



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Melissa Orsen  
Chief Executive Officer

**DATE:** March 11, 2016

**SUBJECT:** Agenda for Board Meeting of the Authority March 11, 2016

### **Notice of Public Meeting**

### **Roll Call**

### **Approval of Previous Month's Minutes**

### **Chief Executive Officer's Monthly Report to the Board**

### **Incentive Programs**

### **Bond Projects**

### **Loans/Grants/Guarantees**

### **Edison Innovation Fund**

### **Board Memorandums**

### **Real Estate**

### **Public Comment**

### **Executive Session**

### **Adjournment**

# NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 9, 2016

## MINUTES OF THE MEETING

Members of the Authority present: Al Koepe, Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Peter Simon representing Acting State Treasurer Ford M. Scudder; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, David Huber, Fred B. Dumont; and Harold Imperatore, Third Alternate Public Member.

Members Present via conference call: Massiel Medina Ferrara, Public Member; Patrick Delle Cava, First Alternate Public Member; William J. Albanese, Sr., Second Alternate Public Member; Rodney Sadler, Non-Voting Member.

Absent: Public Member Philip B. Alagia.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Gabriel Chacon, Deputy Attorney General; Michael Collins, Governor's Authorities' Unit; and staff.

Chairman Koepe called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Orsen announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Ms. Orsen announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

## MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the January 12, 2016 meeting minutes. A motion was made to approve the minutes by Mr. Huber and seconded by Mr. Albanese, and was approved by the 13 voting members present.

**FOR INFORMATION ONLY:** The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

**CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT TO THE BOARD**

**INCENTIVE PROGRAMS**

**Economic Redevelopment and Growth Grant Program**

**ITEM:** Glassboro A-3 Urban Renewal, LLC APPL.#41303  
**REQUEST:** To approve the application of Glassboro A-3 Urban Renewal, LLC for a project located in Glassboro Borough, Gloucester County for the issuance of tax credits. The recommendation is to award 30% of actual eligible costs, not to exceed \$30,128,874 in tax credits, based on the budget submitted.  
**MOTION TO APPROVE:** Mr. Stoller **SECOND:** Mr. Downes **AYES:** 13  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

Mr. Sarlo entered the meeting at this time.

**ITEM:** Glassboro A-4 Urban Renewal, LLC APPL.#41304  
**REQUEST:** To approve the application of Glassboro A-4 Urban Renewal, LLC for a project located in Glassboro Borough, Gloucester County for the issuance of tax credits. The recommendation is to award 30% of actual eligible costs, not to exceed \$20,846,602 in tax credits, based on the budget submitted.  
**MOTION TO APPROVE:** Mr. Stoller **SECOND:** Commissioner Badolato **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

**Grow New Jersey Assistance Program**

**ITEM:** Ferrero U.S.A., Inc. APPL.#42019  
**REQUEST:** To approve the finding of jobs at risk.  
**MOTION TO APPROVE:** Ms. Kokas **SECOND:** Mr. Downes **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**ITEM:** Ferrero U.S.A., Inc. APPL.#42019  
**REQUEST:** To approve the application of Ferrero U.S.A., Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Parsippany-Troy Hills, NJ. Project location of Parsippany-Troy Hills, in Morris County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated annual award is \$342,000 for a 10-year term.  
**MOTION TO APPROVE:** Mr. Downes **SECOND:** Mr. McNamara **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**ITEM:** Intex Millwork Solutions, LLC APPL.#41862  
**REQUEST:** To approve the finding of jobs at risk.  
**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

**ITEM:** Intex Millwork Solutions, LLC

APPL.#41862

**REQUEST:** To approve the application of Intex Millwork Solutions, LLC for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Millville City, NJ. Project location of Millville City, in Cumberland County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Jobs with Salary in Excess of County Average, Targeted Industry of Manufacturing and 2007 Revit. Index>465 in Cumberland County. The estimated annual award is \$286,074 for a 10-year term.

**MOTION TO APPROVE:** Mr. Huber      **SECOND:** Ms. Kokas      **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

**ITEM:** Red Hat, Inc.

APPL.#41998

**REQUEST:** To approve the application of Red Hat, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Mahwah, NJ. Project location of Mahwah, in Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Targeted Industry of Technology. The estimated annual award is \$187,500 for a 10-year term.

**MOTION TO APPROVE:** Mr. Downes      **SECOND:** Ms. Kokas      **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**

**ITEM:** Sysco Guest Supply, LLC

APPL.#41819

**REQUEST:** To approve the finding of jobs at risk.

**MOTION TO APPROVE:** Mr. Dumont      **SECOND:** Mr. Downes      **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**

**ITEM:** Sysco Guest Supply, LLC

APPL.#41819

**REQUEST:** To approve the application of Sysco Guest Supply, LLC for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Somerset, NJ. Project location of Somerset, in Somerset County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated annual award is \$286,500 for a 10-year term.

**MOTION TO APPROVE:** Mr. Huber      **SECOND:** Mr. Imperatore      **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

**ITEM:** W&W Jewelers Inc.

APPL.#41823

**REQUEST:** To approve the application of W&W Jewelers Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, in Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Capital Investment in Excess of Minimum (non-Mega), and Targeted Industry of Manufacturing. The estimated annual award is \$540,000 for a 10-year term.



**ITEM:** Uncommon Properties VII, LLC APPL.#42143  
**LOCATION:** Newark City, Essex County  
**PROCEEDS FOR:** Renovation of Existing Building  
**FINANCING:** \$41,300,000 Qualified School Construction Bonds  
**MOTION TO APPROVE:** Commissioner Badolato **SECOND:** Mr. Imperatore **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 15**

**LOANS/GRANTS/GUARANTEES**

**Petroleum Underground Storage Tank Program**

**FOR INFORMATION ONLY:** PUST and HDSRF Program Funding Status

**ITEM:** Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.

**PROJECT:** Luis Pacheco APPL.#40970  
**LOCATION:** Jersey City, Hudson County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$167,301  
**MOTION TO APPROVE:** Ms. Kokas **SECOND:** Mr. Stoller **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 16**

**Hazardous Discharge Site Remediation Fund Program**

**ITEM:** Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

**PROJECT:** City of Newark (Maas & Waldstein Co. East Parcel) APPL.#41143  
**LOCATION:** Newark, Essex County  
**PROCEEDS FOR:** Remedial Investigation  
**FINANCING:** \$135,873  
**MOTION TO APPROVE:** Ms. Kokas **SECOND:** Mr. Huber **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 17**

**OFFICE OF RECOVERY**

**Stronger New Jersey Business Loan Program**

**PROJECT:** The Dutchman's Brau Haus Inc. APPL.#40729  
**LOCATION:** Stafford Twp., Ocean County  
**PROCEEDS FOR:** Construction  
**FINANCING:** \$2,046,402  
**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 14  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 18**

**Stronger New Jersey Grant Program (Appeals)**

**ITEM:** Mapeople LLC - 53650

**REQUEST:** To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant application for Mapeople LLC.

**MOTION TO APPROVE:** Ms. Kokas      **SECOND:** Mr. Downes **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 19**

**BOARD MEMORANDUMS**

**ITEM:** Business Employment Incentive Program ("BEIP) Policy and Staff Delegations

**REQUEST:** Create a delegation to allow staff to shorten the term of BEIP agreements in certain circumstances and authorize staff to approve these matters.

**MOTION TO APPROVE:** Mrs. Kokas      **SECOND:** Mr. Downes      **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 20**

**FOR INFORMATION ONLY:** Projects Approved Under Delegated Authority

**Premier Lender Program:**

PSC Floturn Properties LLC (P41336)

**Small Business Fund Program:**

Bradco Management LLC (P42004)

**Stronger NJ Business Loan Program:**

A.C. Stern Drive, LLC (P41358)

Balderas Brothers, Inc. DBA Tavolo Pronto (P41759 & P41760)

Casey Loundy LLC (P38560 & P40005)

Christopher's Foreign Car Parts (P41476 & P41477)

Del-Cas, Inc. DBA Bob's Bay Mariba (P41656)

Homes of Distinction Real Estate, LLC (P41716)

**FOR INFORMATION ONLY:** Technology and Life Sciences – Delegated Authority Approvals for 4<sup>th</sup> Quarter 2015

**PUBLIC COMMENT**

Charles Wowkanech, President, New Jersey State AFL-CIO addressed the Board regarding concerns about Deep Foods, a company approved for financing from the EDA. He stated that Deep Foods has engaged in retaliatory tactics against their employees for efforts to attempt to unionize.

He then introduced Garret O'Connor, an organizer with the Retail, Wholesale, and Department Store Union (RWDSU) to provide further input. Those comments are attached to this document.

In response to the presentation, Chairman Koeppe stated that employee rights are an ongoing issue and that partnering with the State's workforce is part of the EDA's core value system. He stated that EDA monitors closely all project and job creation information and that staff's oversight is extremely objective and the scrutiny is deep. He also stated that Deep Foods has not received any disbursements to date. He then asked Deputy Attorney General Gabriel Chacon to look in to the proposed recommendations to claw back benefits from a legal and legislative analysis.

Charles Whelan, a Trenton resident, addressed the Board regarding the project taking place at the former Roebling complex in Trenton. His concern is that taxpayer money is being used for a project that is hiring workers from out of state.

Board member Fred Dumont remarked that he shared the same concern.

Chairman Koeppe stated that the issues brought before the board would be part of a continuing dialogue and feedback on the EDA's administration of programs, and would not be ignored.

Director Kathleen Coviello provided an overview on the Angel Investor Tax Credit Program.

There being no further business, on a motion by Commissioner Richard Badolato, and seconded by Mr. Downes, the meeting was adjourned at 11:30 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.



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Erin Gold, Director, Governance & Communications  
Assistant Secretary





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Melissa J. Orsen  
Chief Executive Officer

**DATE:** March 11, 2016

**RE:** Monthly Report to the Board

### **TD BANK PARTNERSHIP HIGHLIGHTED AS SMALL BUSINESS RESOURCE**

Along with representatives from TD Bank, last week I visited Aldo Design Group in Carteret, the first business to receive a loan under the New Jersey Advantage Program. A partnership of the EDA and TD Bank, the program offers financing with below-market interest rates to creditworthy New Jersey businesses committed to job creation and retention. Companies can benefit from loans and lines of credit of up to \$5 million from TD Bank, with a subordinate guarantee of up to 50 percent provided by the EDA.

Located in New Jersey since 1972, Aldo Design Group received a line of credit for working capital and a loan to refinance an existing mortgage. The family-owned company, which works out of a 32,685-square-foot warehouse, showroom and office space on Hayward Avenue, is a leading flooring and interior products resource for retail and commercial customers and homebuilders of all sizes.

The visit highlights the EDA's continuous efforts to drive awareness among New Jersey small business owners of the various financing resources available to support their growth. As part of this effort, the EDA recently launched a new small- and mid-sized business-focused marketing campaign. Featuring the theme "EDA Was Here," the campaign uses a testimonial approach to showcase how organizations have used the EDA's programs and services to overcome challenges, meet financing gaps, and grow.

### **CCIT PROVIDES CRITICAL STEP UP TO EMERGING COMPANIES**

The EDA's Commercialization Center for Innovative Technologies (CCIT) in North Brunswick continues to attract emerging life sciences companies, with tenants illustrating the depth of resources available to technology start-ups at the facility and throughout the State.

In February, Rutgers University spinout Visikol, Inc., became the newest tenant at CCIT. The move came a week after Visikol received a \$500,000 commitment from Foundation Venture Capital Group, LLC, an affiliate of New Jersey Health Foundation, which makes private equity investments to participate in establishing and managing biomedical start-up companies in New Jersey headed toward commercialization.

Visikol has developed a versatile biological clearing agent that penetrates tissue and renders it transparent without causing structural damage. The patent-pending technology was invented by the company's chief operating officer and PhD candidate Tom Villani, along with two Rutgers professors.

CCIT has now welcomed 36 new tenants since 2010, with nearly a quarter of them moving on to larger space within New Jersey. Currently home to nearly two dozen seed-stage life sciences companies, CCIT offers its tenants a multitude of operational, administrative and financial resources, including discounted rent for the first year for university spinouts like Visikol.

Demonstrating the impact CCIT graduates can have on the State's innovation sector, presidents of two CCIT graduate companies were recently named to BioNJ's Board of Trustees. Bradley L. Campbell, President and Chief Operating Officer of Amicus Therapeutics, and Advaxis Immunotherapies President Daniel J. O'Connor, were elected to the BioNJ Board last month. They join executives from several other EDA-supported companies that already serve on the Board.

To expand awareness of available resources and tout New Jersey success stories, the EDA recently launched its Touting Tech newsletter, a quarterly publication.

### **PATELLA WOODWORKING CELEBRATES MOVE TO NEW JERSEY**

The Lieutenant Governor joined with EDA staff and local officials last week for a ribbon cutting at Patella Woodworking's new facility in Passaic. The Partnership for Action helped to encourage Patella, a provider of premium grade architectural custom-made woodwork, to move its headquarters and manufacturing operations from Orangeburg, New York. Patella also took advantage of the EDA's traditional lending programs to help acquire and renovate the new facility.

The company was approved in October 2014 for Grow NJ tax credits of up to \$10.3 million over ten years and expects to create 70 new jobs in Passaic, a Garden State Growth Zone. The company also closed on Valley National Bank loans totaling \$7.2 million that were backed by a 50 percent EDA guarantee through the Premier Lender Program. In addition to creating new jobs, the project will leverage an estimated \$5.8 million of private investment and have a net benefit to the State of nearly \$35.8 million.

### **CLOSED PROJECTS**

Through February 2016, EDA closed on \$16.6 million in traditional lending assistance to support 31 projects, leveraging \$23.5 million in public/private investment and the creation of an estimated 86 new permanent jobs, and 48 construction jobs.

In addition to assistance provided through traditional lending programs, EDA also executed agreements, pending certification, for two incentive projects totaling \$16.9 million. These projects are expected to leverage \$346.8 million in public/private assistance, the creation of 45 new jobs and 17 construction jobs and the retention of 493 jobs at risk of leaving New Jersey.

### **EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH**

EDA representatives participated as speakers, attendees or exhibitors at 24 events in February. These included Cooper's Ferry Partnership's Annual Meeting in Camden, the NJ Bankers CRA and Fair Lending Conference in Woodbridge and the NJTC Innovation Forecast in New Brunswick.



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## **INCENTIVES PROGRAM**



**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)**





**ELIGIBILITY AND GRANT CALCULATION:**

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

| <u>Minimum Capital Investment Requirements</u>                              | <u>(\$/Square Foot of Gross Leasable Area)</u> |
|---|--|
| Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects                | \$ 20  |
| Industrial/Warehouse/Logistics/R&D - New Construction Projects              | \$ 60  |
| <b>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</b> | <b>\$ 40</b>                                   |
| Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects          | \$120  |

*Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

| <u>Minimum Full-Time Employment Requirements</u> | <u>(New / Retained Full-time Jobs)</u> |
|--|--|
| Tech start ups and manufacturing businesses      | 10 / 25                                |
| <b>Other targeted industries</b>                 | <b>25 / 35</b>                         |
| All other businesses/industries                  | 35 / 50                                |

*Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

| <b>Eligibility</b> | <b>Minimum Requirement</b> | <b>Proposed by Applicant</b> |
|--------------------|----------------------------|------------------------------|
| Capital Investment | \$520,000                  | \$1,427,030                  |
| New Jobs           | 25                         | 55                           |
| Retained Jobs      | 35                         | 0                            |

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

| <b>Base Grant</b>              | <b>Requirement</b>   | <b>Proposed by Applicant</b>                               |
|--------------------------------|--|--|
| Urban Transit Hub Municipality | Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality | Jersey City is a designated Urban Transit Hub Municipality |
| <b>Increase(s) Criteria</b>    |  |  |
| Transit Oriented Development   | An increase of \$2,000 per job for a project locating in a   | 111 Town Square Place is located in a Transit Oriented     |

|   |   |  |
|---|---|--|
|   | Transit Oriented Development  | Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station.      |
| Jobs with Salary in Excess of County/GSGZ Average | An increase of \$250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500  | The proposed median salary of \$90,000 exceeds the County median salary by 86.4% resulting in an increase of \$500 per year. |
| Targeted Industry                                 | An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Finance business.   |

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

| PROJECT TYPE   | GRANT CALCULATION  |
|--|--|
| Project located in a Garden State Growth Zone  | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area   | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| <b>All other projects</b>  | <p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> <li>- ½ of the Grant Calculation for New Full-Time Jobs (<math>1/2 * \\$8,000 = \\$4,000</math>) or</li> <li>- <b>The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (<math>\\$1,427,030 / 10 / (55 + 0) = \\$2,594</math>)</b></li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p> |

| <u>Grant Calculation</u>                                 |                            |                         |
|--|----------------------------|-------------------------|
| <b>BASE GRANT PER EMPLOYEE:</b>                          |                            |                         |
| Urban Transit HUB Municipality                           |                            | \$ 5,000                |
| <b>INCREASES PER EMPLOYEE:</b>                           |                            |                         |
| Transit Oriented Development:                            | \$ 2,000                   |                         |
| Jobs with Salary in Excess of County Average:            | \$ 500                     |                         |
| Targeted Industry (Finance):                             | \$ 500                     |                         |
| <b>INCREASE PER EMPLOYEE:</b>                            |                            | <u>\$ 3,000</u>         |
| <b>PER EMPLOYEE LIMIT:</b>                               |                            |                         |
| Urban Transit HUB Municipality                           | \$12,000                   |                         |
| <b>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</b> |                            | \$ 8,000                |
| <b>AWARD:</b>  |                            |                         |
| New Jobs:  | 55 Jobs X \$8,000 X 100% = | \$440,000               |
| Retained Jobs:   | 0 Jobs X \$2,594 X 100% =  | <u>\$ 0</u>             |
|  | <b>Total:</b>              | <b>\$440,000</b>        |
| <b>ANNUAL LIMITS:</b>                                    |                            |                         |
| Urban Transit HUB Municipality                           | \$10,000,000               |                         |
| <b>TOTAL ANNUAL AWARD</b>                                |                            | <u><b>\$440,000</b></u> |

**PROJECT IS:** ( X ) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 1,427,030

**EXPECTED PROJECT COMPLETION:** November 30, 2016

**SIZE OF PROJECT LOCATION:** 13,000 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial

**CONSTRUCTION:** ( X ) Yes ( ) No

**NEW FULL-TIME JOBS:** 55

**RETAINED FULL-TIME JOBS:** 0

**STATEWIDE BASE EMPLOYMENT:** 0

|  |           |
|--|-----------|
| <b>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</b> | N/A       |
| <b>MEDIAN WAGES:</b>   | \$ 90,000 |

|  |               |
|--|---------------|
| <b>GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):</b> | \$ 11,368,221 |
| <b>TOTAL AMOUNT OF AWARD:</b>                                      | \$ 4,400,000  |
| <b>NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):</b>     | \$ 6,968,221  |

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

**APPROVAL REQUEST:**

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Conifer Asset Solutions, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** M. Peters

**APPROVAL OFFICER:** D. Poane



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

**APPLICANT:** Symrise, Inc. P41647

**PROJECT LOCATION:** 170, 172, 180 Industrial Parkway Branchburg Township Somerset County  
300 North Street Teterboro Borough Bergen County

**GOVERNOR’S INITIATIVES:**

NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**

Symrise, Inc., formed as a result of the merger of Haarmann & Reimer Corporation and Dragoco, Inc. in 2003 and headquartered in Holzminden, Germany, develops and produces fragrances and flavoring agents. The company currently has 5,670 employees operating in 36 countries serving the perfume, cosmetics and food industries, as well as manufacturers of household products. The company also provides biofunctional and bioactive ingredients and substances to the health and personal care sector. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**

The applicant is evaluating site locations to expand and renovate its owned facilities at the current locations in Branchburg and Teterboro, NJ or to relocate its operations currently in NJ to Goose Creek, SC. If the applicant were to select the SC location, it would purchase an additional parcel in the industrial park in which it currently operates, on which it would erect a 121,204 SF office building. The applicant would also lease an additional parcel and purchase an existing 1 million SF facility in the same industrial park, in which it would renovate 272,154 SF of production space. Should the applicant select NJ for its planned expansion, it would expand the Branchburg facility by 127,755 SF, and renovate the 190,225 SF Teterboro location. The project consists of the creation of 60 new full-time jobs, and the retention of 117 jobs in the Branchburg location, and the retention of 347 jobs in the Teterboro location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Symrise, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Achim Daub, the Global President of Symrise, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$136.3 million over the 20 year period required by the Statute.

**FINDING OF JOBS AT RISK:**

The applicant has certified that the 464 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 31, 2018 because the applicant anticipates completing its expansion project by this date. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

**ELIGIBILITY AND GRANT CALCULATION:**

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

| <u>Minimum Capital Investment Requirements - Branchburg Township</u>  | (\$/Square Foot<br>of Gross Leasable Area) |
|---|--|
| <b>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</b>   | <b>\$ 20</b>                               |
| Industrial/Warehouse/Logistics/R&D - New Construction Projects  | \$ 60                                      |
| Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects  | \$ 40                                      |
| Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects  | \$120                                      |
| <i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

| <u>Minimum Capital Investment Requirements - Teterboro Borough</u>  | (\$/Square Foot<br>of Gross Leasable Area) |
|---|--|
| Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects  | \$ 20                                      |
| Industrial/Warehouse/Logistics/R&D - New Construction Projects  | \$ 60                                      |
| <b>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</b>   | <b>\$ 40</b>                               |
| Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects  | \$120                                      |
| <i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

| <u>Minimum Full-Time Employment Requirements</u>  | (New / Retained Full-time Jobs) |
|---|---------------------------------|
| Tech start ups and <b>manufacturing businesses</b>  | <b>10 / 25</b>                  |
| Other targeted industries   | 25 / 35                         |
| All other businesses/industries   | 35 / 50                         |
| <i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |                                 |

As an Industrial - Rehabilitation Project in Somerset County, and a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project in Bergen County for a manufacturing business, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

| <b>Eligibility</b>                | <b>Minimum Requirement</b> | <b>Proposed by Applicant</b> |
|-----------------------------------|----------------------------|------------------------------|
| Capital Investment - Branchburg   | \$4,992,860                | \$66,210,484                 |
| Capital Investment - Teterborough | \$7,609,000                | \$7,700,000                  |
| New Jobs                          | 10                         | 60                           |
| Retained Jobs                     | 25                         | 464                          |

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project at the **Branchburg Township** location has been deemed eligible for a Base Award and Increases based on the following:

| <b>Base Grant</b>                                  | <b>Requirement</b>  | <b>Proposed by Applicant</b>   |
|--|---|--|
| Priority Area                                      | Base award of \$3,000 per year for projects located in a designated Priority Area   | Branchburg is a designated Priority Area   |
| <b>Increase(s) Criteria</b>                        |   |  |
| Capital Investment in Excess of Minimum (non-Mega) | An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000   | The proposed capital investment of \$66,210,484 is 1,226% above the minimum capital investment resulting in an increase of \$3,000 per year. |
| Large Number of New/Retained Full-Time Jobs        | An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs    | The applicant is proposing to create/retain 524 Full-Time Jobs at the project location resulting in an increase of \$750.                    |
| Targeted Industry                                  | An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Manufacturing business.   |

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project at the **Teterboro Borough** location has been deemed eligible for a Base Award and Increases based on the following:

| <b>Base Grant</b>            | <b>Requirement</b>  | <b>Proposed by Applicant</b>  |
|------------------------------|---|---|
| Priority Area                | Base award of \$3,000 per year for projects located in a designated Priority Area       | Teterboro is a designated Priority Area   |
| <b>Increase(s) Criteria</b>  |   |   |
| Transit Oriented Development | An increase of \$2,000 per job for a project locating in a Transit Oriented Development | 300 North Street, Boro of Teterboro is located in a Transit Oriented Development by virtue of being |

|   |   |   |
|---|---|---|
|   |   | within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.   |
| Jobs with Salary in Excess of County/GSGZ Average | An increase of \$250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500  | The proposed median salary of \$99,394 exceeds the Bergen County median salary by 63.8% resulting in an increase of \$250 per year. |
| Large Number of New/Retained Full-Time Jobs       | An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs    | The applicant is proposing to create/retain 524 Full-Time Jobs at the project location resulting in an increase of \$750.           |
| Targeted Industry                                 | An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Manufacturing business.  |

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for the **Branchburg Township** location of this project will be based upon the following:

| PROJECT TYPE   | GRANT CALCULATION   |
|--|---|
| Project located in a Garden State Growth Zone  | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area   | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| All other projects   | The Retained Full-Time Jobs will receive the lesser of:<br>- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$7,250 = \$3,625) or       |

- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ( $\$66,210,484 / 10 / (60 + 117) = \$37,407$ )

In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for the **Teterboro Borough** location of this project will be based upon the following:

| PROJECT TYPE   | GRANT CALCULATION  |
|--|--|
| Project located in a Garden State Growth Zone  | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area   | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.  |
| <b>All other projects</b>  | <p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> <li>- <math>\frac{1}{2}</math> of the Grant Calculation for New Full-Time Jobs (<math>1/2 * \\$6,500 = \\$3,250</math>) or</li> <li>- <b>The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs</b> (<math>\\$7,700,000 / 10 / (0 + 347) = \\$2,219</math>)</li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p> |

Grant Calculation - Branchburg Township

**BASE GRANT PER EMPLOYEE:**

|               |          |
|---------------|----------|
| Priority Area | \$ 3,000 |
|---------------|----------|

**INCREASES PER EMPLOYEE:**

|   |          |  |
|---|----------|--|
| Capital Investment in Excess of Minimum (non-Mega): | \$ 3,000 |  |
| Large Number of New/Retained F/T Jobs:              | \$ 750   |  |
| Targeted Industry (Manufacturing):                  | \$ 500   |  |

|                               |                 |
|-------------------------------|-----------------|
| <b>INCREASE PER EMPLOYEE:</b> | <u>\$ 4,250</u> |
|-------------------------------|-----------------|

**PER EMPLOYEE LIMIT:**

|               |          |
|---------------|----------|
| Priority Area | \$10,500 |
|---------------|----------|

|  |          |
|--|----------|
| <b>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</b> | \$ 7,250 |
|--|----------|

**AWARD:**

|                |                            |                   |
|----------------|----------------------------|-------------------|
| New Jobs:      | 60 Jobs X \$7,250 X 100% = | \$ 435,000        |
| Retained Jobs: | 117 Jobs X \$7,250 X 50% = | <u>\$ 424,125</u> |
|                | <b>Total:</b>              | <b>\$859,125</b>  |

**ANNUAL LIMITS:**

|  |                          |
|--|--------------------------|
| Priority Area (Est. 90% Withholding Limit) | \$ 4,000,000/(\$255,437) |
|--|--------------------------|

|                           |                          |
|---------------------------|--------------------------|
| <b>TOTAL ANNUAL AWARD</b> | <u><b>\$255,437*</b></u> |
|---------------------------|--------------------------|

\* The Applicant has selected the total annual award based on the estimated 90% withholding limit rather than the statutorily calculated award.

