NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Agenda for Board Meeting of the Authority November 13, 2007
Waterfront Technology Center, Camden, NJ

1. **Notice of Public Meeting**
2. **Roll Call**
3. **Approval of Previous Month's Minutes**
4. **Chief Executive Officer's Monthly Report to the Board**
5. **Bond Projects**
6. **Loans/Grants/Guarantees**
7. **Edison Innovation Fund**
8. **BEIP**
9. **Board Memorandums**
10. **Real Estate**
11. **Authority Matters**
12. **Executive Session to Discuss Potential Litigation**
13. **Public Comment**
14. **Adjournment**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

RE: Chief Executive Officer's Report to the Board

Last month's report tracked a full year of activity under the Edison Innovation Fund and New Jersey Urban Fund. With this month's statistics we start a new year of reporting. In January, we will begin reporting results tracked against the EDA Strategic Plan, which will be presented to the EDA Board in December, and Governor Corzine's Economic Growth Strategy 2.0.

EDISON INNOVATION FUND

In October, the EDA closed a $1-million Edison Innovation Fund investment with Chromis Fiberoptics, Inc. of Warren Township, a pioneer in the technology of graded-index perfluorinated optical fiber used in the medical, industrial and data communications fields. Chromis estimates that the investment will lead to the creation of 22 new jobs in the technology sector.

The EDA also issued a $4.9 million tax-exempt bond, directly purchased by Provident Bank, and provided a 20-percent guarantee to enable Tris Pharma to purchase new equipment and machinery for its pharmaceutical manufacturing business in South Brunswick Township. Tris Pharma had previously used EDA financing in 2002 and 2003 to acquire equipment and make leasehold improvements. The company's 61-member staff is expected to grow by 50 jobs as a result of the latest financing. Tris Pharma had only five employees when it obtained its first financing from the EDA in 2002.

BEIP grants were executed with Aeterna Zentaris, Inc. (10 years/estimated $1.25 million), a growing global biopharmaceutical company based in Canada focused on endocrine therapy and oncology that plans to establish a facility in Warren Township, and ITelagen, LLC/NetGenit, Inc. (10 years/estimated $551,000), an information technology services business, that expects to expand in Jersey City. Both companies plan to create 25 new, full-time jobs.

NEW JERSEY URBAN FUND

The EDA provided $1.55 million in tax-exempt bond financing and a $566,000 loan in October that is enabling Beau Label Manufacturing, Inc. to purchase land, an existing 27,000-square-foot building and new machinery and equipment to expand in Hillside Township. The 40-year-old family-owned label manufacturer is consolidating facilities located in Belleville and New York City at the Hillside site and expects to create 39 new full-time jobs. The tax-exempt bonds were directly purchased by Sovereign Bank.

CORE ACTIVITY

MediaMix, Inc., a media production company serving major television networks and local affiliates in the New Jersey/New York/Connecticut tri-state area, is using $1.5 million in tax-exempt bond financing to relocate from leased office space in Paramus to an 11,000-square-foot office in Allendale. The bond, issued by the EDA in October and directly purchased by North Fork Bank, is being used for the property acquisition, renovations and the purchase of new equipment and machinery.

The EDA also closed nearly $ 23.4 million in tax-exempt and taxable bond financing in October so Blair Academy, a nonprofit secondary boarding/day school in Blairstown, could renovate outdoor athletic facilities, build and equip a new indoor athletic facility, convert an existing indoor facility into a book store and student center, and construct two faculty residences. The bonds were underwritten by Wachovia Securities.

OTHER NEWS

Two EDA Board Members Honored for Community Service Activities

Congratulations to two members of the EDA Board who received awards in October for their community service activities.

Carmen Twillie Ambar was honored by Women Helping Women, a nonprofit organization based in Metuchen that is dedicated to providing affordable services to women, young girls and teens struggling with issues related to domestic violence, sexual abuse, divorce, depression, loss, self-esteem, peer pressure, relationships and addiction. Carmen received her award for making a positive impact in New Jersey at the organization's fourth annual Starry Night Gala held in New Brunswick on October 13.

Tom Manning received the New Jersey Alliance for Action Sigurd Lucassen Labor Award for making significant contributions toward the economy and quality of life in New Jersey at the Alliance Eagle Awards ceremonies held on October 17, also in New Brunswick. The Alliance is a consortium of business, labor, government and academic

leaders dedicated to creating jobs, improving the economy and protecting the environment by improving the state's infrastructure and enabling it to meet the needs of a growing New Jersey.

Speaking Engagements:

Throughout the month of October, EDA representatives participated as attendees, exhibitors or speakers at 44 events, including the New Jersey Technology Council's Public/Private Company Showcase in Jersey City, Biotech 2007 in Philadelphia, an Institutional Investors Conference in Newark, Trenton Small Business Week, the Mercer Regional Chamber of Commerce Business Expo in Trenton, the Newark Regional Business Partnership Economic Outlook Conference, the Statewide Hispanic Chamber of Commerce Annual Convention and Expo in Newark, and the Mid-Atlantic Capital Conference in Philadelphia.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
October 9, 2007

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Lopa Kolluri, representing the State Treasurer; Bernie Piaia representing the Commissioner of Education; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; Marilyn Davis representing the Commissioner of the Department of Labor and Workforce Development; Angie McGuire representing the NJ Commerce Commission; Steve Plofker, Timothy Carden, and Philip Kirschner, Public Members; Carmen Twillie Ambar, Alternate Public Member and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Charles Sarlo, Thomas Manning, Public Member; Raymond Burke, Alternate Public Member.

Also present: Caren Franzini, Chief Operating Officer of the Authority; bond counsel for the Authority; Bette Renaud, Deputy Attorney General, and guests.

Chairman Van Horn called the meeting to order at 10:00 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Franzini 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. Franzini 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 September 11, 2007 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Carden and was approved by the 11 members present.

The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board. **(For Informational Purposes Only)**

BOND RESOLUTIONS

PROJECT: The Morristown-Beard School **APPL.#19395**
LOCATION: Morristown Town/Morris Cty. **BUSINESS:** Not-for-profit school
PROCEEDS FOR: expan./bldg. const./equip. purch.
FINANCING: $14,500,000 Tax Exempt Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 1

PROJECT: MZR Real Estate, L.P. **APPL.#18065**
for the benefit of Art Guild, Inc.
LOCATION: West Deptford Twp./Gloucester Cty. **BUSINESS:** Exhibit design & fabrication Co.
PROCEEDS FOR: bldg. const./equip. purch.
FINANCING: $2,800,000 Tax-Exempt Bond $3,700,000 Taxable Bond
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Ambar **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: SeniorCare of Hamilton, LLC **APPL. #19467**
LOCATION: Hamilton Twp/Mercer Cty. **BUSINESS:** Not-for-profit nursing facility
PROCEEDS FOR: bldg. renov.
FINANCING: $525,000 Series A Tax-Exempt Bond (part of $19,730,000 Bond with Application P19322)

PROJECT: SeniorCare of Hamilton, LLC **APPL.#19322**
LOCATION: Hamilton Twp./Mercer Cty. **BUSINESS:** Not-for-profit nursing facility
PROCEEDS FOR: refunding
FINANCING: $19,205,000 Series A Tax-Exempt Bond (part of $19,730,000 Bond with Application P19467)
$160,000 Series B Taxable Bond
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 3

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: 690 Union Blvd. Assoc,. LLC **APPL.#19093**
for the benefit of Perk-Up, Inc. (aka Kari Out, Inc.)
LOCATION: Totowa Borough/Passaic Cty. **BUSINESS:** Food processing and packaging co.

PROCEEDS FOR: bldg. const.
FINANCING: $4,000,000 Tax Exempt Bond (part of a $10,000,000 bond issue with P19474)

PROJECT: 690 Union Blvd. Assoc,. LLC **APPL.#19474**
for the benefit of Perk-Up, Inc. (aka Kari Out, Inc.)
LOCATION: Totowa Borough/Passaic Cty. **BUSINESS:** Food processing and packaging co.

PROCEEDS FOR: refunding
FINANCING: $6,000,000 Tax Exempt Bond (part of a $10,000,000 bond issue with P19093)
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
Approval is subject to receipt of clearance from the NJ Department of Environmental Protection (DEP) that the expansion of the parking area will not violate DEP regulations requiring an adequate buffer between the improvements and the wetland area.

PROJECT: Pope John XXIII H. S. Special Project Foundation, Inc. **APPL.#18949**
for the benefit of Pope John XXIII Regional High School
LOCATION: Sparta Twp./Sussex Cty. **BUSINESS:** Not-for-profit high school
PROCEEDS FOR: equip. purch.
FINANCING: $1,000,000 Tax Exempt Bond (max)
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
Closing subject to AG's office review of religious entity for church/state conflicts.

PROJECT: Presbyterian Home at Red Bank, Inc. **APPL.#18237**
LOCATION: Red Bank Borough/Monmouth Cty. **BUSINESS:** Not-for-profit housing & personal care services

PROCEEDS FOR: bldg. const./renov./working capital
FINANCING: $82,000,000 Tax Exempt Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Distinctive Cosmetic Ingredients, LLC and Nominee **APPL.#19597**
LOCATION: New Brunswick City/Middlesex Cty. **BUSINESS:** Mfr. & distributor of cosmetics

PROCEEDS FOR: bldg. acqui./renov./equip .purch.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

PROJECT: Douglas Electrical Components, Inc. **APPL.#19600**
LOCATION: Randolph Twp./Morris Cty. **BUSINESS:** Mfr. of electrical feedthroughs
PROCEEDS FOR: bldg. acqui./equip. purch.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

PROJECT: HES Properties, LLC for the benefit of Lasercam, LLC **APPL.#19631**
LOCATION: Paterson City/Passaic Cty. **BUSINESS:** Mfr. of creasing and cutting dies

PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
MOTION TO APPROVE: **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

PROJECT: P.R.O.C.E.E.D., Inc. **APPL.#19532**
LOCATION: Elizabeth City/Union Cty. **BUSINESS:** Not-for-profit social services organization

PROCEEDS FOR: bldg. acqui./renov./equip. purch.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

PROJECT: United Water New Jersey Inc. **APPL.#19601**
LOCATION: statewide **BUSINESS:** Water furnishing facility
PROCEEDS FOR: upgrades/equip. purch.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Ambar **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

BOND RESOLUTIONS WITH AUTHORITY EXPOSURE

PROJECT: 1460 Chestnut Assoc. LLC and Tripak Industrial USA, LLC **APPL.#19113**
LOCATION: Hillside Twp./Union Cty. **BUSINESS:** Mfr. of food packaging
PROCEEDS FOR: bldg. acqui./equip. purch.
FINANCING: $4,750,000 Tax Exempt Bond (part of a $6,650,000 bond issuance)
$1,900,000 Tax Exempt Bond (part of a $6,650,000 bond issuance)
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PUBLIC HEARING:
PUBLIC COMMENT:

PROJECT: 1460 Chestnut Assoc. LLC and Tripak Industrial USA, **APPL.#19628**
LOCATION: Hillside Twp./Union Cty. **BUSINESS:** Mfr. of food packaging
PROCEEDS FOR: bldg. acqui./equip. purch.
FINANCING: $1,000,000 Local Development Financing Fund loan
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Davis **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

AMENDED BOND

PROJECT: Trenton Convalescent Center Urban Renewal Associates, L.P. **APPL.#19321**
LOCATION: Trenton/Mercer Cty. **BUSINESS:** Nursing home
PROCEEDS FOR:
FINANCING: $2,565,000 Tax Exempt Bond $747,000 Taxable Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

STATEWIDE LOAN POOL

PROJECT: Justin Drzal, Larry Herman, Tracy Herman (or nominee) **APPL.#19287**
LOCATION: Mt. Holly Twp./Burlington Cty. **BUSINESS:** Car dealership
PROCEEDS FOR: business acqui.
FINANCING: $1,000,000 bank loan with a $300,000 (30%) Authority participation
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

LOCAL DEVELOPMENT FINANCING FUND

PROJECT: Union Lake Supermarket, LLC **APPL.#19424**
LOCATION: Millville City/Cumberland Cty. **BUSINESS:** Supermarket
PROCEEDS FOR: equip. purch.
FINANCING: $1,250,000 Local Development Financing Fund loan
MOTION TO APPROVE: Ms. Davis **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

FUND FOR COMMUNITY ECONOMIC DEVELOPMENT

PROJECT: Cooperative Business Assistance Corporation **APPL.#19423**
LOCATION: Camden City/Camden Cty. **BUSINESS:** Not-for-profit micro-lender
PROCEEDS FOR: refinancing
FINANCING: $500,000 Fund for Community Economic Development loan
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT 16

SMART GROWTH PRE-DEVELOPMENT FUND

PROJECT: Morning Star Community Development Renewal Corp. **APPL.#18565**
LOCATION: Linden City/Union Cty. **BUSINESS:** Not-for-profit developer
PROCEEDS FOR: architectural expenses
FINANCING: $225,000 Smart Growth loan
This item was held from consideration.

EDISON INNOVATION FUND

PROJECT: Aculon, Inc. **APPL.#19021**
LOCATION: North Brunswick Twp./Middlesex Cty. **BUSINESS:** Mfr. of nanotechnology based coating
PROCEEDS FOR: operating expenses
FINANCING: $1,000,000 Edison Innovation Fund investment
MOTION TO APPROVE: Ms. Ambar **SECOND:** Mr. Carden **AYES:11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following commercial projects was presented under the Petroleum Underground Storage Tank Grant Program.
MOTION TO APPROVE: Mr. Kirscher **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

PROJECT: M&M Auto Mechanic Inc. **APPL.#19326**
LOCATION: Perth Amboy City/Middlesex Cty.
PROCEEDS FOR: site investigation
FINANCING: $268,019 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Grant

PROJECT: Skinner Brothers **APPL.#19454**
LOCATION: Kearny Town/Hudson Cty.
PROCEEDS FOR: site investigation
FINANCING: $119,119 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Grant

The next item was the Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of September 2007. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following projects presented were commercial grants under the Hazardous Discharge Site Remediation Fund Program.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Ambar **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 19

PROJECT: Auerbach Chevrolet Corp. **APPL.#19570**
LOCATION: Burlington City/Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: $135,515 (50% Innocent Party Grant) Hazardous Discharge Site Remediation Fund

PROJECT: Nordan Realty Corporation **APPL.#19766**
LOCATION: West Orange Twp./Essex Cty.
PROCEEDS FOR: site remediation
FINANCING: $1,000,000 (50% Innocent Party Grant) Hazardous Discharge Site Remediation Fund grant

PROJECT: St. Georges Center Associates, LLC **APPL.#19445**
LOCATION: Rahway City/Union Cty.
PROCEEDS FOR: site remediation
FINANCING: $143,648 (50% Innocent Party Grant) Hazardous Discharge Site Remediation Fund grant

The following projects presented were municipal grants under the Hazardous Discharge Site Remediation Fund Program.

PROJECT: Hanover Township (Frm Van Dyk Research Corp.) **APPL.#19483**
LOCATION: Hanover Twp./Morris Cty.
PROCEEDS FOR: site remediation
FINANCING: $106,867 Hazardous Discharge Site Remediation Fund grant

PROJECT: Harrison Redevelopment Agency **APPL.#19800**
(Spiegel Trucking, Inc.)
LOCATION: Harrison Town/Hudson Cty.
PROCEEDS FOR: remedial investigation
FINANCING: $862,940 Hazardous Discharge Site Remediation Fund grant

PROJECT: Township of Maplewood **APPL.#19761**
(Former Fresco Silver Company)
LOCATION: Maplewood Twp./Essex Cty.
PROCEEDS FOR: site remediation
FINANCING: $373,995 Hazardous Discharge Site Remediation Fund grant

PROJECT: City of Newark (Nat Turner Park) **APPL.#19799**
LOCATION: Newark City/Essex Cty.
PROCEEDS FOR: site investigation
FINANCING: $2,962,479 Hazardous Discharge Site Remediation Fund grant

PROJECT: Borough of Roselle Park **APPL.#19444**
(Youth Baseball Field Complex)
LOCATION: Roselle Park Borough/Union Cty.
PROCEEDS FOR: remedial investigation
FINANCING: $120,903 Hazardous Discharge Site Remediation Fund grant

PROJECT: City of Vineland (Block 597 Project) **APPL.#19159**
LOCATION: Vineland City/Cumberland Cty.
PROCEEDS FOR: site investigation
FINANCING: $178,852 Hazardous Discharge Site Remediation Fund grant

The next item was the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of September 2007. **(For Informational Purposes Only)**

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: CLIC International Inc. and Affiliates **APPL.#19348**
LOCATION: TBD **BUSINESS:** Ethnic food production and distribution
GRANT AWARD: 30% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Kirschner **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: IBM Corporation **APPL.#19635**
LOCATION: Englewood Cliffs Borough/Bergen Cty. **BUSINESS:** Computer technology company
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
This item was held for consideration

PROJECT: Lee Spring Company, LLC **APPL.#19427**
LOCATION: Bayonne City/Hudson Cty. **BUSINESS:** Mfr. of springs and metal parts
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Ambar **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: Mapei Corporation **APPL.#19609**
LOCATION: Millville City/Cumberland Cty. **BUSINESS:** Mfr. of adhesives and sealants
GRANT AWARD: 70% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Ambar **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: McGrory Glass, Inc. **APPL.#19653**
LOCATION: West Deptford Twp./Gloucester Cty. **BUSINESS:** Flat glass fabricator
GRANT AWARD: 50% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: Mylan Laboratories Inc. and Affiliates **APPL.#19657**
LOCATION: TBD **BUSINESS:** Pharmaceutical company
GRANT AWARD: 40% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: Visual Graphic Systems, Inc. **APPL.#19604**
LOCATION: TBD **BUSINESS:** Sign manufacturing company
GRANT AWARD: 35% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: McKinsey & Company, Inc. United States **APPL.#19640**
LOCATION: TBD **BUSINESS:** Sign manufacturing company
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES:**
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

APPROVAL REQUEST: To accept staff's recommendation that SPRI or Schering Corporation not be disqualified from the BEIP program and that the BEIP grant be continued, as well as approval of the merger and name change of the formerly known Schering Plough Research Institute (SPRI) to Schering Corporation, provided that only new employees in the former SPRI division at the project location shall be eligible for inclusion under the grants.

PROJECT: Schering Plough Research Institute **APPL.# N/A**
LOCATION: Kenilworth/Union Cty. **BUSINESS:** Pharmaceutical company

MOTION TO APPROVE: Mr. Kirscher **SECOND: Mr. Carden** **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT 21 **Chairman Van Horn recused himself because the research center he is employed by received financial support from the parent company several years ago.**

The next item was the BEIP Modifications Delegated Authority Approvals for the month of September 2007. (**For Informational Purposes Only**)

BOARD MEMORANDUMS

The next item was the approval of the following project under Delegated Authority for the third quarter of 2007: **(For Informational Purposes Only)**

West Ward Community. (write off of recoverable grant)

The next item was the approval of the following projects under Delegated Authority for the month of September 2007: **(For Informational Purposes Only)**

Preferred Lender Program: New Jersey Academy of Family Physicians

Camden ERB: Cooper Health System

PNC Business Growth Fund - Modification: Alan M. Jessat dba Racers Edge

TECHNOLOGY BUSINESS TAX CERTIFICATES TRANSFER PROGRAM - APPEALS

The next item was to approve staff's recommendation to approve 11 appeals received from applicants to the Technology Business Tax Certificate Transfer program.

Classlink, Inc.- (Independent CPA Prepared Financial Statements)
CMWare, Inc,. - (75% NJ Employment, 2004 Financial Statements)
Corente, Inc. - (75% NJ Employment, Parent Company Financial Statements)
Global Print Systems, Inc. -(Independent CPA Prepared Financial Statement)
Knite, Inc. (Creation of Full-Time Jobs in NJ)
Opt-e_Scrip, Inc. (75% NJ employment)
Premier Specialities, Inc. (Protected Proprietary IP, Tech. Viability)
Scivanta Medical Corporation - (Protected Proprietary IP, Tech. Viability)
Smarter Agent, Inc. (75% NJ employment)
Viocare Technologies - (Protected Proprietary IP, Tech. Viability)
VioQuest Pharmaceuticals, Inc. - (Protected Proprietary IP, Tech. Viability)

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 22

REAL ESTATE

The next item was the approval to select Ballinger as Architect and Skanska as Construction Manager to design and construct the Integrative Biology and Genomic Medicine Institute (IBGMI) in Camden. The IBGMI is one of five projects cited for funding by the Legislature as part of the State's stem cell research initiative.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT 23

AUTHORITY MATTERS

The next item was to approve changes in three areas: exposure limits, the Preferred Lender Program, Delegated Authority, and to authorize staff to submit amendments to the program rules as substantially presented in the attachment to this memo for promulgation and adoption in the NJ Register, subject to final review and approval by the Office of the Attorney General and Office of Administrative Law. The rules will become effective upon mailing to the Office of Administrative Law, however, applicants are at risk that the amendments may not be adopted as proposed. (The delegated authority recommendations for settlements, writeoffs and BEIP mergers and acquisitions were held from consideration).

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT 24

PUBLIC COMMENT

There was no comment from the Public.

There being no further business, on a motion by Mr. Piaia, and seconded by Mr. Carden, the meeting was adjourned at 11:23 a.m.

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.

Caren Franzini, Secretary

BOND RESOLUTIONS

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

APPLICANT: MZR Real Estate, L.P. P18065

PROJECT USER(S): Art Guild, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 300 Wolf Drive West Deptford Township Gloucester County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

MZR Real Estate, L.P. (MZR) was formed in November, 1999 with the strategic goal and objective to acquire land and build a 165,000 s.f. manufacturing facility on 30.23 acres of undeveloped land in West Deptford Township for use by the Art Guild of Philadelphia, Inc., a related party. Art Guild of Philadelphia, Inc., doing business as Art Guild, Inc., was founded in Philadelphia in the early 1920's, and relocated to New Jersey in 1974. Art Guild has evolved from its origin as a sign shop to become one of the oldest exhibit design and fabrication firms in the country. In January, 2007, Art Guild merged with Avalon Exhibits, Inc, an exhibit house from New Castle, Delaware. MZR was approved for a BEIP grant (P18066 - $779,950)) by the Authority at its May 2007 board meeting to incentivize the applicant to remain in New Jersey and relocate employees from the Delaware facility to New Jersey. With the relocation of the Delaware jobs, the Art Guild headcount would increase to 269 employees.

MZR will be adding a 134,490 square foot expansion to the current 165,000 square foot facility in West Deptford. The expansion will allow Art Guild to expand its Custom, Portable, Museum and Syma exhibit manufacturing operations. In 2000, with Authority assistance (P12736; $8,275,000 tax-exempt bond, 25 year variable rate), MZR acquired land and constructed the West Deptford facility. To comply with the IRS regulations pertaining to the $10 million maximum tax-exempt bond financing allowable for a manufacturing entity in a municipality, this financing request will include a $2,900,000 tax-exempt bond and a $4,900,000 taxable bond.

APPROVAL REQUEST:

Authority assistance will enable MZR to construct a 134,490 sq. ft. addition to its existing facility providing Art Guild, Inc. with increased capacity for its Customer Exhibit, Portable, Museum and Syma manufacturing operations. Art Guild anticipates relocating 90 jobs from Delaware to New Jersey after completion of the project. Proceeds from the tax-exempt bond will be used to fund a portion of the project subject to the $10 million bond limitation under the IRS Code.

The Authority approved for the benefit of MZR Real Estate, L.P. at its October 9th, 2007 Board meeting a $2.8 million tax-exempt bond and a $3.7 million taxable bond, for an aggregate exposure of $6.5 million. Subsequent to the approval the applicant recognized other equipment needs to be included in the bond financing and is now requesting an increase in the financing: a tax-exempt bond not to exceed $2.9 million and a taxable bond not to exceed $4.9 million for an aggregate bond of $7.8 million. The difference between the project costs and the financing amount will be funded via applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Wachovia Bank National Association (Underwriter)

AMOUNT OF BOND:	2,900,000 (Tax-Exempt Bonds)	$4,900,000 (Taxable Bond)
TERMS OF BOND:	20 years; variable interest rate reset weekly. As of October 2, 2007 the initial rate at closing would be 3.81%.	20 years; variable interest rate reset weekly. As of October 2, 2007 the initial rate at closing would be 5.18%

ENHANCEMENT: (L/C - Wachovia Bank, N.A. - 2.6 Yr.)

PROJECT COSTS:

Construction of new building or addition	$6,510,000
Purchase of equipment & machinery	$1,580,000
Interest during construction	$292,300
Engineering & architectural fees	$128,300
Finance fees	$65,000
Legal fees	$60,000
Other	$36,000
Accounting fees	$15,000
TOTAL COSTS	$8,686,600

JOBS: At Application 179 Within 2 years 90 Maintained 0 Construction 195

PUBLIC HEARING: 10/09/07 (Published 09/24/07) **BOND COUNSEL:** Capehart & Scatchard, P.A.

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** M. Krug

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

APPLICANT: PSEG Power LLC P19263

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Statewide (N) Multi Count

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

PSEG Power LLC, created in June 1999, as a result of electric industry restructuring in New Jersey, is a wholly owned subsidiary of Public Service Enterprise Group (PSEG), a publicly traded (NYSE:PEG), growing energy and energy services company headquartered in New Jersey. PSEG Power is one of the largest independent electric generation and energy trading companies in the world. PSEG Power makes and markets electricity and engages in commodity energy trading through three principal direct wholly owned subsidiaries: PSEG Nuclear LLC, PSEG Fossil LLC and PSEG Energy Resources & Trade LLC. PSEG Nuclear operates the Salem and Hope Creek Nuclear Generating Stations in Lower Alloways Creek, NJ. PSEG Fossil operates the company's portfolio of natural gas, coal and oil-fired electric generating units. PSEG Energy Resources & Trade buys and sells electric and gas commodities, and trades in environmental credits.

Public Service Electric and Gas Company (PSE&G) originally received assistance of $42,620,000 in tax exempt bonds in 1979 to purchase and install water pollution control equipment at 7 electric generating stations and 3 gas plants in New Jersey. In 1982, a $23,500,000 Series B tax exempt bond was issued to complete the project. The principal amounts of the Series A and Series B Bonds were refunded by PSEG Power LLC in 2001 (Appl. P13055) in the amount of $66,120,000 for 11 years at a fixed rate of 5%, underwritten by Morgan Stanley Dean Witter. The 2001 Bond is in compliance.

This project is related to P7552 in which the Authority in 1994 issued $100,000,000 in tax exempt bonds for PSE&G to refinance conventional debt associated with its Hope Creek Generating Station. The 1994 Bond is in compliance.

This project qualifies as an Exempt Public Facility - Solid Waste Disposal project under Section 142(a)(6) of the IRS Code and therefore is exempt from the $20 million capital expenditure limitation under Section 144 of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct solid waste disposal facilities at its Hudson Generating Station located in Jersey City, Hudson County and its Mercer Generating Station located in Hamilton Twp., Mercer County. The objective of these projects at the two stations is to reduce air pollutant chemicals and mercury emissions, as well as opacity. This will be accomplished by the addition of a selective catalytic reduction system, a powdered activated carbon injection system, a spray dryer absorber flue gas desulfurization system, and a pulse jet fabric filter system. Construction and installation of this project is known as "Back-End Technology". Completion of the project will allow the Applicant to continue to provide electric energy at a lower-cost than alternative sources through efficient operations of the Back-End Technology and will result in the creation of 24 permanent skilled/professional positions.

The applicant requests authorization of $27.5 million of tax exempt bonds to be funded from 2006 Carryforward Bond Allocation to pay initial construction costs at the Project sites.

The difference between the bond amount and total project costs will be funded by future tax exempt bond issuances totalling up to $110 million, applicant's equity, senior unsecured debt and pollution control notes.

FINANCING SUMMARY:

BOND PURCHASER: Bank of America Securities LLC (Underwriter)

AMOUNT OF BOND: $27,500,000 (Tax exempt bonds)

TERMS OF BOND: 30 years; Fixed interest rate not to exceed 7% (Estimated rate as of 10/15/07 is 5.55%.)

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$476,000,000
Purchase of equipment & machinery	$301,000,000
Engineering & architectural fees	$230,000,000
Construction Contingency	$112,000,000
Construction of roads, utilities, etc.	$104,000,000
Finance fees	$800,000
Legal fees	$250,000
Accounting fees	$50,000
TOTAL COSTS	1,224,100,000

JOBS: At Application 222 Within 2 years 24 Maintained 0 Construction 1,000

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** Carella, Byrne, Bain, Gilfillan,

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Omni Baking Company P19883

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 2621 Freddy Lane Vineland City (T/UA) Cumberland

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Omni Baking Company (Omni), a general partnership formed in Sept 1996 in Pennsauken, is a contract bakery manufacturer capable of producing fresh and frozen baked products. The partnership is equally owned by Four Lads, Inc, whose shareholders are the principals of Ginsburg Bakery, Inc of Atlantic City, and D.L.A. whose shareholders are the officers of Amoroso Baking Company of Philadelphia. The Authority has been an active supporter of Omni's growth with a BEIP grant (P12829), Tax-Exempt financing (P12818) and LDFF (P12829) funding following the applicant's move from Pennsauken in 2001 to a 53,700 s.f. facility in Vineland, and a 7,500 s.f expansion in Vineland in 2003. As a result of a new 5 year contract with Amoroso Bakery, Omni will require a 26,000 s.f. expansion to meet its production obligations. Among Omni's customers are New York Frozen Foods, Inc, a specialty retail packaged bread company who has made a capital investment in Omni through their production equipment on Omni's premises, and a large northeast Italian Bakery.

To meet the requirements of the new Amoroso contract, which commences February 2008, Omni is adding 26,000 s.f. of space with an estimated cost of $18.2 million for the expansion and equipment acquisition. The Authority approved at its December 2000 Board meeting a (P12829) BEIP grant under which the applicant has created 224 jobs and received $125,000 to date; at the January 2001 Board meeting the Authority approved a $6 million (P12818), 10 year variable rate tax-exempt bond and a $2 million LDFF (P12923) loan with a 10 year term at 5%, and a current balance of $872,000.

APPROVAL REQUEST:

Authority assistance will enable Omni to add 26,000 s.f. to its Vineland facility and acquire new production equipment to meet its production goals according to the new Amoroso contract. The applicant anticipates creating 145 new jobs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$14,811,000
Construction of new building or addition	$2,500,000
Renovation of existing equipment & machi	$935,000
Closing Costs	$200,000
TOTAL COSTS	$18,446,000

JOBS: At Application 280 Within 2 years 145 Maintained 0 Construction 75

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** Dilworth, Paxson, LLP

DEVELOPMENT OFFICER: D. Benns **APPROVAL OFFICER:** M. Krug

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: The Actors' Fund of America P19803

PROJECT USER(S): The Lillian Booth Actors Home * * - indicates relation to applicant

PROJECT LOCATION: 155-175 West Hudson Avenue Englewood City (N) Bergen

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

The Actors' Fund of America established in 1882, is a 501(c)(3) not-for-profit, national human services organization that helps professionals in theatre, film, television, music, opera and dance in times of need, crisis and transition. The Actors' Fund offers a broad spectrum of programs, comprehensive social services and emergency financial assistance, health services, employment and training, young performers programs and supportive and affordable housing for the entertainment industry. The Actors' Fund also operates a 42-bed assisted living facility and 67-bed nursing home in Englewood, NJ, known as the Lillian Booth Actors' Home.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 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 expand and renovate the Lillian Booth Actors Home, including the addition of 15 new nursing home beds with the renovation and reconfiguration of the existing structure. Renovations and reconfiguration will affect the existing multi-purpose room, rehabilitation areas and the dining room. In addition, all common spaces including lounges, service corridors, and activities rooms will be upgraded and enhanced. The proposed renovations and expansion project to The Lillian Booth Actors Home is designed to address a growing need for additional beds and rehabilitation services. The difference between the bond amount and project costs will be funded with Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Commerce Bank (or successor) (Direct Purchase)

AMOUNT OF BOND: $7,000,000 (Tax exempt)

TERMS OF BOND: 20 years; Fixed interest rate for ten years based on 70% of the 10-year US Treasury Index plus 200 basis points subject to call option and rate reset at the same index on the 10th anniversary. (Current pricing as of 10/9/07 is 4.67%.)

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$9,100,000
Engineering & architectural fees	$800,000
Purchase of equipment & machinery	$500,000
Finance fees	$285,000
Legal fees	$115,000
TOTAL COSTS	$10,800,000

JOBS: At Application 196 Within 2 years 13 Maintained 0 Construction 273

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** McCarter & English

DEVELOPMENT OFFICER: R. Gomez **APPROVAL OFFICER:** T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Heath Village P20097

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 430 Schooley's Mountain Road Hackettstown Town (T) Warren County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Heath Village (Heath) in Hackettstown, New Jersey has been providing health care services and retirement housing since 1966, and has established itself as a leader in serving the mature market. The applicant's facility is situated on a 100+ acre campus, comprised of over 200 independent apartments, a 10-unit cottage community, 45 hotel-style studio apartments, a 40-bed Residential Health Care Facility, and a 99-bed comprehensive Health Care Center. Heath Alliance for Care, Inc., is the parent to Heath Village, and The House of the Holy Comforter, dba Canterbury Village, which is also seeking Authority assistance for bond financing at the November 2007 Board meeting.

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 1986 Internal Revenue Code, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

REFUNDING REQUEST:

Authority assistance will enable the applicant to refinance tax-exempt bonds issued through the Authority in June 1996 (P08841) for $12,450,000 to advance refund a 1991 issue, and two bonds in August 1999 (P10895) for $1,493,950 to advance refund a portion of the 1996 bond issue, and a second issue (P10903) for $2,701,050 which was new money for leasehold improvements. The applicant projects gross savings, based on today's lower interest rates, of $742,000 over the bond term.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank, a Division of Capital One (Direct Purchase)

AMOUNT OF BOND:	$7,710,000 Tax-Exempt Bond	$1,040,000 Taxable Bond
TERMS OF BOND:	10 years; variable interest rate equal to the tax-exempt equivalent of one-month Libor plus 130 basis points. On the closing date, the Borrower will enter into a swap agreement to a fixed rate for 10 years estimated to be 4.24% as of 10/19/2007.	10 years; variable interest rate equal to the one-month Libor plus 130 basis points. The taxable bond will convert to a tax-exempt bond, at the May 1, 2009 call date of the 1999 bonds. At time of conversion to a tax-exempt bond, the same rate index will prevail on a tax-exempt equivalent basis. On the closing date, the Borrower will enter into a swap agreement to a fixed rate for 10 years estimated to be 4.24% as of 10/19/2007.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	$8,750,000
Finance fees	$135,000
Redemption premium	$27,250
TOTAL COSTS	$8,912,250

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** McCarter & English

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** M. Krug

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

APPLICANT: The House of the Holy Comforter P20085

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 33 Mount Pleasant Avenue West Orange Township (N) Essex

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

The House of the Holy Comforter, dba Canterbury Village in West Orange (Canterbury), a 501(c)(3), not-for-profit entity, is one of the areas most experienced Senior Assisted Living Residences in the metropolitan area, providing seniors with quality care and housing services since 1921. In 2005 Canterbury was acquired by Heath Alliance for Care,Inc., also a 501(c)(3). As a result of the acquisition, Canterbury is no longer affiliated with the Episcopal Diocese of Newark, and does not have any religious affiliation. Canterbury Village boasts the advantages of assisted living in a manageable environment of only forty residents, becoming extended family for one another as they share their life experiences and interests together. Heath Alliance for Care, Inc., is also the parent to Heath Village, a 501(c)(3) not-for-profit retirement community in Hackettstown, that is also seeking Authority assistance for bond financing at the November 2007 Board meeting.

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 1986 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 existing debt issued by Sussex Bank in 2005 (6% interest rate, five year term) with $3,235,164 outstanding as of 11/01/2007, to purchase The House of the Holy Comforter through a conversion agreement. The original loan proceeds were used to pay-off prior indebtedness, which at the time of the conversion was in default. The applicant projects savings of $488,000, on a present value basis, over the bond term.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank, a Division of Capital One (Direct Purchase)

AMOUNT OF BOND: $3,265,000 Tax-Exempt Bond

TERMS OF BOND: 25 year term with a 30 year amortization; variable interest rate equal to the tax-exempt equivalent of one-month Libor plus 130 basis points, with a call option at the end of the tenth (10) and twentieth (20) years. On the closing date, the Borrower will enter into a swap agreement to a fixed rate for 10 years estimated to be 4.43% as of 9/21/2007.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$3,235,164
Finance fees	$73,506
TOTAL COSTS	$3,308,670

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

PUBLIC HEARING:

BOND COUNSEL: McCarter & English

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: M. Krug

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

APPLICANT: Young Men's Christian Association of Montclair, New Jersey P20074

PROJECT USER(S): The Helen and Bill Geyer YMCA Family Center * * - indicates relation to applicant

PROJECT LOCATION: 159 Glenridge Avenue Montclair Township (T/UA) Essex

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Young Men's Christian Association of Montclair, New Jersey, founded in 1897, is a 501(c)(3) not-for-profit organization that provides a variety of social, educational and recreational programs that promote good health, strong families, youth leadership and community development, serving approximately 13,000 members in the urban aid city of Montclair. In addition to the main facility on Park Street, the YMCA of Montclair operates a 25,000 sq. ft. family recreation center on Glenridge Avenue, known as The Helen and Bill Geyer YMCA Family Center and a summer day-camp facility in West Milford, NJ.

