

CAPITAL CITY REDEVELOPMENT CORPORATION  
 REQUEST FOR OFFERS TO PURCHASE AND REDEVELOP REAL PROPERTY  
 FORMER TAXATION BUILDING

Date: October 9th, 2024

Addendum #2

The following constitutes an Addendum, which can be a Clarification and/or Modification to the above-referenced solicitation. This Addendum includes:

- Part 1: Answers to Bidder Proposed Revisions to PSARA
- Part 2: Answers to Bidder Proposed Revisions to template deed
- Part 3: Answers to Bidder Questions and Comments

<b>Part 1: Answers to Bidder Proposed Revisions to PSARA</b>			
<b>No.</b>	<b>PSARA Section</b>	<b>Bidder Proposed Revision or Comment</b>	<b>CCRC Response</b>
1.	2. Definitions.	j. <b>“Deposit”</b> shall mean collectively the Deposit described in Section 5 herein, <a href="#">including any and all Due Diligence and Finance Extension Payments</a> .	CCRC declines to make this revision.
2.	5. The Purchase Price.	<p><b>5. The Purchase Price.</b></p> <p>The price that the Purchaser will pay the Seller as consideration for the Property is AMOUNT dollars (\$AMOUNT TBD) as follows:</p> <p style="text-align: center;">At the time of submission of its offer to purchase, Purchaser did deposit a <b>Deposit</b> with the Deposit Holder, in the amount of: AMOUNT TBD</p> <p style="text-align: center;">Balance to be paid at closing of title, by wire transfer, in cash or by certified check \$Amount TBD</p> <p>If Purchaser obtains project financing and is able to close before the <a href="#">final performance deadline is reached</a>, Closing Date (date to be mutually determined by parties), any and all extension payments made shall be credited towards the balance to be paid at closing of title.</p> <p>Subject to Approval Tolling, if Purchaser is not able to close timely due to <a href="#">intentional or willful</a> non-performance with respect to permits and approvals, or financing period deadlines, any and all extension payments made will be forfeited, and extension payments will be non-refundable and will remain with the seller.</p>	<p>CCRC accepts the deletion of “final performance deadline is reached” and accepts the addition of “Closing Date (Date to be mutually determined by parties).”</p> <p>Please see edits to the PSARA for CCRC’s response to the language proposed. The response allows for the return of extension payments and accrued interest to the Purchaser in the event that non-performance by the Purchaser occurs and can not be attributed to intentional or willful non-performance.</p>
3.	7. Redevelopment Project, Due Diligence and Project Approvals, Financial Assurances and Guarantees, Security, and Hiring Locally and	<p><b>b. Due Diligence and Project Approvals.</b></p> <p>i. Subject to Approval Tolling, upon expiration of the Due Diligence Period and any additional Due Diligence Extension Period, the entire Deposit shall become non-refundable, <a href="#">unless Seller defaults as provided herein</a>.</p> <p>ii. Seller agrees to reasonably cooperate with Purchaser in obtaining any required Seller signatures or consents in connection with Purchaser’s efforts to obtain any approvals for the development of the Project on the Property. Prior to Closing, where required by law, Seller will sign as owner or applicant on applications made by the Purchaser. At Closing Seller shall assign any permits or approvals related to the Project to the Purchaser.</p>	Revision accepted with edits as documented in the PSARA.