**Grant Calculation - Teterboro Borough**

**BASE GRANT PER EMPLOYEE:**

Priority Area \$ 3,000

**INCREASES PER EMPLOYEE:**

|   |          |  |
|---|----------|--|
| Transit Oriented Development:                 | \$ 2,000 |  |
| Jobs with Salary in Excess of County Average: | \$ 250   |  |
| Large Number of New/Retained F/T Jobs:        | \$ 750   |  |
| Targeted Industry (Manufacturing):            | \$ 500   |  |

**INCREASE PER EMPLOYEE:** \$ 3,500

**PER EMPLOYEE LIMIT:**

Priority Area \$10,500

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** \$ 6,500

**AWARD:**

|                |                             |                  |
|----------------|-----------------------------|------------------|
| New Jobs:      | 0 Jobs X \$6,500 X 100% =   | \$ 0             |
| Retained Jobs: | 347 Jobs X \$2,219 X 100% = | <u>\$769,993</u> |

**Total:** **\$769,993**

**ANNUAL LIMITS:**

Priority Area (Est. 90% Withholding Limit) \$ 4,000,000/(\$1,194,643)

**TOTAL ANNUAL AWARD** **\$769,993**

|  |                |                 |
|--|----------------|-----------------|
| <b>PROJECT IS:</b> ( X ) Expansion   | ( ) Relocation |                 |
| <b>ESTIMATED ELIGIBLE CAPITAL INVESTMENT (BRANCHBURG TOWNSHIP):</b>        |                | \$ 66,210,484   |
| <b>ESTIMATED ELIGIBLE CAPITAL INVESTMENT (TETERBORO BOROUGH):</b>          |                | \$ 7,700,000    |
| <b>EXPECTED PROJECT COMPLETION:</b>  |                | March 31, 2018  |
| <b>SIZE OF PROJECT LOCATION (BRANCHBURG TOWNSHIP):</b>                     |                | 249,643 sq. ft. |
| <b>SIZE OF PROJECT LOCATION (TETERBORO BOROUGH):</b>                       |                | 190,225 sq. ft. |
| <b>NEW BUILDING OR EXISTING LOCATION?</b>                                  |                | Existing        |
| <b>INDUSTRIAL OR NON-INDUSTRIAL FACILITY (BRANCHBURG TOWNSHIP)?</b>        |                | Industrial      |
| <b>INDUSTRIAL OR NON-INDUSTRIAL FACILITY (TETERBORO BOROUGH)?</b>          |                | Non-Industrial  |
| <b>CONSTRUCTION:</b> ( X ) Yes   | ( ) No         |                 |
| <b>NEW FULL-TIME JOBS:</b>   |                | 60              |
| <b>RETAINED FULL-TIME JOBS:</b>  |                | 464             |
| <b>STATEWIDE BASE EMPLOYMENT:</b>  |                | 508             |
| <b>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</b>               |                | N/A             |
| <b>MEDIAN WAGES (BRANCHBURG TOWNSHIP):</b>                                 |                | \$ 60,265       |
| <b>MEDIAN WAGES (TETERBORO BOROUGH):</b>                                   |                | \$ 99,394       |
| <b>GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):</b>         |                | \$146,624,977   |
| <b>TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT<br/>90% OF WITHHOLDINGS)</b> |                | \$ 10,254,300   |
| <b>NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):</b>             |                | \$136,370,677   |
| <b>ELIGIBILITY PERIOD:</b>   |                | 10 years        |

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. For purposes of the project completion certification and annual reports required pursuant to the incentive agreement, the applicant shall meet the employment requirements related to the retained full-time jobs at each building before receiving benefits for new full-time jobs at any building. The applicant shall include as a retained full-time job a new eligible position that is filled by a full-time employee, regardless of the location of such position, provided that the position is included in the order of date of hire and is not the basis for any other incentive award, and shall be paid at the lower of (a) the tax credit for the new eligible position filled by a full-time employee or (b) the tax credit for the retained full-time job that no longer exists.

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 31, 2018; 2) approve the proposed Grow New Jersey grant to encourage Symrise, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** M. Abraham

**APPROVAL OFFICER:** D. Poane





creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$47.5 million over the 20 year period required by the Statute.

### FINDING OF JOBS AT RISK:

The applicant has certified that the 291 New Jersey jobs listed in the application are at risk of being located outside the State on or before November 15, 2016, the termination date of its current lease extension. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

### ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

| <u>Minimum Capital Investment Requirements</u>  | <u>(\$/Square Foot of Gross Leasable Area)</u> |
|---|--|
| Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects  | \$ 20  |
| Industrial/Warehouse/Logistics/R&D - New Construction Projects  | \$ 60  |
| <b>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</b>   | <b>\$ 40</b>                                   |
| Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects  | \$120  |
| <i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

| <u>Minimum Full-Time Employment Requirements</u>  | <u>(New / Retained Full-time Jobs)</u> |
|---|--|
| Tech start ups and manufacturing businesses   | 10 / 25                                |
| <b>Other targeted industries</b>  | <b>25 / 35</b>                         |
| All other businesses/industries   | 35 / 50                                |
| <i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business in Morris County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

| <b>Eligibility</b> | <b>Minimum Requirement</b> | <b>Proposed by Applicant</b> |
|--------------------|----------------------------|------------------------------|
| Capital Investment | \$2,630,320                | \$3,421,729                  |
| New Jobs           | 25                         | 54                           |
| Retained Jobs      | 35                         | 291                          |

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

| Base Grant                                  | Requirement   | Proposed by Applicant   |
|---|---|---|
| Priority Area                               | Base award of \$3,000 per year for projects located in a designated Priority Area   | Parsippany-Troy Hills is a designated Priority Area   |
| <b>Increase(s) Criteria</b>                 |   |   |
| Large Number of New/Retained Full-Time Jobs | An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs    | The applicant is proposing to create/retain 345 Full-Time Jobs at the project location resulting in an increase of \$500. |
| Targeted Industry                           | An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Technology business.   |

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

| PROJECT TYPE   | GRANT CALCULATION   |
|--|---|
| Project located in a Garden State Growth Zone  | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.   |
| A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area   | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.   |
| The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.   |
| All other projects   | <p><b>The Retained Full-Time Jobs will receive the lesser of:</b></p> <ul style="list-style-type: none"> <li>- <math>\frac{1}{2}</math> of the Grant Calculation for New Full-Time Jobs (<math>\frac{1}{2} * \\$4,000 = \\$2,000</math>) or</li> <li>- <b>The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs</b> (<math>\\$3,421,729 / 10 / (54 + 291) = \\$991</math>)</li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment</p> |

than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**

Priority Area \$ 3,000

**INCREASES PER EMPLOYEE:**

Large Number of New/Retained F/T Jobs: \$ 500

Targeted Industry (Technology): \$ 500

**INCREASE PER EMPLOYEE:**

\$ 1,000

**PER EMPLOYEE LIMIT:**

Priority Area \$10,500

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**

\$ 4,000

**AWARD:**

New Jobs: 54 Jobs X \$4,000 X 100% = \$216,000

Retained Jobs: 291 Jobs X \$ 991 X 100% = \$288,381

**Total: \$504,381**

**ANNUAL LIMITS:**

Priority Area (Est. 90% Withholding Limit) \$ 4,000,000/(\$587,373)

**TOTAL ANNUAL AWARD**

**\$504,381**

**PROJECT IS:** (X) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:**

\$ 3,421,729

**EXPECTED PROJECT COMPLETION:**

November 16, 2016

**SIZE OF PROJECT LOCATION:**

65,758 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?**

Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?**

Non-Industrial

**CONSTRUCTION:** (X) Yes ( ) No

**NEW FULL-TIME JOBS:**

54

**RETAINED FULL-TIME JOBS:**

291

**STATEWIDE BASE EMPLOYMENT:**

342

**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** Parsippany-Troy Hills

**MEDIAN WAGES:**

\$ 60,000

|  |               |
|--|---------------|
| <b>GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):</b>         | \$ 52,506,428 |
| <b>TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT<br/>90% OF WITHHOLDINGS)</b> | \$ 5,043,810  |
| <b>NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):</b>             | \$ 47,462,618 |

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before November 15, 2016; 2) approve the proposed Grow New Jersey grant to encourage Tangoe, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** Maggie Peters

**APPROVAL OFFICER:** Mark Chierici



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

**APPLICANT:** United States Fire Insurance Company P42217

**PROJECT LOCATION:** 101 Hudson Street Jersey City Hudson County

**GOVERNOR’S INITIATIVES:**

NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**

United States Fire Insurance Company (US Fire) has been a licensed insurance company since 1824, and has maintained its main administrative office in New Jersey since 1971. US Fire is a wholly owned subsidiary of Crum & Forster Holdings Corporation (C&F Holdings) which also maintains its main administrative office in New Jersey. US Fire and its affiliated insurance companies within C&F Holdings are marketed under the Crum & Forster brand. Specialty products and coverages are available in the areas of risk management, umbrella and excess liability, ocean marine and cargo insurance, energy exploration and production, environmental and professional liability and crime. Middle markets insurance products include commercial automobile, general liability, workers’ compensation and commercial package. All personnel of US Fire and its affiliated insurance companies are employees of US Fire. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**

US Fire currently operates out of its headquarters in Morristown, New Jersey and ten regional offices across the country. These regional offices include an existing facility in Lower Manhattan currently housing approximately 200 employees performing a variety of management and back office functions. The space in Lower Manhattan comprises 43,000 square feet divided evenly across two floors. US Fire has identified a 35,040 square foot facility in Jersey City that would house 70 of the existing Lower Manhattan employees immediately, with 30 additional jobs created prior to 2018. Alternatively, if the Grow New Jersey award is not granted US Fire will remain at its Lower Manhattan location until the lease expires in 2020 and potentially exercise the renewal option in the current lease. The proposed Jersey City project is expected to result in capital investment of \$4.7 million.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of US Fire has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Marc Adee, the CEO of United States Fire Insurance Company, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation

and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$60.8 million over the 20 year period required by the Statute.

**ELIGIBILITY AND GRANT CALCULATION:**

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

| <u>Minimum Capital Investment Requirements</u>  | <u>(\$/Square Foot of Gross Leasable Area)</u> |
|---|--|
| Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects  | \$ 20  |
| Industrial/Warehouse/Logistics/R&D - New Construction Projects  | \$ 60  |
| <b>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</b>   | <b>\$ 40</b>                                   |
| Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects  | \$120  |
| <i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

| <u>Minimum Full-Time Employment Requirements</u>  | <u>(New / Retained Full-time Jobs)</u> |
|---|--|
| Tech start ups and manufacturing businesses   | 10 / 25                                |
| <b>Other targeted industries</b>  | <b>25 / 35</b>                         |
| All other businesses/industries   | 35 / 50                                |
| <i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i> |  |

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project, for an other targeted industry business, in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

| <b>Eligibility</b> | <b>Minimum Requirement</b> | <b>Proposed by Applicant</b> |
|--------------------|----------------------------|------------------------------|
| Capital Investment | \$1,401,600                | \$4,658,240                  |
| New Jobs           | 25                         | 100                          |
| Retained Jobs      | 35                         | 0                            |

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

| Base Grant  | Requirement   | Proposed by Applicant   |
|---|---|---|
| Urban Transit Hub Municipality                    | Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality  | Jersey City is a designated Urban Transit Hub Municipality  |
|   |   |   |
| Increase(s) Criteria                              |   |   |
| Transit Oriented Development                      | An increase of \$2,000 per job for a project locating in a Transit Oriented Development   | 101 Hudson Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station |
| Jobs with Salary in Excess of County/GSGZ Average | An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500  | The proposed median salary of \$93,500 exceeds the Hudson County median salary by 92.7% resulting in an increase of \$500 per year.                                       |
| Targeted Industry                                 | An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Finance business.  |

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

| PROJECT TYPE   | GRANT CALCULATION   |
|--|---|
| Project located in a Garden State Growth Zone  | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area   | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster | The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits. |
| <b>All other projects</b>  | The Retained Full-Time Jobs will receive the lesser of:   |

**\$8,000 = \$4,000) or**

- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$4,658,240/ 10 / (100 + 0) = \$4,658)

In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**

Urban Transit HUB Municipality \$ 5,000

**INCREASES PER EMPLOYEE:**

Transit Oriented Development: \$ 2,000  
 Jobs with Salary in Excess of County Average: \$ 500  
 Targeted Industry (Finance): \$ 500

**INCREASE PER EMPLOYEE:** \$ 3,000

**PER EMPLOYEE LIMIT:**

Urban Transit HUB Municipality \$12,000

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** \$ 8,000

**AWARD:**

New Jobs: 100 Jobs X \$8,000 X 100% = \$ 800,000  
 Retained Jobs: 0 Jobs X \$8,000 X 50% = \$ 0,000

**Total: \$800,000**

**ANNUAL LIMITS:**

Urban Transit HUB Municipality \$10,000,000

**TOTAL ANNUAL AWARD \$ 800,000**

**PROJECT IS:** (X) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 4,658,240

**EXPECTED PROJECT COMPLETION:** November 15, 2017

**SIZE OF PROJECT LOCATION:** 35,040 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial

**CONSTRUCTION:** (X) Yes ( ) No

**NEW FULL-TIME JOBS:** 100  
**RETAINED FULL-TIME JOBS:** 0  
**STATEWIDE BASE EMPLOYMENT:** 590  
**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** N/A  
**MEDIAN WAGES:** \$ 93,500

**GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):** \$ 68,796,779  
**TOTAL AMOUNT OF AWARD:** \$ 8,000,000  
**NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):** \$ 60,796,779

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

**APPROVAL REQUEST:**

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage United States Fire Insurance Company to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** Diane Ubinger

**APPROVAL OFFICER:** Kevin DeSmedt



**GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS**





## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura  
President and Chief Operating Officer

**DATE:** March 11, 2016

**SUBJECT:** Grow New Jersey Extension Request for EMR Eastern LLC  
Application P41233

### **MODIFICATION REQUEST**

The Board approved EMR Eastern LLC (“EMR”) for a \$252,750,000 Grow New Jersey Grant Award on September 10, 2015. Due to a number of factors affecting the project schedule, the company is requesting an extension of its deadline to complete its project and the issuance of the accompanying tax credits from September 10, 2018 to September 10, 2019.

### **BACKGROUND:**

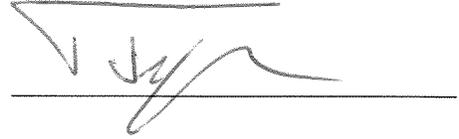
On September 10, 2015, EMR Eastern LLC was approved for a Grow New Jersey Award to establish a Recovery, Reuse & Recycling Campus, comprised with a corporate headquarters, a scrap metal procurement and handling facility and a waste to energy facility with an industrial gasification system. The Project is expected to retain 62 full-time NJ jobs new to Camden and create 285 new full-time jobs.

The Grow New Jersey program calls for projects to be completed and the accompanying tax credits issued within three years of the Authority’s approval of the project. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the tax credit issuance date occur later than four years following the date of approval by the Authority.

In order to complete parts of the Project, EMR will need to obtain certain permits from the Dept. of Environmental Protection, including but not limited to, storm water construction and operation permits, auto dismantling permits and new downstream separation air permits. Due to the additional time EMR will need to produce and file all the necessary documentation and the additional due diligence for the permitting process, as well as the overall complexity involved in constructing and equipping the facility, EMR has requested for the Authority to grant the two six-month extensions. Staff approved the first six-month extension to March 10, 2019 and requests the Members to approve the second extension to September 10, 2019.

**RECOMMENDATION:**

Based on the above, staff recommends the Modification Request allowing EMR Eastern LLC the additional six month extension to complete the project and submit the certified public accountant certificate for the issuance of the tax certificate.

A handwritten signature in black ink, appearing to be 'T. Wells', is written over a horizontal line. The signature is stylized and cursive.

Prepared by: T. Wells

**COMBINATION PRELIMINARY AND BOND RESOLUTIONS**



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

**APPLICANT:** Yeshiva Shagas Aryeh, Inc.

P41030

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 975 West Cross Street Lakewood Township (T/UA) Ocean

**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Yeshiva Shagas Aryeh, Inc., a 501(c)(3) not-for-profit organization established in 2006, operates a boy's elementary school, grades kindergarten through 8. The school includes 550 students in a 30,000 sq. ft. building. Rabbi Shlomo Kanarek is the President. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

The applicant is a 501(c)(3) not-for-profit entity for which the Authority may issue tax exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to refinance conventional debt plus pay a portion of the costs of issuance. The difference in the project costs and the bond amount will be funded by the Applicant.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Fulton Bank of New Jersey (Direct Purchase)

**AMOUNT OF BOND:** \$3,600,000 (max.) Tax-exempt bond

**TERMS OF BOND:** 25 years; Fixed interest rate for five years based on the tax-exempt equivalent of the 5 yr. Federal Home Loan Bank of New York rate plus 2.25%; subject to rate reset at the same index and call options every 5 years until maturity. Estimated tax-exempt rate as of 2/3/16 is 2.80%.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

|                    |                    |
|--------------------|--------------------|
| Refinancing        | \$4,700,000        |
| Finance fees       | \$36,000           |
| Legal fees         | \$35,000           |
| <b>TOTAL COSTS</b> | <b>\$4,771,000</b> |

**JOBS:** At Application      19 Within 2 years      10 Maintained      0 Construction      0

**PUBLIC HEARING:** 03/24/16 (Published 03/08/16)      **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

**DEVELOPMENT OFFICER:** M. Athwal      **APPROVAL OFFICER:** T. Wells



## **PRELIMINARY RESOLUTIONS**



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

**APPLICANT:** MSC Vine Street LLC

P42262

**PROJECT USER(S):** Mastery Schools of Camden, Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** Various

Camden City (T/UA)

Camden

**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

MSC Vine Street LLC was recently formed to hold title to real estate for the benefit of schools operated by Mastery Charter Schools ("Mastery"). Mastery is a nationally recognized leader in school transformation and currently operates 21 charter schools serving 12,000 students in Philadelphia, PA and Camden, NJ. Mastery stands out for its skill at taking violent, low performing schools and turning the schools into high performing, supportive community schools. Robert Victor is the Board Chair for Mastery Charter Schools in Philadelphia and Scott Gordon is the CEO of Mastery.

Mastery Schools of Camden, Inc. ("Mastery Camden"), a 501(c)(3) organization, is the newest branch of Mastery, opened in the Fall of 2014 as a renaissance school project as approved and defined under the educational initiatives of the NJ Urban Hope Act. Mastery Camden is in good standing with the NJ Department of Education. Judy Tschirgi is the Chair of Mastery Camden.

Mastery Schools of Camden plans to operate a network of five schools (four elementary and one secondary) serving pre-K through 12th grade students in Camden. As of the Fall of 2015, Mastery Camden serves 1,400 students in grades K-8 in Camden at the following schools and locations: (1) Cramer Hill Elementary (grades K-3) located at 1033 Cambridge St.; (2) North Camden Elementary School (grades K-5) at 800 Erie St.; (3) McGraw Elementary school (grades K-5) at 3051 Fremont St.; (4) Molina Elementary School (grades K-8) at 601 Vine St.; and (5) East Camden Middle School (grades 6-8) at 3064 Stevens St.

The first two locations (Cramer Hill and North Camden) are temporary. Students at these two locations will move to the newly constructed Cramer Hill Elementary School in the fall of 2017. This new elementary school at East State Street and River Avenue, Camden is owned by MSC State & River LLC and was financed through proceeds from the closing of the \$42.9 million Qualified School Construction Bond issuance in December 2015 (Appl. P40717). This is the anchor project for Mastery Schools of Camden.

The project will be occupied by Mastery Schools of Camden, Inc., a 501(c)(3) not-for-profit entity. The bonds are expected to be issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986.

**APPROVAL REQUEST:**

Authority assistance will enable the Applicant to finance substantial renovations at four existing Camden school facilities: East Camden Middle, McGraw Elementary, Molina Elementary and North Camden High School at Pyne Poynt. Renovations include replacement or major repair to building systems and life and safety upgrades as well as work to update and increase number of classrooms and meeting spaces.

In the event that there are remaining funds after completion of renovations to the four existing schools, an additional renovation project may be completed at a fifth site, Molina Annex located at 700 N. Stevens St., which houses overflow students. Renovations would be comprised primarily to classrooms and bathrooms.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

|                                   |                            |
|-----------------------------------|----------------------------|
| Renovation of existing building   | \$25,245,000               |
| Original Issue Discount           | \$10,960,000               |
| Finance fees                      | \$1,075,000                |
| Purchase of equipment & machinery | \$700,000                  |
| Legal fees                        | \$575,000                  |
| Interest during construction      | \$425,000                  |
| <b>TOTAL COSTS</b>                | <u><u>\$38,980,000</u></u> |

**JOBS:** At Application                      97 Within 2 years                      53 Maintained                      0 Construction                      209

**PUBLIC HEARING:**

**DEVELOPMENT OFFICER:** D. Bennis

**BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

**APPROVAL OFFICER:** T. Wells

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

**APPLICANT:** Uncommon CP Properties II, LLC

P42263

**PROJECT USER(S):** Camden Prep, Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 1575 Mt. Ephraim Avenue      Camden City (T/UA)      Camden

**GOVERNOR'S INITIATIVES:** (X) Urban    ( ) Edison    ( ) Core    ( ) Clean Energy

**APPLICANT BACKGROUND:**

Uncommon CP Properties II, LLC, a wholly owned subsidiary of Uncommon Schools, Inc. ("USI"), provides real estate services and holds title to real estate projects for the benefit of the schools within the USI network. USI is a 501(c)(3) not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 42 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer and Norman Atkins is the Board Chair of USI.

In the Fall of 2014, Uncommon Schools launched its first charter school in Camden, Camden Prep, Inc. Currently located at 1575 Mt. Ephraim Ave., the School, (known as the Bonsall School) currently serves approximately 240 students in grades K-4. Camden Prep is a renaissance school project, approved and defined under the educational initiatives of the NJ Urban Hope Act. Bob Howitt is the President of Camden Prep. USI and Camden Prep are in good standing with the NJ Dept. of Education.

Uncommon Properties, LLC received preliminary bond approval in August 2015 to acquire several existing buildings in Camden located at 1675-1677 Haddon Avenue, 1683 Haddon Avenue, 1687-1689 Haddon Avenue and 370 W. Haddon Avenue - SL Copewood, demolish the buildings and construct a new 80,000 sq. ft. school, for up to 700 students in grades K-8.

Uncommon Properties and its affiliates have closed on several bond financings with the Authority for the benefit of North Star Academy Charter School of Newark, Inc., currently a network of ten public charter schools ("NSA Charter Schools"). In 2009, the Authority issued \$16.48 million of Qualified School Construction Bonds ("QSCBs") to build a new high school at 13-25 Central Ave., Newark (Appl. P29061). Proceeds of \$35,700,000 in QSCBs (Appl. P38413 & P38415) which closed in 2013, are being used to acquire NSA Valisburg Elementary & Middle School located on Hazelwood Ave. and for renovations at NSA Downtown Middle School and High School, located at 2 Washington Place, all in Newark.

In addition, Qualified Zone Academy Bonds were issued in the principal amounts of \$7,806,000 in 2012 (Appl. P37823), \$7,132,000 in 2013 (Appl. P38814), \$7,145,000 in 2014 (Appl. P40207) and \$7,145,000 in 2015 (Appl. P41792), proceeds of which will be utilized for various renovation projects at several NSA Charter Schools in Newark.

The project will be occupied by Camden Prep, Inc., a 501(c)(3) not-for-profit entity. The Bonds are expected to be issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986.

**APPROVAL REQUEST:**

Authority assistance will enable the Applicant to finance the substantial reconstruction of the existing Bonsall School, a 128,000 sq. ft. facility which is over 100 years old. Renovations include replacement or major repair of building systems (HVAC, electrical, plumbing) as well as life and safety upgrades. The Project is expected to occur in phases starting in December 2016.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

|                                 |                     |
|---------------------------------|---------------------|
| Renovation of existing building | \$24,390,000        |
| Original Issue Discount         | \$9,245,000         |
| Finance fees                    | \$1,130,000         |
| Legal fees                      | \$450,000           |
| Interest during construction    | \$380,000           |
| Furniture & Fixtures            | \$200,000           |
| <b>TOTAL COSTS</b>              | <b>\$35,795,000</b> |

**JOBS:** At Application                      42 Within 2 years                      33 Maintained                      0 Construction                      202

**PUBLIC HEARING:**

**BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

**DEVELOPMENT OFFICER:** D. Bennis

**APPROVAL OFFICER:** T. Wells

## **LOANS/GRANTS/GUARANTEES**



**NEW MARKETS LOAN PROGRAM**





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura, President and Chief Operating Officer

**DATE:** March 11, 2016

**SUBJECT:** Goodmill, LLC  
Millville, New Jersey  
\$22,500,000 New Market Tax Credit (NMTC) loan - P16938

**Request:**

Extend the maturity of the NMTC loan up to six (6) months, co-terminous with the senior loan, to allow time to refinance the first mortgage and restructure the NMTC loan.

**Background:**

Goodmill, LLC operates the 527,000 sq. ft. Union Lake Shopping Center ("Center") a leading regional shopping center in Millville, NJ. Currently 35 tenants occupy the site including Target, Kohls, Shop Rite, Buffalo Wild Wings & Pier One. The developer, Goodman Properties, was founded in 1985 by Bruce Goodman, a prominent developer in Pennsylvania with over 130 commercial properties.

In 2006, the Authority provided a \$22.5 million NMTC loan to the borrower to supplement a \$57 million loan from MidFirst Bank and \$8 million in equity to fund construction and permanent financing for the project.

Due to current real estate market conditions, the Center has not been able to achieve the revenue stream originally projected. While the Center is 94% occupied, several tenants have demanded rent concessions and/or reduced store sizes, resulting in reduced cash flow.

In May 2015, the Members approved an extension of the NMTC loan maturity from September 1, 2015 to April 1, 2016 to align with the NMTC loan maturity with that of the senior loan and to allow time the borrower to refinance the Center's debt. Goodmill is in negotiations with prospective lenders but needs additional time to finalize the financing and complete due diligence. As such, the borrower has requested an additional extension of the NMTC loan maturity for up to 6 months in conjunction with a co-terminus extension from Mid-First Bank.

The Borrower has indicated that they expect to obtain \$12.5 million from the new senior lender to repay EDA and has asked for the Authority to restructure the remaining \$10 million balance of the NMTC loan. Once the amount and terms of the senior loan are finalized, staff will work with the Borrower on this request. Pursuant to the restructuring guidelines approved by the Members in December 2014, staff will submit NMTC restructure requests to the Board for consideration.

**Recommendation:**

Consent to extension of maturity up to 6 months on the NMTC loan to allow the Borrower time to refinance the first mortgage and work with EDA on a possible restructure of the NMTC loan.

