



RECEIVED

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DAVID C. APY
ASSISTANT ATTORNEY GENERAL
Acting Attorney General

CHRIS CHRISTIE
Governor

State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
PO Box 112
TRENTON, NJ 08625-0112
david.apy@lps.state.nj.us
609-292-8567

CHRISTOPHER S. PORRINO
Director

KIM GUADAGNO
Lt. Governor

December 16, 2013

Christine A. Roy, Esq.
Watson Stevens Rutler & Roy, LLP
3 Paragon Way, Suite 300
Freehold, NJ 07728

Re: Special Counsel for Property Acquisition and Condemnation
Litigation:
Point Pleasant Beach, Seaside Park, Seaside Heights and
Loch Arbour

Dear Ms. Roy:

This letter is to confirm our retention of your firm to provide legal advice and representation to the Office of Flood Hazard Risk Reduction Measures regarding efforts to acquire all easements necessary for the United States Army Corps of Engineers shore protection project in the above-referenced municipalities, including any litigation arising from those efforts.

This letter will also confirm that you will bill us for your services at the following rates:

- \$200/hr. for your services and those of the partners at your firm;
- \$150/hr. for associates;
- \$125/hr. for clerks and law assistants (i.e., summer associates or law school graduates awaiting bar results);
- \$90/hr for paralegals.

As part of this retention, you and your firm agree to abide by the Department of Law and Public Safety Office of Attorney General Outside Counsel Guidelines, February 1, 2011, available at:



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<http://www.nj.gov/oag/law/rfqs.htm> (Guidelines),

and incorporated into this letter. These guidelines address conflicts of interest, your responsibilities as counsel, confidentiality, case management, reporting and budgeting, settlement and use of alternative dispute resolution, staffing and billing policies, and media policies.

Regarding conflicts of interest or the appearance of impropriety, your firm should be guided by the standards set forth in Guidelines, pages 2-3, regarding the ethical obligations of special counsel retained by State agencies and employees. If you have any questions about whether a proposed representation by your firm of another client would be in violation of the Rules of Professional Conduct or the Guidelines, we encourage you to notify us in writing in advance so that we can discuss the issue.

As noted in the Outside Counsel Guidelines, your primary contact will be with the Division of Law's Designated Attorney, who for Point Pleasant Beach, Seaside Park and Seaside Heights will be me and Deputy Attorney General Lisa Dagle. For Loch Arbour, the Designated Attorney will be Deputy Attorney General Lisa Dagle only, since I have a conflict which prohibits my involvement in any matters involving Jack and Joyce Kassin, who own ocean-front property in Loch Arbour. If this changes, you will be promptly notified.

We understand that you will be the primary contact on this matter. If this changes, please promptly notify the Division's Designated Attorney.

New Jersey Law contains additional requirements applicable to this retention agreement. Those requirements are set forth in detail in Exhibit A, Additional Requirements for Office of Attorney General, Division of Law Retention Agreements, attached hereto, and are incorporated into this Retention Agreement. Please note that several require additional information be submitted on the forms indicated prior to this Retention Agreement being executed or your firm beginning work.

If you have not done so already, please complete the forms referred to in Exhibit A, and return all documents to the undersigned as soon as possible to me

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at P.O. Box 112, Trenton, N.J. 08625. Please note that you cannot be officially retained or be paid for any services rendered until this office has obtained final Department of Treasury approval of your Chapter 51 Certification as explained in Section E of Exhibit A. Official retention will be signified by the receipt of a copy of this letter with my additional counter-signature.

This letter also confirms our right to terminate your retention as counsel at any time by simply advising you either orally or in writing that your services are no longer needed. You further agree that once you receive our notice to terminate, all services that arise from your retention shall be immediately terminated and the State and our office is not responsible for the payment for any services provided by you beyond the date of termination.

If the terms and conditions set forth in this letter are acceptable to you, please acknowledge your acceptance of them by executing the enclosed copy and returning it to me.

If you have any problems or questions regarding the terms and conditions of your firm's retention, please call me at your earliest convenience to discuss them.

