



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

SUBJECT: Agenda for Board Meeting of the Authority June 12, 2018

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chairman's Report to the Board

CEO's Report to the Board

Board Presentation

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

May 11, 2018

MINUTES OF THE MEETING

Members of the Authority present: Chairman Larry Downes, Justin Zimmerman representing Acting Commissioner Marlene Caride of the Department of Banking and Insurance; Dan Ryan representing Acting Commissioner Catherine McCabe of the Department of Environmental Protection; Public Members Charles Sarlo, Fred Dumont, and Louis Goetting.

Present via conference call: Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Catherine Brennan representing State Treasurer Elizabeth Muoio; Public Members Philip Alagia, William Layton, and William J. Albanese, Sr., Second Alternate Public Member.

Absent: Mary Maples of the Executive Branch; Public Members Massiel Medina Ferrara, Thomas Scrivo, John Lutz, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

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

Mr. Downes called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Mr. Lizura 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, Mr. Lizura 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 April 10, 2018 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Zimmerman, and was approved by 10 of the 11 voting members present.

Mr. Goetting abstained because he was absent during the meeting.

The next item of business was the approval of the April 10, 2018 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Zimmerman, and was approved by 10 of the 11 voting members present.

Mr. Goetting abstained because he was absent during the meeting.

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

BOARD PRESENTATION

The Offshore Wind Industry in New Jersey: Representatives from various NJ agencies and the Governor's Office will explain the status of the offshore wind industry in NJ, and its potential environmental and economic impacts.

AUTHORITY MATTERS

ITEM: Agreement for an Action Plan for Development of Technology Hub

REQUEST: To approve an Agreement with the New Brunswick Development Corporation to prepare a preliminary assessment and strategy for the development of a technology and innovation hub in New Brunswick.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Small Business Bonding Readiness Assistance Program

REQUEST: To approve entering into a contract with the African American Chamber of Commerce of New Jersey for the establishment and operation of the Small Business Bonding Readiness Assistance Program and Small Business Bonding Readiness Assistance Fund.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program- Modification

ITEM: Just Greens, LLC dba Aerofarms

APPL.#39142

REQUEST: To approve changes to Grow NJ award including size, capital investment and second six month extension.

MOTION TO APPROVE: Mr. Zimmerman **SECOND:** Mr. Dumont **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Mr. Goetting abstained because his son's former employer was the contractor who built the facility.

BOND PROJECTS

Combination Preliminary and Bond Resolutions

ITEM: Foundation Academy Charter School

APPL.#44940

LOCATION: Trenton, Mercer County

PROCEEDS FOR: Renovation, Construction and Acquisition of buildings

FINANCING: \$14,000,000 tax-exempt bond; \$320,000 Taxable bond

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

Preliminary Resolutions

ITEM: University Heights Charter School of Excellence APPL.#44936
LOCATION: Newark City, Essex County
PROCEEDS FOR: Acquisition and Renovations to building
FINANCING: Total costs: \$15,000,000
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Amended Bond Resolutions

ITEM: Congregation Tiferes Shulem, Inc. APPL.#37566
REQUEST: Consent to change the Bond's interest rate
MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Dumont AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection
MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Zimmerman AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Heilmann's Gulf APPL.#44755
LOCATION: Madison Borough, Morris County
PROCEEDS FOR: Remediation
FINANCING: \$269,445

PROJECT: Gasarama, Inc. APPL.#44756
LOCATION: Hampton Township, Sussex County
PROCEEDS FOR: Remediation
FINANCING: \$109,559

EDISON INNOVATION FUND

ITEM: Edison Partners IX, LP
REQUEST: Approval to make a limited partnership investment
MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Ryan AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

OFFICE OF RECOVERY

Energy Resilience Bank Program- Modification

ITEM: Trinitas Regional Medical Center Project Funding

REQUEST: Consent to the modification of the funding amount due to additional project work and resiliency modifications

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Zimmerman **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

REAL ESTATE

ITEM: Camden Waterfront- Right of Entry Permit

REQUEST: Approval to grant Cooper's Ferry Partnership, Inc. a right of entry to operate a temporary park on property owned by the Authority

MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Ryan **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Title Services on an As Needed Basis- 2018 RFQ/P078

REQUEST: Approval to enter into the Title Services on an As Needed Basis contract with Brennen Commercial Abstract and Nationwide Court Services, Inc.

MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Dumont **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Zimmerman abstained because the Department of Banking and Insurance regulates the title services industry.

BOARD MEMORANDUMS

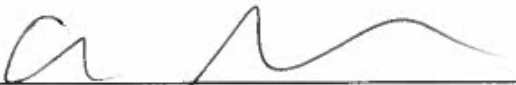
FOR INFORMATION ONLY: Projects approved under Delegated Authority

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Ryan, the meeting was adjourned at 11:24am.

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.


Erin Gold, Director, Marketing & Public Affairs
Assistant Secretary



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
DATE: June 12, 2018
RE: Monthly Report to the Board

GOVERNOR MURPHY ADVANCES CLEAN ENERGY AND INNOVATION ECONOMY INITIATIVES

Several legislative initiatives advanced by Governor Murphy in May will help to establish New Jersey's leadership in the clean energy economy. Referring to the signing of these measures as a "down payment to the people of New Jersey" on the clean energy agenda he set forth earlier this year, actions taken included issuing Executive Order #28, which directs the development of an updated Energy Master Plan (EMP) for the state to achieve 100 percent clean energy by 2050. Other recent measures included the signing of Bill A-3723, the Renewable Energy bill, which takes several critical steps to improve and expand New Jersey's renewable energy programs, and Bill S-2313 which establishes a Zero Emissions Certificate (ZEC) program to maintain New Jersey's nuclear energy supply, which accounts for close to 40 percent of the State's electric capacity and is by far New Jersey's largest source of carbon free energy.

In addition, the New Jersey Board of Public Utilities (BPU) has approved the issuance of a Request for Quotation (RFQ) that will facilitate the creation of an offshore wind strategic plan to implement Governor Murphy's Offshore Wind Executive Order No. 8. The RFQ has solicited quotes to provide strategic planning and analyses to help New Jersey meet its offshore wind goals, as well as develop a strategy for the state's ports to support offshore wind and the supply chain. Brian Sabina has been designated to represent the EDA on the evaluation committee for the proposals.

Last month Governor Murphy announced several initiatives that are expected to re-ignite the promise of New Jersey's innovation economy. This includes the STEM Loan Forgiveness Program and the NJ Career Accelerator Internship Program – to encourage individuals in STEM fields to make a long-term commitment to building and maintaining a career in New Jersey. The STEM Loan Forgiveness Program will reduce State and Federal student loan obligations for college graduates in high-growth STEM occupations that choose to work in New Jersey. For current students, the NJ Career Accelerator Internship Program offers paid internships to be administered through the New Jersey Department of Labor and Workforce Development.

At the 2018 Propelify Innovation Festival, the Governor announced he has directed the Jobs and Economic Opportunity Council to create a Strategic Plan for reclaiming New Jersey's innovation economy. The comprehensive and coordinated plan will "ensure that New Jersey welcomes cutting-edge research, risk-taking entrepreneurs, and forward-thinking businesses, and provides a framework for inter-departmental cooperation in support of this administration's innovation agenda." I was pleased to attend the Festival this year and engage in a "fireside chat" with Chris Sugden of Edison Partners, focused on growing innovation through public-private partnerships.

Last week at BIO International in Boston, I was excited to partner with Secretary of Higher Education Zakiya Smith Ellis and Jose Lozano from Choose New Jersey to launch another initiative that will strengthen the ties between the State's higher education community and industry. Research with NJ is a free portal that showcases New Jersey's experts in science, technology, engineering and mathematics (STEM), including their professional backgrounds, publications, and achievements. Please check out the portal at www.ResearchwithNJ.com.

I am also pleased to share that the EDA is launching an Innovation Challenge, offering eligible communities an opportunity to bid for the opportunity to create plans to catalyze the growth of innovation economies across the state. The Innovation Challenge will launch as a pilot round of up to \$100,000 per bidder, available to cities (or partnered municipalities) with populations of 25,000 or more, or regional/county partnerships with populations of 100,000 or more. Issuing this Request for Proposals to catalyze planning and key investments is an important step in advancing Governor Murphy's mission of reclaiming New Jersey's position as the capital of innovation, and we are excited to hear from New Jersey's cities and regions about their ideas for enabling entrepreneurship and building the capacity to move innovation forward. Attached is a memo outlining this initiative in more detail. As noted, a Request for Proposals/Qualifications (RFP/Q) will be released in July, and we anticipate the Board will be asked to approve the Authority's recommendation for planning services contract awards in the fall.

Organizational Updates

The EDA recently took several steps as we continue our efforts to support Governor Murphy's stronger and fairer economic agenda. Last week, the EDA released a Request for Quotations (RFQ) through the GSA federal supply schedule to secure proposals for a state-wide strategic economic development plan for the Authority, its long-term sustainability, and alignment with our interagency partners. The phased scope of work in the RFQ outlined additional "deep-dive" areas, including an assessment of other states' incentives and investment programs, analysis of clean energy financing tools, and development of an overseas investment and business attraction strategy and operational plan. Proposals are due in July and the evaluation committee is expected to make a recommendation for the August Board meeting.

The EDA also is entering into a Memorandum of Understanding with the New Jersey Department of Labor and Workforce Development to clarify respective roles related to monitoring and enforcing payment of the prevailing wage rate in construction contracts undertaken in connection with the Authority's financial assistance. This MOU will serve to strengthen our ability to ensure compliance with the Authority's relevant statutes and regulations and ensure that workers employed in the performance of these construction contracts are paid the prevailing wage rate.

I am also pleased to share that the EDA has executed the contract with the African American Chamber of Commerce of New Jersey (AACCNJ) related to the Small Business Bonding Readiness Program, which was approved by the Board last month. We have a kick-off meeting scheduled with AACCNJ next week and look forward to rolling out a training initiative that will better position small, minority- and women-owned businesses to compete for state or federal government contracts and expand opportunities for more firms to participate in economic development projects.

COMPANIES COMMIT TO EXPANSION IN NEW JERSEY

Following the Board's approval of Grow New Jersey tax credits in April, Integra Life Sciences and Tech Mahindra (Americas) Inc. have both committed to expand in New Jersey.

Integra Life Sciences plans to move to a larger, 166,900-square-foot facility in Plainsboro, where it will invest an estimated \$15.8 million and add 80 new employees to its existing staff of more than 600. The company was also considering moving its entire operation to Warminster, Pennsylvania. Tech Mahindra (Americas) Inc. plans to relocate its operations to a 13,500-square-foot facility in Bedminster, where it expects to add 38 new jobs to its existing workforce of 100. The alternate site under consideration for this project was in Frisco, Texas.

CLOSED PROJECTS

Through May 2018, EDA closed on more than \$18 million in lending assistance to support 49 projects, leveraging more than \$48 million in capital investment and the creation of more than 200 new permanent jobs.

In addition to the assistance, EDA also executed agreements pending certification with 12 incentives projects for more than \$304 million, leveraging more than \$420 million in capital investment, the creation of more than 1,280 new jobs, over 1,600 construction jobs, and the retention of 3,318 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 34 events in May. These included the NJTC Future Forum in Holmdel, the CCSNJ Energy and Utility Forum in Mt. Laurel, and the Gloucester Township EDC Business Breakfast.

I'd like to thank Charles Sarlo for hosting a breakfast event last month, providing me with an opportunity to meet several Bergen County business and community leaders. It was a great event and I appreciated the chance to meet these important stakeholders in Bergen County.





MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: June 12, 2018

RE: Innovation Challenge (FOR INFORMATIONAL PURPOSES ONLY)

The Authority intends to launch an Innovation Challenge initiative, offering eligible communities an opportunity to bid for the opportunity to create plans to catalyze the growth of innovation economies across the state. It is anticipated that the Authority will release a competitive Request for Proposals/Qualifications (RFP/Q) in July to award planning services contracts.

The Innovation Challenge will launch as a pilot round of up to \$100,000 per bidder, available to cities (or partnered municipalities) with populations of 25,000 or more, regional/county partnerships with populations of 100,000 or more. The total pool of funding under the pilot round will be up to \$500,000. Bidders may also be local or county governments or agencies representing populations of 25,000 or more. Regional partnerships are encouraged, and collectively must have a population of 100,000 or more.

The Authority will require bidders to the RFP/Q to include specific deliverables, clearly defining how the respective plan components support inclusive economic development and will create or enhance the local ecosystem, with a focus on several key areas including, but not limited to:

- Increasing opportunities to grow or expand clusters of innovation-driven companies;
- Encouraging the growth and expansion of incubators and other innovation-supportive real estate spaces;
- Encouraging mixed-use, transit-oriented development; repurposing of vacant or underutilized land and buildings;
- Providing STEM training and connections to jobs and ladders of opportunity;
- Developing and attracting top talent and employers;
- Planning for supportive infrastructure such as bike lanes, open space and other public amenities common to innovation districts; and,
- Building a culture of entrepreneurialism.

Bidders will need to identify how the innovation/s will meet the goals of the Innovation Challenge and will be required to commit to a 20 percent match, with preference given to those that include additional funding commitments from an anchor institution or strategic partner. Bids will need to demonstrate a viable path to bringing ideas to implementation,

including a collaborative stakeholder engagement process and strategy. Scoring criteria will include anticipated economic and social impact; an ability to track results; transferability; and existing staff capacity and management experience.

Following the competitive RFP/Q process, the Board will be asked to approve the Authority's recommendation for contract awards.

AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

RE: First Amendment to Real Estate Advisory Consulting Services Contract
Between Jones Lang LaSalle Americas, Inc. and NJEDA

Summary

I am requesting the Members approval to execute the First Amendment to Real Estate Advisory Consulting Services Contract (“First Amendment”), between the Authority and Jones Lang LaSalle Americas, Inc. (“JLL”) to increase the contract amount by Two Hundred Fifty Thousand Dollars (\$250,000.00) during the initial three (3) year term. These services will assist the Authority to evaluate real estate projects and investments in connection with a range of development-related activities.

Background

In January 2017, the Authority issued a Request for Qualifications/Proposals (RFQ/P), #2017RFQ/P070, to provide Real Estate Advisory Consulting Services to the Authority's Credit & Real Estate Underwriting department and to assist the Authority's staff in analyzing project investments to be made by the Authority.

The RFQ/P provided for the award of two, three-year contracts, each with two, one-year extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions. The estimated annual amount of was \$100,000, which if fully extended for the entire five-year term, was estimated to be a total of \$500,000, based on the Authority's projected needs for these services. Only one proposal was received by JLL. Because JLL was the sole respondent, a secondary vendor was not obtained. The Members approved the JLL contract on March 16, 2017, and on May 17, 2017 the Authority entered into a three-year contract with JLL.

To date, the Authority has authorized Task Order Requests in the amount of \$263,300 of the initial \$300,000 contract amount. The remaining amount under the agreement is \$36,700.