**Prepared by:** Mansi Naik

A handwritten signature in black ink, appearing to be 'Mansi Naik', is written over a horizontal line. The signature is fluid and cursive.



**CAMDEN ECONOMIC RECOVERY BOARD**





**To:** Members of the Board

**From:** Timothy Lizura, President and Chief Operating Officer

**Date:** March 11, 2016

**Subject:** Modifications for Previously Approved Projects and Suspension of Business Lease Incentive and Improvement Incentive Grant Programs

**Request**

The Members of the Authority are asked to 1) approve the extensions of the subject grants shown below to permit time to complete the projects, and 2) to modify the residential neighborhood improvement grant to NJ Housing and Mortgage Finance Agency (“HMFA”).

Additionally, the Members asked to consent to ending the Business Lease Incentive and Business Improvement programs due to anticipated deployment of all remaining ERB funds, and delegate authority to EDA staff (Level 3: SVP or Managing Director) to manage all remaining ERB commitments without further ERB board approval, unless noted herein.

The Members of the Economic Recovery Board approved the amendments and modifications on February 18, 2016, with the recommendation of NJEDA to approve the same. As such, the Members of the Authority are asked to approve the modifications and amendments.

**Background**

Since inception in 1995 the Camden Economic Recovery Board (“ERB”) has played a vital role in working to redevelop the various neighborhoods and promote economic growth in the City of Camden. As the redevelopment needs of the City have changed, staff has collaborated with the Camden Redevelopment Agency (“CRA”) and other grant recipients to evaluate the status of projects underway.

On June 9, 2015, the Members approved various modifications, extensions and recovery of grants for 14 ERB projects. Presently, Camden Redevelopment Agency, and other grant recipients have requested additional time and/or other modifications needed to complete their projects.

Staff has reviewed the requests for all of the projects for consistency with the Municipal Rehabilitation and Recovery Act, P.L. 2002 C. 43 and the Strategic Revitalization Plan, adopted

by the Board at its June 20, 2003 meeting, and affirms that the projects meet the eligibility statutory requirements to enhance and revitalize the City of Camden.

**Modifications/Extensions:**

| Projects   | Original Approval   | Undisbursed        | Request   | New Maturity           |
|--|---------------------|--------------------|---|------------------------|
| CAMDEN REDEVELOPMENT AGENCY  |                     |                    |   |                        |
| Tire & Battery Remediation – P20266  | \$700,000           | \$194,670          | Maturity extension for 12 months                              | 3/31/2017              |
| Building 8/Radio Lofts – P17493  | \$1,997,716         | \$315,029          | Maturity extension of 12 months                               | 3/31/2017              |
| Central Waterfront Housing & Temporary Parking – P16137                                      | \$5,000,000         | \$83,577           | Maturity extension of 12 months                               | 6/30/2017              |
| Neighborhood & Redevelopment Planning Grant I - P 15686 and Planning Grant Phase II - P16904 | \$1,168,997         | \$370,076          | Maturity extension of 12 months                               | 9/30/2017              |
| Mixed Site Acquisition – P20265 and Cooper Plaza Acquisition – P20263                        | \$3,094,925         | \$971,720          | Maturity extension of 12 months                               | 6/30/2017              |
| OTHER PROJECT RECIPIENTS   |                     |                    |   |                        |
| Coopers Hill Housing Development, LLC – P20891   | \$3,854,260         | \$2,744,451        | Continuation of grant funding with change in funding sources. | 08/01/2023 (no change) |
| Community Loan Fund of New Jersey (POWER) – P35126   | \$500,000           | \$166,668          | Maturity extension for 6 months                               | 6/30/2016              |
| New Jersey Housing and Mortgage Finance Agency (HMFA - CHIP) – P16969                        | \$8,500,000         | \$0                | Increase in administration fee cap by \$100,000 to \$800,000. | 3/1/2017               |
| <b>Totals</b>  | <b>\$24,815,898</b> | <b>\$4,846,191</b> |   |                        |

**1. Tire and Battery Remediation – P20266**

Consent to a grant maturity extension for the remaining \$194,670 for 12 months to March 31, 2017 to complete the final stages of monitoring and obtain final DEP approval of the clean up.

**2. Building 8/Radio Lofts – P17493**

Consent to a 12-month extension to March 31, 2017 to seek additional clean-up funding and to align with the Economic Opportunity Act application deadline. This project is ongoing with a total of \$1,682,687 being disbursed and the remaining \$315,029 expected to be needed as the clean-up continues.

**3. Central Waterfront Housing & Temporary Parking – P16137**

Consent to a 12-month extension of the recoverable grant maturity date to June 30, 2017 to acquire 5 properties for surplus parking areas serving the BB&T Center. This project is ongoing with \$4,916,423 being disbursed and the remaining \$83,577 expected to be needed in the next year.

**4. Neighborhood & Redevelopment Planning Grants I and II– P15686 and P16904**

Consent to a 12-month extension of the grant maturity date to September 30, 2017 to meet the City’s evolving planning priorities. The Members consented to the combination of grant funds for Planning Grant Phase I and Planning Grant Phase in May 2015. Whitman Park Redevelopment Study and Plan is complete for submission to the City’s Planning Board and City Council for adoption in 2016. Presently, \$370,076 in combined funded remains and is expected to be needed in the next year.

**5. Mixed Site Acquisition – P20265 /Cooper Plaza Acquisition – P20263**

Approval for the combination of grant funds for Mixed Site Acquisition and Cooper Plaza Acquisition was granted in May 2015. Presently the members are asked to consent to a 12-month extension of the grant maturity date to June 30, 2017 to continue to meet the City's ongoing land assembly efforts. The remaining \$971,720 is expected to be needed in the next year. Land assembly efforts are expected to include 8 privately owned dilapidated structures in the Cooper Lanning area. An additional 22 properties in that area are already owned by CRA. A vacant property with a value of \$625,000, in the Whitman Park area has also been identified for purchase with a potential future use of a 50-unit residential and mixed-use building. The property negatively affects the transit oriented development strategy of the City in a PATCO assessable area.

**6. Coopers Hill Housing Development, LLC – P20891**

Consent to a change in the project funding for the "Pierre Building" market rate rental housing project and extension of the deadline to finalize funding commitments to December 31, 2016. CCHD applied for historic tax credits, but was initially denied. They are appealing the decision and are willing to change the project plans in order to be awarded these credits. Once these credits have been awarded, the project budget can be finalized and CCHD can move forward with ERG and 4% housing tax credits from NJHMFA. NJHMFA has issued a letter of intent to provide construction and permanent financing for this project. Additionally, TD Bank has agreed to purchase the ERG and Historic tax credits when they are awarded. CCHD has decided not to apply for low income tax credits in order to broaden their tenant base.

**7. Community Loan Fund of New Jersey (POWER) – P35126**

Consent to a 6 month grant maturity extension to June 30, 2016 to allow disbursement of the unfunded balance of \$166,668. The recipient has submitted its term sheet for 300 N. Delaware Avenue project for energy efficiency and life safety improvements and currently has sufficient commitments to draw down the final tranche.

**8. New Jersey Housing and Mortgage Finance Agency (HMFA – CHIP) – P16969**

CHIP is a rehabilitation program which provides up to \$20,000 in forgivable loans to eligible Camden homeowners to make life safety home improvements. NJHFMA, which services the program, is allowed \$4,000/per loan to subsidize the cost of origination and administration, subject to an administrative fee cap of \$700,000.

The entire grant amount of \$8,500,000 was disbursed, including Phase IV funding totaling \$3,500,000. To date, HMFA has closed on 170 loans under Phase IV of this program, and 5 more loans are scheduled to close with total costs for the 175 loans of \$3,104,541. An additional 18 project properties for approximately \$354,692 are in process.

With over 175 projects closed and in process, HMFA has met the cap, and is requesting an increase of \$100,000 to \$800,000. HMFA is moving forward with the approval of the additional projects despite having reached their administrative fee cap. The additional projects will contain contingency language while HMFA is awaiting approval from the Members for an increase in the administrative fee cap.

**Available Funds/ Suspensions of Business Lease and Business Improvement Incentive Applications:**

Below is the breakdown of available funds as of 12/31/2015 and anticipated new ERB applications:

|   |                     |
|---|---------------------|
| Available Cash - 12/31/15                       |                     |
| Total ERB Cash                                  | \$18,499,747        |
| Add: Return of Camden POWER Funds               | \$208,156           |
| Less: Undisbursed ERB Grants                    | (\$5,355,534)       |
| Less: Committed and Undisbursed BLI/BIIG Grants | (\$1,146,087)       |
| <b>Total</b>                                    | <b>\$12,206,282</b> |
| Less: Surface/Replacement Parking *             | (\$5,000,000)       |
| Less: ERB Project Pipeline                      | (\$7,206,282)       |
| <b>Total</b>                                    | <b>\$0</b>          |

\*Being presented for approval by the Members concurrently with this memorandum.

Presently, staff is working with government and nonprofit organizations on a pipeline of ERB projects totaling over \$9.5 million. In addition, there is a pipeline of identified Business Lease Incentive and Business Improvement Incentives projects totaling approximately \$450,000. Considering projects that have already submitted applications, including the Replacement Parking application being presented to the Members concurrently today, requests total more than available funding. While projects identified in the pipeline of BLI/BIIG projects will be satisfied as applications are received, due to the lack of remaining funding after anticipated new project approvals, the termination of the Business Lease Incentive and Business Improvement Incentive Grant programs is recommended. Should the pipeline projects not advance as anticipated within the next six months (August), staff will ask the Board to consider opening the Business Incentive programs to new applications and for an allocation of ERB funds for this purpose.

**Delegation of Authority:**

Staff is also requesting the Members to delegate authority to NJEDA staff (Level 3: SVP or Managing Director) to service ERB grants with no further ERB Board approval. This will facilitate timely responses to business and redevelopment partners as well as create efficiency for EDA staff. Delegations will be used for extensions of up to one additional year, provided that the project is in good standing and continues to show progress towards completion. All approvals under delegated authority will be reported to the Members at the following ERB meeting.

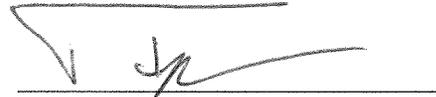
Importantly, applications for new funding will continue to be submitted to the Members of the Camden ERB for consideration and approval; and EDA for funding authorization.

**Recommendation**

1. Consent to the extension of the ERB grants and modifications shown above;
2. Termination of the Business Lease Incentive and Business Improvement Incentive Grant programs, in anticipation of full deployment of ERB funds;

3. Delegation of authority to NJEDA staff to service the ERB grants with no further ERB Board approval.

The Members of the Economic Recovery Board approved the amendments and modifications on February 18, 2016, with the recommendation of NJEDA to approve the same. As such, the Members of the Authority are asked to approve the modifications and amendments.



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Timothy Lizura  
President and Chief Operating Officer

Prepared by: H. O'Connell/D. Weick



**PETROLEUM UNDERGROUND STORAGE  
TANK PROGRAM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy Lizura  
President/Chief Operating Officer

**DATE:** March 11, 2016

**SUBJECT:** NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following commercial and residential grant projects have been approved by the Department of Environmental Protection to perform remediation activities. The scope of work is described on the attached project summaries:

**UST Commercial Grant:**

|                               |                   |
|-------------------------------|-------------------|
| Estate of Conrad Vuocolo, Jr. | \$ 236,953        |
| Ness, Inc.                    | \$ 115,015        |
| James Thoma                   | \$ 59,084         |
|                               | <u>\$ 411,052</u> |

**UST Residential Grants:**

|                    |            |
|--------------------|------------|
| Clementina Carrero | \$ 154,360 |
|--------------------|------------|

**Total UST Funding – March 2016** **\$ 565,412**



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Timothy Lizura



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

**APPLICANT:** Estate of Conrad Vuocolo, Jr.

P41266

**PROJECT USER(S):** US Petroleum 96 Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 401 Richmond Ave.

Point Pleasant Beach Borough Ocean

**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

In November 2011, Estate of Conrad Vuocolo, Jr, owner of US Petroleum 96 Inc., received a grant in the amount of \$227,422 under P34741 to perform groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive soil and groundwater remediation.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

**APPROVAL REQUEST:**

The applicant is requesting supplemental grant funding in the amount of \$236,953 to perform the approved scope of work at the project site. Total grant funding including this approval is \$464,375.

The NJDEP oversight fee of \$23,695 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

**FINANCING SUMMARY:**

**GRANTOR:** Petroleum UST Remediation, Upgrade & Closure Fund

**AMOUNT OF GRANT:** \$236,953

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

|                         |                              |
|-------------------------|------------------------------|
| Remediation             | \$236,953                    |
| NJDEP oversight cost    | \$23,695                     |
| EDA administrative cost | \$500                        |
| <b>TOTAL COSTS</b>      | <hr/> <hr/> <b>\$261,148</b> |

**APPROVAL OFFICER:** K. Junghans



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

**APPLICANT:** Ness, Inc.

P40632

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 360 Main St.

Chatham Borough (N)

Morris

**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Between August 2004 and November 2011, Ness, Inc. d/b/a Paul's Chatham Texaco, received an initial grant in the amount of \$17,030 under P15899 and supplemental grants totaling \$296,669 under P15899s and P33776 to remove and close an underground storage tank (UST) at the project site. The NJDEP has determined that the additional project costs are technically eligible to perform additional soil and groundwater remediation and vapor intrusion investigation.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

**APPROVAL REQUEST:**

The applicant is requesting supplemental grant funding in the amount of \$115,015 to perform the approved scope of work at the project site. Total grant funding including this approval is \$428,714.

The NJDEP oversight fee of \$11,502 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

**FINANCING SUMMARY:**

**GRANTOR:** Petroleum UST Remediation, Upgrade & Closure Fund

**AMOUNT OF GRANT:** \$115,015

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

|                         |                              |
|-------------------------|------------------------------|
| Remediation             | \$115,015                    |
| NJDEP oversight cost    | \$11,502                     |
| EDA administrative cost | \$500                        |
| <b>TOTAL COSTS</b>      | <hr/> <b>\$127,017</b> <hr/> |

**APPROVAL OFFICER:** K. Junghans



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

**APPLICANT:** James Thoma

P41060

**PROJECT USER(S):** Andy & Son, Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 200 Hoboken Road

East Rutherford Borough (N)Bergen

**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Between September 1998 and November 2014, James Thoma, owner of the project site, received an initial grant in the amount of \$147,440 under P10283 and supplemental grants in the amount of \$94,470 under P11064 and \$30,507 under P39530 to remove the underground storage tanks (USTs) and perform the required remediation. The NJDEP has determined that the supplemental project costs are technically eligible perform additional remedial activities at the project site.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial test for a conditional hardship grant.

**APPROVAL REQUEST:**

The applicant is requesting supplemental grant funding in the amount of \$59,084 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$184,061, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA board approval. Total grant funding including this approval is \$331,501.

The NJDEP oversight fee of \$5,908 is the customary 10% of the grant amount. This estimate assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

**FINANCING SUMMARY:**

**GRANTOR:** Petroleum UST Remediation, Upgrade & Closure Fund

**AMOUNT OF GRANT:** \$59,084

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

|                         |                             |
|-------------------------|-----------------------------|
| Remediation             | \$59,084                    |
| NJDEP oversight cost    | \$5,908                     |
| EDA administrative cost | \$500                       |
| <b>TOTAL COSTS</b>      | <hr/> <b>\$65,492</b> <hr/> |

**APPROVAL OFFICER:** K. Junghans



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

**APPLICANT:** Clementina Carrero

P41836

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 401 West Evesham Rd. Gloucester City (T/UA) Camden

**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

In July 2015, Clementina Carrero received a grant in the amount of \$6,714 under P40646 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive remedial activities.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

**APPROVAL REQUEST:**

The applicant is requesting supplemental grant funding in the amount of \$154,360 to perform the approved scope of work at the project site. Total grant funding including this approval is \$161,074

The NJDEP oversight fee of \$15,436 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

**FINANCING SUMMARY:**

**GRANTOR:** Petroleum UST Remediation, Upgrade & Closure Fund

**AMOUNT OF GRANT:** \$154,360

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

|                         |                  |
|-------------------------|------------------|
| Remediation             | \$154,360        |
| NJDEP oversight cost    | \$15,436         |
| EDA administrative cost | \$250            |
| <b>TOTAL COSTS</b>      | <b>\$170,046</b> |

**APPROVAL OFFICER:** K. Junghans



**HAZARDOUS DISCHARGE SITE REMEDIATION  
FUND PROGRAM**





**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy Lizura  
President/Chief Operating Officer  
**DATE:** March 11, 2016  
**SUBJECT:** NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant and loan projects have been approved by the Department of Environmental Protection to perform Remedial Investigation activities. The scope of work is described on the attached project summaries:

**HDSRF Commercial Loan:**

Foundry Street Development, L.L.C. \$ 350,000

**HDSRF Municipal Grant:**

Camden Redevelopment Agency (Camden Waterfront - East Gate Village) \$ 42,454

**Total HDSRF Funding – March 2016** \$ **392,454**

  
\_\_\_\_\_  
Timothy Lizura



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**  
**PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM**

**APPLICANT:** Foundry Street Development, L.L.C.

P41160

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 221 Foundry Street

Newark City (T/UA)

Essex

**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Foundry Street Development, L.L.C., formerly known as Foundry Street, LLC is the owner of a six acre Brownfield industrial parcel located in Newark, New Jersey. Foundry Street Development, LLC intends to redevelop the project site for commercial and retail use. The NJDEP Bureau of Case Management has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Loan under N.J.S.A. 58:10B-Subsection 7, Series A.

The Authority approved a \$636,800 HDSRF loan at the Authority's Board meeting of October 12, 2004 to begin cleanup of the site leading to a Remedial Action Workplan ("RAW"). The outstanding balance of this loan is \$78,548. Based on the RAW and the Remedial Action Workplan Addendum, the proposed \$350,000 loan is for supplemental remedial work designed to lead to the submission of a Remedial Action Permit and issuance of Remedial Action Order (RAO). Upon issuance of the RAO, transfer of the property to a Solid Waste Transfer company will occur within 30 days as stipulated in the executed purchase/sale agreement for the property.

**APPROVAL REQUEST:**

Approval of a \$350,000 HDSRF term loan is recommended.

**FINANCING SUMMARY:**

**LENDER:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF LOAN:** \$350,000

**TERMS OF LOAN:** 5 Year term. Interest at the Federal Discount Rate set a time of approval or closing (whichever is lower) with a floor of 5.00%. Interest to accrue, principal due at maturity or upon final sale of property.

**PROJECT COSTS:**

|                        |                              |
|------------------------|------------------------------|
| Remedial investigation | \$350,000                    |
| Finance fees           | \$4,000                      |
| NJDEP oversight cost   | \$2,300                      |
| <b>TOTAL COSTS</b>     | <hr/> <b>\$356,300</b> <hr/> |

**APPROVAL OFFICER:** T. Bossert



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

**APPLICANT:** Camden Redevelopment Agency (Camden Waterfront-East P41723  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** Delaware Avenue Camden City (T/UA) Camden  
**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Between November 2008 and November 2012, the Camden Redevelopment Agency (CRA) received an initial grant in the amount of \$217,074 under P22032 and a supplemental grant in the amount of \$94,345 under P37362 for the project site, which is a public subsurface parking lot which has potential environmental areas of concern (AOCs). CRA currently owns the project site and has satisfied proof of site control. It is the CRA's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential use.

NJDEP has approved this request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

**APPROVAL REQUEST:**

The Camden Redevelopment Agency is requesting supplemental grant funding to perform RI in the amount of \$42,454 at the Camden Waterfront-East Gate Village project site. Because the aggregate supplemental funding including this request is \$136,799, it exceeds the maximum staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$353,873.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund  
**AMOUNT OF GRANT:** \$42,454  
**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

|                         |                             |
|-------------------------|-----------------------------|
| Remedial investigation  | \$42,454                    |
| EDA administrative cost | \$500                       |
| <b>TOTAL COSTS</b>      | <hr/> <b>\$42,954</b> <hr/> |

**APPROVAL OFFICER:** K. Junghans



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**EDISON INNOVATION FUND**



## **VENTURE CAPITAL FUNDS**



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - EDISON INNOVATION VC GROWTH FUND PROGRAM - (PREMIER**

**APPLICANT:** DealCloud, Inc.

P42109

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 221 River St

Hoboken City (T/UA)

Hudson

**GOVERNOR'S INITIATIVES:** (X) Urban (X) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

DealCloud (DealCloud or the Company) is a pioneer in Mergers & Acquisitions Software. The Company was formed in 2010 by a team of former deal professionals with deep knowledge of the private capital markets. DealCloud has quickly emerged as a global leader in providing deal management, workflow, and technology solutions to all participants in the private capital markets, including private equity and growth capital firms, sell-side banks, publicly traded companies, and debt capital investors. The Company is well known for its customer service and its team takes great pride in the delivery of its platform and the strength of its relationships with clients.

**APPROVAL REQUEST:**

Approval is recommended for a \$1,000,000 loan from the Edison Innovation VC Growth Fund as proposed.

**FINANCING SUMMARY:**

**LENDER:** NJEDA

**AMOUNT OF LOAN:** \$1,000,000

**TERMS OF LOAN:** 5 Year Term. The proposed loan will have a rate of 6.7% with no payments for the first 12 months. Interest during this period will accrue and will be capitalized. Interest only payments from months 13 to 24. Beginning month 25 principal plus interest payments will begin for the remaining three year term to fully amortize the loan.

**PROJECT COSTS:**

Working capital \$1,000,000

**TOTAL COSTS**

\$1,000,000

**JOBS:** At Application 13 Within 2 years 10 Maintained 0 Construction 0

**DEVELOPMENT OFFICER:** T. Rollender

**APPROVAL OFFICER:** M. Bhatia



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - EDISON INNOVATION VC GROWTH FUND PROGRAM**

**APPLICANT:** Prazas Learning Inc

P41578

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 3228 State Highway 27 South Brunswick Township (~~M~~)iddlesex

**GOVERNOR'S INITIATIVES:** ( ) Urban (X) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Prazas Learning Inc.'s Tablet based learning application - Tabor Math has rapidly become the world leader in personalized, tablet-based math tutoring using digital analytics and mind-mapping technology. Tabor Math combines the most effective elements of personalized teaching with a fun and engaging iPad and Android tablet-based experience. It offers a world-class curriculum aligned with provincial, state, and country standards for grades K-8. Tabor Math is tailored to every child by a dedicated tutor using patent-pending digital-paper technology that allows sharing and review of handwritten work, automatic grading, video tutorials, and mind-mapping abilities and adaptive analytics. Since 2010, thousands of K-8 students around the world using Tabor Math have seen measurable improvement in math scores.

**APPROVAL REQUEST:**

Approval is recommended for a \$800,000 loan from the Edison Innovation VC Growth Fund as proposed.

**FINANCING SUMMARY:**

**LENDER:** NJEDA

**AMOUNT OF LOAN:** \$800,000

**TERMS OF LOAN:** 5 Year Term. The proposed loan will have a rate of 9.8% with no payments. Interest during this period will be accrued and capitalized. Interest and principal payments for the remaining 48 months in the amount to fully amortize the loan.

**PROJECT COSTS:**

|                    |                  |
|--------------------|------------------|
| Working capital    | \$800,000        |
| <b>TOTAL COSTS</b> | <u>\$800,000</u> |

**JOBS:** At Application      6 Within 2 years      10 Maintained      0 Construction      0

**DEVELOPMENT OFFICER:** K. Hashmi

**APPROVAL OFFICER:** M. Bhatia



## **BOARD MEMORANDUMS**





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy Lizura  
President and Chief Operating Officer

**DATE:** March 11, 2016

**SUBJECT:** Sterling National Bank

### Request:

The Members are asked to approve the addition of Sterling National Bank as a Premier Lender.

### Background:

Sterling Bancorp (“Sterling”), the parent company of Sterling National Bank (“SNB”) is a full service regional bank holding company with origins back to 1888. Sterling specializes in the delivery service and solutions to business owners, their families and consumers within the communities served through teams of dedicated and experienced relationship managers. SNB offers a complete line of commercial, business, and consumer banking products and services and has approximately 850 employees. SNB seeks to differentiate itself by focusing on the following principles;

- Prioritize client relationships over transactions.
- Compete on service experience verses price superiority.
- Deploy a single point of contact, relationship-based distribution strategy through commercial banking teams and financial centers.
- Focus on specific customer segments and geographic markets.
- Maximize efficiency through a technology enabled, low-cost operating platform.
- Maintain strong risk management systems.

The footprint of Sterling spans New York City, the Hudson Valley, Long Island and Northern New Jersey. Sterling is headquartered in Montebello, New York, and has a 38 branch network. Their New Jersey office was established in 2011 and is located at 61 South Paramus Road in Paramus where a staff of 20 is domiciled. The NJ office has two lending teams led by two Senior Managing Directors, with nine commercial lenders. One Senior Managing Director has sixteen years of banking experience, most recently at Fulton Bank as team leader and was also a strong proponent of Fulton being approved by NJEDA as a Premier Lender. The other Senior Managing Director has been with SNB for over 15 years. NJ team members include an Associate Managing Director, who has 25 years of banking experience with the most recent being VP of Commercial Banking at Fulton Bank, a Managing Director with over 25 years of banking experience, most recently holding the position of VP at Santander Bank and an Associate Managing Director who was previously VP at Lakeland Bank.

Two key employees which were hired recently include:

In April of 2015 an Executive Vice President and President of Specialty Finance (Asset Based Lending, Factoring and Trade Finance, Payroll Finance and Equipment Finance) and head of the bank's commercial banking team based in Manhattan. Prior business experience includes Managing Partner at Templar Ventures, LLC (New Jersey based merchant bank focusing investments in small and middle market companies), preceded by President and CEO of Sun National Bank and preceded by a senior leadership position with KeyCorp.

A Market Credit Director with over ten years of banking experience including VP at Sun National Bank and VP at Bank of Tokyo.

Sterling is a Delaware Corporation, bank holding company and financial holding company that owns all the outstanding shares of SNB. Sterling is a legal entity separate and distinct from SNB and its other subsidiaries. As a bank and a financial holding company, Sterling is regulated under the Bank Holding Company Act of 1956, as amended, and its subsidiaries are subject to inspection, examination and supervision by the FRB as its primary federal regulator. As a national bank, SNB is principally subject to the supervision, examination and reporting requirements of the Office of the Comptroller of the Currency, as its primary federal regulator, as well as the Federal Deposit Insurance Corporation.

Sterling and The Authority participated in one transition in 2015 (\$7 million purchase of an EDA issued tax exempt bond for a not for profit school). SNB and EDA have had several discussions on specific loan projects over the past few years as well as meetings with staff to discuss EDA products and developing a working relationship. Also, SNB has hired several employees (from Sun National Bank, Fulton Bank and Lakeland Bank) over the past three years and these individuals have prior business experience/knowledge of the EDA products and services. EDA is confident that the lending team established in New Jersey will be successful in conducting business with our organization. SNB's Paramus office seeks loan opportunities in the \$5 to \$15 million range but is willing to make loans as small as \$1 million. Sterling has an internal lending limit per client of \$50 million. Most transactions involve owner occupied real estate, receivable and equipment financing and the bank has an appetite for purchasing EDA issued tax

exempt bonds. SNB is SBA certified lender. From a volume standpoint, there is an expectation that one deal per month could be transacted in conjunction with the EDA.

