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**Department of Housing, Economic Development & Commerce**

**Director's Office**



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**Inter-Office Memorandum**

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**DATE:** May 10, 2011

**TO:** Tax Abatement Committee

**FROM:** Al Cameron, Deputy Director, HEDC

**SUBJECT:** Tax Abatement Committee Agenda May 26, 2011

**CC:** J. Abuan, R. Byrne, M. Cosgrove, W. Matsikoudis, D. Mauer, R. McFadden, J. Monahan, J. Sass, K. Tayari, D. Toon

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**AGENDA**

A Tax Abatement Meeting will be held on Thursday May 26, 2011 at 10:30 AM in the City Council Caucus Room, City Hall, 280 Grove Street.

The applicant, 45 Fourteenth Street Urban Renewal, LLC, requests a twenty-year tax abatement based upon 10% of annual gross revenue. The project is a 17-story building with approximately 158 residential rental units, and approximately 5,543 square feet of ground floor commercial space. One hundred and ten (110) parking spaces will be reserved for the residents in the Shore Parking Garage.

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JERSEY CITY, N.J.

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Department of Housing, Economic Development & Commerce



Director's Office

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Inter-Office Memorandum

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DATE: May 10, 2011

TO: Tax Abatement Committee

FROM: Al Cameron, Deputy Director, HED&C

SUBJECT: 45 Fourteenth Street Urban Renewal, LLC - A Residential Rental Housing Project Block 20, Lots 3.23 and 3.16 Long Term Tax Exemption Application

CC: J. Abuan, R. Byrne, W. Matsikoudis, D. Mauer, R. McFadden, J. Monahan, J. Sass, K. Tayari, D. Toon

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**INTRODUCTION:**

The applicant, 45 Fourteenth Street Urban Renewal, LLC (the "Applicant"), seeks a twenty-year tax abatement based upon 10% of annual gross revenue. The project is a 17-story building with approximately 158 residential rental units, and approximately 5,543 square feet of ground floor commercial space. One hundred and ten (110) parking spaces will be reserved for the residents in the Shore Parking Garage. The application fee of \$9,500.00 was paid with the application.

**SITE INFORMATION:**

The property is located at 45 Fourteenth Street Jersey City, New Jersey, and will have the additional designation known as Blue Edge. It will consist of Block 20 Lots 3.23 and 3.16.

**CURRENT REAL ESTATE TAXES:**

The applicant states that 2010 taxes for the entire property were \$38,518.74 and that all taxes and charges are current.

**JOBS:**

The Applicant estimates that the Project will create 250 jobs through the construction period and approximately 12 permanent full time jobs thereafter.

**CONSTRUCTION SCHEDULE:**

Construction estimated to begin in June 2011 and completed in two years.

**ESTIMATED PROJECT COST:**

The total estimated project cost is \$62,770,000.00

**AFFORDABLE HOUSING TRUST FUND ("AHTF") CONTRIBUTION:**

The Applicant proposes to make an AHFT contribution of \$243,315.00, calculated as follows: 158 market rate residential rental units time \$1,500.00 per unit and 5743 square feet of commercial space at \$1.50 per square foot.

**REVENUE TO THE CITY:**

The Applicant proposes a Financial Agreement with the City based on 10% of its annual gross revenue. This formula will render an Annual Service Charge to the City of approximately \$458,539.94. The applicant's proposal is based on an estimated Annual Gross revenue of \$4,285,420.00 as set forth in the Applicant's "Exhibit C" and is broken down as follows:

<u>Unit Type</u>	<u>Annual Revenue (est.)</u>
70 One Bedrooms	\$1,596,000.00
79 Two Bedrooms	\$2,433,600.00
9 Three Bedrooms	\$ 324,000.00
Less Vacancies (5%)	( 217,680.00)
Net Rental Income	<u>\$4,135,920.00</u>
Commercial Income	\$ 149,500.00
Total Gross Revenue	<u>\$ 4,285,420.00</u>
Municipal Annual Service Charge	\$428,542.00
Hudson County annual Service Charge	21,427.10
Municipal Administrative Fee	<u>8,570.84</u>
Total Annual Payment	<u>\$ 458,539.94</u>



**APPLICATION FOR TAX EXEMPTION**

**of**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submit the following information in support of its application for a Long Term Tax Exemption under and pursuant to N.J.S.A. 40A:20-1, et seq, The Long Term Tax Exemption Law (“the Law”).

**Applicant:** 45 Fourteenth Street Urban Renewal LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

**Project:** Blue Edge  
A Mixed Use Rental Urban Renewal Housing Project  
Block 20, Lots 3.23 and 3.16  
Jersey City, New Jersey

The Blue Edge is referred to herein as the “Project.”

**Applicant’s General Contractor:** Savoy Builders Company LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

**Applicant’s Architect:** Barry Poskanzer  
550 Maple Avenue  
Ridgewood, NJ 07450  
(201) 445-2322

**Applicant’s Attorney:** Connell Foley LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311-4025  
(201) 521-1000  
Attn: James C. McCann, Esq.

**Loan Advisor and/or Consultants:** None

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JERSEY CITY, N.J.

**1. Identification of the Property:**

The land upon which the Project will be built on is Block 20, Lots 3.23 and 3.16 commonly known as 45 Fourteenth Street, Jersey City, New Jersey (the "Property"). The Property is vacant land. A metes and bounds description of the Property is attached hereto as Exhibit A. The Property is approximately .75 acres.

**2. General Statement of the Nature of the Project:**

The Project consists of a mixed use rental project located at 45 Fourteenth Street, Jersey City, New Jersey. The Project is located within the Newport Redevelopment Plan Area. The Project will be a seventeen (17) story building with approximately one hundred fifty-eight (158) residential units and approximately 5,543 square feet of ground level retail space. One hundred ten (110) parking spaces have been allocated to the Project in the Shore garage located near the Project.

**3. Abatement Requested:**

The Applicant seeks a long term tax exemption based upon 10% of annual gross revenue. The Applicant requests that the financial agreement be based on the calculation below. A breakdown of the Project's Estimated Annual Gross Revenue ("AGR") is attached hereto as Exhibit C. The Property is eligible for a long term tax exemption because it is located within the Newport Redevelopment Plan Area.

Estimated AGR = \$4,285,420.00

Municipal Annual Service Charge ("ASC") = AGR 10%	=	\$428,542.00
Hudson County ASC (5% of ASC)	=	\$21,427.10
City Administrative Fee (2% of ASC)	=	\$8,570.84

Total Annual Payment = \$458,539.94

**4. Term of the Exemption Requested:**

The Applicant requests that the term of the exemption be for twenty (20) years from the date of substantial completion of the Project. The Applicant requests that the build out period for the Project be three (3) years.

**5. Improvements to be Constructed:**

The improvements to be constructed will consist of the following:

The Applicant will construct a seventeen (17) story building containing approximately 158 residential rental units and 5,543 square feet of retail space. The units will be

distributed as follows: approximately 70 one bedrooms, which will average approximately 750 square feet; approximately 79 two bedrooms, which will average approximately 1,310 square feet; and 9 three bedrooms will average approximately 1,928 square feet. Each residential unit will have living, dining and kitchen areas. The retail space may be leased to one or more tenants depending upon market conditions and demand.

The Applicant is also constructing a private open space plaza and lawn adjacent to the building and will be completing and improving that portion of the public waterfront walkway that is adjacent to the Project.

**6. Estimate of Total Project Cost:**

The Total Project Cost, as indicated in Exhibit B is estimated to be \$62,770,000.00. The Estimated Total Project Cost is calculated in accordance with the provisions for N.J.S.A. 40A:20-3h. Construction costs have been estimated based upon preliminary information compiled by the Applicant. The developer's overhead was calculated using the statutory schedule.

**7. Financing Structure:**

The Project will be financed through a combination of debt and equity. The construction loan will be financed under a three year commitment for which the lender will likely charge an upfront financing fee as well as interest. The construction loan will be repaid with a permanent mortgage at completion.

**8. Construction Schedule:**

It is estimated that construction of the Project will commence in June 2011 after receipt of final governmental approvals of the Project and execution of the Financial Agreement. Construction is expected to be substantially complete within 24 months of commencement. This construction schedule is subject to *force majeure* and the time required to obtain the necessary governmental approvals and permits.

**9. Zoning Information:**

The Project is located in the Newport Redevelopment Plan Area, and complies with the zoning requirements therein and of the Master Plan of the City of Jersey City. The Project received a preliminary site plan approval from the Planning Board of the City of Jersey City on March 13, 2007 and an amendment to the preliminary site plan approval on July 22, 2008. See Resolutions attached to Exhibit D. As of the date hereof, there is an application for a second amendment to the preliminary site plan approval pending before the Jersey City Planning Board to confirm the number of residential units and the square footage of the retail space and otherwise reconfigure the building and adjacent improvements. It is anticipated that this second amendment will be approved by the Planning Board on May 10, 2011.

**10. Land Value of Property:**

The real estate tax assessment on the Property for the year 2011 is as follows:

Block 20, Lot 3.23 = \$400,000.00  
Block 20, Lot 3.16 = \$158,000.00  
**Total Assessment = \$558,000.00**

**11. Current Real Estate Taxes:**

The 2010 annual real estate taxes for the Property were:

Block 20, Lot 3.23 = \$27,612.00  
Block 20, Lot 3.16 = \$10,906.74  
**Total Annual Real Estate Taxes = \$38,518.74**

**12. Status of Municipal Taxes and other Charges:**

All municipal real estate taxes and charges levied against the Property have been paid in full. The Applicant will not own any other real property other than the Property that is described herein.

**13. Ownership Disclosure Statement:**

The Property is owned by Newport Associates Development Company, an affiliate of the Applicant. Newport Associates Development Company will convey the Property to the Applicant prior to construction of the Project.

The Applicant is an urban renewal limited liability company organized under the laws of the State of New Jersey including the Long Term Tax Exemption Law. The membership of the interests of those persons and entities with an ownership interest in the Application and the Project of at least 10% is set forth in Exhibit E.

**14. Financial Agreement:**

A proposed Financial Agreement for the Applicant is attached hereto as Exhibit J.