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The Authority's Credit & Real Estate Underwriting and Real Estate departments have utilized JLL for numerous assignments including:

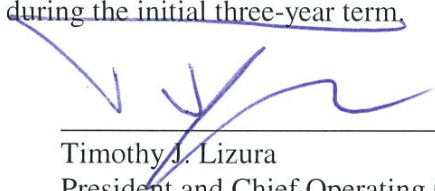
- Hurdle Rate Model/Net Benefit Model Update
- Net Benefit Model Post Closing Add on Module
- Retail Market Study for Downtown Trenton
- Catalogue of Trenton Downtown Redevelopment Sites

Due to the number of assignments and additional task order requests requiring JLL's services, including a development and financial feasibility assessment of current projects and the potential assessment of development and location options for future real estate projects, there is a need to increase JLL's contract amount by Two Hundred Fifty Thousand Dollars (\$250,000.00). Therefore, the total not-to-exceed contract amount for the initial contract will be \$550,000 and, should the Authority exercise all extension options, the total not-to-exceed contract amount will be \$750,000.

This requested revision to the contract will increase the budget for the initial three-year term, and remaining terms will be unchanged, including the Authority's option to extend the contract for two, one-year extension periods to be exercised at the sole discretion of the Authority.

Recommendation

In summary, I ask for the Members' consent to enter into the First Amendment to Real Estate Advisory Consulting Services Contract with JLL to increase the contract amount by Two Hundred Fifty Thousand Dollars (\$250,000.00) during the initial three-year term.



Timothy J. Lizura
President and Chief Operating Officer

Prepared by: Donna T. Sullivan

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)



MEMORANDUM

TO: Members of the Authority
FROM: Laurence M. Downes, EDA Board Chairman
DATE: June 12, 2018
RE: Review of Policies and Procedures of Incentive Programs

Request

Approval is requested to direct Authority staff to undertake a review of the policies and procedures of the incentive programs approved under the Economic Opportunity Act of 2013 (“EOA”).

Background

Over the course of administering the programs approved under the EOA, Authority staff has come to the Board periodically to improve the policies and procedures that govern the analysis and award of various EOA incentives.

In his budget message of February 2018, Governor Murphy invited the Legislature to rethink our current incentive programs in order that they generate true investment in, and value throughout, our entire economy. In the spirit of the Governor’s message, I propose that the Board ask staff to undertake a review of our current incentive programs, policies and procedures, particularly with respect to bonuses, which the EOA authorizes the Authority to revise “from time to time in response to evolving economic or market conditions.” This review should be informed by discussions with the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, which is undertaking a review of the programs, and the extensive discussions that staff has had over the years with applicants and other stakeholders.

I recognize that there are statutory limits to changes that can be implemented before the 2019 sunset of the EOA, but within those constraints, I propose that the Board ask staff to present recommendations to the Incentives Committee and the Board for its consideration. I also cordially invite all Board members to share his or her suggestions, input and experience as part of this process.

Recommendation:

It is recommended that the Board request Authority staff to undertake a review of the policies and procedures of the incentive programs approved under the EOA.

Laurence M. Downes

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

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

APPLICANT: E*Trade Financial Corporation P45002

PROJECT LOCATION: 200 Hudson Street Jersey City Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

E*Trade Financial Corporation (“E*Trade”) is a financial services company that provides online brokerage and related products and services primarily to individual retail investors. Services are provided to customers through digital platforms and a network of industry-licensed customer service representatives and financial consultants, over the phone and by email at two national branches, and in-person at 30 regional branches across the United States. On August 16, 1996, the company became a public company via an initial public offering. E*Trade operates in many locations in the US and also has a Customer Technical Services group in the Philippines. The applicant has demonstrated the financial ability to undertake the project.

E*Trade applied for and was approved for a BEIP in 2006. It is currently in compliance with documentation filings related to the BEIP, and the BEIP will terminate on April 24, 2021. None of the employees from the BEIP are incented by this Grow NJ application. E*Trade has a balance in excess of \$1 million to be collected from back-payments still owed. E*Trade opted in for the tax credit conversion.

The applicant is currently headquartered in New York, NY.

MATERIAL FACTOR/NET BENEFIT:

E*Trade has decided to onshore its Customer Technical Services operations, currently in the Philippines, to a US location. The company has narrowed its site selection down to two options. The first option would be to locate this group in its Harborside office in Jersey City, where the company currently leases 106,573 SF and employs 510 people. In order for this option to work and to have contiguous space, E*Trade would extend its existing lease (set to expire in 2022), and lease an additional 23,996 SF, for a total of 130,569 square feet. The alternate scenario would be to lease a full floor of approximately 27,000 SF in a new building, located close to its existing 132,000 SF building in Alpharetta, GA, where it employs approximately 700 people.

The Jersey City, NJ location is an attractive option because of its greater sized workforce to aid in recruiting new talent, and its proximity to E*Trade’s New York City headquarters. The main benefit is that the Customer Technical Services employees could be put in the same building with E*Trade’s existing operations staff, whereas

the company’s Alpharetta building is fully occupied, so E*Trade would have to add another location and lease to its existing portfolio.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of E*Trade Financial Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Karl A. Roessner, the CEO of E*Trade Financial Corporation, that states that the application has been reviewed and the information submitted, and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$45.0 million over the 20-year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$5,222,760	\$20,975,434
New Jobs	25	251
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	200 Hudson Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation light rail station
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 251 Full-Time Jobs at the project location resulting in an increase of \$500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

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

	<ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$8,000 = \\$4,000$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$20,975,434 / 10 / (251 + 0) = \\$8,356$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>
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<u>Grant Calculation</u>			
BASE GRANT PER EMPLOYEE:			
Urban Transit HUB Municipality		\$	5,000
INCREASES PER EMPLOYEE:			
Transit Oriented Development:	\$		2,000
Large Number of New/Retained F/T Jobs:	\$		500
Targeted Industry (Finance):	\$		500
INCREASE PER EMPLOYEE:		<u>\$</u>	<u>3,000</u>
PER EMPLOYEE LIMIT:			
Urban Transit HUB Municipality			\$12,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$	8,000
AWARD:			
New Jobs:	251 Jobs X \$8,000 X 100% =		\$2,008,000
Retained Jobs:	0 Jobs X \$8,000 X 50% =		<u>\$ 0,000</u>
	Total:		\$2,008,000
ANNUAL LIMITS:			
Urban Transit HUB Municipality			\$10,000,000
TOTAL ANNUAL AWARD			<u>\$2,008,000</u>

PROJECT IS: (X) Expansion () Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 20,975,434
ANTICIPATED COMPLETION DATE
FOR CAPITAL INVESTMENT: January 30, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY: April 30, 2021
SIZE OF PROJECT LOCATION: 130,569 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 251
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017): 510
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 58,000

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 65,073,196
TOTAL AMOUNT OF AWARD: \$ 20,080,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 44,993,196

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The Applicant will maintain the 510 current positions it has in the State at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 510 positions employed by the Applicant at the project site.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Maggie Peters

APPROVAL OFFICER: Mark Chierici



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: June 12, 2018
SUBJECT: Teva Pharmaceuticals USA, Inc.

Purpose:

This memorandum addresses the legal matters of Teva Pharmaceuticals USA, Inc. (Teva), related to the applicant’s pending Grow New Jersey Program application.

Background:

Teva Pharmaceutical Industries Limited, parent of the applicant, is a pharmaceutical company that develops, manufactures, markets, and distributes generic medicines and a portfolio of specialty medicines worldwide. It operates through two segments, Generic Medicines and Specialty Medicines.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority’s regulations, N.J.A.C. 19:30-2-1 et seq., criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and the fines assessed and paid as reviewed by staff with guidance from the Attorney General’s Office:

2017 Illinois False Claims Act – Liability related to Average Wholesale Prices:

Teva and certain of its affiliates have been sued in numerous Average Wholesale Price (AWP) cases. These cases typically are brought by state attorneys general or qui tam relators. The plaintiffs typically claim that the pharmaceutical company defendants reported AWP’s that were higher than the prices pharmacies paid to acquire the defendants’ prescription drugs. The plaintiffs additionally claim that these false AWP’s caused state Medicaid agencies to over-reimburse pharmacies for prescription drugs provided to Medicaid patients. Most of these matters settle; however, Teva remains a party to a case in Illinois as described below.

The Illinois AWP case was filed by the State of Illinois against Teva and dozens of other pharmaceutical companies in 2005. The State alleged that the defendants reported false AWPs for their drugs and thereby violated the Illinois Whistleblower Reward and Protection Act and Consumer Fraud and Deceptive Business Practices Act. The case is captioned *People of the State of Illinois v. Abbott Laboratories, et al.*, No. 05 CH 2474 (Circuit Court of Cook County, Ill.).

A bench trial of the State's claims against Teva occurred in late 2013. On June 28, 2017, the Court issued a written decision finding Teva liable to the State of Illinois for fraud.

Currently the parties are briefing issues related to determination of damages and civil penalties.

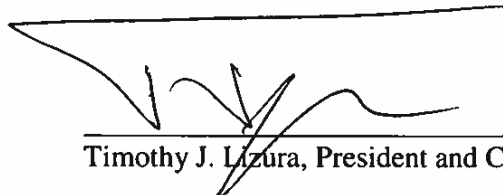
Mitigating Factors

The following mitigating factors provided by the applicant regarding the conduct described in this memorandum are worthy of consideration. They are as follows:

- Teva was one of the first pharmaceutical companies to take action to minimize any potential confusion created by industry practices related to AWP. In 2003, prior to being named as a defendant in any AWP case, Teva suspended its reporting of AWPs and began reporting Suggested Wholesale Prices (or SWPs).
- Teva has implemented a robust compliance program. One purpose of Teva's compliance program and related employee training is to help ensure compliance with all applicable Medicaid rules, including with respect to how Teva determines and reports pricing information for its prescription drugs.
- In its settlements of several AWP cases, Teva agreed to make available to state Medicaid agencies confidential market pricing information for its prescription drugs (Average Manufacturer Prices or AMPs).
- While post-trial proceedings are ongoing, Teva expects that it may appeal the Court's liability finding at the appropriate time.

Recommendation:

Staff performed a review of these actions with guidance from the Attorney General's office and weighed the seriousness of the offenses in conjunction with the mitigating factors. Staff does not believe that disqualification is warranted.



Timothy J. Lizura, President and COO

Prepared by: Marcus Saldutti

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Teva Pharmaceuticals USA, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Brendan P. O’Grady that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$247.4 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 232 New Jersey jobs listed in the application are at risk of being located outside the State on or before May 31, 2019 as this is the date upon which the alternate facility will be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$13,819,520	\$31,456,748
New Jobs	25	843
Retained Jobs	35	232

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Parsippany-Troy Hills is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$128,073 exceeds the Morris County median salary by 71.2% resulting in an increase of \$500 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 1,075 Full-Time Jobs at the project location resulting in an increase of \$1,500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Life Sciences business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$5,500 = \$2,750) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (31,456,748/ 10 / (843 + 232) = \$2,926) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Priority Area	\$ 3,000
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INCREASES PER EMPLOYEE:

Jobs with Salary in Excess of County Average:	\$ 500
Large Number of New/Retained F/T Jobs:	\$1,500
Targeted Industry (Life Sciences):	\$ 500

INCREASE PER EMPLOYEE:

\$ <u>2,500</u>

PER EMPLOYEE LIMIT:

Priority Area	\$10,500
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 5,500

AWARD:

New Jobs:	843 Jobs X \$5,500 X 100% =	\$4,636,500
Retained Jobs:	232 Jobs X \$5,500 X 50% =	<u>\$ 638,000</u>
	Total:	\$5,274,500

ANNUAL LIMITS:

Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$6,111,436)
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TOTAL ANNUAL AWARD BASED ON NOT EXCEEDING \$4,000,000:

New Jobs:	843 Jobs X \$4,171 X 100% =	\$3,516,153
Retained Jobs:	232 Jobs X \$2,085 X 100% =	<u>\$ 483,720</u>
	Total:	\$3,999,873

TOTAL ANNUAL AWARD

<u>\$3,999,873</u>

Teva Pharmaceuticals USA, Inc.	Grow New Jersey	Page 6
PROJECT IS: (X) Expansion	() Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:		\$ 31,456,748
ANTICIPATED COMPLETION DATE		
FOR CAPITAL INVESTMENT:		October 1, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY:		June 11, 2020
SIZE OF PROJECT LOCATION:		345,488 sq. ft.
NEW BUILDING OR EXISTING LOCATION?		Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?		Non-Industrial
CONSTRUCTION: (X) Yes	() No	
NEW FULL-TIME JOBS:		843
RETAINED FULL-TIME JOBS:		232
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):		239
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:		N/A
MEDIAN WAGES:		\$ 128,073
NET BENEFIT MODEL:		2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):		\$287,406,546
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)		\$ 39,998,730
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):		\$247,407,816
ELIGIBILITY PERIOD:		10 years
CONDITIONS OF APPROVAL:		
1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.		
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three years from Board approval.		
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.		
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.		
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.		
APPROVAL REQUEST:		
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before May 31, 2019; 2) approve the proposed Grow New Jersey grant to encourage Teva Pharmaceuticals USA, Inc., to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.		
DEVELOPMENT OFFICER: M. Sestrich	APPROVAL OFFICER: K. DeSmedt	

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



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

SUBJECT: GGB, LLC ("GGB") - Modification
\$3,282,500 Grow NJ – P39591

Request:

Consent to a second six-month extension from June 9, 2018 to December 9, 2018 to allow GGB sufficient time to hire additional new jobs at the approved qualified business facility (QBF) and certify project costs and jobs

The members are asked to approve this second six-month extension because it exceeds the criteria for staff delegations to approve this matter.

Background:

GGB manufactures self-lubricating and pre-lubricated bearings for various industries and applications. The company offers the most extensive range of high performance bearing solutions for a multitude of applications.

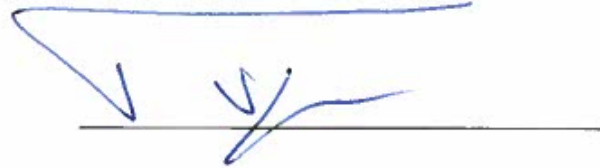
On December 9, 2014, GGB was approved for a ten (10) year Grow New Jersey (Grow NJ) Award limited to 90% of NJ withholdings and not to exceed \$3,282,500 for the retention of 29 and the creation of 36 Grow NJ eligible jobs at a 51,200 sf facility located at 1414 & 1450 Metropolitan Avenue, Thorofare, NJ. Capital investment to complete this project was estimated to be \$4,060,000.

The Grow New Jersey statute requires projects to be completed and costs and jobs certified within three years of the Authority's approval. However, the Authority may grant two six-month extensions to the certification deadlines to allow EDA to complete its review and request a tax credit issuance within four years of the date of Board approval. In December 2017, GGB requested, and the EDA approved, a six-month extension from December 9, 2017 to June 9, 2018 to certify the costs and jobs. GGB now requests members approve a second six-month extension to hire additional new jobs and satisfy all program requirements necessary to certify costs and jobs.

Staff conducted a site visit and had a subsequent conversation with CEO Stephen Mac Adam to confirm that GGB currently has 22 new jobs, 29 at-risk retained jobs at the QBF and has actual total capital investment of approximately \$3.3 MM. GGB communicated that they overestimated the anticipated capital investment and since they are seeking skilled laborers with ball bearing experience, it has taken them longer than expected to fill the remaining anticipated new jobs. Members are now asked to approve that second six-month extension to December 9, 2018.

Recommendation:

Consent to a second six-month extension from June 9, 2018 to December 9, 2018 to allow GGB sufficient time to hire additional new jobs at the approved qualified business facility (QBF) and to certify project costs and jobs.

