

Aug 27 02 02:59p

p.1



LOCAL 78 ASBESTOS, LEAD & HAZARDOUS WASTE LABORERS

30 CLIFF STREET, 6th FLOOR
NEW YORK, NY 10038-2825

Tel. (212) 227-4803
Fax: (212) 406-1800

August 27,

ⓕ WORLD TRADE
CENTER -
RESIDENTIAL
APARTMENTS

Via Facsimile (718) 595-3278

Ms. Carol Fenves
Deputy Agency Chief Contracting Officer
The City of New York
Department of Environmental Protection
59-17 Junction Boulevard
Flushing, NY 11373-5108

RE: Contracts WTC-ARA; WTC-ARB; WTC-ARC; and WTC-ARD

Dear Ms. Fenves:

It has come to our attention that DEP is considering a bid by Xaren Corporation for the above-referenced downtown cleanup contracts.

Local 78 has received this information with extreme concern, in view of ongoing difficulties with Xaren Corporation, a signatory contractor with our union.

Among these concerns are the following:

- Xaren's Past history of not paying workers on time;
- Xaren's Past history of paying at a rate below that contracted with our union.
- Xaren's present delinquency in the submission of workers' benefits to the Mason Tenders' Trust Funds, including welfare, annuity and training funds.

Xaren's current delinquency in the payment of benefits is so severe, that just today (before we knew of their bid), Local 78 has issued a 24-hour notice letter (please see copy attached) which could result in work stoppage at Xaren Corporation jobsites in the event that the company does not meet its August 30, 2002 deadline.

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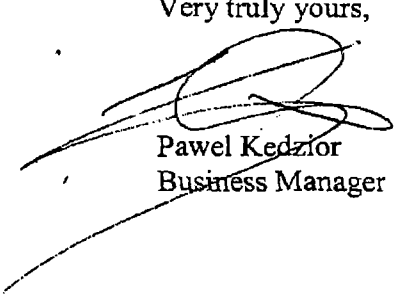
Aug 27 02 02:59p

P. 2

Your attention to this matter will be greatly appreciated. As you will understand, our biggest concern is that by awarding contracts to companies with track records as dismal as Xaren will send the wrong message to other contractors who timely fulfill their obligations with their workers.

If you have any questions, please do not hesitate to contact me at our business office, (212) 791-7421 or (917) 731-8381.

Very truly yours,



Pawel Kedzior
Business Manager

cc: Ms. Virginia Smyth
(718) 595-4422

Aug 27 02 02:59p

p. 3



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August 27, 2002

Via Facsimile (718) 729-0311

Yemi Babatunde
Xaren Corp.
45-09 Greenpoint Ave, Suite 200
Long Island City, NY 11104

Dear Mr. Babatunde:

Your company is in violation of the Agreement with the Mason Tenders District Council of Greater New York and Long Island (MTDC) with regard to the timely payment of Fringe Benefits and Dues, as per Article VIII of the said Agreement, which requires from all signatory contractors to make no less than monthly contributions for work performed in the previous monthly period. Our records indicate that your company has not made any significant contributions to the MTDC's Trust Funds for work performed since September 2001.

We are therefore requiring prompt payment of contributions owed. Please remit such payment by 5:00 p.m., Friday, August 30, 2002. Failure to comply with this demand will result in further action against your company.

Please consider this letter your 24-hour notice as required by our contract. If you have any questions regarding this matter, you may contact me at our office.

Very truly yours,

Pawel Kedzior
Business Manager

cc: John Virga, Director, MTDC Trust Funds
Anthony Silveri, Business Manager, MTDC
Sally Schneider, Esq., Proskauer & Rose
Lowell Peterson, Esq., Suozzi, English et al.