Very truly yours,

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: _____

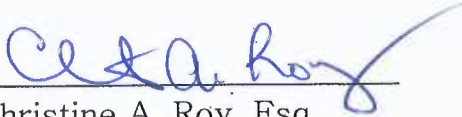

David C. Apy
Assistant Attorney General


lmh

Enclosure

c: Christopher S. Porrino, Director
Lisa Daglis, DAG

I hereby acknowledge and accept
the terms set forth herein this
19th day of December, 2013

By: 
Christine A. Roy, Esq.
Watson Stevens Rutler & Roy, LLP

By: 
(Counter-signature)
David C. Apy, AAG

Dated: 12.26.13

Exhibit A to Special Counsel Retention Agreements

These additional terms and conditions are required by law, as indicated herein (Additional Terms) and shall be executed by the Special Counsel prior to the Division of Law executing any Special Counsel Retention Agreement with the Division of Law on behalf of any of its clients. These Additional Terms shall be incorporated into any Special Counsel Retention Agreement (Retention Agreement) executed by the Division of Law.

These Additional Terms are incorporated in the Retention Agreement identified as:

I. The Special Counsel shall complete the following forms or otherwise satisfy the following requirements prior to the State executing a Retention Agreement with Special Counsel:

A. Ownership Disclosure

The Ownership Disclosure addresses the requirements of N.J.S.A. 52:25-24.2, for any contract or retention agreement and must be completed and submitted either with the proposal or with the signed Retention Agreement. The Retention Agreement cannot be completed unless and until the Ownership Disclosure is properly completed and accepted. The form can be downloaded from the Department of Treasury website under the heading Vendor Forms. It is located on the first two pages of this pdf:

<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>

B. Affirmative Action Supplement with Affirmative Action Employee Information Report

The Affirmative Action Supplement with Affirmative Action Employee Information Report addresses the requirements of N.J.S.A. 10:5-31 to -34 and N.J.A.C. 17:27.3.1 et seq., for any contract or retention agreement and must be completed and submitted either with the proposal or with the signed Retention Agreement. The terms of the Affirmative Action Supplement with Affirmative Action Employee Information Report are incorporated into this Retention Agreement. The Retention Agreement is not completed unless and until the form is properly completed and accepted. The forms can be downloaded from the Department of Treasury website under the heading Vendor Forms:

http://www.state.nj.us/treasury/purchase/forms/AA_%20Supplement.pdf

The specific language of N.J.A.C. 17:27-3.5 and 17:27-3.7, contains specific requirements for Special Counsel Retention Agreements and is hereby incorporated as if set forth at length herein.

C. New Jersey Business Registration

Pursuant to N.J.S.A. 52:32-44 (b), a copy of a valid New Jersey Business Registration must be submitted with the signed Retention Agreement. If not already registered with the New Jersey Division of Revenue, registration can be completed on line at the Division of Revenue website:

<http://www.state.nj.us/treasury/revenue/busregcert.shtml>

D. Certification of Non-Involvement in Prohibited Activities in Iran

Pursuant to N.J.S.A. 52:32-58, Special Counsel must certify that neither Special Counsel, nor one of its parents, subsidiaries, and/or affiliates (as explained in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If Special Counsel is unable to so certify, Special Counsel shall provide a detailed and precise description of such activities. The form is on the fifth page of the pdf available at:

<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>

E. New Jersey State W-9 and Vendor Questionnaire

No Special Counsel shall be paid unless Special Counsel has properly completed New Jersey State W-9 and Vendor Questionnaire on file with the State. If the Special Counsel does not have a New Jersey State W-9 and Vendor Questionnaire on file with the State, the properly completed W9 shall be returned with the Retainer Agreement signed by the Special Counsel. A copy may be obtained from your Division of Law Contact.

F. Two-Year Chapter 51/Executive Order 117 Certification and Disclosure of Political Contributions

Prior to entering any Retention Agreement retention agreement under which the State will pay more than \$17,500 to the Business Entity proposed as the Special Counsel, the Business Entity shall submit the Certification and Disclosure form, certifying that no contributions prohibited by Chapter 51 have been solicited or made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C. §527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7.