A handwritten signature in blue ink is written over a horizontal black line. The signature is stylized and appears to consist of several loops and strokes, possibly representing the initials 'GGB'.

Prepared by: Keirah Black



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

SUBJECT: Insurance Services Office, Inc. (“ISO”) - Modification
\$17,737,500 Grow NJ – P40230

Request:

Consent to a second six-month extension from July 13, 2018 to January 13, 2019 to complete the renovations at the approved qualified business facility (QBF) and certify project costs and jobs.

The members are asked to approve this second six-month extension because it exceeds the criteria for staff delegations to approve this matter.

Background:

ISO founded in 1971 is an advisory and rating organization for the property and casualty insurance industry to provide statistical and actuarial services, to develop insurance programs and to assist insurance companies in meeting state regulatory requirements.

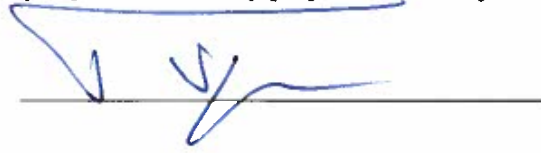
On July 13, 2015 the members approved a ten (10) year Grow NJ tax credit (Grow NJ) not to exceed \$17,737,500 for the retention of 430 Grow NJ eligible jobs and 690 Grow NJ ineligible jobs that were not at risk of leaving the state at a 391,501 sf existing facility located at 545 Washington Boulevard, Jersey City. Capital investment to complete this project was estimated at \$18,300,000.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority’s approval. However, the Authority may grant two six-month extensions to the certification deadlines to allow EDA to complete its review and approve a tax credit issuance within four years of the date of Board approval. In October 2017, ISO requested, and staff approved, a six-month extension from January 13, 2018 to July 13, 2018 to complete the project and certify the project. ISO now requests members approve a second six-month extension to complete the renovations and satisfy all program requirements necessary to certify costs and jobs.

Staff conducted a site visit and had a subsequent conversation with CEO Scott Stephenson to confirm that ISO currently has 1,230 jobs at the QBF and has actual total capital investment of approximately \$44MM. ISO communicated they decided to undertake a more significant renovation of the QBF than originally contemplated in the Grow NJ application and anticipates completing the renovations by the first week of September 2018. Members are now asked to approve the second six-month extension to January 13, 2019.

Recommendation:

Consent to a second six-month extension from July 13, 2018 to January 13, 2019 to complete the renovations at the approved qualified business facility (QBF) and certify project costs and jobs.

A handwritten signature in blue ink is written over a horizontal black line. The signature is stylized and appears to consist of several loops and strokes, possibly representing the initials 'JY'.

Prepared by: Charlene M. Craddock



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

SUBJECT: Just Greens, LLC dba Aerofarms. (“Aerofarms”) - Modification
\$6,555,000 Grow New Jersey Assistance Program (“Grow NJ”) – P39142

Request:

Consent to adding the re-purposed 16,375 sf show room space previously excluded from the Grow NJ incentive to the Qualified Business Facility (“QBF”). The addition of this space will increase the size of the facility by 56% from 29,443 sf to 45,818 sf.

This change will not impact the amount of the \$6,555,000 award, the 51% industrial space bonus or the creation of 69 new jobs incented under the original Grow NJ award.

Background:

Just Greens, LLC dba Aerofarms is an aeroponic grower of leafy greens. Compared to soil-based methods, aeroponics uses significantly less water due to the aeroponic system's direct application of nutrients to the roots. This method coupled with the use of LED lighting, instead of sunlight, allows the company to grow leafy greens indoors on a year-round basis without the use of soil or pesticides.

On December 9, 2014, Aerofarms was approved for a ten year \$6,555,000 Grow NJ award for the development of a 52,800 sf headquarters and production facility located at 212 Rome Street, Newark, incenting the creation of 69 new jobs. The estimated eligible capital investment to complete the project was \$19,252,253. Concurrently, an Economic Redevelopment and Growth Grant (“ERG”) was approved for the applicant’s landlord and developer for a 9.48 % of costs, not to exceed \$2,214,192.

At the time of the original approval, a 16,375 sf portion of the building that was already under lease and intended to be used as a showroom was excluded as part of the QBF, as were 9 jobs, because the pre-existing commitment to the showroom meant that the company could not demonstrate that the award was a material factor to the use of that space as a showroom or the creation of jobs at the showroom.

In May, 2017, Aerofarms was approved for a second Grow NJ award of \$11,147,360 to incnet the construction of a 77,000 sf growing facility and the creation of 56 jobs in Camden. The two Grow NJ projects are being built independently of each other by different developers, and there are no provisions in the approvals that require both to be built in order for either to qualify to receive the Grow NJ at each location. The Camden project has provided its progress report for November 2017 and is in process of completing its May 2018 report. Estimated project completion is May 2020.

In December 2017, the applicant requested, and EDA allowed a six month extension from December 2017 to June 2018 to certify the Newark project.

Shortly after the six month extension was granted, the applicant advised EDA that the construction of the remaining 25,853 sf of the project which was to house the Aerofarms headquarters would not be completed by the four year statutory deadline of December 9, 2018. The applicant subsequently requested a reduction in the QBF to exclude the 25,853 sf headquarters space, thereby reducing the QBF to 26,947 sf and a second six month extension of time from June 2018 to December 2018 to certify the project. The request also initially included adding 2,500 sf in office space to the QBF, but prior to Board consideration the applicant withdrew its request to add that 2,500 sf space, citing concerns with completing the renovations on that space prior to statutory deadline.

On May 11, 2018, EDA’s Board approved the 49% reduction in the QBF from 52,800 sf to 26,947 sf and the second six month extension. At that time, the applicant advised that it intended to apply to EDA to add back the headquarters space to the QBF when the unconstructed portion is complete. That request will be a separate decision by EDA’s Board, at its sole discretion.

Aerofarms has since found a 2,496 sf space at 50 Park Place in Newark within two miles of the existing QBF to allow for the placement of 36 employees. This space, which will be used as Aerofarms’s headquarters, was added to the QBF under delegated approval authority in accordance with the delegated authority criteria approved by the Board on September 9, 2016. The 2,496 sf increased the total square footage of the project from 26,947 sf to 29,443 sf. An affiliate and a PEO were also added under delegated approval on June 8, 2018.

Over the past month, Aerofarms has re-evaluated its current use of space for efficiencies and has elected to re-purpose the 16,375 sf space that was originally dedicated as a showroom and excluded from the Grow NJ award to office space, and has requested that EDA consent to adding it to the QBF.

The proposed modification increases the total square footage of the QBF by 56% from 29,443 sf to 45,818 sf and requires that the applicant increase its minimum capital investment from \$588,660 to \$916,360. The overall capital investment is still intended to total \$11,120,528.

This approval does not modify the existing terms and conditions of the ERG concurrently approved with this Grow incentive. The ERG developer will need to submit an application for any changes necessary or desired for the ERG, and any such requests would be considered separately. At this point, no extension is needed to the timeline for completion and certification of the ERG project.

Summary of Project Changes:

	<u>At Approval</u>	<u>As Proposed*</u>
Project Location	212 Rome Street (26,947 sf)	212 Rome Street (43,322 sf) 50 Park Avenue, 3 rd floor (2,496 sf)
Jobs	69 (New)	69 (New)
Total Award Amount	\$ 6,555,000	\$ 6,555,000
Square Footage	29,443 sf	45,818 sf

Minimum Capital Investment	\$ 588,660	\$ 916,360
Estimated Capital Investment	\$ 11,120,528	\$ 11,120,528

* This includes the 2,496 sf QBF expansion approved under delegated authority.

Recommendation:

Consent to adding the re-purposed 16,375 sf show room space previously excluded from the Grow NJ incentive to the QBF, which will increase the size of the facility by 56% from 29,347 sf to 45,818 sf. There will be no change to the amount of the Grow NJ award (\$6,555,000) previously approved by the Members.



Prepared by: Thomas McCusker

BOND PROJECTS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

SUBJECT: NJEDA/Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Projects) 2018 Series A

DATE: June 12, 2018

SUMMARY OF PROPOSED FINANCING

The EDA is currently being asked to (i) make findings and determinations relative to the provision of financial assistance through the issuance of one or more series of Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Projects) 2018 Series A (the “2018 Bonds”) to assist the New Jersey Transit Corporation (“NJ Transit”) in undertaking the Portal North Bridge Replacement Project, which consists of the replacement of the Portal Bridge, an existing two-track railroad swing type drawbridge that spans the Hackensack River in New Jersey, with a new two-track fixed structure (the “Project”), and to (ii) approve the execution and delivery of a Funding Agreement, pledging to the EDA certain appropriations by the New Jersey State Legislature to the New Jersey Transportation Trust Fund Authority in amounts sufficient to enable NJ Transit to make rent payments to the EDA under a Portal Bridge Sublease, which appropriations will secure the 2018 Bonds.

BACKGROUND

NJ Transit operates New Jersey’s main public transportation service consisting of public bus and commuter rail services. Its mission is to provide safe, reliable, convenient and cost-effective transit service with a skilled team of employees, dedicated to NJ Transit’s customers’ needs and is committed to excellence. One of NJ Transit’s many capital projects includes the Portal North Bridge Replacement Project. Built in 1910, the existing Portal Bridge is a two track, railroad swing-type drawbridge which crosses the Hackensack River in New Jersey as part of the Pennsylvania Railroad’s extension from New Jersey to Manhattan. This bridge is vital element of the Northeast Corridor (“NEC”), both in terms of ridership and service frequency. The Project will replace the existing century-old Portal Bridge with a new two-track fixed structure. The new bridge structure will be approximately 2.33 miles long and will have a clearance that accommodates current and forecasted maritime traffic, thereby eliminating the need for movable span that interrupts rail operation and results in delays. The new bridge design will improve reliability, allowing NJ Transit to operate longer and higher capacity trains and at an increased speed.

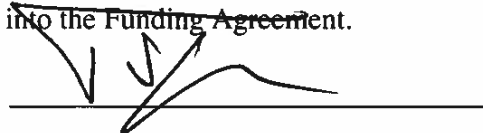
APPROVAL REQUEST

The EDA is being requested to approve a preliminary resolution relative to (i) findings and determinations with respect to the provision of financial assistance through the issuance of the 2018 Bonds by the EDA to NJ Transit to enable NJ Transit to finance the Project, and (ii) approval of the execution and delivery of a Funding Agreement establishing the security for payment of the 2018 Bonds. The EDA would issue the 2018 Bonds in one or more series, in the aggregate principal amount not to exceed \$600,000,000. NJ Transit and the EDA would enter into a Lease Agreement and a Sublease Agreement pursuant to which NJ Transit will make rent payments to the EDA in amounts sufficient to enable the EDA to pay debt service on the 2018 Bonds. Under the Funding Agreement, NJ Transit pledges to the EDA appropriations made by the New Jersey Legislature to Transportation Trust Fund Authority to pay the rent obligation under the Sublease. The EDA would assign such right to the appropriations and to the rent to the 2018 Bond trustee. Issuance of the 2018 Bonds is subject to all customary and legally required documents and approvals.

The preliminary approval of the issuance of the 2018 Bonds by the Board on June 12, 2018 is required to assist NJ Transit in obtaining Core Capacity Grant funding through the Federal Transit Administration (“FTA”) Capital Investment Funding (“CIG”) grant program for the financing of approximately \$844 million of the approximately \$1.7 billion costs of the Project. The other sources of funding for the Project, in addition to the proceeds of the 2018 Bonds and the CIG grant funds include a contribution from Amtrak for FRA grant proceeds, other Amtrak contributions, CMAQ funding and local NJ Transit match for CMAQ funds.

RECOMMENDATION

The Project is a critical improvement to the comprehensive rail improvement program along the NEC. The Project meets all criteria for Core Capacity eligibility; ridership on the NEC commuter rail corridor is currently at capacity and the Project is a substantial, corridor-based investment within the existing NEC that will increase capacity by over 10%. The new high-level fixed span bridge provides the reliability necessary for NJ Transit to add capacity. Additionally, its functionality adheres to U.S. Coast Guard requirements to eliminate interference with marine traffic. Based on the aforementioned, Staff recommends approval of the Preliminary Resolution making the requisite finding and determinations and approving entering into the Funding Agreement.

A handwritten signature in black ink, consisting of a stylized 'V' shape followed by a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Prepared by: Teresa Wells

2018 SERIES A FUNDING AGREEMENT

This **2018 SERIES A FUNDING AGREEMENT**, dated as of _____, 2018 (this "Funding Agreement"), made by NEW JERSEY TRANSIT CORPORATION (the "Corporation"), a body corporate and politic constituting an instrumentality of the State of New Jersey (the "State"), created and existing under and by virtue of the New Jersey Public Transportation Act of 1979, L. 1979, c. 150, as heretofore or hereafter from time to time amended and supplemented (the "Transportation Law"), with the approval of the COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF TRANSPORTATION (the "Commissioner"), to and in favor of the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (the "Authority"), a public body corporate and politic organized and existing under the New Jersey Economic Development Authority Act, L. 1974, c. 80, as heretofore or hereafter from time to time amended and supplemented (the "Act"), with reference to the following background:

BACKGROUND

WHEREAS, the Corporation is authorized and directed by the Transportation Law to provide efficient, coordinated, safe and responsive public transportation for the residents of the State; and

WHEREAS, the Authority is a public body corporate and politic and an instrumentality of the State exercising public and essential governmental functions, organized, subsisting under and having the powers conferred by the Act, including, inter alia, the power to render assistance to governmental bodies through, among other means, the issuance of its obligations and the entering into of contracts, including leases, for the acquisition, construction and improvement of transportation facilities; and

WHEREAS, the Corporation proposes to undertake the Portal North Bridge Replacement Project, which consists of the replacement of the Portal Bridge, an existing two-track railroad swing type drawbridge that spans the Hackensack River in New Jersey, with a new two-track fixed structure that will be approximately 2.33 miles and will have a clearance that accommodates current and forecasted maritime traffic, which will eliminate the need for a moveable span that interrupts rail operations and results in delays due to mechanical failures and which when built, will allow for a 10% increase in peak hour passenger capacity (the "Portal Bridge Project"); and

WHEREAS, the Corporation and the Authority have agreed that the financing of the costs of the Portal Bridge Project, including capitalized interest and transaction costs (collectively, the "Costs"), shall be obtained through the creation of lease-sublease arrangements between the Corporation and the Authority, and the sale of the Authority's Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Projects) 2018 Series A (the "2018 Series A Bonds"). A portion of the debt service on the 2018 Series A Bonds shall be paid by the Authority from the 2018 Series A Rent Payment Obligations payable (as hereinafter defined) by the Corporation to the Authority pursuant to the 2018 Series A Sublease (as hereinafter defined) from appropriations by the New Jersey Legislature for the Portal Bridge Project in each Fiscal Year of the State (a "Fiscal Year") in an amount up to, but not exceeding, the amount necessary to pay the

Corporation's 2018 Series A Rent Payment Obligations for such Fiscal Year ("2018 Series A State Appropriations"), if, as and when such amounts become available; and

