

**AGREEMENT CONCERNING
RIVERPARK PROJECT LABOR AGREEMENT**

This Agreement (covering RiverPark Project Labor Agreement (this “Agreement”) is entered into by and between Shea Properties II, LLC (“Shea Properties”), VCC Construction, Inc. (“VCC”), Moorefield Construction, Inc. (“Moorefield”) and the Tri-Counties Building and Construction Trades Council (“Council”). RiverPark Legacy, LLC enters into and joins in this Agreement to the limited extent set forth herein.

Recitals

This Agreement is entered into with respect to the following facts and circumstances:

1. The parties dispute the applicability of that certain RiverPark Development, LLC Project Labor Agreement, dated August 19, 2004 (the “PLA” or “RiverPark PLA”), to property being acquired within the RiverPark development by Shea Properties and on which VCC and Moreland shall construct a series of commercial and related improvements.
2. An affiliate of Shea Properties has filed unfair labor practice charges with the National Labor Relations Board asserting that the RiverPark Development, LLC Project Labor Agreement is void under section 8(e) of the National Labor Relations Act and that it is unenforceable by the Council under section 8(b)(4) of that Act insofar as the PLA is alleged to be applicable to any property acquired by Shea Properties or its subsidiaries.

3. The Tri-Counties Building and Construction Trades Council contends that the RiverPark PLA may lawfully be imposed upon property purchased by Shea Properties and that it is binding upon Shea Properties and its successors and assignors, including tenants, ground lessees and purchasers of parcels within the development from Shea Properties or its successors and assigns.

4. The parties now intend by this Agreement to compromise and resolve their dispute.

5. VCC and Moorefield are the general contractors employed by Shea Properties to construct its desired construction improvements on the property being acquired from within the RiverPark development. VCC and Moorefield are each prepared to enter into an appropriate project labor agreement with the Council covering its work on this project.

6. Shea Properties acknowledges that its contractors, VCC and Moorefield, are binding themselves to perform their work and all subcontracted work in compliance with the terms consistent with those of the RiverPark PLA as modified by this Agreement.

7. By execution of this Agreement, RiverPark Legacy LLC agrees to facilitate the resolution of the dispute between Shea Properties and the Council by agreeing to the additional construction commitment set forth in Paragraph F below applicable to property under its control and not owned or to be owned by Shea Properties or its subsidiaries.

8. The Council and each of its member unions acknowledges that VCC's and Moorefield's acceptance of the obligations imposed by this Agreement together with the other provisions of this Agreement shall be sufficient to resolve all disputes which the Council has with Shea Properties and RiverPark Development, LLC, RiverPark A, LLC, RiverPark B, LLC, RiverPark Legacy LLC and any other party over the applicability of the RiverPark PLA to the construction work to be performed on the property purchased or to be purchased by Shea Properties or its subsidiaries from within the overall RiverPark development.

Agreement

Based on the foregoing facts, the parties agree as follows:

- A. The RiverPark PLA shall be deemed modified by the provisions of this Agreement.
- B. The RiverPark PLA as modified by the provisions of this Agreement shall apply to all construction work to be performed by VCC and Moorefield on behalf of Shea Properties on the property it purchases from within the overall RiverPark development to the extent such work is within the initial build-out of the development.
- C. The Council and all unions bound to the RiverPark PLA agree that the RiverPark PLA shall be deemed modified by the provisions herein with respect to all property purchased by Shea Properties or its subsidiaries from within the overall RiverPark development.

D. The RiverPark PLA is modified in the following respects:

1. Subject to the provisions set forth below, the RiverPark PLA shall apply only to work performed by Shea Properties and only to the initial build-out of the development.
2. The RiverPark PLA, whether on its own terms or on the terms modified by this Agreement, shall not apply to construction work performed by contractors and their subcontractors under contract to third party purchasers of parcels from Shea Properties or to ground lessees or other tenants of Shea Properties.
3. All tenant improvement work, if any, performed by VCC or by Moorefield and their respective subcontractors of any tier or by any other party that performed any work covered by the RiverPark PLA as modified by this Agreement for ground lessees or other tenants of Shea Properties or for purchasers of parcels from Shea Properties shall be excluded from the RiverPark PLA. For example, should Whole Foods lease space from Shea Properties and should Whole Foods select VCC or Moorefield as its general contractor for its tenant improvement work, the construction work performed by VCC or by Moorefield and its subcontractors for Whole Foods would be work excluded from the RiverPark PLA as originally adopted and as established and modified by this Agreement.