**15. Projected Job Creation, PEA and PLA:**

The Applicant estimates that the Project will create approximately 250 jobs throughout the construction period and approximately 12 permanent full time real estate, management and service positions following the construction period.

The Applicant will comply with the City of Jersey City minority Business Enterprise Ordinance Sect. 2-77 et seq. of the Jersey City Municipal Code by executing a Project

Employment Agreement (“PEA”) that will go into effect following the completion of the Project. A proposed PEA is attached hereto as Exhibit K.

In addition, the Applicant will comply with City Ordinance # 07-123 requiring the Applicant’s general contractor to participate in the City’s Apprenticeship Program. Furthermore, the Applicant will cause Blue Edge Construction Company, its general contractor, to execute a Project Labor Agreement (“PLA”) substantially in the form attached hereto as Exhibit L. The Applicant intends to meet with labor representatives to discuss the PLA simultaneously with the processing of this application.

**16. Commencement Certification:**

A Certification from the Applicant that the construction of the Project has not and will not commence prior to final approval and execution of a Financial Agreement between the City and the Applicant is attached hereto as Exhibit F.

**17. Compliance with State and Local Laws Certification:**

A Certification by the Applicant that the Project meets the requirements of the laws of the State of New Jersey as well as the Newport Redevelopment Plan is attached hereto as Exhibit G.

**18. Diligent Inquiry Certification:**

A Certification by the Applicant that all information contained in the Application is true and correct to the best of its knowledge after having made diligent inquiry is attached hereto as Exhibit H.

**19. Certificate of Formation:**

A copy of the Applicant’s Certificate of Formation is attached hereto as Exhibit I.

**20. Affordable Housing Contribution:**

Upon Applicant’s execution of a financial agreement, the Applicant will agree to make an affordable housing contribution to the City of Jersey City in the amount of \$243,315.00 (\$1,500 per unit x 158 market rate residential units= \$235,000 plus \$1.50 x 5,543 square feet of retail space = \$8,315.00). The Applicant intends to make this contribution in accordance with Sections 304-28 through 30 of the Jersey City Municipal Code, which require one-third of the contribution (\$81,105.00) upon the execution of the Financial Agreement, one-third of the contribution (\$81,105.00) upon the issuance of the first Construction Permit by the City of Jersey City but not later than 6 months from the

effective date of the financial agreement; and one-third (\$81,105.00) upon the issuance of the first Certificate of Occupancy for the Project, but not later than 24 months from the effective date of the financial agreement.

**21. Fee:**

The fee for the City's consideration of this Application in the amount of \$9,500 is enclosed herein.

**22. List of Exhibits:**

- A. Description of the Property;
- B. Projection of Total Project Cost;
- C. Total Annual Gross Revenue Computation;
- D. Certified Copy of Approved Site Plan;
- E. Disclosure Statement;
- F. Commencement Certification;
- G. Compliance with State & Local Laws Certification;
- H. Diligent Inquiry Certification;
- I. Certificate of Formation;
- J. Proposed Financial Agreement.
- K. Proposed Project Employment Agreement.
- L. Proposed Project Labor Agreement.

**EXHIBIT A**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**Description of the Property**

Address: 45 Fourteenth Street  
Jersey City, New Jersey  
Block 20, Lots 3.23 and 3.16

See metes and bounds description attached.

**EXHIBIT B**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):**

Cost of Land	\$14,220,000.00
Architects / Engineers / Attorney Fees	\$1,600,000.00
Surveying & Testing	\$100,000.00
Construction Costs	\$41,000,000.00
Insurance, Interest, Finance Costs	\$3,000,000.00
Cost of Obtaining Initial Permanent Financing	\$450,000.00
Commissions and Other Expenses Associated With Initial Leasing	\$250,000.00
Real estate taxes and assessments during construction period	\$100,000.00
Developer's overhead (per <u>N.J.S.A. 40A:20-3(h)</u> )	\$2,050,000.00
<b>Total</b>	<b>\$62,770,000.00</b>

**EXHIBIT C**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**ANNUAL GROSS REVENUE COMPUTATION  
&  
FISCAL PLAN**

<b>Rental Income</b>	<b>Annual Amounts</b>
70 One Bedrooms	\$1,596,000.00
79 Two Bedrooms	\$2,433,600.00*
09 Three Bedrooms	\$324,000.00
Less Vacancies at 5%	\$217,680.00
Net Rental Income	\$4,135,920.00
Garage Income	\$ - 0 -
Laundry Income	\$ - 0 -
Commercial Income	\$149,500.00
Other Income	\$ - 0 -
<b>Total Gross Revenue</b>	<b>\$4,285,420.00</b>
1. Real Estate Taxes and/or Assessment on Property*	\$NONE
2. Insurance Premiums*	\$NONE
3. Operating, Maintenance or Repair Expenses*	\$NONE

NJSA 40A:20-3(A) provides that "if in any leasing, any real estate taxes or assessments on property included in the project, any premiums for fire or other insurance on or concerning property included in the project or any operating or maintenance expense ordinarily paid by a landlord are to be paid by the tenant, then such payments shall be computed and deemed part of the rent and shall be included in the annual gross revenue."

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\* Revenue stream is for 78 two bedrooms. One two bedroom is a super's unit which does not generate revenue.

**EXHIBIT D**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**COPY OF APPROVAL OF SITE PLAN  
BY JERSEY CITY PLANNING BOARD**

**SEE ATTACHED**

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**EXHIBIT E**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**DISCLOSURE STATEMENT**

NAME OF ENTITY: 45 Fourteenth Street Urban Renewal LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

NAME OF PROJECT: Blue Edge  
A Mixed Use Rental Urban Renewal Housing Project  
Block 20, Lots 3.23 and 3.16  
Jersey City, New Jersey

PRINCIPAL PLACE OF BUSINESS: 100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310

NAME OF REGISTERED AGENT: Newport Manager Corp.  
ADDRESS: 100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT WILL PROVIDE THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN)

SEE ADDENDUM TO DISCLOSURE STATEMENT ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

I FURTHER CERTIFY THAT NO OFFICER OR EMPLOYEE OF THE CITY OF JERSEY CITY HAS ANY INTEREST, DIRECT OR INDIRECT, IN THIS ENTITY.

I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

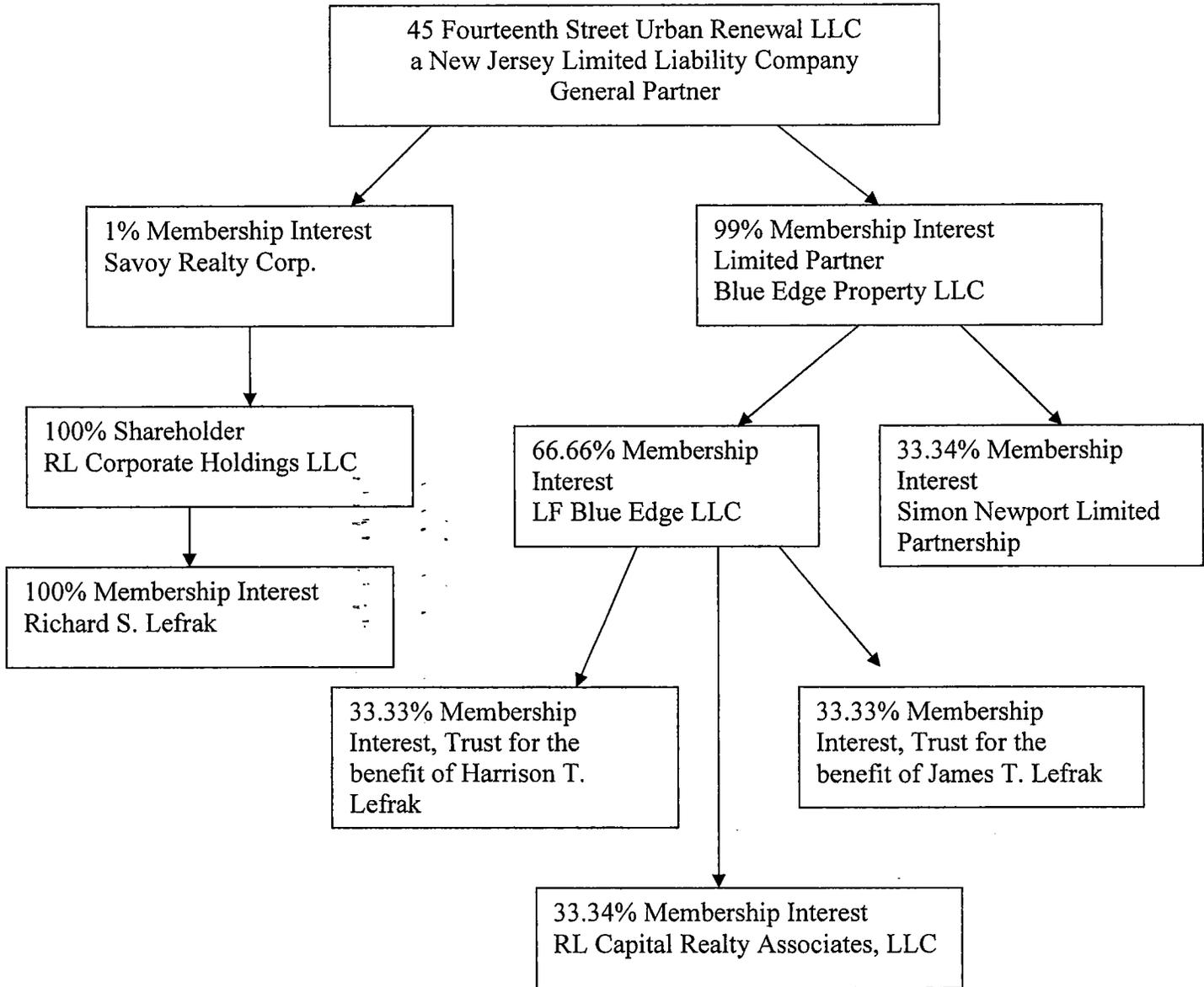
45 FOURTEENTH STREET URBAN RENEWAL LLC

By: Arnold S. Lehman  
Arnold Lehman, Authorized Representative

**ADDENDUM TO EXHIBIT E**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

\*



\* All entities c/o 45 Fourteenth Street Urban Renewal, LLC, 100 Pavonia Avenue, Jersey City, New Jersey 07310.

