COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-113

TITLE:
ORDINANCE OF THE CITY OF JERSEY CITY, IN THE
COUNTY OF HUDSON, STATE OF NEW JERSEY (1)
AUTHORIZING THE CITY TO ENTER INTO A REAL
ESTATE PURCHASE AGREEMENT, ENVIRONMENTAL
AGREEMENT, AND ALL OTHER DOCUMENTS
NECESSARY FOR AND RELATED TO THE PURCHASE OF
CERTAIN REAL PROPERTY, THE DEMOLITION OF
CERTAIN STRUCTURES, AND THE CONSTRUCTION OF
CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN
THE BAYFRONT I REDEVELOPMENT AREA (2)
APPROPRIATING $170,000,000 THEREFOR AND
AUTHORIZING THE ISSUANCE OF $170,000,000 BONDS
OR NOTES OF THE CITY TO FINANCE THE COST
THEREOF AND (3) AUTHORIZING THE CITY TO ENTER
INTO A COOPERATION AGREEMENT WITH THE JERSEY
CITY REDEVELOPMENT AGENCY TO REPRESENT THE
CITY IN THE REDEVELOPMENT OF THE BAYFRONT I
REDEVELOPMENT AREA

WHEREAS, on February 27, 2008, pursuant to Resolution 08-130 (as supplemented by
Resolution 08-172 dated March 12, 2008), the City of Jersey City (the “City”) designated Block
21901, Lots 3 thru 10 and Block 24601 Lots 1 thru 12 (formerly Block 12901.1 aka Block
16A.99, 17, 18, 19 and 20) to be an “area in need of redevelopment” (the “Bayfront I
Redevelopment Area”) in accordance with the Local Redevelopment and Housing Law,
N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”); and

WHEREAS, on March 12, 2008, pursuant to Ordinance 08-025 and the Redevelopment
Law, the City adopted a redevelopment plan known as the Bayfront I Redevelopment Plan
(hereinafter, the “Redevelopment Plan”); and

WHEREAS, on May 12, 2008, the Jersey City Redevelopment Agency (the “JCRA”)
entered into that certain Redevelopment Agreement (the “RDA”) with Bayfront Redevelopment,
LLC, a limited liability company of the State of Delaware, having its principal place of business
at 115 Tabor Road, Morris Plains, N.J. 07950 (“Bayfront”); and
WHEREAS, the Jersey City Planning Board approved Bayfront's application for preliminary and final major subdivision for Block 21901, Lots 5-10 and Block 24601, Lots 1-12, and the Jersey City Tax Assessor has assigned the aforementioned parcels new block and lot numbers as follows: Block 21901.01, Lots 1 thru 9 (the "Final Major Subdivision"); and

WHEREAS, the Final Major Subdivision shall be perfected upon execution of that certain Private Easement Agreement between Bayfront and the City, and thereafter the new block and lots shall appear in the official tax map of the City; and

WHEREAS, the area identified as Block 21901, Lot 4, also known as the "Trenk Lot", was not included in the Final Major Subdivision but is a part of the Redevelopment Area and the Purchase Agreement (defined below); and

WHEREAS, at a public caucus meeting of the City held on May 21, 2018, the Mayor and the JCRA presented several options as to the future implementation of the redevelopment of the Redevelopment Area; and

WHEREAS, on June 27, 2018, the City Council adopted Resolution 18-609 determining that the City should purchase the development parcels within the Bayfront I Redevelopment Area, in order to, amongst other things, bring the largest number affordable housing units to the Bayfront I Redevelopment Area, allow the City to have flexibility in implementing the goals of the Redevelopment Plan, and permit the City to structure the redevelopment of the Bayfront I Redevelopment Area in a way that best serves the interests of the City and the community; and

WHEREAS, the Bayfront I Redevelopment Area is in an area of the City that holds the key to the future growth and expansion of the City's western waterfront, and

