JUN 0 9 2005

FIRST SOURCE EMPLOYMENT AGREEMENT

Contract Number: HOPE VI – Eastgate Gardens, Zoning # 04-37

Contract Amount: HUD Grant award $20,000,000

Project Name: Eastgate Gardens

Project Address: Benning and Pitch. SE Ward: 7

Nonprofit Organization: (Yes) _____ (No) X

This First Source Employment Agreement, in accordance with D.C. Law 14-24, D.C. Law 5-93, and Mayor's Order 83-265 for recruitment, referral, and placement of D.C. residents, is between the District of Columbia, Department of Employment Services, hereinafter referred to as DOES, and A&R/THC, LLC, hereinafter, referred to as EMPLOYER. Under this Employment Agreement, the EMPLOYER will use the Eastgate Community Supportive Services Program (Eastgate CSSP) and the District of Columbia Housing Authority's Section 3 Program (DCHA) as its first source (s) for recruitment, referral and placement of new hires or employees for the new jobs created by this project. In the event that the Eastgate CSSP and/or DCHA cannot refer the qualified personnel requested in a 48 hour period, the employer will immediately contact DOES for recruitment, referral and placement of new hires or employees for the new jobs created by this project and will hire 51% D.C. residents for all new jobs created, as well, as 51% of apprentices employed in connection with the project shall be District residents registered in programs approved by the District of Columbia Apprenticeship Council.

I. GENERAL TERMS

A. The EMPLOYER will use Eastgate CSSP and DCHA as its first source for the recruitment, referral and placement of employees.

B. The EMPLOYER will immediately contact DOES if Eastgate CSSP and/or DCHA cannot refer the qualified personnel requested within 48 hours.

C. The EMPLOYER shall require all contractors and subcontractors with contracts totaling $100,000 or more to enter into a First Source Employment Agreement with DOES.

D. DOES will provide recruitment, referral and placement services to the EMPLOYER subject to the limitations set out in this Agreement.

E. DOES participation in this Agreement will be carried out by the Office of the Director, with the Office of Employer Services, which, in addition to Eastgate

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CSSP and DCHA, is responsible for referral and placement of employees, or such other office or division designated by DOES.

F. This Agreement shall take effect when signed by the parties below and shall be fully effective for the duration of the contract and any extensions or modifications to the contract.

G. This Agreement shall not be construed as an approval of the EMPLOYER'S bid package, bond application, lease agreement, zoning application, loan or contract/ subcontract.

H. DOES and the EMPLOYER agree that for purposes of this Agreement, new hires and jobs created (both union and nonunion) include all EMPLOYER'S job openings and vacancies in the Washington Standard Metropolitan Statistical Area created as a result of internal promotions, terminations and expansions of the EMPLOYER'S workforce, as a result of this project, including loans, lease agreements, zoning applications, bonds, bids and contracts.

I. For purposes of this Agreement, apprentices as defined in D.C. Law 2-156, are included.

J. The EMPLOYER shall register an apprenticeship program with the D.C. Apprenticeship Council for construction or renovation contracts or subcontracts totaling $500,000 or more. This includes any construction or renovation contract or subcontract signed as the result of, but not limited to, a loan, bond, grant, Exclusive Right Agreement, street or alley closing, or a leasing agreement of real property for (one) 1 year or more. The D.C. Apprenticeship Office will provide technical assistance and guidance to the EMPLOYER in developing apprenticeship standards and servicing their apprenticeship programs after certification or approval. The EMPLOYER is not responsible for setting up a new curriculum for the required classroom related or supplemental training. However, the employer is responsible for all tuition cost for their apprentices' related/supplemental training according to the D.C. Apprenticeship Rules and Regulations. Employers may utilize one (1) of the four (4) available providers for related/supplemental training: D.C. School of Apprenticeship, Montgomery College, The Bryant Adult Education Center and Associated Builders and Contractors (ABC) facilities. Other means of supplemental training may be used, provided it meets the approval of the Apprenticeship Council.

II. RECRUITMENT

A. The EMPLOYER will complete the attached Employment Plan which will indicate the number of new jobs projected, salary range, hiring dates and union requirements. The EMPLOYER will notify Eastgate CSSP and/or DCHA first and then DOES of its specific need for new employees as soon as that need is identified.

B. Notification of specific needs, as set forth in Section II.A., must be given to DOES at least five (5) business days (Monday - Friday) 48 hours after request has been made to Eastgate CSSP and/or DCHA, before using any other referral sources, and shall include, at a minimum, the number of employees needed by job title, qualification, hiring date, rate of pay, hours of work, duration of employment and work to be performed.

C. Job openings to be filled by internal promotion from the EMPLOYER'S current workforce need not be referred to DOES for placement and referral.

D. The EMPLOYER will submit to DOES, prior to starting work on the project, the names, and social security numbers of all current employees, including apprentices, trainees and laid off workers who will be employed on the project.

III. REFERRAL

DOES will screen and refer applicants according to the qualifications supplied by the EMPLOYER.

IV. PLACEMENT

A. DOES will notify the EMPLOYER, prior to the anticipated hiring dates, of the number of applicants DOES will refer. DOES will make every reasonable effort to refer at least two qualified applicants for each job opening.

B. The EMPLOYER will make all decisions on hiring new employees but will in good faith use reasonable efforts to select its new hires or employees from among the qualified persons referred by Eastgate CSSP, DCHA and/or DOES.

C. In the event DOES is unable refer the qualified personnel requested, within five (5) business days (Monday - Friday) from the date of notification, the EMPLOYER will be free to directly fill remaining positions for which no qualified applicants have been referred. Notwithstanding, the EMPLOYER will still be required to hire 51% District residents for the new jobs created by the project.