Sterling reported total assets of \$12.0 billion at FYE15 (based upon estimated results pending the filing with the Securities and Exchange Commission of Sterling's Annual Report on Form 10-K for the year ending December 31, 2015) as compared to \$7.4 billion reported one year prior. Main categories include; \$7.8 billion of net loans, \$0.2 million in cash, and \$2.6 billion in investment securities. Total loan portfolio rose 63% over FYE 14 and consisted of: residential mortgages (9%), commercial real estate (45%), acquisition, development and construction loans (2%), commercial and industrial (18%), specialty finance (22%) and consumer loans (4%). It is noted that excluding the balances acquired in a prior merger consummated in June of 2015, total loans grew \$1.3 billion, or 26%. Loans acquired from the prior merger included \$50.9 million fair value adjustment that consists of estimated lifetime credit losses and interest rate adjustments. In addition, loans from a prior merger transaction were recorded at fair value at acquisition date; a substantial portion of these loans carry no allowance for loan losses as the performance of these loans remains satisfactory. Non-performing loans, which includes non-accrual loans and loans over 90 days past due still accruing interest climbed \$20 million to \$66.4 million representing 0.84% of total loans at 12/31/15. Total criticized/classified loans are \$198 million at 12/31/15 as compared to \$106 million one year prior. Lastly, net charge offs charged to the allowance for losses were \$3 million in FYE15 versus \$1.2 million the previous year.

In FYE15, Sterling had allowances for loan losses of \$50.15 million (representing 75.5% of non performing loans), which compares to \$42.4 million one year prior as the current year reflects a \$15.7 million provision as compared to a \$19 million provision in 2014. Asset quality continues to improve as reflected in the 0.84% non-performing loans to total loan ratio at 12/31/15 (vs. 0.97% at 12/31/14), allowance for loan losses to non-performing loans of 0.64% (vs. 0.88% at 12/31/14) and total loans to total assets of 0.68% (vs. 0.71% at 12/31/14). Lastly the core operating efficiency ratio was 50.8% at 12/31/15 as compared to 56.9% one year prior.

Sterling reported \$10.3 billion of total liabilities at FYE15 as compared to \$6.4 billion at FYE 14. Deposits totaled \$8.6 billion as compared to \$5.2 billion in FYE 14 and this growth is tempered to \$207 million, or 4%, when the HV balances are excluded. At FYE15, there were \$1.7 billion of other liabilities consisting of a \$1.4 billion debt with the FHLB. Stockholder equity and tangible stockholder equity at 12/31/15 was \$1.66 billion and \$917 million, respectively as compared to \$975 million and \$543 million, respectively at 12/31/14.

In 2015, Sterling generated interest income of \$348 million (as compared to \$262 million one year ago), interest expense of \$37 million, non-interest income of \$63 million, and pre-tax net income of \$98 million. Provision for loan losses dropped from \$19.1 million in FYE 14 to \$15.7 million in the current fiscal year. Net income for the year ending December 31, 2015 was \$66 million compared to \$58.7 million in the prior calendar year. Most recent fiscal year end results reflect pre-tax merger related expenses and other restructuring charges of \$42.7 million incurred in conjunction with the HV merger. In addition, a pre-tax charge of \$13.4 million related to the termination of Sterling's defined benefit pension plans was incurred in 2015. Sterling's capital levels continue to remain strong as tangible equity to tangible assets ratio of 8.18% and Tier 1

leverage ratio of 8.94%. SNB's Tier 1 leverage ratio was 9.65% at 12/31/15, exceeding the 8% regulatory requirement to be considered a "well capitalized" institution.

Sterling has 130 million outstanding shares of common stock with a market value of \$1.9 billion as of 2/22/16. The stock is publically traded on the New York Stock Exchange.

SNB provided their full credit policy manual for review and was consistent with the Authority's policies and procedures expectations. The policy manual addressed loan approval authorities, collateral, portfolio management, problem loan management, and risk rating guidelines. SNB provided three underwriting samples of projects involving credit facilities for the purchase of real estate, perform renovations, acquire equipment, refinancing and working capital.

The structure and risk profile of the underwriting samples provided were reasonable and representative of what the Authority would consider in loan participation and/or guarantee or issuance of tax exempt bonds. All underwriting samples contained a detailed analysis of the income statement, balance sheet, loan terms and conditions, collateral evaluation, covenant/policy compliance review, industry analysis, business description, management discussion and guarantor analysis.

### **Recommendation**

Approval of Sterling National Bank as a Premier Lender is recommended.



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Prepared by: Michael A. Conte, Senior Credit Underwriter



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura, President and COO

**DATE:** March 11, 2016

**SUBJECT:** Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in February 2016:

### **Premier Lender Program:**

- 1) CPTC Real Estate Holdings LLC (P41967), located in Fairfield Borough, Essex County, is a recently formed real estate holding company created to purchase the project property. The operating company, Consumer Products Testing Co., Inc., was founded in 1975 and operates as an FDA regulated testing laboratory for cosmetic, personal care, pharmaceutical and medical devices. Bank of America, N.A. approved a \$4,410,000 bank loan contingent upon a \$1,960,000 (44.44%) Authority participation. Proceeds will be used to purchase commercial property. The Company currently has 114 employees and plans to create 10 new jobs over the next two years.

### **Small Business Fund Program:**

- 1) Jaryi Family Shore Holding LLC (P42083), located in Wildwood City, Cape May County, is a real estate holding company formed to purchase a commercial and residential triplex property in Wildwood, NJ. The operating company, Coastal Ice Cream, Inc. was formed in 2015 to acquire the assets of an existing ice cream distributor called Island Ice Cream, which operates in the commercial property. M&T Bank approved a \$950,000 bank loan with a \$475,000 (50%) Authority participation. Proceeds will be used to partially finance the purchase of the commercial property. The Company currently has twelve employees.

### **Camden ERB:**

- 1) Dean Taly Properties Inc. (P42058), located in Camden City, Camden County, is a real estate holding company that was formed to own the subject property comprised of 6,026 square feet of leasable space. Dean Taly Properties Inc. was incorporated in 2014. The project consists of costs associated with improvements and a full fit-up to the facility including plumbing, electrical, HVAC system, framing, roof installation, sheetrock of the facility, windows, lighting, paint, trim façade, sprinkler system, flooring and doors. The Company was approved for a \$20,000 Business Improvement Incentive Grant to partially finance the improvements. Currently, the Company has one employee and plans to create two new jobs within the next two years.

**Stronger NJ Business Loan Program:**

- 1) Bobbalooch & Fats LLC DBA Ryan's Deli (P41621), located in Seaside Heights, Ocean County, was founded in 2003 as a small deli and catering business that offers typical deli fare as well as a more upscale catering menu such as pasta dishes, filet mignon, and other seafood and meat platters. The Company was approved for a \$457,782 working capital loan to reimburse 2014 fiscal year working capital expenses incurred after Superstorm Sandy such as inventory, payroll, insurance premiums and utilities.
- 2) Cayman Associates LLC DBA The Cove Waterfront Bar & Grill (P41643 & P41507), located in Berkeley Township, Ocean County, was founded in 1992 as a full-service restaurant and bar located in Bayville, NJ, along the Barnegat Bay. The Company also offers private parties and banquet services. The Company was approved for a \$200,000 working capital loan and a \$35,797 forgivable working capital loan to reimburse 2014 working capital expenses incurred after Superstorm Sandy.

**New Jersey Business Growth Fund - Modification:**

- 1) Clifton-Wallington Medical Group, P.A. and Bartnik Properties LLC (P42099) are located in Clifton City, Passaic County. Clifton-Wallington Medical Group, P.A., is a medical practice that provides internal and family medicine treatment to the general public and operates out of three locations. Bartnik Properties LLC is the real estate holding company that owns the project properties. PNC Bank approved a renewal of a \$321,461 bank loan with a five year, 25% Authority guarantee of principal outstanding, not to exceed \$80,365. Original loan proceeds were used to refinance the project property. All other terms and conditions of the original approval remain unchanged.

A handwritten signature, possibly "DL", is written above a horizontal line. An arrow points from the signature down and to the left.

**Prepared by:** D. Lawyer  
DL/gvr



**REAL ESTATE**



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura  
President/Chief Operating Officer

**DATE:** March 11, 2016

**RE:** FMERA Purchase and Sale & Redevelopment Agreement with Monmouth County for Parcel F-3 which includes Building 2657 in the Tinton Falls Section of Fort Monmouth

### Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement (“PSARA”) with Monmouth County for the sale and renovation of Building 2657 (the “Project”) in the Tinton Falls section of the former Fort Monmouth.

### Background

FMERA was created by P.L. 2010, c. 51 (“the Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority (“NJEDA”) as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

FMERA executed a Memorandum of Agreement (“MOA”) with the Army as of June 25, 2012 that enabled the Army to formally accept FMERA’s Economic Development Conveyance (“EDC”) application and begin the process of conveying Phase One properties to FMERA for redevelopment. The Project is located within the Fort’s Phase One area. FMERA received title to all of the remaining Phase One properties from the Army by deed dated May 29, 2014.

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Project on February 6, 2015. The RFOTP included a parcel approximately 3.5± acres in size containing the +1,335 sf former shoppette building and gas station (#2567) constructed in 1970, and the accompanying paved and parking areas. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the reuse of the building as a gas station/shoppette with the majority of the Property as passive open space. In addition, FMERA envisioned the Property could also be used in a commercial or open space/recreation capacity.

Therefore, the RFOTP expanded the scope of reuse to include this commercial or open space/recreation redevelopment. Proposals were due on April 7, 2015, with FMERA receiving a proposal from one entity, Monmouth County. The County's proposal, as submitted, was compliant with the RFOTP and proposed open space improvements, as well as facilities designed to assist the adjacent Monmouth County Recreation Center parcel. Three members of the FMERA staff independently evaluated and scored the proposal. The evaluation committee agreed that the Monmouth County proposal was compliant with the RFOTP, and recommended FMERA staff proceed to negotiations for a Purchase and Sale Agreement & Redevelopment Agreement ("PSARA").

Subsequent to FMERA selecting Purchaser as the winning bidder, FMERA included this Project as part of the Tinton Falls omnibus Reuse Plan Amendment #3, approved on November 12, 2015. The amendment permits the removal of the fueling pumps, fueling canopy, and above ground storage tank on site; and the renovation and eventual replacement of Building 2567 with a new storage and maintenance facility to be used by Monmouth County. In addition, this amendment permits an expanded parking area that would serve the active recreation and passive open space uses on Parcel F-3 and the adjacent County operated parcel. Finally, this amendment also permits the creation of a wetlands park and boardwalk on the remainder of the parcel that is not currently improved.

Monmouth County through its Park System provides the County with 15,940 acres of open space, parks and recreation. As part of their recreation programming, Monmouth County has operated the Fort Monmouth Recreation Center (which is adjacent to F-3) since August 2013. Through the Recreation Center, Monmouth County has provided over 500 programs, classes and events. The County intends to acquire the F-3 Parcel to provide additional open space to the community, as well as facilities to provide additional support to the recreation area. Specifically, Monmouth County's proposal includes expanding the parking facilities for the Recreation Center, adding additional storage facilities to support events, creating a dedicated maintenance facility to service the area, and restoring wetlands on-site with an elevated boardwalk to allow for an outdoor classroom. The Project and associated renovations are scheduled to be completed within sixty (60) months of Project commencement. The Project would result in the creation of thirty-eight (38) full, part time or seasonal new jobs at Fort Monmouth within thirty-six (36) months of closing. Monmouth County intends to pay for the purchase and all necessary improvements with available and uncommitted appropriations from the Monmouth County budget.

The EDC Agreement calls for the Army to receive 63% of the net proceeds from the sale of Building 2567, with FMERA receiving the remainder. Monmouth County's offer price for the property was \$560,000. The Army has agreed to base the Property's Floor Price on this figure.

#### **Purchase and Sale & Redevelopment Agreement**

Pursuant to the terms of the PSARA, Monmouth County will pay \$560,000 for the property, reflecting its proposal. Initial closing will occur within thirty (30) days after the due diligence period or ten (10) days after satisfaction of the conditions precedent to closing, which include: Monmouth County completing due diligence and obtaining all approvals necessary to develop

the Project; and consent from the NJEDA Board of Monmouth County as redeveloper. Subsequent closing shall occur when Seller conveys title to the environmental carve-out parcel (ECP 34), a former fueling station located on the Property, via quitclaim deed for no additional consideration upon Army's receipt of a No Further Action letter or equivalent environmental clearance from the NJ Department of Environmental Protection. FMERA will convey the property to the County in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address pre-existing contamination that may exist on the property.

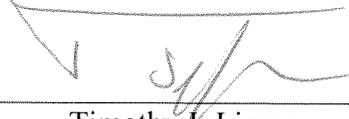
Monmouth County will demolish the fuel pumps, fuel canopy and AST along with the convenience store over two phases. Purchaser will then construct a new maintenance building with storage and an employee support facility. In addition, the County will expand the parking lot for the neighboring Recreation Center, install landscaping and lights. For the unimproved section of the parcel, Monmouth County will install a wetland boardwalk for passive recreation. The County will upgrade site improvements, re-establish utility service to the property, clean the building's exterior, and bring Building 2567 to full code compliance (as evidenced by receipt of a temporary certificate of occupancy). The Project will be undertaken in two phases with the first phase incurring a minimum investment of \$837,000 and the second phase incurring an additional \$1,106,000. The Purchaser covenants to create a minimum of thirty-eight (38) additional full-time, part-time or seasonal jobs at the property within thirty-six (36) months of closing. Provided all approvals are in place, the County will commence the site improvement and renovation work within forty-five (45) days of closing and complete construction within sixty (60) months of closing. In the event that Monmouth County does not commence or complete construction within the timeframes specified above, FMERA may exercise a right to repurchase the Project from the Monmouth County for the initial sale price of \$560,000 plus the cost of improvements made by the Purchaser.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Monmouth County, staff concludes that the essential elements of a redevelopment agreement between FMERA and the County are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with the County for its redevelopment of Parcel F-3.

Attached is a substantially final form of the PSARA between FMERA and Monmouth County as approved by FMERA's Board at their February 17, 2016 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

### **Recommendation**

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Monmouth County for redevelopment of Parcel F-3 in the Tinton Falls section of the former Fort Monmouth property.



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Timothy J. Lizura  
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement  
Prepared by: Donna T. Sullivan & Kara Kopach

**PURCHASE AND SALE AGREEMENT and  
REDEVELOPMENT AGREEMENT**

This PURCHASE AND SALE AGREEMENT and REDEVELOPMENT AGREEMENT (“Agreement”) is made as of \_\_\_\_\_, 2015 between Fort Monmouth Economic Revitalization Authority, (“FMERA,” “Seller” or “Authority”) a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, (“FMERA Act”), whose address is 502 Brewer Avenue, Oceanport, New Jersey 07757, referred to as the Seller, and the County of Monmouth (“Purchaser” or “County”), a political subdivision of the State of New Jersey, having an address at Hall of Records, One East Main Street, Freehold, New Jersey 07728. Seller and Purchaser are collectively referred to herein as the “Parties”.

**WITNESSETH:**

WHEREAS, the United States Army (the “Army”) recognizes Seller as the Local Redevelopment Authority for former Fort Monmouth military base (“Fort Monmouth”), located in the Boroughs of Oceanport, Eatontown and Tinton Falls, New Jersey;

WHEREAS, pursuant to a certain Memorandum of Agreement dated as of June 25, 2012, the Army has agreed to transfer to Seller certain portions of Fort Monmouth, which includes the Property (hereinafter defined);

WHEREAS, by Deed dated May 29, 2014, the Army transferred ownership of Property to the Seller, which Deed was recorded with the Monmouth County Clerk on June 30, 2014 in Book OR-9070, at Page 9803 et seq. as Instrument Number 2014050467;

WHEREAS, FMERA has publicly advertised a Request for Offers to Purchase (“RFOTP”) the Property in accordance with FMERA’s Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq.; and

WHEREAS, Purchaser submitted the highest scoring proposal in response to the RFOTP;  
and

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, real property on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the mutual receipt and legal sufficiency of which the parties hereto hereby acknowledge, Seller and Purchaser hereby agree as follows:

### **DEFINITIONS**

**All Approvals** means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-governmental authorities needed to obtain building permits for all of the uses on the Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including but not limited to, the following Non-Appealable Final Approvals: (i) the mandatory conceptual review approval of the Project by FMERA which is required pursuant to N.J.A.C. 19:31C-3.20(c); (ii) preliminary and final subdivision approval, if applicable; (iii) preliminary and final site plan approval, if applicable, including the required review by FMERA in connection with “d” variances; (iv) execution of an acceptable Developer’s Agreement with the Borough of Tinton Falls and/or County of Monmouth as may be required; (v) a Final Remediation Document issued to Purchaser by either the New Jersey Department of Environmental Protection (“NJDEP”) or Purchaser’s licensed site remediation professional that documents that the Property has been remediated and which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2; (vi) such permits or approvals as may be

needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit; (vii) necessary licenses and approvals from all governmental authorities required to operate the property as set forth herein; and any amendment to the Fort Monmouth Reuse and Redevelopment Plan so that the Project is fully conforming therewith. Each such approval shall be referred to as an “Approval.”

“**Closing**” shall mean the Initial Closing or Subsequent Closing, as applicable.

“**Due Diligence Period**” means the ninety (90) day period commencing on the Effective Date (or such later date as the survey of the property and Environmental Investigation report prepared by the U.S. Army are delivered by Seller to Purchaser) and ending at 5:00 p.m. on the 90th day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Property to determine whether the as-is condition of the Property is satisfactory to the Purchaser.

“**Environmental Carve-Out Parcel**” shall mean the portion of the Property designated as ECP 34 where the Army retains ownership beyond the Initial Closing pending environmental investigations or remedial actions by the Army.

“**Finding of Suitability to Transfer**” or “**FOST**” means the initial and subsequent FOSTs documents issued by the Army confirming the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition the FOST includes CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA.

**“Initial Closing”** shall mean the transfer of the Property (but excluding the Environmental Carve-Out Parcel) from the Seller to the Purchaser and the transfer of the Purchase Price from the Purchaser to the Seller which shall occur upon the satisfaction of the Conditions Precedent to Initial Closing set forth in Section 10.

**“Project”** A concept plan for the Project is attached to this Agreement as Exhibit B. The Project shall commence within forty-five (45) days of Purchaser’s receipt of the Initial Closing and completed within sixty (60) months of Purchaser’s receipt of the Initial Closing. The Project will be undertaken in two phases with the first phase incurring a minimum investment of \$837,000 and the second phase incurring an additional \$1,106,000. Purchaser will provide to Seller Project progress reports including hours spent, funds expended and portions of the Project that work is attributed to. The Project is further described herein at Section 5.

**“Subsequent Closing”** shall mean the closing for the Environmental Carve-Out Parcel which shall take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcel to FMERA.

1. **Purchase/Sale Agreement.** Subject to the terms and conditions set forth in this Agreement and the performance by the parties of all of their material obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the property described below.

2. **Property.** The property to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all of the Seller’s rights relating to the land; and (c) all personal property specifically included in this Agreement. The real property to be sold is an approximately 3.5 acre parcel of land, including Building 2567 in the Borough of Tinton Falls

and the County of Monmouth (the “Property”). The Property is more fully described in the attached Exhibit A.

3. Purchase Price. The purchase price for the Property is \$560,000.00
4. Payment of Purchase Price. The Purchaser will pay the purchase price as follows:
  - 4.1 Initial Deposit (deposited when proposal was submitted to FMERA) \$ 28,000.00
  - 4.2 Additional Deposit (deposited when the County signs this Agreement) \$ 56,000.00
  - 4.3 Balance to be paid at Initial Closing. \$476,000.00
  - 4.4 Total Purchase Price \$560,000.00

5. Redevelopment Project, Capital Investment, and Job Creation.

5.1 Redevelopment Project - Purchaser proposes to utilize the Property to expand its Fort Monmouth Recreation Center including a maintenance building with storage, an employee support facility, and addition parking for nearby recreation center. Planned improvements include demolishing existing fuel pumps, fuel canopy and existing Building 2657, removing an existing aboveground storage tank, installing landscaping and lights. On an unimproved portion of the Property, Purchaser will install a wetland boardwalk for passive recreation.

5.2 Job Creation - Purchaser will cause the creation and/or relocation of a minimum of thirty-eight (38) full-time, part-time and seasonal positions at the Property and the adjacent County owned property within thirty-six (36) months of obtaining an initial certificate of occupancy.

5.3 Each and every one of the foregoing representations and covenants contained in this Section 5 shall survive Closing, shall run with the land, and shall be a continuing obligation.

6. Declaration of Covenants. Prior to the Initial Closing, Purchaser shall provide the Seller with a declaration of covenants and restrictions upon the Property for review and approval by the Seller (See Section 10.1(ii)). The declaration of covenants and restrictions shall run with the land and shall contain the following and which shall expire upon the issuance of a Certificate of Completion in recordable form issued by Seller and Purchaser's recording of same. The Declaration shall indicate or otherwise contain: 1.) The uses of the Property shall be limited to those uses permitted pursuant to the Fort Monmouth Reuse and Redevelopment Plan, as amended; 2.) Purchaser, as the approved redeveloper, will commence construction forty-five (45) days after Initial Closing and complete the Project within sixty (60) months after Initial Closing; and 3.) Purchaser, as the approved redeveloper, will not sell, lease or transfer the Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA.

7. Reversion to Seller.

7.1 The quitclaim deed from Seller to Purchaser shall provide that if the timeframes set forth herein have not been met, then Seller shall have the right of reversion of title, at Seller's sole option, to Property if Purchaser has not commenced or completed construction within the timeframes set forth in Section 6. Such right of reversion shall be, by its terms as set forth in the quitclaim deed, subordinate to any and all land, construction, permanent or other lender whose

lien shall have superiority over any such rights and shall subordinate at all times to an Open Space Deed Restriction filed on the Property by the Purchaser.

7.2 Should Seller exercise this reverter option, Seller and Purchaser agree that the existing land value of the Property is \$560,000 and Seller shall pay Purchaser \$560,000 if the Property becomes subject to this reverter option. Any reversion purchase price paid by Seller shall be applied first to reduce any outstanding balance of any mortgage or lien imposed on the Property by Purchaser.

7.3 Notwithstanding anything herein to the contrary, Seller agrees to provide Purchaser with ninety (90) days advance written notice of Seller's intent to exercise its right of reverter and the Purchaser shall have the opportunity to cure within said notice period.

7.4 The Seller's right of reversion shall survive the Closing and shall run with the land.

7.5 Seller's execution and delivery of the Certificate of Completion shall evidence the termination of Seller's right of reversion on the Property upon completion of the Project to FMERA's reasonable satisfaction. The Certificate of Completion shall be recorded at the sole cost and expense of the Purchaser or its successors and assigns.

8. Title and Survey Investigation.

8.1 During the Due Diligence Period, Purchaser, at Purchaser's cost and expense, shall obtain a title search and commitment for title insurance for the Property. No later than thirty (30) days from the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's title commitment together

with a list of title exceptions that are unacceptable to Purchaser. Not later than ten (10) days after Seller receives Purchaser's title objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the title objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's title objections either prior to or at Closing.

8.2 Seller agrees that prior to and as a Condition Precedent to Closing, Seller shall:

- (i) Deliver title to the Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and
- (ii) Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Purchaser and the Title Company the following requirements and exceptions that are identified in the Title Commitment:

8.3 Seller shall prepare, or cause to be prepared, a survey of the property. No later than thirty (30) days from the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's survey together with a list of survey objections. Not later than ten (10) days after Seller receives Purchaser's survey objections, Seller shall notify Purchaser which of the objections, if any, Seller

shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the survey objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's survey objections either prior to or at Closing.

8.4 Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser's cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

8.5 If Seller fails to meet the requirements of Paragraph 8.1, or if Seller has agreed to cure a survey objection pursuant to Paragraph 8.3 and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Paragraph 8.4 and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller's expense; or (ii) terminate this Agreement.

8.6 From the date of this Agreement, Seller shall not permit any encumbrance on the Property without Purchaser's prior written consent. Notwithstanding the foregoing, Purchaser consents to Seller encumbering the Property, if necessary, to

finance the purchase of Fort Monmouth, including the Property, from the Army, provided that any encumbrances on the Property will not encumber the Property following the Closing contemplated in this Agreement in accordance with this Section 12.

9. Due Diligence Period.

9.1 Purchaser, its agents and Purchaser's prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the Property, to inspect the Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Property. Purchaser must submit to FMERA an Environmental Investigation Plan before entering the Property for environmental investigation. The contact for FMERA is Joseph Fallon, 732-720-6437. Purchaser shall provide to FMERA, at no cost to FMERA, a copy of the finalized report(s) of its investigation within thirty (30) days of completion of its finalized report(s). Seller shall cooperate with Purchaser in the activation and testing of all building systems and equipment and shall have qualified personnel available on-site to activate the systems and equipment to allow Purchaser to conduct its due diligence.

9.2 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 PM on the last day of the Due Diligence Period.

Upon termination of this Agreement during the Due Diligence Period, the Initial Deposit and the Additional Deposit shall be promptly returned to Purchaser.

9.3 Purchaser, its agents and Purchaser's prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Property:

(i) Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of Five Million (\$5,000,000.00) Dollars, except automobile liability may be at a minimum of One Million (\$1,000,000) Dollars, for each occurrence of bodily injury, death, and property damage liability. Seller shall be named an additional insured on this policy;

(ii.) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000) Dollars per occurrence for bodily injury liability and One Hundred Thousand (\$100,000) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000) Dollars occupational disease;

9.4 Purchaser shall repair any damage caused by its investigations and shall restore the Property to substantially the same condition as existed immediately

prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser's agents or representatives in the performance of any and all activities conducted on the Property by Purchaser until Closing, unless such liability is the result of Seller's negligence or intentional acts or omissions.

10. Conditions Precedent to Initial Closing.

10.1 The Initial Closing is subject to and conditioned upon the following:

- (i) The receipt by Purchaser of All Approvals to the extent required in order for Purchaser to commence the Project;
- (ii) The receipt by Seller of a reasonably acceptable form of a declaration of covenants and restrictions upon the Property pursuant to Paragraph 6 for review and approval by the Seller prior to Closing;
- (iii) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 8; and
- (iv) Seller has obtained EDA Board approval of Purchaser as the Redeveloper.

10.2 The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:

- (i) Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of the Initial Closing

and each Party shall have cured any of its respective defaults prior to Initial Closing or at Initial Closing; and

(ii) Except for mandatory conceptual review of the Project by FMERA, either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party's default at any time prior to Initial Closing or at Initial Closing. Any such waiver shall be in writing and acknowledged by both Seller and Purchaser.