	Small Business Enterprises.		
4.	9. Title and Survey Investigation.	<p>b. Purchaser may obtain and deliver a title commitment from the title company along with a list of title objections identified by Purchaser to Seller (“<b>Title Objections</b>”) and may obtain a Boundary or ALTA Survey no later than sixty (60) days from the Effective Date. Not later than fifteen (15) business days after Seller receives the Title Objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller’s response or lack of response, Purchaser may either (i) terminate this Agreement within thirty (30) days of receipt of Seller’s response (or within thirty (30) days of Seller’s failure to respond) or (ii) proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Seller supplies an unsatisfactory response or no response, then Purchaser’s election is deemed an acceptance of the Title Objections by the Purchaser and the Seller shall have no further obligation to cure the Title Objections either prior to or at Closing.</p> <p><a href="#">(as to Addendum 1, response Paragraph 10 – the comment is unacceptable. If Purchaser terminates under 9b.(i)—Deposit must be refunded.)</a></p>	<p>CCRC declines to make this revision. This is already addressed in Section 9.c.iii which states that the Parties may “terminate this Agreement, whereupon the entirety of the Deposit(s) made and all interests accrued thereon shall be promptly returned to Purchaser by the Deposit Holder.” However, CCRC will negotiate with the selected bidder to find mutually agreeable language should that be necessary.</p>
5.	9. Title and Survey Investigation.	<p>iii. terminate this Agreement, whereupon the entirety of the Deposit(s) made <a href="#">(including any Extension Fees)</a> and all interest accrued thereon shall be promptly returned to Purchaser by the Deposit Holder.</p>	<p>CCRC accepts the proposed edit. Please see the revised PSARA.</p>
6.	11. Due Diligence Period.	<p>c. Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion by delivering written notice of such termination to the Seller prior to five o’clock (5:00) P.M. on the last day of the Due Diligence Period or Due Diligence Extension Period, if applicable, and receive a full refund of the Deposit(s) made, <a href="#">(including Extension Fees, if applicable)</a>, and all interest accrued thereon.</p>	<p>CCRC accepts the proposed edit. Please see the revised PSARA.</p>
7.	11. Due Diligence Period.	<p>f. The Due Diligence Period may be extended up to twice, each extension for up to 45- days. Subject to confirmation by Seller that Purchaser is making progress on its Due Diligence work, each extension shall be executed upon deposit of a \$25,000 payment – creditable towards eventual purchase price. The Due Diligence Extension payment(s) is refundable during the Due Diligence Period and non-refundable thereafter, <a href="#">unless Seller defaults as provided herein</a>.</p>	<p>CCRC partially accepts the proposed edit. Please see the revised PSARA.</p>
8.	11. Due Diligence Period.	<p>g. If upon the completion of the Due Diligence Period Purchaser elects to preserve this Agreement and work towards closing of title, the Deposit and any extension payments made shall be non-refundable except that such payments will be credited against the agreed purchase price at Closing, should Closing occur. <a href="#">Refundable upon a Seller default</a>.</p>	<p>CCRC agrees that if Seller defaults, deposit and extension payments, if applicable, and interest shall be returned to Purchaser. Please see the revised PSARA.</p>
9.	13. Financing Period	<p>c. Any extension payment made during the Financing Period shall be non-refundable except that such payments will be credited against the agreed purchase price at Closing, should Closing occur. <a href="#">Purchaser shall be entitled to a return of ½ of the Financing Extension Payment, if Purchaser is unable to close due to lack of financing. Purchaser shall provide the CCRC with proof of same.</a></p>	<p>CCRC declines to make this revision. However, please see revised PSARA language discussed in response to Question #2 above.</p>

10.	14. Conditions Precedent to Closing.	viii. Purchaser shall secure financing that enables commencement of Project construction within <u>3090</u> days of the simultaneous closing of title and closing of financing, and completion of the Project. <u>(At the time of Closing – Purchaser will have to ascertain its current project status and allocate staff and resources towards this project.. so commencement could take up to 90 days)</u>	CCRC will discuss the timing for the commencement of the construction with the selected Bidder.
11.	15. Time and Place of Closing.	vi. Such other documentation as reasonably requested by the Title Company <u>or Purchaser's lender</u> to complete Closing.	CCRC partially accepts the proposed edit. Please see the revised PSARA.
12.	15. Time and Place of Closing.	d. At Closing, Purchaser shall pay to Seller the balance of the Purchase Price due at Closing in accordance with Section 5., <u>less all Due Diligence and Financing Extension Payments</u> . Purchaser shall make payment at Purchaser's option by either certified check or attorney trust account check or with the consent of Seller by wire transfer.	CCRC accepts the proposed edit. Please see the revised PSARA.
13.	25. Remedies Upon Default by Purchaser	iii. Purchaser or its successors and assigns may request that the Seller execute a release evidencing the termination of Seller's right of reversion on any portion of the Property that has been Completed upon the presentation of (i) a valid Certificate of Completion and (ii) a form of release that shall be recorded at the sole cost and expense of the Purchaser or its successors and assigns. <u>[why was the concept and form of Reversion Release not accepted? See Addendum Para. 41 and 42. Once a Certificate of Completion is obtained, Seller should sign the Reversion Release to free up the Property—it has already agreed to do so above, so what is the harm in attaching the form and providing a time frame for the Seller to do it in?]</u>	CCRC agrees to use a Reversion Release Form.  The language of the PSARA and deed will be revised in coordination with the selected Bidder.
14.	25. Remedies Upon Default by Purchaser	iv. The provisions of this Section 25 shall survive Closing and/or termination of this Agreement and run with the land. <u>[The Reversion Section makes it very difficult to obtain financing. All parties must agree to further negotiating of this paragraph upon request of Purchaser's lender]</u>	If the Reversion or Reversion Release provision is presenting financing difficulties, the Bidder may raise the lender's concerns with CCRC at that time.
15.	26. Adjustments at Closing/Assessments for Municipal Improvements.	iv. <u>Seller acknowledges as a State entity, no real property transfer tax or mansion tax will be applicable to this transaction.</u>	CCRC is unable to confirm the accuracy of this statement at this time. CCRC will discuss with the selected Bidder.
16.	42. Representations of Purchaser and Seller.	<u>[AT A MINIMUM, Seller must represent that there are no building violations and especially as to DCA and elevator violations—which are the responsibility of the Seller. The Seller needs to represent it is current with all City, DCA, fire, alarm and elevator inspections and there are no violations of record. IF there are, the fines, annual fees, charges, etc., are the responsibility of Seller to pay or clear up prior to Closing.]</u>	If any DCA violations were to arise between now and Closing, Treasury would work with DCA and Purchaser to resolve any violations prior to Closing. If necessary, CCRC will discuss language of this section with the selected Bidder.