WHEREAS, pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as heretofore or hereafter from time to time amended and supplemented (the "NJTTFA Act"), and, in particular, Section 13 of the NJTTFA Act, N.J.S.A. 27:1B-21.6, the Commissioner or the Board of Directors of the Corporation (the "Board") with the approval of the Commissioner is authorized to enter into agreements for the advancement of a transportation project to be funded by future Fiscal Year appropriations to the New Jersey Transportation Trust Fund Authority, pursuant to which the Commissioner or the Board may pledge funds anticipated to be appropriated to those transportation projects in those agreements; provided, however, that payment of moneys pledged is subject to the availability of funds in the Fiscal Year in which the funds are to be appropriated. The New Jersey Legislature has no legal obligation to make any such appropriations. Any project which is the subject of an agreement authorized by Section 13 of the NJTTFA Act shall appear in the annual report of proposed projects prepared by the New Jersey Department of Transportation pursuant to Section 22 of the NJTTFA Act for each Fiscal Year in which the agreement is in effect, and the report shall indicate the amount to be appropriated, if any, to the project in the upcoming Fiscal Year; and

WHEREAS, the Corporation is, pursuant to a Portal Bridge Lease dated as of the date of issuance of the 2018 Series A Bonds, leasing the Portal Bridge Project to the Authority (the "2018 Series A Lease"); and

WHEREAS, pursuant to a Portal Bridge Sublease dated as of the date of issuance of the 2018 Series A Bonds (the "2018 Series A Sublease"; capitalized terms used but not defined in this Funding Agreement shall have the meanings given to them in the 2018 Series A Sublease or the Resolution (as hereinafter defined)), the Authority is in turn contemporaneously reletting and subleasing the Portal Bridge Project back to the Corporation, to be designed, acquired, constructed, equipped and operated by the Corporation. Pursuant to the 2018 Series A Sublease, the Corporation shall pay periodic installments of Rent (the "2018 Series A Payment Obligations") from 2018 Series A State Appropriations; and

WHEREAS, the Corporation, with the approval of the Commissioner, is entering into this Funding Agreement in favor of the Authority pursuant to which, *inter alia*, the Corporation is pledging the 2018 Series A State Appropriations to the Authority to secure the payment of the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease; and

WHEREAS, the Authority will issue the 2018 Series A Bonds pursuant to a Transportation Project Sublease Revenue Bond Resolution (New Jersey Transit Corporation Projects), adopted on December 13, 2016, as amended by the First Supplemental Transportation Project Sublease Revenue Bond Resolution (New Jersey Transit Corporation Projects), and a Series Certificate of the Authority dated as of the date of sale of the 2018 Series A Bonds (collectively, the "Resolution"), in an aggregate principal amount which, together with other funds of the Corporation which are or are to become available for such purposes, will be sufficient to pay, among other things, the costs of the Portal Bridge Project, and all other Costs; and

WHEREAS, in conjunction with, and as security for, the issuance of the 2018 Series A Bonds pursuant to the Resolution, the Authority will assign all of its right to receive the 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease and the pledge of the 2018 Series A State Appropriations under this Funding Agreement to the Trustee pursuant to the Resolution; and

WHEREAS, U.S. Bank National Association, as trustee under the Resolution (the "Trustee"), shall, pursuant to the Resolution, pay the debt service on the 2018 Series A Bonds solely from the Pledged Property assigned to it under the Resolution; and

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, the Corporation hereby agrees as follows:

1. Pledge of 2018 Series A State Appropriations. In order to secure the payment when due of the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease, the Corporation hereby pledges to the Authority any and all 2018 Series A State Appropriations, if, when and as received, together with any and all investment income thereon; *provided, however*, that payment of amounts pledged under this Funding Agreement is subject to the availability of funds in the Fiscal Year in which such amounts are to be appropriated. The pledge and security interest granted hereby shall remain in full force and effect until the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease have been paid in full.

2. Limitation of Liability.

(a) Notwithstanding anything in this Funding Agreement to the contrary, the cost and expense of the performance by the Corporation of its obligations under this Funding Agreement and the incurrence of any liabilities of the Corporation under this Funding Agreement, shall be limited solely to the 2018 Series A State Appropriations, which are hereby irrevocably pledged to the Authority as security for the payment of all of the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease. The obligation to make payments of Rent required to be paid under this Funding Agreement and the 2018 Series A Sublease is not and shall not be a liability or charge upon the credit of the Corporation. Furthermore, no debt or liability of the Corporation shall be deemed or construed to create or constitute a debt, liability, loan of credit of or pledge of credit of the Authority or the State. Accordingly, the cost and expense of the performance by the Corporation of its obligations under this Funding Agreement and the incurrence of any liabilities of the Corporation under this Funding Agreement in any Fiscal Year shall be subject to and dependent upon appropriations being made from time to time by the New Jersey Legislature for the Portal Bridge Project in such Fiscal Year in an amount up to, but not exceeding, the amount necessary to pay the Corporation's 2018 Series A Rent Payment Obligations for such Fiscal Year.

(b) A failure by the Corporation to pay when due any 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease or any amount payable under this Funding Agreement by reason of the occurrence of an Event of Non-Appropriation (as such term is defined in the 2018 Series A Sublease) shall not constitute a Default under the 2018 Series A Sublease or a default under this Funding Agreement or an event of default under the Resolution. All liabilities or potential liabilities of the Corporation hereunder are further subject to the

provisions of N.J.S.A. 59:1-1 et seq. and of N.J.S.A. 59:13-1 et seq. The provisions of this Section 2(b) shall be applicable to all liabilities of the Corporation wherever set forth in this Funding Agreement, whether or not specific reference is made to this Section 2(b).

(c) Nothing herein contained shall require or be construed to constitute a legal requirement (contractual or otherwise) that the Corporation must request additional funds from the New Jersey Legislature or any other funding source if for any reason monies legally available to the Corporation from 2018 Series A State Appropriations in any Fiscal Year are not sufficient to meet the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease or this Funding Agreement (but nothing herein contained shall preclude the Corporation from making any such request, if it shall elect to do so).

3. Representations, Warranties and Covenants of the Corporation. The Corporation hereby represents, warrants and covenants that:

(a) The Corporation has all requisite power and authority to execute and deliver this Funding Agreement and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Funding Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by the Board and no other proceedings on the part of the Corporation are necessary or required under the Transportation Law or the NJTTFA Act. This Funding Agreement constitutes the legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity or before or by any court, public board or body, pending, or to the knowledge of the Corporation, threatened, wherein an unfavorable decision, ruling or finding would (i) materially adversely affect the transactions contemplated by this Funding Agreement, the 2018 Series A Lease or the 2018 Series A Sublease; or (ii) adversely affect the validity or enforceability of this Funding Agreement, the 2018 Series A Lease or the 2018 Series A Sublease. All authorizations, consents and approvals of governmental bodies or agencies presently required in connection with the execution, delivery and performance by the Corporation of this Funding Agreement have been obtained and are in full force and effect.

(d) Neither the execution and delivery of this Funding Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of the Transportation Law or any regulation issued thereunder, any agreement or instrument to which the Corporation is a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(e) As set forth in Section 13 of the NJTTFA Act, the Corporation has the right, power and authority to pledge the 2018 Series A State Appropriations as provided in this Funding Agreement, has not created, assumed, incurred or suffered to be created, assumed or incurred, or to exist, and will not for so long as the 2018 Series A Sublease remains in effect,

create, assume, incur, or suffer to be created, assumed or incurred or to exist any lien, pledge, charge or encumbrance of any kind or nature on the 2018 Series A State Appropriations.

4. Benefit of Funding Agreement; Successors and Assigns. This Funding Agreement is entered into by the Corporation for the benefit of the Authority and the Trustee on behalf of the Holders from time to time of the 2018 Series A Bonds and any Additional Bonds, including Refunding Bonds, hereafter issued in connection with the Portal Bridge Project and Outstanding under the Resolution. This Funding Agreement shall be binding upon the Corporation and its successors and assigns.

5. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when hand delivered with receipt acknowledged, sent by telecopy, telegraph, telex, facsimile transmission or any other similar means of electronic communication, mailed by first class mail, registered or certified, return receipt requested, or sent by recognized overnight carrier, postage prepaid and with acknowledgment of delivery, to the parties at the addresses or numbers set forth below or as to each party at such other or additional address or numbers as shall be designated by such party in a written notice to the other party hereto. Copies of all notices shall also be sent to the Commissioner and the Trustee:

- | | |
|-------------------------|--|
| If to the Commissioner: | Commissioner of Transportation
New Jersey Department of Transportation
Finance and Administration Building
1035 Parkway Avenue
P.O. Box 600
Trenton, New Jersey 08625 |
| If to the Corporation: | New Jersey Transit Corporation
New Jersey Transit Headquarters
One Penn Plaza East
Newark, New Jersey 07105-2246
Attention: Executive Director |
| If to the Authority: | New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625
Attention: Chief Executive Officer |
| If to the Trustee: | U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Paul D. O'Brien, Vice President |

6. Amendments. This Funding Agreement may be amended upon the written consent of the Commissioner, the Corporation and the Authority, subject to and in accordance with the provisions of Section 1005 of the Resolution.

7. Severability. Any provision of this Funding Agreement which is prohibited, unenforceable or unauthorized in any jurisdiction or as to any circumstance shall, as to such jurisdiction or circumstance, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction or as to any other circumstance.

8. Governing Law; Submission to Jurisdiction.

(a) This Funding Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

(b) With respect to any suit, action or proceedings relating to this Funding Agreement, each of the Authority and the Commissioner irrevocably submits, to the fullest extent permitted by law, to the exclusive jurisdiction of the State courts of the State of New Jersey located in the County of Mercer.

9. Headings. Section headings in this Funding Agreement are for convenience of reference only and shall not constitute a part of this Funding Agreement for any other purpose.

10. Counterparts. This Funding Agreement may be executed in any number of counterparts, all of which counterparts, taken together, shall constitute but one and the same Funding Agreement.

11. Term of Agreement. This Funding Agreement and the obligations of the Corporation and the Commissioner hereunder shall terminate when all of the Corporation's 2018 Series A Rent Payment Obligations under the 2018 Series A Sublease have been paid in full.

12. Pledge and Assignment. The Corporation acknowledges that all of the Authority's right, title and interest in, to and under this Funding Agreement has been pledged and assigned to the Trustee pursuant to the Resolution.

IN WITNESS WHEREOF, the Corporation, the Commissioner and the Authority have caused this 2018 Series A Funding Agreement to be duly executed and delivered, approved or consented to, as applicable, by their duly authorized officers, as of the date first above written.

NEW JERSEY TRANSIT CORPORATION

By: _____

Pursuant to N.J.S.A. 27:1B-21.6, I hereby approve this 2018 Series A Funding Agreement by the New Jersey Transit Corporation and further agree to comply with all applicable legal requirements in the implementation hereof.

**COMMISSIONER, NEW JERSEY
DEPARTMENT OF TRANSPORTATION**

By: _____

Date of Approval:

This 2018 Series A Funding Agreement from New Jersey Transit Corporation to and in favor of the New Jersey Economic Development Authority is hereby consented to and approved.

**NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____

Date of Consent and Approval:

BOND RESOLUTIONS

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

APPLICANT: University Heights Charter School, Inc.

P44936

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 66-78 Morris Avenue

Newark City (T/UA)

Essex County

GOVERNOR'S INITIATIVES:

(X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

University Heights Charter School, Inc. ("UHCS"), formerly University Heights Charter School of Excellence, began operations in 2006 from a single facility, and currently serves students from Pre-K through Grade Eight out of three Newark school facilities located at 74 Hartford Street, 66-78 Morris Avenue, and 106 7th Avenue. Approximately 93% of the students are residents of Newark, with most of the remaining students coming from Irvington and East Orange. In March of 2015, the Department of Education renewed the UHCS charter through 2020, while at the same time authorizing UHCS to increase enrollment to 750 students. In February of 2017, the Department of Education again authorized UHCS to increase its enrollment allowing for 1,095 students by the end of the previously renewed charter, with UHCS currently remaining in good standing. Nicole Butler is the Board President of University Heights Charter School, Inc. and Tamara Cooper is the school's Executive Director.

In April of 2014 the Authority issued \$7,680,000 in Qualified School Construction Bonds on behalf of CA Newark 66-78 MA Urban Renewal LLC (CA Newark), a nonprofit real estate holding company established to support UHCS with a real estate project at 66-78 Morris Avenue. CA Newark is wholly owned by Canyon-Agassi Charter School Facilities Fund, L.P, whose mission is to provide state-of-the-art, academically-friendly facilities for best-in-class charter school operators. The project entailed the acquisition of an existing building, its renovation, and the construction of an addition resulting in a 34,000 sq. ft. school facility able to house 450 students including classrooms, science labs, a gymnasium, a cafeteria, and an outside turf field. The 66-78 Morris Avenue facility is currently leased to UHCS by CA Newark, with a purchase option beginning in July of 2017 and running through June of 2019.

The Applicant is a 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 purchase the leased facility reducing future operating costs, finance modest renovations, fund a debt service reserve, and pay certain costs associated with the issuance of the bonds. Total debt will not exceed the appraised value of the property in addition to the debt service reserve fund.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (underwriter)

AMOUNT OF BOND: \$14,900,000 Tax-Exempt Bond
(estimated)

\$600,000 Taxable Bond (estimated)

APPLICANT: University Heights Charter School, Inc.

P44936

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TERMS OF BOND:	35 year term, Fixed interest rate not to exceed 7.50%	35 year term, Fixed interest rate not to exceed 8.00%
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ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$13,192,331
Debt service reserve fund	\$1,095,725
Finance fees	\$1,009,010
Renovation of existing building	\$202,934
TOTAL COSTS	\$15,500,000

JOBS: At Application 122 Within 2 years 1 Maintained 0 Construction 2

PUBLIC HEARING: 06/12/18 (Published 05/29/18) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** K. DeSmedt

PRELIMINARY BOND RESOLUTIONS

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

APPLICANT: United Airlines, Inc.

P45004

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 151 Brewster Rd

Newark City (T/UA)

Essex

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

United Airlines, Inc. is a major United States airline, headquartered in Chicago, IL and is the world's third-largest airline by revenue. On May 2, 2010, UAL Corporation, Continental Airlines, Inc. (together with its consolidated subsidiaries, "Continental") and JT Merger Sub Inc., a wholly-owned subsidiary of UAL Corporation, entered into an Agreement and Plan of Merger. On October 1, 2010, JT Merger Sub Inc. merged with and into Continental, with Continental surviving as a wholly-owned subsidiary of UAL Corporation (the "Merger"). Upon closing of the Merger, UAL Corporation became the parent company of both United Air Lines, Inc. and Continental and UAL Corporation's name was changed to United Continental Holdings, Inc. On March 31, 2013, the Company merged United Air Lines, Inc. into Continental to form one legal entity, and Continental's name was changed to United Airlines, Inc.

Authority approval has been granted to the Applicant under its previous name of Continental Airlines, Inc., totaling \$1,111,320,000 in bonds and \$2,093,090 in BEIP's, between 1989 and 2012.

The project qualifies for Authority assistance as it is an Exempt Public Facility (Airport) under Section 142 (a)(1) of the Internal Revenue Code of 1986 as amended and therefore the capital expenditure limitation under Section 144 of the Code is not applicable. The project is also exempt from the volume cap limitations under Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct a new 190,000 square foot catering operation flight kitchen and parking deck. The construction of the flight kitchen is anticipated to begin in July/August 2018 and is expected to take 24 months to complete.