The required form and instructions for completion and submission to the Deputy Attorney General prior to the finalization of the Retention Agreement are available for review on the Purchase Bureau website, under the heading "Political Contributions Compliance" at

<http://www.state.nj.us/treasury/purchase/forms.shtml>

If the Special Counsel has a currently valid Two-Year Chapter 51/Executive Order 117 Vendor Certification it may be submitted instead of a new form.

Special Counsel is required, on a continuing basis, to report any contributions and solicitations Special Counsel makes during the term of the Retention Agreement, and any extension(s) thereof, at the time any such contribution or solicitation is made. Failure to do so is a breach of the Retention Agreement.

Special Counsel's failure to submit the form will preclude the Division of Law's execution of the Retention Agreement. The State Treasurer or his designee shall review the Disclosures submitted by the Special Counsel pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended Special Counsel, prior to award, or during the term of the retention agreement. If the State Treasurer determines that any contribution or action by the Special Counsel violated Chapter 51 and EO 117 the State Treasurer shall disqualify the Special Counsel from award of such contract. If the State Treasurer or his designees determines that any contribution or action constitutes a breach of contract that poses a conflict of interest, pursuant to Chapter 51 or EO 117, the State Treasurer shall disqualify the Special Counsel from award of such contract.

G. Disclosure Requirement of P.L. 2005, c. 271

Pursuant to P.L. 2005, c.271 ("Chapter 271") every Business Entity is required to disclose its (and its principals') political contributions within the immediately preceding twelve (12) month period. No prospective Special Counsel will be precluded from being retained by virtue of the information provided in the Chapter 271 disclosure, provided the form is fully and accurately completed. Prior to being retained, the Special Counsel anticipated to be selected will be required to submit Chapter 271 disclosures if the cost of Retention Agreement is anticipated to be in excess of \$17,500. The form is available for your review at:

<http://www.state.nj.us/treasury/purchase/forms/CertandDisc2706.pdf>

II. Special Counsel Certification

A. Source Disclosure Certification

Special Counsel's execution of these Additional Terms to the Retention Agreement will confirm that Special Counsel agrees, in accordance with Executive Order 129 (2004) and N.J.S.A. 52:34-13.2 (P.L. 2005, c. 92), that all services performed for the Retention Agreement shall be performed within the United States. In the event that all services performed for the Retention Agreement shall NOT be performed within the United States, Special Counsel shall send the Deputy Attorney General who executes the Retention Agreement a letter that states with specificity the reasons why the services cannot be so performed. Any such letter shall require review and approval pursuant to N.J.S.A. 52:34-14.2 prior to execution of this Retention Agreement.

III. The Special Counsel acknowledges that the Retention Agreement is subject to the following additional terms and conditions:

A. Breach of Requirements of Chapter 51 and Executive Order 117 (2008) (Also referred to as "Pay to Play Restrictions," N.J.S.A. 19:44A-20.13 to -20.25, or Executive Order 134(2004))

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts, including retention agreements, from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted P.L. 2005, c.51 (codified at N.J.S.A. 19:44A-20.13 - 25) (Chapter 51), on March 22, 2005, effective retroactive to October 15, 2004, superseding the terms of Executive Order 134(2004). In addition, on September 24, 2008, Executive Order 117 was issued and made effective on November 15, 2008 (EO 117) which set forth additional limitations on the ability of executive branch agencies to contract with business entities that have made or solicited certain contributions. Pursuant to the requirements of Chapter 51 and EO 117, it shall be a material breach of the terms of the Retention Agreement for the Business Entity to do any of the following:

1. make or solicit a contribution in violation of the Chapter 51 or EO 117;
2. knowingly conceal or misrepresent a contribution given or received;
3. make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
4. make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or of Lieutenant Governor, or to any State, county or municipal party committee, or any legislative leadership committee;
5. engage or employ a lobbyist or Special Counsel with the intent or understanding that such lobbyist or Special Counsel would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of Chapter 51 or EO117;
6. fund contributions made by third parties, including Special Counsels, attorneys, family members, and employees;
7. engage in any exchange of contributions to circumvent the intent of the Chapter 51 or EO 117;or
8. directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Chapter 51 or EO 117.