In 2002, Authority assistance of $3,150,000 in tax exempt bonds, enabled the Applicant to renovate the 80,000 sq. ft. Park Street facility, purchase furnishings and equipment for its various programs and refinance existing debt. The 2002 Bonds were privately placed by Wachovia Securities for 20 years as variable rate bonds, reset weekly with a letter of credit provided by Wachovia Bank, initially for 5 years. Effective 11/1/2005, the Wachovia letter of credit was replaced by Commerce Bank, with an expiration date of 11/1/2008.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 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 a $7.5 million conventional loan provided by Commerce Bank (dated 11/1/2005; 6.93%, interest only until 7/1/2007) for the purchase and renovation of the family recreation center; and to pay costs of issuance associated with the 2007 Bonds.

This Application is being presented in conjunction with Appl. P20073 to refund the outstanding balance of the 2002 Bonds for a total tax exempt bond financing not to exceed $10,200,000.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank, A Division of Capital One (Direct Purchase)

AMOUNT OF BOND: $7,600,000 (Est.) (Part of $10,200,000 tax exempt bond with P20073)

TERMS OF BOND: 25 years; Variable rate based on the tax-exempt equivalent of 30-day LIBOR plus 125 basis points; subject to call option on the 15th anniversary. On the closing date, the Borrower will enter into a swap agreement for 15 years to a fixed rate estimated to be 4.37% as of 10/19/07.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$7,500,000
Closing Costs	$108,750
TOTAL COSTS	$7,608,750

JOBS: At Application 7 Within 2 years 3 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/07 (Published 10/29/07) **BOND COUNSEL:** McCarter & English

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Young Men's Christian Association of Montclair, New Jersey P20073

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 25 Park Street Montclair Township (T/UA) Essex

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Young Men's Christian Association of Montclair, New Jersey, founded in 1897, is a 501(c)(3) not-for-profit organization that provides a variety of social, educational and recreational programs that promote good health, strong families, youth leadership and community development, serving approximately 13,000 members in the urban aid city of Montclair. In addition to the main facility located on Park Street, the YMCA of Montclair operates a 25,000 sq. ft. family recreation center on Glenridge Avenue, Montclair, known as The Helen and Bill Geyer YMCA Family Center and a summer day-camp facility in West Milford, NJ.

In 2002, Authority assistance of $3,150,000 in tax exempt bonds, enabled the applicant to renovate the 80,000 sq. ft. Park Street facility, purchase furnishings and equipment for its various programs and refinance existing debt. The 2002 Bonds were privately placed by Wachovia Securities for 20 years as variable rate bonds, reset weekly with a letter of credit provided by Wachovia Bank initially for 5 years. Effective 11/1/2005, the Wachovia letter of credit was replaced by Commerce Bank, with an expiration date of 11/1/2008.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the $2,600,000 outstanding balance of the 2002 bond financing.

This Application is being presented in conjunction with Appl. P20074 to refinance a conventional loan for a total tax-exempt bond financing not to exceed $10,200,000.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank, A Division of Capital One, N.A. (Direct Purchase)

AMOUNT OF BOND: $2,600,000 (Est.) (Part of $10,200,000 tax exempt bond with P20074)

TERMS OF BOND: 25 years; Variable rate based on the tax-exempt equivalent of 30-day LIBOR plus 125 basis points; subject to call option on the 15th anniversary. On the closing date, the Borrower will enter into a swap agreement for 15 years to a fixed rate estimated to be 4.37% as of 10/19/07.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	$2,600,000
Closing Costs	$36,250
TOTAL COSTS	$2,636,250

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** McCarter & English

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** T. Wells

PRELIMINARY RESOLUTIONS

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

APPLICANT: Innores Corporation P19955

PROJECT USER(S): Pflaumer Brothers, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 1008 Whitehead Road Extension Ewing Township (N) Mercer

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Innores Corporation is a real estate holding corporation formed to acquire a facility for use by its related company, Pflaumer Brothers, Inc. Pflaumer Brothers, founded in 1934, is a manufacturer of specialty additives for paints and coatings, plastics, printing inks, metalworking fluids and lubricants, in addition to pre-dispersed pigments for used by manufacturers when adding color to products. Pflaumer currently is operating from two facilities, one in West Windsor, NJ as its headquarters and another in Ewing, NJ as its laboratories. Pflaumer currently outsources the manufacturing process.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire a 37,000 sq. ft. facility in order to consolidate its operations in one location, as well as provide the necessary space for the growth of the company. Pflaumer has already invested in manufacturing and research and development equipment in order to support the growth and expansion of its manufacturing business. The applicant expects to create 12 new jobs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$825,000
Land	$275,000
Renovation of existing building	$125,000
Renovation of existing equipment & machi	$100,000
Finance fees	$24,000
Legal fees	$18,000
Accounting fees	$2,000
TOTAL COSTS	$1,369,000

JOBS: At Application 12 Within 2 years 12 Maintained 0 Construction 4

PUBLIC HEARING:

BOND COUNSEL: McManimon & Scotland

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

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

APPLICANT: Republic Services, Inc. P19891

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Locations in New Jersey Locations Unknown (N) Unknown

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Republic Services, Inc. ("Republic" or "Applicant") is a leading provider of solid waste collection, transfer and disposal services in the United States. Republic's various operating units are focused on providing solid waste collection services for commercial, industrial, municipal and residential customers.

The Applicant is a publicly traded company and has utilized tax-exempt bonds in New Jersey and other states. In 2001, the Authority's issuance of a $10,000,000 tax-exempt bond enabled the acquisition of more than 50 vehicles (P13315).

Republic operates a transfer station in New Brunswick for municipal waste services. The company also has operations at Mt. Laurel, Clinton, South Plainfield and Tinton Falls. Over the next 24 months, the Applicant wishes to expand, modernize and improve its fleet of vehicles and containers and existing buildings and facilities in order to improve and expand its solid waste disposal services and operations at all five New Jersey locations.

This project qualifies as an Exempt Public Facility - Solid Waste Disposal under Section 142(a)(6) of the Internal Revenue Code of 1986, as amended, and therefore is not subject to the $20,000,000 capital expenditure limitation under Section 144 of the Code.

APPROVAL REQUEST:

Authority's assistance will enable the Applicant to purchase vehicles, equipment and containers for use in connection with the disposal of solid waste and to improve and renovate the existing vehicles, equipment, buildings and facilities plus pay the costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$14,700,000
Working capital	$4,000,000
Renovation of existing equipment & machi	$1,000,000
Closing Costs	$300,000
TOTAL COSTS	$20,000,000

JOBS: At Application 692 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING:

DEVELOPMENT OFFICER: R. Gomez

BOND COUNSEL: Hawkins, Delafield & Wood

APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: Services for Children with Hidden Intelligence, Inc. P20075

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 345 Oak Street Lakewood Township (T/UA) Ocean

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Services for Children with Hidden Intelligence, Inc. is a 501(c)(3) not-for-profit corporation, which owns and operates The School for Children with Hidden Intelligence (SCHI). SCHI, established in 1995, is a private school that specifically educates multiply handicapped children with special needs from throughout New Jersey. The school is staffed with dedicated teachers and experienced therapists and offers services to children with developmental delays from birth to twenty-one years of age.

SCHI's enrollment has grown from 5 children in 1995 to over 150 children today. It offers educational and therapeutic services by certified professional staff members to children who have disabilities as varied as autism, Down syndrome, and cerebral palsy, among others. SCHI emphasizes maintaining a low teacher to pupil ratio along with individualized educational programs designed to fit each child's specific needs. SCHI's unique curriculum gives special children the opportunity to benefit from a wide range of subjects including art, music, computers as well as math and science courses. Regular classroom faculty is augmented and complimented by specialists in various occupations: physical, occupational and speech therapy, behavior modification and social work.

With construction financings from Sovereign Bank ($8.4 million; LIBOR+250 bps) and a related foundation ($4.4 million; 0% interest), a new 250-student capacity, 64,000 sf, 24-classroom facility with indoor space for physical therapies had been built on 13 acres. The new facility was occupied in April 2007. The Applicant is seeking to refinance the existing debt that was used to finance the construction, equipping and furnishing of the new school facility.

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 1986 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:

The applicant is requesting Authority assistance to refinance an amount not to exceed $12,800,000 to pay off construction and related costs plus costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$12,800,000
Closing Costs	$190,000
TOTAL COSTS	$12,990,000

JOBS: At Application 130 Within 2 years 20 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/07 (Published 10/30/07) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** D. Sucsuz

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

APPLICANT: Young Men's Christian Association of Trenton P19599

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 640A South Broad Street Trenton City (T/UA) Mercer

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Young Men's Christian Association of Trenton, established in 1856, is doing business as The Greater Trenton Area YMCA (the "Trenton YMCA"). The Trenton YMCA is a leading educational and social services 501(c)(3) not-for-profit organization in the Trenton area. The Trenton YMCA currently offers award winning program activities in preschool education, school age childcare, youth sports, nutrition and fitness, youth/adult education and summer day camping. Most of these family programs are currently offered at the Pennington Avenue Center.

The Trenton YMCA is embarking on a capital project to build a 65,000 sf facility that will first house a gymnasium, state-of-the-art fitness center, racquet courts and a community education space, lobby and baby-sitting area and offices ("Phase I" or the "Project"). In the long term, Phase II would complete and complement the entire project with a preschool education center, running track and swimming pools.

The design and development work of the Project (Phase I) has been completed. The City Planning Board approval is expected before the year end. The groundbreaking will take place by Summer 2008. The Project (Phase I) is expected to be completed by early 2010.

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 1986 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 acquire land to construct, equip and furnish the first phase of a 65,000 sf community center, which will consist of a gymnasium, fitness center, racquet courts, offices, a community education space, childcare area and lobby, on 3.2 acres plus pay the costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$9,109,000
Engineering & architectural fees	$1,838,257
Construction of roads, utilities, etc.	$1,675,270
Purchase of equipment & machinery	$500,000
Land	$350,000
Closing Costs	$323,750
Interest during construction	$297,500
TOTAL COSTS	$14,093,777

JOBS: At Application 15 Within 2 years 60 Maintained 0 Construction 324

PUBLIC HEARING:

BOND COUNSEL: Saul, Ewing, LLP

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: D. Sucsuz

DIRECT LOANS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: Ardé, Inc P19152

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 875 Washington Street Carlstadt Borough (N) Bergen

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Ardé, Inc. is a manufacturer of lightweight pressurization and propellant tanks used in commercial, scientific & military satellites, launch vehicles and in breathing systems for the space program. A wholly owned subsidiary, Ardé-Barinco, Inc. markets commercial mixers (manufactured by Ardé) for the food, cosmetic, paint, chemical and waste disposal industries. Ardé was established in 1951 and in 1993 the two founders sold the business to an employee stock ownership plan and trust (ESOP).

Currently operating in 40,000 square feet of space with a lease that expires on 12/31/07. Due to recent growth and a backlog of orders, the applicant is relocating to a 54,000 square foot leased facility (approximately thirty minutes away with the majority of employees expected to remain). Ardé seeks funding for moving costs, tenant fit up and equipment associated with the relocation.

APPROVAL REQUEST:

Approval is being requested for a $200,000 direct loan for working capital associated with Ardé's expansion and relocation. Wachovia Bank has also committed to fund $510,000 as part of Ardé's plans to purchase new equipment in the amount of $546,000 at the new site.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $200,000

TERMS OF LOAN: Borrowers option of a) fixed rate at the time of closing at the 5 year Treasury plus 50 bp with a floor of 4% or b) floating at the Wall Street Journal Prime Rate less 3% at the time of closing with a floor of 3%, adjusted on the first day of each calendar quarter with a 5% maximum increase over a five year period from the calculated interest rate at closing. Five-year term and amortization.

PROJECT COSTS:

Working capital	$200,000
Finance fees	$2,500
TOTAL COSTS	$202,500

JOBS: At Application 36 Within 2 years 9 Maintained 0 Construction 0

DEVELOPMENT OFFICER: R. Gomez **APPROVAL OFFICER:** M. Conte

STATEWIDE LOAN POOL PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM

APPLICANT: Hopewell Adult Medical Day Care, LLC & Roseville Health Care, P19494

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 285-289 Roseville Avenue Newark City (T/UA) Essex

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Hopewell Adult Medical Day Care, LLC ("Hopewell") is a provider of comprehensive adult day care within the City of Newark and its surrounding communities. Hopewell is currently located in a leased space and is seeking to relocate the operations of the business to owner occupied real estate. Roseville Health Care, LLC ("Roseville"), a real estate holding company and operating company, was formed to purchase the newly financed property located at 285 Roseville Avenue. The Roseville Avenue facility was purchased in April of 2006 through Commerce Bank with a SBA guarantee. Management is seeking to refinance the existing mortgage in order to free up additional cash flow for the business. Roseville will operate out of a 28,251 square foot facility containing a total of 71 assisted living residences. Hopewell's operations will function out of the lower level of the facility.

APPROVAL REQUEST:

Approval is recommended for an Authority participation of $500,000 (22%) in a $2,230,000 loan from North Fork Bank under the Statewide Loan Pool Program.

FINANCING SUMMARY:

LENDER: North Fork Bank

AMOUNT OF LOAN: $2,230,000 bank loan with a $500,000 (22%) Authority participation.

TERMS OF LOAN: Fixed at the ten year US Treasury + 150 basis points at the time of closing (5.98% indicative); 10-year term, 25-year amortization.

TERMS OF PARTICIPATION: Authority participation fixed for five years at the time of closing at the five year Treasury with a floor of 4.00%. Rate reset at the end of five years; 10-year term, 25-year amortization.

PROJECT COSTS:

Refinancing	$1,430,000
Renovation of existing building	$660,200
Legal fees	$140,550
TOTAL COSTS	$2,230,750

JOBS: At Application 16 Within 2 years 15 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** T. Melton

LOCAL DEVELOPMENT FINANCING FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM

APPLICANT: Passaic Family Head Start, Inc. P19974

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 68-72 Third Street Passaic City (T/UA) Passaic

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Passaic Family Head Start, Inc. ("PFHS") is a a quasi-public, nonprofit organization which administers preschool (for children ages three to four) programs. PFHS began serving the community of Passaic in 1974 with funding of the Head Start program as part of the City's Human Services Department. The organization then received its 501 (c) (3) designation in July of 2002 and receives the bulk of its funding from the US Department of Health and Human Services (and also receives funding from NJ Department of Human Services, NJ Department of Education, and the US Department of Agriculture).

APPROVAL REQUEST:

Approval is requested for up to $300,000 in funding from the NJEDA under the LDFF program for the purchase of a 14,000 square foot building which they currently lease. The other components of the project include a $600,000 conventional mortgage loan from Valley National Bank and applicant equity of $15,000. The Authority's loan would be reduced by up to $75,000 (and Valley's loan reduced by $75,000) should the organization be approved for a Federal grant or are able to obtain alternative funding sources. The bank and customer seek the NJEDA funding as gap financing necessary to complete the project.

FINANCING SUMMARY:

LENDER: Local Development Financing Fund

AMOUNT OF LOAN: $300,000

TERMS OF LOAN: Fixed at closing at 50% of the Federal Discount Rate or 3% whichever is greater. Five year fixed rate to be reset for a second five years at a similar index. Ten-year term based on a 20-year amortization.

PROJECT COSTS:

Acquisition of existing building	$600,000
Land	$300,000
Finance fees	$15,000
TOTAL COSTS	$915,000

JOBS: At Application 45 Within 2 years 9 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** M. Conte

SMART GROWTH PRE-DEVELOPMENT FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - SMART GROWTH PRE-DEVELOPMENT FUNDING PROGRAM

APPLICANT: Morning Star Community Development Urban Renewal C P18565

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1100-1154 E. St. Georges Linden City (T) Union

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Morning Star Community Development Urban Renewal Corp. ("Morning Star") is non-profit, nonsectarian affiliate of the Morning Star Community Christian Center (MSCCC), a 700 member church congregation which has been serving the Linden community since 1967. Morning Star has been selected by the City of Linden as the Redeveloper for the Morning Star Plaza Redevelopment Area. The City will contribute $5,000,000 toward the project in the form of land acquisition and clean up costs. Morning Star Plaza is a planned 39,500 sf office and retail shopping center.

The church also provides senior housing and daycare facilities through other corporations, namely Morning Star Senior Housing Complex, Morning Star Day Care Center and Morning Star Chandler Avenue Apartments. MSCCC is located at 1009 Chandler Ave, Linden, NJ.

APPROVAL REQUEST:

Approval is requested for a $225,000 Smart Growth predevelopment loan to fund architectural and other expenses necessary to bid the construction contract and obtain a construction loan. The EDA will be repaid with proceeds of the construction loan.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $225,000 Smart Growth loan

TERMS OF LOAN: Borrower's option of fixed at the one-year US Treasury, subject to a floor of 4%, or Floating at Prime less 4%, subject to a floor of 3% and a ceiling of 8.75%; Interest to accrue to principal; loan matures at the earlier of closing of construction loan or one year.

PROJECT COSTS:

Engineering & architectural fees	$178,000
Soft Costs	$32,000
Legal fees	$15,000
Finance fees	$2,900
TOTAL COSTS	$227,900

JOBS: At Application 17 Within 2 years 93 Maintained 93 Construction 0

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** D. Weick

CAMDEN ECONOMIC RECOVERY BOARD

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Secretary

DATE: November 13, 2007

SUBJECT: Amendment to ERB Guide To Program Funds

Pursuant to the endorsement of the ERB Policy Committee, the Members of the Authority are asked to approve an increase to the infrastructure project funding limit from $60 million to $70 million.

On June 20, 2003, the Members of the ERB approved the Guide to Program Funds (the "Guide") which outlines the purpose of the ERB and the general criteria for project financing. As part of its approval, the Board established a funding limit of $20 million for infrastructure projects.

On December 23, 2003, the ERB approved changes to the Guide regarding infrastructure projects which allows for 100% of a project to be funded at a limit of $5 million in the form of grants and recoverable grants. These funds may be utilized on priority projects listed in the Capital Improvement and Infrastructure Plan, the List of Priority Projects Report, and/or are critical to an approved redevelopment project or other project endorsed by the Chief Operating Officer. An infrastructure project can include among other things, demolition, property acquisition, site remediation, installation of utilities, sewers, roads, sidewalks, street scape, green space and related improvements.

On June 22, 2004, the Members approved an increase to the overall limit on infrastructure projects from $20 million to $35 million and on December 20, 2005 approved another increase from $35 million to $50 million. On April 24, 2007, the members approved another increase to $60 million due to the demand for these funds. To date, the ERB has approved 27 infrastructure projects totaling $57.4 million of which two projects amounting to $3,550,000 have been repaid.

These 27 projects have and will eliminate blight and create opportunity for future development. They will leverage more than $228 million in other public and private investment and result in the creation of approximately 1500 construction jobs and approximately 122 permanent jobs.

Based on the above, a balance of $6,110,298 is available however, the demand is significantly greater. Staff from the ERB, CRA and other state agencies compiled a pipeline of proposed projects to be developed throughout the City in the ensuing year that are in excess of $15 million including acquisition, demolition, and site preparation for residential and commercial development, the development a parking structure and fire station, policing equipment and remediation for commercial development. (See attached)

Per the Guide, all project applications must meet the general criteria for project financing which requires the project be consistent with the Act, meet the goals of the SRP and CIIP and be financially and programmatically ready to proceed. In addition, infrastructure projects must demonstrate, through written evidence, that other sources of funding are insufficient or unavailable for the project to proceed. Further, these projects should be linked to and consistent with a neighborhood redevelopment revitalization or recovery plan or in absence of such a plan, have the endorsement of the COO. Finally, the applicant must provide information that additional investment is likely to take place should the funding request be approved.

The Members of the ERB approved the increase to the infrastructure limit from $60 million to $70 million at it's meeting on October 23, 2007. According, the Members of the Authority are asked to approve the funding authorization which will enable the ERB to continue supporting projects as intended by the Municipal Rehabilitation and Economic Recovery Act.

Caren S. Franzini

Prepared by: L. Wallick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

RE: ERB Business Incentive Grant Programs
Status Update

Pursuant to the endorsement of the ERB Policy Committee, the Members of the Authority are asked to extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2008. In addition, the members are asked to amend the level of funding from $16 million to $10.5 million, with maximum allocations of $500,000 for the Business Improvement Incentive Program ("BII") and $10 million for the Business Lease Incentive ("BLI") Program. Further, the members are asked to modify the BII program criteria to allow the full amount of the grant to be disbursed upon completion of the building improvements.

Background:

On August 23, 2005, the Members of the ERB approved a $16 million allocation from the Demolition and Redevelopment Financing Fund to support the pilot of the Business Improvement and Business Lease Incentive initiatives in an effort to stimulate commercial, industrial and retail business activities throughout the City of Camden. The incentives are designed to supplement other state and municipal resources that are available to attract businesses to Camden, to create a wide spectrum of job opportunities for the residents of the City, and to foster other economic development activities. As part of the approval, staff was asked to report on the program annually to evaluate the program criteria and to determine its viability to move forward.

Under the **Business Improvement Incentive** program, $1 million of the $16 million was allocated to be used to reimburse financially viable business applicants for 50% of the cost of improvements made to facilities located on one of the city's major commercial corridors with a maximum incentive of $20,000. The program is structured to allow for half of the incentive award to be disbursed to the applicant upon completion and inspection of the improvements.

Re: ERB Business Incentive Grant Programs - Update

The balance of the incentive would be disbursed to the applicant on the one year anniversary of the initial disbursement, contingent upon a satisfactory inspection of the facility and review of the applicant's financial statements. As a supplement to this incentive program, the Camden Redevelopment Agency ("CRA") will utilize its UEZ funding to provide loans or guarantees of loans made by financial institutions to businesses located within the City's major commercial corridors. In addition, the New Jersey Economic Development Authority ("EDA") promotes its low-cost financing resources to support women, minority and small business enterprises. Together, these resources are used to encourage the business community to participate in the revitalization efforts and invest in their business facilities.

Through the **Business Lease Incentive** program, $15 million of the $16 million was allocated to attract businesses seeking to relocate to the City of Camden and plan to lease more than 500 s.f. of market rate building space and support existing City businesses seeking to expand and lease a minimum of 500 s.f. of additional space. The program is structured to reimburse financially viable businesses a portion of their annual lease payment according to the type of space leased by the business. The annual incentive payment cannot exceed 50% of the annual lease payment or when combined with any other governmental grants, cannot exceed 80% of the annual lease payment. The incentive payments are paid annually to the applicant upon receipt of a landlord's confirmation of no monetary or other material lease agreement defaults and the applicant's certification of any other governmental grants received during the lease period. This incentive is used to encourage business owners to explore an alternative location for their business operation and create an opportunity to increase office, industrial, and retail uses throughout the City of Camden.

The incentive programs set forth criteria requiring applicants to pursue UEZ certification, if applicable and to facilitate job recruitment through the Camden One Stop.

Program Update:

Over the last year, staff has collaborated with the CRA, the New Jersey Commerce and Economic Growth Commission ("EGC"), and the Department of Labor ("DOL") to promote these incentive programs and other local and state incentives. Specifically, the incentive programs were highlighted in several news releases and press events including the completion of the EDA's Waterfront Technology Center at Camden and the Ferry Terminal Building. In addition, more than 600 promotional letters which included the specialized marketing materials for the targeted sectors of retail, entertainment, medical/health services, and technology were mailed to Burlington, Camden and Gloucester County businesses encouraging them to expand in the City of Camden. Presentations were made to the South Jersey, Cherry Hill and African American Chambers of Commerce and to several banking institutions. Joint meetings with CRA, EGC and DOL staff were held with local business associations, realtors and developers.

Although the outreach efforts are aggressive, activity for the BII has been slow primarily due to the rising costs of construction. To date, two applications have been approved for a total of $40,000 which has leveraged more than $50,000 in private investment and resulted in the creation of 5 new jobs.

Re: ERB Business Incentive Programs

The Greater Camden Partnership ("GPC") and the CRA are collaborating on a program to assist property and businesses owners in the Downtown to upgrade their properties, secure new tenants and create an attractive "Main Street" environment. With grant funds from the Reinvestment Fund and the Camden Empowerment Zone Corp., the agencies are preparing designs for building facades for approximately 40 commercial buildings located between Second Street and Broadway. Market Street has been identified as the ideal commercial corridor to begin this pilot program as it was once home to many small retail businesses. Staff has met with numerous businesses, specifically property owners on Market Street and Westfield Avenue who are very interested in applying for the BII grant incentive. These property owners have petitioned staff to seek approval to amend the program criteria to allow for the full amount of the grant to be disbursed upon completion of the improvements. This modification will enable the owners to reduce debt obligations associated with the improvements and/or replenish working capital funds needed to operate the business. Based on the activity to date, staff is recommending the criteria be amended with the expectation that more businesses will be encouraged to make improvements to their facilities. For investment properties, there will be a limit of three BII grants per property. Staff is also recommending the funding level be reduced to $500,000. When leveraged with UEZ funds, this level of funding can assist in excess of 25 property owners. The remaining $500,000 will be re-allocated back to the Demolition & Redevelopment Financing Fund to support qualified revitalization projects throughout the city.

Under the BLI program, 9 applications have been received and approved for approximately $1.7 million. The nine approved projects will result in 115,000 s.f of additional leased space and the creation of approximately 420 new jobs spurring approximately $20 million in new rents over the next 10 years.

The BLI incentive is an effective financial tool to attract businesses to Camden. The EDA has successfully utilized the incentive to attract businesses to the Waterfront Technology Center and throughout the Innovation Zone. Steiner and Associates completed construction on the Ferry Terminal Building next to the Adventure Aquarium and is promoting the BLI to attract tenants to the facility. Carl Dranoff is also promoting this incentive program for the commercial tenants in the Victor Building and the soon to be redeveloped Radio Lofts building. Although the demand for this incentive will increase as a result of the continued revitalization efforts that are underway and planned for the future, the current funding level is in excess of the demand and can be used to support other development projects throughout the City Based on the average amount of the lease incentive grants approved to date, staff is recommending the program funding limit be reduced from $15 million to $10 million which can support at least 40 additional companies at an average BLI grant of $200,000. The remaining $5 million will be re-allocated back to the Demolition & Redevelopment Financing Fund to support qualified revitalization projects throughout the city.

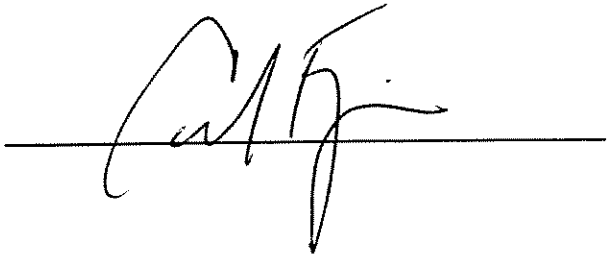
Re: ERB Business Incentive Programs

Recommendation:

By implementing these incentives, the ERB has reaffirmed its support of the Camden business community as an integral part of the City's revitalization efforts and economic health. The proposed incentives will continue to leverage private investment and stimulate other economic development activities throughout the City of Camden as intended by the Act.

Based on the activity thus far and the anticipated demand, the members are asked to extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2008. In addition, the members are asked to amend the level of funding from $16 million to $10.5 million with maximum allocations of $500,000 for the Business Improvement Incentive Program and $10 million for the Business Lease Incentive Program. Further, the members are asked to modify the Business Improvement Incentive program criteria to allow the full amount of the grant to be disbursed upon completion of the building improvements.

The Members of the ERB approved the changes to the above-referenced programs at it's meeting on October 23, 2007. Accordingly, the Members of the Authority are asked to approve the changes as outlined herein.



Prepared By: L. Wallick

ERB Business Lease and Business Improvement Incentive Program

As of 10/22/2007

Project	Amount Approved	Approval Date	Status	Balance
Business Lease Incentive: ($15,000,000)				**$15,000,000**
Drexel University - ACIN	$300,000	9/13/2005	Closed	($300,000)
Gestalt, LLC**	$179,025	9/13/2005	Closed	($179,025)
Rutger Camden Technology Campus, Inc.*	$638,235	7/6/2006	Closed	($638,235)
Susquehanna Patriot Bank	$360,000	7/6/2006	Closed	($360,000)
SMSMR Enterprises, LLC	$120,000	9/28/2006	Closed	($120,000)
Camden Greenways, Inc.	$22,500	4/4/2007	Closed	($22,500)
Agilence, Inc.	$39,600	7/18/2007	Closed	($39,600)
myLEADERBOARD, Inc.	$18,477	7/18/2007	Closed	($18,477)
Cooper Health System	$26,604	9/28/2007	Approved	($26,604)
Subtotal:	**$1,704,441**			**$13,295,559**
Business Improvement Incentive ($1,000,000)				**$1,000,000**
Camden Law Building LLC	$20,000	12/19/2006	Closed	($20,000)
Lotus Medicine d/b/a Westfield Pharmacy	$20,000	12/19/2006	Closed	($20,000)
Subtotal:	**$40,000**			**$960,000**

*On July 6, 2006, the Members approved an increase in the amount of the incentive from $600,000 to $638,235 due to the increase in the amoun tof space to be initially leased by RCTC.

**On August 20, 2007, the Members approved an increase in the amount of the incentive from $168,225 to $179,025 due to the increase in the amount of space to be initially leased by Gestalt.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Fund Allocation

Pursuant to Article 9, Section 72 of the Municipal Rehabilitation and Economic Recovery Act (the "Act") the Chief Executive Officer ("CEO") of the New Jersey Economic Development Authority and the Chief Operating Officer ("COO") for the City of Camden are authorized to reallocate up to 20% of the total amount deposited into each individual funding category in order to serve the economic revitalization goals the Act seeks to promote.

Notwithstanding the above, a policy was adopted that requires the CEO and the COO advise the ERB Policy Committee regarding any reallocation of ERB funds. This notification ensures full disclosure of how the ERB funding is being utilized.

To date, a total of approximately $137.7 million has been approved for 56 projects of which $3.5 million has been repaid from two projects. In addition, $1.7 million has been approved for 9 projects under the Business Lease Incentive ("BLI") program and $40,000 was approved for 2 projects from the Business Improvement Incentive ("BII") program. (See the attached Fund Approvals Chart).

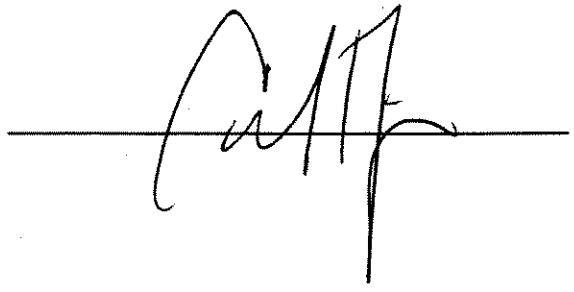
Staff from the ERB, CRA and other state agencies compiled a pipeline of proposed projects to be developed throughout the City in the ensuing year that will be seeking financial assistance from the ERB in an amount totaling in excess of $17 million.

Based on the fund amounts established under the Downtown Revitalization and Recovery Fund and the Demolition and Redevelopment Financing Fund and the number of projects approved under each category, the balances in these fund categories are insufficient to support the demand.

To enable these projects to apply for ERB assistance, the CEO and the COO, with the endorsement of the ERB Policy Committee, are seeking to amend the level of funding for Business Incentive Programs from $16 million to $10.5 million, which would increase

the available funding under the Demolition and Redevelopment Financing Fund $246,471 to $5,746,471. From this amount, 5% of the initial fund amount equal to $2,150,000 is being requested to be reallocated to the Downtown Revitalization Fund leaving a balance of $3,596,471. In addition, the CEO an COO are seeking to reallocate 20% of the Economic Recovery Planning Fund equal to $700,000 to the Downtown Revitalization and Recovery Fund leaving a balance of $1,166,005. The requested reallocation of funds will enable the structured parking garage project to be located in the Downtown to move forward while leaving sufficient balances in the other categories to provide support to the other projects on the pipeline.

The Members of the ERB approved the changes to the above-referenced programs at it's meeting on October 23, 2007. Accordingly, the Members of the Authority are asked to approve the changes as outlined herein.



Prepared by: L. Wallick

ERB Fund Approvals

As of 10/22/2007

	Amount Approved	Approval Date	Status	Infrastructure*	Transitional Area	Public Purpose***	Affordable Housing	Balance
Residential Neighborhood Improve. ($35.0)								**$35,000,000**
Parkside Business and Community Partnership	$395,825	12/23/2003	Closed					($395,825)
Camden Redevelopment Agency - Yorkship Square	$1,600,000	5/21/2004	Closed	$1,600,000				($1,600,000)
Camden Redevelopment Agency - HOPE VI - Roosevelt Manor	$5,000,000	8/9/2004	Closed	$5,000,000	$5,000,000			($5,000,000)
Cooper Grant Developers LLC^	$1,200,000	10/3/2006	Closed					($1,200,000)
RPM Management LLC (Fairview Parking Courts)	$791,694	8/9/2004	Closed	$791,694				($791,694)
Parkside Business and Community Partnership	$1,160,000	5/11/2005	Approved					($1,160,000)
Fairview Village Urban Renewal Associates (FV Phase II)	$1,050,000	12/19/2006	Closed	$1,050,000				($1,050,000)
Camden Redevelopment Agency - Cramer Hill Street Scape	$659,145	8/23/2005	Closed	$659,145	$659,145			($659,145)
Cramer Hill CDC (Nueva Vida Homes)	$824,501	8/23/2005	Approved		$824,501			($824,501)
Camden Redevelopment Agency- River Rd. Affordable Housing	$3,504,393	11/22/2005	Approved	$3,504,393	$3,504,393			($3,504,393)
NJHMFA - CHIP	$5,000,000	11/22/2005	Closed				$5,000,000	($5,000,000)
The Heart of Camden, Inc.	$1,150,000	2/28/2006	Closed	$1,150,000				($1,150,000)
Fair Share Northgate II Associates*****	$1,234,725	6/14/2006	Approved	$631,725	$1,234,725		$603,000	($1,234,725)
The Heart of Camden, Inc.	$788,971	9/7/2006	Approved					($788,971)
Cooper's Ferry Development Association - Boyd & Morse	$3,570,000	4/24/2007	Closed	$3,570,000	$3,570,000			($3,570,000)
Sub Total:	**$27,929,254**			**$17,956,957**	**$14,792,764**	**$0**	**$5,603,000**	**$7,070,746**
Downtown Revit. and Recov. ($45.8)								**$45,800,000**
New Jersey Aquarium	$25,000,000	7/22/2003	Closed					($25,000,000)
El Centro Comunal Borincano Day Care Center	$800,000	12/23/2003	Closed					($800,000)
NJEDA Waterfront Technology Center	$1,000,000	2/27/2004	Closed					($1,000,000)
Camden Redevelopment Agency - Waterfront Roads	$1,200,000	2/27/2004	Closed	$1,200,000				($1,200,000)
Settlement Music School	$1,000,000	3/23/2004	Closed			$1,000,000		($1,000,000)
Cooper's Ferry Development Association - Waterfront Parking	$1,550,000	5/26/2004	Repaid	$0				$0
Camden Redevelopment Agency - Interior Gateway	$3,232,000	6/7/2004	Closed	$3,232,000				($3,232,000)
Rutgers, The State University - Campbell Field	$1,235,617	6/14/2005	Closed					($1,235,617)
Greater Camden Partnership, Inc	$200,000	7/6/2005	Closed			$200,000		($200,000)
NJEDA - MLK Parking Deck #	$300,000	12/20/2005	Closed	$300,000				($300,000)
YMCA of Camden County, NJ	$552,968	2/28/2006	Closed			$552,968		($552,968)
Camden Redevelopment Agency - Radio Lofts	$1,997,716	10/3/2006	Closed	$1,997,716				($1,997,716)
Cooper's Ferry Development Association - Parking & Infrastruct.^^^^	$2,042,000	12/19/2006	Closed	$2,042,000				($2,042,000)
Camden Redevelopment Agency - 301 Market Street	$3,000,000	2/27/2007	Closed	$3,000,000				($3,000,000)
Camden Redevelopment Agency - Parkade Bldg/Roosevelt Plaza	$3,000,000	2/27/2007	Approved	$3,000,000				($3,000,000)
Rutgers, The State University ELRA	$1,000,000	5/29/2007	Closed			$1,000,000		($1,000,000)
10% Reallocation from the Demolition Fund		6/22/2004						$4,300,000
** Reallocation reversed		12/20/2005						($4,300,000)
Sub Total:	**$47,110,301**			**$14,771,716**	**$0**	**$2,752,968**	**$0**	**$239,699**

ERB Fund Approvals

As of 10/22/2007

	Amount Approved	Approval Date	Status	Infrastructure*	Transitional Area	Public Purpose***	Affordable Housing	Balance
Demolition and Redev. Financing ($43.0)								**$43,000,000**
Camden Redevelopment Agency/ Citywide Demolition	$5,000,000	9/30/2003	Closed	$5,000,000				($5,000,000)
EDM Holdings, LLC	$392,500	2/27/2004	Closed		$392,500			($392,500)
Camden Redevelopment Agency/Terraces	$2,039,500	3/23/2004	Closed	$2,039,500				($2,039,500)
Respond, Inc.	$1,000,000	7/13/2004	Approved		$1,000,000	$1,000,000		($1,000,000)
Camden Redevelopment Agency/Central Waterfront^^	$5,000,000	10/3/2006	Closed	$5,000,000				($5,000,000)
Cathedral Soup Kitchen	$100,000	9/20/2004	Closed					($100,000)
Boys & Girls Club of Camden County	$1,000,000	12/31/2004	Closed			$1,000,000		($1,000,000)
Camden Redevelopment Agency/Cathedral Soup Kitchen	$235,800	12/31/2004	Closed	$235,800				($235,800)
Cooper's Ferry Development Association/SJPC	$1,288,729	4/12/2005	Closed	$1,288,729				($1,288,729)
New Jersey Tax Lien Financing Corporation****	$2,000,000	10/25/2005	Repaid	$0				$0
Business Incentive Grant Program	$16,000,000	8/23/2005	Approved					($16,000,000)
M & A Holdings Co., LLC.	$900,000	3/28/2006	Closed					($900,000)
American Community Partnership	$100,000	3/28/2006	Closed					($100,000)
Camden Redevelopment Agency - Carnegie Library	$1,000,000	3/28/2006	Approved	$1,000,000				($1,000,000)
The Salvation Army	$5,000,000	9/7/2006	Approved	$4,000,000	$5,000,000	$1,000,000		($5,000,000)
Neighborhood Housing Svs/Camden Kids Pre-School & CLC	$100,000	11/28/2006	Closed					($100,000)
Camden Redevelopment Agency/Campbell Soup Utility Reloc.	$2,300,000	4/24/2007	Closed	$2,300,000				($2,300,000)
Cathedral Soup Kitchen	$1,000,000	6/7/2007	Closed			$1,000,000		($1,000,000)
Puerto Rican Unity for Progress	$297,000	7/24/2007	Closed	$297,000				($297,000)
10% Reallocation of this Fund		*6/22/2004*						*($4,300,000)*
**10% Reallocation reversed		12/20/2005						**$4,300,000**
Sub Total:	**$44,753,529**			**$21,161,029**	**$6,392,500**	**$4,000,000**	**$0**	**$246,471**
Higher Ed and Reg Health Care Devel ($47.7)								**$47,700,000**
Our Lady of Lourdes Medical Center	$4,500,000	9/30/2003	Closed					($4,500,000)
CAMcare Health Corporation - Gateway Site	$1,000,000	4/29/2004	Closed					($1,000,000)
Camden County College	$3,500,000	5/21/2004	Closed					($3,500,000)
Cooper Health System	$12,350,000	10/20/2004	Closed					($12,350,000)
Rutgers, The State University of NJ	$11,000,000	2/22/2005	Closed					($11,000,000)
Sub Total:	**$32,350,000**			**$0**	**$0**	**$0**	**$0**	**$15,350,000**

ERB Fund Approvals

As of 10/22/2007

	Amount Approved	Approval Date	Status	Infrastructure*	Transitional Area	Public Purpose***	Affordable Housing	Balance
Economic Recovery Planning Fund ($3.5)								**$3,500,000**
Camden Redevelopment Agency - Neighborhood Plans ^^^	$723,945	3/23/2004	Closed					($723,945)
Camden Redevelopment Agency - Neighborhood Plans II	$445,050	11/22/2005	Closed					**($445,050)**
Strategic Revitalization Plan, Capital Improvement & Infrastructure Master Plan and related costs	$465,000		Closed					($465,000)
Sub Total:	**$1,633,995**			**$0**	**$0**	**$0**	**$0**	**$1,866,005**
Subtotal:	**$153,777,079**			**$53,889,702**	**$21,185,264**	**$6,752,968**	**$5,603,000**	
Projects Repaid	**($3,550,000)**							
Total:	**$150,227,079**							**$24,772,921**
Remaining Allocated Funds				$6,110,298	($3,685,264)	$747,032	$3,147,000	

*On June 22,2004, the ERB Members approved an increased the limit in infrastructure funding from $20 Million to $35 Million
*On December 20, 2005 the ERB Members approved an increase to the limit of infrastructure funding from $35 million to $50 million.
* April 24, 2007 the ERB Members approved an increase to the limit of infrastructrue funding from $50 million to $60 million,

** On June 22, 2004, the ERB Members were advised that the CEO of the NJEDA and the COO of the City of Camden will re-allocate 10% ($4.3 Million) of the Demolition and Redevelopment Financing funds to the Downtown Revitalization and Recovery Fund
**On December 20, 2005 the ERB Members were advised that the CEO and COO reallocated the $4,300,00 back the Demolition and Redev. Financing Fund.