FINANCING SUMMARY:**BOND PURCHASER:****AMOUNT OF BOND:** Tax-Exempt Bond \$180,000,000**TERMS OF BOND:****ENHANCEMENT:** N/A**PROJECT COSTS:**

Construction of new building or addition	\$120,214,394
Misc Costs	\$18,113,585
Purchase of equipment & machinery	\$14,781,022
Interest during construction	\$13,904,300
Engineering & architectural fees	\$6,788,321
Technology & Networking	\$1,970,803
Finance fees	\$1,814,231
Construction of roads, utilities, etc.	\$1,318,453
Furniture & Fixtures	\$1,094,891
TOTAL COSTS	\$180,000,000

APPLICANT: United Airlines, Inc.

P45004

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JOBS: At Application 1,229 Within 2 years 59 Maintained 0 Construction 922

PUBLIC HEARING:

BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Chierici

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: June 12, 2018
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grants:

P44991 Borough of Glassboro (Former Bill's Auto Radiator)	\$ 60,638
P44998 Borough of Madison (Bayley Ellard Field)	\$ 409,313

Total HDSRF Funding – June 2018 **\$ 469,951**

Timothy Lizura

Prepared by: Wendy Wisniewski

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

APPLICANT: Borough of Glassboro (Former Bill's Auto Radiator) P44991
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 8 College Avenue Glassboro Borough (T/UA) Gloucester
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Between October 2005 and January 2010, Borough of Glassboro received an initial grant in the amount of \$39,858 under P16691 and a supplemental grant in the amount of \$73,855 under P28616 to perform Preliminary Assessment (PA) and Site Investigation (SI) activities.

The project site, identified as Blocks 27, Lots 1.01 & 2.01 is a former gasoline service station and auto body repair facility which has potential environmental areas of concern (AOCs). The Borough of Glassboro currently holds a Tax Sale Certificate on the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial and residential use.

NJDEP has approved the supplemental 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 Borough of Glassboro is requesting aggregate supplemental grant funding to perform RI activities in the amount of \$60,638 at the project site. Because the aggregate supplemental funding including this request is \$134,493, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$174,351.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$60,638
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$60,638
EDA administrative cost	\$500
TOTAL COSTS	\$61,138

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Borough of Madison (Bayley Ellard Field)

P44998

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Madison Avenue and Danforth Madison Borough (N)

Morris

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

APPLICANT BACKGROUND:

In July 2017, the Borough of Madison received a grant in the amount of \$99,708 under P43020 to perform Preliminary Assessment, Site Investigation and Remedial Investigation. The project site, identified as Block 201, Lot 1.02 is a former recreational use property found to have historic fill which has potential environmental areas of concern (AOCs). The Borough of Madison currently owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site for recreational use.

NJDEP has approved this request for 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.

APPROVAL REQUEST:

The Borough of Madison is requesting supplemental grant funding to perform RA in the amount of \$409,313 at the Bayley Ellard Field project site. Total grant funding including this approval is \$509,021.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$409,313 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$545,750
EDA administrative cost	\$500
TOTAL COSTS	\$546,250

APPROVAL OFFICER: K. Junghans

OFFICE OF RECOVERY

STRONGER NJ BUSINESS LOAN MODIFICATION



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: June 12, 2018

SUBJECT: Akamai Property Management, LLC
Toms River, Ocean County, NJ 08753
P39568

Modification Request

Approval is requested to increase an existing \$1,273,543 construction loan under the Stronger NJ Business Loan Program to \$2,573,543.

Background

Established in June 2011, Akamai Property Management LLC (“Akamai”) is a real estate holding company formed to purchase the commercial property in which the operating company Ohana Enterprises, LLC. (“Ohana” or “the Company”) utilizes. Prior to Superstorm Sandy, Ohana operated a Shell gas station with a convenience store and a car wash. In September 2015, Ohana ceased all operations including the gas station in preparation for construction to rebuild the business. Once construction is completed, the Company will reopen with a new business structure that includes a gas station, a car wash, and a quick lube/oil change facility.

This project involves a complete site demolition and rebuilding of the business. The proceeds will primarily be used to construct a new car wash, retail and oil change structures in addition to other various components such as landscaping and signage.

Ohana previously received financing under the EDA’s Stronger New Jersey Grant Program (“Grant Program”) and Stronger NJ Business Loan Program (“Loan Program”). To explain, on May 23, 2014 Ohana was approved for a \$50,000 grant under the Grant Program. The proceeds of the grant were to reimburse working capital expenses incurred during the 2014 fiscal year. All the grant proceeds have been disbursed.


On July 29, 2014, EDA staff under delegated authority approved a \$1.2 million working capital loan and \$769,498 construction loan under the Loan Program. The proceeds of the working capital loan were used to reimburse Ohana for working capital expenses incurred in 2014. All the

proceeds of this loan were fully disbursed on January 20, 2015. The purpose of the construction loan was to partially fund the construction costs of the project. However, due to an unanticipated increase in project costs, the construction loan was increased via a Board approval to \$1.27 million on December 8, 2015. As of this underwriting, \$644,632 has been disbursed under this loan.

Subsequent to the December 8, 2015 approval, the construction project costs increased further reflecting construction cost overruns. As such, the applicant has requested that the construction loan be increased to \$2.57 million.

Recommendation

Approval is recommended to increase an existing \$1,273,543 construction loan under the Stronger NJ Business Loan Program to \$2,573,543 based on EDA staff's satisfactory review of company prepared projections that illustrate the ability to service all loans.



Timothy Lizura

Prepared by: Matt Boyle, Senior Real Estate Underwriter

STRONGER NJ BUSINESS LOAN APPEALS



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: June 12, 2018

SUBJECT: Stronger NJ Business Loan Program Appeal – Pride Products Manufacturing, LLC

Pursuant to the appeal process approved by the Board at the June 10, 2014 Board meeting, applicants to the Stronger NJ Business Loan program may challenge the EDA’s decisions by submitting in writing to the EDA, no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned to each project to provide an independent review of the appeal.

The Hearing Officer’s review includes reviewing the appeal letter, the application and file, as well as speaking directly with the applicant and relevant HUD Programs staff. The applicant has been sent the Hearing Officer’s report in advance of the Board Meeting. They have been given an opportunity to reach out directly to the Hearing Officer to discuss the decision and have been notified of the date and time of the Board Meeting.

At this meeting, the Board is being asked to consider one appeal: Pride Products Manufacturing, LLC. Attached to this memo you will find the Hearing Officer’s recommendation, the Hearing Officer’s letter to the applicant, the declination letter and the applicant’s appeal. I have reviewed the attached and I concur with the recommendation that the declination under the Stronger NJ Business Loan Program for Pride Products Manufacturing, LLC be upheld.

Tim Sullivan

attachments



MEMORANDUM

TO: Tim Sullivan, Chief Executive Officer
Members of the Authority

FROM: Dina Antinoro
Hearing Officer

DATE: June 12, 2018

SUBJECT: Stronger NJ Business Loan Program Appeals
Pride Products Manufacturing, LLC – SL68277

Request:

The Members are asked to approve the Hearing Officer’s recommendation to uphold the declination of the Stronger NJ Business Loan application for Pride Products Manufacturing, LLC. Pursuant to the appeal process approved by the Board at the April 30, 2013 Special Board meeting, and revised at the June 10, 2014 Board Meeting, applicants to the Stronger NJ Business Loan Program may challenge the EDA’s decisions by submitting in writing to the EDA, no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned by the CEO to each project to provide an independent review of the appeal. Dina Antinoro has fulfilled the role of Hearing Officer to review the following appeal and has completed the review with legal guidance from the Attorney General’s Office.

The appeal has been reviewed and a letter has been sent to the applicant with the Hearing Officer’s recommendation. The applicant was notified in the letter that they have the opportunity to provide comments or exceptions directly to the Hearing Officer. The letter is attached to this memo.

Based on the review of the appeal submitted by the applicant and the analysis prepared by the initial review team from the EDA, the Hearing Officer recommends the following:

Business Name	Reason for Decline	Discussion
<p>Pride Products Manufacturing, LLC</p>	<ol style="list-style-type: none"> 1) The credit report for Joseph Yuan revealed poor credit history indicated by a FICO score below 600 as well as derogatory credit items dated before and after the storm, including two (2) open federal tax liens totaling \$67,622 and two (2) open state tax liens totaling \$35,963. 2) A superior search report on Pride Products indicates nine (9) judgments totaling \$57,421.73 in addition to nine (9) federal tax liens totaling \$154,623. 3) The business did not demonstrate a minimum \$5,000 of physical damage as a result of Superstorm Sandy, nor alternatively demonstrate that the project will positively impact the economy of the community. 	<p>Applicant appealed in June 2016 regarding business credit issues, as well as personal credit issues for the owner of the business. To date, applicant has not demonstrated that it has overcome all of the reasons for declination, despite being provided with ample time to do so.</p> <p>Applicant has submitted documentation of the following:</p> <ol style="list-style-type: none"> 1) Federal and state tax liens have been resolved; 2) Two of four outstanding judgments have been resolved, as well as three of eight other credit-related items; and 3) Documentation demonstrating a minimum \$5,000 of physical damage as a result of Superstorm Sandy.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General’s Office, the recommendation of the Hearing Officer is to uphold the declination of the Stronger NJ Loan application for Pride Products Manufacturing, LLC.

Prepared by: Dina Antinoro



May 29, 2018

In Reference to:
Stronger NJ Business Loan (SL) # 68277

Joseph Yuan
Pride Products Manufacturing, LLC
5 Slater Drive
Elizabeth, New Jersey 07206

RE: Stronger NJ Business Loan Appeal

Dear Mr. Yuan:

My name is Dina Antinoro and I was appointed to serve as the Hearing Officer for your appeal under the Stronger NJ Business Loan Program (“Loan Program”).

By way of background, the New Jersey Economic Development Authority (“NJEDA”) reviewed and declined your application for a loan on May 13, 2016. The information you provided indicated that you are the owner of Pride Products Manufacturing, LLC (“Pride Products”), a company specializing in contract manufacturing, decorating, and packaging located in Elizabeth, New Jersey. As part of my review of your loan application and appeal, I have read your appeal letter, your application and file, and spoken with relevant Office of Recovery staff. This letter follows our telephone conversations and emails from May 2016 to the present.

In accordance with 24 CFR §§570 et seq. – Community Development Block Grants, the United States Department of Housing and Urban Development (“HUD”) published “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery (“CDBG-DR”) Funds in Response to Hurricane Sandy”, 78 Fed. Reg. 14329 et seq. (March 5, 2013) (the “Published HUD Requirements”) which outlines the allocation of Sandy Relief funds and guidelines that recipient and sub-recipient agencies were to follow. As the NJEDA is the sub-recipient of this funding, the NJEDA’s Stronger NJ Business Loan is required to adhere to HUD regulations as well as federal regulations outlined by 24 CFR §§570 et seq.

Per HUD regulations, the New Jersey Department of Community Affairs (“DCA”) published a CDBG Disaster Recovery Action Plan (“Action Plan”). The Action Plan states in section 4.3.2 that the Program is specifically open to small businesses, however, businesses “may be further limited based on additional criteria determined by NJEDA and outlined in program guidelines.” Such

additional criteria and guidelines can be found in the resolution (“Board Resolution”) approved by the NJEDA’s Board at its June 11, 2013 meeting.

In Pride Product’s original declination letter, you were informed that the business is ineligible for a working capital loan under the Loan Program for three reasons:

- 1) the credit report for Joseph Yuan revealed poor credit history indicated by a FICO score below 600 as well as derogatory credit issues before and after the storm, including two (2) open federal tax liens totaling \$67,622 and two (2) open state tax liens totaling \$35,963;
- 2) the superior search report on Pride Products indicates nine (9) judgments totaling \$57,421.73 in addition to nine (9) federal tax liens totaling \$154,623; and
- 3) the business did not demonstrate a minimum \$5,000 of physical damage as a result of Superstorm Sandy and did not alternatively demonstrate that the project will positively impact the economy of the community.

In light of this declination and by way of appeal, you expressed concerns as to why Pride Products was originally declined.

Your appeal letter, received by the NJEDA on or about June 16, 2016, addressed the NJEDA’s reasons for declinations, stating that:

- “1. FICO score: we’ve hired a firm to address the issues. We are advised in 30-60 days period my FICO score will be above 600.
2. Federal tax judgment and liens for Pride and Joseph Yuan personal: our accounting firm (Green Group) is working with IRS to have a payment plan in place. We expect this to be completed shortly.”
3. NJ state tax judgment and liens: our accounting firm has already set up a comprehensive payment schedule with NJ State (see attached).
4. 9 judgments we are looking into them; believe some of them are already satisfied.
5. Minimum \$5,000 of physical damage: please see attached quote to replace our central AC and heating unit which was soaked with sea water.”

At the time of the appeal, you submitted satisfactory documentation regarding the third reason for Pride Product’s declination – a quote regarding replacement of the central air conditioning and heating unit with a notation that the system you had in place at that time had been soaked in salt water. To date, the third reason for declination is the only one that has been fully satisfied.

On September 5, 2017, notice from HUD Programs was sent by certified and regular mail that all applicants, including appellants, were to submit all outstanding documentation by October 31, 2017 in order to provide adequate time for program disbursements. On or about October 31, 2017, you provided me with documentation from your attorney and the state of New Jersey that outstanding federal and state liens had been paid on that date. Certificates of Release of Federal Lien were provided afterwards, dated November 15, 2017. Due to this, you were provided with additional time to settle

remaining judgments against Pride Products and Joseph Yuan, and to satisfy outstanding derogatory credit items belonging to Joseph Yuan.

On April 4, 2018, as Pride Products had not yet provided the documentation required to overcome its appeal, a 10-day letter was sent to Pride Products' business location, stating that Pride Products had ten days remaining to provide documentation that would overcome the reasons it was originally declined. To date, Pride Products has not provided all the required documentation and thus has been unable to overcome the original declination.

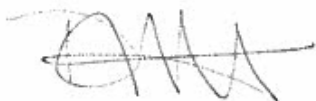
Based on my review as Hearing Officer, I find that Pride Products was unable to demonstrate that it has overcome the reasons for which it was originally declined, as it has not provided documentation demonstrating that judgments and negative credit issues against Pride Products and Joseph Yuan have been satisfactorily resolved.

For the reasons above, I will be recommending that the appeal be denied by the NJEDA Board at its meeting on June 12, 2018.

If you have any comments or exceptions to this report, please contact me in advance of the above meeting. My contact information is below.

After the NJEDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notify you of that final action.