**EXHIBIT F**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**COMMENCEMENT CERTIFICATION**

**Certification**

The Applicant being the developer of the Project hereby certifies that:

1. The construction of the Project has not commenced and will not commence prior to the final approval and execution of the Financial Agreement between the City and the Applicant.

2. The foregoing statement made by me this 18<sup>th</sup> of April, 2011 is true to the best of my knowledge and I understand that the City of Jersey City is relying on this Certification in considering this Application.

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

By: Arnold L. Lehman  
Arnold Lehman, Authorized Representative

**EXHIBIT G**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**COMPLIANCE WITH STATE AND LOCAL LAWS CERTIFICATION**

**Certification**

The Applicant being the developer of Project hereby certifies that:

The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax abatement because it is located within the Newport Redevelopment Plan Area.

The Project complies with the Newport Redevelopment Plan and the Master Plan for Jersey City. The Project received preliminary site plan approval from the Planning Board of the City of Jersey City on March 13, 2007, and an amendment to the preliminary site plan approval on July 22, 2008 (See Exhibit D). As of the date hereof, there is an application for a second amendment to the preliminary site plan approval pending before the Jersey City Planning Board to confirm the number of residential units and the square footage of the retail space and otherwise reconfigure the building and adjacent improvements. It is anticipated that this second amendment will be approved by the Planning Board on April 26, 2011.

The foregoing statements made by me on this 18<sup>th</sup> day of April, 2011 are true to the best of my knowledge and after it has made diligent inquiry to confirm the accuracy of all information.

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

By: Arnold L. Lehman  
Arnold Lehman, Authorized Representative

**EXHIBIT H**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**DILIGENT INQUIRY CERTIFICATION**

The Applicant being the developer of the Project hereby certifies to the City of Jersey City that all information contained in this Application is true and correct to the best of Applicant's knowledge, as of this 18<sup>th</sup> day of April, 2011, after it has made diligent inquiry to confirm the accuracy of all information.

45 FOURTEENTH STREET URBAN RENEWAL LLC

By: Arnold L. Lehman  
Arnold Lehman, Authorized Representative

**EXHIBIT I**  
**CERTIFICATE OF FORMATION**  
**FOR**  
**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**(SEE ATTACHED)**



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
101 SOUTH BROAD STREET  
PO Box 805  
TRENTON, NJ 08625-0805

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

LORI GRIFA  
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
RE: 45 FOURTEENTH STREET URBAN RENEWAL LLC  
File # 1052  
An Urban Renewal Entity

This is to certify that the attached CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 11<sup>th</sup> day of April 2011 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY

  
Edward M. Smith, Director  
Division of Codes and Standards

**CERTIFICATE OF FORMATION  
OF  
45 FOURTEENTH STREET URBAN RENEWAL LLC**

1. Name of Limited Liability Company: 45 FOURTEENTH STREET URBAN RENEWAL LLC

2. The purpose for which this Limited Liability Company ("Company") is organized is:

To operate under P.L. 1991, c. 431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.).

3. Date of formation: The date upon which this certificate of formation is filed in the office of the Department of Treasury of New Jersey.

4. Registered Agent Name & Address: Newport Manager Corp.  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310

5. Dissolution date: December 31, 2099

For so long as the Company is obligated under financial agreement with the City of Jersey City made pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.), the Company shall engage in no business other than the ownership, operation, and management of the project described in the financial agreement with the City of Jersey City.

The Company has been organized to serve a public purpose and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the City of Jersey City, and to a limitation on profits or dividends for so long as it

remains the owner of a project subject to P.L. 1991, c. 431 (C.40A:20-1 et seq.).

The Company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof, undertaken by it under P.L. 1991, c. 431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C.40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer, with the exception of any transfer to another urban renewal entity, as approved by the City of Jersey City, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the City of Jersey City.

The Company shall file annually with the governing body of the City of Jersey City a disclosure of the persons having an ownership interest in the Project and the extent of the ownership held by each.

Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that transfer, if greater than ten percent (10%), is disclosed to the City of Jersey City in the annual disclosure statement or in correspondence sent to the City of Jersey City in advance of the annual disclosure statement referred to above.

The Company is subject to the provisions of Section 18 of P.L. 1991, c. 431 (C.40A:20-18) respecting the powers of the City of Jersey City to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

The undersigned represent(s) that this filing complies with requirements detailed in N.J.S.A. 42:2B-1 et. seq. The undersigned hereby represent(s) that it is authorized to sign this certificate on behalf of the Company.

Dated: March 31, 2011

By: \_\_\_\_\_

JAMES C. McCANN  
Authorized Representative

**EXHIBIT J**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**FINANCIAL AGREEMENT**

**(SEE ATTACHED)**

17

Rev. 6-03-08  
Long Term Tax Exemption  
N.J.S.A. 40A:20-1, et seq.  
(Market Rate Residential Rental)

Re: ~~110 River Drive~~ *45 Fourteenth Street*  
~~Approximately 1.44 Acres~~ *.75* *Lots 3.23 and 3.16*  
~~Block 20, Lot 3.22 (formerly known as Block 20, Lot 3.15)~~  
Newport Redevelopment Plan

**PREAMBLE**

*2011* ~~2007~~, by and between *45 Fourteenth Street* ~~AQUA URBAN RENEWAL COMPANY~~ LLC, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 100 Town Square Place, 6<sup>th</sup> Floor, Jersey City, N.J. 07310 [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

**RECITALS**

**WITNESSETH:**

**WHEREAS**, the Entity is the Owner of certain property designated as Block 20, ~~Lot 3.22~~, *Lots 3.23 and 3.16* more commonly known by the street address of ~~110 River Drive~~, *45 Fourteenth Street*, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

**WHEREAS**, this property is located within the boundaries of the Newport Redevelopment Plan Area; and

**WHEREAS**, the Entity plans to construct a ~~34~~ *17* story building containing approximately ~~355~~ *158* residential rental units and one (1) retail unit containing approximately ~~34,610~~ *5,543* square feet of space, [Project]; and

**WHEREAS**, on ~~January 31, 2007~~ *April, 2011*, the Entity filed an Application with the City for a long term tax exemption for the Project; and

**WHEREAS**, the City made the following findings:

- A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only \$8,856, whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately \$816,356; <sup>\$38,518.74</sup>  
~~\$449,969.00~~
2. the Entity shall pay the City the sum of \$584,415 as an affordable housing contribution pursuant to Ordinance 03-112; <sup>\$243,315.00</sup>
3. it is expected that the Project will create approximately 300 jobs during construction and ~~25~~ <sup>12</sup> new permanent jobs; <sup>250</sup>
4. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;
5. the Project will further the redevelopment objectives of the Newport Redevelopment Plan;
6. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area; and

WHEREAS, by the adoption of Ordinance ~~07-139~~ on September 11, 2007, ~~and Ordinance 08 \_\_\_\_\_, adopted on June \_\_\_\_\_, 2008,~~ the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

**ARTICLE I - GENERAL PROVISIONS**

**Section 1.1 Governing Law**

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance ~~07-139~~, and Ordinance ~~08-\_\_\_\_\_~~, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

**Section 1.2 General Definitions**

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.
- iii. Annual Service Charge - The amount the Entity has agreed to pay the City for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12.
- iv. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or

changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

v. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vi. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

vii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

viii. Entity - The term Entity within this Agreement shall mean ~~Aqua~~ <sup>45 Fourteenth Street</sup> Urban Renewal ~~Company~~ LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

ix. Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance ~~07-139~~, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. Lease Up Period - Shall begin on the date of the issuance of the Certificate of Occupancy (whether permanent or temporary) for any Unit. During the Lease Up Period, the Entity shall pay the sum equal to the estimated Annual Service Charge divided by the number of Units divided by 12 for each Unit for each month after the Unit that has received a Certificate of Occupancy, whether the Unit is actually occupied or generated revenue. The payment shall begin on the 1<sup>st</sup> day of the month following the issuance of the Certificate of Occupancy for that Unit. The Lease Up Period for the Project expires 18 month after the issuance of the first Certificate of Occupancy.

xvi. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of:

(a) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree is \$8,856, or ~~\$8,856~~ → \$38,518.74

(b) the sum of ~~\$816,356~~ <sup>\$458,539.94</sup> per year, which sum will be prorated only during the Lease Up Period and in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xvii. Net Profit - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xviii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xix. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

xx. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xxi. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

## ARTICLE II - APPROVAL

### **Section 2.1 Approval of Tax Exemption**

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 20, <sup>Lots 3.23 and 3.16</sup> ~~Lot 3.22~~, more commonly known by the street address of <sup>45 Fourteenth Street</sup> ~~110 River Drive~~ and described by metes and bounds in Exhibit 1 attached hereto.

### **Section 2.2 Approval of Entity**

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

### **Section 2.3 Improvements to be Constructed**

Entity represents that it will construct a <sup>17</sup> ~~21~~ story building, containing approximately <sup>158</sup> ~~355~~ residential rental units with approximately <sup>5,543</sup> ~~34,610~~ square feet of retail space, all of which is specifically described in the Application attached hereto as Exhibit 3.

### **Section 2.4 Construction Schedule**

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

**Section 2.5 Ownership, Management and Control**

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the owner of the Land upon which the project is to be constructed and will manage and control the Project. The City acknowledges that the Entity may enter into a management agreement for the Project and will pay a management fee, which fee was disclosed in its tax exemption application. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

**Section 2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

**ARTICLE III - DURATION OF AGREEMENT**

**Section 3.1 Term**

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of <sup>23</sup>~~12~~ years from the date of the adoption of Ordinance ~~07-139~~ on ~~September 11, 2007~~, which approved the tax exemption or <sup>20</sup>~~10~~ years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

### **Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall make the following payments to the City:

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 10% of the Annual Gross Revenue. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than its estimate of Annual Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge calculated under Section 1.2 (xvi)(a) shall be due beginning on the effective date of this Agreement. The greater of the annual Service Charge or Minimum Annual Service Charge calculated under Section 1.2 (xvi)(b), as the case may be, shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Notwithstanding anything herein to the contrary, upon Substantial Completion, the Minimum Annual Service Charge shall be prorated in accordance with Section 1.2 (xvi)(b) and the Lease Up Period.