***On February 22, 2005, the ERB Members approved an overall program limit of $7,500,000 for Public Purpose projects.

****On June 9, 2005, the ERB Members approved a reduction in the amount of funding from a $6 million guarantee to a $3 million loan to the NJ Tax Lien Financing Corporation.
****On 10/25/05, the members of the ERB approved a reduction in the amount of funding from $3 million to $2 million.

*****Fair Share Northgate II Associates was approved for a $631,725 Grant and a $603,000 loan

^ On October 3, 2006, the Members approved a reduction in the amount of funding from $1,500,000 to $1,200,000.

^^ On October 3, 2006, the Members approved an increase in the amount of funding from $3,910,500 to $5,000,000.

^^^ On January 23, 2007, the Members approved an increase in the amount of funding from $641,250 to $723,945

^^^^ On June 21, 2007, the ERB Members approved an increase in the amount of funding from $2,000,000 to $2,042,000.

Transitional Area - not less than $17,500,000 allocated, as stated in the Guide to Program Funds

Affordable Housing - up to $8,750,000 allocated, as stated in the Guide to Program Funds

Camden Projects
Pipeline For Funding
10/15/2007

Project Name	Contact Name/Number	Project Type	Referral Source	ERB Source	Total Project Costs	ERB Exp.	Purpose of Financing	Anticip. Month of Approval	Status
PENDING PROJECTS									
CRA - Cooper Plaza	John Kromer	Infrastructure Grant		RNI	$21,329,565	$1,879,350	Acquisition, Demolition and Development		Assemblage of property for housing and commercial development; CRA will prepare application for funding for Nov. or Dec.
CRA - Lanning Square	John Kromer	Infrastructure Grant		RNI	$4,858,983	$4,221,396	Acquisition, Demolition and Development		Assemblage of property for housing and commercial development; CRA will prepare application for funding for Nov. or Dec.
M & M Development	Maria Yolesias	Housing	CRA	RNI	$7,514,000	$870,000	New construction and rehabilitation		Waiting for applicant to secure HMFA approval and submit ERB application
EDA/Downtown Parking Structure	CRA/EDA	Infrastructure Grant	EDA	DRR	$35,000,000	$3,000,000	Structured Parking Garage		Awaiting Financial Feasibility Study;Need to identify sources of funding. $2 million to be funded from Federal DOT as reimbursement for SJPC Parking Improvements.
CRA - Block N	Jim Harveson	Infrastructure Grant	CRA	DRR		$2,000,000	Acquisition, Demolition and Development		
PRUP	Ceram Perez	Public Purpose Grant	CRA	D&R		$703,000	Relocation and New Social Services Building		Waiting for information regarding environmental status and revised budget.
CRA-3 Fire Stations	Carlos Morales	Infrastructure Grant	CRA	D&R		$3,000,000	Infrastructure/Site Prep		CRA is working on budgets and exploring City funding vs. ERB
CRA - Tire and Battery	Jim Harveson	Infrastructure Grant	Laura Wallick	D&R	$700,000	$500,000	Site Remediation		Grant funding needed for tank removals and site remediation if other grant sources are unavailable.
City of Camden		Infrastructure Grant	Laura Wallick	D&R	$3,000,000	$750,000	Policing Equipment		Waiting for application from the City
Total					$72,401,548	$17,023,746			

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

RE: RPM Management, LLC (RPM) –Fairview Parking Courts
P15451

Request:

The Members of the Authority are asked to approve a modification to the Fairview Parking Courts project to allow for a reallocation of the $791,694 ERB infrastructure grant due to a change in project scope, subject to receipt of an executed license agreement between the City of Camden and RPM Management, LLC (RPM).

Background:

On August 3, 2004, the Members of the ERB approved a $791,694 non-recoverable infrastructure grant to RPM to make improvements to parking courts and other infrastructure in the Fairview section of Camden to support nearly 100 rehabilitated housing rentals units in the area. More specifically, the grant was for the redesign and resurfacing of four interior parking lots to contain 46 parking spaces; a fifth parking court at Yorkship School and Alabama Road to create 8 parking spaces; and the repavement of the 1200 and 1300 blocks of South Merrimac Road.

Previously, the CRA and the City Council had agreed to transfer the land ownership to RPM, subject to the company receiving funding to make the necessary improvements to the parking areas. This transfer of land would have required RPM to pay property taxes to the City, estimated at approximately $3,000 annually. The ERB approval was conditioned upon the transfer of ownership from the City to RPM within six months of board approval by the EDA.

In addition, RPM was to maintain the parking courts through snow removal, landscaping, repair, lighting, capital reserves, and administration costs. The annual operational costs for the parking courts were estimated at a total of $22,680. RPM had planned to require the residents to pay for parking permits at a monthly cost of $35 for the fifty-four (54) parking spaces.

Project Update:

Subsequent to the ERB approval, the City discovered that there were clouds on the title of the parking courts because of the way Fairview Village was formed in the 1900s and restrictions were placed on City-owned green spaces and parking areas. Since a clear title could not be conveyed, the City determined that it would issue a license to RPM Management, LLC to operate and maintain the parcels as the alternative. The license agreement is currently being executed. Since RPM will not own the land, ERB funding will be subject to receipt and satisfactory review of an executed license agreement between the City and RPM. As such, RPM will not pay any property taxes or fees for the parcels.

In April 2007, the infrastructure project changed significantly due to the Municipal Engineer's recommendation to identify and repair the defective sewers impacted by the project. Since these sewers are in severe disrepair, the project needs to be phased as well as scaled down because of the increase in project costs and lack of additional funding available.

With the approved ERB funding, RPM will be able to complete the improvements for two (2) of the parking courts (Phases 1 and 2). The two lots are located directly behind the southeast corner of the rental units at Yorkship Square. (See attached map.) These parking courts will contain a total of 23 parking spaces as well as landscaping. The monthly fee is $25 per parking space, with a total annual operational cost of $6,900. Both parking courts will take a total of four months to complete. These lots were selected because they provide the most parking spaces and are close in proximity to the rental units along Yorkship Square. The remaining 3 parking courts and infrastructure work previously considered will not be implemented; however, the residents can continue to park on these areas.

To date, RPM has completed Phase I of 72 rental units that were rehabilitated and newly constructed. In addition, Phase II contains 10 new rental units that are completed as well as 23 of 30 rehabilitated rental units. Of the 105 single-family home-ownership rehabilitated units, 80 units have been sold and 9 units are under contract. The remaining 16 units are being marketed for sale and estimated for completion by Summer 2008. These housing projects have spurred a private/public investment of $36.6 million in the Fairview neighborhood.

Below are the original and revised budgets for the Fairview Parking Courts project:

Original Use of Funds

$ 39,212	Site cleaning & preparation, and debris removal
$173,376	Concrete paving
$270,480	Asphalt paving
$ 54,054	Concrete curbing
$ 38,500	Street trees
$ 12,160	Shrubs and lawn
$ 14,025	Chainlink fence

$ 25,000	Architect fees
$ 25,000	Insurance
$ 35,000	Construction supervision
$ 15,000	Permits
$ 20,000	General conditions*
$ 69,887	Contingency
$791,694	

*Includes miscellaneous items such as equipment rental, storage trailers, accounting, labor, tools, temporary fences, rubbish containers, office trailer and supplies, weather protection, temporary electric, surveying, OSHA compliance, and security.

Revised Use of Funds

$ 57,820	Site cleaning, preparation, debris/concrete removal, and saw cutting
$ 24,103	Installation of curbs and lighting
$100,052	Concrete sidewalks, driveway, and lot paving
$141,055	Manholes, Pumping, PVC Main, and Sewer Laterals
$ 19,531	Storm Drainage, Sewer, & Type "E" Inlet
$ 34,100	Restoration of temporary road, existing fences, walls, trees, etc.
$ 2,700	Installation of handicap ramps
$ 66,000	Removal & relocation of existing structures, well pointing/dewatering, backfill, and grouting
$ 12,768	Indirect Construction Costs*
$ 3,000	Police/Traffic directors
$ 10,000	Testing
$ 83,132	Contingency
$ 11,200	Landscaping & Layout
$ 10,000	Permits & Fees
$ 50,384	General Contractor Fee
$ 32,849	Interest and Insurances
$ 73,000	Architectural Fees
$ 42,000	Engineering/Inspection Fees
$ 18,000	Legal fees
$791,694	

*Indirect construction costs include RPM office and administrative salaries.

This budget has been reviewed by the NJEDA Real Estate Department as acceptable.

Recommendation:

Staff has reviewed the modification for consistency with the Act, the Master Plan and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. The project meets the eligibility and statutory requirements and will enhance the overall revitalization of the City of Camden.

The Members of the ERB approved the changes to the project at it's meeting on October 23, 2007. Accordingly, the Members of the Authority are asked to approve the funding authorization to allow for the reallocation of the $791,694 ERB infrastructure grant as outlined herein.

Caren S. Franzini

Prepared by: Mujiba Salaam Parker, Business Development Officer-South

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

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

The following commercial projects have been approved by the Department of Environmental Protection for grants to perform upgrade, site investigation, closure and site remediation. The scope of work is described on the attached project summaries.

Grant:

BNF NJ LLCC.	$102,915
Orlovsky Brothers Service.	$207,966

Total UST funding for November 2007 ..... $310,881

Prepared by: Lisa Petrizzi

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

APPLICANT: BNF NJ LLCC P19594

PROJECT USER(S): Ultimate Car Care * * - indicates relation to applicant

PROJECT LOCATION: 1423 Corlies Avenue Neptune Township (T/UA) Monmouth

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

BNF NJ LLC, owned equally by Ubaldo Figliola, Nicholas Figliola, and Fulvo Figliola, is the holding company for Ultimate Car Care and the owner of the project site, which is an auto repair facility located in Neptune, NJ. The applicant is seeking to close 5 underground storage tanks, perform site remedation and soil and groundwater investigation at the project site. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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 grant funding in the amount of $102,915 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $10,292 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: $102,915

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis

PROJECT COSTS:

Upgrade,Closure,Remediation	$102,915
NJDEP oversight cost	$10,292
EDA administrative cost	$500
TOTAL COSTS	$113,707

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Orlovsky Brothers Service P18966

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 197 Lakeview Avenue Clifton City (T/UA) Passaic

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Orlovsky Brothers Service received a grant in the amount of $59,450 in August 2004 under P15914 to remove a 1,000 gallon waste oil underground storage tank (UST), a 3,000 gallon unleaded gasoline UST, a 4,000 gallon unleaded gasoline UST and a 6,000 gallon unleaded gasoline UST, including concrete disposal, soil sampling and restoration. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the additional project costs to perform soil and groundwater investigation are technically eligible.

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 $207,966 to perform the approved scope of work at project site, for a total funding to date of $267,416.

The NJDEP oversight fee of $20,797 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: $207,966

TERMS OF GRANT: No Interest; 15 year repayment provision on a pro-rata basis

PROJECT COSTS:

Upgrade,Closure,Remediation	$207,966
NJDEP oversight cost	$20,797
EDA administrative cost	$500
TOTAL COSTS	$229,263

APPROVAL OFFICER: L. Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the Board's approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President ("SVP") of Operations have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

In August 2006, the Petroleum Underground Storage Tank Program legislation was amended to allow funding for the closure and/or replacement of non-leaking residential underground storage tanks. The limits allowed under the amended legislation is $1,200 for the closure and $3,000 for the closure and replacement of a non-leaking residential underground storage tank.

Below is a summary of the Delegated Authority approvals processed by Program Services for the month of October 2007.

Applicant	Description	Grant Amount	Awarded to Date
Elizabeth Ashley P19551	Initial grant for upgrade, closure and remediation	$13,730	$13,730
Homayoun Baig P19616	Initial grant for upgrade, closure and remediation	$32,130	$32,130
Craig & Deborah Banner / P19622	Initial grant for upgrade, closure and remediation	$14,601	$14,601
Horace Bonsall P19590	Initial grant for upgrade, closure and remediation	$25,200	$25,200

Janelle Boyd P19426	Initial grant for upgrade, closure and remediation	$28,227	$28,277
Frances Carrasquillo P19794	Initial grant for upgrade, closure and remediation	$8,543	$8,543
Samantha Chestnut P19433	Initial grant for upgrade, closure and remediation	$3,117	$3,117
Slackwood Presbyterian Church P19120	Initial grant for site remediation	$19,564	$19,564
Elisete & Luis Costa P19509	Initial grant for upgrade, closure and remediation	$13,629	$13,629
Robert & Mary Creedon / P19071	Supplemental grant for upgrade, closure and remediation	$39,150	$52,310
Jeanne Danzig P19505	Initial grant for site remediation	$9,987	$9,987
Glenn Ericksen P18431	Initial grant for upgrade, closure and remediation	$4,781	$4,781
Ann Faranna P18422	Initial grant for upgrade, closure and remediation	$9,408	$9,408
Isabell Farrell P19784	Initial grant for upgrade, closure and remediation	$8,130	$8,130
Albert Flatt P19325	Initial grant for upgrade, closure and remediation	$9,012	$9,012
Thomas & Millicent Frawley / P18957	Initial grant for upgrade, closure and remediation	$8,629	$8,629
Ann Garwood P19621	Initial grant for upgrade, closure and remediation	$4,187	$4,187
Loretta Harris P19027	Initial grant for upgrade, closure and remediation	$19,811	$19,811
Susan Henkel P19248	Initial grant for site remediation	$1,635	$1,635
Enrique Homar P18583	Initial grant for upgrade, closure and remediation	$2,343	$2,343
Jeffrey Kenney P19429	Initial grant for upgrade, closure and remediation	$2,608	$2,608
Steve & Janet Kerby P19615	Initial grant for upgrade, closure and remediation	$5,346	$5,346

Carmella Korszoloski P19625	Initial grant for upgrade, closure and remediation	$5,595	$5,595
Ed Leff P19442	Initial grant for upgrade, closure and remediation	$7,826	$7,826
Joseph Leigh P19554	Initial grant for upgrade, closure and remediation	$7,953	$7,953
John Lonergan P19507	Initial grant for upgrade, closure and remediation	$9,754	$9,754
Noreen Kelly Molinaro / P19767	Initial grant for upgrade, closure and remediation	$10,076	$10,076
Christine Natali P19593	Initial grant for upgrade, closure and remediation	$7,460	$7,460
Josephine Orlando P18981	Initial grant for upgrade, closure and remediation	$1,316	$1,316
Maciej Orlowski P19256	Initial grant for upgrade, closure and remediation	$10,421	$10,421
Angelo Perryman P18960	Initial grant for site remediation	$66,820	$66,820
Delta Ramsay P18560	Initial grant for upgrade, closure and remediation	$9,261	$9,261
Frederick & Robyn Potter / P19462	Initial grant for upgrade, closure and remediation	$3,800	$3,800
Timothy Powers P19443	Initial grant for upgrade, closure and remediation	$9,412	$9,412
Alan Willoughby & Linda Shusterman P19591	Initial grant for upgrade, closure and remediation	$66,935	$66,935
Dennis Segear P19876	Supplemental grant for site remediation	$69,705	$279,206 *$69,705 supplemental delegated authority approval
Robert & Teresa Stevens / P19620	Initial grant for upgrade, closure and remediation	$33,726	$33,726
Dennis Sylvernal P18902	Initial grant for upgrade, closure and remediation	$17,648	$17,648

Belinda Turkvant P19540	Initial grant for upgrade, closure and remediation	$1,385	$1,385
George & Penelope Whelan / P19327	Initial grant for upgrade, closure and remediation	$8,000	$8,000
40 Grants	**Total Delegated Authority funding for Leaking Tank applications in October 2007**	**$630,861**	

Harry & Marie Adams P19806	Grant to remove an underground storage tank and install an above ground storage tank	$2,527	$2,527
Nancy Thomas Ahluwalia / P19826	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Michael Anthony P19817	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Berkley Antonell P19880	Grant to remove an underground storage tank	$1,200	$1,200
James & Mary Arico P19810	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Christine Ashley P19735	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Anthony Azara P19922	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Michael Azzolini P19888	Grant to remove an underground storage tank	$1,200	$1,200
Steven & Denise Bargfrede / P19918	Grant to remove an underground storage tank and install an above ground storage tank	$2,563	$2,563
Robert & Donna Batchelor / P19741	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John Bauers P19823	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000

Glenn & Nancy Baumgartner / P19805	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Edward Bescript, Jr. P19645	Grant to remove an underground storage tank and install an above ground storage tank	$2,950	$2,950
John & Patricia Billington / P19669	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Vincent & Theresa Blanar / P19857	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Michael Brazinski P19689	Grant to remove an underground storage tank and install an above ground storage tank	$2,700	$2,700
Franklin Breining P19758	Grant to remove an underground storage tank	$1,026	$1,026
Debra Brill P20072	Grant to remove an underground storage tank and install an above ground storage tank	$2,896	$2,896
Monique & Philip Brown / P19638	Grant to remove an underground storage tank and install an above ground storage tank	$2,719	$2,719
Thomas & Heather Buchalski / P19664	Grant to remove an underground storage tank and install an above ground storage tank	$2,900	$2,900
Lee & Regina Bunn P19755	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John & Patricia Cafagna / P19662	Grant to remove an underground storage tank and install an above ground storage tank	$2,800	$2,800
Saul & Lisa Cenicacelaya / P18032	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John Clark P19825	Grant to remove an underground storage tank and install an above ground storage tank	$2,936	$2,936

Charles & Vivian Clay / P19743	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Angelo Consiglio P19685	50% grant to remove an underground storage tank	$600	$600
Thomas Conway P19894	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Muriel & Pamela Curchin / P19721	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Kevin Curtis (Tank A) P19097	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Kevin Curtis (Tank B) P19912	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Jeffrey & Lisa Danyus P19264	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Roger Deacon P19759	Grant to remove an underground storage tank	$1,200	$1,200
Meaghan Dohan P19634	Grant to remove an underground storage tank and install an above ground storage tank	$2,470	$2,470
Katina Dombrowski P19561	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Jason Dowling P19752	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Ralph Downs P19816	Grant to remove an underground storage tank and install an above ground storage tank	$1,583	$1,583
Robert Dunado P19853	50% grant to remove an underground storage tank and install an above ground storage tank	$1,500	$1,500
James & Ann Farley P19788	Grant to remove an underground storage tank	$1,200	$1,200

Adam Farrah P19923	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Mary Barbara Fastiggi P19738	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Gilbert Finch P19678	Grant to remove an underground storage tank and install an above ground storage tank	$2,910	$2,910
Robert Furlong P19776	Grant to remove an underground storage tank and install an above ground storage tank	$2,450	$2,450
Paul & Elizabeth Geiger / P19919	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Lester & Marjorie Gibbons / P19877	Grant to remove an underground storage tank and install an above ground storage tank	$2,933	$2,933
Kirk & Constance Gilbert / P19650	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John Gilchrist, Jr. P19769	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John & Betty Graham P19953	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Julie & Wayne Grenewicz / P19783	Grant to remove an underground storage tank and install an above ground storage tank	$2,740	$2,740
Kevin & Liane Grice P19854	Grant to remove an underground storage tank and install an above ground storage tank	$2,967	$2,967
Anthony Griffin P19848	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John & Patricia Gunther / P19742	Grant to remove an underground storage tank and install an above ground storage tank	$2,840	$2,840

John & Bettie Halliwell / P19835	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Stanley &Wendy Hanek / P19705	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Marianne Hanifin P19580	Grant to remove an underground storage tank and install an above ground storage tank	$2,400	$2,400
Christopher & Shannon Hanston P19274	Grant to remove an underground storage tank	$1,200	$1,200
Samuel Haspel (Tank A) P19630	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Samuel Haspel (Tank B) P19632	Grant to remove an underground storage tank	$1,200	$1,200
Kathie & Patrick Hathaway / P19756	Grant to remove an underground storage tank and install an above ground storage tank	$2,617	$2,617
Jeff Hawksworth P19723	Grant to remove an underground storage tank and install an above ground storage tank	$2,175	$2,175
Robert & Constance Heater / P19933	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Harvey Heflin P19579	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Yitzchok Hertz P19367	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Ralph Heyboer P19064	Grant to remove an underground storage tank	$1,200	$1,200
Jonathan & Janet Hirschman / P19725	Grant to remove an underground storage tank and install an above ground storage tank	$2,914	$2,914

David & Batsheva Hofman / P19829	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Matthew & Donna Hubbard / P19916	50% grant to remove an underground storage tank	$500	$500
Martin & Jonathan Hughes / P19686	Grant to remove an underground storage tank and install an above ground storage tank	$1,850	$1,850
Jon & Donna Huston P19834	Grant to remove an underground storage tank	$1,100	$1,100
Fred & Philomena Iervolino / P19934	50% grant to remove an underground storage tank and install an above ground storage tank	$1,500	$1,500
Barbara Jaggi P19860	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Flora Jantausch P19827	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Walter Jones P19768	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Arthur & Barbara Kinnaugh / P20013	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Joseph & Joan Klein P19753	Grant to remove an underground storage tank and install an above ground storage tank	$2,997	$2,997
Bernice & Michael Kotza / P19889	50% grant to remove an underground storage tank and install an above ground storage tank	$1,500	$1,500
Joby & Jincy Kuryala P19722	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Robert & Dolores Kurek / P19660	Grant to remove an underground storage tank and install an above ground storage tank	$2,950	$2,950

Herbert Lees P19809	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John Lombardo P19818	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Diane Lopresti P19728	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Vivian Lopresti P19720	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Roxeann Luchesi P19012	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Joseph & Judy Lynch P19822	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Scott & Denise Machuga / P19807	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Alice Maleski P19582	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Robert & Karen Mallen / P19859	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Stella Mallios P19377	Grant to remove an underground storage tank and install an above ground storage tank	$2,032	$2,032
Leonidas & Daissy Marallano / P19438	Grant to remove an underground storage tank	$1,200	$1,200
Glenn Marshall P19751	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
A.Toufie & Elaine Mazzawy / P19944	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000

William McConnell P19770	Grant to remove an underground storage tank and install an above ground storage tank	$2,898	$2,898
David McFadden P19760	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
William & Judith McLaughlin / P19636	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Robert & Maria Merrick / P19804	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Max & Barbara Minder / P19791	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Margaret Misner P19434	Grant to remove an underground storage tank and install an above ground storage tank	$2,799	$2,799
Karen Molinaro P19846	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Brian & Robin Nigro P19724	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Dawn Otero P19138	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Joanne & Anthony Pacheco / P19779	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Cynthia Pacis P19696	Grant to remove an underground storage tank and install an above ground storage tank	$2,375	$2,373
Steven & Jennifer Papaganeres / P19649	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Jim Pascale P19808	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000

Janine Pecora P19815	Grant to remove an underground storage tank and install an above ground storage tank	$2,275	$2,275
Salvatore & Lois Pelaia / P20014	Grant to remove an underground storage tank and install an above ground storage tank	$2,779	$2,779
Mark & Juliane Pendell / P19935	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Joan Petersen P18517	Grant to remove an underground storage tank	$1,200	$1,200
Joseph Petralia P19648	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Janelle Pierson P19773	Grant to remove an underground storage tank and install an above ground storage tank	$2,989	$2,989
William & Doris Porter / P19774	Grant to remove an underground storage tank	$1,146	$1,146
James Rad P19900	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Frank Rebar, Jr. P19667	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Kevin Reck & Patricia Hannon / P19931	Grant to remove an underground storage tank	$851	$851
William & Darlene Riva / P19937	Grant to remove an underground storage tank and install an above ground storage tank	$2,975	$2,975
James Rogers P19939	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
John Ross P19802	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Irma Salazar P19392	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000

Jessie Satterlee P19973	Grant to remove an underground storage tank and install an above ground storage tank	$2,650	$2,650
John Scafidi P19684	Grant to remove an underground storage tank and install an above ground storage tank	$2,992	$2,992
Alan Schafer P19733	Grant to remove an underground storage tank and install an above ground storage tank	$2,845	$2,845
Sheldon & Zelda Schlosser / P19785	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Rolf & Deborah Shick P19882	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Gian & Yvonne Severini / P19213	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Richard Shelly P19881	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Joseph Simeone P19956	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
David & Shelia Smart P19646	Grant to remove an underground storage tank	$1,200	$1,200
Harold Specht P19135	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Carole Spill P19744	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Gary Stoeffler P19750	Grant to remove an underground storage tank	$1,200	$1,200
Lou & Dana Stukenborg / P19690	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000

Paul & Andrea Sult P19819	Grant to remove an underground storage tank and install an above ground storage tank	$2,175	$2,175
Susan Taylor P19641	Grant to remove an underground storage tank and install an above ground storage tank	$2,707	$2,707
Timothy Towlen P19958	Grant to remove an underground storage tank and install an above ground storage tank	$2,525	$2,525
Francisco Ortiz & Matthew Tully P19884	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Jane Turkington P19844	Grant to remove an underground storage tank and install an above ground storage tank	$2,167	$2,167
Thomas & Clare Valanzola / P19858	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Mark Van Dyke P19647	Grant to remove an underground storage tank and install an above ground storage tank	$2,844	$2,844
Terry VanScoten P19851	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
David Veith P19643	Grant to remove an underground storage tank and install an above ground storage tank	$2,712	$2,712
John & Carolyn Verlangieri / P19452	Grant to remove an underground storage tank and install an above ground storage tank	$2,692	$2,692
Donald & Charlotte Walker / P19719	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Charles Ward P19782	Grant to remove an underground storage tank	$1,200	$1,200
William & Kathleen Watkins / P19959	Grant to remove an underground storage tank and install an above ground storage tank	$2,950	$2,950

Neil & Diane Wartman / P19717	Grant to remove an underground storage tank and install an above ground storage tank	$2,850	$2,850
William & Rosalind Watras / P19836	Grant to remove an underground storage tank and install an above ground storage tank	$2,793	$2,793
Albert Watt P19927	50% grant to remove an underground storage tank and install an above ground storage tank	$1,500	$1,500
Ronald & Ilona Whiteside / P19947	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Jules & Rose Wickersty / P19778	Grant to remove an underground storage tank and install an above ground storage tank	$2,500	$2,500
Walter & Elsa Williams / P19661	Grant to remove an underground storage tank	$1,200	$1,200
John & Kathy Wisner P19691	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Donald Zamora P19940	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Eric & Linda Ziegler P19824	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
152 Grants	**Total Delegated Authority funding for Non-Leaking Tank applications in October 2007**	**$398,134**	

Caren S. Franzini

Prepared by: Lisa Petrizzi

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection to perform site investigation, remedial investigation and remedial action. The scope of work is described on the attached project summaries.

Municipal Grant:

City of Bayonne (Route 440 Corridor East)	**$378,484**
Bergen County (Areal 1 & 2 Overpeck Park)	**$175,089**
City of Clifton (Formal National Standard)	**$588,967**
Township of East Amwell (Meszaros Auto Wrecking)	**$202,444**
City of Paterson-Department of Community Dev. (Former ATP Processors)	**$641,996**

Commercial Loan:

Wyckoff Cleaners, Inc.	**$132,418**

Total HDSRF funding for November 2007 ..... $2,119,398

Prepared by: Lisa Petrizzi

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

APPLICANT: City of Bayonne (Route 440 Corridor East) P20086

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Route 440 Corridor East Bayonne City (T/UA) Hudson

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

City of Bayonne received a grant in the amount of $152,333 in October 2006 under P17333 to perform a Site Investigation (SI) at the project site. The project site has been in heavy industrial use for greater than a century including oil refining, fuel storage/distribution, chemical processing, equipment manufacturing and railroad transportation which has potential environmental areas of concern (AOC's) and is located within a Brownfield Development Area (BDA). The City of Bayonne intends to acquire the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial re-use as outlined in the City's site-specific redevelopment plan.

NJDEP has approved this request for SI, Remedial Investigation (RI) and Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.
According to amended legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated off 75% of the RA costs ($238,914) and adding the SI costs ($27,830), RI costs ($77,332) and oversight costs ($34,408).

APPROVAL REQUEST:

The City of Bayonne is requesting supplemental grant funding to perform a SI, RI and RA in the amount of $378,484 at the Route 440 Corridor East project site, for a total funding to date of $530,817.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $378,484

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$318,552
Remedial investigation	$77,332
NJDEP oversight cost	$34,408
Site investigation	$27,830
EDA administrative cost	$500
TOTAL COSTS	$458,622

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Bergen County (Area 1 & 2 Overpeck Park) P20210

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: DeGraw Avenue & Frank Burr Teaneck Township (N) Bergen

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

The project site, identified as Blocks 3719; 3501; 3608 and Lot 1 is divided into two areas, which has environmental areas of concern (AOC's). Area 1 has been used by the Teaneck Creek Conservancy, Inc. Area 2 is a historical landfill currently unused. Bergen County currently owns the project site and has satisfied Proof of Site Control. It is the County's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation and open space.

NJDEP has approved this request for Preliminary Assessment (PA), Remedial Investigation (RI) and Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated by adding the PA ($22,882), RI ($108,467) and 75% of the RA ($27,823) plus the oversight costs ($15,917).

A grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of the remedial action for projects involving the redevelopment of contaminated property for recreation/open space. The property will be preserved for recreation and conservation purposes by conveyance of a development easement, conservation restriction or easement, or other restriction or easement permanently restricting development.

APPROVAL REQUEST:

Bergen County is requesting grant funding to perform PA, RI and RA in the amount of $175,089 at the Area 1 & 2 Overpeck Park project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $175,089

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$108,467
Remedial Action	$37,097
Preliminary assessment	$22,882
NJDEP oversight cost	$15,917
EDA administrative cost	$500
TOTAL COSTS	$184,863

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: City of Clifton (Formal National Standard) P20183

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 714-716 Clifton Avenue Clifton City (T/UA) Passaic

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

The City of Clifton received grants totaling $669,366 under P16796 and P16796s in 2006 to perform remedial investigation (RI) at the northern part of the project site. In May 2007, the City returned the grant proceeds to the Authority because a responsible party had been identified for this portion of the project site. The City is now requesting a RI for the balance of the project site whereby a responsible party has not been identified and known as the active part of the project site. The project site, identified as Block 29-02, Lots 1, 10, & 20, is a manufacturing facility which has potential environmental areas of concern (AOC's). The NJDEP has approved grant funding for these RI activities. The City of Clifton currently owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site as a school.

APPROVAL REQUEST:

The City of Clifton is requesting grant funding to perform RI in the amount of $588,967 at the Former National Standard Company project site.

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

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $588,967

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$535,425
NJDEP oversight cost	$53,542
EDA administrative cost	$500
TOTAL COSTS	$589,467

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Township of East Amwell (Meszaros Auto Wrecking) P19484

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 5 South Hill Road East Amwell Township (N) Hunterdon

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

The project site, identified as Blocks 35.01, 38, Lots 21, 38, 39 is a former auto repair and auto painting facility which has potential environmental areas of concern (AOC's). The Township of East Amwell intends to acquire the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for open space and conservation.

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 Township of East Amwell is requesting grant funding to perform RI in the amount of $202,444 at the Meszaros Auto Wrecking project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $202,444

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$184,040
NJDEP oversight cost	$18,404
EDA administrative cost	$500
TOTAL COSTS	$202,944

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: City of Paterson-Department of Community Dev. (Former ATP P19833

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1-31 Van Houten Street Paterson City (T/UA) Passaic

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

In July 1995, the City of Paterson received a grant in the amount of $85,692 for Site Investigation (SI) activities at the Former ATP Processors project site. In October 1996 and February 2007, the City received grants totaling $179,030 to initiate the Remedial Investigation (RI) activities. The project site, which is located within a Brownfield Development Area (BDA), is a former textile printing company with environmental areas of concern based on the investigation activities performed to date. NJDEP is currently requiring and has approved the additional RI for the project site. The City intends to acquire the project site for the purpose of redevelopment and has satisfied Proof of Site control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use.

NJDEP has approved supplemental 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 City of Paterson is now requesting supplemental grant funding to perform additional RI activities required by NJDEP in the amount of $641,996 at the Former ATP project site, for total funding to date of $906,718.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $641,996

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$583,633
NJDEP oversight cost	$58,363
EDA administrative cost	$500
TOTAL COSTS	$642,496

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Wyckoff Cleaners, Inc. P19031

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 670 Wyckoff Avenue Wyckoff Township (N) Bergen

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND:

Formed in 1966, Wyckoff Cleaners, Inc. ("Wyckoff") operates as a dry cleaning facility. Clifford J. Messaros is 100% owner of Wyckoff Cleaners, Inc. and Wyckoff Rental Properties, LLC (real estate holding company). NJDEP has found the applicant's proposal for financial assistance to be technically eligible for supplemental funding in the amount of $132,418 for remedial investigation and actions.

APPROVAL REQUEST:

Approval is requested for a $132,418 loan under the HDSRF Loan Program.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: $132,418

TERMS OF LOAN: Fixed at time of closing at the Federal Discount rate with a floor of 5%. Five year term, 10 year amortization.