Very truly yours,



Dina Antinoro, Hearing Officer
(609) 858-6918
dantinoro@njeda.com

c: Tim Sullivan, Chief Executive Officer
Tim Lizura, President/Chief Operating Officer



May 13, 2016

In Reference to:
Stronger NJ Business Loan (SL) #68277

Certified and U.S. Postal Mail
Joseph Yuan
Pride Products Manufacturing LLC
5 Slater Drive
Elizabeth City, NJ 07206

Dear Mr. Yuan:

Thank you very much for applying for a Stronger NJ Business Loan. We sincerely appreciate the time your business invested in applying to the Program. The New Jersey Economic Development Authority ("EDA") has completed a review of your loan request. Based on the Program Guidelines we must adhere to, we regret that we are unable to provide your organization with a loan for the following reason(s):

- *Credit Report for Joseph Yuan revealed poor credit history indicated by a FICO score below 600 as well as derogatory credit issues before and after the storm, including two (2) open Federal Tax Liens totaling \$67,622 and two (2) open State Tax Liens totaling \$35,963.*
- *A Superior Search Report on the Company indicates nine (9) judgments totaling \$57,421.73 in addition to nine (9) Federal Tax Liens totaling \$154,623.*
- *The business did not demonstrate a minimum \$5,000 of physical damage as a result of Superstorm Sandy and did not alternatively demonstrate that the project will positively impact the economy of the community.*

You may appeal this decision by submitting a written explanation addressing the reason for declination within 30 days of the date of this letter to the following address:

NJ Economic Development Authority
Attn: Office of Recovery
PO Box 990
Trenton, NJ 08625-0990



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

In addition to this program, the EDA has provided funds to local economic development organizations supporting loans to Sandy-impacted small businesses. We would like to make you aware of this additional relief that may be available to you. Please see the enclosed sheet containing profiles and contact information for these organizations and others that might be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy J. Lizura", is written over a horizontal line.

Timothy J. Lizura
President & Chief Operating Officer



PRIDE PRODUCTS INC.

Specializing in Contract Manufacturing, Decorating and Packaging

Ref: Stronger NJ Business loan # 68277

Dear Mr. Lizura:

Thank you for informing us that our initial loan request was denied.

We are very disappointed with NJEDA's decision and submit this letter of appeal. We feel strongly that, if given the chance, we can make good use of the funds to grow our company and pay back the loan and interest in a timely manner. Our company has been in the contract manufacturing business since 1983. We are fighting every day to compete with overseas suppliers to keep jobs in US. Through the years, we have provided thousands of working opportunities for the people of New Jersey. We purchased our current facility from NJEDA in 1985 under a loan guarantee program and were able to pay it back in full. Additionally, through NJEDA's loan guarantee program, we were able to secure a \$ 1MM working capital loan which we also paid it back in full.

In 1990, during Desert Storm, we won a sundry contract for Department of Defense (DPSC) to provide soldiers overseas with sundry kits. We set up production lines between Christmas and New Year and hired 450 people and start production first week in January. During that period our company was visited by a 3-star general as well as, the Governor of NJ. Plus our production was covered by various TV and news outlets. Due to our timely and quality production and delivery, an award was given to Pride from DPSC in Washington DC (Please see award issued to Pride by Department of Defense).

In 2002, we were approached by largest private label manufacturer in US, Vi-Jon, to produce private label breath strips for various retail chain stores (i.e. CVS, Walgreens, et al). We were able to set up 2 clean rooms, design fabricate or acquire various equipment needed in record time. In a period of three months, we were able to produce 1.5 MM canister per week in 2 shifts with over 200 workers. Pride was invited to Vi-Jon headquarter in St. Louis to receive a certificate of appreciation for "First to Market" (Please see certificate from Vi-Jon).

The financial crises of 2008 and subsequent Sandy storm of 2012 was a very difficult time for us. Surviving both took a tremendous hit to our business credit and my personal FICO score. However these figures do not reflect our character. In our 32 years of history, Pride never filed Chapter 11 or bankruptcy. Even lately, we always tried to find ways to pay our bills.

Now I would like to address NJEDA list of reasons for rejection.

- 1) FICO score: We've hire a firm to address the issues. We are advised in 30-60 days period my FICO score will be above 600.



PRIDE PRODUCTS INC.

Specializing in Contract Manufacturing, Decorating and Packaging

- 2) Federal tax judgement and liens for Pride and Joseph Yuan personal: Our accounting firm (Green Group) is working with IRS to have a payment plan in place. We expect this to be completed shortly.
- 3) NJ State tax judgement and liens: Our accounting firm has already set up a comprehensive payment schedule with NJ State (see attached).
- 4) 9 judgements: We are looking into them; believed some of them are already satisfied.
- 5) Minimum \$ 5,000 of physical damage: Please see attached quote to replace our central AC and heating unit which was soaking under sea water.

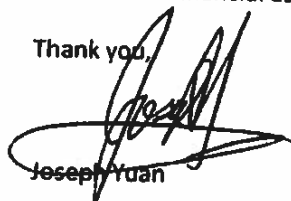
We also understand the underlying reason for rejection is concern over Pride's ability to pay the loan back 18-24 months later. A quick calculation of a \$ 2.3 MM loan (figure that we were advised Pride is qualified for) @ 5 year treasury bill interest rate of 1.8% over 25 years yields a monthly payment of \$9,500. Attached please find a letter from my real-estate partner verified a rental income stream of around \$ [REDACTED] month which would be available to me through Pride Urban Renewal Corp (100% owned by Joseph Yuan). I am willing to take second position on the rental income to ensure timely repayment of the relief loan.

Additionally, if the loan is granted we have two projects we already identified that we can set up and start production to generate additional revenue for Pride.

- 1) Blow molded bottles: We currently used over [REDACTED] bottles per year for powder filling. With the loan we can go upstream to make the bottles in-house. Cost our customer paid per bottle is [REDACTED] year in revenue. We estimate the gross profit margin to be [REDACTED] additional gross profit per year.
- 2) Hot melted mouse traps: Most of the equipment are in-house and tested. With the loan we can repair key equipment (makes tray that holds the glue) that was damaged by storm Sandy. Estimated revenue per year is [REDACTED] With a gross profit margin of [REDACTED] that translate to [REDACTED] additional gross profit per year.

In over 30+ years of operating my business, Pride Products, I have experienced many up and down cycles – periods of growth followed by sluggishness. We have survived all of these cycles and provided employment to residents in the Elizabeth NJ and surrounding communities. Through all of the contacts that we have made, Pride has continued to win new business to replace older projects that ended. The last 8 years (2008 – 2016) have been extremely difficult due to the impact of the financial crisis and the damage from Sandy. Nonetheless, I am committed to restoring the business to pre-Sandy levels but will need NJEDA financial assistance.

Thank you,



Joseph Yuan

5 Slater Drive, Elizabeth, New Jersey 07208

Please note certain proprietary commercial and financial information has been redacted from this page for purposes of this public agenda.

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Agreement to Assign the Purchase and Sale Agreement for Parcel F-1 in
Tinton Falls

DATE: June 12, 2018

Summary

I request that the Members authorize the execution of the Agreement to Assign the Purchase and Sale Agreement (“Agreement”) between the Authority, the Fort Monmouth Economic Revitalization Authority (“FMERA”), and RWJ Barnabas Health, Inc. (“RWJBH”) for an approximately 36.3-acre parcel in the Tinton Falls section of Fort Monmouth.

Background

Last year, the Authority and FMERA staff began to explore how the two authorities could work together to facilitate development of the Property. The Authority possesses substantial and significant experience managing large scale demolition and redevelopment projects across the state. Because of the Authority’s experience and expertise in undertaking redevelopment projects, FMERA’s enabling legislation authorized it to enter into designated redevelopment agreements with the Authority for property within Fort Monmouth allowing for the Authority’s active role in the redevelopment effort.

In September 2017, the Members authorized:

- The execution of a Purchase & Sale Agreement (“PSA”) between the Authority and FMERA for an approximately 36.3-acre parcel in the Tinton Falls section of the Fort that includes Building 2700, also known as the Myer Center, and Building 2705, the former Night Vision Lab (the “Property” or “Parcel F-1”);

- The expenditure of funds to remediate and demolish the Myer Center and other existing improvements located on the Property in the amount of \$7,328,771;
- The execution of a mortgage on the Property for the amount of Authority's estimated investment (\$7,328,771) to reposition the Property for sale and redevelopment;
- An increase in the amount of \$194,300 to the T&M Associates contract for Construction Administration Phase services and Environmental Site Investigation services;
- The award of the abatement and demolition contract to Tricon Enterprises, Inc. of Keyport, NJ for budget amount of \$5,669,400 which includes a 10% contingency in the amount of \$515,400.

In February of this year, RWJBH submitted an unsolicited offer to purchase the Property for an amount not to exceed \$8 million. RWJBH intends to develop a health campus on the Property, which currently includes:

- An Ambulatory Care Center
- A medical office building
- A Cancer Institute of New Jersey Cancer Center
- A System Business Office
- Campus space for future medical and health facilities

After negotiations between RWJBH, FMERA, and the Authority (jointly the "Parties"), the Parties reached an understanding which includes the following terms:

1. At closing, the Authority will assign to RWJBH the PSA between the Authority and FMERA for (a) all of the Authority's actual and documented costs to reposition the Property for sale, including, but not limited to, cost of professional services, the demolition, site improvements, and other environmental investigation and remediation activities occurring at the Property plus (b) five percent (5%) of these costs, however, in no event shall the Assignment Price and Homeless Trust Fund Contribution exceed \$8 million.
2. The Homeless Trust Fund Contribution, \$727,996.50, will be paid directly to FMERA by RWJBH at closing, and this amount is included in the \$8 million maximum.
3. At execution of the Agreement, RWJBH will post a 15% deposit with its title company of the Authority's estimated cost to reposition the Property for sale.
4. Permits RWJBH to perform its own title and survey investigation, due diligence and obtain the necessary approvals as preconditions to the assignment and closing. The Approval Period duration is 18 months from the effective date of this Agreement with two 6-month extensions.

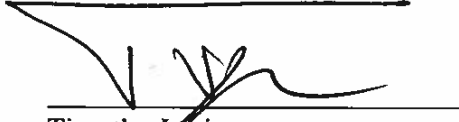
5. Conditions precedent to the assignment and closing include an Amendment to the PSA, a Redevelopment Agreement between FMERA and RWJBH, and an amendment to the Fort Monmouth Reuse and Redevelopment Plan.

Attached to this memo as Exhibit A is the Agreement, in substantially final form. The final form of the Assignment will be subject to the approval of the President and Chief Operating Officer and the Attorney General's Office.

If the closing between RWJBH and FMERA does not occur, the PSA will remain in effect between FMERA and the Authority. In order to preserve the status quo between EDA and FMERA under the PSA, staff will request that FMERA agree to toll all time periods and deadlines in the PSA, with the exception of the requirement to pay the Homeless Trust Fund contribution no later than five (5) years from the Effective date of the PSA.

Recommendation

In summary, I request the Members authorize execution of the Agreement to Assign the Purchase and Sale Agreement of Parcel F-1 in the Tinton Falls Section of Fort Monmouth between the Authority and FMERA to RWJBH.



Timothy J. Lizura
President/Chief Operating Officer

Attachment: Exhibit A.

Prepared by: Juan Burgos and David E. Nuse

AGREEMENT TO ASSIGN

This Agreement to Assign (the “Agreement”) is made and entered into the ___ day of July, 2018 (“Effective Date”) by and among:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 1974, C.80, N.J.S.A. 34:1B-1 et seq., with an address at 36 West State Street, PO Box 990, Trenton, New Jersey 08625 (hereinafter referred to as the “Assignor”); and

RWJ BARNABAS HEALTH, INC., a New Jersey non-profit corporation with an address of _____ (hereinafter referred to as the “Assignee”); and

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c.51, N.J.S.A. 52:27I-18 et seq., whose address is 502 Brewer Avenue, PO Box 267, Oceanport, New Jersey 07757 (hereinafter referred to as the “Seller” or “FMERA”, and together with Assignor and Assignee, the “Parties”).

WITNESSETH:

WHEREAS, Assignor and FMERA previously entered into that certain Purchase and Sale Agreement, dated as of October 30, 2017, as amended (the “Purchase Agreement”), a copy of which is attached hereto as **Exhibit A**, pursuant to which Assignor has agreed to acquire certain real property identified in Paragraph 3 and Exhibit B of the Purchase Agreement (the “Property”); and

WHEREAS, Assignor issued an Invitation to Bid on Abatement, Demolition and Site Improvements for the Property on June 26, 2017 (as described in Bid No. 2017-RED-BID-CON-067 and the Memorandum and related Resolution of Assignor, each dated as of September 14, 2017), and entered into a Contractor Agreement with Tricon Enterprises, Inc. to perform same (the “Demolition”); and

WHEREAS, pursuant to Section 26 of the Purchase Agreement, Assignor may assign the Purchase Agreement to a redeveloper to undertake a redevelopment project on the Property (as defined in the Purchase Agreement), so long as the redeveloper (i) is approved by the Chapter 51 Review Unit, (ii) provides FMERA with an unqualified and unconditional acceptance of the terms and conditions of the Purchase Agreement, and (iii) the redeveloper and its project are approved by FMERA; and

WHEREAS, Assignee submitted an unsolicited offer to purchase the Property to Assignor through a proposed Letter of Intent dated February 18, 2018, and the Parties executed a non-binding Expression of Interest to Enter into an Agreement to Assign the Purchase and Sale Agreement Between the FMERA and Assignor dated October 30, 2017 (“Expression of Interest”); and

WHEREAS, Assignee wishes to purchase the Property to undertake a redevelopment project thereon, which will include the development of a new state of the art medical campus including (i) an Ambulatory Care Center, (ii) a medical office building, (iii) a Cancer Institute of New Jersey Cancer Center, (iv) a System Business Office and (v) campus space for future medical

and health facilities (the “Project”), subject to the execution of a Redevelopment Agreement between Assignee and FMERA; and

WHEREAS, Assignee has delivered to the Assignor and FMERA a completed Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions, and FMERA has provided same to the State of New Jersey’s Department of the Treasury Chapter 51 Review Unit (“Chapter 51 Review Unit”); and

WHEREAS, the Chapter 51 Review Unit has determined that Assignee is in compliance with the State of New Jersey’s laws governing political contributions; and

WHEREAS, the Assignor now desires to agree to assign to the Assignee, and Assignee desires to agree to assume from Assignor, all of Assignor’s rights, title, and interest in the Purchase Agreement; and

NOW THEREFORE, in consideration of TEN DOLLARS (\$10.00), and the mutual promises of the parties hereto and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties mutually agree as follows:

1. Recitals; Definitions. The recitals are imported by reference into this Agreement as if set out and repeated in full herein. Capitalized terms used in this Agreement that are not defined herein shall have the meaning ascribed to such term in the Purchase Agreement.
2. Effective Date. As defined above in this Agreement.
3. Assignment by Assignor. As of the Closing, pursuant to Section 26 of the Purchase Agreement, Assignor will assign to Assignee, all of Assignor’s rights, title and interest in the Purchase Agreement by way of a separate assignment document; provided, that Assignee shall not be responsible for all or any portion of the Demolition (as further described in Section 6 of the Purchase Agreement), and Assignor shall retain all responsibility and liability for the performance of the Demolition (the “Assignment”).
4. Acceptance of Assignment. As of the Closing, Assignee will provide an unqualified and unconditional acceptance of the above assignment, and agree to the terms and conditions contained in the Purchase Agreement, as will be amended as more fully described in Section 8(v) of this Agreement; provided, that Assignee shall not be responsible for all or any portion of the Demolition (as further described in Section 6 of the Purchase Agreement), other than the payment of the Assignment Price as set forth herein.
5. Assignment Price. In exchange for the Assignment, Assignee shall pay to Assignor at the Closing an amount equal to (a) all of Assignor’s actual and documented costs to reposition the Property for sale, including, but not limited to, costs of professional services, the Demolition, site improvements, and other environmental investigation and remediation activities occurring at the Property (which amount shall be provided to Assignee by Assignor in writing at least ten (10) business days in advance of Closing), plus (b) five percent (5%) of the amount set forth in clause (a) of this Section 5 (“Assignment Price”). For the avoidance of doubt, Assignee shall remain responsible for the Homeless Trust Fund Contribution attributable to the entire Property (including

the environmental carve-out) in the amount of Seven Hundred Twenty-Seven Thousand Nine Hundred Ninety-Six and 50/100 Dollars (\$727,996.50), which is detailed in Paragraph 5.b. of the Purchase Agreement and shall be paid directly to FMERA at the Closing. Notwithstanding the foregoing, in no event shall the sum of the aggregate Assignment Price and the Homeless Trust Fund Contribution exceed Eight Million Dollars (\$8,000,000.00). The Homeless Trust Fund Contribution is considered by the Parties to be part of the Assignment Price. The Parties hereto acknowledge and agree that the Assignee is intended to be the “End Purchaser” as defined in the Purchase Agreement. The Assignment Price shall be shared between FMERA and Assignor in accordance with Section 28 of the Purchase Agreement.