WHEREAS, N.J.S.A. 40A:12-5(a)(1) of the Local Land and Buildings Law and Sections 8(b) and (c) of the Redevelopment Law each empower municipalities to acquire real property by purchase, gift, devise, lease, exchange, condemnation or installment purchase agreement; and

WHEREAS, the Mayor and the City Council of the City have determined that the City has a need to acquire the Development Lots (as defined below) located within the Bayfront I Redevelopment Area in order to effectuate the redevelopment of same in accordance with the Redevelopment Plan; and

WHEREAS, the City desires to enter into a Real Estate Purchase Agreement, by and between the City and Bayfront, attached hereto in substantially final form as Exhibit A, the attachments of which are on file with the City clerk (the "Purchase Agreement"), pursuant to
which the City will purchase all or portions of those certain parcels known as Block 21901, Lots 4 thru 10, and all or portions of Block 24601, Lots 1 thru 12 on the official tax maps of the City, together with all improvements, easements, rights of way, appurtenances and other rights and benefits thereunto (the "Development Lots"), the metes and bounds descriptions of which are included in the Environmental Agreement (defined below), at a purchase price of $90,000,000; and

WHEREAS, the City desires to fund the design and construction of certain infrastructure improvements for phase 1 of the redevelopment of the Bayfront I Redevelopment Area, including, but not limited to, the construction of roadways, sewer and water lines, storm water drainage, traffic control devices, electrical and gas infrastructure and landscaping and hardscape improvements for three open-space areas (the "Phase I Infrastructure"); and

WHEREAS, the cost to design and construct the Phase I Infrastructure is estimated to be an amount not to exceed $71,000,000; and

WHEREAS, pursuant to that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 North and that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 South, in each case signed by Hon. Dennis M. Cavanaugh, U.S.D.J. in the matter Jersey City Municipal Utilities Authority v. Honeywell International, Inc., United States District Court, District of New Jersey, and other related cases consolidated under Docket No. 05-5955 (DMC-PS) (collectively, the "Consent Decree"), the City desires to fund the demolition of certain structures located upon the Development Lots, which cost is estimated to be approximately $6,000,000; and

WHEREAS, pursuant to the Consent Decree, Honeywell International Inc. ("Honeywell") shall continue to retain responsibility for the Remediation of Chromium Contamination (as defined in the hereinafter defined Environmental Agreement) and the City shall continue to be responsible for the Remediation of the Non-Chromium Contamination (as defined in the Environmental Agreement), all as further detailed in an Environmental Agreement, by and between the City and Bayfront, attached hereto in substantially final form as Exhibit B, the attachments of which are on file with the City clerk (the "Environmental Agreement"); and

WHEREAS, upon the City's acquisition of the Development Lots from Bayfront, the RDA with Bayfront will terminate; and
WHEREAS, pursuant to the Redevelopment Law, the City hereby designates the JCRA to act as the redevelopment entity (the "Redevelopment Entity") to implement the Redevelopment Plan and carry out the hereinafter defined Redevelopment Project described therein, within the Bayfront I Redevelopment Area; and

WHEREAS, the JCRA, in its capacity as Redevelopment Entity, shall serve as general agent for the City with respect to any action to be taken, direction to be provided, or right or remedy to be exercised by the City with regard to the Bayfront I Redevelopment Area, pursuant to a Cooperation Agreement, by and between the City and the JCRA, attached hereto in substantially final form as Exhibit C (the "Cooperation Agreement").

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The recitals to this bond ordinance are hereby incorporated as if set forth in full herein.

Section 2. The improvement described in Section 4 of this bond ordinance is hereby authorized to be undertaken by the City as a general improvement. For the improvement or purpose described in Section 4, there is hereby appropriated the sum of $170,000,000. No down payment is required pursuant to N.J.S.A. 40A:12A-37(c) as this bond ordinance authorizes obligations for the purpose of aiding the Redevelopment Entity with respect to the hereinafter defined Redevelopment Project within the City.