(ii) County Service Charge: an amount equal to 5% of the Annual Service Charge upon receipt of that charge, for remittance to the County by the City.

### **Section 4.2 Staged Adjustments**

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6<sup>th</sup> year, the Annual Service Charge shall be 10% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1<sup>st</sup> day of the 7<sup>th</sup> year following Substantial Completion until the last day of the ~~7<sup>th</sup>~~ year, an amount equal to the greater of the Annual Service Charge or

*10<sup>th</sup>*

20% of the amount of the taxes otherwise due on the value of the land and Improvements;

iii. Stage Three: Beginning on the 1<sup>st</sup> day of the 8<sup>th</sup> <sup>11<sup>th</sup></sup> year following the Substantial Completion until the last day of the 8<sup>th</sup> <sup>13<sup>th</sup></sup> year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

iv. Stage Four: Beginning on the 1<sup>st</sup> day of the 9<sup>th</sup> <sup>14<sup>th</sup></sup> year following Substantial Completion until the last day of the 9<sup>th</sup> <sup>17<sup>th</sup></sup> year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

v. Final Stage: Beginning on the 1st day of the 10<sup>th</sup> <sup>18<sup>th</sup></sup> year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the value of the land and Improvements.

### Section 4.3 Credits

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

### Section 4.4 Quarterly Installments

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.6 Affordable Housing Contribution and Remedies**

~~\$235,000.00~~ A. **Contribution.** The Entity shall pay the City the sum of \$1,500 per unit x <sup>158</sup>~~355~~ units or ~~\$532,500~~ and \$1.50 per square foot of retail space x <sup>5,543</sup>~~34,610~~ square feet or ~~\$51,915~~, for a total of ~~\$584,415~~ as a contribution. The sum shall be due and payable as follows: \$8,315

- i. 1/3 on the date that the Financial Agreement is executed;
- ii. 1/3 on the date that the ~~Financial Agreement is executed~~; and *first of any building permit is issued for the construction of the project.*
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

B. **Remedies:** In the event that the Entity fails to timely pay the contribution, the amount unpaid shall be added to the service charge and shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.7 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

**ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT**

**Section 5.1 Project Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8. In addition, the Entity has executed a Project Labor Agreement as required by City Ordinance 07-123.

## **ARTICLE VI - CERTIFICATE OF OCCUPANCY**

### **Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

### **Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

## **ARTICLE VII - ANNUAL REPORTS**

### **Section 7.1 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

### **Section 7.2 Periodic Reports**

A. An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: condominium unit purchase price, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

### **Section 7.3 Inspection/Audit**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## **ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES**

### **Section 8.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

**Section 8.2 Annual Payment of Excess Net Profit**

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xxi) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

**Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale**

The date of Termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

**ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION**

**Section 9.1 Approval**

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement is fully assumed by the new Entity; and 5) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by N.J.S.A. 40A:20-10d. Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

**Section 9.2 Fee**

Where the consent or approval of the City is sought for approval of a change in ownership or

sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

## ARTICLE X - COMPLIANCE

### **Section 10.1 Operation**

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. The operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

### **Section 10.2 Disclosure of Lobbyist Representative**

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

## ARTICLE XI - DEFAULT

### **Section 11.1 Default**

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

### **Section 11.2 Cure Upon Default**

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable

diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII, Section 12.1 herein.

### **Section 11.3 Remedies Upon Default**

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this

Agreement, as if the charges were taxes or municipal liens on land.

## **ARTICLE XII- TERMINATION**

### **Section 12.1 Termination Upon Default of the Entity**

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

### **Section 12.2 Voluntary Termination by the Entity**

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

### **Section 12.3 Final Accounting**

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

### **Section 12.4 Conventional Taxes**

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

## **ARTICLE XIII - DISPUTE RESOLUTION**

### **Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the

Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

#### **ARTICLE XIV - WAIVER**

##### **Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

#### **ARTICLE XV - INDEMNIFICATION**

##### **Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense, counsel to be selected by the City, subject to the reasonable consent of the Entity. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

#### **ARTICLE XVI- NOTICE**

##### **Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

**Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

*45 Fourteenth Street*  
~~Aqua Urban Renewal Company, LLC~~  
c/o Newport Assoc. Development Company  
100 Town Square Place, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
Att: James T. Lefrak, Esq.

and

Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, N.J. 07311-4029  
Att: James C. McCann, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

**Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk  
City Hall  
280 Grove Street  
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

**ARTICLE XVII-SEVERABILITY**

**Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other

than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## **ARTICLE XVIII - MISCELLANEOUS**

### **Section 18.1 Construction**

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

### **Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

### **Section 18.3 Oral Representations**

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

### **Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this

Agreement are incorporated in this Agreement and made a part hereof.

**Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

**ARTICLE XIX - EXHIBITS**

**Section 19 Exhibits**

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.

**IN WITNESS WHEREOF**, the parties have caused these presents to be executed the day and year first above written.

**WITNESS:**

*45 Fourteenth Street*  
**AQUA URBAN RENEWAL COMPANY, LLC**  
 By: *Neeraj* **Manager Corp., Manager**

\_\_\_\_\_  
 By: *James T. Lefrak* **Vice President**

**ATTEST:**

**CITY OF JERSEY CITY**

\_\_\_\_\_  
**ROBERT BYRNE**  
**CITY CLERK**

\_\_\_\_\_  
**BRIAN O'REILLY** *John Kelly*  
**BUSINESS ADMINISTRATOR**

**EXHIBIT K**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**PROJECT EMPLOYMENT AGREEMENT**

**(SEE ATTACHED)**

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

2011

This Project Employment & Contracting Agreement is made on the ~~4<sup>th</sup>~~ day of ~~October~~, 2007, between the CITY OF JERSEY CITY [City] and ~~AQUA URBAN RENEWAL COMPANY, LLC~~, having its principal office at 100 Town Square Place, 6<sup>th</sup> Floor, Jersey City, N.J. 07310. Recipient agrees as follows:

45 FOURTEENTH STREET

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 121-125 Newark Avenue, Jersey City, NJ 07302, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
4. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
5. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
6. "Local Business" means a bona fide business located in Jersey City.
7. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.
8. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined as follows:

- a) "African-American" means a person having origins in any of the black racial groups of Africa.
  - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
  - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
  - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
9. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
  10. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
  11. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
  12. "Project or Project Site" means the specific work location or locations specified in the contract.
  13. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
  14. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
  15. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
  16. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives

an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.

17. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
18. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
19. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
20. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

## II. Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

## III. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI, 2., A-J (Permanent Jobs).

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

**IV. Recipient Designee:**

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix AZ

**V. Term:**

\_\_\_\_\_ 23

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance 07-139, approving the tax exemption and terminate the earlier of 12 years from the date of the adoption of that Ordinance or 10 years from the date of Substantial Completion of the Project.

**VI. Good Faith Defined:**

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1. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such

reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

## 2. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

- 1) Solicitation of Businesses:
  - a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Acting Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.
  - b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.
    - i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.
    - ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

## 3. Summation of Documentation Needed For Compliance with Agreement

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and

Residential Vendors from Acting Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)

4. Documentation of Bid Submission (Appendix D2)
5. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
6. Example of Bi-Weekly Site Visit Report (Appendix I)
7. Example of Documentation of Hiring Plan (Appendix J)
8. Example of Semi-Annual Employment Report (Appendix K)
9. Example of Semi-Annual Purchasing Report (Appendix L)

**VII. Notices of Violation:**

1. **Advisory Notice:** The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. **Violation Notice:** If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. **Correcting the Violation:** Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. **Extension of Time to Correction:** Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.
5. **Meetings Concerning Violations:** The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. **Interviews Relating to Violations:** The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. **Determination of Violation:** The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the

delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

### **VIII. Liquidated Damages:**

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.
- c) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes.

### **IX. Commercial Tenants at the Project Site:**

1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

### **X. Notices**

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

45 FOURTEENTH STREET

~~Aqua Urban Renewal Company, LLC~~  
c/o Newport Assoc. Development Company  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
Att: James T. Lefrak, Esq.

and

Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, N.J. 07311-4029  
Att: James C. McCann, Esq.

2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor  
Department of Administration  
Division of Economic Opportunity  
121-125 Newark Avenue  
3rd Floor  
Jersey City, New Jersey 07302

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

**XI. Adoption, Approval, Modification:**

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

**XII. Controlling Regulations and Laws:**

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

Notwithstanding anything in this Agreement to the contrary, if the Recipient has entered into a Project Labor Agreement with a Labor Organization, then any and all sections of this Agreement pertaining to construction jobs and the construction portion of any Project, are null and void and may be disregarded by the Recipient. In the event the Recipient has entered into a Project Labor Agreement, then this Agreement shall become effective upon Substantial Completion of the Project. In the event there are any conflicts between this Agreement and any Project Labor Agreement, then

the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

\_\_\_\_\_  
Robert Byrne  
City Clerk

\_\_\_\_\_  
Brian O'Reilly  
Business Administrator

WITNESS:

45 FOURTEENTH STREET  
AQUA URBAN RENEWAL COMPANY, LLC  
By: ~~ARNOLD S. LEHMAN~~ MANAGER CORP., Manager  
NEWPORT

*Arnold S. Lehman*  
\_\_\_\_\_  
Arnold S. Lehman  
Secretary

By: *Arnold S. Lehman*  
\_\_\_\_\_  
James T. LeFrak, Vice President  
Arnold S. Lehman

**EXHIBIT L**

**45 FOURTEENTH STREET URBAN RENEWAL LLC**

**PROJECT LABOR AGREEMENT**

**(SEE ATTACHED)**

**PROJECT LABOR AGREEMENT**

**COVERING CONSTRUCTION OF THE \*\*\*\*\*,**

**LOCATED AT \*\*\*\*\* STREET IN JERSEY CITY, N.J.**

**ARTICLE 1 - PREAMBLE**

**WHEREAS,** \_\_\_\_\_, on behalf of itself, and as Construction Project Manager (CPM), and reflecting the objectives of \_\_\_\_\_, hereinafter the Construction Agent, desires to provide for the efficient, safe, quality and timely completion of a construction project for the construction of facilities at \*\*\*\*\* Street, Jersey City, New Jersey; and

**WHEREAS,** Jersey City Ordinance 07-123 (“Ordinance”) requires the execution of a Project Labor Agreement (“Agreement”) for tax abated projects; and

**WHEREAS,** to promote cost-efficiency during a time of national and local economic downturn, the CPM and the Hudson County Building and Construction Trades Council, AFL-CIO (“County Council”) have herein negotiated economic recovery terms applicable only to this Agreement to insure that the construction project at issue is not canceled;

**NOW, THEREFORE,** the Parties enter into this Agreement;

**SECTION 1. PARTIES TO THE AGREEMENT**

This is an Agreement entered into by and between CPM, and its successors and assigns, on its own behalf and as construction project manager, for certain construction work to be performed at \*\*\*\*\* Street, Jersey City and the County Council, on behalf of itself and its affiliated local union members, and the signatory Local Unions on behalf of themselves and their members, regardless of their affiliation with the County Council or

lack thereof, provided that every such Local Union must qualify as a Labor Organization as that term is defined in the Ordinance.