6. Terms of the Assignment.

- a. Assignment Deposit. On the Effective Date, Assignee shall deposit One Million One Hundred Seventy-Nine Thousand One Hundred Seventy-Nine Dollars (\$1,179,179) representing fifteen percent (15%) of Assignor’s best estimate of the Assignment Price with the Assignee’s title company. If the Assignment Price ultimately is greater than the estimate provided by Assignor pursuant to the preceding sentence, there shall be no increase in the deposit due hereunder. Any and all interest that accrues in respect of the Deposit shall be disbursed to the party entitled to receive the Deposit pursuant to this Agreement.
- b. Financing. Within ninety (90) days of the Effective Date, Assignee shall deliver to Assignor written evidence that Assignee has available financing for the Assignment Price, which shall be based on the estimate provided by Assignor in Section 6(a) above.

7. Assignment and Closing. Assignment and Closing shall take place no later than ninety (90) days following the satisfaction of all conditions precedent to the assignment and Closing, which shall include those conditions precedent included in the Purchase Agreement and in this Agreement. It is anticipated that FMERA and Assignee will execute an amendment to the Purchase Agreement contemporaneously with the assignment and closing.

8. Conditions Precedent to Assignment and Closing.

- i. Approvals. During the Approval Period (as hereinafter defined), the Assignee shall obtain any and all permits and approvals necessary to construct and operate the Project on the Property, including but not limited to any necessary amendment to the Fort Monmouth Reuse and Redevelopment Plan to allow the Project without any use-type variance (that is, the types of variances enumerated in N.J.S.A. 52:27I-34(e)(1)) (the “Reuse Plan Amendment”) in satisfaction of Paragraph 10.a.viii, a Redevelopment Agreement with FMERA in satisfaction of Paragraph 10.a.iii of the Purchase Agreement, and the consent of release of all redevelopment rights by the Assignor in satisfaction of Paragraph 10.a.i of the Purchase Agreement, for (i) a 40,000 – 70,000 square foot Ambulatory Care Center, (ii) a 55,000 – 80,000 square foot medical

office building, (iii) a 70,000 – 100,000 square foot Cancer Institute of New Jersey Cancer Center, (iv) a 95,000 – 135,000 square foot System Business Office, and (v) a 500,000 – 700,000 square foot medical arts / specialty facility in one or more phases as required by Assignee. The parties acknowledge and agree that the foregoing information regarding the square footage of each component of the Project represents Assignee's best estimate of its requirements for the Project at this time, and remain subject to change. The Parties acknowledge that Paragraph 10.a.ii and 10.a.iv of the Purchase Agreement do not apply to the assignment and Closing contemplated herein.

- ii. Approval Period. The Approval Period shall be the period ending on the eighteen (18) month anniversary of the Effective Date of this Agreement. In the event that Assignee is unable to obtain all permits and approvals necessary pursuant to this Section in advance of the expiration of the Approval Period, Assignor may grant Assignee up to two (2) six (6) month extension periods upon payment by Assignee to Assignor of a \$50,000 non-refundable deposit per extension; provided, that all extension payments shall be fully refundable in the event of a default hereunder by FMERA or Assignor. Such deposits shall be credited against the Assignment Price at Closing. If, after expiration of the such extension periods, Assignee has not obtained all permits and approvals necessary pursuant to this Section, any Party shall have the right to terminate this Agreement, and in the event of such a termination this Agreement shall be deemed null and void, the deposit monies (with the exception of any deposit monies paid in exchange for an extension of the Approval Period) shall be refunded to Assignee, and no Party shall have any other liability to the other pursuant to such agreements.
- iii. Redevelopment Agreement. Following the Effective Date, Assignee and FMERA shall enter into a mutually agreeable Redevelopment Agreement concerning the Property and the Project, which shall specify each Party's respective obligations in connection with the Project. The Redevelopment Agreement shall be executed prior to the adoption of the Reuse Plan Amendment.
- iv. Reuse Plan Amendment. Within one hundred twenty (120) days of the Effective Date hereof, Assignee shall provide FMERA with a concept plan for the construction and operation of the Project with sufficient detail to permit FMERA to adopt any necessary Reuse Plan Amendment. The Parties understand and acknowledge that it takes approximately six (6) months from receipt of the final concept plan to accomplish the amendment.
- v. Amendment of Purchase Agreement. The Parties hereto acknowledge and agree that the Assignment will require amendments to the Purchase Agreement to accommodate FMERA, Assignee and the Project,

including, but not limited to, provisions requiring indemnification of FMERA and Assignor, acceptance by the Assignee of the Property in an “as is” condition, agreement to accept title to the Environmental Carve-Out Parcel upon receipt by FMERA from the Army of the Subsequent FOST and title to the Environmental Carve-Out Parcel, provisions subjecting all contract claims to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. The Parties agree to cooperate in good faith to negotiate and execute any such amendment requested by a Party hereto.

- vi. Demolition. The Demolition shall be substantially completed in advance of July 1, 2019, and in all events prior to Closing. Substantial completion shall be evidenced by Assignor providing Assignee with proof of completion of the Demolition by its contractor. If this condition is not satisfied, the Assignee shall have the right to terminate this Agreement by providing written notice to Assignor and FMERA in advance of July 15, 2019. If this Agreement is terminated in accordance with this Section, the Agreement shall be deemed null and void, the deposit monies shall be refunded to Assignee, and no Party shall have any other liability to any other Party.

9. Title and Survey Investigations.

- a. FMERA agrees that prior to and as a Condition Precedent to Closing, FMERA shall:
 - (i) Deliver title to the Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and
 - (ii) Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Assignee and the Title Company the following requirements and exceptions that are identified in the Title Commitment.
- b. Assignor and/or FMERA shall provide a copy of a survey of the property, currently in possession. If Assignee elects to obtain a survey, then no later than thirty (30) days from the end of the Due Diligence Period, Assignee shall deliver to Assignor and FMERA a copy of such survey together with a list of survey objections. Not later than ten (10) days after receipt of Assignee’s survey objections, Assignor and/or FMERA shall notify Assignee which of the objections, if any, Assignor and/or FMERA shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Assignee is dissatisfied with the response or lack of response, Assignee may either terminate this Agreement within 30 days of receipt of the response (or within 45 days of the failure to respond) or proceed under this Agreement. If Assignee elects to proceed under this Agreement after Assignor and/or FMERA supply an unsatisfactory response or no response, then Assignee’s election is deemed an acceptance of the survey objections by the Assignee and Assignor and/or FMERA shall have no further obligation to cure the Assignee’s survey objections either prior to or at Closing.

- c. Assignee shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Assignee's cost and expense, and to submit to Assignor and FMERA any title and/or survey objections which may have arisen since the initial title and survey examination.
- d. If FMERA fails to meet the requirements of subparagraph (a) hereof, or if FMERA has agreed to cure a survey objection pursuant to subparagraph (b) hereof and fails to do so, or if Assignee has additional title and/or survey objections as a result of its run-down title examination pursuant to subparagraph (c) hereof and FMERA fails to cure such objections, then Assignee may: (i) delay Closing to a date mutually agreed upon so that FMERA removes or cures such non-permitted exception at FMERA's expense, which in no event shall exceed FMERA's net proceeds from the sale of the Property, excluding the Homeless Trust payment; or (ii) terminate this Agreement, in which case Assignee will receive a full refund of any deposit monies, and thereafter neither party shall have any liability to the other pursuant to this Agreement or the transactions contemplated hereby.

10. Due Diligence.

- a. Due Diligence Period. Assignee shall have the right, during the period commencing on the Effective Date and expiring at 5:00 PM on the one hundred twentieth (120th) day thereafter (the "Due Diligence Period"), to inspect all aspects of the Property, including, but not limited to, the physical and environmental condition of the Property, which may include a Phase 1 and Phase 2 environmental site assessment. Assignee shall have the right for any reason or no reason, in Assignee's sole and absolute discretion, to terminate this Agreement on written notice to Assignor and Seller given within the Due Diligence Period. Upon such termination, the Deposit shall be returned to Assignee, and, except as expressly provided herein, this Agreement and all rights and obligations of the respective Parties hereunder shall be null and void. If Assignee does not elect to terminate this Agreement pursuant to this Section within the Due Diligence Period, Assignee shall conclusively be deemed to have waived its right of termination under this Section. The day that the Due Diligence Period Expires without this Agreement having been terminated is known as the "Due Diligence Period Expiration Date."
- b. Due Diligence Items. As of the Effective Date, Seller and Assignor will deliver or make available to Assignee all records, plans, surveys, maps, descriptions and other documentation related to the Property, to the extent in Seller's or Assignor's possession or reasonable control ("Due Diligence Items"). Assignee may from time to time reasonably request additional documents and information related to the Property from Seller or Assignor, and Seller and/or Assignor shall use reasonable efforts to provide such additional documents and information to Assignee as soon as reasonably possible, to the extent such additional documents and information are in such party's possession or reasonable control, without extension of the Due Diligence Period.

- c. Right of Entry. Assignee and its agents, employees and consultants shall have access to the Property during the Due Diligence Period upon 24 hours' advance, written notice to Assignor and FMERA, for the purpose of inspecting the Property and undertaking tests and studies, provided (a) Assignee promptly repairs any damage to the Property caused by such entry, (b) Assignee restores the Property to as near the condition that existed prior to such entry as is reasonably possible, (c) Assignee complies with all applicable laws, statutes, codes, ordinances, orders, regulations and requirements of all federal, state, county and municipal governments, departments, boards, authorities, agencies, officials and officers (collectively, "Legal Requirements"), and (d) prior to entry on to the Property the Assignee or Assignee's consultants provide evidence of the following insurance policies: (1) Workers' compensation insurance in statutory amounts and (2) Commercial general liability insurance with a combined single limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and Two Million and 00/100 Dollars (\$3,000,000.00) in the aggregate, including a broad form contractual liability endorsement covering the indemnification obligations hereunder naming Seller and Assignor as additional insureds. The Seller and Assignor shall be entitled to have a representative present at all times during the Assignee's inspections and to observe any and all activities undertaken at the Property as part of such inspections. Notwithstanding the foregoing, Assignee's right of entry shall continue beyond the Due Diligence Period for the sole purpose of (1) facilitating Assignee's planning, design, financing and approvals including meeting with the various governmental authorities having approval and permit jurisdiction over the Property and (2) allowing the Assignee to inspect the Property for Demolition work to be completed prior to Closing. Such extended rights of entry shall be subject to the terms included in this subsection. In no event shall Assignee's entry onto the Property interfere with the Demolition, and the Parties shall cooperate in good faith to schedule such entry so as to not interfere.
- d. Confidentiality: Test Results.
- i. All information obtained by Assignee or its representatives from Seller or Assignor, or from Assignee's inspections of the Property, relating to the Property or the transactions contemplated hereby shall be treated by Assignee as confidential information. Assignee shall not disclose any such confidential information obtained by Assignee, including, without limitation, the results of environmental inspections or analysis, to any party without obtaining Seller's and Assignor's prior written consent, except that Assignee may disclose such information to its affiliates, consultants, representatives, officers, contractors, attorneys and prospective lenders engaged in the review of same. Notwithstanding the foregoing, Assignee or its representatives shall have the right to disclose confidential information to third parties if such disclosure is required by an order of a court of competent jurisdiction or by applicable law, provided that Assignee delivers reasonable advance notice thereof to Seller

and Assignor. The provisions of this Section shall survive the termination of this Agreement for a period of one (1) year.

- ii. In the event this Agreement is terminated for any reason, Assignee shall deliver to Seller and Assignor, within ten (10) days after termination, copies of all confidential information which may be, without limitation, in the form of reports, studies, data, surveys, title reports, concept plans, site plans and specifications in Assignee's possession or under its control with respect to the Property (excluding information relating to Assignee's internal operations). The provisions of this Section shall survive the termination of this Agreement.

11. Costs and Expenses.

- a. Each Party shall be responsible for paying the legal fees and related costs of its counsel in negotiating, preparing and closing the transaction contemplated by this Agreement and the Purchase Agreement.
- b. The Assignee shall be responsible for all costs incurred in performing its due diligence investigations, as well as the cost of any title insurance premium (including premiums for any endorsements), the cost of any surveyor update or revision to the survey, and the title company's closing charges. Further, Assignee shall be responsible for paying for the recordation of the deed and the cost and expense incurred in connection with any mortgage, title or other financing document.
- c. The New Jersey Realty Transfer Fee imposed by N.J.S.A. 46:15-5, et seq., as applicable, on the Deed shall be paid by FMERA. In addition FMERA shall be responsible for the cost and expense incurred in connection with the clearance of title to the Property, to the extent FMERA elects to clear title in accordance with the procedure set forth in Section 9 of this Agreement.
- d. All real estate taxes (or payments in lieu thereof), along with water and sewer charges, current rent and assumed service contracts, shall be adjusted pro rata as of the date of the Closing.