4. The RiverPark PLA permits work to be performed under certain circumstances by contractors that are not signatory to agreements with the Council or any of its constituent unions. Such contractors are required to obtain their employees from an appropriate union's hiring hall and to "clear" any employees of their own through that hiring hall. This requirement shall be deemed satisfied by the non-signatory contractor identifying in writing to an appropriate union the identity of its employees performing work within the jurisdiction of that union.

5. The RiverPark PLA requires contractors not signatory to an agreement with an appropriate union to pay fringe benefit contributions on behalf of their respective employees working within the jurisdiction of that union to the trust funds of that union. To the extent that VCC or Moorefield and/or their respective subcontractors are not signatory to an agreement with an appropriate union but are required by the terms of the PLA to pay fringe benefits on behalf of their employees to the trust funds of that union, they shall have an offset from the requirement to make such contributions in amounts equal to the contributions made by the contractor or subcontractor for a similar benefit or benefits maintained by the contractor or subcontractor on behalf of its employees.

E. Shea Properties, VCC and Moorefield agree to provide the following additional benefits to the Council:

1. If a cinema is to be constructed on the property purchased by Shea Properties or its subsidiaries within the RiverPark development, Shea Properties and VCC or Moorefield shall construct the cinema shell as a “warm shell” pursuant to the terms of the RiverPark PLA as amended by this Agreement. [As is typical, a “warm shell” excludes FF&E.]

2. Shea Properties and VCC and Moorefield shall ensure that Twelve Million Dollars (\$12,000,000.00) or more of work constructed by or on behalf of those parties excluded from applicability of the RiverPark PLA as modified by this Agreement shall be constructed by contractors and subcontractors signed to appropriate agreements with appropriate unions signatory to the RiverPark PLA.
3. If Shea Properties, VCC and Moorefield fail to comply with their commitment in the preceding subparagraph, Shea Properties, VCC and Moorefield shall satisfy the obligations in the preceding subparagraph by paying into approved union trust funds (in a manner compliant with applicable statutes) an amount equal to Seven Cents (\$0.07) for every One Dollar (\$1.00) of shortfall. [This is twenty percent (20%) of the estimated labor component of

contracts let, which labor component is thirty-five percent (35%) of the total contract amount.]

F. RiverPark Legacy, LLC agrees to contract with signatory union contractors for Twelve Million Dollars (\$12,000,000.00) or more of work to be constructed within the overall RiverPark master planned community but for which the RiverPark PLA as amended by this Agreement is not applicable. The \$12,000,000.00 amount reflects gross contract amounts:

1. At least fifty percent (50%) of such work on RiverPark Legacy's part shall be residential construction, and
2. The balance of the \$12,000,000.00 shall be related to the construction of the second elementary school within the RiverPark master planned community.

AGREED:

Dated: _____, 2007

Shea Properties LLC, II,

a Delaware limited liability company

By: _____

Its: _____

Its: _____

Dated: _____, 2007

Riverpark Legacy LLC,

a Delaware limited liability company

By: Shea RiverPark Developers, LLC,

a Delaware limited liability company,

its Manager

By: Shea Homes Limited

Partnership,

a Delaware limited liability

company,

its Managing Member

Its: _____

Its: _____

Dated: _____, 2007

VCC Construction, Inc.

Its: _____

Dated: _____, 2007

Moorefield Construction, Inc.

By: _____

Its: _____

Dated: _____, 2007

Tri-Counties Building and Construction Trades
Council

By: _____

Its: _____

12-20-07 10:18am From-IUOE District 2 Ventura

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Union Signature Page


Asbestos Workers Local Union #5

Roofers Local Union #36

Boilermakers Lodge #92


Sheetmetal Workers Local Union #273

Cement Masons Local Union #600

So. Cal. District Council of Laborers

Electrical Workers Local Union #952

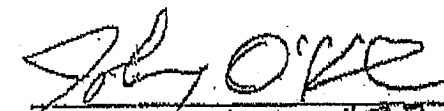
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Elevator Constructors Local Union #18