PROJECT COSTS:

Remedial Action	$120,380
NJDEP oversight cost	$12,038
EDA administrative cost	$1,825
TOTAL COSTS	$134,243

APPROVAL OFFICER: T. Melton

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the Board's approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President of Operations ("SVP") have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of October 2007.

Applicant	Description	Grant Amount	Awarded to Date
Borough of Glassboro (Frm. Migrant Worker's Camp) P19771	Initial grant to perform remedial investigation to redevelop as a municipal park and recreation center	$77,704	$77,704
Township of Carneys Point (A. Clemente Asphalt Plant) P18036	Supplemental grant to perform remedial investigation to redevelop as an Industrial Park	$82,013	$521,405 * $82,013 aggregate supplemental delegated authority approval
City of Salem (Tri County Oil) P19515	Supplemental grant to perform remedial action to redevelop for commercial use	$49,149	$120,362

City of Vineland (Former Landis Citgo) P19559	Initial grant to perform preliminary assessment and site investigation to redevelop for mixed-use	$72,135	$72,135
4 Grants	**Approved in October 2007**	**$281,001**	

Caren S. Franzini

Prepared by: Lisa Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Hazardous Discharge Site Remediation Fund
Amendment to Memorandum of Understanding ("MOU")
between the New Jersey Economic Development Authority ("EDA")
and the New Jersey Department of Environmental Protection ("DEP")

Background:

Pursuant to legislative directive, the EDA has established a special revolving fund known as the Hazardous Discharge Site Remediation Fund ("HDSRF") dedicated for the provision of loans and grants to eligible entities for the purpose of financing remediation activities at sites at which there is, or is suspected of being, a discharge of hazardous substances or hazardous wastes. The HDSRF program is jointly administered by the EDA and the DEP. The respective duties and obligations of each entity in administering this program is set forth in a MOU, dated September 13, 1993.

The HDSRF legislation was recently amended to allow for the provision of $1,500 grants to the owners or operators of child care centers licensed through the State Department of Children and Families ("DCF"), or prospective owners or operators of child care centers who have applied for such licensing. The purpose of the grant funding is to finance the cost of a preliminary assessment undertaken in connection with efforts to obtain a no further action letter ("NFA") from the DEP, as required by DCF in connection with the licensing process. The HDSRF amendment, which becomes effective on November 4, 2007, requires the EDA to authorize the DEP to implement this day care provider grant program.

EDA and DEP staff have met to discuss each party's role in operating this new program. As currently envisioned, DEP will receive and review all applications and render decisions as to applicant eligibility. EDA will prepare the financial assistance agreements, which will be executed both by the applicant and EDA. Based on the number of executed financial assistance agreements received, EDA will wire the applicable funds into a specifically designated account in the general

fund set up for the day care provider grant program. DEP will utilize said fund to insure that the requisite checks are disbursed to the day care providers. The EDA will not charge an application fee to the applicant for this service.

Approval Request:

Staff is requesting approval for the following: i) authorization for the DEP to implement the day care provider grant program pursuant to the terms mutually agreed to by the EDA and DEP and substantially as set forth above, which terms will be memorialized in an amendment to the existing HDSRF MOU; and ii) authorization for the Chief Executive Officer ("CEO"), or any other person authorized under the EDA's operating authority, to execute an amendment to the HDSRF MOU for the purpose of setting forth the respective duties and responsibilities of the EDA and DEP in connection with the implementation of the day care provider grant program, subject to final review and approval of the Attorney General's Office.

Caren S. Franzini

Prepared by: Lisa Petrizzi, Finance Officer

EDISON INNOVATION FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Executive Director

DATE: November 13, 2007

SUBJECT: Edison R&D Fund

Background:
In December 12, 2006, the members of the EDA board approved the allocation of $1,000,000 for a new EDA financing product. Our initial focus was on deployment of the Edison R&D fund, and we have recently been working with our partners at the NJ Commission on Science and Technology (CST) and early stage technology companies in the further development and enhancement of this financing tool. This product works in conjunction with the Edison R&D fund - which is grant funding, that is provided to early stage companies by the NJ Commission on Science& Technology(CST). As noted in the previous approval, the funding is to allow the most promising early stage research companies to gain access to capital to fund non R&D related costs, such as rent, indirect salaries, etc. All recipients must be approved for the R&D grant from CST. The maximum exposure for any one company is the lesser of $100,000 or 20% of the NJ CST grant amount.

The guideline by which the grant piece of the fund is delivered by NJ CST is attached herto. CST hires an independent third party to conduct a technical review of all applicants. The results of all independent technical reviews will be shared with the Authority. The top candidates from the technical review then present to a panel comprised of industry representatives, investors, and CST board members. A member of the EDA's technology and life sciences team will also be part of the CST grant review panel. Recommendations for the CST grant component of the R&D fund are then made to, and approved by the CST public board.

All CST approved applicants, will be required to apply through the EDA's on line application and submit the $500 application fee. The independent review will be supplied to the EDA by CST and attached to the project summary, which will be reviewed by the EDA portfolio manager and approved under The Edison Innovation Fund Delegated Authority. All approvals will then be reported to the EDA board under delegated Authority actions.

It is anticipated that four or five companies will be recommended to the CST board and chosen to benefit from this financing in the current fall application review, with a like number in the spring 2008 round, at which time the full $1,000,000 allocation will be allotted and any new allocation requests will be reviewed by the EDA Policy Committee and this board.

MAILING ADDRESS: | PO BOX 990 | TRENTON, NJ 08625-0990
SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.292.1800 | e-mail: njeda@njeda.com | www.njeda.com

The terms for the EDA component, of the funding are below, as well as detailed on the current CST application.

Edison Innovation R&D Fund – NJEDA Equity-Like Financing Terms

Please note that this additional financing is only available to companies that receive Edison Innovation R&D Fund award from NJCST. Companies that are awarded the Edison Innovation R&D Fund grant by NJCST are not required to accept this additional financing. This will not affect funding decisions made by NJCST.

- Companies that are **awarded** the Edison Innovation R&D Fund by NJCST can receive up to 20% of the approved NJCST grant, not to exceed $100,000, from the NJEDA in equity-like financing for non-R&D related costs.
- This financing consists of a 5-year subordinated convertible note with 2% fixed interest that shall accrue the full five years.
- The principal and accrued interest will automatically convert as part of any qualified stock offering for a minimum net equity raise of $500,000.
- If no qualified financing occurs during the five-year term, the note will amortize with equal payments of principal plus interest over the second five years (60 months).
- The NJEDA shall also receive penny common stock warrants or common stock warrants at the most recent strike price of any issued option or stock of the company, equal to 50% coverage of the commitment amount. The warrants have a ten-year life and net exercise option.
- A $500 fee is required to process your application at the NJEDA. You will be contacted by NJEDA upon the award of the NJCST grant with information as to where to send the check if you have chosen to be considered for this additional funding.
- Disbursement of money from the NJEDA will be 50% of the NJEDA commitment amount at closing, and 50% upon satisfactory completion of the NJCST grant.
- Terms for this supplemental financing are non-negotiable

The customer relationship will be managed by CST during the grant term, after which the relationship will be managed by the Authority. All customer reporting will by provided by the customer to the Commission or Authority, which is acting as the relationship manager and will provide it to the non-active relationship manager. All of the terms and interaction(s) and responsibilities between the two state entities will be memorialized in a Memorandum of Understanding which is currently being drafted by the Attorney General's office. Consent to enter into such an MOU, to memorialize the terms outlined herein is requested of the EDA board, subject to approval of the Attorney General's office.

Recommendation:

Members of the Authority are requested to effect the terms of the funding as detailed above, consent to entering into an MOU (upon DAG's approval) with NJ CST, and are further requested to authorize staff to submit amendments to the program rules as substantially presented above for promulgation and adoption in the NJ Register, subject to final review and approval by the Office of the Attorney General and Office of Administrative Law. The proposed rule changes will be implemented upon submission to the Office of Administrative Law; however, applicants will be advised that they will be at risk in the event that the rule changes are not adopted as proposed.

Caren S. Franzini

Prepared by:

Kathleen W. Coviello

I: Business Development/Technology & Life Sciences/Board Memos/R&D fund regs final

ECONOMIC DEVELOPMENT AUTHORITY
CHAPTER 31
AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a)-(b) (No change.)

1.-4. (No change.)

5. For companies awarded financing under the Edison Innovation R&D Fund by the New Jersey Commission on Science and Technology (NJCST), the Authority may award up to 20 percent of the approved NJCST grant, not to exceed $100,000 in equity-like financing for non-research and development related costs.

(c)-(g) (No change.)

1.i.-iii. (No change.)

iv. The rate to be charged on the Edison Innovation R&D Fund is fixed at 2 percent and shall accrue the full five years for repayment of the subordinated convertible note loan.

2. (No change.)

3. In addition to any interest charged on a New Jersey Growth Fund **or Edison Innovation R&D Fund** loan, the Authority may also require the payment of additional fees, including, but not limited to, warrants, stock, stock options, a percentage of royalties, and a percentage of sales proceeds.

(h) The term of a fixed asset or working capital loan is a maximum of 10 years, although the repayment schedule is usually for a shorter time based on the applicant's ability to repay. Smart

Growth Predevelopment and Brownfield Redevelopment loans will have a maximum term of three years. The New Jersey Growth Fund term is a maximum of 10 years, and may allow for interest only payments for a portion of the term, or for interest and payment deferrals, with the repayment schedule to be determined on revenue and operational milestone achievement. **The Edison Innovation R&D Fund term is five years however, if no qualified financing occurs during the initial five-year term, the note will amortize with equal payments of principal plus interest over the second five years.**

(i)-(l) (No change.)

19:31-3.5. Approval process

(a)-(d) (No change.)

1. (No change.)

2. With the exception of the New Jersey Growth Fund **and the Edison Innovation R&D Fund**, usually, life insurance on the applicant's principal officer(s) is required in an amount equal to the Authority's guarantee. The life insurance must name the Authority as a collateral assignee.

3. With the exception of the New Jersey Growth Fund **and the Edison Innovation R&D Fund**, personal guarantees of owners of 10 percent or more of the applicant are usually required, and there may be a requirement for collateral apart from the applicant's collateral to secure the personal guarantees.

(e)-(f) (No change.)

State of New Jersey

New Jersey Commission on Science and Technology

Edison Innovation R&D Fund
Application Guidelines

The Edison Innovation R&D Fund will provide funding to New Jersey technology companies, in partnership with a New Jersey research university, company or institution for proof-of-concept research and development activities and ancillary activities necessary to commercialization of the identified technology.

Program Goals

- To grow science and technology businesses in New Jersey
- To increase the amount of and the value of intellectual property
- To promote collaboration between New Jersey technology companies and New Jersey research universities, companies or institutions
- To provide early-stage financing and commercialization support for New Jersey technology companies at a higher-risk earlier stage than other state agencies or VCs are able to provide
- To advance companies to the point that they are eligible for lower-risk state financing and loans, especially through the New Jersey Economic Development Authority
- To increase corporate and venture capital investment in New Jersey technology companies

Program Eligibility

Lead companies may submit an application:

- With a partnering New Jersey university
- With a partnering New Jersey based company or research institution.
- Without a partner institution, company or university

Lead Company eligibility

- Organized as a C Corp or an LLC
- Principal place of business in New Jersey
- 75% of employees live in New Jersey
- 75% of employees work in New Jersey
- Minimum of one full time employee/consultant (one person full time, not just a total of one FTE)
- Total revenue of this company, its parent and all its subsidiaries is $5 million or less
- The applicant's primary business is the provision of a scientific process, product or service and the applicant owns, has filed for, or has a license to use protected, proprietary intellectual property
- Company may not be a home based operation

Partner Institution Eligibility

- All New Jersey universities
- Companies or research institutions with primary business location in New Jersey

Program Definition

The Commission on Science and Technology will award grants to New Jersey companies in the amounts of $100,000 to $500,000. The Edison Innovation R&D Fund will provide grants on a competitive basis.

Companies are encouraged to partner with a New Jersey PhD granting university or with a company or institution with a primary business location in New Jersey.

This program will focus on the state priority areas established by Governor Corzine for the Edison Innovation Fund:

- Energy
- Life Sciences
- Stem Cell Research
- Advanced Materials & Nanotechnology
- Communications

Proposals focused on applications of these technologies in areas such as Homeland Security, Renewable Energy and Environmental Science are encouraged.

Company Ownership

List all subsidiaries, parent company, and affiliated companies (for Federal Income Tax purposes) and their respective percentage ownership of the applicant or vice versa. Please identify the relationship among the entities. Where the applicant owns more than 5% of another company, the revenues of those entities and the parent company will be used to determine the applicant eligibility. Total revenue of the applicant company and its parent and subsidiary companies needs to be less than $5 million to be eligible.

Funding and Expenses

Matching Fund Requirements

- Source of matching funds must be demonstrated and may not be other state funding sources
- Applicant Company – must contribute cash at a minimum of 50% of CST funds
- Partner University – must contribute in-kind or cash at a minimum of 20% of CST funds
- Partner Company or Institution - must contribute cash at a minimum of 20% of CST funds

The matching funds requirement should be detailed in the budget, including information on the source of matching funds if applicable. Matching funds may not include other state funding but may include federal funds. Matching funds may not include projected revenues.

Ineligible Expenses (both CST funds and matching funds)

- Rent, capital construction, utilities
- Indirect Costs

Award funding will be given out based upon achievement of pre-determined milestones as outlined in the proposal – ideally three equal payments, but the company's proposal will be considered. Reporting on milestones will be required to receive the next payment in the funding schedule.

The Commission will not disperse funds under the Edison Innovation R&D Fund unless there is a solid commitment for the match funding. The actual funding of the commitment can come in milestones, just prior to the Commission funding. The Commission will include any "fresh" money received by the company up to 45 days prior to the application date eligible for the match funding. Please provide commitment letters, copies of checks and bank statements for verification of matching funds.

Timing

The proposal project, including expenditure of all CST and matching funds, must be completed within a 24 month time period from the execution of the award.

Timetable for Required Submission

The following timeline will be applicable to this Announcement:

Pre-Application due	Final Application due	Awards made
October 9, 2007 – 3:00pm	**November 7, 2007 – 3:00pm**	**Early December 2007**

Pre-Application – Due October 9, 2007

- Provided application forms
- Most recent company business plan
- Resumes for all key personnel
- Technology and business commercialization plan
- Two page summary demonstrating the scientific & technological viability of the project
- Audited financial statement [using generally accepted accounting principles (GAAP basis)] including balance sheet, income statement and cash flow statements **OR** a current corporate tax return and a non-audited financial statement including balance sheet, income statement and cash flow statements.
- Copy of license agreement(s) to commercialize patent(s).
- Copy of patent(s) and documentation of ownership by applicant.
- Cash flow analysis including 3 month historical and 12 month projected analysis (not including proposed project)
- A fully diluted capitalization chart

Final Application – Due November 7, 2007

- Provided application forms
- Executive business plan
- One page resumes for all key personnel
- One page project summary
- Partnering institution statement
- Project description (as outlined on application form)
- Any third-party evidence that the technology is technically sound and commercially viable, such as peer-reviewed journal articles, patent awards and licenses, review by the partner university's Office of Technology Transfer, review by partnering company or institution, review by potential customer, third-party funding, etc.
- Evidence of the availability of applicant matching funds. Acceptable forms include financial statement from the company's financial institution, venture capital investment or other private investments. Financial statements of company principals or future revenue from sales would not be acceptable.
- Provide a half page public project description in plain lay language of the proposed project and company. Do not include proprietary or confidential information because, if the application is funded, this information will be made public. This half page description is to be submitted separately from the project description.
- An original, 5 copies and a CD of the application must be submitted to the Commission

- A simple Gantt chart showing the proposed project major milestones

Third-party investment is not necessary, but will be considered during the review process.

Review Criteria

1. Technical merit of technology and background science, significance and innovation
2. Sound business plan and business model
    - Commercialization and Marketing Plan
    - Comparison with competitive products, commercial viability
    - Personnel expertise and experience, physical resources available
    - Impact of the project on the company's success and business plan
    - Ability of the team (applicant company and partner university, company or institution) to execute the project within the planned timeline and budget
    - Scientifically and technologically viability of proposed project
    - Exit strategy
3. Degree to which the project meets the Commission's mission and is expected to result in science and technology company growth in New Jersey
4. Personnel expertise and experience and physical resources available
5. Degree to which the project establishes a working relationship between the applicant company and the partner university, company or institution

Review Process

External technical reviewers will be used to evaluate applications for this program. The Commission on Science and Technology will consider these reviews when making final funding decisions at an open public meeting of the Commission.

Confidentiality

Commission members and staff must follow the Commission's Code of Ethics which restricts disclosure and prohibits personal use of information gathered through their official capacities with the Commission. http://www.state.nj.us/lps/ethics/scitechcode.pdf

External reviewers will be asked to sign confidentiality agreements.

Post-Award Reporting Requirements

A report on milestones will be required before each payment is made in addition to a final report on project success and progress against milestones and objectives. The reports should provide a clear statement of work including objectives, tasks, expected outcomes.

Economic Impact Monitoring: Annually for five years following the funded period, the award recipients will be required to report on the following economic impacts resulting from the project.

Company Impact Metrics: The company's Chief Financial Officer (or equivalent) is responsible for reporting on the economic impact created by grant project activities. NJCST expects reporting on economic impacts including:

- Jobs created or jobs retained
- Increased revenues
- Number of strategic partners Number of patents applied for and granted
- Federal funds acquired (e.g., Small Business Innovation Research [SBIR] or Small Business Technology Transfer [STTR] funds)

- Capital expenditures (purchases of new equipment or construction/ rehabilitation of facilities at the company)
- New start-up companies created
- Number of commercial product or service (e.g. Trademark)
- Third party funding
    - Venture Capital
    - Other investments (e.g. strategic partners)
    - Public Offering

Partner Impact Metrics: Reporting from Partner Institution must include:

- Grants acquired for activities conducted under the proposal
- Income generated by commercializing a product identified in the proposal
- Invention disclosures, licenses, patent applications, and patents awarded for technologies developed under this proposal

Repayment Requirements

The business activities created or developed from the grant activities shall remain in operation within the State of New Jersey for a period of five (5) years subsequent to the expiration of the grant funding period. In the event that the grantee relocates grant activities outside the State of New Jersey the grant shall be terminated and repaid in its entirety. If the grantee entity is sold, merged or otherwise disposed of, the successor entity shall continue to be liable to the Commission of remittance of royalties pursuant to this Grant Agreement.

Royalties

The Commission shall receive a percentage of royalty payments from any intangible property awarded to the grantee awarded assistance from the Commission and which assistance led to the awarding of the intangible property pursuant to New Jersey Statutes, P.L. 2005, c.272. as follows:

- 1% of net sales resulting from IP developed under the grant – up to the original amount of the grant.
- 1% of royalty payments received by the company for licensing IP developed under the grant – up to 10 times the original amount of the grant

All application materials should be sent to:

New Jersey Commission on Science and Technology
U.S. Mail: P.O. Box 832, Trenton, NJ 08625
Express Delivery: 10 South Montgomery Street

NOTE: *Incomplete pre-applications or final applications on the due dates may result in the proposal not being reviewed or considered. PowerPoint presentations will **NOT** be accepted as part of the application package.*

For Additional Information

Please contact the New Jersey Commission on Science and Technology at (609) 984-1671 or njcst@scitech.state.nj.us.

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Alpharma Inc., Alpharma Pharmaceuticals LLC and Alpharma P20004

PROJECT LOCATION: 440 Route 22 East Bridgewater Township (N) Somerset County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Alpharma Inc., Alpharma Pharmaceuticals LLC and Alpharma U.S. Inc., collectively "Alpharma", is a global specialty pharmaceutical company that develops, manufactures and markets pharmaceutical products for humans and animals. While Alpharma was originally established in 1903 in Norway, it is now a publicly traded U.S. company. Its stock is listed with the NYSE and it is a member of the S&P 600 Small Cap Index. Alpharma is presently active in more than 60 countries. It has three principal business segments. The Pharmaceuticals segment markets a morphine sulfate extended-release capsule. It is also developing an investigational abuse deterrent extended-release morphine product, which is now in Phase III clinical trials. The Active Pharmaceutical Ingredients segment develops, manufactures and markets a line of fermentation-based active pharmaceutical ingredients, mainly antibiotics for the treatment of some skin, throat, intestinal and systemic infections, and one chemically synthesized active pharmaceutical ingredient. These active pharmaceutical ingredients are primarily used by third parties in the manufacture of finished dose pharmaceutical products. The Animal Health segment develops, registers, manufactures and markets medicated feed additives and water soluble vitamins for poultry, cattle and swine. Alpharma is an economically viable company.

MATERIAL FACTOR:

Alpharma is seeking a BEIP grant to support creating 64 additional jobs in New Jersey. The company has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to expand in New Jersey and therefore picking New Jersey over Ireland. Alpharma is estimating the project costs to accommodate the expansion will be approximately $1.3 million. The Authority staff recommends the award of the proposed BEIP grant for 10 years.

APPROVAL REQUEST:

PERCENTAGE: 75%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Alpharma Inc., Alpharma Pharmaceuticals LLC and to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 1,572,240
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 242

ELIGIBLE BEIP JOBS: **Year 1** 33 **Year 2** 31 **Base Years Total =** 64

ANTICIPATED AVERAGE WAGES: $91,000

ESTIMATED PROJECT COSTS: $1,312,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $2,096,320

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,572,240

PROJECT IS: (X) Expansion ( ) Relocation _____

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: S. Royster **APPROVAL OFFICER:** D. Sucsuz

Applicant : Alpharma Inc., Alpharma Pharmaceuticals LLC and Project # : P20004

FORMULA EVALUATION

Criteria		Score
1. Location:	Bridgewater Township	N/A
2. Job Creation	64	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
Designated : X Non-Designated : _____		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$1,312,000	1
7. Average Wage:	$ 91,000	4
	TOTAL:	10

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	15%
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: 35 %

Total Score :

Total Score per formula:	10 = 35 %
Construction/Renovation :	5 %
Bonus Increases :	35 %
Total Score (not to exceed 80 %):	75 %

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Critical Links, Inc. P20016

PROJECT LOCATION: Block 0, Lot 0 Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Critical Links, Inc (CL) is an international venture backed networking company and provider of edgeBOX, a multi-function "Office-in-a-box, or, Business Gateway" targeted at Small to Medium sized Business and Enterprise Branch Offices. The edgeBOX provides a full voice, data, and IT infrastructure that is easy to deploy and maintain, with products targeted for companies with up to 300 users. CL was launched in 2006 as a spinout from an established global software engineering company, Critical Software (CS), headquartered in Portugal, that has a reputation for software reliability serving the telecom, aerospace and defence fields. CL announced on October 26, 2007 it closed its Series A round of funding, receiving $5.7 million from European venture capital funds InovCapital, Change Partners and ASK/ISQ Capital. The new funding enables Critical Links to accelerate sales and marketing activities worldwide, expanding its direct presence in the US market and increasing its investment in Europe and in key emerging markets such as India, China, Brazil and South Africa. Based on the support of the parent company and recent equity fund raising the company is economically viable.

MATERIAL FACTOR:

CL is requesting a BEIP grant to support creating 12 new jobs at a new East Coast headquarters. Under consideration are two Northern New Jersey sites and Wilmington, Delaware. CL is estimating project cost to be $270,000. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to establish its corporate office in New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 30%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Critical Links, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 139,140
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 8 Year 2 4 Base Years Total = 12

ANTICIPATED AVERAGE WAGES: $100,000

ESTIMATED PROJECT COSTS: $270,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $463,800

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $556,560

PROJECT IS: ( ) Expansion ( ) Relocation _____

CONSTRUCTION: ( ) Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: Delaware

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: J. Colon **APPROVAL OFFICER:** M. Krug

Applicant : Critical Links, Inc. Project # : P20016

FORMULA EVALUATION

Criteria		Score
1. Location:	Locations Unknown	N/A
2. Job Creation	12	1
Targeted : X Non-Targeted :		
3. Job at Risk:	0	0
4. Industry:	Advanced computing	2
Designated : X Non-Designated :		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$270,000	0
7. Average Wage:	$ 100,000	4
	TOTAL:	9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: 0 %

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	0 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	30 %

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Interstate Waste Services, Inc., Interstate Waste Holding Co., Inc. P20071

PROJECT LOCATION: 500 N. Franklin Turnpike Ramsey Borough (N) Bergen County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Interstate Waste Services, Inc., Interstate Waste Services Holding Co., Inc. and Affiliates (collectively "Interstate") are a growing subgroup of solid waste management and waste disposal companies serving the States of New York and New Jersey. The other affiliated companies within the larger group, all of them owned and controlled by management as well as six AIG Highstar Capital funds (private equity investment limited partnerships) have similar operations and services in Massachusetts, Pennsylvania and Vermont. In addition to the managing the operations of its own subgroup, Interstate is also providing executive management and office services to all affiliated companies within the larger group.

Interstate, directly or through a subsidiary, collects non-hazardous solid waste and recycling from commercial, residential, municipal and industrial customers including over 90,000 residential accounts and more than 6,000 commercial accounts in 16 municipalities of New York and New Jersey. It owns or operates approximately 75 garbage collection vehicles within nine counties in New York and Northern New Jersey. It has two waste disposal transfer stations in New Jersey (Jersey City and Garfield). The management is targeting growth through acquisitions both in New Jersey and New York. Additionally, Interstate provides executive management and office services to affiliated companies. Interstate is currently headquartered in Sloatsburg, New York and is considering relocating its corporate headquarters. Interstate is an economically viable company.

MATERIAL FACTOR:

Interstate is seeking a BEIP grant to support creating 70 new positions (including 50 to be relocated from New York Sate) in its proposed new headquarters in New Jersey. The company has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision for relocating to New Jersey and therefore picking New Jersey over New York State. Interstate is estimating the project costs to accommodate the relocation of their headquarters will be approximately $685 thousand. The Authority staff recommends the award of the proposed BEIP grant for 10 years.

APPROVAL REQUEST:

PERCENTAGE: 50%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Interstate Waste Services, Inc., Interstate Waste to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 695,975
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 136

ELIGIBLE BEIP JOBS: **Year 1** 60 **Year 2** 10 **Base Years Total =** 70

ANTICIPATED AVERAGE WAGES: $69,000

ESTIMATED PROJECT COSTS: $685,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,391,950

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,391,950

PROJECT IS: ( ) Expansion (X) Relocation Sloatsburg, New York

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: R. Gomez **APPROVAL OFFICER:** D. Sucsuz

Applicant : Interstate Waste Services, Inc., Interstate Waste Project # : P20071

FORMULA EVALUATION

Criteria		Score
1. Location:	Ramsey Borough	N/A
2. Job Creation	70	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:		0
Designated : _____ Non-Designated : X		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$685,000	1
7. Average Wage:	$ 69,000	3
	TOTAL:	7

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: 20 %

Total Score :

Total Score per formula:	7 = 25 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	50 %

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Mimeo.com, Inc. P19978

PROJECT LOCATION: Dowd Avenue Elizabeth City (T/UA) Union County

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded in 1998 and headquartered in New York City, Mimeo.com, Inc. is a private company that provides online on-demand printing and binding solutions for business documents and marketing materials. Mimeo.com provides digital design and printing services for various products that include brochures, manuals and instructional guides. Additional services include lamination, warehousing, packaging and CD and DVD duplication. Mimeo.com serves a wide range of clients that include media and technology, manufacturing and distribution, education, retail, leisure and food and beverage. Mimeo.com's 125,000 sq. ft. production facility, which features the latest digital printing technology, is located in Memphis, Tennessee, adjacent to the runway of one of North America's largest shipping hubs. The Company is economically viable.

MATERIAL FACTOR:

Mimeo.com, Inc. is planning to develop a second digital printing and distribution facility and is considering an opportunity to lease 50,000 sq. ft. at the Portview Commerce Center development project in Elizabeth, close to Newark Liberty International Airport and Mimeo.com's headquarters in NY. The alternatives are in Philadelphia near the Philadelphia International Airport. The benefit to New Jersey is the creation of 150 new jobs within two years. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to expand in NJ.

APPROVAL REQUEST: **PERCENTAGE:** 75%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Mimeo.com, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 840,937
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 80 Year 2 70 Base Years Total = 150

ANTICIPATED AVERAGE WAGES: $40,000

ESTIMATED PROJECT COSTS: $5,400,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,121,250

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $840,937

PROJECT IS: (X) Expansion ( ) Relocation _____

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** T. Wells

Applicant : Mimeo.com, Inc. Project # : P19978

FORMULA EVALUATION

Criteria		Score
1. Location:	Elizabeth City	N/A
2. Job Creation	150	3
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:	printing and publishing	0
Designated : _____ Non-Designated : X		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$5,400,000	2
7. Average Wage:	$ 40,000	2
	TOTAL:	9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	20%
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	

Total Bonus Points: 40 %

Total Score :

Total Score per formula:	**9 = 30 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**40 %**
Total Score (not to exceed 80 %):	**75 %**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Shasun Pharma Solutions Inc P19911

PROJECT LOCATION: 860 Centennial Avenue Piscataway (T) Middlesex County

GOVERNOR'S INITIATIVES:

( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core ( ) Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Shasun Pharma Solutions Inc (SPS), established in 2006, is a subsidiary of Shasun Chemicals and Drugs Limited (SCDL), formed in 1976 with global headquarters in Chennai, India. SCDL manufactures active pharmaceutical ingredients (APIs), their intermediates and enteric coatings. Today, SCDL is one of the largest producers of Ibuprofen worldwide with a significant presence in the anti-inflammatory and anti-ulcerative therapeutic groups. SPS will be primarily engaged in supporting SCDL's global business incorporating custom research and manufacturing for the Pharmaceutical Industry, customer services and sub licensing of technologies in this field. SCDL employs 1,400 people in India, the UK and US, is publicly-held and is listed on the National Stock Exchange and the Bombay Stock Exchange in India. The company is economically viable.

MATERIAL FACTOR:

SPS is requesting a BEIP grant to support creating 41 new jobs to be located at a new US headquarters. Under consideration is a site in Piscataway, and one in Ohio. SPS is estimating project cost will be $7.7 million to renovate a 15,000 s.f. space with new labs and office space. The labs will be used to perform small scale synthesis of New Chemical Entities (NCEs) for the Pharma Industry. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to establish its corporate office in New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 55%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Shasun Pharma Solutions Inc to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 741,860
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: **Year 1** 21 **Year 2** 20 **Base Years Total =** 41

ANTICIPATED AVERAGE WAGES: $91,219

ESTIMATED PROJECT COSTS: $7,723,800

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,348,365

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,281,394

PROJECT IS: ( ) Expansion ( ) Relocation _____

CONSTRUCTION: ( ) Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: ( ) Domestic (X) Foreign India

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** M. Krug

Applicant : Shasun Pharma Solutions Inc

Project # : P19911

FORMULA EVALUATION

Criteria		Score
1. Location:	Piscataway	N/A
2. Job Creation	41	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
Designated : X Non-Designated : _____		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$7,723,800	2
7. Average Wage:	$ 91,219	4
	TOTAL:	11

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	**11 = 35 %**
Construction/Renovation :	**0 %**
Bonus Increases :	**20 %**
Total Score (not to exceed 80 %):	**55 %**

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Archive Systems, Inc.
39 Plymouth Street
Fairfield, New Jersey

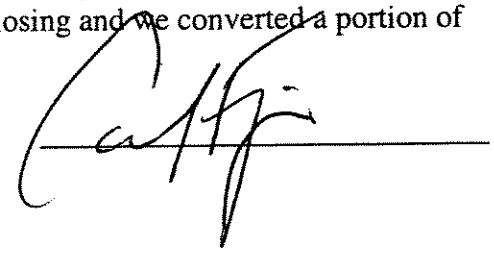
Modification Request:
Consent and subordination to an additional $3 million in senior bank debt as part of the borrower's change in relationship banks to Comerica Bank, an experienced technology lender.

Background:
On May 9, 2006, the Board approved a $1 million Edison investment for Archive Systems, Inc. ("Archive"), a document management company that offers records storage/retrieval and accounts payable processing services. The purpose of the investment was to purchase computer equipment in order to finance the growth of its digital services. The investment closed on November 27, 2006. On June 7, 2007, the Authority converted $250,000 of the investment to preferred stock during a multimillion dollar equity round led by The Carlyle Group.

Archive has requested the EDA's approval to change lead lenders to an experienced technology lender, Comerica Bank. In addition Comerica will increase Archive's bank debt to $8 million from $5 million to finance further growth. The increase will fund future capital expenditures to continue developing Archive's Digital Services Division and establish a $2.5 million revolving line of credit secured by corporate assets including intellectual property, to finance future working capital needs.

Recommendation:

Staff recommends approval of the substitution of lender and the additional $3 million senior bank debt to provide capital to support Archive's growth strategy. The Authority will also be required to execute a intercreditor agreement with the new lender similar to that which was executed for the previous lender but allowing for the additional debt. The Authority's primary collateral is not effected by the request and we may benefit in the potential upside from Archive's growth strategy because we obtained 125,000 warrants at closing and we converted a portion of the investment to preferred stock.



Prepared by: Glenn C. Anderson

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Agreement and Ground Lease with L'Oreal USA Products
Technology Centre of New Jersey (North Brunswick)

DATE: November 13, 2007

Summary

I am asking the Members to approve an Agreement and Ground Lease with L'Oreal USA Products, Inc. ("L'Oreal") for the development of a 200,000 to 300,000 sf research and development facility on the Authority's expansion site for the Technology Centre of New Jersey on Route 1 in North Brunswick. The project will result in L'Oreal's investment of approximately $125 million over the next five years and retain 390 jobs in New Jersey. This project represents a significant achievement in our efforts to promote technology-led economic development in accordance with the Edison Initiative.

Background

In 2005 the Authority purchased 24.78 acres of land across Route 1 from the Technology Centre of New Jersey for $3.675 million. Our goal has been to market this site for a large-scale research and development use that would complement the Tech Centre's focus on commercializing and growth stage companies. The site is located within the Greater New Brunswick Innovation Zone.

At the June 2006 meeting, the Members authorized the execution of a confidential Letter of Intent with L'Oreal to develop a 200,000 to 300,000 sf R&D at this site. The project will retain 390 high paying jobs in New Jersey, create 60 to 200 new jobs, provide approximately $1 million annually to North Brunswick in payments in lieu of taxes and yield a $125 million private investment in new R&D space. The retained jobs will be relocated from L'Oreal's Clark, New

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SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.292.1800 | e-mail: njeda@njeda.com | www.njeda.com

Jersey facility. Additional phases of the project are anticipated to be constructed over 15 years from initial occupancy; these expansions could result in a facility of up to 800,000 sq. ft.

L'Oreal is the world's leading cosmetics and beauty company. Headquartered in Clincy, France, the company is also the top patent holder in the beauty industry in the United States. The firm employs nearly 3,000 researchers, chemists and support staff in five R&D centers worldwide, including Clark. A quarter of these researchers are engaged in basic research. L'Oréal's Research Division has highly qualified teams of scientists dealing with state-of-the-art concepts and technologies in areas including biotechnology, molecular biology, alternatives to toxicological testing, molecular modeling, biophysical chemistry and applied biophysics. To further its objectives and to synergize with its own internal research skills, L'Oreal actively looks for selective partnerships with individual scientists, private or public laboratories, companies and universities. This corporate philosophy makes L'Oreal an ideal addition to the Technology Centre.

After receiving approvals from its corporate parent in early 2007, L'Oreal and the Authority entered into lease negotiations that have resulted in final terms that are generally consistent with those contained in the Letter of Intent. L'Oreal will enter into a 30-year lease with the Authority at an initial ground rent of $250,000, rising to $500,000 in Year 5. The lease will provide for three 10 year renewal options.

L'Oreal will retain an architect to design the project and the Authority will publicly bid and retain a construction management firm to build the facilities. The Authority will receive a $325,000 fee for serving as project developer. Prior to the Authority's execution of the construction contract, L'Oreal will fund the first year's projected construction costs and corporately guarantee the balance of the contract, including any change orders. L'Oreal will receive an option to purchase the property (or convert to a 99 year lease) at any time after the fourth anniversary of the rent commencement date. The option price will be determined by formula but will not be less than $5 million. L'Oreal will be responsible for payment of a brokerage commission to Atlantic Real Estate Services and we will grant L'Oreal a rent credit in return for funding necessary off-site road improvements.

New Jersey was in direct competition with two sites in New York. The Governor, the Office of Economic Growth and the Commerce Commission were all engaged early in the retention of this firm. As an economic development project targeting the retention of high wage jobs in a key sector of the economy, the Authority is prepared to essentially break even on its $3.675 million investment in the land, after consideration of the time value of money and opportunity cost. Should L'Oreal elect not to exercise (or delay in exercising) its purchase option, the Authority's rate of return will be positive. As part of our efforts to retain this company in New Jersey, at the August 2007 meeting the Members approved L'Oreal for a 10-year, 70% Business Employment Incentive Program grant for this location.

