set forth in Attachment B ("Assumption Agreement"). Within five (5) days following the close of any transaction described in (i) or (ii) above, Primary Employer shall provide the Unions with written notice thereof and an original, executed Assumption Agreement. Any sham transfer of the Project or the Project

Real Property or other subterfuge for purposes that include avoiding the obligations of the Primary Employer under this Agreement is a breach of this Paragraph 13.1 and shall not release Primary Employer from any of its obligations or undertakings under this Agreement

13.2 The parties agree that in the event Primary Employer breaches Paragraph 13.1 above and Covered Work is performed by a contractor or subcontractor that is not in compliance with the provisions of Article 5, the actual damages to the Unions or their members would be unreasonably difficult, costly, inconvenient or impracticable to calculate. Accordingly, the parties agree to liquidated damages which bear a reasonable relationship to the actual harm suffered, as provided in Paragraph 13.3 ("Liquidated Damages").

13.3 In the event that Liquidated Damages are owed pursuant to Paragraph 13.2 above, Primary Employer shall pay \$30.00 for each hour that Covered Work was performed by employees of contractors or subcontractors who are not signatory to this Agreement. The Liquidated Damages shall be paid as follows: Fifteen Dollars (\$15.00) per hour to the Unions' qualified pension plan and Fifteen Dollars (\$15.00) per hour to the Unions' qualified health and welfare plan. The parties agree that the Unions shall enforce, collect and receive Liquidated Damages on behalf of their qualified pension plans and their qualified health and welfare plans. The qualified pension plans and the qualified health and welfare plans shall

have no right to independently enforce the provisions, including, but not limited to, the Liquidated Damages provisions contained in this Article 13

13.4 Upon execution and delivery of an original, executed Assumption Agreement by a financially responsible successor pursuant to the requirements of Paragraph 13, and provided that Primary Employer is not then in breach of this Agreement, Primary Employer shall be released from all obligations under this Agreement with respect to such portion of the Project, including liability for the payment of Liquidated Damages. The Unions agree to execute the release attached as Exhibit 1 to Attachment B with respect to a financially responsible successor. A successor shall be considered financially responsible if the Unions, in the exercise of their reasonable judgment, determine that the successor is financially capable of completing the transferred portion of the Project and complying with the obligations and undertakings of the Primary Employer under this Agreement, including any obligation to pay Liquidated Damages

13.5 This Article 13 shall be enforceable in any court of competent jurisdiction, and shall not be subject to the grievance procedure set forth in Article 11.

14. GENERAL PROVISIONS

14.1 If any article or provision of this Agreement shall become invalid, inoperative and/or unenforceable by operation of law or by declaration of any

competent authority of the executive, legislative, judicial or administrative branches of the federal or state government, the Employers and the Unions shall suspend the operation of such article or provision during the period of its invalidity, and the Primary Employer and the 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 the Unions shall be binding on all parties signatory to this Agreement.

14.1.1 If the Primary Employer and the 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 Paragraph 11.4, Step 4, and Paragraphs 11.5 through 11.7. 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.

14.2 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

14.3 Except as enumerated in this Agreement, all other terms and conditions of employment described in the Master Labor Agreement shall apply.

14.4 The provisions of this Agreement shall take precedence over conflicting provisions of the applicable Master Labor Agreement.

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

14.6 The Unions agree that this Agreement covers all matters affecting wages, hours and other terms and conditions of employment, and that during the term of this Agreement, neither the Primary Employer, the Employers, nor the Unions, except as expressly provided in this Agreement, will be required to negotiate on any further matters affecting these subjects or any other subjects not specifically set forth in this Agreement set by mutual agreement of the parties.

14.7 Any amendment or modification of this Agreement must be reduced to writing and signed by the parties involved.

14.8 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.

15 TERM OF AGREEMENT

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


16 LIMITATION ON LIABILITY

16.1 This Agreement imposes no liability on Primary Employer provided (i) Primary Employer's option or any other interest in or right to the Project Real Property of any Project is terminated, (ii) Primary Employer has not conveyed or transferred its option or other interest in or right to the Project Real Property of the Project, unless pursuant to Article 13, and (iii) Primary Employer does not possess any ownership interest in the Project Real Property or exercise any management or control over the development of the Project Real Property, either directly or indirectly Primary Employer shall give the Unions notice of the termination of its option or any other interest in or right to the Project Real Property within 10 days after the effective date of the termination.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be
executed and effective as of 9-22, 2004.

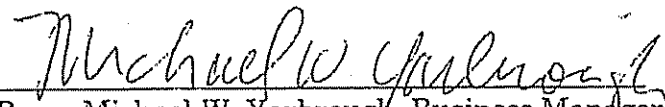
PRIMARY EMPLOYER

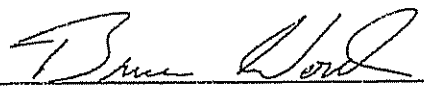
PULTE HOMES, Inc.,
A Michigan Corporation


By: John L. Johnson
Its Attorney In Fact

UNIONS


By: Aram Hodess, Business Manager
UA Plumbers and Steamfitters Union, Local 159


By: Michael W. Yarbrough, Business Manager
International Brotherhood of Electrical Workers Union, Local 302


By: Bruce Word, Business Manager
Sheet Metal Workers Union, Local 104

ATTACHMENT A
AGREEMENT TO BE BOUND

PROJECT LABOR AGREEMENT
MAGNOLIA PARK PROJECT

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Paragraph 1.4 of the Magnolia Park Project Labor Agreement ("Agreement") because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Magnolia Park Project (as defined in Paragraphs 1.2 and 3.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work
- 2.) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3.) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4.) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of said Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this document, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)

ATTACHMENT B
ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT ("Assumption Agreement") is by and between _____ ("Assignor") and _____ [*NEW PRIMARY EMPLOYER*] ("Assignee").