## **ARTICLE 2 - GENERAL CONDITIONS**

### **SECTION 1. DEFINITIONS**

Throughout this Agreement, the signatory Local Unions and County Council are referred to singularly and collectively as "Union(s)" or "Local Unions;" the term "Contractor(s)" shall include the Prime Contractor(s) and all signatory contractors, and their subcontractors of whatever tier, engaged in on-site Project construction work within the scope of this Agreement as defined in Article 3; \_\_\_\_\_ is referred to as the "Construction Project Manager (CPM)," \_\_\_\_\_ is referred to as the "Construction Agent;" the Hudson County Building and Construction Trades Council, AFL-CIO are referenced as the "County Council," and the work covered by this Agreement (as defined in Article 3) is referred to as the "Project."

### **SECTION 2. CONDITIONS FOR AGREEMENT TO BECOME EFFECTIVE**

The Agreement shall not become effective unless each of the following conditions are met: (1) the Agreement is signed by the County Council, and the Local Unions working on the Project; and (2) the Agreement is signed by the CPM.

### **SECTION 3. ENTITIES BOUND & ADMINISTRATION OF AGREEMENT**

This Agreement shall be binding on all signatory Unions and the CPM and all signatory Contractors performing on-site Project work, including staging areas. The Contractors shall include in any subcontract that they let for performance during the term of this Agreement a requirement that their subcontractors, of whatever tier, become signatory and bound by this Agreement with respect to subcontracted work performed

within the scope of Article 3. This Agreement shall be administered by the CPM, on behalf of all contractors.

**SECTION 4. SUPREMACY CLAUSE**

This Agreement, together with the Ordinance, the local Collective Bargaining Agreements appended hereto as Schedule “A,” and the trade-specific addenda appended hereto as Schedule “B,” represent the complete understanding of all signatories and supersedes any national agreement, local agreement or other collective bargaining agreement of any type which would otherwise apply to this Project, in whole or in part.

Where a subject covered by the provisions of this Agreement or any trade-specific addenda appended hereto as Schedule “B” is also covered by a Schedule “A” collective bargaining agreement, the provisions of this Agreement or any trade-specific addenda shall prevail. It is further understood that no Contractor shall be required to sign any other agreement as a condition of performing work on this Project.

**SECTION 5. LIABILITY**

The liability of any Contractor and the liability of any Union under this Agreement shall be several and not joint. The Owner, CPM and any contractor shall not be liable for any violations of this Agreement by any other Contractor; and the County Council and Local Unions shall not be liable for any violations of this Agreement by any other Union.

**SECTION 6. THE GENERAL CONTRACTOR**

CPM shall require in its bid specifications for all work within the scope of Article 3 that all successful bidders, and their subcontractors of whatever tier, become bound by, and signatory to, this Agreement. It is understood that nothing in this Agreement shall be

construed as limiting the sole discretion of the Construction Agent in determining which Contractors shall be awarded contracts for Project work. It is further understood that the Construction Agent has sole discretion at any time to terminate, delay or suspend the work, in whole or in part, on this Project.

**SECTION 7. AVAILABILITY AND APPLICABILITY TO ALL SUCCESSFUL BIDDERS**

The Unions agree that this Agreement will be made available to, and will fully apply to any successful bidder to Project work who becomes signatory thereto. Any successful bidder must be current in its contributions to a signatory Local Union's Trust Funds prior to commencing work on the Project.

**ARTICLE 3 - SCOPE OF THE AGREEMENT**

The Project work covered by this Agreement shall be defined and limited by the following sections of this Article.

**SECTION 1. THE WORK**

This Agreement and any underlying Local collective bargaining agreements shall apply only to construction work for the referenced project contracted by the Construction Agent to the Prime Contractor(s) and/or subcontractors and only until the earlier of: (a) issuance of a Temporary Certificate of Occupancy ("TCO"); or (b) the passage of fourteen (14) days from the date on which the conditions for a TCO have been met. At that time, this Agreement shall be deemed to have expired and shall have no further force or binding effect as to the work at issue.

The provisions of this Agreement shall not apply to the Construction Agent and nothing contained herein shall be construed to prohibit or restrict the Construction Agent from performing any work not covered by this Agreement.

The Contractor(s) agree to be bound by this understanding and the terms of the Local collective bargaining agreements (Schedule "A") of the signatory Unions, as they may be modified by any trade-specific addenda appended hereto at Schedule "B," entered into between the Unions and all applicable employer associations, if any, solely for work performed on the referenced project. Schedules "A" and "B" are incorporated herein by reference to the extent not in conflict with this Agreement.

## **SECTION 2. NON-APPLICATION TO CERTAIN ENTITIES**

This Agreement shall not apply to the parents, affiliates, subsidiaries or other joint or sole ventures of the CPM, the Construction Agent, or any Contractor which does not perform work at this Project. It is agreed, for the purposes of this Agreement only, that this Agreement does not have the effect of creating any joint employment, single employer or alter ego status among the Construction Agent, the CPM, and/or any Contractor.

As the contracts which comprise the Project work are completed and accepted, the Agreement shall not have further force or effect on such items or areas except where inspections, additions, repairs, modifications, check-out and/or warranty work are assigned in writing by Construction Agent (copy to the Local Union involved) to the contractor(s) for performance under the terms of this Agreement.

### **SECTION 3. EXCLUDED EMPLOYEES**

The following persons are not subject to the provisions of this Agreement, even though performing work ancillary to the Project:

(a) Superintendents, supervisors, professional engineers and/or licensed architects engaged in inspection and testing, quality control/assurance personnel, timekeepers, mail carriers, clerks, office workers, messengers, guards, technicians, non-manual employees, and all professional, engineering, administrative and management persons, unless such persons are specifically and explicitly covered by a craft's Schedule "A"; for example, where general forepersons, forepersons and field surveyors are included in the bargaining unit under a particular collective bargaining agreement, they are covered by this PLA.

(b) Employees and entities engaged in off-site manufacture, modifications, repair, maintenance, assembly, painting, handling or fabrication of project components, materials, equipment or machinery or involved in deliveries to and from the Project site, except as may be provided for in Schedule "A" agreements and not otherwise excluded by a trade-specific addenda appended hereto as Schedule "B."

(c) Employees of the Construction Agent and the CPM, except those performing manual, on-site construction labor that has not otherwise been excluded from this Agreement.

(d) Employees engaged in off-site equipment warranty work, unless a current employee of a Contractor is on site and certified by the relevant manufacturer to make warranty repairs on the Contractor's equipment.

- (e) Employees engaged in geophysical testing other than boring for core samples.
- (f) Employees engaged in work, which is ancillary to the Project and performed by third parties such as utility companies who shall install their work only to a certain demarcation point identified by the CPM at the commencement of the Project.
- (g) Employees engaged in the unloading, delivery to their final destination and installation of household appliances.
- (h) Employees engaged in the installation of trim and accessories in bathrooms.
- (i) Employees engaged in fine cleaning.
- (j) Employees operating elevators, except as provided for in a trade-specific addenda appended to this Agreement at Schedule "B."
- (k) Employees operating temporary light or power sources.
- (l) Employees engaged in touch-up painting, taping or punch list work.

## **ARTICLE 4 - UNION RECOGNITION AND EMPLOYMENT**

### **SECTION 1. PRE-HIRE RECOGNITION**

The Contractors recognize the signatory Unions as the sole and exclusive bargaining representatives of all craft employees who are performing on-site Project work within the scope of this Agreement as defined in Article 3, except as modified by a trade-specific addenda appended to this Agreement at Schedule "B."

### **SECTION 2. UNION REFERRAL**

A. The Contractors agree to hire Project craft employees covered by this Agreement through the job referral systems and hiring halls and procedures established in the Local Unions' area collective bargaining agreements (Schedule "A"), except as modified by a trade-specific addenda appended to this Agreement at Schedule "B."

B. The Local Unions agree to accommodate Contractor requests for the referral of specific employees who have previously worked for the Contractor.

**SECTION 3. FOREMEN**

Contractors shall not be required to use more than one general foreman, assuming one is required pursuant to a Schedule "A" collective bargaining agreement, regardless of the number of workers employed at the Project jobsite at any given time

**SECTION 4. APPRENTICES**

Apprentices may be employed at the maximum ratios approved by the United States Department of Labor, the State of New Jersey Department of Labor and Workforce Development, or as agreed to in a trade-specific addenda appended to this Agreement at Schedule "B."

**SECTION 5. NON-PRODUCTIVE PERSONNEL**

Contractors shall not be required to employ starters, oilers or equipment tenders when using welding machines, pumps, compressors or generators. Contractors shall further not be required to employ union members to operate temporary light or power sources, or to operate inside elevator cars, except as provided in a trade-specific addenda appended to this Agreement at Schedule "B."