L'Oreal is a publicly held corporation. The principal shareholders are Liliane Bettencourt (daughter of L'Oreal founder Eugene Schueller) and her family, and Swiss-based Nestle S.A., the world's largest food and beverage company. L'Oréal is a major shareholder in Sanofi-Aventis, the world's number 3 and Europe's number 1 pharmaceutical company, and is also joint venture

partner with Nestle in two R&D companies, the Laboratoires Inneov and Galderma. Note that under the proposed lease terms, L'Oreal will have the right to sublet or assign the lease without the Authority's approval to any related, affiliate or successor entity upon advance notice. Assignment or subletting to third parties requires the Authority's consent.

The attached Agreement and Ground Lease is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Agreement and Lease will be subject to approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation

In summary, I am asking the Members' approval to enter into an Agreement and Lease with L'Oreal USA Products, Inc. for the development of a research and development facility at the Technology Centre of New Jersey on final terms acceptable to the Chief Executive Officer and the Attorney General's Office.

CAREN FRANZINI

Attachment
Prepared by: David E. Nuse

AGREEMENT and GROUND LEASE

THIS AGREEMENT and GROUND LEASE ("**Agreement" or "Lease**") made and executed this _____ day of _____, 2007, (the "**Effective Date**") by and between the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("**NJEDA**"), an instrumentality of the State of New Jersey, with an address at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990 and L'Oreal USA Products, Inc., a Delaware Corporation, ("**L'Oreal**"), with an office at 133 Terminal Avenue, Clark, New Jersey 07066.

WITNESSETH

WHEREAS, NJEDA is the owner of approximately 25 acres of vacant land more particularly described on **Exhibit "A-1"** annexed hereto and incorporated here by reference as if set forth at length, and located adjacent to Route 1, and also known and designated as Block 252, Lot 1.06 on the Tax Map of the Township of North Brunswick, Middlesex County, New Jersey; and

WHEREAS, L'Oreal seeks to lease said property for the purpose of developing and operating a world class research and development facility described generally in the Background section of this Lease.

BACKGROUND

1. The project (the "**Project**") is defined as a multi-phase construction of a world class research and development facility consisting of up to 800,000 square feet of offices, laboratories, pilot plants, warehousing and/or support facilities to be constructed and operated on the "Premises" (as defined in Article I below). The first phase (the "**First Phase**") will consist of constructing, during the next 5 years, a minimum of 200,000 to 300,000 sq. ft. of the Project, as determined by L'Oreal, which shall be designed by L'Oréal's architects and constructed by NJEDA's construction manager (the "**Construction Manager**"), who shall be selected in accordance with the terms and conditions set forth in this Agreement. It is envisioned that the First Phase will retain up to 400 New Jersey full-time employment positions and create approximately 200 new full-time employment positions over a ten (10) year period following the Effective Date. Additional phases ("**Additional Phases**") of the Project are envisioned to be constructed over the 15 year period following the issuance of the certificate of occupancy for the First Phase.

2. The commencement of the term of the leasehold estate created by this Lease (the "**Term Commencement Date**") shall be established as follows:

A. From and after the Effective Date, L'Oréal shall have a 90-day due diligence period (the "**Due Diligence Period**") to satisfy itself as to any and all conditions effecting the development and use of the "Property" (as defined in Article VIII below), including but not limited to, taking soil borings to determine, without limitation, soil suitability, environmental testing, and other matters L'Oreal feels appropriate, in its sole and absolute discretion.

L'Oreal, its consultants, contractors and representatives, shall have such access to the Premises as it deems appropriate in order to undertake any and all inspections, examinations, testing and sampling at, in, on, under and about the Premises as it may desire. At any time within ten (10) business days after the Due Diligence Period, L'Oréal may terminate this Lease without penalty or cost, by giving written notice of termination to NJEDA, if L'Oreal is not satisfied with its due diligence for any reason in its sole and absolute discretion in which event the NJEDA shall promptly return the pre-paid first annual rental payment referred to in Subparagraph B below to L'Oreal, which obligation shall survive the termination. Within thirty (30) days following the Effective Date, NJEDA shall deliver to L'Oreal, the following: (i) a subdivision certificate from the administrative officer of the Township of North Brunswick pursuant to N.J.S.A. 40: 55D-56c confirming the statutory exemption of the subdivision that resulted in the "Premises" as defined in Article I below based upon the exemption of jurisdiction over a subdivision by the County of Middlesex and the NDEDA (the "**Subdivision Certificate**"); (ii) proof satisfactory to L'Oreal and its title insurance company that the restrictions in favor of Johnson and Johnson, set forth in the instrument recorded in the Middlesex County Clerk's Office on April 15, 1987 in Deed Book 3608, at Page 526 are no longer in effect because Johnson and Johnson and its affiliates no longer own property in the area of the Premises as provided for in Deed Book 3608, at Page 526; and (iii) confirmation of NJEDA's exclusive right to consent to the removal of a steamline running under the Premises, pursuant to that certain instrument recorded in the Middlesex County Clerk's Office on April 15, 1987, in Deed Book 3608, at Page 548, together with such consent in form and substance reasonably satisfactory to L'Oreal.

B. Within five (5) business days of the Effective Date, L'Oreal shall deposit with the NJEDA the first annual rental payment of $250,000. Contemporaneously with the execution and delivery by both parties of a certain agreement to be entered into between L'Oreal and the Township of North Brunswick (the "**PILOT Agreement**"), L'Oreal shall deposit with the Township of North Brunswick $250,000 representing pre-payment of the Payment In-Lieu of Taxes ("**PILOT**") to be applied to the first PILOT payments due pursuant to the PILOT Agreement. If L'Oreal has not elected to terminate this Lease within ten (10) business days after the Due Diligence Period, L'Oreal shall, within one-hundred five (105) days after the Effective Date provide the NJEDA with a copy of its fully executed contract with an architect of L'Oreal's own selection (the "**A/E Contract**") to develop a full set of plans and specifications sufficient to apply for a complete set of building permits (the "**Plans and Specifications**"),for construction of the First Phase of the Project. Notwithstanding anything to the contrary set forth in this Agreement, L'Oreal, its consultants, contractors and representatives, shall have a continuing right of access to the Premises following the expiration of the Due Diligence Period, including, without limitation, such access as shall be necessary in order to prepare the Plans and Specifications for the First Phase, prepare a site plan for the First Phase or otherwise as may be deemed necessary by L'Oreal in connection with this Agreement, recognizing that NJEDA continues to own the Premises and continues to have use of the Premises in a manner not inconsistent with this Agreement.

C. L'Oreal will have 30 months following the Due Diligence Period to develop and submit its Plans and Specifications for the First Phase to the New Jersey Department of Community Affairs ("**DCA**") in order for DCA to issue a complete set of building permits for the First Phase of the Project. Notwithstanding the foregoing, if L'Oreal has caused the Plans and Specifications to be completed by the end of 30 months after the end of the Due Diligence Period, and if L'Oreal prepays a second annual rental payment of $250,000 to NJEDA, L'Oreal shall have the option to extend the time for submitting the Plans and Specifications to DCA by 12 additional months.

D. Subject to Subparagraphs E and F immediately following this Subparagraph, the Term Commencement Date shall be the date of the last to occur of: (i) L'Oreal receiving all required "Approvals" (as defined below) for the construction of the First Phase in accordance with the Plans and Specifications for the First Phase; (ii) a contract is entered into by NJEDA with the Construction Manager for the construction of the First Phase in accordance with the Plans and Specifications for the First Phase, pursuant to the provisions of Article VI below; and (iii) building permits to commence construction of the First Phase of the Project are issued to L'Oreal or NJEDA by DCA (e.g., footings/foundation, structural steel, underground plumbing and mechanical) (the "**Commencement Permits**"). For purposes of this Agreement, the term "**Approvals**" shall mean any and all approvals, authorizations, certificates, exemptions, licenses, permits and variances required by any governmental authority or quasi-governmental authority necessary to permit L'Oreal to obtain the Commencement Permits to commence construction of each relevant phase of the Project, including, without limitation, site plan approval, each and all of which shall be final, non-appealable and shall not result in L'Oreal having to expend anything more than what is expressly provided for elsewhere in this Agreement in the aggregate for "off-site", "off-tract" or "on-tract" improvements as defined in the Municipal Land Use Law (the "**MLUL**"). Notwithstanding anything to the contrary set forth in this Agreement, if, for any reason other than through the fault of L'Oreal, including, but not limited to the failure of L'Oreal to timely provide the Plans and Specifications for the First Phase or the failure of L'Oreal to diligently in good faith pursue the issuance of Approvals, the foregoing items (i) through (iii) are not received by L'Oreal by thirty-six (36) months (or forty-eight (48) months if the time for submitting Plans and Specifications has been extended pursuant to Subparagraph C immediately above) after the end of the Due Diligence Period, then unless L'Oreal extends the time period for obtaining the foregoing items (i) through (iii) (but in no event shall the extension exceed two (2) years), L'Oreal shall have the right to terminate this Agreement on notice to NJEDA, in which event, all monies paid by L'Oreal to NJEDA pursuant to this Agreement shall promptly be refunded to L'Oreal by NJEDA, and thereafter neither party shall have any further rights or obligations to the other hereunder. The refund obligation of NJEDA shall survive the termination of this Agreement. The NJEDA shall diligently and in good faith provide assistance to L'Oreal in obtaining the Commencement Permits and the Approvals at no cost or expense to L'Oreal, including, without limitation, delivering to L'Oreal a letter of authorization to pursue the Approvals notwithstanding NJEDA's ownership of the Premises, signing applications as owner of the Premises and testifying at hearings for any of the Commencement Permits or the Approvals. Notwithstanding anything

to the contrary set forth in this Lease, in no event shall the Term Commencement Date be a date earlier than thirty (30) months following the Due Diligence Period (or forty-two (42) months if the time for submitting the Plans and Specifications is extended by L'Oreal pursuant to Subparagraph C above), unless L'Oreal, in its sole discretion, consents to an earlier date.

E. If L'Oreal does not submit to DCA the Plans and Specifications sufficient to obtain the Commencement Permits for the First Phase by the expiration of the aforementioned 30-month period (or 42-month period if so extended by L'Oreal), the Term Commencement Date shall be the date of expiration of the above 30-month period (or 42-month period if so extended by L'Oreal).

F. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall L'Oreal be required to prepare and submit the Plans and Specifications for the First Phase prior to the last to occur of the following: (i) NJEDA approves the site plan of L'Oreal, which shall be consistent with a site plan prepared pursuant to the MLUL (the "**Site Plan**"), for the First Phase, which Site Plan shall be prepared by L'Oreal at its cost and expense; (ii) NJEDA provides confirmation to L'Oreal from the Planning Board of North Brunswick of the waiver by the Planning Board of North Brunswick of jurisdiction over the Site Plan for the First Phase by duly adopted resolution (with the expiration of all appeal periods without the filing of any appeal); (iii) NJEDA, with assistance from the architectural firm hired by L'Oreal to prepare the Plans and Specification for the First Phase, completes the capital project review process with the Planning Board of North Brunswick of the Site Plan of L'Oreal for the First Phase pursuant to N.J.S.A. 40:55D-31; and (iv) NJEDA delivers to L'Oreal the Subdivision Certificate. Notwithstanding anything to the contrary set forth in this Agreement, if for any reason other than through the fault of L'Oreal, the foregoing items (i) through (iv) are not received by L'Oreal from NJEDA within twenty-four (24) months after the Due Diligence Period, then, unless L'Oreal extends the time period for obtaining the foregoing items (i) through (iv), L'Oreal shall have the right to terminate this Agreement on notice to NJEDA, in which event neither party shall have any further rights or obligations to the other hereunder with the exception that any sums paid by L'Oreal to NJEDA pursuant to this Agreement shall be refunded to L'Oreal promptly. The refund obligation of NJEDA shall survive the termination of this Agreement.

G. Reference is made to a certain Consent Agreement dated March 7, 1995 made between DKM Properties Corp., a New Jersey Corporation and Artken Realty, L.L.C., as amended by a certain First Amendment to Consent Agreement dated October 22, 2004, (the "**Consent Agreement**"). During the Due Diligence Period, the NJEDA shall as successor in interest to DKM Properties Corp., undertake to enter into and deliver to L'Oreal a further amendment of the Consent Agreement with Artken Realty, L.L.C., in form and substance reasonably satisfactory to L'Oreal and NJEDA (the "**Further Amendment to Consent Agreement**"), (i) confirming that the improvements to be performed with respect to the bridge abutment, by the New Jersey Department of Transportation ("**NJDOT**"), referred to in Article XIII below, shall satisfy all of the road and bridge work required pursuant to the

Consent Agreement, and upon NJDOT entering into construction contract(s) for the performance of such work, the Consent Agreement requirements shall be deemed satisfied (ii) confirming that if the NJDOT does not perform such work, Artken Realty, L.L.C. shall deem the provisions of paragraph 3 of the First Amendment to Consent Agreement satisfied upon the performance of the work shown on Exhibit C annexed to the Consent Agreement, as the same may be reasonably modified, (iii) confirming that the development limitations set forth in the Consent Agreement are tied to the bridge abutment modifications only, (iv) confirming that L'Oreal shall not, by virtue of the Consent Agreement or otherwise, be subject to any square footage development limitations by Artken Realty, L.L.C. on the Premises if either Subparagraph (i) or (ii) above are satisfied, (v) confirming that the insurance and indemnification provisions referred to in paragraph 5 of the First Amendment to Consent Agreement with respect to the "Artken Access Area" (as defined in a certain agreement titled "Restated and Amended Reciprocal Easement and Utility Agreement" dated March 7, 1995 and recorded in Deed Book 4224 at Page 730 et seq.), shall be deemed null and void and of no further force or effect upon a public taking or public dedication of the Artken Access Area and (vi) confirming that any indemnification of Artken by L'Oreal under either the Consent Agreement or the Restated and Amended Reciprocal Easement and Utility Agreement, or both, shall apply only to events first occurring after the transfer of title to the Property to L'Oreal. If after good faith due diligence efforts by NJEDA, the Further Amendment to Consent Agreement is not executed and delivered to L'Oreal within two hundred seventy (270) days following the Effective Date, then either party shall have the right to terminate this Agreement on notice to the other, in which event all monies paid by L'Oreal to NJEDA shall promptly be repaid to L'Oreal by NJEDA, which repayment obligation shall survive termination. Notwithstanding the foregoing, if NJEDA gives notice to terminate this Agreement pursuant to the immediately preceding sentence, then L'Oreal shall have the right to nullify that termination on notice to NJEDA given within thirty (30) days of receipt of the NJEDA notice of termination, in which event L'Oreal shall (subject to the provisions set forth in Article XXXIV below) be responsible for performance under the Consent Agreement.

H. Prior to the end of the Due Diligence the Period, NJEDA shall undertake to enter into an amendment to the "NJDOT Developer Agreement" (as defined in Article VIB11 below) with NJDOT which shall be in form and substance reasonably satisfactory to L'Oreal and NJEDA and shall address, without limitation, (i) the scope and timing of and fair share contribution towards the "NJDOT 6V Project" (as defined in Article XIII below), (ii) NJEDA's performance of road work improvements in the event that the NJDOT 6V Project is not undertaken by NJDOT, and (iii) that if the NJDOT 6V Project does not proceed in a timely enough manner such that in order to construct greater than 300,000 square feet on the Premises, L'Oreal must, and in fact does undertake the bridge abutment modifications referred to in Article XXXIV below, then the "Additional Fair Share Contribution" (as defined in Article VIB11b below) shall be deemed satisfied and no further fair share contribution shall be due under the NJDOT Developer Agreement. If after good faith due diligence efforts by NJEDA, the amendment to the NJDOT Developer Agreement is not executed and delivered to L'Oreal within two hundred seventy (270) days following the

Effective Date, then either party shall have the right to terminate this Agreement on notice to the other, in which event all monies paid by L'Oreal to NJEDA shall promptly be repaid to L'Oreal by NJEDA, which repayment obligation shall survive termination. Notwithstanding the foregoing, if NJEDA gives notice to terminate this Agreement pursuant to the immediately preceding sentence, then L'Oreal shall have the right to nullify that termination on notice to NJEDA given within thirty (30) days of receipt of the NJEDA notice of termination, in which event L'Oreal shall be responsible for performance under the NJDOT Developer Agreement.

NOW THEREFORE, in consideration of the mutual exchange of promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, L'Oreal and NJEDA agree as follows:

I. Demise: Subject to the terms and conditions of this Agreement, including, without limitation, Article XIII below, NJEDA hereby leases to L'Oreal, commencing on the Term Commencement Date, the vacant land, consisting of approximately 25 acres, set forth in the description attached hereto as **Exhibit "A-1"**, and incorporated herein by reference as if set forth at length, and also known as Block 252, Lot 1.06 on the Tax Map of the Township of North Brunswick, Middlesex County, New Jersey, together with all easements, covenants, and other rights belonging to or connected with the land as more particularly set forth in **Exhibit "A-2"** annexed, and incorporated herein by reference as if set forth at length, including without limitation, all rights of NJEDA in any strips or gores of land adjoining or pertaining to the land and all rights of the NJEDA in any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the land to the center line thereof, together with all improvements now or hereafter constructed on the land, including, without limitation, the "Improvements" (as defined in Article VI below), (collectively, "**Premises**"), for the purpose of constructing and operating the Project as set forth in this Agreement and operating its business.

A. Permissible Uses of the Premises: L'Oreal covenants that it will use the Premises solely for the purpose of constructing and operating the Project as a research and development facility and office and related uses, including but not limited to warehouse, light manufacturing and pilot plant operations (collectively and individually "**Permitted Uses**"). L'Oreal covenants that it will not use the Premises, or permit the Premises to be used, for any other purpose without the prior written approval of NJEDA, which approval shall not be unreasonably withheld, delayed or conditioned.

B. Condition of the Premises: Except as otherwise represented, warranted and/or covenanted to by NJEDA in this Agreement, NJEDA shall deliver the Premises to L'Oreal in "as is" condition. Except as expressly stated in this Lease, NJEDA makes no warranties or representations regarding the adequacy of the Premises or the

Improvements for L'Oreal's intended use and L'Oreal attests that it has not relied on any such representation or warranty other than as expressly stated in this Lease.

C. Detention Basin: L'Oréal shall have the right to have permanent use of any excess detention basin capacity that is owned or controlled by NJEDA and exists on Block 252, Lot 1.03 as of the Effective Date and no later than the end of the Due Diligence Period, NJEDA and L'Oreal shall enter into an agreement in form and substance satisfactory to NJEDA and L'Oreal and its title company, amending the Grant of Detention Basin Easements recorded in the Middlesex County Clerk's Office on March 10, 1995, in Deed Book 4224, at Page 709 granting to L'Oreal all excess detention basin capacity, as well as the right to enlarge the detention basin in connection with the development of the Premises. The amending agreement shall be held in escrow by the NJEDA and shall be delivered to L'Oreal upon the issuance by L'Oreal of the approval to commence construction as provided for in Article VIB2 below. Should L'Oreal exercise this right to utilize excess detention basin capacity, L'Oreal shall be responsible to pay its proportionate share of the cost for maintenance of said detention basin in accordance with the terms of the Grant of Detention Basin Easements referred to above. Any expansion by L'Oreal of the existing detention basin existing on Block 252, Lot 1.03 shall be at L'Oreal's cost and expense.

II. Representations and Warranties of NJEDA: NJEDA makes the following representations and warranties to and for the benefit of, and as applicable covenants with, L'Oreal knowing and intending that L'Oreal shall rely upon each such representation, warranty and covenant, and that the truth and accuracy of each such representation and warranty, is a material inducement to L'Oreal's entering into this Agreement, constructing the Project and continuing to lease the Premises:

A. To the best knowledge, information and belief of NJEDA, as of the Effective Date, there is no violation of any applicable law, regulation, ordinance or directive of any governmental authority concerning the Premises. NJEDA covenants with L'Oreal that if any violation of any applicable law, regulation, ordinance or directive of any governmental authority occurs between the Effective Date and the Rent Commencement Date, NJEDA shall promptly and diligently correct the violation and if the violation delays or interferes with the construction of the "Improvements" (as defined in Article VI below) or the occupancy of the Premises, then the Rent Commencement Date shall, at the option of L'Oreal, be delayed by the number of days that the violation delays or interferes with the construction of the Improvements or the occupancy of the Premises. NJEDA further covenants with L'Oreal that NJEDA shall, promptly after learning of any such event, deliver to L'Oreal notice of any such violation together with a copy of any written violation notice that is received by NJEDA.

B. As of the Effective Date, no portion of the Premises is being used, and to the best knowledge, information and belief of NJEDA, no portion of the Premises has at any

previous time been used for or been the subject of the disposal, storage, treatment, processing or other handling of "Contaminants". For purposes of this Agreement, the term "**Contaminants**" shall mean any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the New Jersey Environmental Rights Act, N.J.S.A. 2A:35A-1 et seq.; the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; the New Jersey Air Pollution Control Act, N.J.S.A. 26:2C-1 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq.; the Water Pollution and Control Act, 33 U.S.C. §1251 et seq.; the Hazardous Substances Discharge: Reports and Notices Act, N.J.S.A. 13:1K-15 et seq.; the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq.; the "Tank Laws" as defined below; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other federal, state, county or municipal environmental statute, ordinance, rule or regulation, including, without limitation, radon, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives. Where a law defines any of these terms more broadly than another, the broader definition shall apply. For purposes of this Agreement, the term "**Tank Laws**" shall mean the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq. (P.L. 1986) Ch. 102, and the federal underground storage tank law (Subtitle I) of the Resource Conservation and Recovery Act, as amended, P.L. 98-616, 42 U.S.C. §6901 et seq., together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, and any successor legislation and regulations.

C. NJEDA has all requisite power and authority to execute, deliver, and perform its obligations under this Agreement and no further action or approval is required for this Agreement to be binding upon NJEDA and enforceable against it in accordance with its terms.

D. NJEDA has good and marketable fee simple title to the Premises, subject only to "Permitted Encumbrances" (as defined in Article XXV below).

E. NJEDA has the legal right and authority to lease and sell the Premises to L'Oreal without the consent of a third party.

F. As of the Effective Date, except with respect to the "Roadway Taking" (as defined in Article XIII below) and the potential migration of groundwater contamination in the direction of the Premises from the Permacel property, which is an off-site location, NJEDA has received no written notice of any pending or threatened action, suit, proceeding or investigation which could result in any material adverse change in the Premises, NJEDA's ability to lease or sell the Premises to L'Oreal or L'Oreal's ability to construct the Project and operate its business as contemplated by this

Agreement. Moreover, as of the Effective Date, NJEDA is not in default with respect to any order, writ, injunction or decree of any court or governmental authority having jurisdiction over the NJEDA or the Premises which could result in any material adverse change in the Premises, NJEDA's ability to lease or sell the Premises to L'Oreal or L'Oreal's ability to construct the Project and operate its business as contemplated by this Agreement. NJEDA covenants with L'Oreal that if after the Effective Date any action, suit, proceeding or investigation which could result in any material adverse change in the Premises, NJEDA's ability to lease or sell the Premises to L'Oreal or L'Oreal's ability to construct the Project and operate its business as contemplated by this Agreement is commenced or threatened, or if NJEDA shall default with respect to any order, writ, injunction or decree of any court or governmental authority having jurisdiction over the NJEDA or the Premises which could result in any material adverse change in the Premises, NJEDA's ability to lease or sell the Premises to L'Oreal or L'Oreal's ability to construct the Project and operate its business as contemplated by this Agreement, NJEDA shall promptly and diligently bring to a resolution satisfactory to L'Oreal in its sole and absolute discretion, any such action, suit, proceeding or investigation and/or cure to the satisfaction of L'Oreal in its sole and absolute discretion any such default with respect to any order, writ, injunction or decree, and the Term Commencement Date, if such date has not already arrived, or the Rent Commencement Date, if the Term Commencement Date has passed, but the Rent Commencement Date has not passed, shall, at the option of L'Oreal, be delayed by the number of days that such action, suit, proceeding or investigation or such default with respect to any order, writ, injunction or decree delays or interferes with the construction of the Improvements or the occupancy of the Premises. NJEDA further covenants with L'Oreal that NJEDA shall, promptly after learning of any such event, deliver to L'Oreal notice of any such action, suit, proceeding or investigation, or notice of any default with respect to any order, writ, injunction or decree, as the case may be, together with a copy of any written notice that is received by NJEDA. Notwithstanding anything to the contrary set forth in this Agreement, if due to any of the foregoing the Term Commencement Date shall be delayed to a date beyond sixty (60) months after the end of the Due Diligence Period, then unless L'Oreal extends the time period, L'Oreal shall have the right to terminate this Agreement on notice to NJEDA, in which event neither party shall have any further rights or obligations to the other hereunder with the exception that any sums paid by L'Oreal to NJDEDA pursuant to this Agreement shall be refunded to L'Oreal promptly. The refund obligation of NJEDA shall survive the termination of this Agreement. If the Rent Commencement Date has passed then L'Oreal shall have the remedies otherwise available to L'Oreal under this Lease, at law or in equity. In addition to the foregoing, if, during the term of the Lease any of the foregoing shall occur (other than as a result of the actions of L'Oreal) that may in any way affect the ability of NJEDA to sell the Premises to L'Oreal, then NJEDA shall promptly and diligently bring to a resolution satisfactory to L'Oreal in its sole and absolute discretion, any such action, suit, proceeding or investigation and/or cure to the satisfaction of L'Oreal in its sole and absolute discretion any such default with

respect to any order, writ, injunction or decree, so that a sale of the Premises can take place in accordance with the terms and conditions of this Agreement, and during the period between NJEDA learning of any such action, suit, proceeding or investigation, or of any default with respect to any order, writ, injunction or decree, as the case may be, and the sale of the Premises to L'Oreal, (provided that L'Oreal has exercised its option to purchase the Premises as provided for herein), L'Oreal shall only be required to pay one-half of the rent and additional rent due pursuant to this Agreement. NJEDA shall not be deemed in default of the foregoing in the event of a merger of NJEDA into a different branch of New Jersey State government or legislation is enacted that removes NJEDA's power to carry out its obligations under this Lease provided that another agency or instrumentality of the State of New Jersey delivers to L'Oreal an originally executed writing reasonably satisfactory to L'Oreal assuming all of the obligations of NJEDA under this Lease; provided, however, that the foregoing shall not be deemed a consent to NJEDA taking any action or failing to take any action that may interfere with or undermine the continuation of the Pilot Agreement.

G. As of the Effective Date, and except with respect to asbestos containing materials that wrap the steam lines referred to in Background 2A(iii) above, NJEDA does not have any cause or reason to believe that Contaminants or other dangerous or unhealthy environmental condition exists at the Premises.

H. Steamlines running through the Premises are inactive and may be removed by L'Oreal in accordance with the provisions of Paragraph 2A of the Background Section of this Agreement. NJEDA shall cause the easement(s) pertaining to the steamlines to be vacated prior to the end of the Due Diligence Period.

I. Water lines running through the Premises and their easements can be relocated to be out of the development envelope of the Project without the consent of any third party other than the water company and without payment to any third party (other than costs of physically relocating such water lines).

J. NJEDA shall not grant any easements or rights of way through, over or across the Premises other than as may be requested by L'Oreal, which, upon request, shall be granted, subject to reasonable terms, conditions and restrictions, or if necessary, upon request of L'Oreal, NJEDA shall cause existing easements and rights of way to be vacated or amended, if reasonably deemed necessary or appropriate in connection with the construction of any phase of the Project by L'Oreal.

K. NJEDA shall not transfer the Premises or otherwise take any action or fail to take any action that may interfere with or undermine the continuation of the Pilot Agreement.

III. Representations and Warranties of L'Oreal: L'Oreal makes the following representations and warranties to and for the benefit of NJEDA knowing and intending that NJEDA shall rely upon each such representation and warranty and that the truth and accuracy of each such representation and warranty is a material inducement to NJEDA's entering into this Agreement:

A. It is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware;

B. It has all requisite corporate power and authority to execute, deliver, and perform its obligations under this Agreement;

C. The execution, delivery, and performance of this Agreement has been duly authorized by the Board of Directors of L'Oreal; and

D. No approval, authorization, or consent of any governmental or regulatory authority is required to be obtained or made by it in order for it to enter into this Agreement.

IV. Term and Extension Terms: From and after the "Rent Commencement Date" (as defined in Article V below), the term of this Lease shall continue thereafter for a period of Thirty (30) Years ("**Initial Term**").

A. First Ten-Year Extension: Upon provision of written notice to NJEDA at least twelve (12) months prior to the expiration of the Initial Term and provided that L'Oreal is not in default under this Agreement at that time beyond any applicable notice, grace or cure period, L'Oreal may extend the term of this Lease for an additional Ten (10) years ("**First Extended Term**"). Rent during each year of the First Extended Term will be Five Hundred Seventy-Five Thousand ($575,000) dollars, which annual rent shall be paid by L'Oreal to NJEDA in twelve (12) equal monthly installments during each year of the First Extended Term.

B. Second Ten-Year Extension: Upon provision of written notice to NJEDA at least twelve (12) months prior to the expiration of the First Extended Term and provided that L'Oreal is not in default under this Agreement at that time beyond any applicable notice, grace or cure period, L'Oreal may extend the term of this Lease for an additional Ten (10) years ("**Second Extended Term**"). Rent during each year of the Second Extended Term will be Six Hundred Sixty-One Thousand, Two Hundred Fifty ($661,250) dollars, which annual rent shall be paid by L'Oreal to NJEDA in twelve (12) equal monthly installments during each year of the Second Extended Term.

C. Third Ten-Year Extension: Upon provision of written notice to NJEDA at least

twelve (12) months prior to the expiration of the Second Extended Term and provided that L'Oreal is not in default under this Agreement at that time beyond any applicable notice, grace or cure period, L'Oreal may extend the term of this Lease for an additional Ten (10) years (**"Third Extended Term"**). Rent during each year of the Third Extended Term will be Seven Hundred Sixty Thousand, Four Hundred Thirty-Seven and 50/100 ($760,437.50) dollars, which annual rent shall be paid by L'Oreal to NJEDA in twelve (12) equal monthly installments during each year of the Third Extended Term.

V. Rent Commencement Date, Rent and Rental Payments: Subject to risk of loss provided for in Article VIB8 below, rent shall commence to accrue (the **"Rent Commencement Date"**) upon the earlier of: (i) the issuance of a temporary or permanent certificate of occupancy for the First Phase of the Project (so long as the provisions of Article VI B(i) - (vii) below are satisfied), provided, however, if the certificate of occupancy is a temporary one the NJEDA promptly thereafter causes all work to be done in order to obtain and deliver, and that it does promptly thereafter cause to be obtained and delivered, a permanent certificate of occupancy; or (ii) subject to any casualty delaying the completion of the Improvements for the First Phase (which period of delay shall be added to the two (2) year term expressed below) and the force majeure provisions set forth below in Article XXVII (which period of delay shall be added to the two (2) year term expressed below), two (2) years after the Term Commencement Date (as established in accordance with Background Paragraphs 2 D and E of this Agreement).

A. Rent for the first year after the Rent Commencement Date shall be in the amount of Two Hundred Fifty Thousand ($250,000) dollars, which rent is to be deposited with NJEDA in accordance with Background Paragraph 2 B of this Agreement.

B. Rent for the second year after the Rent Commencement Date shall be in the amount of Two Hundred Fifty Thousand ($250,000) dollars, which rent shall be paid by the first anniversary of the Rent Commencement Date if it was not previously pre-paid to NJEDA to extend the time for submitting the Plans and Specifications to DCA in accordance with Background Paragraph 2 C of this Agreement.

C. Rent for the third and fourth years after the Rent Commencement Date shall be in the amount of Two Hundred Fifty Thousand ($250,000) dollars each year, which annual rent shall be paid by L'Oreal to NJEDA in twelve (12) equal monthly installments during each of the third and fourth years after the Rent Commencement Date, respectively.

D. Rent for each of the remaining years of the Initial Term shall be in the amount of Five Hundred Thousand ($500,000) dollars, which annual rent shall be paid by L'Oreal to NJEDA in twelve (12) equal monthly installments during each of the remaining years of the Initial Term.

E. Rent shall be paid to NJEDA without notice or demand and without abatement, adjustment, deductions or set-offs, except as otherwise expressly set forth in this Lease, and in current funds of the United States of America at the address of NJEDA, as set forth in Article XXX, or such other place as may be designated in writing by NJEDA.

F. For any installment of rent payable by L'Oreal which is not paid within fifteen (15) days after written notice given by NJEDA to L'Oreal after the date due, L'Oreal shall be liable to pay to NJEDA a late charge equal to five percent (5%) of such past due amount. Any installment of rent (and/or late charge) that remains unpaid for more than thirty (30) days after written notice given by NJEDA to L'Oreal after the date due, shall accrue interest at the rate of fifteen (15%) percent per annum from and after the original due date of delinquent rental (and/or late charge) payment. Notwithstanding the foregoing, if NJEDA shall give notice two (2) times in any calendar year that rent has not been timely paid, then thereafter for such calendar year, the obligation to pay the late fee shall attach automatically without written notice given by NJEDA if rent is not paid within fifteen (15) days of its due date and the obligation to pay interest on past due rent shall attach automatically if rent is not paid within thirty (30) days of its due date.

VI. Design and Construction of the Improvements: For purposes of this Agreement, "**Improvements**" means all permanent structures, sidewalks, driveways, loading areas, fixtures, equipment used in connection with the operation of building systems, permanently affixed trade fixtures (but not movable trade fixtures or equipment of L'Oreal) and all other improvements shown on or included in the Plans and Specifications (as that term is defined in Background Paragraph 2 B of this Lease) which are to be constructed or located on the Premises, but shall not include any private, public or quasi-public improvements located or to be located adjacent to the Premises or off-site, even if such improvements are necessary for the operation of the Improvements. L'Oreal shall be solely responsible for designing the Improvements as well as all costs and expenses associated with the design of the Improvements. NJEDA, in consideration of the payment to NJEDA of the Developer's Fee provided for below in this Article VI, shall oversee and administer the construction of the Improvements for the First Phase of the Project, in accordance with the terms and conditions of this Agreement.

A. Design: Subject to the provisions of Background Paragraph 2 F above, within 30 months after the end of the Due Diligence Period (subject to extension to 42 months as set forth in Background Paragraph 2 C), (the "**Design Phase**"), L'Oreal shall deliver to DCA Plans and Specifications for construction of Improvements for the First Phase. L'Oreal shall also provide a copy of the Plans and Specifications for the First Phase of the Project to NJEDA. NJEDA makes no representation or warranty as to the adequacy or appropriateness of the design of the Improvements or the Plans and Specifications. L'Oreal shall be solely responsible for ensuring that the design of

the Improvements is appropriate for its intended uses and purposes. All costs associated with preparing or making changes to the Plans and Specification shall be borne exclusively by L'Oreal.

1. The Plans and Specifications shall be prepared in accordance with all applicable laws, regulations, ordinances, and codes. The final version of the Plans and Specifications shall be stamped by a professional engineer or architect, as applicable, licensed by the State of New Jersey.

2. While the NJEDA continues to own the Premises, the NJEDA will administratively approve any Site Plan for each phase of the Project within fifteen (15) business days of submission to NJEDA, provided it complies with the standards set forth in Article VI E, below. NJEDA shall give its approval of the Site Plan for each phase of the Project, or be deemed to have given its approval of the Site Plan for each phase of the Project, unless within the fifteen (15) business day period, NJEDA notifies L'Oreal of the deficiencies in the Site Plan for the phase of the Project of concern that prevent NJEDA from approving the Site Plan, which notice shall state with specificity the deficiencies and the necessary corrections for an approval. This same process shall follow with respect to each submission and re-submission by L'Oreal for Site Plan approval for each phase of the Project. L'Oréal will retain complete design control of the Project. NJEDA will continue to support "Exemption" (as defined below in Subparagraph VIA3) for the Improvements as long as the First Phase continues to meet the parameters described in this Agreement; and subject to Article VID below, for all Improvements concerning subsequent phases of the Project, and shall provide assistance to L'Oreal in obtaining the Commencement Permits and the Approvals applicable to each phase of the Project, at no cost or expense to L'Oreal, including, without limitation, signing applications as owner of the Premises and testifying at hearings for any of the Commencement Permits or the Approvals applicable to each phase of the Project. L'Oreal will, with the assistance of NJEDA, make application to, work with DCA for, and diligently pursue from DCA, Plans and Specifications review and compliance approval in order to obtain building permit(s), all inspections and certificate(s) of occupancy. L'Oréal, at its cost and expense, will also from time to time, and with the assistance of NJEDA, make application to, diligently pursue and work with all other governmental and quasi-governmental authorities to obtain all Approvals, including without limitation, the NJ Department of Environmental Protection ("**NJDEP**"), NJDOT, the County of Middlesex and the Freehold Soils Conservation District, as applicable for each phase of the Project. NJEDA shall not charge L'Oreal any additional fees over and above the Developer's Fee provided for in this Agreement, for its assistance to be provided to L'Oreal pursuant to this Agreement, including without limitation, assisting in obtaining all Approvals

for the First Phase and subsequent phases of the Project, subject to the negotiation of a Developer's Fee for each subsequent phase of the Project if NJEDA is to undertake the role of developer, as provided for in this Lease with respect to the First Phase. Site Plan Approvals shall not be conditioned upon "performance guarantees" pursuant to the MLUL and in no event shall performance guarantees be required of L'Oreal.