## Part 2: Answers to Bidder Proposed Revisions to Template Deed

No.	Template Quitclaim Deed Section	Bidder Proposed Revision or Comment	CCRC Response
1.	NOW, THEREFORE, THE GRANTOR	<p><b>NOW, THEREFORE, THE GRANTOR</b>, for and in consideration of _____ (\$ _____) and the promises of the Grantee set forth in the PSARA between the Grantor Grantee does hereby remise, release and forever quitclaim unto the Grantee, its successors and assigns, all rights, title and interest of the Grantor in and to the certain parcel of land situated, lying and being Block 1902, Lot 1, in the City of Trenton, County of Mercer, State of New Jersey as more particularly described in <b>Exhibit A</b>, attached hereto and made a part hereof (hereinafter referred to as the "Property").</p> <p><a href="#">[rather than attach the entire PASRA either (1) a memorandum should be recorded, which will also save the Purchaser recording fees north of approx. \$500, or (2) simply record a Declaration of Covenants and Restrictions—which according to Purchaser’s title company is the preferred method which contains the default provisions, restricted conditions and reversionary interest]</a></p>	<p>CCRC and Treasury agree that rather than recording the full PSARA with deed, only the terms that need to survive Closing should be recorded. CCRC will discuss with the selected bidder which PSARA provisions will be included in the Exhibit.</p>
2.	REVERSION TO SELLER	<p><b>REVERSION TO SELLER.</b> Subject to the terms and conditions of Section 25(b) of the PSARA, title to the Property conveyed to the Grantee by this Quitclaim Deed is and shall be subject to the right of the Grantor to repurchase the Property in the event that Grantee fails to commence or complete construction of the Project (as that term is defined in the PSARA). Such right of Grantor to repurchase the Property is hereby made subject and subordinate to any and all land, construction, permanent or other lender whose lien shall have superiority over any such rights. <a href="#">Upon issuance of a Certificate of Completion from the Grantor and execution of the Reversion Release, Grantee shall have the Reversion Release Agreement recorded, which shall terminate all rights of Reversion to Seller under the PASRA and hereunder and in the Declaration of Covenants Agreement, as well as all other conditions herein except the indemnity in the Hold Harmless paragraph herein.]</a></p>	<p>CCRC agrees to use a Reversion Release Form.</p> <p>The language of the PSARA and deed will be revised in coordination with the selected Bidder.</p>
3.	SUBJECT TO	<p><b>SUBJECT TO</b> all valid and existing restrictions, reservations, covenants, conditions, and easements, including, but not limited to, rights-of-way for railroads, public highways, pipelines, and public utilities, if any, whether of public record or not. Grantor hereby reserves, retains, and withholds for the Grantor, its successors and assigns forever, rights, rights of way and easements allowing <i>Seller and its successors and assigns</i> to enter upon the Property and maintain, service, repair and use any such underground lines, pipes, wires, cables, and conduits in perpetuity for the benefit of existing and future development at the Property.</p> <p><a href="#">[why is the Seller and its successors accessing the property to maintain and service underground lines and pipes? This right should be reserved for utility/cable companies only]</a></p>	<p>CCRC accepts the proposed deletion. Please see revised deed.</p>
4.	1. "As Is" Condition of Property	<p><b>1. "As Is" Condition of Property</b></p> <p>The Grantee acknowledges that it has inspected, or has had the opportunity to inspect, the Property and accepts the condition and state of repair of the Property. The Grantee understands and agrees that the Property is conveyed "AS IS" without any representation, warranty, or guaranty by the Grantor as to quantity, quality, title, character, condition, size, or kind, or that the same is in a suitable condition or fit to be used for the purposes intended by the Grantee, and no claim for allowance or deduction upon such grounds will be considered.</p> <p><a href="#">[Why repeating this here? It is in the PASRA and assumed]</a></p>	<p>This section of the deed will be modified to be consistent with the PSARA, and CCRC and Seller will work with the selected bidder to determine which sections need to go into the Deed Exhibit.</p>
5.	2. Hold Harmless	<p>(b) any and all claims, damages, judgments, losses, and costs arising out of, or in any manner predicated upon, exposure to asbestos, lead based paint, or other condition on any portion of the Property after the date of the conveyance herein.</p> <p><a href="#">[This is in the PASRA and already survives closing—redundant and unnecessarily muddying the Deed]</a></p> <p>The Grantee, for itself, its successors and assigns, covenants and agrees that the Grantor shall not be responsible for any costs associated with modification or termination of the covenants, conditions, and restrictions in this deed including, without limitation, any costs associated with additional investigation or remediation of asbestos, lead-based paint, or other condition on any portion of the Property.</p>	<p>Hold Harmless will be modified to be consistent with the PSARA.</p>
6.	4. Survival	<p><b>4. Survival</b></p> <p>Sections 7(a)(i), 7(d), 8, 22, 24 and 45 of the PSARA, survive the closing of this Deed, run with the land and are continuing obligations, representations, covenants, restrictions and conditions unless otherwise terminated, discharged or released as may be permitted under the PSARA <a href="#">and are completely terminated once the Reversion Release Agreement is recorded.</a></p>	<p>CCRC accepts the proposed edit.</p>