B. New Jersey Conflict of Interest Law

The New Jersey Conflict of Interest Law, N.J.S.A. 52:13D-12 et seq. and Executive Order 189 (1988), prohibit certain actions by persons or entities which provide goods or services to any State Agency. Specifically:

1. No Special Counsel shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such Special Counsel transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.
2. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any Special Counsel shall be reported in writing forthwith by the Special Counsel to the Attorney General and the Executive Commission on Ethical Standards.
3. No Special Counsel may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such Special Counsel to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
4. No Special Counsel shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
5. No Special Counsel shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the Special Counsel or any other person.
6. The provisions cited above in paragraph H(I). through H(V) shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with Special Counsel under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate.

C. Obligation to Maintain Records

Special Counsel shall maintain all records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment under the Retention Agreement unless otherwise specified in the Retention Agreement. Such records shall be made available to the State, including the Comptroller, for audit and review upon request.

IV. The Special Counsel is hereby notified of the following:

A. Chapter 271 Annual Disclosure Statement Filing Requirement

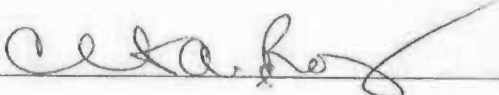
If Special Counsel receives contracts in excess of \$50,000 from a public entity during a calendar year, the Special Counsel is responsible to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) It is Special Counsel's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financing penalties by ELEC. Additional information about this requirement is available from ELEC at (888)313-3532 or <http://www.elec.state.nj.us/>

B. Set-off for State Taxes

Pursuant to N.J.S.A. 54:49-19 et seq. (P.L. 1995, c159), and notwithstanding the provision of any other law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set-off shall not allow for the deduction of any expense or other deduction which might be attributable to the taxpayer, partner, or shareholder subject to set-off under this Act.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under N.J.S.A. 54:49-19. No request for conference, protest, or subsequent appeal to the Tax Court from any protest shall stay the collection of the indebtedness.

Special Counsel hereby agrees to and executes these Additional Term and Conditions:

Special Counsel Signature: 

Special Counsel Name: Christine A. Roy

Special Counsel Firm: Watson Stevens Butter & Roy LLP

Date: 3/12/14

"N.J.S.A. 52:34-13.2 CERTIFICATION"
SOURCE DISCLOSURE CERTIFICATION FORM

Contractor: Watson, Stevens, Rutter & Roy, LLP Waiver Number: _____

I hereby certify and say:

I have personal knowledge of the facts set forth herein and am authorized to make this Certification on behalf of the Contractor.

The Contractor submits this Certification in response to the referenced contract issued by the Division of Purchase and Property, Department of the Treasury, State of New Jersey (the "Division"), in accordance with the requirements of N.J.S.A. 52:34-13.2.

Instructions:

List every location where services will be performed by the Contractor and all Subcontractors. If any of the services cannot be performed within the United States, the Contractor shall state, with specificity the reasons why the services cannot be so performed. Attach additional pages if necessary.

<u>Contractor and/or Subcontractor</u>	<u>Description of Services</u>	<u>Performance Location[s] by COUNTRY</u>	<u>Reasons why services cannot be performed in USA</u>
Watson, Stevens, Rutter & Roy, LLP	Legal	USA	

Any changes to the information set forth in this Certification during the term of any contract awarded under the referenced solicitation or extension thereof will be immediately reported by the Contractor to the Director, Division of Purchase and Property (the "Director").

The Director shall determine whether sufficient justification has been provided by the Contractor to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

I understand that, after award of a contract to the Contractor, it is determined that the Contractor has shifted services declared above to be provided within the United States to sources outside the United States, prior to a written determination by the Director that extraordinary circumstances require the shift of services or that the failure to shift the services would result in economic hardship to the State of New Jersey, the Contractor shall be deemed in breach of contract, which contract will be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions.

I further understand that this Certification is submitted on behalf of the Contractor in order to induce the Division to accept a bid proposal, with knowledge that the Division is relying upon the truth of the statements contained herein.

I certify that, to the best of my knowledge and belief, the foregoing statements by me are true. I am aware that if any of the statements are willfully false, I am subject to punishment.

Contractor: Watson, Stevens, Rutter & Roy, LLP
 [Name of Organization or Entity]

By: _____

Title: Partner

Print Name: Christine A. Roy

Date: October 9, 2013