D. After the EMPLOYER has selected its employees, DOES will not be responsible for the employers' actions and the EMPLOYER hereby releases DOES, and the Government of the District of Columbia, the District of Columbia Municipal Corporation, and the officers and employees of the District of Columbia from any liability for employers' actions.

V. TRAINING

DOES and the EMPLOYER may agree to develop skills training and on-the-job training programs; the training specifications and cost for such training will be mutually agreed upon by the EMPLOYER and DOES and set forth in a separate Training Agreement.

VI. CONTROLLING REGULATIONS AND LAWS

A. To the extent this Agreement is in conflict with any labor laws or governmental regulations, the laws or regulations shall prevail.

B. DOES will make every effort to work within the terms of all collective bargaining agreements to which the EMPLOYER is a party.

C. The EMPLOYER will provide DOES with written documentation that the EMPLOYER has provided the representative of any involved collective bargaining unit with a copy of this Agreement and has requested comments or objections. If the representative has any comments or objections the EMPLOYER will promptly provide them to DOES.

VII. EXEMPTIONS

A. Contracts, subcontracts or other forms of government-assistance less than $100,000.

B. Employment openings the contractor will fill with individuals already employed by the company.

C. Job openings to be filled by laid-off workers according to formally established recall procedures and rosters.

D. Suppliers located outside of the Washington Standard Metropolitan Statistical Area and who will perform no work in the Washington Standard Metropolitan Statistical Area.

VIII. AGREEMENT MODIFICATIONS, RENEWAL, AND MONITORING

A. If, during the term of this Agreement, the EMPLOYER should transfer possession of all or a portion of its business concerns affected by this Agreement to any other party by lease, sale, assignment, merger, or otherwise, the EMPLOYER as a condition of transfer shall:

1. Notify the party taking possession of the existence of the EMPLOYER'S Agreement.

2. Notify the party taking possession that full compliance with this Agreement is required in order to avoid termination of the project.

3. EMPLOYER shall, additionally, advise DOES within seven (7) days of the transfer. This advice will include the name of the party taking possession and the name and telephone of that party's representative.

B. DOES shall monitor EMPLOYER'S performance under this Agreement. The EMPLOYER will cooperate in DOES' monitoring effort and will submit a Contract Compliance Form to DOES monthly.

C. To assist DOES in the conduct of the monitoring review, the EMPLOYER will make available payroll and employment records for the review period indicated.

D. If additional information is needed during the review, the EMPLOYER will provide the requested information to DOES.

E. With the submission of the final request for payment from the District, the EMPLOYER shall:

1. Document in a report to the Contracting Officer its compliance with the Requirement that 51% of the new employees hired by the project be District residents, or

2. Submit a request to the Contracting Officer for a waiver of compliance with The requirement that 51% of the new employees hired by the project be District residents and include the following documentation:
   a. Material supporting a good faith effort to comply;
   b. Referrals provided by DOES and other referral sources; and
   c. Advertisement of job openings listed with DOES and other referral sources.

F. The Contracting Officer may waive the requirement that 51% of the new employees hired by the project be District residents, if the Contracting Officer finds that:

G. Willful breach of the First Source Employment Agreement by the EMPLOYER, or failure to submit the Contract Compliance Report, or deliberate submission of falsified data, may be enforced by the Contracting Officer through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract.

H. Nonprofit organizations are exempted from the requirement that 51% of the new employees hired on the project be District residents.

I. The EMPLOYER and DOES, or such other agent as DOES may designate, may mutually agree to modify this Agreement.

J. The project may be terminated because of the EMPLOYER'S non-compliance with the provisions of this Agreement.

Dated this 2nd day of May 2005

Signed:

Department of Employment Services

Signature of Employer

A&E/TMC, LLC

Name of Company

514 10th Street, NW, Washington, DC

Address

202-347-2257

Telephone

dmahanson@comcast.net

email

EMPLOYMENT PLAN

NAME OF FIRM A&R/TEC, LLC

ADDRESS 514 10th Street, NW, Suite 600, Washington, DC 20004

TELEPHONE NUMBER 202-347-7257 FEDERAL IDENTIFICATION NO. 52-2227572

CONTACT PERSON Dana S. Henson TITLE Project Manager

E-mail: danahenson@comcast.net TYPE OF BUSINESS Real Estate Development

ORIGINATING DISTRICT AGENCY D.C. Housing Authority

TYPE OF PROJECT HOPE VI FUNDING AMOUNT TBD

PROJECT START DATE Estimated October 2005 PROJECT DURATION 3 years

NEW JOBS CREATION PROJECTIONS (Attach additional sheets, as needed.) Please indicate the new position(s) your firm will create as a result of this project.

	JOB TITLE	# OF JOBS F/T P/T	SALARY RANGE	UNION MEMBERSHIP REQUIRED NAME LOCAL #	PROJECTED HIRE DATE
A	N/A	N/A	N/A	N/A	N/A
B					
C					
D					
E					
F					
G					
H					

CURRENT EMPLOYEES: Please list the names and social security numbers of all current employees including apprentices and trainees who will be employed on the project. Attach additional sheets as needed.

NAME OF EMPLOYEE	SOCIAL SECURITY NO.
Cheryl Hamilton	
Arth Mirodrias	
Anthony Jacobes	
Matt Engle	
Theo Rodgers	
Anthony Rodgers	
Derek Mirdrias	
Daniel Hanson	
Dana Hanson	
Carvn Carter	
Calvin Jackson	