3. With respect to the First Phase, NJEDA has taken the position that the First Phase is exempt from: (i) the application of the Land Use Ordinance of the Township of North Brunswick; (ii) the jurisdiction of the Planning Board of the Township of North Brunswick pursuant to the MLUL; and (iii) the jurisdiction of Township of North Brunswick code enforcement officials with respect to the issuance of permits and certificates of occupancy pursuant to and enforcement of the Uniform Construction Code N.J.A.C. 5:23-1 et seq.; (collectively, the "**Exemption**"). The NJEDA shall, with respect to the First Phase of the Project, affirmatively support and assert Exemption with the Township of North Brunswick, the Planning Board of North Brunswick and all relevant Township of North Brunswick officials, provided that the First Phase continues to meet the parameters described in Background Paragraph 1 of this Agreement. Exemption shall be confirmed by way of a tri-party agreement to be entered into between L'Oreal, NJEDA and the Township of North Brunswick on its behalf and on behalf of the Planning Board of the Township of North Brunswick, which tri-party agreement shall be substantially in the form and contain the terms set forth on **Exhibit C** annexed hereto and incorporated herein by reference as if set forth at length.

4. During the Design Phase, and on a time line to be mutually agreed upon by L'Oreal and NJEDA, L'Oreal and NJEDA shall agree in writing on the following: (i) preparation of a form of Request for Qualifications (the "**RFQ**") for submission to prospective Construction Managers, establishing specific qualification criteria of Construction Managers; (ii) posting of the RFQ on NJEDA's web-page and advertising in the Trenton Times and the Newark Star Ledger; (iii) selection, in a fair and reasonable manner, from the respondents to the RFQ of the group to whom an "RFP" (as defined below) shall be submitted; (iv) preparation of a Request for Proposal (the "**RFP**") inclusive of a bid package and specific criteria, including, without limitation, a form of Construction Manager contract consistent with the general terms of this Lease and **Exhibit D** annexed hereto and incorporated herein by reference as if set forth at length, and which shall be in form and substance satisfactory to NJEDA and L'Oreal, (the "**Construction Manager Contract**").

B. Construction: NJEDA shall cause the construction of the Improvements applicable to each relevant phase of the Project with respect to which it is involved to commence

promptly upon L'Oreal giving approval to commence construction pursuant to Subparagraph 2 below and NJEDA shall cause construction of the Improvements applicable to each relevant phase of the Project with respect to which it is involved to be completed with commercially reasonable diligence, as directed by L'Oreal. NJEDA shall, as evidence of the completion of construction of the Improvements applicable to each relevant phase of the Project with respect to which it is involved (the **"Evidence of the Completion of Construction"**), (i) cause the Improvements of each relevant phase of the Project with respect to which it is involved to be constructed (a) in a good, safe, and workmanlike manner with all equipment and materials to be new and of first class quality, (b) in conformity with the Plans and Specifications applicable to each relevant phase of the Project with respect to which it is involved and any "Change of Orders" (as defined in Subparagraph VIB6 below, and (c) in compliance with the Approvals and all applicable laws, regulations, ordinances, and codes of governmental authorities having jurisdiction over the work; (ii) cause all means of ingress and egress contemplated by the Plans and Specifications applicable to each relevant phase of the Project with respect to which it is involved, including, without limitation, means of ingress and egress to all buildings to be constructed on the Premises, and further including without limitation, all parking facilities, driveways and loading areas with respect to each such building, as contemplated by the Plans and Specifications applicable to each relevant phase of the Project with respect to which it is involved, to be completed, available and operational in accordance with the Plans and Specifications applicable to each relevant phase of the Project with respect to which it is involved, as of the delivery to L'Oreal of a certificate of occupancy; (iii) cause ingress and egress to the Premises to both Route 1 North and South, over the access roads that connect to both Route 1 North and South, to be completed, available and operational, with a curb cut along said access roads to the Premises to be completed, available and operational in accordance with the Plans and Specifications applicable to each relevant phase of the Project with respect to which it is involved, as of the delivery to L'Oreal of a certificate of occupancy for the relevant phase of the Project with respect to which it is involved; (iv) ensure that all construction materials and debris are removed from the Premises as of the delivery to L'Oreal of a certificate of occupancy for the relevant phase of the Project with respect to which it is involved; (v) obtain and deliver to L'Oreal a certificate from the Construction Manager certifying that the relevant phase of the Project has been completed in accordance with the Plans and Specifications; (vi) deliver all guarantees and warranties in accordance with the provisions of Subparagraph VIB10 below; and (vii) cause a certificate of occupancy of the relevant phase of the Project for the uses and purposes intended to be delivered to L'Oreal. Within thirty (30) business days after L'Oreal's receipt of Evidence of the Completion of Construction for the relevant phase, L'Oreal shall inspect or cause to be inspected, the Improvements of the relevant phase of the Project involved, for compliance with the Plans and Specifications and any Change Orders and otherwise for consistency with the requirements of this Agreement and within thirty (30) business days thereafter, L'Oreal shall submit to NJEDA a punchlist identifying any portions of the relevant Improvements which are incomplete or defective. Promptly thereafter, NJEDA shall cause the Construction Manager to undertake and complete all work included on the

punchlist, it being understood that NJEDA shall use reasonable efforts to cause all work included on the punchlist to be completed within sixty (60) days thereafter. After L'Oreal re-inspects the same, or causes the same to be re-inspected, NJEDA shall continue to remedy any further defective or incomplete items until all work included on the punchlist is completed in accordance with the terms of this Agreement. If L'Oreal and NJEDA shall fail to reach agreement on the punchlist within fifteen (15) business days following the delivery of the punchlist to NJEDA, NJEDA and L'Oreal shall, within ten (10) business days thereafter jointly appoint an independent architect acceptable to both who shall make such binding determination as promptly thereafter as is reasonably possible as to the appropriateness of any disputed punchlist items. The parties shall agree to a list of not less than three (3) architects prior to the commencement of construction, to serve as an arbitrator of any dispute concerning the punchlist of L'Oreal, as provided for above. NJEDA shall give L'Oreal at least sixty (60) days, but not more than ninety (90) days, notice prior to the date NJEDA reasonably anticipates the issuance of the first of a temporary certificate of occupancy or permanent certificate of occupancy for the First Phase of the Project. If the actual delivery date is not the date stated in the NJEDA's notice due to any postponements by the NJEDA or the Construction Manager, then the NJEDA shall give a new notice of the anticipated date at least ten (10) business days prior to the actual delivery date.

1. Selection of Construction Manager: The NJEDA will enter into the Construction Manager Contract, providing for a pricing mechanism and such other terms and conditions as shall be satisfactory to L'Oreal and NJEDA, to construct the Improvements for the First Phase in accordance with the Plans and Specifications for the First Phase. The NJEDA, with assistance from Atlantic Real Estate Services and L'Oréal's Project Architect and/or Project Manager (as designated by L'Oreal), (the "**Project Representative**"), will be responsible for advertising the RFQ and the RFP. NJEDA will issue the RFQ and, with the assistance of Atlantic Real Estate Services and L'Oréal's Project Representative, will rank the respondents in a fair and non-discriminatory manner and establish a short list of firms to receive an RFP. L'Oreal may exclude any bidder from the short list that does not meet criteria established by L'Oreal and specified in the RFQ. NJEDA will issue the RFP to the short-listed firms, collect and with the assistance of Atlantic Real Estate Services and L'Oreal's Project Representative analyze all bids, and notify L'Oreal of its determination with respect to the lowest responsible bidder. The Construction Manager will be selected by NJEDA, with input from L'Oreal in order to ensure that the Construction Manager and L'Oreal's Project Representative will be compatible and that the Construction Manager is, in the reasonable opinion of L'Oreal both competent and capable of meeting the requirements of the RFP and the Construction Manager Contract. L'Oreal may veto the selection provided there is an objective basis for its veto as reasonably determined by the NJ Attorney General's Office in good faith utilizing the criteria set forth in the RFQ and RFP. If L'Oreal does veto

NJEDA's selection of a Construction Manager, the project will be resubmitted for bid. Selection of the Construction Manager for the Project must also adhere to NJEDA's requirements of: (i) N.J.S.A. 19:44A-20.13 et seq. (restrictions against campaign contributions); and (ii) open and fair public bidding as determined by applicable law and regulation. NJEDA shall enter into the Construction Manager Contract within six (6) months after the completion of the RFP pursuant to this Lease and satisfaction of conditions set forth in Subparagraph VIB3 below.

2. Approval to Start Construction: Within thirty (30) days after the Term Commencement Date, L'Oreal shall: (i) provide to NJEDA written notice of approval to commence construction of the Improvements for the First Phase of the Project; and (ii) deposit with NJEDA the Construction Fund (as defined in Subparagraph VIB3a. below), in accordance with the provisions of Subparagraph VIB3 below. If L'Oréal does not approve the start of construction for the First Phase or make the initial deposit into the Construction Fund in accordance with the provisions of Subparagraph VI B 3 below, within thirty (30) days after the Term Commencement Date, the NJEDA shall have the right to terminate this Lease and retain all of the pre-paid rent provided that NJEDA first provides L'Oreal with written notice of the failure and L'Oreal does not cure the default within fifteen (15) business days after receipt of the written notice. Notwithstanding anything to the contrary set forth in this Agreement, and provided that L'Oreal has completed the Plans and Specifications for the First Phase, L'Oreal may delay by 12 months the NJEDA's right to terminate this Lease as provided for in this Subparagraph VIB2 by paying the second year's rent of $250,000 and if by the end of the 12 month extended period L'Oréal has not approved the start of construction, the NJEDA may terminate this Lease and retain all pre-paid rent provided that NJEDA first provides L'Oreal with written notice of the failure and L'Oreal does not cure the default within fifteen (15) business days after receipt of the written notice. Notwithstanding anything to the contrary set forth in this Lease, at any point prior to L'Oréal approving the start of construction L'Oréal may terminate this Lease in which case L'Oreal would forfeit any and all rent paid to date and thereafter neither party shall have any further responsibility to the other hereunder. The parties shall negotiate terms for notice of approval to commence construction of the Improvements for Additional Phases in which the NJEDA shall be involved as the developer.

3. Construction Funds: A Construction Fund shall be established, maintained and utilized as follows:

a. Prior to the NJEDA signing the construction contract with the Construction Manager in accordance with the provisions of Subparagraph VIB1 above, L'Oréal will establish a construction fund (the "**Construction**

Fund") which shall be deposited into an interest bearing trust account held by NJEDA for the NJEDA to use to pay the Construction Manager's monthly invoices less retainage when signed off on by L'Oréal and L'Oréal's Project Representative. Interest earned on the Construction Fund shall inure to the benefit of L'Oreal, shall either annually be paid to L'Oreal or applied to the ensuing year's additional deposit obligation of L'Oreal as provide for below. The Construction Fund shall be invested by NJEDA into a segregated account within the Cash Management Fund administered by the State of New Jersey

in investments within the parameters regularly followed by the State of New Jersey, at no cost or expense to L'Oreal.

b. The Construction Fund shall initially be established by L'Oreal in an amount sufficient to fully cover construction costs that NJEDA is projected to become committed to pay during the then current calendar year (including, but not limited to, costs of construction and materials, payments for delivery of long lead time materials and construction items and a contingency amount consistent with the terms of the Construction Manager Contract) as reasonably estimated by the Construction Manager in conjunction with L'Oréal's Project Representative. Thereafter, until the Construction Manager Contract is closed out, on each January 2, L'Oreal shall deposit additional funds into the Construction Fund in an amount sufficient to fully cover construction costs that NJEDA is projected to become committed to pay during the next calendar year (including, but not limited to, costs of construction and materials, payments for delivery of long lead time materials and construction items and a contingency amount consistent with the terms of the Construction Manager Contract) as estimated by the Construction Manager in conjunction with L'Oréal's Project Representative. If January 2 falls on a Saturday, Sunday or federal or State of New Jersey legal holiday, then the deposit shall be made on the next business day.

c. During all times until the Construction Manager Contract for the First Phase of the Project is closed out, NJEDA may request that L'Oreal deposit (a "**Supplemental Requisition**") additional funds into the Construction Fund before the end of the then current calendar year. Any and all Supplemental Requisitions shall be accompanied by a justification for its need, an explanation of its reasonableness and a description of anticipated consequence(s) if the Supplemental Requisition is not approved and funded by L'Oreal. In no event, however, shall NJEDA agree to incur any expenses not already provided for in the Construction Manager Contract, nor shall NJEDA agree to pay the Construction Manager sooner than already provided for in the Construction Manager Contract. In addition, NJEDA shall not enter into an agreement that would require a payment from L'Oreal as a Supplemental Requisition that is not approved by L'Oreal, in the reasonable

discretion of L'Oreal, and in no event shall any such agreement be inconsistent with the terms of this Agreement. L'Oreal shall determine whether or not to approve a Supplemental Requisition, which approval shall not be unreasonably denied. Notwithstanding anything to the contrary set ~~forth~~ in this Agreement, L'Oreal shall hold NJEDA harmless and be solely responsible for any and all costs, expenses, delays, penalties, cost overruns or damages arising out of a Supplemental Requisition that is not approved or funded by L'Oreal.

d. During all times until the Construction Manager Contract for the First Phase of the Project is closed out, L'Oréal SA will corporately guarantee funding the balance of the Construction Manager Contract including the cost of any Change Orders, which guaranty shall be in the form and contain the terms set forth on **Exhibit E** annexed hereto and incorporated herein by reference as if set forth at length. The guaranty shall be delivered along with the notice of approval to commence construction as provided for in Subparagraph VIB2 above.

e. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, in lieu of or in conjunction with a cash escrow, L'Oreal shall have the right to satisfy the requirement of funding the Construction Fund or an approved Supplemental Requisition by way of an irrevocable standby letter of credit (alone or in conjunction with a cash escrow) that allows for successive draws against the letter of credit up to the stated amount of the letter of credit provided that the letter of credit is (i) issued by a national bank reasonably satisfactory to NJEDA, (ii) payable immediately upon site draft(s) presented by NJEDA at a location within New Jersey, and (iii) for a term of not less than one (1) year (or the balance of the calendar year in the case of a letter of credit posted to cover an approved Supplemental Requisition). Any such letter of credit shall permit NJEDA to draw upon it for payments due pursuant to the Construction Manager Contract including the cost of any Change Orders. If and whenever L'Oreal elects to satisfy a Construction Fund deposit or an approved Supplemental Requisition by way of a letter of credit, at least ten (10) business days before delivering such letter of credit to NJEDA, L'Oreal shall provide to NJEDA, for its review and approval (which approval shall not be unreasonably conditioned or denied),: (i) the name of the issuing bank, (ii) a specimen form of letter of credit, and (iii) a specimen form of site draft for drawing against the letter of credit.

f. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, any payment to the Construction Manager shall be due and made only after the particular prerequisites to payment provided for in the Construction Manager Contract are satisfied and proof thereof is delivered to L'Oreal. Provided that L'Oreal provides the requisite funds, NJEDA shall

ensure that all Improvements are paid for in full, free and clear of all liens and encumbrances. Prior to payments, NJEDA shall submit to L'Oreal for approval, all invoices from the Construction Manager and if not objected to within ten (10) business days of receipt of such invoice by L'Oreal, such invoice shall be deemed approved.

4. Exemption from Sales Taxes: NJEDA represents, warrants and covenants with L'Oreal that subject to the Sales Tax Repayment Obligation described below, so long as NJEDA owns the Premises, New Jersey State sales tax shall not be payable on the construction of the Project, up to the amount of the "Sales Tax Benefit Ceiling" (defined below). The exemption from New Jersey sales tax is conditioned upon L'Oreal maintaining at least three hundred ninety (390) full time employment positions at the Premises for no less than five full years after the commencement of occupancy of the First Phase of the Project. The amount of sales tax exemption from sale tax herein granted shall be up to $19,500,000 (representing $278,000,000 of sales tax free purchases at the current sales tax rate of 7%) (the "**Sales Tax Benefit Ceiling**"), which sum of $19,500,000 is based upon a maximum of $50,000 per employment position for the 390 full time employment positions at the Premises for no less than five full years after the commencement of occupancy of the First Phase of the Project. In the event L'Oreal fails to fully maintain three hundred ninety (390) full time employment positions at the Premises for a full five years after the commencement of occupancy of the First Phase of the Project, the Sales Tax Benefit Ceiling shall be adjusted on a straight line pro-rata basis based on $50,000 per employment position for the actual number of full time employment positions at the Premises for a full five years after the commencement of occupancy of the First Phase of the Project. By way of example, if L'Oreal only maintained 300 full time employment positions at the Premises during the initial five year period, then the Sales Tax Benefit Ceiling would be based on the sum of 300 full time employment positions times $50,000 per employment position equaling $15,000,000. If L'Oreal's actual exemption of sales tax on the construction of the Project exceeded the Sales Tax Exemption Ceiling then L'Oreal shall be obligated to pay, as additional rent to NJEDA the "Sales Tax Repayment Obligation" (as defined below) on 30-days written demand. The sales tax repayment obligation ("**Sales Tax Repayment Obligation**") shall be an amount calculated based on the difference in the actual amount of sales taxes exempted during the construction of the Project and the Sale Tax Benefit Ceiling. By way of example if the Sales Tax Benefit Ceiling was $15,000,000 (based on $50,000 per 300 full time employment position) and the actual amount of sales tax exempted on the construction of the Project was $16,000,000, then L'Oreal would have a Sales Tax Repayment Obligation of $1,000,000. Any such payment of Sales Tax Repayment Obligation collected by NJEDA shall be promptly forwarded to the New

Jersey Division of Taxation. In no event shall L'Oreal have to pay any costs to the State of New Jersey or any agency thereof with respect to the receipt of the sales tax exemption nor shall L'Oreal have to pay to the State of New Jersey or any agency thereof any percentage of the exemption received by L'Oreal. In the event L'Oreal reaches the Sales Tax Benefit Ceiling and provided the Premises is owned by the NJEDA, L'Oreal shall have the right to make application to the NJEDA for an additional exemption from sales tax in excess of the Sales Tax Benefit Ceiling if and to the extent that L'Oreal

shall maintain more than three hundred ninety (390) full time employment positions at the Premises.

5. Prevailing Wage and Affirmative Action Requirements: The Construction Manager's contract shall provide that all work relating to construction of the Improvements for the First Phase shall be subject to the requirements of the Prevailing Wage Act (N.J.S.A. 34:11-56.25) and affirmative action requirements of NJEDA (N.J.A.C. 17:27).

6. Administration of Construction Contract: NJEDA shall not modify or amend the Plans and Specifications, architectural drawings or the Construction Manager Contract absent the prior written consent of L'Oreal, which consent may be granted or withheld by L'Oreal in its sole and absolute discretion. L'Oreal shall have the right, at any time, to order changes in the Plans and Specifications (**"Change Orders"**). Change Orders shall not affect the Rent Commencement Date. All Change Orders shall be in writing and signed by L'Oreal and the cost of such work shall be paid for by L'Oreal. L'Oreal and its representatives, including without limitation, L'Oreal's Project Representative, shall have continuing access to the Premises during the course of the construction of the Improvements. NJEDA and L'Oreal shall each designate in writing one or two representatives to act on its behalf in dealings with the other party in matters relating to the construction of the Improvements. Each representative shall: (a) attend each project meeting relating to the construction of the Improvements; (b) be qualified to give authorizations, render decisions and take such other action as shall be required at such meetings; and (c) be authorized to approve Change Orders costing not in excess of $25,000 in any one instance. Each party shall be bound by any consents or approvals given by such designated representatives. Either party may, at any time, change its designated representatives by giving notice of a change of designation. The designated representatives shall exert their best efforts to render decisions and take actions in a timely manner so as to avoid unreasonable delay in the completion of the construction of the Improvements.

7. NJEDA's Developer Fee: L'Oréal will pay the NJEDA a $325,000

developer's fee for the First Phase of the Project with 50% due upon issuance of the Commencement Permits for the First Phase and the remaining 50% due upon issuance of a certificate of occupancy for the Improvements for the First Phase of the Project. If L'Oreal desires to have NJEDA oversee any Additional Phases of the Project consistent with the terms of this Agreement, then the parties shall negotiate in good faith a developer's fee for each respective phase of the Project that NJEDA shall oversee.

8. Risk of Damage to Improvements: During the construction of the First Phase, and if NJEDA shall oversee the construction of any Additional Phases of the Project, during the construction of each such Additional Phase, NJEDA shall be responsible for all risk of loss with respect to the Premises and the Improvements being constructed thereon, including, without limitation, all materials, work, installations, equipment, and other items brought upon or installed on the Premises as Improvements and L'Oreal shall have no liability whatsoever in this regard. NJEDA shall obtain and maintain throughout the development process and until delivery to L'Oreal of a certificate of occupancy for the First Phase of the Project, and each Additional Phase that it serves as the developer of, Builder's Risk Insurance, in form, content and amount reasonably satisfactory to L'Oreal, and with an insurance company reasonably satisfactory to L'Oreal, which shall be paid for by L'Oreal either within or outside of the Construction Manager Contract.

9. Completion of Construction: Upon the delivery of the Evidence of the Completion of Construction, as provided for in Subparagraph VIB above, but subject to the completion of any outstanding "punch-list" items in accordance with the provisions of Subparagraph VIB above, NJEDA's responsibility for construction of the Improvements for the then particular phase in question shall be deemed to be completed and, subject only to punch list items that L'Oreal and NJEDA have agreed need to be completed, L'Oreal shall be deemed to have accepted the Premises and the Improvements as finished and satisfactory in all respects and for all purposes for the particular phase in question.

10. Assignment of Construction Warranties: Upon completion of construction of each relevant phase of the Project with respect to which it is involved, NJEDA shall assign to L'Oreal for the mutual benefit of NJEDA and L'Oreal all construction warranties and guarantees obtained by NJEDA in connection with the construction of the Improvements to the extent they are assignable and shall deliver a copy of all warranties and guarantees issued or to be issued with respect to the Improvements to L'Oreal. The contract with the Construction Manager shall include, without limitation, a provision that the warranties and guarantees of the Construction Manager shall inure to the

benefit of both NJEDA and L'Oreal. In addition, the contract with the Construction Manager shall include, without limitation, an agreement to secure from each sub-contractor an agreement that their respective warranties and guarantees shall inure to the benefit of both L'Oreal and the NJEDA. On the Rent Commencement Date, NJEDA shall turn over to L'Oreal a copy of all operating data, manuals, instructions, diagrams and parts' lists relating to the operation, repair, securing, maintenance and replacement of all systems within or concerning the Improvements. NJEDA shall secure from the Construction Manager, without limitation, an agreement to provide or cause to be provided, a training session to L'Oreal on the use and operation of all building mechanical equipment and shall obtain and deliver to L'Oreal a copy of all manuals with respect to the operation of such equipment.

11. Use of Roadway Taking Account and Credit against Rent:

a. The parties acknowledge that constructing and developing the Improvements for the First Phase of the Project and constructing and developing the Improvements for Additional Phases requires off-site, off-tract and on-tract road improvements and other related road work improvements pursuant to the Developer Agreement made between NJDOT and DKM Properties, Inc. dated February 3, 1995 and recorded with the Middlesex County Clerk's Office in Deed Book 4225, at Page 1 et seq., as amended by those certain letters dated October 18, 2004 and October 22, 2004 from NJEDA to Mr. Richard Dube, PE of the NJDOT, (hereinafter, collectively, the **"NJDOT Developer Agreement"**), as such agreement shall be amended with the mutual consent and approval of both L'Oreal and NJEDA as set forth in Background Paragraph 2G.

b. As between NJEDA and L'Oreal, (i) the fair share contribution obligation of NJEDA under the NJDOT Developer Agreement shall be deemed to be Four Hundred Thousand ($400,000) Dollars for up to 300,000 square feet of R&D related use development (the **"Initial Fair Share Contribution"**) and (ii) the fair share contribution obligation of L'Oreal under the NJDOT Developer Agreement shall be deemed to be Two ($2.00) Dollars per square foot of building area constructed in excess of 300,000 square feet of R & D and related use development (the **"Additional Fair Share Contribution"**).

c. NJEDA shall utilize funds in the "Roadway Taking Account" (as defined in Article XIII below) to fund the payment of the Initial Fair Share Contribution. To the extent that there are not sufficient funds in the Roadway Taking Account to fund the payment of the Initial Fair Share Contribution, then L'Oreal shall fund the balance of the Initial Fair Share Contribution and L'Oreal shall be entitled to a credit against rent and/or the Purchase Price in the amount funded by L'Oreal. Said credit shall be applied equally to the five (5) annual rental payments next due and owing under the Lease. If the credit has not been fully satisfied by the end of the five (5) year period, then the remaining credit shall be applied equally to the rental payments due during the remainder of the Initial Term. Notwithstanding the foregoing provisions of this Subparagraph c, if the rent credit has not been fully satisfied by the first to

occur of (i) the purchase of the Property by L'Oreal or (ii) the lump sum rent payment, the remaining credit shall be offset against the Purchase Price or the lump sum rent payment, as the case may be.

d. NJEDA shall have the right to utilize funds in the Roadway Taking Account to pay for the "NJEDA Construction" (as defined in Article X below). To the extent that there are not sufficient funds in the Roadway Taking Account to fund the payment of the NJEDA Construction, then L'Oreal shall fund the balance of the cost and L'Oreal shall be entitled to a credit against rent and/or the Purchase Price in the amount funded by L'Oreal. Said credit shall be applied equally to the five (5) annual rental payments next due and owing under the Lease. If the credit has not been fully satisfied by the end of the five (5) year period, then the remaining credit shall be applied equally to the rental payments due during the remainder of the Initial Term. Notwithstanding the foregoing provisions of this Subparagraph d, if the credit has not been fully satisfied by the first to occur of (i) the purchase of the Property by L'Oreal or (ii) the lump sum rent payment, the remaining credit shall be offset against the Purchase Price or the lump sum rent payment, as the case may be.

C. Additional Phases of the Project: The NJEDA's commitment to oversee construction of Additional Phases of the Project, (if requested by L'Oréal), shall continue for 15 years from receipt of the certificate of occupancy for the First Phase. So long as L'Oréal leases the Premises from the NJEDA and the Project has not been deemed complete, the NJEDA will construct Additional Phases of the Project in a commercially reasonable manner as directed by L'Oréal and in accordance with the terms, conditions and covenants set forth in this Agreement provided that L'Oréal funds the Additional Phase of the Project's development as otherwise described herein. L'Oreal, at its option, shall have the right to not have the NJEDA oversee the construction of any Additional Phases beyond the First Phase of the Project which future expansions L'Oréal may choose to undertake without involvement by NJEDA.

D. Exemption for Additional Phases:

NJEDA shall continue to assert the Exemption for Additional Phases provided that: (i) L'Oreal has not exercised it option to purchase the Premises, (ii) NJEDA will own the Improvements to be constructed, (iii) the Improvements to be constructed will advance the governmental function of NJEDA to preserve and expand employment opportunities in New Jersey as reasonably determined by NJEDA , and (iv) legislation and case law continue to support such position as determined by the Attorney General of the State of New Jersey in good faith. In order for NJEDA to continue to support the Exemption for Additional Phases, the Additional Phases may not be built for speculation and must conform to the standards set forth in Article VI E below.

E. Construction Standards for First Phase and Additional Phases:

1. Approval of the First Phase or Additional Phases by NJEDA shall not require L'Oreal to build to a standard that is more stringent or restrictive than the following:

Total Square Footage:	800,000 s.f.
Building Coverage:	40%
Floor Area Ratio:	None
Max. Bldg. Height:	75feet
Impervious Coverage:	80%
Req'd Parking: R&D:	1 space/500 SF
Office:	1 space/250 SF
W/H:	1 space/1,000 SF
Bldg. Set Backs:	100 feet from Route 1 60 feet from other streets 40 feet each side yard 75 feet rear yard

2. The Building Coverage and Impervious Coverage will be based upon the area of the Premises prior to the Roadway Taking referred to in Article XIII below, notwithstanding the Roadway Taking.

3. So long as the site plans show sufficient space to meet the parking requirements set forth in the above standards, approval of the First Phase and Additional Phases by NJEDA (i) shall not require that L'Oreal build more than the amount of parking actually needed as determined by L'Oreal in its sole discretion, and (ii) should L'Oréal elect to construct parking decks, the footprint of such parking decks shall be counted as impervious coverage but not as building coverage.

VII. Operation of the Premises: From and after the Rent Commencement Date, the Premises and the Improvements shall be operated for the Permitted Uses.

A. Ownership of Improvements: NJEDA shall own the Improvements during the Term of this Lease. However, L'Oreal shall retain depreciation rights for the Improvements.

B. Use and Occupancy by L'Oreal: L'Oreal shall not use or occupy the Premises or the Improvements until DCA has issued a temporary certificate of occupancy for the particular phase of the Project with respect to which construction activity may be

taking place. In the event that temporary certificates of occupancy are issued in stages, L'Oreal shall only occupy the portions or part of the Improvements for which certificate(s) of occupancy have been issued by DCA.

C. Maintenance and Security: From and after the delivery of the Evidence of the Completion of Construction, as provided for in Article VIB above, but subject to the provisions of Article VIB8 above with respect to any Additional Phases of the Project with respect to which NJEDA is undertaking construction and any negligent acts of NJEDA, L'Oreal shall be solely responsible for operating, managing, securing and maintaining the Premises and Improvements in good repair and condition in a commercially reasonable manner. From and after the delivery of the Evidence of the Completion of Construction, as provided for in Article VIB above, L'Oreal shall solely be responsible for payment for all building and property operating expenses and costs and utility charges.

D. Maintenance of Private Access Roads: So long as any of the access roads servicing the Premises remain privately owned, L'Oréal will be responsible for paying a proportionate share of the cost of maintaining said roads during the term of this Lease in accordance with the terms of the relevant easement agreements.

E. Subsequent Alterations and Improvements: L'Oreal shall have the right to make such interior alterations and improvements as it may desire in its sole discretion without the consent of NJEDA. If L'Oreal desires to make any exterior alterations, additions or improvements then L'Oreal shall obtain written approval from NJEDA, which shall not be unreasonably withheld or delayed, and shall be deemed granted unless within ten (10) business days following the request for consent, NJEDA notifies L'Oreal that it is withholding its consent and specifies the basis therefore as well as the requisite changes in the request of L'Oreal that will cause NJEDA to grant its consent to such alterations, additions and improvements. In performing and constructing any subsequent alterations and improvements, L'Oreal must (i) obtain all necessary permits and authorizations and comply with all applicable laws, regulations, ordinances, and codes, subject, however, to NJEDA continuing to support Exemption as provided for in Article VID above, and (ii) comply with the requirements of the Prevailing Wage Act (N.J.S.A. 34:11-56.25) and affirmative action requirements of NJEDA (N.J.A.C. 17:27) to the extent that L'Oreal is utilizing third party contractor(s) for such work but then only with respect to such third party contractor(s).

VIII. L'Oreal's Option to Purchase the Premises. At any time after the fourth anniversary of the Rent Commencement Date, L'Oréal shall have the option to purchase the Premises and the Improvements (the "**Property**") upon ninety (90) days prior written notice to NJEDA. If L'Oreal elects to purchase the Property by the end of the fifth anniversary of the Rent Commencement Date, the purchase price (the "**Purchase Price**") will be Five Million

($5,000,000) dollars. If L'Oreal elects to purchase the Property after the fifth anniversary of the Rent Commencement Date, the Purchase Price shall increase by an amount equal to 100% of the Consumer Price Index – Urban Wage Earners and Clerical Workers – Northeast Urban – All Items - Base Period 1982-84=100 ("**CPI**") escalation from the end of the fifth anniversary of the Rent Commencement Date to the CPI issued closest to the date that L'Oreal exercises the option to purchase. By way of example of the foregoing provision, if the CPI at the end of the fifth anniversary of the Rent Commencement Date is 100 and the CPI issued closest to the date that L'Oreal exercises the option to purchase is 110, then the Purchase Price shall increase by ten (10%) percent.

A. At closing, the NJEDA will convey title to the Property in fee simple with good and marketable title insurable at normal rates and free and clear of all liens, encumbrances and restrictions of record, subject only to the Permitted Encumbrances, as defined in Article XXV below.

B. L'Oreal shall be responsible to pay any and all closing costs normally paid by purchaser to complete said conveyance of title and L'Oreal shall be responsible, at L'Oreal's sole cost [except for cost associated with environmental hazards that have been determined to exist prior to the Rent Commencement Date (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied or have migrated onto the Premises following the Rent Commencement Date (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied)] to comply with any and all environmental laws or requirements triggered by the transfer of title to the Property to L'Oreal.

C. Upon L'Oréal exercising its option to purchase the Property, NJEDA will convey to L'Oreal permanent access rights to the access roads from both Route 1 North and South at no additional cost to L'Oreal. If the access roads remain privately owned, upon purchase of the Property L'Oréal will be responsible for a proportionate share of the cost of maintaining said roads from and after the title closing in accordance with the terms of the relevant easement agreements.

D. Instead of purchasing the Property, L'Oreal shall also have the option at any time after the fourth anniversary of the Rent Commencement Date to pay an amount, which would otherwise be equal to the Purchase Price as adjusted for CPI, if applicable, to extend the lease term for 99 years at a rental of one dollar per year in place of the rent set forth in Article V of this Lease, and in all other respects the terms and conditions of this Lease shall apply to the extended term. Notwithstanding the extension of the Lease by L'Oreal, L'Oreal shall have the continuing option to acquire title to the Property at any time during the extended 99 year term for a purchase price of one dollar, in accordance with the terms of this Article VIII.

E. If L'Oreal exercises its option to purchase provided for herein, then NJEDA shall sell the Property and L'Oreal shall purchase the Property in accordance with the terms and conditions of sale and purchase set forth on **Exhibit "B"** annexed hereto and incorporated herein by reference as if set forth at length.

IX. Taxes: L'Oreal shall pay, prior to the date on which they are due, all taxes, assessments, and special assessments imposed during the term of the Lease on the Premises and Improvements pursuant to its PILOT agreement with the Township of North Brunswick ("**PILOT Payments**") that pertain to the lease term, and any other taxes, assessments, and special assessments which may be imposed during the term of the Lease by any other governmental entity with jurisdiction over the Premises and Improvements that pertain to the lease term. L'Oreal shall be solely responsible for negotiating such PILOT agreement with the Township of North Brunswick; however, NJEDA will provide its assistance in that process. Notwithstanding anything to the contrary set forth herein, in the event that any of the foregoing payments are payable in installments, then L'Oreal shall have the right to elect to structure the payment of such obligations in the greatest number of installments permissible and shall only be responsible to actually pay those installments that fall due during the term of the Lease.

A. Contest: Subject to the following conditions, L'Oreal shall have the right to contest any PILOT rate calculation, as well as any other tax, assessment, or special assessment imposed on the Premises and/or the Improvements during the term of this Agreement, and NJEDA shall, reasonably assist L'Oreal in such activities, at no cost or expense to L'Oreal, including, without limitation, giving testimony:

1. L'Oreal shall be solely responsible for all costs and expenses associated with a contest;

2. L'Oreal shall provide written notice to NJEDA of the contest, including a description of the nature and amount of the payment, tax or assessment it plans to contest;

3. L'Oreal shall provide NJEDA with a copy of all notices concerning the contest promptly after receipt thereof by L'Oreal;

4. L'Oreal shall prosecute said contest by appropriate legal proceedings conducted in good faith and with due diligence;

5. L'Oreal shall not defer payment of the contested tax or assessment, unless prosecution of the contest will operate to suspend the collection thereof until a final determination has been reached;

6. The contest will not subject NJEDA to civil or criminal liability; and

7. In the event that L'Oreal elects to suspend a contest or receives a final adverse judgment in the contest, it shall immediately pay the tax or assessment.

X. Access to the Premises:

a. NJEDA covenants with L'Oreal that, subject to NJDOT's rights to temporarily limit access to Route 1 during the performance of the NJDOT 6V Project or permanently alter access to Route 1 in accordance with the plans for the NJDOT 6V Project, during the period of construction of the Improvements and throughout the term of this Lease, L'Oreal, its agents, employees, representatives and invitees shall have the uninterrupted right to utilize the access roads that connect the Premises to both Route 1 North and South.

b. NJEDA further covenants with L'Oreal that if by the time a certificate of occupancy for the First Phase has been issued, the NJDOT has not made or is not under construction of the off-site, off-tract and on-tract road improvements and other related road work improvements required by the NJDOT Developer Agreement, then the NJEDA shall, at no cost to L'Oreal, complete within one year of the issuance of said Certificate of Occupancy, the off-site, off-tract and on-tract road improvements and other related road work improvements necessary for completion of the level of development represented by the First Phase so as to present a suitable entrance to a world-class research and development facility reasonably satisfactory to L'Oreal (the "**NJEDA Construction**"). Completion of the additional Route 1 northbound travel lane, as required by the NJDOT Developer Agreement and certain improvements to the Route 1 underpass, (including, without limitation, paving two lanes, general cleanup, deferred maintenance, cosmetic changes and landscaping, but not including the bridge abutment modification referred to in the Consent Agreement) so as to present a suitable entrance to a world-class research and development facility shall be deemed necessary for completion of the level of development represented by the First Phase so as to present a suitable entrance to a world class research and development facility. L'Oreal shall promptly fund the cost of the NJEDA Construction after exhaustion of the Roadway Taking Account and L'Oreal shall be entitled to a credit against rent and/or the Purchase Price in the amount of all sums incurred by L'Oreal with respect to NJEDA Construction, all as provided for in Article VIB11 above. If the road work improvements necessary for completion of the level of development represented by the First Phase so as to present a suitable entrance to a world-class research and development facility are not completed within one (1) year of the issuance of the Certificate of Occupancy, rent shall abate until completion of such work.

c. Notwithstanding the foregoing, if all or a part of the NJEDA Construction is required to be undertaken sooner than within one (1) year of the issuance of the Certificate of

Occupancy in order to comply with the NJDOT Developer Agreement, then NJEDA shall perform the NJEDA Construction sooner so as to be in compliance with the NJDOT Developer Agreement.