Tile, Marble & Terrazzo Local Union #18

District Council #36, Floorlayers, Glaziers,
Drywall Finishers, Painters, Tapers

U.A. Local Union #250


Ironworkers Local Union 483

Operating Engineers Local Union #12

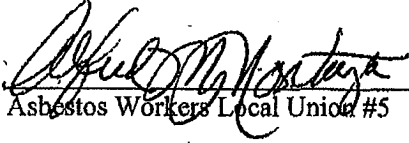
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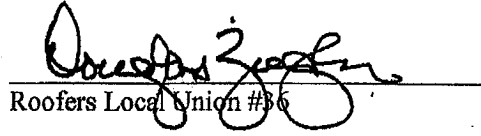
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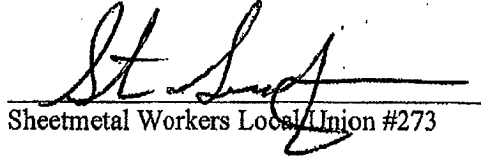
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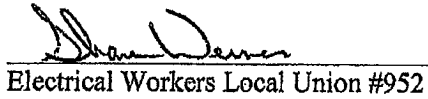

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Boilermakers Lodge #92


Sheetmetal Workers Local Union #273

Cement Masons Local Union #600

So. Cal. District Council of Laborers


Electrical Workers Local Union #952

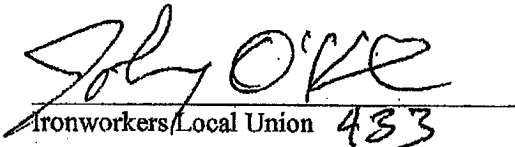
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Tile, Marble & Terrazzo Local Union #18

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Drywall Finishers, Painters, Tapers

U.A. Local Union #250


Ironworkers Local Union 433

Operating Engineers Local Union #12

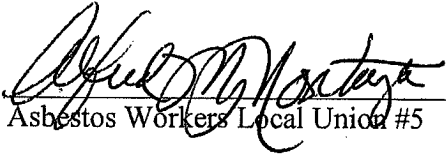
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Laborers Local Union #585

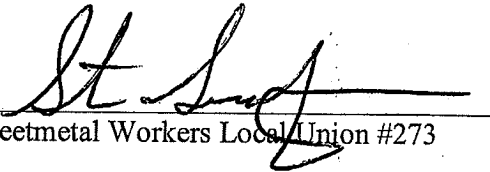
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Union Signature Page


Asbestos Workers Local Union #5

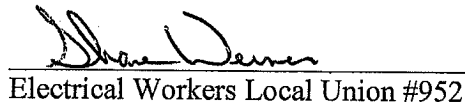
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Boilermakers Lodge #92


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So. Cal. District Council of Laborers


Electrical Workers Local Union #952

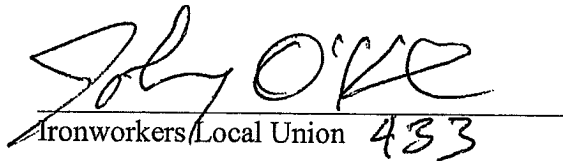
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Tile, Marble & Terrazzo Local Union #18

District Council #36, Floorlayers, Glaziers,
Drywall Finishers, Painters, Tapers

U.A. Local Union #250


Ironworkers Local Union 433

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U.A. Local Union #669

Ironworkers Local Union #433

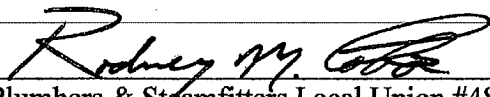
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Laborers Local Union #585

U.A. Local Union #669

Plasterers Local Union #200

Southern California-Nevada Council of
Carpenters



Plumbers & Steamfitters Local Union #484


Bricklayers and Allied Craftworkers Local #4

U.A. Local # 345

[RiverPark Entities Signatures Begin on Next Page]

Ironworkers Local Union #433


Laborers Local Union #585

Plasterers Local Union #200

Plumbers & Steamfitters Local Union #484

U.A. Local # 345

U.A. Local Union #709

U.A. Local Union #669

Southern California-Nevada Council of
Carpenters

Bricklayers and Allied Craftworkers Local #4

[RiverPark Entities Signatures Begin on Next Page]

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Asbestos Workers Local Union #5

Roofers Local Union #36

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Sheetmetal Workers Local Union #273

Gen'l Bldg Workers Local Union #600

So. Cal. District Council of Laborers

Electrical Workers Local Union #932

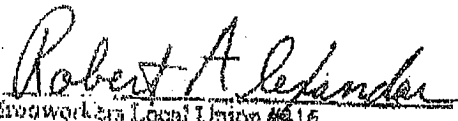
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Plumbing Constructors Local Union #18