7.	1. "As Is" Condition of Property, 2. Hold Harmless, 3. Post-Transfer Discovery of Contamination and Release, 4. Survival, and 5. Declaration of Covenants.	<a href="#">[1-5 above SHOULD be put in a SEPARATE Declaration of Covenant and Restrictions Document to be recorded against the Property and terminated upon recording of the Reversion Release Agreement]</a>	This section of the deed will be modified to be consistent with the PSARA, and CCRC and Seller will work with the selected bidder to determine which sections need to go into the Deed Exhibit.
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<b>Part 3: Answers to Bidder Questions and Comments</b>		
<b>No.</b>	<b>Bidder Question/Comment</b>	<b>CCRC Response</b>
1.	The Bidder commented that the property is currently assessed at \$4,000,000 and the appraised value is \$1,790,000. The bidder wants to know if the CCRC will file an appeal to lower the current assessment or work with the City to obtain a reduced assessed value? The Bidder requests that language be added to the PSARA to include that a reduced assessment will be obtained by the CCRC or permit the Bidder to apply on behalf of the CCRC, and that if the assessment is not reduced to the appraised value, then the Bidder shall have the right to terminate the PSARA.	The property is currently tax exempt as it is owned by the State. The State will not be seeking a re-assessment at this time. Treasury would have no objection to a contract purchaser pursuing a reassessment of the property, however, the sale will not be contingent on the City reducing the assessed value.
2.	The Bidder commented the Feasibility Study projected the costs between \$71,400,000 and \$98,300,000, and that in their experience, the completed value of this building would be about \$30,000,000 - \$40,000,000. Given this shortfall, the Bidder would like to know if the CCRC will assist with obtaining public subsidies.	CCRC is not part of the review process for subsidy programs available through other entities and cannot assist the Bidder with that process. CCRC will provide any information in its possession to the selected bidder for its application or as requested by the grantor.
3.	The Bidder commented that they reserve the right to request additional changes or comments based on CCRC's responses.	There will not be any further Q&As. However, CCRC reserves the right to negotiate points not finalized within the context of the Questions posed and Answers provided through the Q & A process.