11. Time and Place of Initial Closing and Subsequent Closing.

11.1 The Initial Closing shall occur at a mutually agreed upon time not more than thirty (30) days following the expiration of the Due Diligence Period, or within ten (10) days after all Conditions Precedent to Initial Closing are satisfied. The Closing will be held at the offices of Purchaser's counsel.

11.2 Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser's title company: (1) quitclaim deed; (2) Affidavit of Title; (3) entity resolution; (4) paid receipt of Real Estate Broker; (5) tax and utility bills, if any; (6) Certificate of Compliance with Section 1445 of the Internal Revenue code (FIRPTA), (7) Bill of Sale for any Personalty; and (8) IRS Form 1099. Purchaser shall deliver the Purchase Price and a Title Closing Statement at Closing.

11.3 At Initial Closing, Purchaser shall pay the balance of the Purchase Price (after application of a credit for the Deposit and all accrued interest) to the Seller. Purchaser shall make payment at Purchaser's option by either certified check or attorney trust account check or with the consent of Seller by wire transfer.

11.4 Subsequent Closing for the Environmental Carve-Out Parcels to take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcels to FMERA. Purchaser shall accept title to the Environmental Carve-Out Parcel at the Subsequent Closing for no additional consideration.

12. Transfer of Ownership. At Closing, the Seller shall transfer ownership of the Property to the Purchaser. The Seller will give the Purchaser a properly executed quitclaim deed. The deed to be made hereunder shall include a metes and bounds description of the Property. The metes and bounds description shall be based upon a certified survey to be supplied and paid by FMERA. The Seller agrees to transfer and the Purchaser agrees to accept ownership of the Property free of all claims and rights of others, except for: (a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the property next to the street or running to any building or other improvement on the Property; (b) recorded agreements which limit the use of the Property, including but not limited to covenants, warranties and easements and CERCLA, 42 U.S.C. §9620(h)(3)(A) and (B) (“CERCLA Covenants”), and other applicable laws, regulations, Department of Defense and U.S. Army policy, and easements, land use controls, conditions and restrictions, all as more particularly described in the FOST, attached hereto as Exhibit C covering the Property; (c) the Fort Monmouth Reuse and Redevelopment Plan; and (d) the FMERA Land Use Regulations and design and development guidelines and regulations adopted by FMERA. Purchaser shall pay all its own title insurance premiums, real estate transfer taxes, if any, recording fees and escrow fees associated with the conveyance of the Property. Purchaser agrees that the underground utility lines, pipes, wires, cables or conduits which presently traverse or enter upon the Property are not fully known; and the Parties agree that that same shall be set forth in the Deed, which shall

include reservations of rights or easements allowing Seller and its successors and assigns to maintain, service, repair and use any such underground lines, pipes, wires, cables and conduits in perpetuity for the benefit of existing and future development.

13. Personal Property and Fixtures. All fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

13.1 The following fixtures are EXCLUDED from this sale: None.

13.2 The following personal property is INCLUDED in this sale: None.

14. Physical Condition of the Property. This Property is being sold “as is”. The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Purchaser has inspected the Property and relies on this inspection.

15. Acknowledgment and Covenants Regarding FOST. A “Finding of Suitability to Transfer” or “FOST” is the document developed and delivered by the Army that determines the environmental suitability for transfer of property from the Army to FMERA. The FOST summarizes the required notifications and applicable environmental requirements, including, but not limited to, a description of any long-term remedies (including land use controls) and responsibility for their maintenance and reporting. Purchaser acknowledges that they have been provided with the FOST for the Property, and that the transfer of ownership of the Property to Purchaser will be subject to the terms and conditions of the FOST. A copy of the FOST is attached to this Agreement as Exhibit C. Purchaser, its successors, assigns, heirs, devisees and personal representatives covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability, negligence or otherwise, concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any

other relief, which may arise from the condition of the Property or the fact that the Property is subject to the FOST. This covenant shall survive Closing and/or termination of this Agreement and shall run with the land, and shall apply not only to the Purchaser, their successors, assigns, heirs, devisees and personal representatives, but shall also apply to anyone occupying the Property, whether by employment, tenancy, in patient care or otherwise.

16. Risk of Loss. Seller shall be responsible for all losses and damages to the Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents or contractors) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Property is secure. Seller and Purchaser agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement and that Purchaser shall not be entitled to any offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing.

17. Termination of Agreement. If this Agreement is legally and rightfully terminated, the Purchaser and the Seller will be free of liability to each other and any obligations that specifically survive termination of the Agreement.

18. Default by Seller.

18.1 If Seller shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and

neither party shall have any further rights or obligations hereunder, except for return of the Initial and Additional Deposits with any interest accrued thereon and any rights or obligations that specifically survive the termination of this Agreement.

18.2 Purchaser acknowledges that the remedies set forth in this Section 18 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the Closing as provided in this Agreement. In no event shall Purchaser have any claim for any damages against Seller, except as set forth in this Section 18. The terms of this Section 18 shall survive the Closing and/or any termination of this Agreement.

18.3 The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

19. Default by Purchaser.

19.1 If Purchaser shall be unable or fail to complete closing in accordance with the terms of this Agreement, then Seller shall have the right to retain the Initial and Additional Deposits with any interest accrued thereon and terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

19.2 Seller acknowledges that the remedies set forth in this Section 19 are

Seller's exclusive remedies in the event of any breach of or default under this Agreement by Purchaser or the inability or unwillingness of Purchaser to consummate the Closing as provided in this Agreement. In no event shall Seller have any claim for any damages against Purchaser, except as set forth in this Section 19. The terms of this Section 19 shall survive the Closing and/or any termination of this Agreement

19.3 The Seller agrees that prior to declaring the Purchaser in default hereunder, Seller shall provide Purchaser with thirty (30) days advance written notice of such default and Purchaser shall have the right to cure such default within said thirty (30) day period.

20. Adjustments at Closing. The Purchaser and the Seller agree to adjust the following expenses as of the closing date: None.

21. Possession. At Closing, the Purchaser will be given possession of the Property. The delivery of the quitclaim deed and possession from Seller to Purchaser and the acceptance of same by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement.

22. Liens. In the event an objection to title consists of an unpaid lien of a defined amount, Seller has the right to satisfy the lien at the time of Closing.

23. Parties Liable. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

24. Assignment. Purchaser may not assign this Agreement without the consent of the Seller which consent Seller is under no obligation to give. Seller shall have the right to assign

this Agreement without the consent of Purchaser to the State of New Jersey or any division thereof.

25. Successors and Assigns. This Agreement shall inure to the benefit of, and shall bind, not only the Seller and Purchaser, but also their successors and assigns.

26. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller. The Seller states that the Seller has not made any other Agreement to sell the Property to anyone else.

27. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter. The Seller and the Purchaser agree that: (i) any and all claims made or to be made against the Seller based in contract law, including but not limited to, costs and expenses and specific performance, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.; and (ii) ) any and all claims made or to be made against the Seller based in tort law, including but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

28. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the

remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

29. No Partnership or Joint Venture. Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and buyer. Nor should anything in this Agreement render or be construed to render either of the parties hereto liable to the other for any third party debts or obligations due the other party.

30. No Third-Party Rights or Benefits. Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

31. No Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or

privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

32. Publication. Purchaser and Seller agree (i) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (ii) that the initial press release to be used with respect to the transactions contemplated hereby will be in the form agreed to by the parties hereto prior to the execution of this Agreement. Purchaser shall not issue any announcement or statement without the express written approval of Seller as to the text of the announcement.

33. No Recording or Notice of Pendency. Purchaser shall not record nor attempt to record this Agreement or a memorandum thereof or make any reference to this Agreement in any recorded document, except for a Notice of Settlement, without the prior written consent of Seller in its sole, arbitrary, and absolute discretion.

34. Authority Representations of Purchase and Seller. Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser's and Seller's behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective

terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

35. Notices: Any notices required to be given under this Agreement must be in writing and shall be addressed as follows

to: Fort Monmouth Economic Revitalization Authority  
502 Brewer Avenue  
Oceanport, New Jersey 07724  
Attention: Bruce Steadman, Executive Director

and

to: County of Monmouth  
Hall of Records, Room 236  
One East Main Street  
Freehold, New Jersey, 07728  
Attention:

All notices which must be given under this Agreement are to be given either by:

- (1) personal service,
- (2) certified mail, return receipt requested, addressed to the other party at their address specified above, or
- (3) overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United States Postal Service Next Day Mail).

35.1 Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision,

to the other party at that party's last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

35.2 Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

36. No Brokerage Commissions. FMERA's broker is Cushman & Wakefield of New Jersey, Inc. The Parties represent that they have not retained any other finders or brokers in connection with the introduction of the Purchaser and Seller and/or the purchase and sale of the Property. Seller shall be responsible for payment of any commission to Cushman and Wakefield, but in no event shall Seller be responsible for payment of any commission to a broker other than Cushman & Wakefield arising from this transaction. The provisions of this Section 36 shall survive Closing and/or any termination of this Agreement.

37. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.

38. Utilities.

38.1 Seller shall allow Purchaser to use and purchase interim water, sewer and electric services over existing systems as necessary and at cost.

38.2 Purchaser shall be responsible for establishing accounts with JCP&L, New Jersey American Water and New Jersey Natural Gas to serve the Property.

39. Right of Entry.

39.1 Provided that Purchaser has not terminated this Agreement or is in default hereunder, at any time subsequent to execution of this Agreement, Seller shall grant Purchaser a license to enter the Property prior to Closing for the purposes of (i) conducting Due Diligence activities; (ii) facilitating Purchaser's planning, design, financing and approvals; or (iii) allowing Purchase to initiate renovations to the Property ("Activities").

39.2 The parties agree that the license for entry is not intended and will not create a leasehold interest in the Property, and that Purchaser will be precluded from sub-licensing or sub-leasing the Property during the license term. The license will terminate upon Closing or earlier termination of this Agreement.

39.3 Seller will not, under any circumstance, reimburse the Purchaser for undertaking any improvements to the Property and Seller will own any fixtures that the Purchaser installs until title closing occurs.

39.4 Purchaser agrees that any work undertaken by Purchaser and its consultants and/or contractors will comply with all applicable permits, approvals, ordinances, statutes, regulations, building codes and other applicable laws.

39.5 Purchaser covenants and agrees to, at all times, indemnify, protect and save harmless FMERA from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges,

which FMERA or the Property may directly or indirectly suffer, sustain or be subject to by reason or on account of entry upon the Property and surrounding area as a result of the aforementioned Activities or in connection to any work contemplated by this Section 39 of this Agreement by Purchaser, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Purchaser shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless FMERA from and against any and all claims, actions, suits, complaints, and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entry upon the Property prior to Closing or from the aforementioned Activities or in connection to any work contemplated by Section 39 of this Agreement.

39.6 All consultants, agents, assignees, contractors, subcontractors, officers, or employees of Purchaser shall be covered by adequate Workers' Compensation.

39.7 Purchaser agrees that any claims asserted against FMERA based in contract law in connection with this right of entry shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. and that any claims asserted against FMERA based in tort law in connection with this permit shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

39.8 Purchaser agrees that it:

(i) will not create any condition during its entry upon the Property, which violates any municipal, state or other regulatory agency or is dangerous;

(ii) will not permit the creation of any liens affecting the Property and shall promptly pay and discharge any claims or liabilities which may become a lien against the Property; and

(iii) will maintain in force and effect, insurance for liability and property damage in the minimum amounts of \$1,000,000 per occurrence and \$5,000,000 aggregate naming FMERA and the US Army each as an additional insured and provide proof of same to FMERA prior to entry on the Property.

The Seller and Purchaser have signed this Purchase and Sale Agreement and Redevelopment Agreement as of the date first written above.

ATTEST: FORT MONMOUTH ECONOMIC  
REVITALIZATION AUTHORITY, Seller

\_\_\_\_\_  
By: \_\_\_\_\_  
Bruce Steadman  
Executive Director

ATTEST: COUNTY OF MONMOUTH, Purchaser

\_\_\_\_\_  
By: \_\_\_\_\_  
Thomas Arnone  
Freeholder Director

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## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura  
President/Chief Operating Officer

**DATE:** March 11, 2016

**RE:** FMERA Purchase and Sale & Redevelopment Agreement with Kiely Realty Group, LLC for the Pistol Range, the Fire and Police Training Area and the Satellite Drive Parcel in the Tinton Falls Section of Fort Monmouth

### Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement (“PSARA”) with Kiely Realty, LLC (“Kiely”) for the sale and renovation of the Pistol Range, the Fire and Police Training Area and the Satellite Drive Parcel (the “Project”) in the Tinton Falls section of the former Fort Monmouth.

### Background

FMERA was created by P.L. 2010, c. 51 (“the Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority (“NJEDA”) as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

FMERA executed a Memorandum of Agreement (“MOA”) with the Army as of June 25, 2012 that enabled the Army to formally accept FMERA’s Economic Development Conveyance (“EDC”) application and begin the process of conveying Phase One properties to FMERA for redevelopment. The Project is located within the Fort’s Phase One area. FMERA received title to all of the remaining Phase One properties from the Army by deed dated May 29, 2014.

FMERA issued two separate Requests for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Project. The initial RFOTP issued on November 22, 2013 consisted of Building 2627, the indoor pistol range, on approximately one (1) acre of land, and provided bidders with the option to include the adjacent Fire and Police Training area (an additional 2.5 acres) for additional financial consideration. The Fort Monmouth Reuse and Redevelopment Plan (the “Reuse Plan”) and FMERA’s Land Use Rules envision that Building 2627 will be retained for use as a firing range by state, county, or local government entities.

However, the RFOTP broadened the potential uses to include reuse of the range by either a private entity or a governmental entity. Therefore, the RFOTP specified that if the selected purchaser were a private entity, FMERA would undertake to amend the Reuse Plan to accommodate commercial use.

Proposals were due on February 24, 2014, with FMERA receiving five proposals from: 1) Kiely Realty, 2) First Class Endeavors, LLC, 3) Richard Schwarz, Jr., 4) David Rosen and Leonard Steen and 5) Monmouth Shooting Range Corporation. FMERA and Army staff independently evaluated and scored the proposals. The evaluation team unanimously agreed that the proposal submitted by Kiely was compliant with the terms of RFOTP. Kiely received the highest score and offered the highest purchase price. In addition, Kiely's offer to purchase included the additional 2.5 acre Fire and Police Training Area parcel that includes Building 2628, a 5,000 sf warehouse. At its May 2014 meeting, the Board authorized staff to enter into exclusive negotiations with Kiely for the sale and redevelopment of the Pistol Range and the Fire and Police Training Area.

The second RFOTP issued on August 14, 2014 consisted of a 1.5 acre parcel immediately to the east of the Pistol Range which was originally planned for open space. Due to the anticipated reconfiguration of the adjacent road network including Satellite Drive as well as its proximity to light industrial uses, FMERA staff felt that the parcel was no longer suitable as open space, and instead could potentially serve as an addition to the Pistol Range parcel or to the Pinebrook Commerce Center parcel, or could also serve as a stand-alone, buildable site for commercial development. FMERA staff presented its recommendation at the June 2014 Board meeting and received Board approval to issue an RFOTP for the parcel.

Proposals were due on October 17, 2014, with FMERA receiving two proposals from: 1) Kiely Realty Group; and 2) Pinebrook Commerce Center LLC. FMERA and Army staff independently evaluated and scored the proposals. The evaluation team unanimously agreed that the proposal submitted by Kiely was compliant with the terms of RFOTP, that it received the highest score and offered the highest purchase price.

Kiely Realty Group, LLC, of Long Branch, N.J., includes three affiliated organizations: J. F. Kiely Construction Co., J. F. Kiely Service Co., and J. F. Kiely Group. The oldest of the Kiely companies dates back to 1952 with continuous family ownership in New Jersey, and a demonstrated record of successful business ventures and job creation. Kiely will acquire the property and develop the Project over two phases. As part of their Phase I, Kiely calls for the development of the existing indoor firearms range into a for-profit private entity commercial firearms range, offering a shooting and educational experience to the public, government entities and private membership. The conceptual site plan calls for the integration of outdoor lighted displays of Fort Monmouth historical artifacts and monuments, including the Dymaxion Deployment Unit and the Huey helicopter and C-130 fuselages currently located at the Charles Wood Area. Kiely plans to add a 10,000 sf addition to the existing structure, which will expand the educational and training areas of the range. Kiely proposes green initiatives on the site, including roof-mounted solar energy and a rain garden. Kiely will create twenty-five (25) full and part-time jobs to staff the Pistol Range. For Phase II, Kiely will lease the adjacent 5,000 square foot structure located in the south west part of the property to K. Moorea LLC d/b/a

Traffic Plan. Traffic Plan is a certified women business enterprise (WBE) in the State of New Jersey and will relocate five (5) management and sixty (60) union employees to this location from Farmingdale, New Jersey. Traffic Plan expects to double in size this year, potentially adding an additional forty (40) union jobs to the leased site. Kiely will finance this project (purchase and construction) with cash on hand and also has access to a \$2,000,000 line of credit from the Bank of America. Kiely has requested, and it is anticipated that FMERA will agree to expand the Project to include the development of an additional 58,000 square feet of nonresidential building, including approximately 46,000 square feet of commercial/recreation uses in an expanded Building 2627, a new  $\pm$  10,000 square foot office building and an additional 2,000 square feet of office and/or commercial recreation in an expanded Building 2628.

The Phase 1 EDC Agreement calls for the Army to receive 63% of the net proceeds from the sale of Building 2627, the Fire and Police Training Area and the Satellite Road Parcel with FMERA receiving the remainder.

### **Purchase and Sale & Redevelopment Agreement**

Pursuant to the terms of the PSARA, Kiely will pay \$2,876,000 for the property, which exceeds the Floor Price established pursuant to the MOA and reflects the aggregate purchase price for the first and second RFOTPs. Closing will occur within 30 days of satisfaction of the conditions precedent to closing, which include: Kiely completing due diligence and obtaining all approvals necessary to develop the project; receipt of a final remediation document from either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional; approval of Reuse Plan Amendment #3 to allow for Purchaser's intended uses of the property; and consent from the NJEDA Board of Kiely as redeveloper. The parties will endeavor to satisfy these contingencies within six (6) months of execution of the PSARA. Kiely will have the option of extending this time period for two additional six (6) month periods if it has not obtained approvals within the initial six (6) month timeframe, provided it is proceeding in good faith. FMERA will convey the property to Kiely in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

Kiely's Phase I will upgrade site improvements, re-establish utility service to the property, clean the building's exterior, and bring Building 2627 to full commercial code (as evidenced by receipt of a temporary certificate of occupancy) at an estimated cost of \$1,209,400. In completing Phase II, the Purchaser will upgrade the Fire and Police Training Area's site improvements, re-establish utility service to the property, clean Building 2628's exterior, and bring the building to full commercial code (as evidenced by receipt of a temporary certificate of occupancy) at an estimated cost of \$361,400. In addition, Purchaser will develop the 1.5 acre Satellite Road Parcel into additional light industrial yard space specifically for Traffic Plan at an estimated cost of \$70,000, to be used for additional off-street parking, as well as outside storage of equipment and materials. Parking for the Pistol Range Parcel along with an addition to the Pistol Range structure will also be situated upon the Satellite Road Parcel. The Purchaser covenants to create a minimum of 25 full and part-time equivalent jobs at the property plus eighty (80) temporary positions by December 31, 2018, or pay a penalty of \$1,500 per full time job and \$750 per part time job (up to \$97,500). Kiely will secure its job creation and project completion obligations by posting bonds or through a cash deposit. Provided all approvals and permits have been received,

Kiely will commence the site improvement and renovation work within forty-five (45) days of closing and complete construction within twenty-four months of closing. In the event that Kiely does not commence or complete construction within the timeframes specified above, FMERA may exercise a right to repurchase the Project from Kiely for the initial sale price of \$2,876,000.

The sale will include a bill of sale for all furniture, fixtures and equipment on the Property, including, but not limited to, the Huey helicopter fuselage, one tanker, one trailer and burn building, together with: (i) the C-130 fuselage located adjacent to the Pulse Power Building; (ii) the Dymaxion Deployment Unit located atop the Myer Center; and (iii) certain monuments located on Fort Monmouth to be mutually agreed upon by the Parties. Purchaser will be responsible for relocating items (i), (ii) and (iii) to the Property at Purchaser's expense.

With regard to utilities for the Project: 1) FMERA agrees to provide access to the public sewer or water lines at or prior to closing. 2) FMERA shall provide an easement for a power switch located just south of the Property. 3) Kiely shall be responsible for replacement, repair, maintenance and/or relocation of all utilities within the boundaries of the Property, subject to FMERA's review and approval. 4) FMERA shall be responsible for the cost and installation of any adjacent or off-site improvements to the sewer, access roadways, water system or other utilities located off-site or adjacent to the Property being acquired as may be required for Kiely's use of the Property for its intended purposes. Alternatively, the parties may agree that Kiely shall undertake any such offsite improvements and Kiely shall receive a reduction to the purchase price at closing in an amount equal to the cost of such improvements. 5) As between FMERA and Purchaser, Purchaser shall not pay any new water or sewer connection fees to connect to the existing water and sewer systems for the existing facilities on the Property. Infrastructure improvements to be provided by FMERA are either completed, included in this year's budget or agreed to be funded by the purchaser of the neighboring property.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Kiely, staff concludes that the essential elements of a redevelopment agreement between FMERA and Kiely are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with Kiely for its redevelopment of the Pistol Range, the Fire and Police Training Area and the Satellite Drive Parcel.

Attached is a substantially final form of the PSARA between FMERA and Kiely as approved by FMERA's Board at their November 12, 2015 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

**Recommendation**

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Kiely Realty Group, LLC for redevelopment of the Pistol Range, the Fire and Police Training Area, and the Satellite Drive Parcel in the Tinton Falls Reuse Area.



---

Timothy J. Lizura  
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement  
Prepared by: Donna T. Sullivan & Kara Kopach

**PURCHASE AND SALE AGREEMENT  
AND REDEVELOPMENT AGREEMENT**

**BETWEEN**

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY**

**As Seller,**

**AND**

**KIELY REALTY GROUP, LLC**

**As Purchaser**

**As of February 2016**

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## **EXHIBIT LIST**

- A. Quitclaim Deed from Army to FMERA (Army Quitclaim Deed)**
- B. Pinebrook Access Road Plan**
- C. Conceptual Plan**
- D. Survey & Description of Property [To be delivered by Seller at a later date as set forth herein.]**
- E. Title Insurance Policy [To be delivered by Purchaser at a later date as set forth herein.]**

**PURCHASE AND SALE AGREEMENT AND  
REDEVELOPMENT AGREEMENT**

This **PURCHASE AND SALE AGREEMENT AND REDEVELOPMENT AGREEMENT** (“Agreement”) is made as of February \_\_\_\_, 2016 (“Effective Date”) between **Fort Monmouth Economic Revitalization Authority**, (“FMERA” or “Authority” or “Seller”) a public body corporate and political constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, N.J.S.A. 52:27I-18 et seq., whose address is 502 Brewer Avenue, Oceanport, New Jersey 07757, referred to as the Seller, and **Kiely Realty Group, LLC**, (“Kiely” or “Purchaser”) a limited liability company of the State of New Jersey, whose address is 700 McClellan Street, Long Branch, New Jersey 07740 referred to as the Purchaser. Seller and Purchaser are collectively referred to herein as the “Parties”.

**WITNESSETH:**

**WHEREAS**, on behalf of the United States Secretary of Defense, the Office of Economic Adjustment recognizes the Seller as the local redevelopment authority for Fort Monmouth, located in the Boroughs of Oceanport, Eatontown and Tinton Falls, New Jersey;

**WHEREAS**, FMERA has publicly advertised a Request for Offers to Purchase (“RFOTP”) the following property: (1) the Pistol Range, a/k/a Building 2627, situated on approximately 1 acre; 2) the Fire and Police Training Area, including Building 2628, situated on approximately 2.5 acres; and 3) the Satellite Road Parcel, an approximately 1.5 acre tract of land, all located on Fort Monmouth, Tinton Falls, New Jersey, together with all furniture, fixtures and equipment as set forth in greater detail herein (the “Property” as further identified, described and

defined herein) in accordance with FMERA's Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq.;

**WHEREAS**, there exists an Economic Development Conveyance Agreement ("EDC Agreement"), between the United States Department of the Army ("Army") and FMERA which addresses the terms by which the Army transferred to Seller a portion of Fort Monmouth, which includes the Property;

**WHEREAS**, Seller is subject to the terms and conditions of the EDC Agreement;

**WHEREAS**, attached hereto as Exhibit A is the quitclaim deed by which the Army conveyed the Property and other land and property in Fort Monmouth to FMERA (the "Army Quitclaim Deed");

**WHEREAS**, FMERA has adopted the Fort Monmouth Reuse and Redevelopment Plan, last amended August 2012, as same may be amended from time to time (the "Plan");

**WHEREAS**, the Purchaser proposes to utilize the Property for commercial, retail, light industrial and office flex space uses, including but not limited to the operation of a for-profit shooting range and archery (not owned, operated or exclusively used by a governmental agency) along with related retail sales including sale of ammunition, fire arm repair, modification and manufacturing testing, and restaurant/food and beverage services contingent on an amendment to the Fort Monmouth Reuse and Redevelopment Plan permitting same. The Satellite Road parcel shall also be permitted for light industrial use. Purchaser acknowledges that FMERA has provided a copy of draft Plan Amendment #3, which was approved for transmittal to the Boroughs of Tinton Falls, Eatontown and Oceanport by the FMERA Board at its meeting of August 26, 2015. Seller will make good faith efforts to adopt Amendment #3 to the Plan to permit Purchaser's intended uses prior to Closing as set forth herein.

**WHEREAS**, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Property subject to the terms and conditions set forth herein.

**NOW THEREFORE**, for good and valuable consideration, the mutual receipt and legal sufficiency of which the Parties hereby acknowledge, Seller and Purchaser hereby agree as follows:

### **DEFINITIONS**

For all purposes of this Agreement, the following terms shall have the respective meanings set forth below:

**1. Definitions:**

**“Affiliate”** means with respect to Purchaser, any other Person directly or indirectly controlling or controlled by, or under direct common Control with Purchaser. For purposes of this definition the term “Control” (including the correlative meanings of the term “controlled by” and “under common control with” as used with respect to Purchaser), shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management, operations and policies of the Purchaser, whether through the ownership of voting securities or by contract or otherwise.

**“Agreement”** means this Purchase and Sale Agreement and Redevelopment Agreement dated above, as same may be amended, modified or supplemented from time to time by written instrument signed by the Parties.