**ARTICLE 5 - UNION REPRESENTATION**

## **SECTION 1. UNION ACCESS**

Each Local Union representing on-site Project employees shall be entitled to designate in writing (copy to Contractor involved and CPM) one representative, and/or the Business Manager, who shall be afforded access to the Project in accordance with the terms of this Article, and who shall not disrupt or interrupt the work of employees.

Access to the Project jobsite (*i.e.* \*\*\*\*\* Street, and not the Construction Agent's other private property) by a Local Union's designated representative will be permitted while members of that Local Union are present and working at the Project jobsite, but only by appointment and only when accompanied by an authorized representative of the CPM or the Construction Agent. There shall be no access to any of the Construction Agent's private property for any other purpose without the Construction Agent's express written authorization.

Violations of this provision shall be subject to arbitration on an expedited basis (*i.e.* within 48 hours). The only issue for the Arbitrator's determination shall be whether unauthorized access occurred. If the Arbitrator concludes that access occurred in violation of this provision, the Local Union at issue shall immediately pay \$2,500 to the Owner for the first violation and \$5,000 for subsequent violations by the same union.

## **SECTION 2. STEWARDS**

See relevant provisions of documents attached as Schedule "A."

## **SECTION 3. LAYOFF/DISCHARGE OF A STEWARD**

See relevant provisions of documents attached as Schedule "A."

## **ARTICLE 6 - MANAGEMENT'S RIGHTS**

## **SECTION 1. RESERVATION OF RIGHTS**

Unless specifically provided for in this Agreement or the underlying Local collective bargaining agreements attached as Schedule "A" to this Agreement and not modified by a trade-specific addenda appended hereto at Schedule "B," subject to Article 2, §4, no rules customs, practices or manning requirements shall be permitted or observed which limit or restrict production, cost effectiveness or limit or restrict the individual or joint working efforts of employees. The Contractor retains and shall exercise full and exclusive authority and responsibility for the management of its operations, except as expressly limited by the terms of this Agreement and the underlying Local collective bargaining agreements.

## **ARTICLE 7 - WORK STOPPAGES AND LOCKOUTS**

### **SECTION 1. NO STRIKES - NO LOCK OUT**

There shall be no strikes, sympathy strikes, picketing, work stoppages, slowdowns, handbilling, demonstrations or other disruptive activity at the Project or at any of the Construction Agent's private property adjacent to the Project for any reason by any Union or employee against any Contractor or employer while this Agreement remains in effect. There shall be no other concerted, employee or Union activity which disrupts or interferes with the free flow of traffic in the Project area. The Union is prohibited from interfering with work of any description including deliveries. Failure of any Union or employee to cross any picket line established by any union, signatory or non-signatory to this Agreement, or the picket or demonstration line of any other organization, at or in proximity to the Project site is a violation of this Article. There

shall be no lockout at the Project by any signatory Contractor. Contractors and Unions shall take all steps necessary to ensure compliance with this Section 1 and to ensure uninterrupted construction and the free flow of traffic in the project area for the duration of this Agreement.

**SECTION 2. NOTIFICATION**

If a Contractor contends that any Union has violated this Article, it will notify the appropriate district or area council of the Local Union involved advising of such fact, with copies of the notification to the CPM, Local Union and the County Council. The Local Union district or area council and the County Council shall each instruct, order and otherwise use their best efforts to cause the employees, agents and/or other supporters of the Local Unions to immediately cease and desist from any violations of this Article. A district or area council, or the County Council, complying with these obligations shall not be liable for the unauthorized acts of a Local Union or its members.

**SECTION 3. EXPEDITED ARBITRATION**

Any party to this Agreement alleging a violation of Section 1 of this Article may utilize the expedited procedure set forth below (in lieu of, or in addition to, any actions at law or equity) that may be brought.

- a. A party invoking this procedure shall provide written notice via facsimile to the CPM and to Richard Adelman, who shall serve as Arbitrator under this expedited arbitration procedure. Copies of such notification will simultaneously be sent to the alleged violator and, if a Local Union is alleged to be in violation, its International, and the County Council (if the Local Union is a member or affiliate).
- b. The Arbitrator shall thereupon, after notice as to time and place to the Contractor, the Local Union involved, the County Council (if the Local Union is a member or affiliate) and the CPM, hold a hearing within 48 hours of receipt of the notice invoking the procedure if it is contended that the violation still exists. The

hearing will not, however, be scheduled for less than 24 hours after the notice to the district or area council, if applicable, required by Section 3 above.

- c. All notices pursuant to this Article may be by telephone, telegraph, hand delivery or fax, confirmed by overnight delivery, to the arbitrator, Contractor or Union involved. The hearing may be held on any day including Saturdays or Sundays. The hearing shall be completed in one session, which shall not exceed eight hours duration (no more than four hours being allowed to either side to present their case, and conduct their cross-examination) unless otherwise agreed. A failure of any Union or Contractor to attend the hearing shall not delay the hearing of evidence by those present or the issuance of an award by the Arbitrator.
- d. The sole issue at the hearing shall be whether a violation of Section 1, above, occurred. If a violation is found to have occurred, the Arbitrator shall issue a Cease and Desist Award restraining such violation and serve copies on the Contractor and Union involved. The Arbitrator shall have no authority to consider any matter in justification, explanation, or mitigation of such violation or to award damages, which is reserved solely for court proceedings, if any. The Award shall be issued in writing within three hours after the closed of the hearing, and may be issued without an Opinion. If any involved party desires an Opinion, one shall be issued within 15 calendar days, but its issuance shall not delay compliance with, or enforcement of, the Award.
- e. An Award issued under this procedure may be enforced by any court of competent jurisdiction upon the filing of this Agreement together with the Award. Notice of the filing of such enforcement proceedings shall be given to the Union or Contractor involved. In any court proceeding to obtain a temporary or preliminary order enforcing the arbitrator's Award as issued under this expedited procedure, the involved Union and Contractor waive their right to a hearing and agree that such proceedings may be ex parte, provided notice is given to opposing counsel. Such agreement does not waive any party's right to participate in a hearing for a final court order of enforcement or in any contempt hearing.
- f. Any rights created by statute or law governing arbitration procedures which are inconsistent with the procedure set forth in this Article, or which interfere with compliance thereto, are hereby waived by the Contractors and Unions to whom they accrue.
- g. The fees and expenses of the Arbitrator shall be paid by the losing party.

**SECTION 4. ARBITRATION OF DISCHARGE FOR VIOLATION**

Procedures contained in Article 9 shall not be applicable to any alleged violation of this Article, with the single exception that an employee discharged for violation of Section 1, above, may have recourse to the procedures of Article 9 to determine only if the employee did, in fact, violate the provisions of Section 1 of this Article; but not for the purpose of modifying the discipline imposed where a violation is found to have occurred.

**ARTICLE 8**

**LOCAL ADMINISTRATIVE COMMITTEE (LAC)**

**SECTION 1: MEETINGS**

The LAC will meet on a regular basis to implement and oversee the Agreement procedures and initiatives; 2) monitor the effectiveness of the Agreement; and 3) identify opportunities to improve efficiency and work execution.

**SECTION 2: COMPOSITION**

The LAC will be co-chaired by the President of the County Council and the CPM. It will be comprised of representatives of the Local Unions signatory to the Agreement, and other Contractors on the Project.

**ARTICLE 9 - GRIEVANCE AND ARBITRATION PROCEDURE**

**SECTION 1. PROCEDURE FOR RESOLUTION OF GRIEVANCES**

Any question, dispute or claim arising out of, or involving the interpretation or application of this Agreement, other than jurisdictional disputes or alleged violations of Article 7, Section 1, shall be considered a grievance and shall be resolved pursuant to the exclusive procedure described below; provided, in all cases, that the question, dispute or claim arose during the term of this Agreement.

STEP 1:

(a) When any Contractor or employee covered by this Agreement feels aggrieved by a claimed violation of this Agreement, the Contractor or employee shall, where applicable with assistance from the Local Union business representative or job steward, give notice of the claimed violation to the work site representatives of the involved Contractor or Local Union. The CPM must be provided with a copy of any grievance filed via fax and hand delivery before any further action is taken under this grievance procedure. To be timely, such notice of the grievance must be given within 14 calendar days after the act, occurrence, or event giving rise to the grievance. The business representative of the Local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to adjust the matter within 14 calendar days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party, may, within 14 calendar days thereafter, pursue Step 2 of the grievance procedure by serving the involved Contractor or Local Union and the CPM with written copies of the grievance setting forth a description of the claimed violation, the date on which the grievance occurred, and the provisions of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 are nonprecedential except as to the specific Local Union, employee and Contractor directly involved unless the settlement is accepted in writing by the CPM as creating precedent.

(b) Should any signatory to this Agreement have a dispute (excepting jurisdictional disputes or alleged violations of Article 7, Section 1) with any other signatory to this Agreement and, if after conferring, a settlement is not reached within 14 calendar days, the dispute shall be reduced to writing and proceed to Step 2 in the same manner as outlined in subparagraph (a) for the adjustment of employee grievances.

STEP 2.

The Business Manager or designee of the involved Local Union, together with representatives of the County Council (if the Local Union is a member or affiliate), the involved Contractor, and the CPM shall meet in Step 2 within 14 calendar days of service of the written grievance to arrive at a satisfactory settlement.

STEP 3.

(a) If the grievance shall have been submitted but not resolved in Step 2, any of the participating Step 2 entities may, within 21 calendar days after the initial Step 2 meeting, submit the grievance in writing (copies to other participants) to either Arbitrator Richard Adelman, Arbitrator Roger Maher or Arbitrator John Sands, who shall act as Arbitrators under this procedure on a rotating basis in that order and beginning with Arbitrator Adelman. The Labor Arbitration Rules of the American Arbitration Association shall govern the conduct of the arbitration hearing, at which all Step 2 participants shall be parties. The decision of the Arbitrator shall be rendered within thirty (30) days of the hearing, and shall be final and binding on the involved Contractor, Local Union and employees. The fees and expenses of such arbitrations shall be borne equally by the involved Contractor and Local Union.