Tile, Marble & Terrazzo Local Union #18

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Drywall Finishers, Painters, Tapers

U.A. Local Union #250


Ironworkers Local Union #16

Operating Engineers Local Union #11

Ironworkers Local Union #433

U.A. Local Union #709

Laborers Local Union #585

U.A. Local Union #669

Robert R. Pullen, Jr.
Plasterers Local Union #200

Southern California-Nevada Council of
Carpenters

Plumbers & Steamfitters Local Union #484

Bricklayers and Allied Craftworkers Local #4

U.A. Local # 345

[RiverPark Entities Signatures Begin on Next Page]

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Asbestos Workers Local Union #5

Roofers Local Union #36

Boilermakers Lodge #92

Sheetmetal Workers Local Union #273

Cement Masons Local Union #600

So. Cal. District Council of Laborers

Electrical Workers Local Union #952

Teamsters Local Union #186

Elevator Constructors Local Union #18

Tile, Marble & Terrazzo Local Union #18

District Council #36, Floorlayers, Glaziers,
Drywall Finishers, Painters, Tapers

U.A. Local Union #250

Ironworkers Local Union

Operating Engineers Local Union #12

Ironworkers Local Union #509

U.A. Local Union #709

Laborers Local Union #585

U.A. Local Union #669

Union Signature Page

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Sheetmetal Workers Local Union #273

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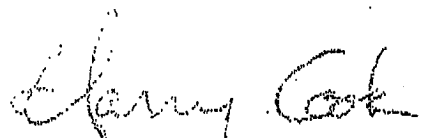
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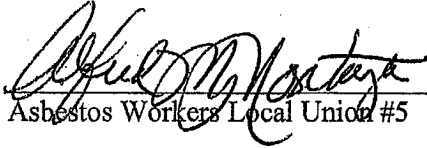

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Plumbers, Glaziers, Painters

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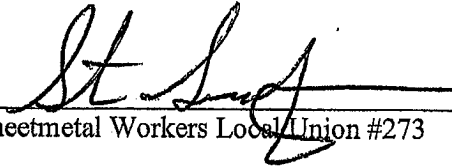
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Union Signature Page


Asbestos Workers Local Union #5

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Electrical Workers Local Union #952

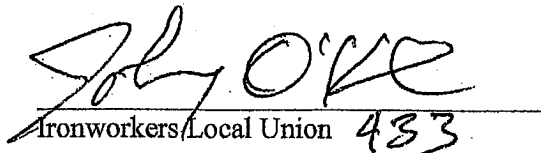
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Ironworkers Local Union 433

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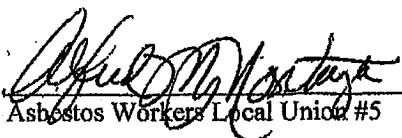
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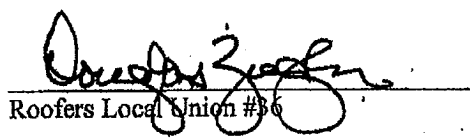
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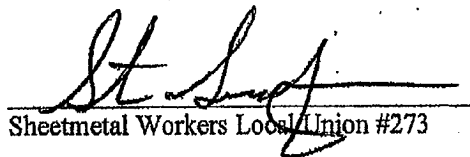
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Union Signature Page


Asbestos Workers Local Union #5


Roofers Local Union #36

Boilermakers Lodge #92


Sheetmetal Workers Local Union #273

Cement Masons Local Union #600

So. Cal. District Council of Laborers


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Teamsters Local Union #186

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Drywall Finishers, Painters, Tapers

U.A. Local Union #250


Ironworkers Local Union 483

Operating Engineers Local Union #12

Ironworkers Local Union #509

U.A. Local Union #709

Laborers Local Union #585

U.A. Local Union #669

Ironworkers Local Union #433


Laborers Local Union #585

U.A. Local Union #709

U.A. Local Union #669

Plasterers Local Union #200

Southern California-Nevada Council of
Carpenters

Plumbers & Steamfitters Local Union #484

Bricklayers and Allied Craftworkers Local #1

U.A. Local # 3-15

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Union Signature Page

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Roofers Local Union #36

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Sheetmetal Workers Local Union #273

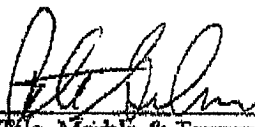
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Drywall Finishers, Painters, Tapers

U.A. Local Union #250

Ironworkers Local Union #416

Operating Engineers Local Union #12