**“All Approvals”** means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-governmental authorities needed to obtain building permits for all of the uses on the Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including

but not limited to, the following Non-Appealable Final Approvals: (i) the mandatory conceptual review approval of the Project by FMERA which is required pursuant to N.J.A.C. 19:31C-3.20(c); (ii) preliminary and final subdivision approval, if applicable; and (iii) preliminary and final site plan approval, if applicable, including the required review by FMERA in connection with “d” variances; (iv) execution of an acceptable Developer’s Agreement with the Borough of Tinton Falls and/or County of Monmouth as may be required; (v) a Final Remediation Document issued to Purchaser by either the New Jersey Department of Environmental Protection (“NJDEP”) or Purchaser’s licensed site remediation professional that documents that the Property has been remediated and which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2; and (vi) such permits or approvals as may be needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit. Each such approval shall be referred to as an “Approval.”

**“Approval Costs”** shall mean all costs and expenses including, without limitation, attorneys’, consulting, engineering, and application fees associated with obtaining All Approvals.

**“Approval Extension Period”** means two (2) six (6) month periods from the end of the Initial Approval Period which Purchaser shall be entitled to provided it has initially applied and continues to process such Approvals as set forth above in good faith.

**“Approval Period”** means collectively the Initial Approval Period and the Approval Extension Period for a total period of time not to exceed eighteen (18) months from expiration of the Due Diligence period as set forth herein.

**“Army”** means the United States of America, acting by and through the Secretary of the Army and any division, department or agency thereof.

**“CERCLA”** means the Comprehensive Environmental Response and Liability Act of 1980 (P.L. 96-510) as amended.

**“CERCLA Covenants”** shall have the meaning ascribed in Section 21.

**“Closing”** shall mean the transfer of the Property from the Seller to the Purchaser and the transfer of the Purchase Price from the Purchaser to the Seller which shall occur upon the satisfaction of the Conditions Precedent to Closing set forth in Section 14.

**“Complete”**, **“Completed”** or **“Completion”** means completion of the bonded improvements as described in Paragraph 6 (e). Thereafter Seller shall issue a Certificate of Completion.

**“Conditions Precedent to Closing”** shall mean the obligations of the Purchaser and Seller which are set forth in Section 14.

**“Deposit”** shall mean collectively the Initial Deposit and Second Deposit described in Section 5 herein.

**“Discharge”** pursuant to N.J.S.A. 58:10-23.11b, as same may be amended, means any intentional or unintentional action or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into the waters or onto the lands of the State, or into waters outside the jurisdiction of the State when damage may result to the lands, waters or natural resources within the jurisdiction of the State.

**“Due Diligence Period”** means the one hundred-twenty (120) day period commencing on the later of the Effective Date of this Agreement and the date that Seller provides the Purchaser a survey of the Property, and ending at 5:00 p.m. on the 121<sup>st</sup> day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Property to determine whether the as-is condition of the Property (subject to any

remediation of the Property by the Seller or the Army as provided herein) is satisfactory to the Purchaser.

**“EDC Agreement”** shall mean the Agreement between the Army and FMERA dated June 25, 2012 which sets forth the terms by which the Army conveyed portions of Fort Monmouth (including the Property) to FMERA and the terms under which FMERA will acquire same from the Army.

**“Effective Date”** shall mean the date set forth in the introductory paragraph of this Agreement.

**“Environmental Laws”** or **“Environmental Law”** shall mean each and every applicable federal, state, county or municipal environmental and/or health and safety statute, ordinance, rule, regulation, order, code, directive or requirement.

**“Final Remediation Document”** pursuant to N.J.S.A. 58:10-23.11b, as it may be amended, means a no further action letter (“NFA”) issued by the NJDEP pursuant to N.J.S.A. 58:10B-1 et al., or a response action outcome (“RAO”) issued by a licensed site remediation professional pursuant to N.J.S.A. 58:10C-14.

**“Finding of Suitability to Transfer”** or **“FOST”** means the document entitled “Draft Final Finding of Suitability to Transfer, (FOST), Fort Monmouth, New Jersey, Fort Monmouth, Charles Wood Area,” dated August 2013 and prepared by the Army. The purpose of the FOST is to document the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition the FOST includes CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA.

**“Force Majeure”** shall mean the failure or delay of performance by Seller or Purchaser of any provision of the Agreement by reason of the following: labor disputes, strikes, picket lines, boycott efforts, war (whether or not declared), riots, moratorium regarding sewer, water or any other utilities, litigation filed against either Seller or Purchaser affecting the Property, acts of God, or materially adverse conditions affecting the real estate market and the Project or any individual phase of the Project as demonstrated by an independent market study prepared by a qualified economist or financial consultant selected by the Party seeking a delay in performance based upon materially adverse real estate market conditions and approved by the non-benefitting party which approval shall not be unreasonably withheld or delayed. In such cases, neither the Seller nor Purchaser shall be in default of this Agreement if the delay or failure to perform is by reason of the aforementioned events or conditions. Any extension of the timeframes for performance of obligations set forth in this Agreement for Force Majeure shall be contingent upon the Party claiming a Force Majeure notifying the other Party in writing within thirty (30) days of the occurrence of the event resulting in the failure or delay of performance. The time of performance shall be extended for the period of the delay occurring as a result of the Force Majeure event; provided, however, that in no event shall the extension of the timeframe exceed twelve (12) months in the aggregate for all Force Majeure or Tolling events.

**“Hazardous Substances”** means all substances set forth in N.J.A.C. 7:1E-1.7 as same may be amended from time to time.

**“Improvements”** shall mean the buildings, fixtures and structures located on Property.

**“Initial Approval Period”** shall be 6 months from the end of the Due Diligence Period.

**“Municipality”** shall mean the Borough of Tinton Falls, in the County of Monmouth, State of New Jersey.

**“No Further Action Letter” (“NFA”)** has the same meaning as set forth at N.J.S.A. 58:10B-1.

**“Non-Appealable Final Approval”** shall mean an Approval where the time to challenge or appeal the grant or denial of the Approval, or a term or condition of the Approval, before any administrative body or court of law has expired, and no challenge or appeal is pending. The term shall also mean an Approval decided after a challenge or appeal has been filed where the challenge or appeal has been decided in Purchaser’s favor, and all terms and conditions contained in the Approval are acceptable to the Purchaser in its reasonable discretion.

**“Person”** means an individual, partnership, limited liability company, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, government authority, or other entity of whatever nature.

**“Preliminary Site Plan Approval” and “Preliminary Subdivision Approval”** shall have the meanings set forth in N.J.S.A. 40:55D-1 et seq.

**“Project”** means improvements and renovations to the one acre Pistol Range parcel at an estimated cost of \$1,209,400. The improvements include the development of the existing indoor range into a for-profit private entity, associated with restaurant/food and beverage facilities, incorporating historical artifacts and monuments on the Property, minimally a 10,000 square foot addition to the existing range for educational and training and retail use, and development of 32,638 square feet of onsite, paved parking.

The Purchaser also plans to make improvements to the 2.5 acre Police and Fire Training Area at an estimated cost of \$361,400. The improvements include the development of the existing 5,000 square foot structure into flex space accompanied by a fenced-in asphalt and gravel yard, approximately 1.5 acres in size, for a new tenant, Traffic Plan.

The Purchaser will develop the 1.5 acre Satellite Road Parcel into additional light industrial yard space specifically for Traffic Plan at an estimated cost of \$70,000 to be used for additional off-street parking, as well as outside storage of equipment and materials. Parking for the Pistol Range structure along with an addition to the Pistol Range structure will also be situated upon the Satellite Road Parcel. The Project is further described herein at Section 6 and depicted in the conceptual site plan attached hereto as Exhibit C.

**“Property”** consists of: 1) the Pistol Range, a/k/a Building 2627, situated on approximately 1 acre; 2) the Fire and Police Training Area, including Building 2628, situated on approximately 2.5 acres; and 3) the Satellite Road Parcel, an approximately 1.5 acre tract of land, all located on Fort Monmouth, Tinton Falls, New Jersey, as depicted on the attached parcel plan annexed hereto as Exhibit B. Seller will deliver the Property subdivided into lots the number and area of which will be determined by Purchaser prior to closing. Seller will provide a survey for all lots purchased.

The Property additionally includes non-exclusive signage easements at the Pinebrook Road and Pearl Harbor access points to be finalized by the parties.

A deed covenant running with the land and encumbering the Property adjacent to Pinebrook Road access easement to prohibit the erection of any buildings within the hatched areas depicted on the access plan entitled “Pinebrook Road Access Plan”.

The Seller will subdivide the Property by deed to Purchaser, dividing the Property into two (2) or more conforming tracts as requested by Purchaser and as provided in the Property description set forth above. Seller will provide a survey and convey title to Purchaser on that basis.

The sale will include a bill of sale for all furniture, fixtures and equipment on the Property, including, but not limited to, the Huey helicopter fuselage, one tanker, one trailer and burn building, together with: (i) the C-130 fuselage located adjacent to the Pulse Power Building; (ii) the Dymaxion Deployment Unit located atop the Myer Center; and (iii) certain monuments located on Fort Monmouth to be mutually agreed upon by the Parties. Purchaser will be responsible for removing the two rail cars located in proximity to the Satellite Road Parcel prior to closing (the “Property” as further identified, described and defined herein) in accordance with FMERA’s Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq. The Property is further described in Section 3 and is also depicted in the boundary survey and the metes and bounds description that is attached hereto as Exhibit D.

“**Purchaser**” shall mean Kiely Realty Group, LLC, (“Kiely”) and its authorized assignees or successors.

“**Purchase Price**” is the price that the Purchaser shall pay the Seller for the Property. The Purchase Price shall be paid as described in Sections 4 and 5.

“**Response Action Outcome**” (“**RAO**”) has the same meaning as set forth at N.J.S.A. 58:10-23.11b, as amended.

“**Tolling**” shall mean a period of time during which all time frames and obligations of Purchaser or Seller as set forth in this Agreement are suspended in accordance with the terms of this Agreement and which suspension of time frames and obligations shall continue until the event causing the Tolling is resolved to the satisfaction of the Party seeking the benefit of a Tolling period. The Party seeking the benefit of a Tolling period must provide the other Party with notice of the happening of the Tolling event within thirty (30) days after the occurrence of the Tolling event.

**2. Purchase and Sale Agreement.** Subject to the terms and conditions set forth in this Agreement and the performance by the Parties of all of the obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the Property. The Seller will sell and convey to the Purchaser the Property in its as-is condition, which consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Agreement.

**3. The Property.** The Property consists of: 1) the Pistol Range, a/k/a Building 2627, situated on 1 acre; 2) the Fire and Police Training Area, including Building 2628, situated on 2.5 acres; and 3) the Satellite Road Parcel, a 1.5 acre tract of land, all located on Fort Monmouth, Tinton Falls, New Jersey. Seller will deliver the Property subdivided into lots the number and area of which will be determined by Purchaser prior to closing. Seller will provide a survey for all lots purchased.

The Property additionally includes non-exclusive signage easements at the Pinebrook Road and Pearl Harbor access points to be finalized by the parties.

A deed covenant running with the land and encumbering the property adjacent to Pinebrook Road access easement to prohibit the erection of any buildings within the hatched areas depicted on the access plan entitled "Pinebrook Road Access Plan" attached hereto as Exhibit B.

The Seller will subdivide the Property by deed to Purchaser, dividing the Property into two (2) or more conforming tracts as requested by Purchaser and as provided in the Property description set forth above. Seller will provide a survey and convey title to Purchaser on that basis.

The sale will include a bill of sale for all furniture, fixtures and equipment on the Property, including, but not limited to, the Huey helicopter fuselage, one tanker, one trailer and burn building, together with: (i) the C-130 fuselage located adjacent to the Pulse Power Building; (ii) the Dymaxion Deployment Unit located atop the Myer Center; and (iii) certain monuments located on Fort Monmouth to be mutually agreed upon by the Parties. Purchaser will be responsible for removing the two rail cars located in proximity to the Satellite Road Parcel prior to closing (the "Property" as further identified, described and defined herein) in accordance with FMERA's Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq. The Property is more fully described in the attached Exhibit D.

**4. The Purchase Price.** Subject to Section 30, the price that the Purchaser will pay the Seller for the Property is \$2,876,000, allocated as \$2,651,000 for the Pistol Range and the Fire and Police Training Area and \$225,000 for the Satellite Road Parcel. Final price allocation will be shown on the closing statement depending upon number of lots conveyed.

**5. Payment of the Purchase Price.** Subject to Section 25, the Purchaser will pay the purchase price as follows:

At the time of submission of its proposal, Purchaser deposited an initial deposit of \$143,800 (the "Initial Deposit allocated as \$132,550 for the Pistol Range and Fire and Police Training Area and \$11,250 for the Satellite Road Parcel") with the Seller and the Seller has transferred said Initial Deposit, with interest, to its counsel's Attorney Trust Account

\$ 143,800

A second deposit of \$287,600 to be deposited with Seller by Purchaser upon the execution of this Agreement by the Parties (the "Second Deposit allocated as \$265,100 for the Pistol Range and Fire and Police Training Area and \$22,500 for the Satellite

|  |                           |
|--|---------------------------|
| Road Parcel”), and to be transferred, with interest, to its counsel’s Attorney Trust Account                               | \$ 287,600                |
| Balance to be paid at closing of title, by wire transfer, in cash or by certified check (subject to adjustment at closing) | <u>\$2,444,600</u>        |
| <b>Total purchase price</b>  | <b><u>\$2,876,000</u></b> |

**6. Redevelopment Project, Capital Investment, and Job Creation.**

a. **Redevelopment Plan:** Purchaser proposes to utilize the Property for commercial and retail uses including but not limited to the operation of a shooting range and archery along with retail sales of firearms and ammunition, firearms training and related retail and restaurant/food and beverage services contingent on an amendment to the Fort Monmouth Reuse and Redevelopment Plan permitting same. The Satellite Road parcel shall also be permitted for light industrial use in accordance with Proposed Amendment #3 to the Fort Monmouth Reuse and Redevelopment Plan and as otherwise set forth herein.

b. **Capital Investment:** Purchaser plans to make improvements and renovations to the one acre Pistol Range parcel at an estimated cost of \$1,209,400. The improvements include the development of the existing indoor range into a for-profit private entity, with associated restaurant/food and beverage facilities, incorporating historical artifacts and monuments on the Property, minimally a 10,000 square foot addition to the existing range for educational and training and retail use, and development of 32,638 square feet of onsite, paved parking.

The Purchaser also plans to make improvements to the 2.5 acre Police and Fire Training Area at an estimated cost of \$361,400. The improvements include the development of the existing

5,000 square foot structure into flex space accompanied by a fenced-in asphalt and gravel yard, approximately 1.5 acres in size, for a new tenant, Traffic Plan.

The Purchaser will develop the 1.5 acre Satellite Road Parcel into additional light industrial yard space specifically for Traffic Plan at an estimated cost of \$70,000 to be used for additional off-street parking, as well as outside storage of equipment and materials. Parking for the Pistol Range structure along with an addition to the Pistol Range structure will also be situated upon the Satellite Road Parcel. The Purchaser shall have twenty four (24) months from the date of Closing and receipt of any and all necessary permits and approvals to complete the Project.

c. **Job Creation:** Purchaser will cause the creation and/or relocation of a minimum of 105 jobs consisting of 25 full-time and part-time positions and 80 temporary positions at the Property- within twenty four (24) months of Project completion.

To the extent the Purchaser fails to achieve the creation and/or relocation of a minimum of 105 jobs total on the Property as set forth above, then it shall be liable to pay to the Seller \$1,500 for each full-time job not created and \$750 for each part-time job not created. It is agreed and understood that Purchaser's obligation to create 105 jobs within twenty four (24) months of Project completion is a onetime obligation. Purchaser's total obligation for not creating any new jobs shall not exceed \$97,500.

Each and every one of the foregoing representations and covenants contained in this Paragraph shall survive Closing, shall run with the land, and shall be a continuing obligation.

d. **New Jobs Security:** At Closing, Purchaser shall secure its obligation to create a minimum of 105 new or relocated jobs at the Property, or pay up to \$97,500, through the granting of a promissory note from the Purchaser in a form acceptable to FMERA. The provisions of this Paragraph 6 shall survive Closing, shall run with the land, and shall be a one-

time obligation as set forth above. It is agreed and understood that upon receipt of notice of creation of 105 jobs as set forth above or the payment of any monies for jobs not created, then Seller shall, within thirty (30) days of notice of creation or payment, cancel or otherwise discharge the Note which shall no longer be in force or effect.

e. **Completion Bond**: Prior to Closing, Purchaser shall secure its obligation to complete the Project, through the purchase of a performance bond for the benefit of FMERA and/or the Borough of Tinton Falls, underwritten by a surety or financial institution, and in a form acceptable to the Borough of Tinton Falls and FMERA, in the amount not greater than (i) the cost of installing site or other improvements as required by the Borough in the context of preliminary and final site plan improvements as permitted pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D – 1 et seq. (“MLUL”) and (ii) for the cost of the improvements described in Section 6(b) hereof. It is understood and agreed that Purchaser shall not be required to post separate bonds with both the Borough of Tinton Falls and FMERA guaranteeing completion of identical improvements.

It shall be a default under this Agreement for Purchaser to fail to complete the bonded improvements within the timeframes set forth herein. FMERA’s right to make a demand to draw on the completion bond shall survive the Closing and/or termination of this Agreement, and shall run with the land, and shall be a continuing obligation until such time as the bonded improvements are completed and the bonds released. It is agreed and understood that any such bonds posted with the Borough of Tinton Falls for site plan or other improvements shall be released pursuant to the applicable provisions of the MLUL. As for those bonds posted with the Seller not otherwise subject to the MLUL, upon completion of the bonded improvements, Purchaser shall provide a Certification of Completion which Seller must review and respond to

within no more than thirty (30) days of receipt. If Seller confirms that all improvements as described in the bond have been completed, it shall provide such written evidence of same in a form satisfactory to the issuer of the bonds so as to allow for their release. If Seller indicates that all improvements as described in the bond have not been completed, it shall provide a written list of all such items that remain outstanding. Upon Purchaser's completion of those items as set forth in the written list and Seller's confirmation of same, Seller shall provide such written evidence of same in a form satisfactory to the issuer of the bonds so as to allow for their release .

Each and every one of the foregoing representations and covenants contained in this Paragraph 6 shall survive Closing, shall run with the land, and shall be a continuing obligation.

**7. Declaration of Covenants.**

The quitclaim deed from Seller to Purchaser shall include a declaration of covenants and restrictions upon the Property which shall run with the land and expire upon the issuance of a Certificate of Completion issued by Seller. The Declaration shall indicate or otherwise contain:

1.) The uses of the Property shall be limited to those uses permitted pursuant to the Fort Monmouth Reuse and Redevelopment Plan, as amended.

2.) Subject to Purchaser's receipt of all required permits and approvals for the Project, Purchaser, as the approved redeveloper, will commence construction forty-five (45) days after Closing and issuance of building permits and complete the Project within twenty four (24) months after commencement of construction.

3.) Other than to individual tenants who intend to use the buildings at the Project as otherwise permitted, Purchaser, as the approved redeveloper, will not sell, lease or transfer the Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA, except as set forth in Section 30 hereof.

**8. Reversion to Seller.**

a. The quitclaim deed from Seller to Purchaser shall provide that if the timeframes set forth herein have not been met, then Seller shall have the right of reversion of title, at Seller's sole option, to Property if Purchaser has not completed construction within the timeframes set forth in Paragraph 6. Such right of reversion shall be, by its terms as set forth in the quitclaim deed, subordinate to any and all land, construction, permanent or other lender whose lien shall have superiority over any such rights.

b. Should Seller exercise this reverter option, Seller and Purchaser agree that the existing land value of the Property is \$2,876,000 and Seller shall pay Purchaser \$2,876,000 if the Property becomes subject to this reverter option. Any reversion purchase price paid by Seller shall be applied first to reduce any outstanding balance of any mortgage or lien imposed on the Property by Purchaser.

c. Notwithstanding anything herein to the contrary, Seller agrees to provide Purchaser with ninety (90) days advance written notice of Seller's intent to exercise its right of reverter and the Purchaser shall have the opportunity to cure within said notice period.

d. The Seller's right of reversion shall survive the Closing and/or termination of this Agreement, and shall run with the land on any portion of the Property that is subject to the Seller's right of reversion pursuant to Section 8a.

e. Seller shall execute a release evidencing the termination of Seller's right of reversion on any portion of the Property for which the bonded improvements as set forth in subparagraph 6 (e) have been Completed upon the presentation of (i) proof of Completion and (ii) a form of release that shall be recorded at the sole cost and expense of the Purchaser or its

successors and assigns. Upon completion of the bonded improvements as set forth in subparagraph 6 (e) Purchaser shall be entitled to record a Release of Rights of Reversion in a form acceptable to Seller.

**9. Prevailing Wage.** Prevailing wage will only apply to the extent that the Project or other work performed by Purchaser includes “public work” (and then only as to such “public work”) as that term is defined in the New Jersey Prevailing Wage Act, P.L. 1963, c.150 (N.J.S.A. 34:11-56.25 et seq.) or if Purchaser receives financial assistance from Seller, the State of New Jersey or any other New Jersey State entity. This prevailing wage obligation shall survive Closing and/or termination of this Agreement and shall continue until construction of the Project is Completed. Once the Project is complete, except as otherwise required by applicable law, construction of improvements or other work at the Property shall not require the use of Prevailing Wage.

**10. Purchaser Financially Able to Close.** The Purchaser represents that it has or will have sufficient cash available at Closing to complete the purchase without financing. The Closing shall not be contingent upon the Purchaser or any other Person obtaining financing to pay the Purchase Price.

**11. Deposit Monies.**

a. All deposit monies (and interest accrued thereon) will be held by FMERA’s attorney (“Escrow Agent”) in its interest-bearing, Attorney Trust Account pursuant to the Escrow letter in a form acceptable to Purchaser and Seller until the date of Closing or as otherwise provided in this Agreement. At Closing, Purchaser shall receive a credit against the Purchase Price in the amount of the Deposit and all interest accrued thereon. If Purchaser terminates this Agreement

in accordance with its terms, the Escrow Agent shall refund the Deposit to Purchaser within three business days of receipt of Purchaser's notice. The Initial and Second Deposit shall be refundable upon termination of this Agreement pursuant to Sections 6, 11, 12, 13, 14, 16, 21, 22 and 23.

b. In the event that the Agreement is terminated by the Seller prior to closing because Purchaser defaults and said default is not cured within the time frames established herein, then the Escrow Agent shall pay the Seller the \$431,400 deposit and all accrued interest as liquidated damages as Seller's sole and exclusive remedy.

**12. Title and Survey Investigation.**

a. Attached hereto as Exhibit E is a Title Insurance Policy Commitment No. \_\_\_\_\_ ("Title Commitment") that was issued by \_\_\_\_\_ by \_\_\_\_\_ and through \_\_\_\_\_ ("Title Company") for the Purchaser. Seller agrees that prior to and as a Condition Precedent to Closing, Seller shall:

- (i) Deliver title to the Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and
- (ii) Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Purchaser and the Title Company the following requirements and exceptions that are identified in the Title Commitment:

b. Purchaser shall deliver to Seller a title report for the Property within thirty (30) days of the execution of this Agreement. Thereafter, Seller shall cause a survey to be prepared incorporating and depicting all easements and other property interests of record and deliver such survey to Purchaser. No later than thirty (30) days from receipt of the survey, Purchaser shall deliver to Seller a list of survey objections. Not later than ten (10) days after Seller receives Purchaser's survey objections, Seller shall notify Purchaser which of the objections, if any, Seller

shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Seller supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the survey objections by the Purchaser and the Seller's responses thereto, and Seller shall have no further obligation to cure the Purchaser's survey objections either prior to or at Closing.

c. Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser's cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

d. If Seller fails to meet the requirements of Paragraph 12.a, or if Seller has agreed to cure a survey objection pursuant to Paragraph 12.b and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Paragraph 12.c and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller's expense; or (ii) terminate this Agreement.

e. From the date of this Agreement, Seller shall not permit any further encumbrance on the Property without Purchaser's prior written consent, which consent may be withheld for any reason.

### **13. Due Diligence Period.**

a. Purchaser, its agents and Purchaser's prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the

Property, to inspect the Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Property.

b. Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 PM on the last day of the Due Diligence Period. Upon termination of this Agreement during the Due Diligence Period, the Deposit shall be promptly returned to Purchaser.

c. Purchaser, its agents and Purchaser's prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Property:

(i.) Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of Five Million (\$2,000,000.00) Dollars, except automobile liability may be at a minimum of One Million (\$1,000,000) Dollars, for each occurrence of bodily injury, death, and property damage liability. Seller shall be named an additional insured on this policy;

(ii.) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000) Dollars per occurrence for bodily injury liability and One Hundred Thousand (\$100,000) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000) Dollars occupational disease;

Purchaser shall repair any damage caused by its investigations and shall restore the Property to substantially the same condition as existed immediately prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser's agents or representatives in the performance of any and all activities conducted on the Property by Purchaser until Closing, unless such liability is the result of Seller's negligence or intentional acts or omissions.

**14. Conditions Precedent to Closing.**

a. The Closing is subject to and conditioned upon the following:

(i) The receipt by Purchaser of All Approvals within the timeframes set forth herein. It is understood and agreed that closing is contingent on Purchaser obtaining necessary licenses and approvals from all governmental authorities necessary to operate the Property as a Pistol Range including the federal ATF and NJ State Police to operate the Pistol Range, site plan approval, if required, by the Borough of Tinton Falls upon such conditions, if any, that are acceptable to the Purchaser and such other permits and approvals as are required to construct and operate the Property for its intended purposes. Provided that it is consistent with the Reuse Plan, as amended, Seller will consent to Purchaser's Redevelopment Plan and provide proof of same as may be necessary to the Borough of Tinton Falls at no cost to Seller.

Purchaser may cancel the contract if any other governmental authority imposes any condition or requirement as a condition to Purchaser pursuing its development plans for the property that is not acceptable to the Purchaser. Despite

anything to the contrary herein, Purchaser may elect to waive All Approvals and close on the Property without said Approvals;

(ii) Receipt by Purchaser of a Final Remediation Document that demonstrates that any area of concern or Hazardous Substance at the Property has been remediated in accordance with all applicable Environmental Laws which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2;

(iii) Seller shall have performed all covenants, agreements and conditions required by this Agreement to be performed by Seller prior to or as of Closing and shall have cured all defaults;

(iv) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 12;

(v) Purchaser has not terminated this Agreement in accordance with the terms set forth in this Agreement; and

(vi) Seller has obtained EDA Board approval of Purchaser as the Redeveloper.

(vii) Seller has adopted Plan Amendment #3 to permit and allow the Purchaser to develop and operate the property for the intended purposes.

b. The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:

(i) Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of Closing and each Party shall have cured any of its respective defaults prior to Closing or at Closing; and

(ii) Except for mandatory conceptual review of the Project by FMERA, either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party's default at any time prior to Closing or at Closing. Such waiver shall be in writing and acknowledged by both Seller and Purchaser.