12. Acknowledgement and Covenants Regarding the FOST. Assignee hereby acknowledges receipt of the FOST. The Parties agree and acknowledge that the Army is responsible for the environmental investigation and remediation of the Property, as required by applicable law. The Parties agree that to the extent that the notices, covenants, access provisions, deed provisions and environmental protection provisions concerning the Property found in the FOST are contained in the Army Quitclaim Deed, then such terms shall run with the land. Assignee, its affiliates, assignees, corporate successors, heirs, devisees and personal representatives covenant to hold harmless the Assignor and FMERA, and shall make no claim against the Assignor and/or FMERA, their successors and assigns, whether based upon strict liability, negligence or

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

13. Risk of Loss. FMERA shall be responsible for all loss and damage to the Property by fire, windstorm, casualty or other cause, and for all damage or injury to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Assignee or its officers, employees, agents, contractors, licensees or sub lessees) prior to Closing. Notwithstanding the foregoing, FMERA shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but FMERA shall take reasonably appropriate measures to ensure that the Property is secure. The Parties agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement, and that Assignee shall not be entitled to any offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing. Notwithstanding anything else contained herein, if any such damage or destruction occurs to the Property in advance of the Closing, and in Assignee's reasonable judgment the Property is no longer suitable for the development of the Project, Assignee may terminate this Agreement, in which case Assignee shall receive a refund of the Deposit, and thereafter neither party shall have any liability to the other pursuant to this Agreement or the transactions contemplated hereby.
14. Environmental Matters.
 - a. The Parties acknowledge that pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Army will retain responsibility for any Army caused environmental contamination (other than mold, asbestos containing materials, lead-based paint and commercially-applied pesticides and termiticides) that may be present on the Property as of the date of the Army Quitclaim Deed. The Parties acknowledge that the quitclaim deed between FMERA and Assignee shall contain certain covenants required by CERCLA (the "CERCLA Covenants") which covenants are contained in the Army Quitclaim Deed.
 - b. Assignor and FMERA shall not bear any responsibility or liability to Assignee or its successors or assigns for the presence of mold, asbestos containing materials, lead-based paint or commercially applied pesticides and termiticides on the Property as of or after the Closing. Assignee shall be solely responsible for the proper disposal of any mold, asbestos containing materials, lead-based paint or commercially applied pesticides encountered during the renovation or demolition of buildings and improvements on the Property.
 - c. If FMERA receives notice at any time prior to the Closing that any Discharge of a Hazardous Substance has occurred on the Property which has not already been documented

in the FOST, then FMERA shall provide Assignee with notice of the discharge on the Property within three (3) days of receiving notice. FMERA shall advise Assignee within thirty (30) days of receiving the notice of discharge whether FMERA or the Army or other responsible third party shall remediate such discharge and obtain a Final Remediation Document. If FMERA advises Purchaser that neither the FMERA nor the Army nor the other responsible third party shall remediate the discharge and obtain a Final Remediation Document, then Assignee shall have sixty (60) days from the receipt of this notice from the FMERA to terminate this Agreement and receive a refund of the Deposit. If Assignee fails to terminate this Agreement within thirty (30) days of receipt of notice from the FMERA that neither the FMERA nor the Army nor the other responsible third party shall remediate the discharge, then the Assignee shall have waived the right to terminate the Agreement due to the discharge. If Assignee waives the right to terminate the Agreement after receiving notice from FMERA that neither the FMERA nor the Army nor the other responsible third party shall remediate the Discharge of a Hazardous Substance on the Property, then Assignee shall not be entitled to a set off or reduction in Assignment Price at Closing.

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

- 15. Termination of Agreement. If this Agreement is legally and rightfully terminated, the Parties shall be free of liability to each other, except as otherwise set forth herein and any obligations that specifically survive termination of the Agreement.

- 16. Default by Assignor and/or FMERA.

If Assignor and/or FMERA shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Assignee shall have the right to terminate this Agreement and upon return of the Deposit (together with all interest accrued thereon), this Agreement shall be terminated and no Party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

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

The Assignee agrees that prior to declaring the Assignor and/or FMERA in default hereunder, Assignee shall provide Assignor and FMERA with thirty (30) days advance written notice of

such default and Assignor and/or FMERA shall have the right to cure such default within said thirty (30) day period.

17. Default by Assignee. The following occurrences shall be a default by Assignee of the terms of this Agreement:

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

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

If an occurrence of default by Assignee occurs or Assignee fails or refuses to consummate the Closing (where no default by Assignor and/or FMERA has occurred under this Agreement and all Conditions Precedent to Closing have been satisfied), then Assignor and/or FMERA, as its sole and exclusive remedy, may terminate this Agreement by giving notice thereof to Assignee. Upon any such termination, Assignor and/or FMERA shall retain as liquidated damages the portion of the Deposit and all accrued interest and no Party shall have any further rights or obligations hereunder, except any rights or obligations that specifically survive the termination of this Agreement.

18. Assignment. Assignor and/or FMERA shall have the right to assign this Agreement without the consent of Assignee to the State of New Jersey or any division thereof. Assignee shall not have the right to assign this Agreement to any third party. Notwithstanding the foregoing, Assignee may, upon obtaining the express written consent of Assignor and FMERA, assign this Agreement to an affiliate of the Assignee, provided that the affiliate is approved by the State of New Jersey's Department of the Treasury Chapter 51 Review Unit for compliance with the State of New Jersey's laws governing political contributions and the affiliate provides the Assignor and FMERA with an unqualified and unconditional acceptance of the terms and conditions of this Agreement.

19. Transfer of Ownership. At Closing, the FMERA shall transfer ownership of the Property to the Assignee via a properly executed quitclaim deed. The quitclaim deed shall be in a form reasonably acceptable to Assignee and its Title Company. The quitclaim deed shall include a metes and bounds description of the Property that shall be based upon the boundary survey supplied and paid for by Assignee. The quitclaim deed between the FMERA and Assignee shall be subject to all notices, CERCLA Covenants, covenants, access provisions, deed provisions and environmental protection provisions recorded upon the Property as set forth in the Army Quitclaim Deed and any covenants and restrictions that must be recorded pursuant to the requirements of N.J.A.C. 19:31C-3.24.

20. Physical Condition of Property. This Property to be sold "as is where is". The Assignor and/or FMERA make no claims or promises about the condition or value of any of the Property included in this sale.

21. Possession. At Closing, the Assignee will be given possession of the Property subject to the Army's right of access to the Property pursuant to the Army Quitclaim Deed. The delivery of the quitclaim deed for the Property by FMERA to Assignee and possession of the Property from FMERA to Assignee and the acceptance of possession of the Property, as set forth herein by Assignee shall be deemed full performance by Assignor and FMERA of its obligations under this Agreement, except for any duties that expressly survive Closing as provided herein.
22. Publication. The Parties agree (a) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (b) that Assignee shall not issue any announcement or statement without the express written approval of Assignor and FMERA as to the text of the announcement.
23. Encumbrances. Except as otherwise noted herein, FMERA hereby represent and warrant that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its rights to the Property.
24. Brokerage Commissions. Assignee represents and warrants that it has not entered into any agreement with any real estate broker, agent or other party in connection with this transaction, and hereby indemnifies and agrees to defend and hold the Assignor and FMERA harmless from any loss, liability, damages or expense (including without limitation attorney's fees) resulting to the Assignor and/or FMERA by reason of a breach of this representation or resulting from a claim by any broker, agent or other party.
25. Parties Liable. This Agreement is binding upon the Parties and all who succeed to their rights and responsibilities.
26. Authority Representations of Parties. The Parties hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of the Parties shall be duly authorized to sign the same on behalf of and to bind the respective Party thereto. This Agreement and all documents to be executed pursuant hereto are and shall be binding upon and enforceable against Parties in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which the Parties are bound.
27. Recording of Notice of Pendency. Assignee shall not record nor attempt to record this Agreement; however, Assignee may record the following: a) a memorandum or "short form" of this Agreement, b) a Notice of Settlement or c) other reporting requirements under the Federal Securities Laws or other securities laws applicable to the Assignee, provided that the documents

that Purchaser proposes to record are provided to the Assignor and FMERA for review and approval prior to recording. In the event Assignee records this Agreement, without having obtained the prior written consent of Assignor and FMERA thereto, then Assignee shall be deemed in material incurable default under this Agreement and Assignor and FMERA shall be authorized without any notice whatsoever: (i) to terminate this Agreement and (ii) to take the Deposit, including interest as liquidated damages, such damages being difficult, if not impossible to ascertain. This Section shall survive the termination of the Agreement.

28. Lis Pendens. Unless Assignor and/or FMERA defaults, Assignee hereby waives any right or privilege to place a lis pendens upon the Property or any property owned or controlled by Assignor or FMERA and, accordingly, notwithstanding anything contained herein to the contrary, Assignee shall be liable for all damages, including, but not limited to Assignor and FMERA's costs of removing the lis pendens plus treble damages, for Assignee's failure to comply with the terms hereof. This Section shall survive the termination of this Agreement.
29. Indemnification. Assignee covenants and agrees to, at all times, indemnify, protect and save harmless Assignor and FMERA and the Army from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges, which Assignor, FMERA, or the Army may directly or indirectly suffer, sustain or be subject to by reason or on account of Assignee's entry upon the Property by Assignee, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Assignee shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless Assignor, FMERA and the Army from and against any and all claims, actions, suits, complaints, and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entrance upon the Property; provided, that Assignee shall not be liable for any loss and shall not be required to indemnify Assignor, FMERA and/or the Army, if such loss arises out of or is related to the gross negligence or willful misconduct of Assignor, FMERA, the Army, or their respective representatives, agents and professionals.
30. No Partnership or Joint Venture. Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other. Nor should anything in this Agreement render or be construed to render any of the parties hereto liable to the other for any third party debts or obligations due the other party.
31. No Third Party Rights or Benefits. Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person that is not a party to this Agreement. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than Assignor and FMERA) nor shall the State or any political subdivision thereof (other than Assignor and FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than Assignor and FMERA).

32. Cooperation. FMERA agrees that it will use reasonable efforts, to the extent consistent with applicable law, to expedite the (i) Mandatory Conceptual Review for the Project and (ii) the process for amending the Fort Monmouth Reuse and Redevelopment Plan to permit the development of the Project. Notwithstanding the preceding sentence, Assignee acknowledges that the approval of any Reuse Plan Amendment or any use-type variance (that is, the types of variances enumerated in N.J.S.A. 52:27I-34(e)(1)) are subject to separate decisions by the FMERA Board, at its sole discretion.
33. Environmental Carve-Out Parcel. FMERA agrees that it will use reasonable efforts to ensure the Army remediates the Environmental Carve-Out Parcel in a timely manner and in accordance with the Purchase Agreement.
34. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. The Parties waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter. The Parties hereto agree that any and all claims for damages made or to be made against Assignor or FMERA based in tort law, including, but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. The Parties also agree that any and all claims made or to be made against the Assignor or FMERA based in contract law, including but not limited to, claims and damages for all out of pocket costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.
35. Binding Upon Successors and Assigns. This Agreement shall be binding upon and inure to the benefits of the heirs, legal representatives, successors-in-interest, and assigns of Assignor and Assignee.
36. Headings; Interpretation. The captions and headings herein are for reference only and shall in no way be deemed to define, limit, explain or amplify any provision hereof.
37. Effect of Agreement. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which shall, when taken together, constitute one instrument.
38. Entire Agreement. This Agreement constitutes the sole and entire agreement among the Parties hereto, and no modification, alteration, or amendment of this Agreement shall be binding unless signed by the Party against whom such modification, alteration, or amendment is sought.
39. Invalidity. Any provision of this Agreement which is determined by a court to be invalid or unenforceable shall be deemed severed herefrom, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable provision had not been a part hereof.
40. Exhibits. Any Exhibits attached to this Agreement are hereby incorporated into this Agreement.
41. Notices. Notices or other communications hereunder shall be in writing and shall be sent certified or registered mail, return receipt requested, or by other national overnight courier

company, or personal delivery. Notice shall be deemed given upon receipt or refusal to accept delivery. The notice addresses of the Parties are set forth on first page of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals and/or have caused their corporate seal to be affixed hereto the day and year first written above.

Attest

RWJ BARNABAS HEALTH, INC.

Name:
Title:

Name:
Title:

Attest

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY**

Name:
Title:

Name:
Title:

Attest

**FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY**

Name:
Title:

Name:
Title:

EXHIBIT A
(Purchase Agreement)

4955052



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: June 12, 2018

RE: Amendment to Construction Contract
Replacement Parking Lot Project, Camden, NJ

Summary

The Members are asked to approve a change order to the construction services contract with F.M. Schiavone Construction, Inc. (“Schiavone”) up to the amount of \$90,000.00 plus a ten percent (10%) contingency in the amount of \$9,000.00 for additional services to complete construction of the parking lot on Block 157, Lot 46 in Camden, NJ (“Kelly Property”), for an increase not to exceed \$99,000.00 to the total construction budget.

Background

In February 2016, the Authority was awarded a Grant from the Camden Economic Recovery Board in the amount of \$5 million for a replacement parking improvement project on the Camden waterfront. The Camden waterfront has experienced steady growth over the last few years. As a result, surface parking lots at the Camden waterfront are being converted into parcels for building development, placing a strain on the existing parking inventory available to satisfy the BB&T Pavilion lease obligation. To alleviate the shortage of parking due to waterfront development, the Authority identified five (5) parcels of vacant land, two (2) owned by the Authority and three (3) owned privately, including the Kelly Property, which are located on the Camden waterfront and could be converted into paved parking lots.

In July 2017, the Board approved a contract with Schiavone in the amount of \$1,105,300.00 which included a contingency of \$144,200.00 for construction of the two Authority owned lots. In December 2017, the Board approved a change order in the amount of \$306,000.00, plus a ten percent (10%) contingency in the amount of \$30,600.00, adding the Kelly Property as an additional site to the construction services contract.

Schiavone began undertaking construction activities on the Kelly property in early 2018. During the construction activities, previously unknown subsurface conditions were discovered. While excavating to construct the underground improvements, Schiavone unearthed buried structural concrete (from a former building structure) that is required to be removed as well as a previously unknown water trunk line which is required to be relocated.

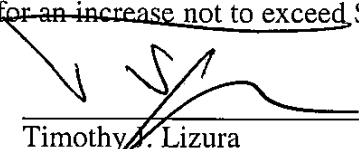
-2-

In order to keep construction on track, Real Estate staff recommends that a change order be negotiated with Schiavone to allow for the relocation of the water line as well as removal of the concrete debris. This will allow the Authority to proceed with the construction of the parking lot on the Kelly property with minimal deviation from the construction schedule.

There are sufficient funds remaining from the Camden Economic Recovery Grant which will be utilized for this Project.

Recommendation

In summary, approval is requested to execute a change order to the construction services contract with F.M. Schiavone Construction, Inc. up to the amount of \$90,000.00 plus a ten percent (10%) contingency in the amount of \$9,000.00 for additional services to complete construction of the parking lot on Block 157, Lot 46 in Camden, NJ, ~~for an increase not to exceed \$99,000.00~~ to the total construction budget.



Timothy J. Lizura
President and Chief Operating Officer

Prepared by: Thomas P. Catapano

BOARD MEMORANDUM



MEMORANDUM

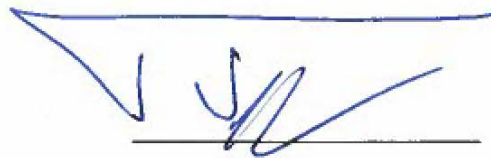
TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: June 12, 2018
SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in May 2018:

Premier Lender Program:

- 1) Good Realty LLC (P44993), located in North Brunswick Township, Middlesex County, is a recently formed holding company created to purchase the project property. The operating company, Alliance Calibrations Group LLC (“ACG” or the “Company”), provides calibration, setup, installation and repair services for instruments and gauges that are used in the laboratories of pharmaceutical, chemical and cosmetics companies, as well as criminal investigation labs across the country. M&T Bank approved a \$832,500 commercial mortgage contingent upon a 15.92% (\$132,500) Authority participation. Proceeds will be used to purchase an existing two-story office building in North Brunswick, NJ., to which the ACG will relocate and expand its business. A total of six jobs will be created as a result of this project. SSBCI funds will be utilized for this project.

- 2) B. K. Foods, Inc. (P45003) (“BK” or the “Company”) operates as a retail food market in New Providence, Union County. BK sells German specialty products along with a variety of butchered and smoked meats, poultry, pork and seafood as well as produce, salads, prepared foods and baked goods. B & T Realty, Inc. owns the real estate where BK is located. In April of 2018, the Company completed an expansion project which included renovating and expanding the property and purchase of land contiguous to the site. Provident Bank approved a \$4,275,000 loan contingent upon an 11.11% (\$475,000) Authority participation. Proceeds will be used to refinance debt used to complete the expansion. A total of 10 jobs will be created as a result of this project.



Prepared by: D. Lawyer