(b) Failure of the grieving party to adhere to the time limits set forth in this Article shall render the grievance null and void. These time limits may be extended only by written consent of the CPM, the Contractor and the Local Union involved.

(c) The Arbitrator shall have authority to make decisions only on the issues presented to him and shall not have the authority to change, add to, delete or modify any provision of this Agreement.

## **SECTION 2. LIMITATION AS TO RETROACTIVITY**

No arbitration decision or award may provide retroactivity of any kind exceeding 60 calendar days prior to the date of service of the written grievance on the CPM and the involved Contractor of the Local union.

## **SECTION 3. PARTICIPATION BY CPM**

The CPM shall be notified by the involved Contractor of all actions at Steps 2 and 3 and, at its election, may participate in full in all proceedings at these Steps, including Step 3 arbitration.

# **ARTICLE 10 - JURISDICTIONAL DISPUTE**

## **SECTION 1. NO DISRUPTIONS**

There will be no strikes, sympathy strikes, work stoppages, slowdowns, picketing or other disruptive activity of any kind arising out of any jurisdictional dispute and/or dispute related to the assignment of work by any contractor. Pending the resolution of the dispute, the work shall continue uninterrupted and as assigned by the Contractor. No jurisdictional dispute shall excuse a violation of Article 7.

**SECTION 2. ASSIGNMENT**

All Project construction work assignments shall be made by the Contractor according to the area practice.

**SECTION 3. PROCEDURE FOR SETTLEMENT OF DISPUTE**

A. A Local Union alleging a jurisdictional dispute related to Project work shall notify the CPM immediately in writing via facsimile and hand delivery of any such jurisdictional dispute.

B. Jurisdictional disputes involving unions bound by the AFL-CIO Plan for the Resolution of Disputes in the Construction Industry ("Plan") shall be decided in accordance with the Plan's terms.

C. Jurisdictional disputes involving a union not subject to the Plan shall be submitted to one of the Arbitrators identified in Article IX (Grievance and Arbitration Procedure), according to the rotation set forth therein. An arbitration hearing shall be conducted within 7 calendar days and a decision rendered within 5 calendar days thereafter.

D. This Jurisdictional Dispute Resolution Procedure will only apply to work performed by Local Unions at the Project.

E. Any Local Union involved in a jurisdictional dispute on this Project shall continue working in accordance with Section 2 above and without disruption of any kind.

**SECTION 4. AWARD**

Any jurisdictional award pursuant to Section 3 shall be final and binding on the disputing Local Unions and the involved Contractor on this Project only, and may be enforced in any court of competent jurisdiction. Such award or resolution shall not establish a precedent on any other construction work not covered by this Agreement. In all disputes under this Article, the CPM and the involved Contractors shall be considered parties in interest.

**SECTION 5. LIMITATIONS**

The Jurisdictional Dispute Arbitrator shall have no authority to assign work to a double crew, that is, to more employees than the minimum required by the Contractor to perform the work involved; nor to assign the work to employees who are not qualified to perform the work involved; nor to assign work being performed by non-union employees to union employees. This does not prohibit the establishment, with the agreement of the involved Contractor, of composite crews where more than one employee is needed for the job. The aforesaid determinations shall decide only to whom the disputed work belongs.

**SECTION 6. NO INTERFERENCE WITH WORK**

There shall be no interference or interruption of any kind with the work of the Project while any jurisdictional dispute is being resolved. The work shall proceed as assigned by the Contractor until finally resolved under the applicable procedure of this Article. The award shall be confirmed in writing to the involved parties. There shall be no strike, work stoppage or interruption in protest of any such award.

## **ARTICLE 11 - WAGES AND BENEFITS**

### **SECTION 1. CLASSIFICATION AND BASE HOURLY RATE**

All employees covered by this Agreement shall be classified in accordance with the collective bargaining agreements attached hereto as Schedule "A." Recognizing the special considerations that exist on the Project, as set forth in the Preamble to this Agreement, the parties hereby agree that all economic terms (*i.e.* wage and benefit fund contribution rates) set forth in a Schedule "A" collective bargaining agreement shall be reduced by fifteen percent (15%) for the duration of this Agreement, and that such economic terms shall be fixed at the time this Agreement is executed by each respective Contractor. The parties further agree that this reduction shall not constitute a reopener or waiver of the terms and conditions set forth in a Schedule "A" collective bargaining agreement for any other purpose.

### **SECTION 2. TRUST FUND DELINQUENCIES**

Delinquency disputes related to the Project between a benefit fund and a Contractor shall be submitted to binding arbitration under this Agreement. The Arbitrator shall render an opinion and award on the disputed delinquency within three (3) days of the close of the hearing. The CPM agrees that upon written notice from the fund enclosing a copy of the Arbitrator's opinion and award, it will withhold up to the amount of the Award from any monies then due or thereafter to become due to the Contractor, and will pay same to the Fund. If the Contractor has been fully paid, the CPM shall have no financial, contractual or legal responsibility whatsoever to the Fund. The CPM shall have no other involvement in or responsibility for any aspect of any delinquency dispute.

This provision shall not be construed as creating a debt or any other liability on the part of the CPM to any Union or fund for any delinquency by a Contractor.

**SECTION 3. NO PAC DEDUCTIONS**

Contractors shall not be required to deduct from their employees' wages or remit to any signatory Local Union or benefit fund amounts related to political action committees.

**ARTICLE 12**  
**HOURS OF WORK, OVERTIME, AND PAYMENT OF WAGES**

**SECTION 1. WORK WEEK AND WORK DAY**

A. The standard work week shall consist of 40 hours of work at straight time rates per the following schedule:

- (1) Five-Day Work Week: Monday-Friday; five days, eight hours plus ½ hour unpaid lunch period each day.

B. The Day Shift shall commence between the hours of 6:00 a.m. and 8:00 a.m. and shall end between the hours of 2:30 p.m. and 4:30 p.m.

C. Contractors shall provide prior notice to the Local Union involved as to the work hour schedules to be worked or such lesser notice as may be mutually agreed upon.

D. Shift differentials shall be waived during the term of this Agreement.

**SECTION 2. OVERTIME**

Overtime shall be paid for hours worked in excess of forty (40) in a workweek. There shall be no requirement to pay daily overtime (*i.e.* after 8 hours in a single workday) unless the individual has already worked 40 hours during that workweek.

There shall be no requirement to pay double time for any hours worked during the term of this Agreement.

## **ARTICLE 13 - SAFETY PROTECTION OF PERSON AND PROPERTY**

### **SECTION 1. SAFETY REQUIREMENTS**

Each Contractor will ensure that applicable OSHA requirements are at all times observed on the Project and the employees and Unions agree to cooperate fully with these efforts. Employees must perform their work at all times in a safe manner and protect themselves and the property of the Contractor and Construction Agent from injury or harm. Failure to do so will be grounds for discipline, including discharge.

### **SECTION 2. CONTRACTOR RULES**

Employees covered by this Agreement shall at all times be bound by the safety, security, and visitor rules as established by the Contractors and the CPM for this Project. Such rules will be published and posted in conspicuous places throughout the Project.

### **SECTION 3. INSPECTIONS**

The Contractors and CPM retain the right to inspect incoming shipments of equipment apparatus, machinery and construction materials of every kind.

## **ARTICLE 14 - NO DISCRIMINATION**

### **SECTION 1. COOPERATIVE EFFORTS**

The Contractors and the Unions agree that they will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or age in any manner prohibited by law or regulation.

**SECTION 2. LANGUAGE OF AGREEMENT**

The use of the masculine or feminine gender in this Agreement shall be construed as including both genders.

**SECTION 3. COMPLIANCE WITH ORDINANCE**

The CPM, the Construction Agent, and the Local Unions acknowledge that the Ordinance contains certain requirements of the CPM, the Construction Agent and the Local Unions working on tax abated projects within the City of Jersey City. The CPM, Construction Agent and the Local Unions acknowledge that the project at 45 14<sup>th</sup> Street, Jersey City, New Jersey is a tax abated project and is subject to the following requirements of the Ordinance:

- (1) The CPM and the Local Unions attest that the requirements of Section III 1-6 of the Ordinance, which is attached hereto as Exhibit C and incorporated by reference as if set forth fully herein, have been or will be fully satisfied in accordance with the terms of the Ordinance. The CPM will cooperate with the Local Unions so that the Local Unions can satisfy the terms and requirements of the Ordinance.
- (2) In the event the Local Unions are unable to refer qualified Apprentices who are Jersey City residents as required by the Ordinance, the Local Unions shall obtain permission from the City to reduce the required percentage accordingly, and the CPM and/or any Contractor may employ qualified applicants from any other available source, provided said applicants are paid at the applicable Apprentice rate.
- (3) The Construction Agent and the Local Unions attest to the requirements of Section III 7A-C of the Ordinance and, although construction on this Project has already commenced, will comply with the spirit of such section by the meeting with the Jersey City Business Administrator,

advertising the Apprenticeship Program and participating in two (2) job fairs to explain the Apprenticeship Program.

- (4) The Local Unions hereby agree to indemnify and hold harmless the Construction Agent and the CPM from claims or actions of any type, as well as from damages, penalties, or assessments of any type imposed under the Ordinance, that result from a failure to satisfy Section III, Paragraph 5 and/or Section IV, Paragraphs 3, 4, and 5 of the Ordinance. Liability for such claims, actions, damages, penalties and/or assessments, as between the CPM, the Construction Agent and the Local Unions, shall be subject to the contractual grievance and arbitration procedure set forth in the Agreement;
- (5) The Local Unions will submit the following reports to the CPM on the 15<sup>th</sup> day of each month for the previous month, for each year of construction until the Project is completed
  - A. Equal Employment Opportunity Reports EEO-2 and EEO-3, which are required to be filed with the United States Commission of Equal Employment Opportunity Commission by the Local Unions.
  - B. Apprenticeship Report, which shall list the names, addresses and contact information of all persons who were accepted to the Apprenticeship Program. The report shall also list the names, address and contact information of all persons who were rejected for admission to the Apprenticeship Program with the reasons for their rejection and, for those who failed to finish to program, and the reasons which they failed to complete the program.
- (6) The Construction Agent will submit the following reports to the Jersey City Business Administrator on the 15<sup>th</sup> day of each month for the previous month for each year of construction until the Project is completed:

1. Manning Report.

The total hours in each construction trade or craft and the number of hours worked by City residents, including a list of minority resident and women resident workers in each trade or craft, and the work hours performed by such employees of the CPM and each of its Subcontractors during the previous quarter.