**15. Time and Place of Closing.**

a. The Closing shall take place within thirty (30) days of satisfaction of the Conditions Precedent to Closing detailed in Section 14. The Closing will be held at the offices of Purchaser's counsel.

b. If any event constituting a Force Majeure is in effect at the time of the Closing, then the date for the Closing shall be Tolloed and suspended for an equal number of days not to exceed twelve (12) months in the aggregate for all Force Majeure or Tolling events.

c. Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser's Title Company: (1) quitclaim deed; (2) entity resolution; (3) paid receipt of Real Estate Broker; (4) tax and utility bills, if any; (5) Certificate of Compliance with Section 1445 of the Internal Revenue code (FIRPTA), (6) Bill of Sale for any Personalty; (7) IRS Form 1099; and (8) a post-Closing adjustments letter whereby the parties agree to readjust the pro-rations should any error or mistake be discovered within twelve (12) months of Closing. Purchaser shall deliver the Purchase Price and a Title Closing Statement at Closing.

d. At Closing, Purchaser shall pay the balance of the Purchase Price (after application of a credit for the Deposit and all accrued interest) to the Seller. Purchaser shall make payment at

Purchaser's option by either certified check or attorney trust account check or with the consent of Seller by wire transfer.

**16. Transfer of Ownership.**

- a. At Closing, the Seller shall transfer ownership of the Property to the Purchaser or one or more wholly owned subsidiary(s) of Purchaser via a properly executed quitclaim deed. The quitclaim deed shall be in a form reasonably acceptable to Purchaser and the Title Company. The quitclaim deed between the Parties shall include a metes and bounds description of the Property that, at Purchaser's election, shall be based upon the boundary survey supplied and paid for by FMERA which is attached hereto as Exhibit D and which may also recite the survey to be prepared by the Purchaser, at Purchaser's sole cost and expense. The quitclaim deed between the Purchaser and Seller shall be subject to all notices, CERCLA Covenants, covenants, access provisions, deed provisions and environmental protection provisions recorded upon the Property as set forth in the Army Quitclaim Deed attached at Exhibit A and any covenants and restrictions that must be recorded pursuant to the requirements of N.J.A.C19:31C-3.24. It is anticipated that Purchaser shall take title to the three separate parcels in the names of three separate single purpose entities and the requirements set forth in Section "a", above, shall be applicable to each such conveyance.

**17. Personal Property and Fixtures.** Many items of property become so attached to a building or other real property that they become a part of it. These items are called fixtures. They include such items as fireplaces, patios and built-in shelving. All fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED. All personal property and fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

- a. The following fixtures are EXCLUDED from this sale: none.
- b. The following personal property is EXCLUDED from this sale: none.
- c. It is specifically understood and agreed that the Seller will issue a bill of sale for all furniture, fixtures and equipment on the Property, including, but not limited to, the Huey helicopter fuselage, one tanker, one trailer and burn building, together with: (i) the C-130 fuselage located adjacent to the Pulse Power Building; (ii) the Dymaxion Deployment Unit located atop the Myer Center; (iii) pistol range controls and equipment, including but not limited to the air handling system; and (iv) certain monuments located on Fort Monmouth to be mutually agreed upon by the Parties.

**18. Physical Condition of the Property.** This Property is being sold “as is”. The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Purchaser has inspected the Property and relies on this inspection and any rights, if any, which may be provided for elsewhere in this Agreement. Until Closing, the Seller agrees to maintain the grounds and secure but not maintain the buildings and improvements.

**19. Acknowledgment and Covenants Regarding FOST.** Purchaser and Seller agree and acknowledge that the Army is responsible for the environmental investigation and remediation of the Property, as required by applicable law. The Purchaser and Seller acknowledge that each has received the FOST. The Purchaser and Seller agree that to the extent that the notices, covenants, access provisions, deed provisions and environmental protection provisions concerning the Property found in the FOST are contained in the Army Quitclaim Deed, then such terms shall run with the land. Purchaser, its affiliates, assignees, corporate successors, heirs, devisees and personal representatives covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability, negligence or otherwise,

concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any other relief, which may arise from the condition of the Property or the fact that the Property is subject to the FOST and the Army Quitclaim Deed. This covenant shall survive Closing and/or termination of this Agreement and if the terms are included in the Army Quitclaim Deed, then such terms shall also run with the land and be binding upon the Purchaser and its successors and assigns.

**20. Risk of Loss.** Seller shall be responsible for all losses and damages to the Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents, contractors, licensees or sub lessees) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Property is secure. Seller and Purchaser agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement, but that Seller may grant Purchaser an offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing. The amount of any such offset shall be determined by the Seller and Purchaser in good faith and in accordance with reasonable business practices, and shall be subject to the consent of the United States Army. In the event that such loss or damage hereunder shall total \$150,000 or more and Seller and Purchaser are unable to reach a mutual agreement as to a credit for such loss or

damage, Purchaser shall have the option to terminate this Agreement and obtain a full return of the Deposit.

**21. Environmental Matters.** a. Purchaser and Seller acknowledge that pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Army will retain responsibility for any Army caused environmental contamination (other than mold, asbestos containing materials, lead-based paint and commercially-applied pesticides and termiticides) that may be present on the Property as of the date of the Army Quitclaim Deed and as otherwise set forth in the RFOTP. The Parties acknowledge that the quitclaim deed between Seller and the Purchaser shall contain certain covenants required by CERCLA (the “CERCLA Covenants”) which covenants are contained in the Army Quitclaim Deed.

The Seller shall not bear any responsibility or liability to the Purchaser or its successors or assigns for the presence of mold, asbestos containing materials, lead-based paint or commercially applied pesticides and termiticides on the Property as of or after the Closing. Purchaser shall be solely responsible for the proper disposal of any mold, asbestos containing materials, lead-based paint or commercially applied pesticides encountered during the renovation or demolition of buildings and improvements on the Property.

b. If Seller receives notice from any Person at any time prior to the Closing that any Discharge of a Hazardous Substance has occurred on the Property which has not already been documented in the FOST, then Seller shall provide Purchaser with notice of the Discharge on the Property within three (3) days of receiving notice. Seller shall advise Purchaser within thirty (30) days of receiving the notice of Discharge whether Seller or the Army or other responsible third party shall remediate such Discharge and obtain a Final Remediation Document. If Seller advises Purchaser that neither the Seller nor the Army nor the other responsible third party shall

remediate the Discharge and obtain a Final Remediation Document, then Purchaser shall have thirty (30) days from the receipt of this notice from the Purchaser to terminate this Agreement. If Purchaser fails to terminate this Agreement within thirty days of receipt of notice from the Seller that neither the Seller nor the Army nor the other responsible third party shall remediate the Discharge, then the Purchaser shall have waived the right to terminate the Agreement due to the Discharge. If Purchaser waives the right to terminate the Agreement after receiving notice from the Seller that neither the Seller nor the Army nor the other responsible third party shall remediate the Discharge of a Hazardous Substance on the Property, then Purchaser shall not be entitled to a set off or reduction in Purchase Price at Closing.

c. If Seller or the Army or the other responsible third party agree to remediate the Property by delivering a Final Remediation Document and Seller or the Army or the other responsible third party subsequently fails to provide the Final Remediation Document prior to the date set for the Closing, then Purchaser may (1) terminate this Agreement and recover the Deposit, or (2) delay Closing to a date reasonably specified by Purchaser to allow sufficient time for Seller or the Army or the other responsible third party to obtain the Final Remediation Document.

**22. Termination of Agreement.** If this Agreement is legally and rightfully terminated, the Purchaser and the Seller shall be free of liability to each other, except (subject to the terms of Section 11 herein) for the return of the Deposit with all accrued interest that may be owed and any obligations that specifically survive termination of the Agreement.

**23. Default by Seller.**

(a) If Seller shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon return of the Deposit (together with all interest accrued thereon), this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for

any rights or obligations that specifically survive the termination of this Agreement. The forgoing notwithstanding, Purchaser shall be entitled to recoup its reasonable, actual, documented out of pocket expenses for infrastructure improvements (roadway, water, sewer, etc.) undertaken subsequent to execution of this Agreement and prior to default by Seller.

(b) Purchaser acknowledges that the remedies set forth in this Paragraph 23 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the Closing as provided in this Agreement. In no event shall Purchaser have any claim for any damages against Seller, except as set forth in this Paragraph 23. The terms of this Paragraph 23 shall survive the Closing and/or any termination of this Agreement.

(c) The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

**24. Default by Purchaser.**

a. The following occurrences shall be a default by Purchaser of the terms of this Agreement:

(i) failure of Purchaser to observe and perform any covenant, condition, representation, warranty or agreement hereunder, and continuance of such failure for a period of sixty (60) days, after receipt of written notice from the Seller specifying the nature of such failure and requesting that such failure be remedied.

(ii) Purchaser shall have (a) applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; or (b) a custodian shall have been legally appointed with or without consent of Purchaser; or (c) Purchaser has (1) has made a general assignment for the benefit of creditors, or (2) has filed a voluntary petition in

bankruptcy or a petition or an answer seeking an arrangement with creditors or has taken advantage of any insolvency law; or (d) Purchaser has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; or (e) a petition in bankruptcy shall have been filed against Purchaser, and shall not have been dismissed for a period of ninety (90) consecutive days; or (f) an Order for Relief shall have been entered with respect to or for the benefit of Purchaser, under the Bankruptcy Code; or (g) an Order, judgment or decree shall have been entered, without the application, approval or consent of Redeveloper, by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of Purchaser, or a substantial part of its assets and such order, judgment or decree shall have continued unstayed and in effect for any period of ninety (90) consecutive days; or (h) Redeveloper shall have suspended the transaction of its usual business.

(iii) Purchaser has abandoned or substantially suspended any work on the Approvals such abandonment or suspension of work shall not be cured, ended or remedied within sixty (60) days after written demand by the Seller.

(iv) The Purchaser shall place on the Property any unauthorized encumbrance or lien on the Property prior to Closing, or shall suffer any levy or attachment to be made on the Property prior to Closing, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach to the Property prior to Closing and the encumbrance or lien shall not have been removed or discharged satisfactorily to the Seller at the sole cost and expense of the Purchaser within sixty (60) days after written demand by the Seller to do so.

b. If an occurrence of default by Purchaser occurs or Purchaser fails or refuses to consummate the Closing (where no default by Seller has occurred under the Agreement and all Conditions Precedent to Closing have been satisfied), then Seller, as its sole and exclusive

remedy, may terminate this Agreement by giving notice thereof to Purchaser. Upon any such termination, Seller shall retain as liquidated damages the portion of the Deposit stated in Section 11.d above and all accrued interest and neither party shall have any further rights or obligations hereunder, except any rights or obligations that specifically survive the termination of this Agreement.

c. Seller agrees that prior to declaring the Purchaser in default, Seller shall provide Purchaser with sixty (60) days advance written notice of such default and Purchaser shall have the right to cure such default within sixty (60) of receipt of written notice of the default.

**25. Adjustments at Closing/Assessments for Municipal Improvements.**

a. The Purchaser and Seller agree to adjust the following expenses as of the closing date: water charges, sewer charges, and taxes. The Purchaser or the Seller may require that any person with a valid claim or right affecting the Property be paid from the proceeds of this sale.

b. Certain municipal improvements, including, but not limited to, sidewalks and sewers, may result in the Municipality charging property owners to pay for the improvement. All unpaid charges (assessments) against the Property for work completed before the date of Closing will be paid by the Seller at or before Closing, unless such assessments resulted from action taken by the Municipality in connection with Purchaser's Approvals, then the Purchaser shall pay such assessments. If the improvement is not completed before the date of Closing then only the Purchaser will be responsible. If the improvement is completed at or before Closing, but the amount of the charge (assessment) has not been determined by the Municipality, the Seller will

pay an estimated amount at Closing (unless such assessments resulted from action taken by the Municipality in connection with Purchaser's Approvals, then the Purchaser shall pay such assessments). When the amount of the charge is finally determined by the Municipality, the Seller will pay any deficiency to the Purchaser (if the estimate proves to have been too low), or the Purchaser will return any excess to the Seller (if the estimate proves to have been too high).

**26. Possession.** At Closing, the Purchaser will be given possession of the Property subject to the Army's right of access to the Property pursuant to the Army Quitclaim Deed. The delivery of the quitclaim deed for the Property by Seller to Purchaser and possession of the Property from Seller to Purchaser and the acceptance of possession of the Property, as set forth herein by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement, except for any duties that expressly survive Closing as provided herein.

**27. Liens.** In the event that an objection to title consists of an unpaid lien of a defined amount attributable to Seller, Seller has the right to satisfy the lien from the sales proceeds.

**28. Assignment of Permits and Approvals.**

a. Seller agrees to cooperate with Purchaser in obtaining any required FMERA signatures or consents in connection with Purchaser's efforts to obtain the Approvals for the development of the Project on the Property and shall endeavor to obtain same from its Executive Director, within one week of presentation; from the FMERA Real Estate Committee, within 30 days from presentment; and from the FMERA board, within 45 days of presentment, subject to the Governor's 10-day veto period. Where required by law, FMERA will sign as owner or applicant on applications made by the Purchaser. Any delay beyond these time periods shall constitute an event entitling Purchaser to Tolling of the time periods set forth herein for performance by the

Purchaser. At Closing Seller shall assign any permits or approvals related to the Project to the Purchaser.

b. Seller shall join Purchaser in filing and recording a subdivision plat or plats in the County Clerk's office, which facilitates the dedication of streets, rights-of-way, and any easements, to the extent reasonably necessary, prior to the Closing provided that the cost and expense for same is paid solely by the Purchaser. Immediately prior to Closing, Purchaser shall post the necessary performance guarantees and inspection fees required to permit the filing of the subdivision plat with the County Clerk's Office.

**29. Parties Liable.** This Agreement is binding upon the Parties and all who succeed to their rights and responsibilities.

**30. Assignment.**

a. Seller shall have the right to assign this Agreement without the consent of Purchaser to the State of New Jersey or any division thereof.

b. Purchaser shall not have the right to assign this Agreement without first obtaining the express written consent of the Seller, which consent shall not be unreasonably withheld, provided that (i) the assignee is owned or controlled by Purchaser; (ii) the assignee is approved by the State of New Jersey's Department of the Treasury Chapter 51 Review Unit for compliance with the State of New Jersey's laws governing political contributions; (iii) the assignee has demonstrated to the satisfaction of FMERA that the potential assignee has the financial ability to meet the funding requirements of the assignee's project; (iv) the assignee provides the Seller with an unqualified and unconditional acceptance of the terms and conditions of this Agreement including but not limited to the redevelopment obligations to the extent that they relate to the portion of the Property and Project being assigned; (v) the assignment will not delay the Completion of the Project; (vi) the assignee provides FMERA with satisfactory proof

of the managerial experience and project experience of the assignee with projects of similar size and magnitude to the assignee's project; and (vii) if applicable to the assignee's portion of the Project, the assignee agrees to comply with any and all legally imposed affordable housing requirements, including but not limited to setting aside twenty (20%) percent of the housing units to be developed by the assignee for affordable housing.

c. The Parties agree that if Seller authorizes an assignment in accordance with the terms herein, then Seller shall enforce this Agreement against the assignee and Seller shall release Purchaser from any and all duties, obligations, claims and damages arising under this Agreement, provided that the assignee has unconditionally accepted the assignment of this Agreement.

d. Notwithstanding the foregoing, Purchaser shall have the right to assign this Agreement to one or more Affiliates of the Purchaser, such as an urban renewal entity created to undertake one or more elements of the Project, without first obtaining the Seller's consent provided that the Affiliate or urban renewal entity is approved by the State of New Jersey's Department of the Treasury Chapter 51 Review Unit for compliance with the State of New Jersey's laws governing political contributions and the Affiliate or urban renewal entity provides the Seller with an unqualified and unconditional acceptance of the terms and conditions of this Agreement.

**31. Successors and Assigns.** This Agreement shall inure to the benefit of and shall bind the Parties and their successors and assigns.

**32. Entire Agreement.** It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement replaces and supersedes any previous agreements between the Purchaser and the Seller regarding

the purchase, sale and conveyance of the Property. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller. The Seller states that the Seller has not made any other Agreement to sell the Property to anyone else.

**33. Governing Law.**

a. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter.

b. The Seller and the Purchaser agree that any and all claims made or to be made against the Seller based in contract law, including but not limited to, claims and damages described in Section 23(a) for all out of pocket costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

**34. Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

**35. Headings.** The headings of the various Sections and Exhibits of this Agreement have been inserted only for the purposes of convenience, and are not part of this Agreement and shall not be deemed in any manner to modify, explain or restrict any of the provisions of this Agreement.

**36. No Partnership or Joint Venture.** Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and purchaser. Nor should anything in this Agreement render or be construed to render either of the parties hereto liable to the other for any third party debts or obligations due the other party.

**37. No Third-Party Rights or Benefits.** Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

**38. No Waiver.** No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

**39. Time Periods.** All time periods contained in this Agreement shall expire at 5:00 p.m. Eastern Time on the date performance is due and any performance after such time and any Notice received after such time shall be deemed to have occurred on the next business day. In the event that any date falls on a weekend or any other day which commercial banks in the State of New Jersey are closed or permitted to be closed, the date shall be deemed to extend to the next weekday.

**40. Publication.** Purchaser and Seller agree (i) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (ii) that Purchaser shall not issue any announcement or statement without the express written approval of Seller as to the text of the announcement.

**41. Recording or Notice of Pendency.** Purchaser shall not record nor attempt to record this Agreement; however, Purchaser may record the following: a) a memorandum or “short form” of this Agreement, b) a Notice of Settlement or c) other reporting requirements under the Federal Securities Laws or other securities laws applicable to the Purchaser, provided that the documents that Purchaser proposes to record are provided to the Seller for review and approval, which shall not be unreasonably delayed or withheld, prior to recording. In the event Purchaser records this Agreement, without having obtained the prior written consent of Seller thereto, then Purchaser shall be deemed in material incurable default under this Agreement and Seller shall be authorized without any notice whatsoever: (i) to terminate this Agreement and (ii) to take the Initial Deposit set forth in Section 5, including interest as liquidated damages, such damages being difficult, if not impossible to ascertain. This Section shall survive the termination of the Agreement.

**42. Authority Representations of Purchaser and Seller.** Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser's and Seller's behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

**43. Lis Pendens.** Unless Seller defaults, Purchaser hereby waives any right or privilege to place a lis pendens upon the Property or any property owned or controlled by FMERA and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, but not limited to Seller's costs of removing the lis pendens plus treble damages, for Purchaser's failure to comply with the terms hereof. This Section shall survive the termination of this Agreement.

**44. Political Campaign Contributions.**

44.1 For the purpose of this Section , the following shall be defined as follows:

(a) “Contribution” means a contribution reportable by a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act” P.L. 1973, c. 83 (C.19:44A-1 et seq.), a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of \$300 during a reporting period are deemed “reportable” under these laws.

(b) “Business Entity” means:

(i) a for-profit entity as follows:

A. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of corporation;

B. in the case of a general partnership: the partnership and any partner;

C. in the case of a limited partnership: the limited partnership and any partner;

D. in the case of a professional corporation: the professional corporation and any shareholder or officer;

E. in the case of a limited liability company: the limited liability company and any member;

F. in the case of a limited liability partnership: the limited liability partnership and any partner;

G. in the case of a sole proprietorship: the proprietor; and

H. in the case of any other form of entity organized under the laws of this State or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

(ii) any subsidiary directly or indirectly controlled by the Business Entity;

(iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Business Entity, other than a candidate committee, election fund, or political party committee;

(iv) principals who own or control more than 10 percent of the profits or assets of a Business Entity or 10 percent of the stock in the case of a Business Entity that is a corporation for profit (“Principals”); and

(v) with respect to an individual who is included within the definition of Business Entity, the individual’s spouse or civil union partner, and any child residing with the individual, provided, however, that, P.L. 2005, c. 51 shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005, c. 51 (C.19:44A-20.1 et seq.) (“Chapter 51”).

(c) PL 2005, c. 51 — means Public Law 2005, chapter 51 (C. 19:44A-20.13 through C. 19:44A-20.25, inclusive) as expanded by Executive Order 117 (Gov. Corzine, September 24, 2008).

44.2 The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this Agreement by reference as material terms of this Agreement with the same

force and effect as if P.L. 2005, c. 51 were stated herein its entirety. Compliance with P.L. 2005, c. 51 by Purchaser shall be a material term of this Agreement.

44.3 Purchaser hereby certifies to the Authority that commencing on and after October 15, 2004, Purchaser (and each of its Principals, subsidiaries and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between Purchaser and the Authority pursuant to P.L. 2005, c. 51. Purchaser hereby further certifies to the Authority that any and all certifications and disclosures delivered to the Authority by Purchaser (and each of its Principals, subsidiaries and political organizations included within the definition of Business Entity) are accurate, complete and reliable. The certifications made herein are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determine that any Contribution has been made in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

44.4 Purchaser hereby covenants that Purchaser (and each of its Principals, subsidiaries and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any Contributions of money, or pledge of a Contribution, including in-kind Contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the expiration or earlier termination of this Agreement. The provisions of this Section 44.4 are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made by Purchaser (and each of its Principals, subsidiaries and political organizations included within the definition of Business

Entity) in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

44.5 In addition to any other Event of Default specified in this Agreement, the Authority shall have the right to declare an event of default under this Agreement if: (i) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) Purchaser (or any of its Principals, subsidiaries and political

organizations included within the definition of Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51; or (ix) any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by Purchaser to the Authority in connection with this Agreement.

44.6 The Parties agree that on February 26, 2013 FMERA received confirmation from the Department of the Treasury's Chapter 51 Review Unit that Purchaser was approved for 2 year Chapter 51/EO117 certification. Purchaser hereby acknowledges and agrees that pursuant to P.L.2005, c. 51, Purchaser shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this Agreement. If after the effective date of this Agreement and before the entire Purchase Price is paid to the Authority, any Contribution is made by Purchaser and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

**45. Notices:** Any notices required to be given under this Agreement must be in writing and shall be addressed as follows:

to: Fort Monmouth Economic Revitalization Authority  
502 Brewer Avenue  
Oceanport, New Jersey 07757  
Attention: Bruce Steadman, Executive Director

With a copy to:

Riker Danzig Scherer Hyland & Perretti LLP

Headquarters Plaza  
One Speedwell Avenue  
Morristown, NJ 07962-1981  
Attention: John M. Pellecchia, Esq.

and

to: Kiely Realty Group, LLC  
700 McClellan Street  
Long Branch, New Jersey 07740

With a copy to: Michael A. Bruno, Esq.  
Giordano, Halleran & Ciesla, P.C.  
125 Half Mile Road, Suite 300  
Red Bank, New Jersey 07701-6777

All notices which must be given under this Agreement are to be given either by:

- (1) personal service,
- (2) certified mail, return receipt requested, addressed to the other party at their address specified above, or
- (3) overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United State Postal Service Next Day Mail).

Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision, to the other party at that party's last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

**46. Brokerage Commissions.** FMERA's broker is Cushman & Wakefield of New Jersey, Inc. Seller and Purchaser represent to each other that each has had no dealings with any other

broker, salesperson or agent in connection with the sale of the Property. Seller shall be responsible for payment of any commission to Cushman and Wakefield, but in no event shall Seller be responsible for payment of any commission to a broker other than Cushman & Wakefield arising from this transaction. The provisions of this Section shall survive Closing and/or any termination of this Agreement.

**47. Counterparts.** This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.

**48. Exhibits.** By execution of this Agreement, Purchaser acknowledges receipt of all Exhibits described in this Agreement, which have been delivered previously to Purchaser in a package separate from this Agreement.

**48. Recitals.** The Recitals are incorporated herein as if restated at length.

**49. Right of Entry**

1. Provided that Purchaser has not terminated this Agreement or is in default hereunder, at any time subsequent to Purchaser's completion of Due Diligence, Purchaser may request that Seller grant Purchaser a license to enter the Property prior to Closing for the purposes of initiating demolition or renovation of the Improvements ("Activities"). The license will be for \$1.00 and will be on an absolutely net basis.
2. The parties agree that the license for entry is not intended and will not create a leasehold interest in the Property, and that Purchaser will be precluded from sub-licensing or sub-

leasing the Property during the license term. The license will terminate upon Closing or earlier termination of this Agreement.

3. Seller will not, under any circumstance, reimburse the Purchaser for undertaking any improvements to the property and seller will own any fixtures that the Purchaser installs until title closing occurs.
4. Purchaser agrees that any work undertaken by Purchaser and its consultants and/or contractors will comply with all applicable permits, approvals, ordinances, statutes, regulations, building codes and other applicable laws.
5. Purchaser covenants and agrees to, at all times, indemnify, protect and save harmless FMERA from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges, which FMERA or the Property may directly or indirectly suffer, sustain or be subject to by reason or on account of Sellers entry upon the Property or the conduction of the Activities by Purchaser, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Purchaser shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless FMERA from and against any and all claims, actions, suits, complaints, and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entry upon the Property or from the Activities.
6. All consultants, agents, assignees, contractors, subcontractors, officers, or employees of Purchaser shall be covered by adequate Workers' Compensation.
7. Purchaser agrees that any claims asserted against FMERA based in contract law in connection with this right of entry shall be subject to the New Jersey Contractual Liability

Act, N.J.S.A. 59:13-1, et seq. and that any claims asserted against FMERA based in tort law in connection with this permit shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

8. Purchaser agrees that it:

- a. will not create any condition during its entry upon of the Property, which violates any municipal, state or other regulatory agency or is dangerous.
- b. will not permit the creation of any liens affecting the Property and shall promptly pay and discharge any claims or liabilities which may become a lien against the Property; and.
- c. will maintain in force and effect, insurance for liability and property damage in the minimum amounts of \$1,000,000 per occurrence and \$2,000,000 aggregate naming the FMERA each as an additional insured and provide proof of same to the FMERA prior to entry on the Property.

**50. Miscellaneous; Utilities and Roadways.**

1. At or prior to Closing Seller shall provide access to the public sewer system and water line adjacent to the Property line.
2. Seller shall be responsible for the cost and installation of any adjacent or off-site improvements to the sewer, access roadways, water system or other utilities located off-site or adjacent to the Property being acquired as may be required for the Purchaser's use of the Property for its intended purposes. Alternatively, the parties may agree that the Purchaser shall undertake any such offsite improvements and Purchaser shall receive a reduction to the

purchase price at closing in the amount equal to the cost of such improvements. As between Seller and Purchaser, Purchaser shall not pay any new water or sewer connection fees to connect to the existing water and sewer systems for the existing facilities on the Property.

3. Purchaser shall be responsible for replacement, repair, maintenance and/or relocation of all utilities within the Property, subject to Seller's review and approval.