XI. Waste: L'Oreal shall not cause or permit any material waste or damage to the Premises or the Improvements during the term of this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, (a) in no event shall L'Oreal have any obligation to rebuild the Improvements damaged or destroyed as a result of a casualty, provided, however, that L'Oreal shall demolish and remove the damaged and destroyed Improvements and restore the land to the extent that L'Oreal does not rebuild, and (b) in the event of the damage or destruction of the Improvements, L'Oreal shall have the right to terminate this Lease upon notice to NJEDA.

XII. Return of the Premises: Prior to the expiration or termination of this Agreement other than by a sale of the Property to L'Oreal pursuant to this Agreement, L'Oreal shall remove all personal property, equipment, and movable trade fixtures from the Premises. On the date of expiration or termination of this Agreement, L'Oreal shall surrender and deliver the Premises to NJEDA. Upon expiration or termination of the Agreement, L'Oreal shall have no further rights to the Improvements and shall not be entitled to any compensation therefore. The provisions of this Paragraph shall survive the expiration or termination of this Lease.

XIII. Condemnation: The parties acknowledge that the NJDOT contemplates a temporary construction taking and a permanent taking of a section of the Premises along Route 1 as more fully shown on the drawings annexed hereto as **Exhibit "F"** and incorporated herein by reference as if set forth at length (which temporary construction taking and permanent taking, as reasonably modified by the NJDOT is referred to herein as the "**Roadway Taking**") in conjunction with the performance by NJDOT of the Section 6V improvements to Route 1 as more fully shown on **Exhibit "F"** (the "**NJDOT 6V Project**"). The proceeds paid by NJDOT for the Roadway Taking shall be deposited by NJEDA into an interest bearing trust account (the "**Roadway Taking Account**") held by NJEDA for use to pay fair share contributions in accordance with the requirements of the NJDOT Developer Agreement or the NJEDA Construction. The Roadway Taking Account shall be invested by NJEDA into the Cash Management Fund administered by the State of New Jersey with interest inuring to the benefit of the Roadway Taking Account. In addition, the NJEDA shall use good faith efforts to cause the NJDOT (a) to condemn all signage rights with respect to currently existing signage within the area of the Roadway Taking, (b) not to grant any signage rights to any party within the Roadway Taking other than L'Oreal and (c) to grant to L'Oreal reasonable signage rights within the Roadway Taking. NJEDA shall not agree to the amount or form of consideration to be paid by NJDOT for the Roadway Taking or any modification of the temporary construction taking and a permanent taking of a section of the Premises along Route 1 as more fully shown on the drawings annexed hereto as **Exhibit "F"** without the prior written consent of L'Oreal, which consent shall not be unreasonably withheld.

If the whole of the Premises shall be taken by condemnation or other eminent domain proceedings pursuant to any law, this Agreement shall terminate as of the date that possession has been taken, and neither party shall have any further rights or liabilities hereunder except as provided below with respect to the award for such taking. If only a portion of the Premises shall be taken by condemnation or other eminent domain proceeding so as to have a material adverse effect on the operation of the Premises or the Improvements or the use thereof by L'Oreal as a world class R&D facility or other uses provided for in this Agreement, including, without limitation parking at the Premises, or if as a result of any such taking, L'Oreal's rights of ingress and egress to and from the Premises are terminated or substantially impaired thereby, or if the construction of the Improvements is substantially interfered with or delayed, L'Oreal shall have the right to terminate this Lease upon not less than thirty (30) days prior notice to NJEDA.

A. Right to Award: Except for the Roadway Taking described above, in the event either the whole or a part of the Premises is taken by condemnation or eminent domain proceedings, L'Oreal shall be solely entitled to apply for and prosecute any claim for such taking. NJEDA shall cooperate with L'Oreal to the fullest extent in any such proceedings. In addition, NJEDA shall have the right, at its sole cost and expense, to join in the condemnation proceeding as it affects NJEDA's ownership of the Premises. If an award is granted as the result of such proceedings, the award shall be distributed in the following manner: (i) first, if this Lease is not terminated and L'Oreal's rights of ingress and egress to and from the Premises are impaired as a result of such taking, the condemnation award shall be used to restore L'Oreal's rights of ingress and egress to the extent reasonably possible; and (ii) second, the balance of the award shall belong to L'Oreal. The entire amount of award for relocation costs and expenses shall be paid exclusively to L'Oreal.

XIV. Net Ground Lease: The parties agree that this Agreement is a net ground lease and that except as otherwise provided in this Agreement, all costs of tenancy, including, but not limited to, environmental remediation for conditions arising from and after the delivery to L'Oreal of a certificate of occupancy for the Improvements (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) and not otherwise migrating onto the Premises, site preparation, construction, utilities, maintenance, operation, and security, shall be paid by L'Oreal. Such costs shall be in addition to all other payments required by this Agreement.

XV. Default by L'Oreal: The following shall constitute an event of default ("**Event of Default**") under this Agreement:

A. Failure to make the deposits required of L'Oreal pursuant to Background Paragraph 2 B following receipt of fifteen (15) days written notice thereof.

B. Failure to pay rent, utilities, taxes or PILOT Payments on or before the date it is due,

with said failure continuing for a period of thirty (30) consecutive days following receipt of written notice thereof; or

C. Failure to operate the Premises for the uses permitted under this Agreement, with such failure continuing for a period of sixty (60) days after L'Oreal receives written notice from NJEDA; *provided* that the continuation of the failure for sixty (60) days or longer after receipt of the notice shall not constitute an event of default if such failure cannot reasonably be cured within that sixty (60) day period, but L'Oreal commences such cure within the sixty (60) day period and diligently and continuously prosecutes the cure of such failure.

D. Failure to timely perform any other material obligation under this Agreement, with such failure continuing for a period of ninety (90) days after L'Oreal receives written notice from NJEDA; *provided* that the continuation of the failure for ninety (90) days or longer after receipt of the notice shall not constitute an event of default if such failure cannot reasonably be cured within that ninety (90) day period, but L'Oreal commences such cure within the ninety (90) day period and diligently and continuously prosecutes the cure of such failure.

XVI. Remedies for L'Oreal's Default: Upon the happening of an Event of Default by L'Oreal, NJEDA shall have the right to terminate this Agreement upon provision of ninety (90) days written notice to L'Oreal and to all other remedies available at law or in equity. In the event that NJEDA terminates this Agreement, all rights and interest of L'Oreal in the Premises and Improvements shall cease and expire in the same manner and with the same force and effect as if the date specified in such notice of termination was the date originally specified herein for the expiration of this Agreement. In the event of such termination, L'Oreal shall pay to NJEDA an amount equal to all rent, utilities, taxes or PILOT Payments which are due and payable as of the date of such termination.

XVII. Default by NJEDA: If NJEDA defaults in the performance of any of its obligations under this Agreement and such default continues for a period of more than thirty (30) days after receipt of written notice from L'Oreal specifying such default, *provided* that the continuation of the default for thirty (30) days or longer after receipt of the notice shall not constitute an event of default if such failure cannot reasonably be cured within that thirty (30) day period, but NJEDA commences such cure within the thirty (30) day period and diligently and continuously prosecutes the cure of such failure, L'Oreal may, in addition to any other remedy available at law or in equity, upon ten (10) days prior written notice, incur any expense necessary to perform the obligation of NJEDA specified in such notice and invoice NJEDA for same. If NJEDA fails to reimburse the aforesaid costs within ten (10) days of receipt of the invoice, then notwithstanding anything to the contrary set forth in this Agreement, L'Oreal may, in addition to any other remedy available at law or in equity, offset the amount against the next payment of rent or the Purchase Price in the event of a purchase of the Property pursuant to this Agreement. The provisions of this Article XVII shall survive the expiration or earlier termination of this Lease.

XVIII. Construction Liens: Neither L'Oreal nor NJEDA shall permit any construction lien or notice of unpaid balance to be filed against all or any part of the Premises or the Improvements, or the interest of NJEDA or L'Oreal in the Premises or the Improvements, by reason of any work, labor, services or materials supplied to L'Oreal, NJEDA, the Premises or the Improvements or any part thereof. If any such construction lien or notice of unpaid balance shall be filed at any time, the party responsible shall cause the same to be discharged within ten (10) days; provided, however, if the responsible party shall promptly bond the entire amount of such lien with a responsible surety company, then such party may contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings, diligently prosecuted, and such contest shall defer for its duration such party's duty hereunder to discharge the same. Upon request by such responsible party, the other party shall, at no cost to it, execute and deliver any and all such documents and take any and all such other action as shall be reasonably necessary or proper to permit the responsible party to bring such proceedings.

XIX. Legal Compliance: L'Oreal shall comply with all laws, regulations, ordinances, and codes which govern its use and operation of the Premises; however, L'Oreal shall not have any responsibility for any condition on or affecting the Premises that existed prior to the Rent Commencement Date. Notwithstanding the foregoing, or anything to the contrary set forth in this Agreement, L'Oreal shall have the right to challenge any alleged non-compliance and to assert any claim it may have against any responsible party with respect to such alleged non-compliance. The provisions of this Article XIX do not apply to environmental matters, which are addressed below in Article XXII.

XX. Not A Joint Venture: Nothing herein contained shall be construed as creating or constituting NJEDA and L'Oreal as co-partners or joint venturers, nor shall anything herein contained be construed in any manner so as to make NJEDA or L'Oreal liable for any debts, defaults, obligations or losses of the other.

XXI. Indemnification: L'Oreal agrees to defend, indemnify, protect, save and hold harmless the NJEDA, its officers, commissioners, directors, members, agents, servants and employees from and against any and all suits, claims, demands or damages, of whatsoever kind or nature to the extent arising after L'Oreal takes occupancy of the First Phase under this Agreement and from any Event of Default or an injury to any person or property occurring on the Premises not due to the acts or omissions of the NJEDA, its officers, commissioners, directors, members, agents, servants and employees, including but not limited to reasonable costs of investigation, expert witnesses and counsel fees. The provisions of this paragraph shall survive the expiration or earlier termination of this Lease.

XXII. Environmental Matters:

A. NJEDA at its expense and throughout the term of this Agreement, will provide L'Oréal with $1,000,000 of coverage on a Pollution Legal Liability Insurance Policy,

in form and substance satisfactory to L'Oreal, which shall be effective at the expiration of the Due Diligence Period and cover L'Oréal against any pre-existing environmental conditions, including, without limitation, conditions migrating onto the Premises. The initial Pollution Legal Liability Insurance Policy shall be for a minimum term of five (5) years. The NJEDA will be responsible for any deductible payment on said Pollution Legal Liability Insurance Policy. NJEDA shall not hold L'Oreal responsible for any environmental condition that exists on or before the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) or for conditions migrating onto the Premises. L'Oreal shall deliver to the NJEDA a copy of all environmental reports from L'Oreal's environmental consultants which NJEDA shall provide to the carrier providing the Pollution Legal Liability Insurance Policy, so that the facts contained within the reports can be included in the underwriting process of the carrier.

B. From and after the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied), but subject to the right of L'Oreal to challenge any alleged non-compliance, L'Oreal shall comply with all applicable "Environmental Laws" with respect to L'Oreal's possession, use and occupancy of the Premises; however, in no event shall L'Oreal be in any way responsible for any environmental condition that exists on or before the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) or for conditions migrating onto the Premises. "**Environmental Laws**" shall mean the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 98-489, 100 Stat 1613, 1986); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6801 et seq.; Toxic Substances Control Act, 15 U.S.C. Section 2601; the Clean Water Act, 33 U.S.C. Section 407 et seq.; the Clean Air Act, 42 U.S.C. Section 7901 et seq.; the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. ("**ISRA**") and any and all applicable present or future federal, state or local laws, statutes, ordinances, regulations, executive orders or orders of local code officials in any way related to the protection of human health, safety or the environment as applicable to the Premises or any activities conducted thereon by L'Oreal.

C. At the expiration or earlier termination of this Lease, L'Oreal shall surrender the Premises and Improvements to NJEDA in compliance with all applicable Environmental Laws applicable to L'Oreal's particular use of the Premises and Improvements; provided, however, in no event shall L'Oreal be responsible for any

environmental condition that exists on or before the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) or migrates onto the Premises.

D. L'Oreal agrees to defend, indemnify, protect, save, and hold harmless the NJEDA from and against any and all liability, damage, costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court costs, incurred by NJEDA as a result of any hazardous substance, hazardous materials or hazardous wastes discharged on, under or in the Premises after the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied), in violation of Environmental Laws; provided, however, in no event shall L'Oreal be responsible for any environmental condition that migrates onto the Premises. The provisions of this paragraph shall survive expiration or earlier termination of this Lease.

XXIII. Insurance: To the extent offered by insurance companies authorized to do business in the State of New Jersey on commercially reasonable terms and at commercially reasonable rates, L'Oreal must provide evidence of insurance of the prescribed types and minimum amounts set forth below. Unless otherwise specifically noted below, all insurance policies required shall be maintained in full force from and after the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) until the expiration or termination of this Agreement. Each policy shall contain the provision that there will be thirty (30) days' prior written notice given to NJEDA in the event of cancellation of or material change in the policy. The words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the insurance company, its agents or representatives" shall be deleted from the certificate form's cancellation provision. Failure of NJEDA to demand such certificate or other evidence of full compliance with the insurance requirements set forth in this Lease or failure of NJEDA to identify a deficiency in evidence of insurance coverage that is provided hereunder shall not be construed as a waiver of L'Oreal's obligation to maintain such insurance. If L'Oreal fails to maintain the insurance as set forth in this Lease, NJEDA shall have the right, but not the obligation, to purchase said insurance at L'Oreal's expense. By requiring insurance herein, NJEDA does not represent that coverage and limits will necessarily be adequate to protect L'Oreal and such coverage and limits shall not be deemed to be a limitation on L'Oreal's liability under the indemnities granted to NJEDA in this Lease. L'Oreal shall have the right to request that NJEDA accept a self-insurance program by L'Oreal, which shall be considered by NJEDA in good faith.

A. From and after the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are

satisfied), L'Oreal shall furnish NJEDA with insurance certificates evidencing that the required coverage is in force. Upon request of the NJEDA, L'Oreal shall make available at its offices and to the NJEDA for examination and copying, the original or true copy of the insurance policies. NJEDA shall not be liable for the payment of any premiums, deductibles, claims or co-insurance under the foregoing.

B. The insurance companies indicated in the certificates shall be authorized to do business in the State of New Jersey with a current A.M. Best rating of no less than A-/VI. Neither approval by NJEDA nor failure to disapprove insurance certificates furnished by L'Oreal shall release L'Oreal of full responsibility for all liability as set forth in Article XXI above.

C. The minimum requirements of insurance to be carried by L'Oreal shall be as follows:

1. Workers' Compensation and Employers Liability Insurance:

a. Coverage A, Workers' Compensation - Statutory benefits as required by the Workers' Compensation Laws of the State of New Jersey, and reference to such compliance made on all certificates of insurance.

b. Coverage B, Employer's Liability - One Million Dollars ($1,000,000). If applicable, coverage shall include employment under the United States Longshoremen's and Harbor Workers' Compensation Act and Maritime Employment under the Jones Act; and certificates provided shall so indicate.

2. Commercial General Liability Insurance:

a. Commercial General Liability Insurance in an amount not less than Three Million Dollars ($3,000,000) each occurrence, or the equivalent, as respects Bodily and Personal Injury and Property Damage in any one occurrence/Five Million Dollars ($5,000,000) aggregate.

b. Contractual Liability Insurance to include coverage for the liabilities assumed under the indemnification clause entitled, "Indemnification" and located at Article XXI, in an amount not less than Five Million Dollars ($5,000,000).

c. The coverage provided shall include Premises, Operations, Product Liability, Broad Form property damage, independent contractors products/completed operations, personal injury and advertising injury and liability assumed under an insured contract. If applicable, the coverage provided shall include protection against "X" "Explosion",

"C" "Collapse", and "U" "Underground.

d. L'Oreal shall name NJEDA as an Additional Insured on all Commercial General Liability and Umbrella Liability Policies.

e. L'Oreal waives all rights against NJEDA and its agents, officers, directors, members and employees for recovery of damages to the extent these damages are covered by the Commercial General Liability or Commercial Umbrella Liability insurance maintained by L'Oreal pursuant to this Lease. NJEDA waives all rights against L'Oreal and its agents, officers, directors, shareholders, members and employees for recovery of damages to the extent these damages are covered by the Commercial General Liability or Commercial Umbrella Liability insurance maintained by NJEDA.

3. Business Automobile Insurance:

a. To provide coverage for any automobile including all owned, non-owned, hired, leased, and rented vehicles and automotive construction equipment: Liability Insurance in an amount not less than One Million Dollars ($1,000,000) combined single limit for Bodily Injury and Property Damage in any one accident. Coverage to include contractual liability insurance for the liabilities assumed under the indemnification clause entitled, "Indemnification", for claims resulting from the ownership and/or operation of vehicles and automotive equipment described above.

b. L'Oreal waives all rights against NJEDA and its agents, officers, directors, members and employees for recovery of damages to the extent these damages are covered by the Business Automobile Liability or Commercial Umbrella Liability insurance maintained by L'Oreal pursuant this Lease. NJEDA waives all rights against L'Oreal and its agents, officers, directors, shareholders, members and employees for recovery of damages to the extent these damages are covered by the Business Automobile Liability or Commercial Umbrella Liability insurance maintained by NJEDA.

4. Property Insurance:

a. From and after the date of the delivery of the certificate of occupancy for the Improvements for the First Phase of the Project (so long as the provisions of Article VIB(i) – (vii) above are satisfied, and if not, then on such latter date when they are satisfied) and thereafter during the Lease term, L'Oreal agrees to provide, without cost or expense to

NJEDA, Property Insurance in an amount equal to 100 percent of the full replacement cost of the Improvements and providing for protection against the perils insured under the ISO special causes of loss form CP 10 30 00 (or a substitute providing equivalent terms and conditions), including flood and earthquake, with a deductible amount of not more than $1,000,000. All such policies required by this subparagraph shall name L'Oreal as named insured and loss payee. NJEDA waives all rights against L'Oreal and its agents, officers, directors, shareholders, members and employees for recovery of damages to the extent these damages are covered by the Property Insurance maintained by NJEDA.

5. Excess Liability Insurance:

a. Excess Liability Insurance in an amount not less than Five Million Dollars ($5,000,000).

6. Architecture's General Liability Insurance:

a. L'Oreal shall cause NJEDA to be named as an Additional Insured under the architecture's general liability insurance coverage obtained and maintained by the architectural firm hired by L'Oreal to prepare the Plans and Specifications.

D. Primary & Non-Contributory Insurance: The insurance policies identified in Article XXIIIC1 through Article XXIIIC3 and Article XXIIIC5, if applicable, shall include an endorsement stating that the coverage afforded the Additional Insured will be primary to any other coverage available to them. Additionally, the coverage specified in this document will be non-contributory on the part of NJEDA and as such, NJEDA shall not be liable for the payment of any premiums, deductibles, claims or co-insurance under the foregoing.

E. Certificates of Insurance: Certificate of insurance shall be provided to NJEDA in accordance with this Article XXIII. All Certificates of Insurance shall indicate, in the Special Items Section, that the insurance policies outlined in this Subsection will contain the applicable endorsements as follows: (1) an Additional Insured Endorsement and (2) a Primary Insurance Endorsement.

XXIV. Quiet Enjoyment: NJEDA covenants and agrees that L'Oreal, upon paying Rent and performing and observing all of the covenants, conditions and agreements hereof, shall and may peaceably hold and enjoy the Premises during the term of this Agreement. NJEDA shall not place any financing on the Premises or otherwise encumber title to the Premises or the Improvements.

XXV. Permitted Encumbrances: The Premises is being leased and L'Oreal agrees to accept the Premises subject to the following encumbrances to the extent that they impact the Premises which encumbrances shall be deemed to be **"Permitted Encumbrances"** under this Lease:

A. All matters set forth in **Exhibit "G"** annexed hereto and incorporated herein by reference as if set forth at length.

XXVI. Estoppel Certificates: NJEDA and L'Oreal agree, from time to time, upon not less than twenty (20) days prior notice from the other, to execute, acknowledge and deliver to the other a statement in writing certifying the following to the extent true:

A. That this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications);

B. Whether or not there are then existing any off-sets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of NJEDA or L'Oreal to be performed (and if so specifying the same);

C. The dates to which the rent has been paid in advance, if any; and

D. Any other matters that may be requested by the other or a mortgagee, it being intended that any such statement delivered pursuant to this Article XXVI may be relied upon by any Leasehold Mortgagee of the Premises.

XXVII. Force Majeure: Whenever a period of time is herein prescribed for the taking or performing of any action, including, without limitation, the Rent Commencement Date, NJEDA or L'Oreal, as the case may be, shall not be liable or responsible for delays due to governmental action or lack thereof, shortages or unavailability of materials and/or supplies, labor disputes, strikes, slow downs, job actions, picketing, secondary boycotts, fire or other casualty, acts of God, requests of any governmental agencies or authorities, court or administrative orders or regulations, acts of declared or undeclared war, public disorder, terrorist act, riot or civil commotion.

XXVIII. Assignment and Subletting:

A. L'Oréal may sublet or assign the Lease without NJEDA approval to any "related, affiliate or successor entity" provided L'Oréal gives NJEDA 10 days prior written notice of any such assignment or subletting. As used in this Article XXVIII, **"related, affiliate or successor entity"** includes (i) an entity which controls, is controlled by or is under common control with L'Oreal, or (ii) an entity into which L'Oreal is merged or consolidated, or (iii) an entity acquiring all or substantially of

L'Oreal's stock or all or substantially all of L'Oreal's business or assets, or (iv) a subsidiary corporation of L'Oreal.

B. So long as L'Oréal remains fully liable under the Lease, L'Oréal may sublet or assign the Lease to any third party with NJEDA's approval not to be unreasonably withheld, delayed or qualified. It shall be deemed unreasonable for NJEDA to withhold, delay or qualify its approval if such assignment or sublease meets all of the following conditions: (i) no Event of Default exists with respect to L'Oreal's obligations under this Lease; (ii) the assignee assumes all of the obligations of L'Oreal under this Lease from and after the date of the assignment, or the sublessee agrees to be subject to all of the terms and conditions of this Lease; and (iii) such assignment or sublease only permits uses that are consistent with the uses permitted under this Lease. If NJEDA does not disapprove any request for subletting or assignment within 10 business days of written request, it shall be deemed automatically approved. If NJEDA does disapprove any request for subletting or assignment, it shall do so in writing setting forth with particularity the reasons for the disapproval. NJEDA may withhold its approval of any request to sublet or assign to an entity of the State of New Jersey or an entity the NJEDA would normally not be allowed to do business with as set forth in N.J.A.C. 19:30-2.1 through 2.7. Upon completing such an assignment or sublease transaction, L'Oreal shall promptly furnish to NJEDA an executed copy of the assignment or sublease and the assignee or sublessee shall promptly furnish to NJEDA: (y) proof of insurance as outlined in Article XXIII above, and (z) a list of assignee's/sublessee's actual and intended activities at the Premises.

C. In no event shall any assignment or subletting of this Lease occur before a temporary certificate of occupancy is issued for the First Phase of the Project.

D. NJEDA will not charge L'Oréal any fees for approving any subletting or assignment and will not have any recapture or sharing of profit rights or rights to restrict the Lease.

E. In the event L'Oréal sublets or assigns the lease to any third party other than a related, affiliate or successor entity before the fifth anniversary of the initial occupancy of the First Phase of the Project, L'Oreal shall pay to NJEDA a Sales Tax Repayment Obligation calculated pursuant to Article VI B 4.

XXIX. Application of Laws: This Agreement shall be interpreted under and governed by the laws of the State of New Jersey. Any and all claims based in tort made by L'Oreal against NJEDA for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.). Any and all claims based in contract made by L'Oreal against NJEDA for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).

XXX. Notices: All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when mailed by certified mail, return receipt requested, addressed to the intended recipient as follows:
If to L'Oreal:

L'Oreal USA Products, Inc.
575 Fifth Avenue
New York, New York 10017
Attention: General Counsel

With a copy to:

L'Oreal USA Products, Inc.
575 Fifth Avenue
New York, New York 10017
Attention: Christopher Corbett, Esq.

With a copy to:

Atlantic Real Estate Services
5 Brier Road
Whitehouse Station, New Jersey 08889
Attention: Edward Dudzinski

With a copy to:

Farer Fersko
A Professional Association
600 South Avenue
P.O. Box 580
Westfield, New Jersey 07091-0580
Attention: Jack Fersko, Esq.

If to NJEDA:

Director of Real Estate Development
New Jersey Economic Development Authority
39 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990

With copy to:

Edward Pillsbury, Deputy Attorney General
New Jersey Division of Law
Hughes Justice Complex
25 Market Street
P.O. Box 106
Trenton, New Jersey 08625-0106

The parties or Leasehold Mortgagees may change the address to which notices are sent at any time by sending notice of the new address to all other parties and Leasehold Mortgagees pursuant to the procedure set forth in this Article.

XXXI. Broker's Commission: Each of the parties represents and warrants to the other that it has not dealt with any broker or agent in negotiation for or obtaining this Agreement other than Atlantic Real Estate Services (the **"Broker"**) and there are no claims for brokerage commissions or finder's fees in connection with the execution of this Agreement except those described in this Article XXXI. By separate agreement between L'Oreal and Broker, L'Oreal has agreed to pay Broker a commission for all of the transactions contemplated by this Agreement. The provisions of this Paragraph shall survive the expiration or termination of this Agreement.

XXXII. Annual Reports to NJEDA: Commencing one year after the opening of the Premises for business by L'Oreal and on the anniversary of such date during the term of this Agreement, L'Oreal shall provide written reports to NJEDA of the total number of employees who were employed at the Premises during the past twelve (12) months.

XXXIII. Political Campaign Contributions:

A. For the purpose of this Article XXXIII, the following shall be defined as follows:

1. **"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.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Currently, contributions in excess of $300 during a reporting period are deemed "reportable" under these laws.

2. **"Business Entity"** - means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (i) all 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, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

3. P.L. 2005, c. 51 means Public Law 2005, chapter 51. 19:44A-20.13 through C. 19:44A-20.25, inclusive).

B. 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 L'Oreal shall be a material term of this Agreement.

C. L'Oreal hereby certifies to the NJEDA that commencing on and after October 15, 2004, L'Oreal (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 L'Oreal and the NJEDA pursuant to P.L. 2005, c. 51. L'Oreal hereby further certifies to the NJEDA that any and all certifications and disclosures delivered to the NJEDA by L'Oreal (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 determines that any Contribution has been made in violation of P.L. 2005, c. 51, the NJEDA shall have the right to declare this Agreement to be in default.

D. L'Oreal hereby covenants that L'Oreal (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 Article XXXIII 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 L'Oreal (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 NJEDA shall have the right to declare this Agreement to be in default.

E. In addition to any other Event of Default specified in this Agreement, the NJEDA shall have the right to declare an Event of Default under this Agreement if: (i) L'Oreal (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) L'Oreal (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) L'Oreal (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) L'Oreal (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) L'Oreal (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 L'Oreal (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) L'Oreal (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) L'Oreal (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) L'Oreal (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 L'Oreal to the NJEDA in connection with this Agreement.

F. L'Oreal hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, L'Oreal 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 throughout the term of this Lease, any Contribution is made by L'Oreal 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 NJEDA shall have the right to declare this Agreement to be in default.

G. L'Oreal is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC"), pursuant to C. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if L'Oreal receives contracts in excess of $50,000 from a public entity in a calendar year. It is L'Oreal's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

XXXIV. The Artken Consent Agreement: Reference is made to the Consent Agreement, as such agreement shall be amended with the mutual consent and approval of both L'Oreal and NJEDA as set forth in Background Paragraph 2H. If at the time that L'Oreal applies for building permits for in excess of 300,000 square feet of development at the Premises, NJDOT has not yet entered into construction contract(s) for the performance of bridge abutment modifications sufficient to satisfy the Consent Agreement obligation, then L'Oreal shall fund payment of the costs associated with the bridge abutment modifications required to satisfy the Consent Agreement, including, without limitation, all construction costs, architect and engineering fees, professional and expert fees and permit fees and expenses, (the "**Bridge Abutment Modification Expenses**"); however, L'Oreal shall be entitled to a credit against rent and/or the Purchase Price in the amount of one-half of the Bridge Abutment Modification Expenses. Said credit shall be applied equally to the six (6) annual rental payments next due and owing under the Lease. If the credit has not been fully satisfied by the end of the six (6) year period, then the remaining credit shall be applied equally to the rental payments due during the reminder of the Initial Term. Notwithstanding the foregoing provisions of this Article XXXIV, if the credit has not been fully satisfied by the first to occur of (i) the purchase of the Property by L'Oreal or (ii) the lump sum rent payment, the remaining credit shall be offset against the Purchase Price or the lump sum rent payment, as the case may be.

XXXV. Miscellaneous:

A. Amendment: This Agreement may not be amended except upon written consent of both parties hereto.

B. Waiver: Failure of either party to insist on the strict performance by the other party of any covenant, term, or condition of this Agreement or failure of any party to exercise any right or remedy under this Agreement shall not constitute a waiver by such party of such performance, right, or remedy. Acceptance of rent by NJEDA or payment of rent by L'Oreal shall not constitute a waiver of any default, breach, or failure to perform the covenants, terms, and conditions of this Agreement by the other party. All waivers, alterations, or modifications of covenants, terms, or conditions of this Agreement must be in writing and signed by both parties to be valid. A valid waiver shall be strictly construed and shall have no effect on the remainder of this Agreement. A waiver by any party of a breach or default by the other party of any

provision of this Agreement shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.

C. Captions: All headings preceding the text of the several sections and paragraphs hereof are inserted solely for the convenience and reference of the parties and shall not constitute a part of this Agreement, nor shall they affect the meaning or interpretation thereof.

D. Severability: If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, such provision and this Agreement shall be deemed and construed to be modified or restricted to the extent that and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement as the case may require.

E. Modification: Unless otherwise authorized by this Agreement, all modifications must be in writing and signed by both parties to be valid.

F. Entire Agreement: This Agreement and the documents referred to herein, set forth all the promises, agreements, conditions, and understandings between NJEDA and L'Oreal relative to the Premises and there is no promise, agreement, condition or understanding, either oral or written, between them other than as is herein set forth.

G. Successors and Assigns: This Agreement shall bind and inure to the benefit of NJEDA and L'Oreal and their respective successors and assigns.

H. Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be an original, and all, when taken together, shall constitute one and the same document. Transmission by facsimile of an executed counterpart of this Lease shall be deemed to constitute due and sufficient delivery of such counterpart.

I. Memorandum of Lease: Upon execution of this Lease, L'Oreal and NJEDA shall execute and record against the Premises a memorandum of lease in the form and containing the terms set forth in **Exhibit "H"** annexed hereto and incorporated herein by reference as if set forth at length.

J. Partial Invalidity: If any provision of this Lease is invalid or unenforceable to any extent, then that provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by law.

K. Security Deposit: No security deposit has been paid by or is due from L'Oreal to NJEDA under this Lease.

L. Waiver of Jury Trial: The parities hereto waive trial by jury in any action, proceeding or counterclaim brought by either party against the other party on any matter

whatsoever arising out of or in any way connected with this Lease, the relationship of ground lessor and ground lessee, the construction of the Improvements, L'Oreal's use of the Premises or the Improvements or any claim for injury or damage.

M. Background Section: The Background Section of this Agreement is incorporated herein by reference as if set forth at length.

N. Reasonable Cooperation: The parties shall each, at no cost or expense to the other, reasonably cooperate with one another throughout the term of this Agreement in order that each party shall be able to enjoy the benefit of all of their respective rights hereunder and fulfill all of their respective obligations hereunder.

O. Incident Reporting: L'Oreal shall report to the NJEDA's Director of Real Estate Development Division all injuries to independent non-employee third parties occurring on the Premises during the term of this Agreement of which L'Oreal receives written notice of.

XXXVI. Contingencies and L'Oreal's Option to Cancel: Notwithstanding any other provision of this Lease, until the end of the Due Diligence Period, L'Oreal shall have the right to cancel this Agreement if for any reason whatsoever it is not satisfied with: (a) any aspect of the Premises; or (b) the terms or availability of any of the following New Jersey State programs: (i) the Business Retention and Relocation Assistance Grant Program ("**BRRAG**"); (ii) the terms of the PILOT offered by the Township of North Brunswick; (iii) the Business Employment Incentive Program ("**BEIP**"); or (iv) Labor Training Grants offered by the N.J. Department of Labor. The parties acknowledge that grants pursuant to BRRAG and BEIP are a material factor in L'Oreal entering into this Agreement and developing the Project.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties hereto have caused this AGREEMENT and GROUND LEASE to be duly executed, effective as of the Effective Date.

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
By:

_____ _____

ATTEST:

L'Oreal USA Products, Inc., a Delaware Corporation
By:

_____ _____

EXHIBIT "A-1"
DESCRIPTION OF PREMISES

EXHIBIT "A-2"
APPURTENANT RIGHTS

EXHIBIT "B"
TERMS AND CONDITIONS OF SALE AND PURCHASE

EXHIBIT "C"
TRI-PARTY AGREEMENT

EXHIBIT "C"

LAND USE AGREEMENT

This agreement (hereinafter denominated as the "Agreement") is made on this _____ day of October, 2007, by and between the New Jersey Economic Development Authority an instrumentality of the State of New Jersey ("NJEDA"), having its principal place of business at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990, the Township of North Brunswick, a municipal corporation of the State of New Jersey, having its principal place of business at the municipal building, 710 Hermann Road, North Brunswick, New Jersey 08902 (hereinafter the "Township"), and L'Oreal USA Products, Inc., a Delaware corporation (hereinafter "L'Oreal"), having its principal place of business at 575 Fifth Avenue, New York, New York.

Background

WHEREAS, the New Jersey Economic Development Authority is the owner of property known as Block 252, Lot 1.06 in the Township of North Brunswick (hereinafter "the Subject Property"); and

WHEREAS, L'Oreal is the proposed tenant of the Subject Property under an agreement and ground lease with NJEDA, which is about to be signed, an unsigned draft of which has been delivered to the Township (hereinafter the "Lease"); and

WHEREAS, L'Oreal will agree, under the Lease to construct at the Subject Property, a building(s) consisting of approximately 200,000 to 300,000 square feet, as the initial phase of a research development facility, with offices and related uses,

including, but not limited to, warehouse, light manufacturing and pilot plant operations (the "Facility"); and

WHEREAS, L'Oreal will deliver to the Township, upon execution by L'Oreal and the NJEDA, a fully executed copy of the Lease; and

WHEREAS, the Subject Property was established by a deed from DKM Properties Corp. to the County of Middlesex, dated October 25, 2004 and recorded November 3, 2004 in the Middlesex County Clerk's office in Book 5404 at Page 744 (the "Deed"), which established adjoining Lot 1.05 in Block 252 by subdividing it from the Subject Property; and

WHEREAS, the Subject Property was conveyed to the NJEDA by a deed from DKM Properties Corp., dated October 25, 2004 and recorded November 3, 2004 in the Middlesex County Clerk's Office in Book 5404, at Page 758; and

WHEREAS, the Planning Board of the Township of North Brunswick (the "Board") waived jurisdiction over the subdivision of former Lot 1.04 in Block 252 into Lots 1.05 in Block 252 and the Subject Property, based upon exemption as set forth in the letter of the Board's attorney dated August 5, 2004, attached to the Deed; and

WHEREAS, the Administrative Officer for the Township pursuant to the Municipal Land Use Law N.J.S.A. 40:55D-1 et seq. ("MLUL") has issued a certificate dated _____ pursuant to N.J.S.A. 40:55D-56.c, recognizing the exemption of the subdivision of the Subject Property by the Deed from approval pursuant to the MLUL; and

WHEREAS, the Township recognizes and acknowledges the subdivision accomplished by the Deed as lawful; and

WHEREAS, NJEDA proposes in the Lease to approve the "Site Plan" for the Facility, and the future development of the Subject Property following review and "Courtesy Review" (as hereinafter defined) by the Board, for so long as NJEDA owns the Subject Property and improvements ("Future Development") in accordance with the standards set forth in the Lease, without application of the Township's Land Development Ordinance (the "Ordinance") pursuant to the MLUL, based upon exemption; and

WHEREAS, NJEDA shall confirm its approval of a Site Plan in writing, with conditions, requirements and identification of the Plans, a copy of which shall be provided to the Township; and

WHEREAS, the NJEDA proposes in the Lease that permits for building and certificates for occupancy pursuant to the Uniform Construction Code, N.J.A.C. 5:23-1 et seq. ("UCC") of the Facility and Future Development shall be processed and issued by the Department of Community Affairs of the State of New Jersey (the "DCA") based upon exemption; and

WHEREAS, the Township recognizes the exemption of the NJEDA to delegate the approval of the UCC permits and certificates for the Facility and Future Development to the DCA; and

WHEREAS, the Township recognizes the exemption of the NJEDA to review and approve the "Site Plan" as provided for in the MLUL for the Facility and

Future Development in accordance with the standards set forth in the Lease, without application of the Ordinance pursuant to the MLUL: and

WHEREAS, NJEDA acknowledges that the Site Plan shall be presented to the Board for review and comment pursuant to N.J.S.A. 40:55D-31 and in conformance with Rutgers, the State University v. Stephen Piluso, et al, 60 N.J. 142 (N.J. Supreme Court, 1982) (the "Rutgers Decision") for "Courtesy Review"; and

WHEREAS, NJEDA and L'Oreal recognize the Township's interest in the completion of all water, sewer, drainage, parking, driveway and fire safety improvements contemplated by the approved Site Plan and related permits to be issued by the New Jersey Department of Environmental Protection ("NJDEP").