2. Certified Payroll Report.

List the residence, gender and ethnic/racial origin of each worker, work hours, and the rate of pay and benefits provided.

- (7) To the extent that any term of the CBA differs from a term set forth in this section, the term contained herein shall govern. All capitalized terms set forth herein shall have the same meaning and definition as set forth in the Ordinance;
- (8) The undersigned represent that they have the authority to enter into this Agreement on behalf of their respective organizations.
- (9) The Construction Agent or the Local Unions shall furnish such reports or other documents to the City as the City may reasonably request from time to time in order to carry out the purchases of the Ordinance. Any records to support work hours stated in any of the above reports shall be maintained for a period of three (3) years after completion of the Project. All records shall be made available to the City upon ten (10) days prior written notice. The Construction Agent shall provide the City with access to the Project in order to monitor compliance with the Ordinance.

## **ARTICLE 15 - GENERAL TERMS**

### **SECTION 1. PROJECT RULES**

The CPM and the Contractors shall establish such reasonable Project rules as are appropriate for the good order of the Project. These rules will be explained at the pre-job conference and posted at the Project site and may be amended thereafter as necessary. Failure of an employee to observe these rules and regulations shall be grounds for discipline, including discharge. The fact that no order was posted prohibiting a certain type of misconduct shall not be a defense to an employee discipline or discharge for such misconduct when the action taken is for cause

### **SECTION 2. COOPERATION**

The CPM and the Unions will cooperate in seeking any NJ Department of Labor approvals that may be required for implementation of any terms of this Agreement.

## **ARTICLE 16 – SAVINGS AND SEPARABILITY**

### **SECTION 1. THIS AGREEMENT**

In the event that any provision of this Agreement is enjoined, on either an interlocutory or permanent basis, or otherwise found in violation of law, the provision involved shall be rendered, temporarily or permanently, null and void but the remainder of the Agreement, if any, shall remain in full force and effect for contracts already bid and awarded or in construction where the contractor voluntarily accepts the Agreement. The parties to this Agreement will enter into negotiations in conformity with the law and the intent of the parties for contracts to be let in the future.

## **SECTION 2. THE BID SPECIFICATION**

In the event that the CPM's bid specifications, or other action, requiring that a successful bidder become signatory to this Agreement is enjoined, on either an interlocutory or permanent basis, or otherwise founding violation of law such requirement shall be rendered, temporarily or permanently, null and void but the agreement shall remain in full force and effect to the extent required by law for contracts already bid and awarded or in construction where the Contractor voluntarily accepts the Agreement. The parties will enter into negotiations to reflect the court action taken and the intent of the parties for contracts to be let in the future.

## **SECTION 3. NON-LIABILITY**

In the event of an occurrence referenced in Section 1 or Section 2 of this Article, neither the Construction Agent, the CPM or any Contractor, or any signatory Union shall be liable, directly or indirectly, for any action taken, or not taken, to comply with any court order, injunction or determination. Project bid specifications will be issued in conformance with court orders then in effect and no retroactive payments or other action will be required if the original court determination is ultimately reversed.

## **SECTION 4. NON-WAIVER**

Nothing in this Article shall be construed as waiving the prohibitions of Article 7 as to signatory Contractors and signatory Unions.

## **ARTICLE 17 – FUTURE CHANGES IN SCHEDULE A AREA CONTRACTS**

### **SECTION 1. CHANGES TO AREA CONTRACTS**

A. Schedules "A" to this Agreement shall continue in full force and effect until the Contractor and/or Union parties to the Collective Bargaining Agreements which

are the basis for Schedules "A" notify the CPM in writing of the mutually agreed upon changes in provisions of such agreements which are applicable to the Project, and their effective dates.

B. It is agreed that any provisions negotiated into Schedules "A" collective bargaining agreements will not apply to work on this Project if such provisions are less favorable to this Project than to other work covered by those agreements.

C. Any disagreement between signatories to this Agreement over the incorporation into Schedules "A" of provisions agreed upon in the renegotiation of Collective Bargaining Agreements shall be resolved in accordance with the procedure set forth in Article 9 of this Agreement.

**SECTION 2. LABOR DISPUTES DURING AREA CONTRACT NEGOTIATIONS**

The Unions agree that there will be no strikes, work stoppages, sympathy actions, picketing, slowdowns or other disruptive activity or other violations of Article 7 affecting the Project by any Local Union involved in the renegotiation of Area Local Collective Bargaining Agreements nor shall there be any lockout on this Project affecting a Local Union during the course of such renegotiations.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed and effective as of the day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
CONSTRUCTION PROJECT MANAGER

\_\_\_\_\_  
NAME AND TITLE (PRINTED)

\_\_\_\_\_  
NAME AND TITLE (SIGNATURE)

IN WITNESS WHEREOF the parties have caused this Agreement to be executed and effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**Construction Project Manager**

**Hudson County Building and  
Construction Trades Council  
AFL-CIO**

\_\_\_\_\_

\_\_\_\_\_

**Union Affiliates:**

Asbestos Workers, Local 32

\_\_\_\_\_

Bricklayers and Allied Crafts, Local 4

\_\_\_\_\_

Carpenters, Locals 6 and 15

\_\_\_\_\_

Dockbuilders, Local 1456

\_\_\_\_\_

Electrical Workers, Local 164

\_\_\_\_\_

Elevator Constructors, Local 1

\_\_\_\_\_

Operating Engineers, Local 825

\_\_\_\_\_

Ironworkers, Local 45

\_\_\_\_\_

Pipefitters, Local 274

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Laborers, Local 325

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Heavy Construction Laborers, Local 472

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Painters and Allied Trades, District Council Local 711

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Plumbers, Local 14

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Roofers, Local 10

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Sheet Metal Workers, Local 25

---

Sprinkler Fitters, Local 696

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Tile/Marble/Terrazo Workers, Local 7

---

Teamsters, Local 560

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Operative Plasterers, Local 29

---

Millwrights, Local 715

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Laborers, Local 1030

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**SCHEDULE "A"**

**COLLECTIVE BARGAINING AGREEMENTS**

**SCHEDULE "B"**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreements, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**IN WITNESS WHEREOF** the parties have caused this Schedule "B" to be executed and effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**Construction Project Manager**

**Hudson County Building and  
Construction Trades Council  
AFL-CIO**

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreements, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**CARPENTERS LOCALS 6, 15, 715 :**

1. Twenty percent (25%) of a Contractor's covered work may be performed by Jersey City residents and/or minority applicants hired from any source and not subject to the collective bargaining agreement.
2. Apprentice ratio shall be 1:4.

**By:** \_\_\_\_\_

**Name/Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name/Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**LABORERS LOCALS 325, 1030 and 472 :**

1. Twenty percent (25%) of a Contractor's covered work may be performed by Jersey City residents and/or minority applicants hired from any source and not subject to the collective bargaining agreement.
  
2. Apprenticeship ratio shall be 1:4.

**By:** \_\_\_\_\_

**Name/Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name/Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**IBEW LOCAL 164:**

1. Apprentice ratio shall be 5:3, except there shall be no limitation on the use of Apprentice Electricians to install BX cable and other wiring to the point of termination.
2. The GC shall have full and unfettered access to and control of all temporary light and power sources, and the employment of standby electricians shall not be required for the duration of the Project.

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**IRON WORKERS LOCAL 45:**

1. There shall be no restriction on the amount and use of pre-bent steel (*i.e.* rebar) that is manufactured offsite.
2. Apprentice ratio shall be 1:3.

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**OPERATING ENGINEERS LOCAL 825:**

1. Only one (1) Operating Engineer shall be required to operate inside elevator cars, and for no more than eight (8) hours each day.
2. There shall be no requirement that a signatory Contractor employ a Master Mechanic regardless of the number of Operators employed.
3. The operation of forklifts, lulls, bobcats and similar equipment shall not be subject to the Schedule A collective bargaining agreement.

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**IUPAT DISTRICT COUNCIL 711:**

1. Twenty percent (25%) of a Contractor's covered work may be performed by Jersey City residents and/or minority applicants hired from any source and not subject to the collective bargaining agreement.
  
2. Apprenticeship ratio shall be 1:3.

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**SHEET METAL WORKERS LOCAL 25**

1. CPM and all signatory contractors and their subcontractors of whatever tier agree that when subcontracting for prefabrication of HVAC duct and other related sheet metal, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication as established under agreement between local affiliates of Sheet Metal Workers International Association and local sheet metal fabricators. Nothing in this Addendum shall prohibit the CPM or any signatory contractor from obtaining from any source incidental parts and materials related to HVAC duct or other prefabricated sheet metal, or parts and materials needed to repair defective or non-conforming HVAC duct or other prefabricated sheet metal.

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SCHEDULE "B"**

**TRADE SPECIFIC ADDENDA – TERM SHEET**

The parties agree that this Schedule shall modify relevant provisions of the Schedule "A" collective bargaining agreement, shall apply to the Project only due to the special considerations set forth in the Preamble to the Agreement, and shall not constitute a reopener or waiver of the terms and conditions set forth in any Schedule "A" collective bargaining agreement for any other purpose.

**TEAMSTERS LOCAL 560**

1. For as long as this PLA remains in effect, the work jurisdiction of Local 560 on the Project shall be deemed to include on-site trucking that involves vehicles for which a Class A commercial drivers' license is required.
2. Deliveries by over-the-road carriers shall be allowed whether performed by union or non-union drivers.
3. No deliveries shall be obstructed in any way for any reason..

**By:** \_\_\_\_\_

**Name & Title:** \_\_\_\_\_

**Dated:** \_\_\_\_\_