4. Prior to Closing, Seller shall provide an easement for access to the power switch located south of the Property.

5. Seller shall upgrade roadways including but not limited to the internal access roads, to provide for adequate access to the Property from Pinebrook Road and Pearl Harbor Avenue with such improvements being completed by Seller at or prior to Purchaser's completion of the project, as evidenced by Purchaser's receipt of a temporary or permanent certificate of occupancy. Neither Purchaser nor the future owner of the abutting Fabrication Shops will be allowed to erect any structures within the hatched or cross-hatched areas on the plan attached as Exhibit B, however both parties will be entitled to install site improvements, landscaping and permanent signage, subject to Seller's prior review and approval. Purchaser will also have the right to install signage at its access point from Pearl Harbor Avenue. These conditions will run with the land.

Seller, Purchaser and the future owner of Fabrication Shops will jointly plan the design and construction of the Pinebrook Road access plan with respect to the area not owned by the Purchaser. Seller and Purchaser may elect to have Purchaser undertake these improvements. In the event of such election, Purchaser shall receive a reduction to the purchase price at closing in an amount equal to the cost of the access improvements.

6. Seller will not object to Purchaser's use of the name "Fort Monmouth" in trade.

Wherefore the Seller and Purchaser have signed this Agreement as of the date first written above.

ATTEST:

FORT MONMOUTH ECONOMIC  
REVITALIZATION AUTHORITY, Seller

\_\_\_\_\_

By: \_\_\_\_\_  
Bruce Steadman  
Executive Director

ATTEST:

KIELY REALTY GROUP, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Managing Member

STATE OF NEW JERSEY )  
 )  
COUNTY OF MONMOUTH )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016, by Kiely Realty Group, LLC, a limited liability company of the State of New Jersey authorized to do business in the State of New Jersey (the “Company”), by \_\_\_\_\_, its Managing Member, on behalf of the Company.

\_\_\_\_\_  
Michael Bruno, Atty- NJ





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy J. Lizura  
President and Chief Operating Officer

**RE:** Camden Waterfront  
Letter Agreement Between Liberty Property Trust and the Authority, dated November 16, 2015 – Approval of the Proposed Master Plan

**DATE:** March 10, 2016

### Summary

As required by the Letter Agreement between Liberty Property Trust (LPT) and the Authority, dated November 16, 2015, I request that the Members approve, subject to the conditions outlined in this memo, the proposed master plan, entitled “Camden Waterfront 2016: A Master Plan Vision,” prepared by Robert A.M. Stern Architect and other consultants.

### Background

#### *A. October 2015 Member Approvals*

At the October 2015 Members meeting the members approved the following documents:

- A Letter Agreement, dated November 16, 2015, between Liberty Property Trust (“LPT”) and the Authority which approves Liberty Property Trust’s (LPT) acquisition of 100% of the equity interest in Camden Town Center, L.L.C. (“CTC”)
- The Third Amendment to the Development and Option Agreement (D&O Agreement), dated November 9, 2015, provides CTC with an additional 6 months to fulfill the \$25 million minimum threshold expenditure currently due on November 30, 2015, in the event that the sale of the equity interest to LPT does not occur
- The Fourth Amendment to the D&O Agreement which changes the existing minimum threshold expenditures due to LPT’s proposed purchase of 100% of the equity interest in CTC

The Letter Agreement details certain agreements between LPT and the Authority during LPT’s due diligence period to buy 100% of CTC’s equity interest. Upon completion of the due diligence period and if LPT purchases CTC’s equity interest, the Fourth Amendment to the D&O Agreement will be executed by the new owner of CTC and the Authority.

In the Letter Agreement, the LPT and the Authority agreed to the following: “Liberty shall work diligently to complete the Master Plan for the Development Site for review and approval by NJEDA,

that includes a timeline for development and expenditures, that will be presented to the NJEDA board during the Due Diligence Period and prior to the execution of the fourth amendment to the D&O Agreement.”

*B. Review of the Master Plan*

*1. Current Master Plan*

Under the D&O Agreement, the Authority may sell property to CTC only for uses that are consistent with the approved master plan. The current amended second master plan, prepared by Torti Gallas and Partners, and approved in July 2008 by Staff, is attached as Exhibit A to this memo.

The following chart summarizes the current master plan:

| <b>2nd Master Plan (with Amendments)</b> |         |             |
|--|---------|-------------|
| <b>Use</b>                               |         | <b>Unit</b> |
| Commercial - Office                      | 312,000 | SF          |
| Commercial - Retail                      | 28,250  | SF          |
| Commercial - Flex Space                  | 78,000  | SF          |
| Hotel                                    | 140     | Keys        |
| Residential                              | 1,638   | Units       |
| Structured Parking                       | 0       | Spaces      |
| Surface Parking                          | 0       | Spaces      |
| Street Parking                           | 0       | Spaces      |
| Aquarium Expansion                       | 70,000  | SF          |
| <b>Summary of Uses</b>                   |         |             |
| Commercial Uses                          | 488,250 | SF          |
| Residential Units                        | 1,638   | Units       |
| Hotel                                    | 140     | Keys        |
| Total Parking                            | 0       | Spaces      |
| <b>Estimated Land Use</b>                |         |             |
| Aquarium Expansion                       | ±1.77   | Acres       |
| Ferry Terminal                           | ±3.34   | Acres       |
| Balance of Land in Plan                  | ±32.07  | Acres       |
| Total Land In Plan                       | ±37.18  | Acres       |

The existing master plan reflects the strength of current owner of CTC as residential developer, and as such, the existing master plan reflects the goal to develop 1,628 residential units, with complementary retail, hotel and commercial uses.

Although the second amended master plan included parking as a use, CTC had no obligation to provide structured or other parking because the original D&O Agreement provided that parking was a “Governmental Infrastructure Requirement” that did not belong to CTC. The First Amendment to the D&O Agreement, dated November 18, 2013, removed the balance of Camden Square (Parcel 3) and the “Governmental Infrastructure Requirement” from the agreement.

The amended second master plan is somewhat out of date because it was not revised to remove the Camden Square (Parcel 3) or to include the required parking for the proposed uses within the existing plan which became CTC’s responsibility.

Under the existing master plan, the current owner of CTC completed the Ferry Terminal Building (±101,181 SF) for approximately \$21 million.

*2. Proposed Master Plan*

Exhibit B, attached to this memo, shows the property currently governed by the D&O Agreement that LPT may purchase upon execution of the Fourth Amendment to the D&O Agreement.

CTC’s future owner has proposed transforming the D&O Agreement waterfront parcels to a commercial office destination area, with supporting residential uses, as outlined in the following chart:

| <b>Proposed Master Plan</b> |           |             |
|-----------------------------|-----------|-------------|
| <b>Use</b>                  |           | <b>Unit</b> |
| Commercial - Office         | 1,440,000 | SF          |
| Commercial - Retail         | 22,088    | SF          |
| Commercial – Flex           | 0         | SF          |
| Hotel                       | 130       | Keys        |
| Residential                 | 211       | Units       |
| Structured Parking          | 3,892     | Spaces      |
| Surface Parking             | 156       | Spaces      |
| Street Parking              | 110       | Spaces      |
| Aquarium Expansion          | N/A       | SF          |

### Summary of Proposed Uses

|                   |           |        |
|-------------------|-----------|--------|
| Commercial Uses   | 1,457,575 | SF     |
| Residential Units | 211       | Units  |
| Hotel             | 130       | Keys   |
| Total Parking     | 4,002     | Spaces |

### Estimated Land Use

|                       |        |       |
|-----------------------|--------|-------|
| Land Included in Plan | ±26.09 | Acres |
|-----------------------|--------|-------|

As with the existing amended second master plan, the proposed master plan reflects the strength of the future owner of CTC as a premier real estate investment trust that focuses on commercial and industrial development. Attached to this memo is Exhibit C which shows the buildings uses within the proposed master plan.

### 3. Summary Comparison of the Existing and Proposed

The following charts provide a comparison of the existing and proposed master plans:

#### Existing Summary of Uses

|                   |         |        |
|-------------------|---------|--------|
| Commercial Uses   | 488,250 | SF     |
| Residential Units | 1,638   | Units  |
| Hotel             | 140     | Keys   |
| Total Parking     | 0       | Spaces |

#### Proposed Summary of Uses

|                   |           |        |
|-------------------|-----------|--------|
| Commercial Uses   | 1,457,575 | SF     |
| Residential Units | 211       | Units  |
| Hotel             | 130       | Keys   |
| Total Parking     | 4,002     | Spaces |

The proposed plan uses ±11 less acres to produce greater commercial uses (1.46 million SF proposed commercial office versus .488 million SF of total commercial uses in the existing plan), but in turn significantly reduces the proposed residential units (211 units versus 1,628 units in the existing plan). The hotel use remains with 10 less units than in the existing plan, which is an insignificant reduction. However, as required by the First Amendment to the D&O Agreement, the proposed master plan provides significant parking, i.e., approximately 4,000 structured and surface parking spaces.

Exhibit D, attached to this memo, includes a more detailed chart that compares the existing and proposed plans.

### 4. Parks and Street Improvements

The proposed master plan includes the following proposed park and street improvements:

- Four phases of waterfront park improvements that includes green space, wetlands, playground areas, and walkways

- Market Street, Cooper and Penn Streets will be completed, and two new streets, Caruso Place and Water Street, will be developed close to the waterfront and will serve as the East and West boundaries for a mid-rise commercial building (Building C2)
- Cooper Street will be widened to include green islands between two rights of ways to increase the green space and walkways in the development
- Collaborating with Camden County to address the development of Building C1, which currently will impinge on the adjoining county park and walkway land and air rights

#### *5. Additional Transportation Options*

To improve access to the development, the future owner of CTC proposes a shuttle service serving the Walter Rand Transportation Center, City Hall, and the proposed waterfront development.

In addition, the future owner of CTC proposes to develop an additional ferry stop at the end of the pier that will connect Wiggins Park Terminal and Philadelphia to the proposed waterfront development.

#### *6. Other Required Approvals*

##### *a. City of Camden Redevelopment Agency*

Under a redevelopment agreement, dated October 24, 2005, between the Authority and the City of Camden Redevelopment Agency (CCRA), the Authority controls Parcel 2 of the D&O Agreement that is owned by CCRA. The redevelopment agreement provides the Authority with redevelopment rights to Parcel 2 until December 2026 and permits the transfer of any portion of Parcel 2 to CTC for development that is consistent with an approved D&O Agreement master plan.

In addition, the redevelopment agreement provides that the Authority “shall not approve any material amendment or revision to the Master Plan that CCRA has approved without the prior written consent of CCRA.”

The Members’ approval of the proposed master plan will be contingent upon:

- The Authority receiving written consent from CCRA confirming CCRA’s unconditional approval of the proposed master plan
- The execution of the Fourth Amendment to the D&O Agreement

##### *b. City of Camden Local Zoning and/or Planning Approvals*

The D&O Agreement master plan governs the terms under which the Authority or CCRA may convey property to CTC. The D&O Agreement master plan does not supplant local zoning and planning laws.

For each proposed project, CTC is required to seek local zoning and/or planning approvals as necessary, and any proposed development must comply with the City of Camden’s zoning laws, master plan and any redevelopment plan that applies to the D&O Agreement parcels at the time of approval.

*7. Schedule of Expenditures and Timeline*

*a. Schedule of Expenditures and Timeline*

If all the proposed buildings are constructed, the future owner of CTC currently estimates a total development cost of ±\$827.9 million for base building improvements which excludes tenant improvements.

Assuming the Fourth Amendment to the D&O Agreement is executed on July 5th of this year, the future owner of CTC proposes the following timeline for meeting the D&O Agreement milestones:

| <b>Item</b>  | <b>Requirement</b>   | <b>Revised Estimated Due Date</b>                         | <b>Due Date</b> | <b>Proposed Work</b>  | <b>Cumulative Total</b> |
|--------------|--|---|-----------------|---|-------------------------|
| \$36 million | pay or incur \$36 million between July 1, 2015 and 12 calendar months after the date of the Fourth Amendment | 12 calendar months after the date of the Fourth Amendment | 7/4/2017        | infrastructure, design, site work, base building of C2        | \$36,000,000            |
| \$36 million | spend \$36 million (as opposed to incur) within 24 calendar months after the date of the Fourth Amendment    | 24 calendar months after the date of the Fourth Amendment | 7/4/2018        | infrastructure, design, site work, base building of C2        | \$36,000,000            |
| \$40 million | pay or incur \$40 million within 24 months after the date of the Fourth Amendment                            | 24 calendar months after the date of the Fourth Amendment | 7/4/2018        | infrastructure, design, site work, base building of C2 and P2 | \$76,000,000            |
| \$40 million | spend (as opposed to incur) \$40 million within 36 months after the date of the Fourth Amendment             | 36 calendar months after the date of the Fourth Amendment | 7/4/2019        | infrastructure, design, site work, base building of C2 and P2 | \$76,000,000            |

|              |  |   |          |   |               |
|--------------|--|---|----------|---|---------------|
| \$74 million | spend or incur \$74 million within 42 calendar months after the date of the Fourth Amendment (revised subtotal of milestone: \$150 million)              | 42 calendar months after the date of the Fourth Amendment | 1/4/2020 | infrastructure, design, base building and interior work of C2, P2, and H1 | \$150,000,000 |
| \$74 million | spend (as opposed to incur) \$74 million within 54 calendar months after the date of the Fourth Amendment (revised subtotal of milestone: \$150 million) | 54 calendar months after the date of the Fourth Amendment | 1/4/2021 | infrastructure, design, base building and interior work of C2, P2, and H1 | \$150,000,000 |

Staff concludes that the schedule of expenditures and timeline meets the requirement of the Letter Agreement.

*C. Delegation to Staff to Approve Future Minor Master Plan Amendments*

Because most of the land now covered by the D&O Agreement is owned by CCRA, staff recommends that the Members delegate to the Chief Executive Officer, Chief Operating Officer and President, or the Director of Real Estate approval of any future amendment to the master plan that are approved by CCRA provided that the future amendment does not conflict with any of the criteria of the D&O Agreement.

**Recommendation**

I ask that the Members approve the proposed master plan entitled, “Camden Waterfront 2016: A Master Plan Vision,” prepared by Robert A.M Stern Architect and other consultants, subject to the following conditions:

- The Authority receiving written consent from City of Camden Redevelopment Agency confirming the Agency’s unconditional approval of the proposed master plan.
- The execution of the Fourth Amendment to the D&O Agreement.

In addition, the Chief Executive Officer, Chief Operating Officer and President, or the Director of Real Estate will be authorized to approve any future amendment to the master plan under the terms outlined in this memo.

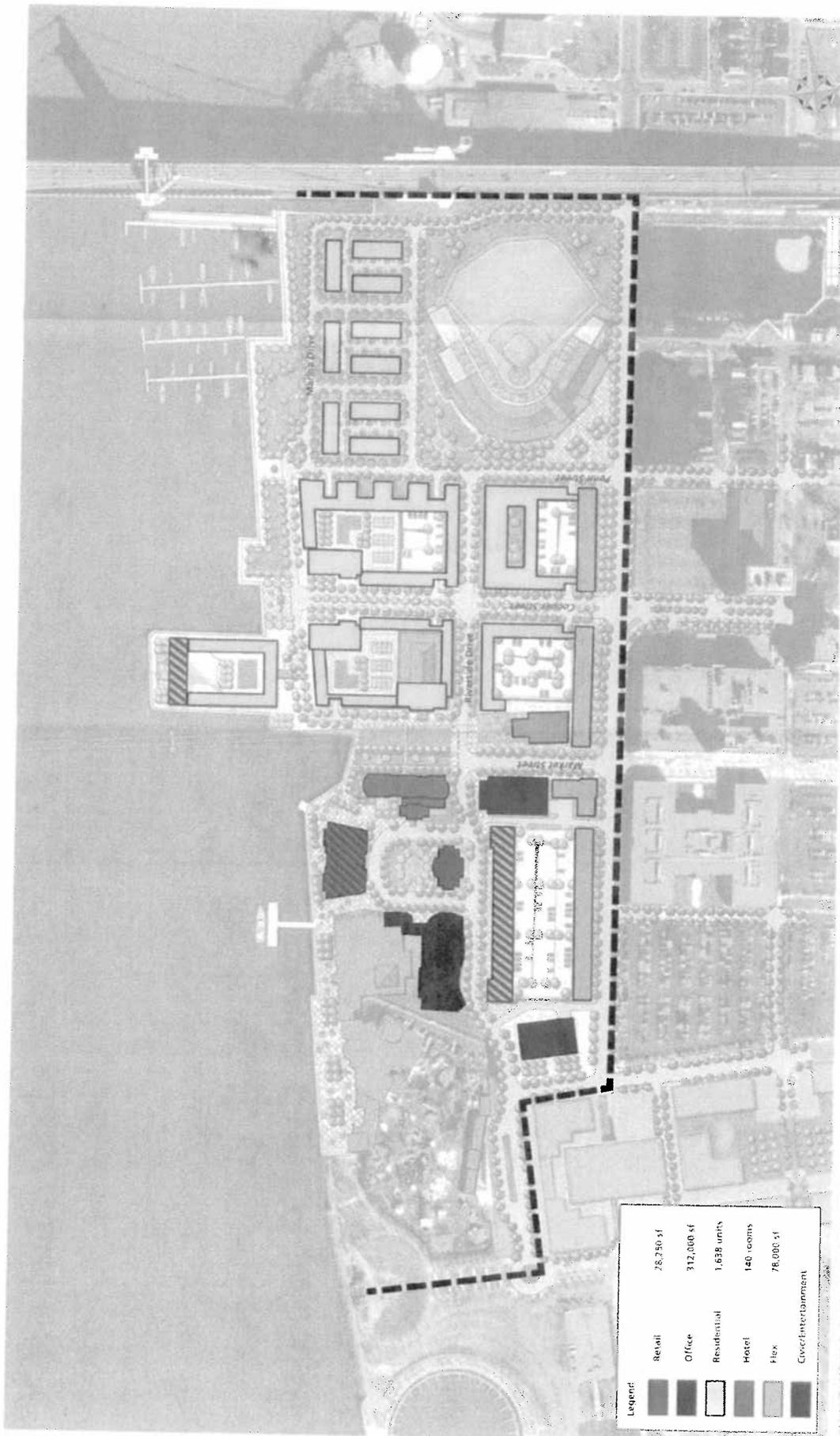



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Timothy J. Lizura  
President and Chief Operating Officer

Prepared by: Juan Burgos

**EXHIBIT A: EXISTING MASTER PLAN**



| Legend                  | Area / Unit             |
|-------------------------|-------------------------|
| [Dark Gray Box]         | Retail 28,250 sf        |
| [Medium Gray Box]       | Office 312,000 sf       |
| [White Box]             | Residential 1,638 units |
| [Light Gray Box]        | Hotel 140 rooms         |
| [Medium-Light Gray Box] | Flex 78,000 sf          |
| [Dark-Light Gray Box]   | Civic/Entertainment     |

Landisc

LEUNG ASSOCIATES, INC.  
FOOT GILLAS AND PARTNERS

# COOPER'S CROSSING

August 23, 2009

**EXHIBIT B: CURRENT PARCELS INCLUDED IN THE  
DEVELOPMENT & OPTION AGREEMENT**

# Development & Option Agreement Parcels

(NOT TO SCALE)



**EXHIBIT C: PROPOSED MASTER PLAN**

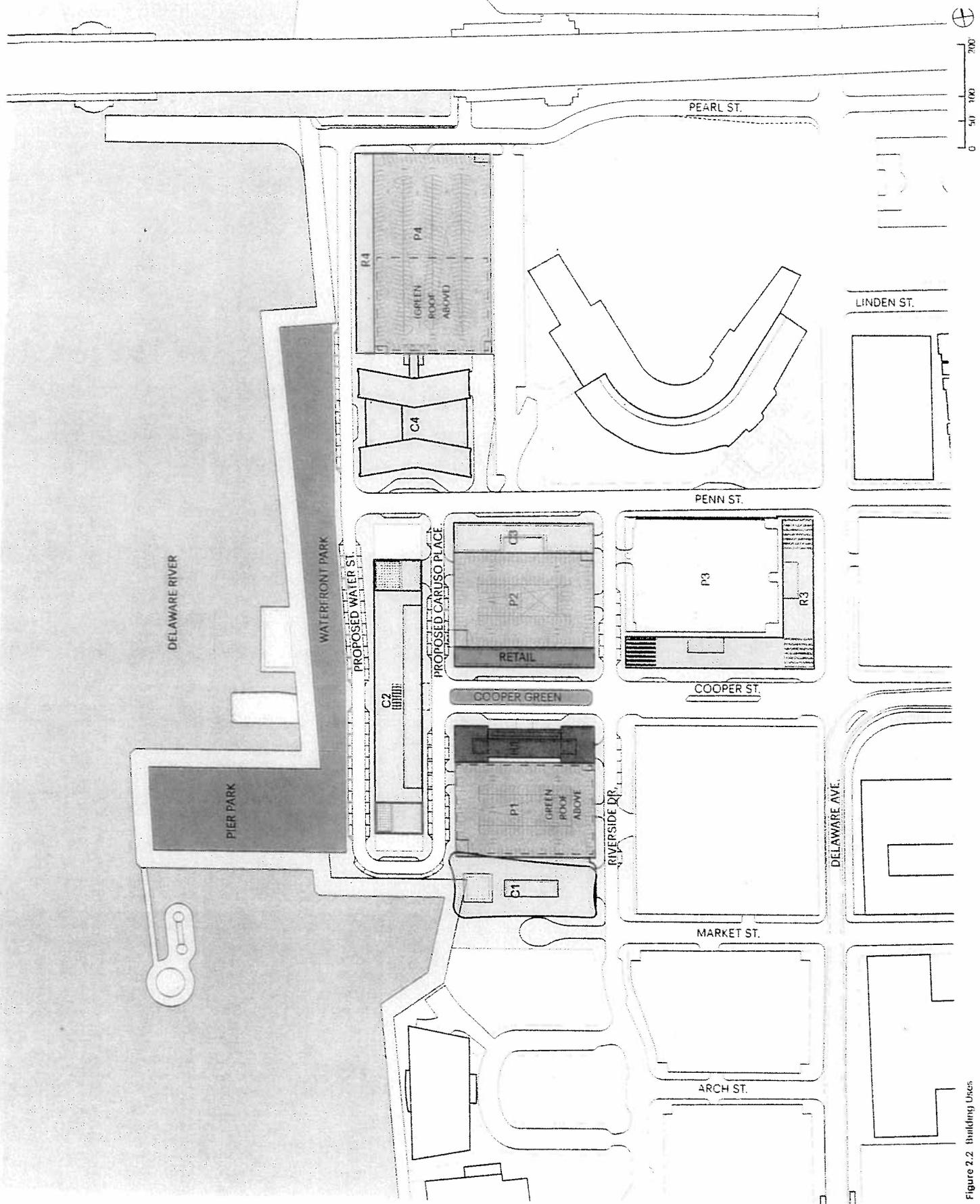


Figure 2.2 Building Uses

**EXHIBIT D: DETAILED COMPARISON CHART OF EXISTING AND PROPOSED MASTER PLANS**

**Camden Waterfront**  
**Development and Option Agreement between Camden Town Center, L.L.C. and the New Jersey Economic Development Authority**  
**Proposed Master Plan Amendment**  
**Comparison of Existing and Proposed Master Plans**

**2nd Master Plan (with Amendments)**      **LPT Proposed Master Plan**      **2nd Master Plan versus Proposed Master Plan**

| Use                     | Unit        | Use                     | Unit         | Use                     | Difference | Unit   | % Difference | Type of Change |
|-------------------------|-------------|-------------------------|--------------|-------------------------|------------|--------|--------------|----------------|
| Commercial - Office     | 312,000 SF  | Commercial - Office     | 1,440,000 SF | Commercial - Office     | 1,128,000  | SF     | 362%         | Increase       |
| Commercial - Retail     | 28,250 SF   | Commercial - Retail     | 22,088 SF    | Commercial - Retail     | (6,162)    | SF     | -22%         | Reduction      |
| Commercial - Flex Space | 78,000 SF   | Commercial - Flex Space | 0 SF         | Commercial - Flex Space | (78,000)   | SF     | -100%        | Reduction      |
| Hotel                   | 140 Keys    | Hotel                   | 130 Keys     | Hotel                   | (10)       | Keys   | -7%          | Reduction      |
| Residential             | 1,638 Units | Residential             | 211 Units    | Residential             | (1,427)    | Units  | -87%         | Reduction      |
| Structured Parking      | 0 Spaces    | Structured Parking      | 3,892 Spaces | Structured Parking      | 3,892      | Spaces | New          | No comparison  |
| Surface Parking         | 0 Spaces    | Surface Parking         | 156 Spaces   | Surface Parking         | 156        | Spaces | New          | No comparison  |
| Street Parking          | 0 Spaces    | Street Parking          | 110 Spaces   | Street Parking          | 110        | Spaces | New          | No comparison  |
| Aquarium Expansion      | 70,000 SF   | Aquarium Expansion      | 0 SF         | Aquarium Expansion      | N/A        | SF     | N/A          | No comparison  |

| Summary of Uses   |             | Summary of Uses   |              | Summary of Changes |        |
|-------------------|-------------|-------------------|--------------|--------------------|--------|
| Use               | Unit        | Use               | Unit         | Difference         | Unit   |
| Commercial Uses   | 488,250 SF  | Commercial Uses   | 1,462,088 SF | 973,838            | SF     |
| Residential Units | 1,638 Units | Residential Units | 211 Units    | (1,427)            | Units  |
| Hotel             | 140 Keys    | Hotel             | 130 Keys     | (10)               | Keys   |
| Total Parking     | 0 Spaces    | Total Parking     | 4,002 Spaces | 4,002              | Spaces |

| Estimated Land Area     |               | Estimated Land Area   |               |
|-------------------------|---------------|-----------------------|---------------|
| Use                     | Unit          | Use                   | Unit          |
| Aquarium Expansion      | ±1.77 Acres   | Land Included in Plan | (11.09) Acres |
| Ferry Terminal          | ±3.343 Acres  |                       |               |
| Balance of Land in Plan | ±32.067 Acres |                       |               |
| Total Land In Plan      | ±37.18 Acres  |                       |               |

<sup>1</sup> Proposed commercial and retail uses are in stand alone and mixed use buildings, but accounted for separately in the table.

<sup>2</sup> No parking included in the Master Plan. Parking was defined as part of "Governmental Infrastructure Requirement" which was not CTC's responsibility.

<sup>3</sup> Street parking not identified as a use.

<sup>4</sup> CTC completed the Aquarium Expansion and the Ferry Terminal building. Plan INCLUDES DRPA Tram parking parcel (not included in acreage count) that would be used for Tram and other parking, residential and flex development buildings.

<sup>5</sup> Proposed Commercial and retail uses are included in stand alone and mixed use buildings, but accounted for separately in the table

<sup>6</sup> Commercial flex space not identified as a use.

<sup>7</sup> The First Amendment to the Development and Option Agreement removed the "Governmental Infrastructure Requirement." Parking is now CTC's responsibility.

<sup>8</sup> The First Amendment to the Development and Option Agreement removed the "Camden Square" parcels from the Agreement, reducing the Agreement's available land by 7.51 acres. The Proposed Plan DOES NOT include use of DRPA parcels.