RECITALS

A. Assignor is the Primary Employer under a certain Project Labor Agreement dated _____, 200_ (the "PLA") with the Plumbers & Steamfitters Union, Local 159, the International Brotherhood of Electrical Workers, Local 302, and the Sheet Metal Workers, Local 104 (collectively the "Unions"), concerning the Magnolia Park Project located in the City of Oakley, Contra Costa County (the "Project").

B. Assignor desires to assign to Assignee all of its rights and obligations under the PLA with respect to the portion of the Project Property described on Exhibit A attached hereto (the "Assignee Project Property"), and to be released by the Unions, in accordance with Paragraph 18.4 of the PLA, from all of Assignor's rights and obligations under the PLA with respect to the Assignee Project Property

C. Assignee, a contractor primarily engaged in the construction industry, desires to assume, for the benefit of the Unions, all rights and obligations of Primary Employer under the PLA with respect to the Assignee Project Property.

AGREEMENTS

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Effective [*DATE*] (the "Effective Date"), Assignor hereby assigns to Assignee all of Assignor's right, title, and interest in and to the PLA with respect to the Assignee Project Property. Assignor acknowledges that it has no further interest in the PLA with respect to the Assignee Project Property, and that the Unions may treat the PLA as if it had been made by Assignee with respect to the Assignee Project Property

2. As of the Effective Date, Assignee hereby assumes all of Assignor's rights and obligations under the PLA with respect to the Assignee Project Property, and agrees to perform and is able to perform, as a direct obligation to the Unions, all of the covenants, agreements and conditions contained in the PLA to be

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Pulte PLA

September 21, 2004

performed by Primary Employer with respect to the Assignee Project Property

3 This Assumption Agreement is expressly conditioned upon the Unions' execution and delivery to Assignor of a release of Assignor's obligations under the PLA with respect to the Assignee Project Property, which release shall be substantially in the form of Exhibit 1

4 This Assumption Agreement and all covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5 This Assumption Agreement shall be governed by and construed in accordance with the laws of the State of California, including all matters of construction, validity, performance and enforcement.

6 In the event of a dispute regarding the interpretation or enforcement of the provisions hereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs of suit.

7 The address of Assignee for delivery of notices is:

8 Assignor and Assignee each acknowledge that the Unions are third party beneficiaries to this Assumption Agreement and are entitled to rely upon and enforce the covenants and representations of Assignee and Assignor contained herein. This Assumption Agreement shall not be amended, modified, supplemented or revised without the prior written consent of the Unions.

9 This Assumption 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.

10 This Assumption Agreement constitutes the entire agreement of Assignee and Assignor with respect to the PLA.

11 All of the obligation of Assignor under the PLA, with respect to all of the Project Property, except for the Assignee Project Property, shall remain in full force and effect.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assumption Agreement to be executed and do each hereby warrant and represent that their respective signatories whose signatures appear below have been and are

on the date of this Assignment Agreement duly authorized by all necessary and appropriate action to execute this Assignment Agreement

"ASSIGNOR"

Dated: _____

"ASSIGNEE"

[*NEW PRIMARY EMPLOYER*]

By: _____

Its: _____

Dated: _____

Exhibit 1 to Attachment B

PROJECT LABOR AGREEMENT
RELEASE OF LIABILITY

This Release of Liability ("Release") is made by U A Plumbers and Steamfitters Local #159, International Brotherhood of Electrical Workers Local #302, and Sheet Metal Workers Local #104 ("Unions")

A. On or about _____, the Unions and Pulte Homes, Inc ("Primary Employer") entered into that certain Project Labor Agreement dated _____ (the "PLA") whereby the parties agreed, in Article 13, that, upon execution and delivery to the Unions of an acceptable agreement by a financially responsible successor assuming Primary Employer's obligations under the PLA ("Assumption Agreement"), the Unions shall release Primary Employer from its obligations under the PLA to the extent that such obligations are transferred to such successor.

B. Primary Employer and _____ have executed that certain Assumption Agreement dated _____ with respect to the Assignee Project Property described therein, and such agreement is acceptable to the Unions

C. The Unions have determined that _____ is a financially responsible successor to Primary Employer, as contemplated by Article 13 of the PLA.

D. In reliance upon the foregoing, the Unions each acknowledge and agree that Primary Employer has satisfied the successorship criteria of Article 13 of the PLA with respect to the Assignee Project Property. Accordingly, the Unions do hereby, jointly and severally, release Primary Employer from all subsequent obligations and undertakings of the PLA with respect to the Assignee Project Property, including liability for the payment of liquidated damages with respect to the Assignee Project Property under Paragraph 13.3.

E. All obligations of Primary Employer with respect to all of the Project Real Property, except for the Assignee Project Property, shall remain in full force and effect.

IN WITNESS WHEREOF, the Unions have caused this Release to be executed and effective from and after _____, 200_.

UNIONS:

By: _____
Business Manager, U A Local #159

By: _____
Business Manager, IBEW Local #302

By: _____
Business Manager, Sheet Metal Workers Local #104