NOW, THEREFORE, in consideration of the mutual promises and obligations of the Parties, the parties agree as follows:

1. The Background section of this Agreement is incorporated herein by reference as if fully set forth at length.

2. The Township acknowledges, subject to compliance with the provisions of paragraph 3 below, and agrees, that (i) the subdivision of the Subject Property by the Deed is valid under the MLUL, (ii) provided the standards set forth in Paragraph VI. D. of the Lease are adhered to, the NJEDA shall approve the Site Plan for the Facility and Future Development as provided for under the Lease without jurisdiction of the Board and application of the Ordinance, and (iii) the DCA shall have exclusive authority to process and issue permits and certificates pursuant to the UCC for the Facility and Future Development.

3. NJEDA shall present the Site Plan for the Facility and for Future Development to the Board with notice pursuant to N.J.S.A. 40:55D-12 for a capital project review pursuant to N.J.S.A. 40:55D-31, in accordance with the Lease and for Courtesy Review. The Township shall have the opportunity to make written comments to the Site Plan and provide such written comments to NJEDA and L'Oreal up to the day of the presentation to the Board of the Site Plan. In the event NJEDA and L'Oreal do not receive the Township's written comments within the time period set forth above, then the Township shall be deemed to have accepted the Site Plan. In the event the Township submits written comments to NJEDA and L'Oreal within the period of time set forth above, then the NJEDA and L'Oreal shall give due consideration to the comments, but neither the NJEDA and/or L'Oreal shall be obligated to incorporate any of the Township's comments into the Site Plan. The Township acknowledges that the Site Plan is being submitted to the Township as a Courtesy Review pursuant to the Rutgers Decision so that issues may be addressed at a public hearing and all parties may amicably proceed with the development of the Facility. The public hearing will be conducted in accordance with N.J.S.A. 40:55D-10.

4. After approval of the Site Plan by NJEDA, the parties shall enter into a formal developer's agreement (the "Developer's Agreement"). The Developer's Agreement shall include, without limitation, the following provisions:

(a) The improvements shall be constructed in accordance with the NJEDA approved Site Plan;

(b) Copies of applications for permits from the NJDEP, building

permits and certificates of occupancy for the Facility and Future Development, together with supporting documentation, shall be simultaneously submitted to the Township as such applications are submitted to the DCA. The Township shall have the opportunity to make written comments to the NJEDA and L'Oreal on the applications within the time period for agency action on the applications. For applications to the DCA under the UCC, the time period for action is twenty (20) business days pursuant to N.J.A.C. 5:23-2.16(a). For applications to the NJDEP, L'Oreal shall advise the Township of the relevant time for agency action. In the event NJEDA and L'Oreal do not receive written comments within the time period set forth above in this subparagraph, then the Township shall be deemed to have accepted the application or applications. In the event the Township submits written comments to NJEDA and L'Oreal within the time period set forth above in this subparagraph, then NJEDA and L'Oreal shall give due consideration to the comments, but neither the NJEDA and/or L'Oreal shall be obligated to incorporate any of the Township's comments into any application; and

(c) The NJEDA shall provide simultaneous notice to the Township of its requests to the DCA for inspection of the various aspects of the construction of the Facility and Future Development, including the dates for which inspections shall be requested so that the Township can have its inspectors present at the time of the DCA inspection.

(d) Applications for sewer and water permits to be submitted to the NJDEP shall first be submitted to the Township for review and endorsement. The Township shall promptly review such applications and its approval for endorsement shall

not be unreasonably conditioned, withheld or delayed.

(e) The Township shall have the right to inspect the installation of sewer, water, drainage, parking and driveway improvements as they are constructed for consistency with the Site Plan and permits issued by the NJDEP. L'Oreal shall provide the Township with "as built" plans for these improvements and the Facility and Future Development respectively upon completion.

(f) The Township shall agree not to require NJEDA or L'Oreal to install or contribute for the water main improvements it plans to construct under Route 1.

(g) Customary requirements for insurance to be obtained by a developer.

5. A notice of communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

If to NJEDA:
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990
Attention: David E. Nuse

With a copy to:
Department of Law & Public Safety
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 106
Trenton, NJ 08625-0106
Attention: Edward Pillsbury, Deputy Attorney General

If to Township:
Township of North Brunswick
710 Hermann Road
North Brunswick, New Jersey 08902
Attention: Robert Lombard

With a copy to: DeCotiis, FitzPatrick, Cole & Wisler, LLP
Glenpointe Center West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
Attention: Ronald H. Gordon, Esq.

If to L'Oreal: L'Oreal USA Products, Inc.
575 Fifth Avenue
New York, New York 10017
Attention: Christopher Corbett, Esq.

With a copy to: Farer Fersko, a Professional Association
600 South Avenue
P.O. Box 580
Westfield, New Jersey 07091
Attention: John H. Hague, Esq.

6. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and such counterparts shall constitute one and the same instrument.

7. This Agreement contains the entire understanding and agreement of the parties and it may be changed or modified only by written instrument signed by the parties.

8. This Agreement and the obligations of the parties under this Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of New Jersey.

9. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any of the parties, the parties acknowledging that they have jointly participated in the negotiation, drafting and preparation of this Agreement.

10. The persons whose names appear below represent that they have all

necessary authority to bind their respective principals to the terms of this Agreement.

11. This Agreement may be amended in writing with the consent of the parties.

In Witness whereof, the parties have caused this Pilot Agreement to be executed on the date indicated above.

Attest:

New Jersey Economic Development Authority, a municipal corporation of the State of New Jersey
By:

_____

_____
Name:
Title:

Attest:

Township of North Brunswick, a Municipal Corporation
By:

_____

_____
Name:
Title:

Attest:

L'Oreal USA Products, Inc., a Delaware Corporation
By:

_____

_____
Name:
Title:

EXHIBIT "D"

GENERAL TERMS FOR CONSTRUCTION MANAGER AGREEMENT

EXHIBIT "E"
GUARANTY

EXHIBIT "F"
NJDOT DRAWINGS

EXHIBIT "G"
PERMITTED ENCUMBRANCES

EXHIBIT "H"
MEMORANDUM OF LEASE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: License for Rooftop Antenna
Waterfront Technology Center, Camden, New Jersey

DATE: November 13, 2007

Summary

I am requesting the Members' approval to grant Drexel University, a tenant at the Waterfront Technology Center in Camden ("WTCC"), a license to place an antenna on the southwest corner of the WTCC roof.

Background

Drexel University ("Drexel"), through its Applied Communication and Information Networking Program, conducts research and development through federal contracts at WTCC. Drexel has requested that the Authority allow Drexel to install, operate, maintain and remove a rooftop antenna system. The antenna system addresses the issues of "first tactical mile" support to U.S. forces in the field. The antenna system provides rapid expansion of data networks through emerging high data rate, bi-directional Global Broadcast Services "at the Halt" or "at the Pause" to hand held devices for delivery of large data sets that require wide bandwidth. The system uses hybrid architecture of emerging, standards-based satellite communications and wireless technologies. These technologies deliver robust, lightweight and commercially available applications, DoD tactical applications, and emerging net-centric enterprise services applications in a mobile tactical environment.

Drexel will be responsible for installing and maintaining the antenna system and will indemnify the Authority for any liability, costs and expenses related to any claim arising from the antenna system. Drexel will also provide insurance coverage naming the Authority as an additional insured. The Authority, in its sole discretion, will have the ability to terminate the license at any time upon sixty (60) days notice to Drexel.

MAILING ADDRESS: | PO BOX 990 | TRENTON, NJ 08625-0990
SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.292.1800 | e-mail: njeda@njeda.com | www.njeda.com

The grant of license will be accomplished through an amendment to the Drexel lease that incorporates the terms and conditions of the Authority's standard form of License Agreement. Final terms of the document will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to enter into an Amendment to Lease Agreement with Drexel University that grants a license for the installation, operation, maintenance and removal of an antenna system on the roof of the Waterfront Technology Center in Camden, as described above.

Caren S. Franzini

Prepared by: Vince Wardle

AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Delegations for Credit Exposure Write-Offs/Settlements

Request:

- Approve increases in current Delegations for Write-Offs and Settlements from $250,000 to $500,000 upon recommendation by a Director and two Executive Signers: CEO and SVP - Operations or Two (2) Sr. VPs., in accordance with the procedures set forth herein.

- Both Delegations will be reported to the Board Members at the monthly meeting. Monthly reporting will include a short synopsis of the credit, including lessons learned, so we can utilize the information to improve and enhance future business decisions.

Background:

Write-offs:
In 2003, the Members approved delegation to Staff to approve loan/guarantee write-offs (with and without recourse) up to $250,000. To differentiate, with write-offs (with recourse) EDA continues to pursue the obligors; with write-offs (with out recourse) there is no continued collection effort. The dollar limit was based on the signing Authority of EDA's Executive Director (now "Chief Executive Officer")

Loans/guarantees are recommended to be written off (with recourse) after Staff has determined that significant recoveries are unlikely but the following conditions exist:
1. There is still collateral with some limited potentially realizable value, and/or
2. An entity still exists which is legally obligated to pay the debt.

Other criteria reviewed by staff to determine whether to write-off a credit (with recourse) are as follows:

1. The borrower has not made payment to EDA for a minimum of 6 months.
2. The borrower's financial condition/operations has deteriorated to the point that reinstatement

or restructuring is not viable. (insolvency, bankruptcy or business closing)

3. Collateral value (appraised or staff inspection) indicates that value is insufficient to repay the loan or prior liens exist that would reduce value to an insufficient level to pay the debt.
4. Guarantors financial condition and/or assets do not represent value to support a reinstatement, restructure or repayment of the loan.

Loans written off (with recourse) continue to be tracked on the EDA's Loan Management System and collection efforts continue if there appears to be a source of recovery. Security filings (UCCs) and force placed insurance coverage continue in force in these situations.

In litigation cases, the Attorney General's Office will handle active legal action at least up to the judgment. Once judgment is obtained, the case's overall collectibility will be a factor in determining whether the DAG will continue with post judgment legal action or whether collection is pursued by an outside agency.

Overall, writing off loans/guarantees (with recourse) allows EDA to remove the asset from its financial statements (so as to not overstate its assets) while Staff continues to pursue the obligors through litigation. In the unlikely situation that a judgement yields a future payoff or if the obligors' financial condition improves, the proceeds received are collectible as a recovery against the written off balance.

Loans/guarantees may be written off (without recourse) when no legal remedies exist. This occurs when the following conditions are met:

a. All collateral has been liquidated or has no practical realizable value.
b. All obligors have been dissolved or cease to exist, liquidated or discharged in bankruptcy or the claims the Authority holds against them have been sold, satisfied through a settlement or determined to be unenforceable.
c. The Attorney General's office opines that there is no further legal recourse for collection.

The increase in the delegation for write-offs to $500,000 is being sought to provide flexibility to staff at the median transaction size when there is no ability to reinstate, restructure or settle the obligation with a guarantor. The Attorney General's Office will be noticed of write offs (with recourse). Write offs without recourse will continue to require an opinion from the Attorney General's office concurring that no legal remedies exist.

The members will be noticed monthly of all write off delegations approved by staff. The notification will include a synopsis of the credit and staff's assessment of lessons learned.

Settlements:

Over the past few months, the Executive team has conducted a series of meetings with our banking partners to understand how our products are being received in the market place so we could improve our offerings and delivery efficiencies to be more customer focused. Those meetings evolved into recommendations to the Board last month to develop new products, to increase dollar amounts of our existing programs and to increase delegations to Staff to approve new transactions. Signing requirements on delegations to modify closed transactions were also changed to provide increased flexibility to work with banks on performing loans/guarantees that are already in our portfolio.

Similar to our need to be flexible on performing loans/guarantees is our need to be flexible with our banking partners in situations when the credit situation has deteriorated and the bank is prepared to settle instead of undertaking time consuming and costly litigation.

In these circumstances, our banking partners, who generally have a larger dollar exposure on these credits, can evaluate an offer and approve it within 48 hours. Our ability to turn around an approval within that time frame is critical to retain the business relationship with the bank and to respond quickly to offers.

When a bank or debtor presents us with a settlement offer, Staff conducts a 'bid analysis' to determine whether EDA could yield a higher collection by accepting cash today or liquidating the collateral and collecting the cash when the assets are sold.

The analytical process benchmarks the market value of the collateral securing the loan using cost or current appraisal and subtracts carrying costs associated with a liquidation. For real estate collateral, these costs typically include taxes, insurance, building maintenance including safety repairs, heat, air conditioning, security and real estate marketing, sales commission and closing costs. For equipment collateral, costs include auction expenses, marketing/advertising costs, removal costs, etc. Once a net liquidation value is established, it is further adjusted by 3% to account for the time value of money costs associated with waiting to sell the asset.

Staff evaluates the value of personal guarantees by reviewing personal tax returns, personal financial statements and personal credit reports. Value is determined by level of marketable assets (cash and cash instruments) and real estate values net of prior liens.

The current delegated authority is $250,000. Increasing the Delegation to $500,000 will allow EDA to move quickly on these approvals on bank partnered loans and will provide flexibility on direct loans to help us negotiate offers quickly and maximize collections.

We therefore recommend that staff be delegated the authority to settle the loans/guarantees where the principal amount outstanding does not exceed $500,000, provided the analytical process described above has been undertaken and a deputy attorney general concurs. If litigation has been instituted, the formal approval of the Office of the Attorney General will be required.

The members will be noticed monthly of all settlement delegations approved by staff. A brief synopsis of the credit including lessons learned will be included in the monthly memorandum.

Recommendations:

The members are asked to approve an increase in write off and settlement Delegations from $250,000 to $500,000 under the terms and conditions listed above.

As noted an opinion from the Attorney General's Office will be required with the following proposed Delegations:

- Write-offs (without recourse) up to $500,000 to attest that no further legal remedies exist;
- For settlements up to $500,000 when litigation has been instituted.

Prepared by: Lisa Coane

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini, CEO

Date: November 13, 2007

Subject: New Loan Programs

Request:

The Members are requested to approve two new loan products that will further EDA's efforts, in support of the Governor's Economic Growth Strategy, to provide assistance to small, women and minority-owned businesses and to expand the product offerings of the Urban Fund. The Policy and Directors Loan Review Committees have reviewed these new programs and referred them to the full Board for review and approval. The new small business loan product will offer expedited approval for loans up to $300,000, and the new urban product will offer up to $3,000,000 in fixed asset financing in the nine urban municipalities designated for growth in the New Jersey Redevelopment Plan.. These new product offerings are aligned with our ongoing strategies to assist businesses, real estate developers and not-for-profit organizations, with a particular emphasis on small business and to bring about meaningful revitalization of New Jersey's targeted urban areas. The products also support our asset allocation plan that seeks to build our core loan portfolio and balance transactions with shorter-term repayments against more patient investments such as those made through our Edison Innovation Fund and real estate development projects.

Small Business Expedited Loan Product

Based on internal and external customer feedback, there is a need to provide timely financing decisions based on the guarantor(s)' credit score for small business loans. Banks have been using credit scores for many years to approve loans under certain dollar thresholds as an efficient way to handle smaller requests, while preserving acceptable risk parameters. We have been utilizing the same underwriting procedures, analyses and scrutiny for loans, regardless of size. To better utilize our resources, and to provide expedited approvals, we seek delegated authority (signatures of two of the following, the Director of Credit Underwriting, SVP of Operations, and the CEO) to provide loans based on the following parameters:

For loans or guarantees up to $300,000:

- Guarantor credit score greater or equal to 700
- Up to 100% LTV on owner-occupied real estate
- Up to 90% LTV on equipment

For loans or guarantees up to $125,000:

- Guarantor credit score greater or equal to 650
- Up to 95% LTV on owner-occupied real estate
- Up to 85% LTV on equipment

Approvals will be reported to the Board on a monthly basis, as is the standard procedure for all approvals under Delegated Authority. Staff will provide a review of the program to the Directors Loan Review Committee at least on a semi-annual basis. Although we will rely heavily on the credit score of the guarantors, the underwriters' judgment (to include consideration of the number of charge-offs, delinquencies, lien positions, and data around market value of real estate), may override the credit score to result in a declination. In no event would the score be overridden to provide an approval. If a project does not fit these parameters, or if the underwriter believes there is adequate cause to withhold approval, the project will either be declined or proceed through the normal approval channels of DLRC and the Board. This program would not be available for a start-up business and businesses will need to be operating a minimum of one year.

Fees for the program will be consistent with New Jersey Development Authority loans for small businesses: $300 application fee, ½% of loan amount upon commitment fee and ½% of loan amount at closing.

Urban Fund Loan

In further support of the Governor's strategic focus on the nine endorsed urban municipalities in the New Jersey Development Plan, we propose a low-cost loan product to enhance the viability of projects in these urban areas and to expand the resources we may utilize under the New Jersey Urban Fund. Our current products for fixed asset financing in urban areas are primarily the Local Development Financing Fund (LDFF), with a maximum of $2,000,000, and the Fund for Community Economic Development (FCED), with a maximum of $750,000. New Markets Tax Credits provide a solution for those larger projects where there is generally a need for $5,000,000 or more of EDA support. To satisfy a need for financing medium-size projects in the nine endorsed municipalities (Camden, Trenton, Newark, Jersey City, Paterson, Elizabeth, East Orange, New Brunswick and Atlantic City) , we propose this new loan product as part of our Urban Fund strategy:

- Amount: up to $3,000,000, not to exceed 50% of the project
- Rate: 50% of the Federal Reserve Discount Rate; floor of 3%
- Lien position: generally subordinate to senior debt

- LTV: preferably <90%, but may go to 100% based on the project specifics
- Collateral: fixed assets (real estate and/or equipment)
- Term: up to ten years based on a 25-year amortization. A 30-year amortization may be approved. Amortization may be less, depending on the collateral and project.
- Municipal support: must have the documented support of the municipality
- Economic Impact – must create or maintain jobs, increase ratables or leverage public financing by ratio at least 1:1.

Fees for the program will be consistent with New Jersey EDA loans: $500 application fee, ½% of loan amount upon commitment fee and ½% of loan amount at closing fee.

As an additional means to catalyze economic growth in the nine urban municipalities, worthy projects with significant economic impact characteristics (number of jobs created, private capital investment, remediation of brownfields, implementation of redevelopment plan) may utilize both the urban loan and LDFF for a maximum of $5,000,000 in financing. (Note that per its authorizing statute, the LDFF does not pertain to Atlantic City). The same parameters would apply to the aggregate amount of financing as set forth in the description of the urban loan. In order to provide flexibility, we will allow up to 50% financing of a project. However, we will always endeavor to leverage our capital with a higher percentage of private financing.

In summary, we are recommending two new financing products: a low dollar facility based on the guarantor(s)' credit score, which could be approved under delegated authority, and a $3,000,000 low cost credit facility to be utilized exclusively in the nine designated urban municipalities, which staff would present to the Directors Loan Review Committee and for approval by the Board.

The members are further requested to authorize staff to submit amendments to the program rules as substantially presented in the attachment to this memo for promulgation and adoption in the NJ Register, subject to final review and approval by the Office of the Attorney General and Office of Administrative Law. The rules will become effective upon mailing to the Office of Administrative Law; however, applicants are at risk that the amendments may not be adopted as proposed.

Prepared by: Kathleen E. Stucy

Attachments

ECONOMIC DEVELOPMENT AUTHORITY
CHAPTER 31
AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a)- (b) (No change.)

1.-4. (No change.)

5. For the urban loan product, the maximum loan amount will be $3 million.

(c)-(f) (No change.)

(g) Proceeds of urban loans shall be used for fixed asset financing as set forth in (c) above, not to exceed fifty percent of total project costs, in the nine urban centers designated in the New Jersey State Development and Redevelopment Plan.

[(g)] (No change in text.)

1. Fixed Rate Interest:

i.-iii. (No change.)

iv. The rate to be charged for the urban loan product is fixed at the time of closing at fifty percent of the Federal Discount Rate, with a floor of 3 percent.

2.-3. (No change.)

[(h)] **(i)** The term of a fixed asset or working capital loan is a maximum of 10 years, although the [repayment schedule] **amortization** [is usually] **may be** for a [shorter] **longer** time based on **the use of proceeds and** the applicant's ability to repay. Smart Growth Predevelopment and Brownfield Redevelopment loans will have a maximum term of three years. The New Jersey

Growth Fund term is a maximum of 10 years, and may allow for interest only payments for a portion of the term, or for interest and payment deferrals, with the repayment schedule to be determined on revenue and operational milestone achievement.

[(i)] **(j)** (No change in text.)

[(j)] **(k)** (No change in text.)

[(k)] **(l)** (No change in text.)

[(l)] **(m)** (No change in text.)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: November 13, 2007

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

The following projects were approved under delegated authority in October 2007:

New Jersey Business Growth Fund:

1916 Partners, LLC and Davis Plastic Surgery, Inc. (P19898) is located in Cherry Hill Township, Camden County. 1916 Partners, LLC is the real estate holding company that owns the project property. Davis Plastic Surgery, Inc. operates as a plastic surgery facility. PNC has approved a loan of $1,050,000 with a five year, 25% guarantee, not to exceed $262,500. The loan proceeds will be used to refinance the borrower's existing commercial mortgages of $1,050,000. The company currently has six employees and anticipates creating six jobs within the next two years.

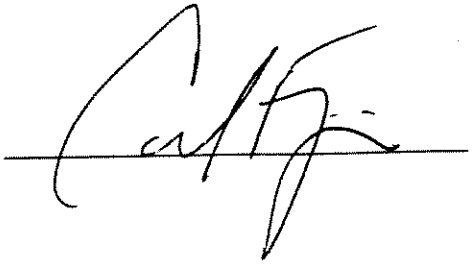
Edge of Aspen, LLC (P20176) is located in Passaic City, Passaic County. Awesome Office Interiors, Inc., the operating company, was formed by the owner in 1997 as a provider of interior design services and a retailer of office furniture. The company purchased commercial property in 2005. PNC has approved a $466,750 loan with a five year, 25% guarantee, not to exceed $116,675. Loan proceeds will be used to refinance Edge of Aspen's existing mortgage. Currently, the company has eight employees and plans to create five positions within the next two years.

Roll CH, LLC and International Sports Centre of CH, LLC (P19952) is located in Cherry Hill Township, Camden County. Roll, LLC was formed in 2001 as a real estate holding company to purchase and own the real property to be refinanced. International Sports Centre of CH (ISC) operates as an all-purpose roller skating rink. PNC has approved a $1,911,384 loan with a five year, 50% guarantee, not to exceed $955,692. The loan proceeds will be used to refinance the existing commercial mortgage. The company currently has twelve employees and plans to create twenty jobs within the next two years.

MAILING ADDRESS: | PO BOX 990 | TRENTON, NJ 08625-0990
SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.292.1800 | e-mail: njeda@njeda.com | www.njeda.com

Superior Tool & Manufacturing Co., Inc. (P19879) is located in Somerville Borough, Somerset County. The company was formed in 1966 and operates as a machine shop. PNC has approved a loan of $193,000 with a five year, 25% guarantee, not to exceed $48,250. The loan proceeds will be used to purchase equipment. The company currently has three employees and plans to create four positions within the next two years.

Village Capital & Investment, LLC (P19975) is located in Mt. Laurel Township, Burlington County. Village Home Mortgage, a division of Village Capital & Investment, LLC, was established in 2004 to provide retail and wholesale mortgage broker services. PNC has approved a loan of $107,000 with a 25% guarantee, not to exceed $26,750. Loan proceeds will be used to purchase computer equipment and software to expand call center operations. Currently, the company has 125 employees and anticipates creating two additional jobs within the next two years.



Prepared by: S. Mania

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren Franzini, Chief Executive Officer

DATE: November 13, 2007

RE: Venture Fund Investment Guidelines

Request:

To clarify and amend the venture fund investment guidelines as approved by the Board in December 2006 and attached hereto. This request was heard by the Policy Committee at its September 17, 2007 meeting and referred by the committee to the full Board for approval.

1. The Board is requested to approve a clarification to the Venture Fund Investment Guidelines matching requirement. As currently written the policy says, " A minimum leverage factor should be 3:1 for an early stage investment portfolio". The concept behind this was to leverage every $1 EDA invests in a fund by requiring $2 of private investment in the fund to deploy in NJ based companies – resulting in an "all in" of $3 in a NJ company. The accurate wording should be a minimum leverage factor of 2:1. This will require the fund managers to place $2 of private limited partner capital into NJ based companies for every $1 received from the EDA.

2. The Board is requested to approve an amendment to the requirement that a recommended venture fund show evidence that it has deployed a minimum of 1/3 of their historical investment portfolio in NJ. The new recommendation is a requirement for ¼ of the historical venture fund investment portfolio to have been deployed in NJ. This reflects the review undertaken this year on the two venture fund investments approved by the EDA board, both of which could not meet the 1/3 criteria (but would meet the ¼). As the members may recall, an exception was made because both funds display a strong NJ investment strategy and each have agreed to our leveraging requirement (noted above). The very basis for EDA's venture strategy is the lack of funds that have historically invested in NJ early stage companies and our review has shown that the 1/3 criteria is likely too high a standard. Reducing the requirement increases access to potential funders while maintaining required evidence of a fund experience in New Jersey.

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The Members are asked to approve these recommendations in order to more accurately reflect the EDA's deployment of venture fund investments.

Prepared by: Kathleen Coviello

Schedule D

New Jersey Economic Development Authority

Venture Fund Allocation/Investment Guidelines

I. Mission

The mission is to complement EDA's allocation to and investment in technology and community development by providing guidelines for the allocation of funds into a technology and community venture fund..

II. Objectives

- Facilitate the success of emerging technology and community based companies
- Maintain a consistent, comprehensive investment approach
- Leverage EDA resources (financial and human)
- Hedge against risk
- Earn a reasonable rate of return

III. Strategy

- **Stage**- investments will focus on early stage investment funds, to include funds which invest in companies with less than $3 million in annual revenues. In general, there is more equity available to fund companies who have a proven revenue track record; traditionally, $3 million is the minimum threshold for equity investments.

- **Industry Focus**- the industry of selected candidates should primarily be technology and/or life sciences or Community Development. This is consistent with the Techniuum model and aligns with the Governor's Economic Growth Strategy.

- **Return**- The return on investment will be measured by both financial return and the growth of jobs, in targeted sectors. The approximate rate of return for Authority direct investments is 4-5%, any proposed investments should yield a minimum multiple of 2x the "in house" return and be able to measure the creation of jobs in companies being financed by the fund.

- **Leveraging**- the track record of the fund under consideration, should demonstrate the managers' ability to leverage EDA's investment with other investment dollars. A minimum leverage factor, should be 3:1 for an early stage investment portfolio.

- **Track Record**- Although consideration may be given to a first time fund, the partners in the fund should have an established "track record", with performance and investment criteria that align with these guidelines.

- **Management**- Any fund under consideration should be managed by a team (management and partners) who have both operating and financial experience. In addition, all technology/life science investments should include senior partners which have a personal investment in the fund.

- **Partnering**- The fund management should be willing to serve as a strategic partner to the Authority. This would be demonstrated by the active promotion of all related EDA initiatives. Fund management would be expected to be available, as needed, for due diligence assistance under various Authority initiatives. Additionally, the partners should be considered leaders in the NJ community and serve as supporters of the membership lead groups that support these industry sectors.

- **Location/New Jersey Focus**- There will be a strong preference for the fund to have a physical presence in New Jersey. Depending on the amount of the investment, relative to the size of the fund, that presence can range from a satellite office, to the commitment of a full time partner in the NJ region. Any fund under consideration should have a history of at least 1/3 of their investment portfolio be within the state and a commitment to maintain that or a higher level of funding to NJ based Companies. NJ based companies will include companies with their headquarters and a minimum of 75% of their employees in the state. Higher concentration of NJ based portfolio companies could warrant a higher level of EDA investment.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: November 13, 2007

SUBJECT: Policy Recommendations for BEIP

Request:
In July 2004, a 20% cap was established on awards for the Business Employment Incentive Program ("BEIP") for companies entering the program after that time. During the course of implementing the cap policy, several questions arose that triggered additional review with the Division of Taxation and the Attorney General's Office. Staff of the EDA and these agencies collaborated on recommendations that were presented to the EDA Policy Committee on October 9, 2007.

This memo distinguishes between the policies approved by the Board in 2006 for administering the cap and revised recommendations approved by the Policy Committee in October 2007 and outlines the following recommendations:

- Adoption of rules proposed in December 2006.

- Recommendations to change the calculation of the 20% cap and to include the application of the 20% cap to pre-cap BEIP companies requesting approval for mergers and acquisitions when growth in employment numbers could result in 'unanticipated growth' as new rules.

I. Adoption of December 2006 Rules:

In October 2006, the members approved BEIP rule amendments including a provision for calculating the 20% cap when a BEIP company expanded beyond its new employment commitment ("NEC"). The rules were published on December 18, 2006 and the public comment period expired on February 16, 2007. Recognizing that the rules would require additional changes, we did not move forward with adoption of the rules.

Staff evaluated the proposal and found the formula for applying the cap to be complex to our customers and difficult to administer. As a result, staff recommends omitting the annualized salary calculation (used for part year employees), and deleting the annual adjustment to the Consumer Price Index ("CPI") in favor of implementing a simpler formula that calculates the cap using the number of new employees (NEC) as the base plus 20% to be calculated by selecting earliest hire date employees until the cap is reached.

The members are now asked to adopt the December 2006 rules as proposed in October 2006 and a new proposal with the following changes to calculating the 20% cap for both **1)** companies expanding beyond their Board-approved NEC; and **2)** when 'pre cap' BEIP companies request modification changes that could result in 'unanticipated growth':

N.J.A.C. 19:31-10.2 Definitions:

(additions to proposal indicated in boldface **thus**; deletions from proposal indicted in brackets with asterisk*[thus]*)

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

["Annualized salary" shall mean for those new employees who have not worked an entire calendar year, the amount of salary the new employee would receive if he or she worked for the entire calendar year, assuming his or her salary remains constant. To the extent the new employee had received bonuses or stock options in the years prior to the report, annualized salary will include the average of any bonus or stock option received by the new employee during the two calendar years prior the report.}

* [Consumer Price Index" means the consumer price index developed by the United States Bureau of Labor Statistics for Urban Wage Earners and Clerical Workers using the Metropolitan Statistical Area (MSA) by county as developed by the United States Census Bureau in its most recent census. The MSA by county for New Jersey divides the State into northern and southern areas. If the project is located in an area designated as a northern county, the northern index shall be used and if the project location is in an area designated as a southern county, the southern index shall be used]*

N.J.A.C. 19:31-10.4. Amount/term of grant

(a) (No change.)

(e) (1) (No change.)

2. In the event the business creates in excess of the new employee commitment, the business may be eligible to receive an adjustment in its grant to include *[the lesser of the dollar amount equal to the amount of withholdings paid for the additional eligible positions above the new employment commitment multiplied by the grant award percentage; or a dollar amount equal to up to which shall be a 20 percent cap above the dollar amount of the withholdings attributed to the new employment commitment adjusted annually by the Consumer Price Index,]* **the dollar amount of the withholdings paid for new employees above the new employment commitment multiplied by the grant award percentage provided that the number of new employees above the new employment commitment shall be limited by a twenty percent cap,** with the exception of the following which, in the discretion of the Authority, may receive the full dollar amount of withholdings paid for the additional [eligible positions] **new employees** multiplied by the grant award percentage:

I. A business with a total of 100 employees or less at the time of application for the grant **provided that where a company is seeking an approval pursuant to N.J.A.C. 19:31-10.5(c) or (d), this exception shall apply only if the total number of new employees is 100 or less after the approval referred to in N.J.A.C. 19:31 - 10.5 (c) or (d);**

ii-iii (No change in text.)

3. The new employees that comprise the new employment commitment and the twenty percent cap will be determined annually by date of hire of the new employees, starting with the earliest hire.

19:31 - 10.5 Business expansion or location:

(a) - (b) (No change.)

(c) If a business is expanding through a merger, *[or] consolidation **or acquisition of or** with one or more companies, only the eligible positions created or transferred from outside New Jersey after board approval and the official date of the merger *[or] consolidation **or acquisition** shall be considered when determining a grant. **To the extent a company requests the Authority to approve an acquisition, addition, reorganization, merger or consolidation, the Authority's approval of such event will be conditioned on the growth of the number of new employees under the grant being subject to N.J.A.C. 19:31-10.4 (e), to the extent such cap has not previously been imposed, provided that such cap shall not be imposed to the extent such event is administrative or ministerial, such as a name change or an internal reorganization. For purposes of such cap, the new employment commitment shall be the number of new employees for the company received a grant in the year prior to the date of such event.**

(d) To the extent a business requests to add an additional site to an existing BEIP, Authority's approval of the new site will be conditioned on the growth of the number of new employees under the grant being subject to the cap pursuant to N.J.A.C. 19:31-10.4 (e) to the extent such cap has not previously been imposed. For purposes of such cap, the new employment commitment shall be the number of new employees employed before the approval of the addition of the site to the grant. The additional site will be required to meet or to have met the material factor test, unless the additional site is directly related to growth at the original project site.

II. Guidelines for Imposing the 20% Cap

When BEIP was enacted in 1996, rules and policies were put into place to insure consistency in administering the program and calculating awards.

From inception through July 2004, BEIP recipients enjoyed unlimited job growth and BEIP monetary benefits for those jobs without limitation. Over time, the program grew in applicants and exponentially in cost to the State. In an effort to curb those costs, rule changes were made to cap BEIP awards at 20% above originally projected job growth.

Although new BEIP awards approved after July 1, 2004 are, there are a significant number of 'pre-cap' BEIPS that are "grand-fathered" from the cap.

In an effort to improve budget forecasting and predictability and to avoid facilitating growth that was unanticipated at the time of approval, in the regulations promulgated in December 2006 EDA proposed to cap 'pre-cap' BEIP companies when these companies ask to amend grants. While the proposed regulations were pending, staff recognized that there are certain kinds of non-material amendments that should be excepted from the general rule of imposing the 20% cap because the changes are administrative or ministerial to a company's operation and will not result in 'unanticipated growth'.

EDA therefore proposes new rule amendments to provide that a **20% cap will not be imposed on 'pre-cap' BEIPs when a modification to an existing grant is administrative or ministerial. These changes include, but are not necessarily limited to name changes, and changes in corporate structure and internal mergers that do not result in job growth.** These recommendations were reviewed and approved by the EDA Policy Committee at its October 9, 2007 meeting.

III. Imposing the 20% cap for BEIP Mergers and Acquisitions:

When a company requests an approval of a merger or acquisition, Staff will review the following information to determine whether to recommend imposing the 20% cap:

1. Written request from BEIP company listing merging/acquiring company's name, address and full time employment positions in New Jersey.

2. Two years of financial statements from the merging/acquiring company.

3. List of all past and pending litigation matters of the merging/acquiring company, its parent company, affiliates, subsidiaries, directors, officers or employees.

4. Certification from the merging/acquiring company that it will assume all responsibilities under the BEIP company's grant agreement and that it will operate as an authorized project under the BEIP Act.

5. A description of the resulting company and its employees.

Upon review of this information Staff will determine whether the merging/acquiring company (1) is economically viable and will have the same or greater net value as the original applicant; (2) is subject to litigation that could subject it to debarment; (3) and is willing to perform in compliance with the agreement and legislation. Staff will also be able to determine whether the

change is administrative or ministerial, in order to determine whether the 20% cap should be imposed.

Once Staff determines whether to impose the 20% cap, the recommendation will be presented to the Board for consideration.

BEIP companies that are merging/acquiring entities with prior or pending litigation will also be reviewed by the Attorney General's Office for possible debarment issues prior to Board submission.

Recommendation:
Staff recommends the following approvals:

> Authorization to submit amendments to the program rules as substantially presented in this memo for promulgation and adoption in the NJ Register, subject to final review and approval by the Office of the Attorney General and Office of Administrative Law, including adoption of the December 18, 2006 rule changes.
>
> A separate proposal with revisions for calculating the 20% cap for: **1)** companies expanding beyond their Board-approved NEC; and **2)** when 'pre cap' BEIP companies request modification changes that could result in 'unanticipated growth' will also be submitted.

The Attorney General's Office has reviewed and approved these recommendations.

Prepared by: Lisa Coane, Director - Portfolio Services

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