Section 3. In order to finance the cost of the improvement or purpose, negotiable bonds are hereby authorized to be issued in the principal amount of $170,000,000 pursuant to the Redevelopment Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Redevelopment Law.

Section 4. (a) The improvement hereby authorized and the purpose for which the bonds are to be issued is to aid in the redevelopment project described in the Redevelopment Plan, including, but not limited to, the acquisition of the Development Lots, the demolition of existing buildings and structures in the Redevelopment Area, the construction of infrastructure improvements, including, but not limited to, the Phase I Infrastructure, any and all obligations set forth in the Purchase Agreement and the Environmental Agreement, and all work and materials.
necessary therefore and incidental thereto (collectively, and as further described in the Redevelopment Plan, the "Redevelopment Project").

(b) The estimated maximum amount of bonds or bond anticipation notes to be issued for the improvement or purpose is as stated in Section 3 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

Section 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the City's chief financial officer; provided that no bond anticipation note shall mature later than one year from its date, unless permitted otherwise pursuant to applicable law. The bond anticipation notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with bond anticipation notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the bond anticipation notes shall be conclusive evidence as to all such determinations. All bond anticipation notes issued hereunder may be renewed from time to time subject to the provisions of the Redevelopment Law. The chief financial officer is hereby authorized to sell part or all of the bond anticipation notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the bond anticipation notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 6. The City hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

Section 7. The following additional matters are hereby determined, declared, recited and stated:
(a) The purpose described in Section 4 of this bond ordinance is not a current expense. It is an improvement or purpose that the City may lawfully undertake as a general improvement described in the Redevelopment Plan, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) Pursuant to N.J.S.A. 40A:12A-37(c), the obligations authorized herein shall mature in annual installments commencing not more than two and ending not more than forty years from the date of issuance.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and bond anticipation notes provided in this bond ordinance by $170,000,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An amount not exceeding $20,000,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purpose or improvement.

(e) The obligations of the City authorized by this bond ordinance shall bear interest at a maximum rate of not to exceed six (8.00%) per centum per annum.

Section 8. Any grant moneys received for the purpose described in Section 4 hereof shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this bond ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 9. The City hereby declares the intent of the City to issue the bonds or bond anticipation notes in the amount authorized in Section 3 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 4 of this bond ordinance. This Section 9 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 10. The chief financial officer of the City is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in
connection with the sale of obligations of the City and to execute such disclosure document on behalf of the City. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) for the benefit of holders and beneficial owners of obligations of the City and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 11. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 12. The Mayor and Business Administrator (including their designees, each an “Authorized Officer”), are each hereby authorized and directed, in consultation with counsel to the City, to execute and deliver the Purchase Agreement, the Environmental Agreement and the Cooperation Agreement in the forms set forth in Exhibit A, Exhibit B and Exhibit C, respectively, attached hereto, with such additions, modifications or deletions recommended by counsel to the City and agreed by the respective parties to such agreements. The Clerk of the City is hereby authorized to attest to the execution of such agreements and, where necessary, affix the seal of the City onto same. Each Authorized Officer of the City is hereby authorized and directed to take any and all action deemed necessary, useful or convenient, and to execute any document, certificate or agreement necessary to effectuate the purposes of this ordinance, the redevelopment of the Redevelopment Area and the transactions contemplated by the Purchase Agreement, the Environmental Agreement and the Cooperation Agreement.

Section 13. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption.
Re: CITY OF JERSEY CITY

$170,000,000/$170,000,000 BOND ORDINANCE
BAYFRONT REDEVELOPMENT PROJECT

1. Certified copy of the Supplemental Debt Statement prepared as of the date of introduction of the bond ordinance. This should show filing in the Clerk’s office as well as in Trenton.

2. Certified copy of the minutes of the meeting of the City Council held on ___/___/18, the introduction of the bond ordinance.

3. Affidavit of Publication in local newspaper following introduction of the bond ordinance.

4. Certified copy of the minutes of the meeting of the City Council held on ___/___/18, the public hearing and final adoption of the bond ordinance.

5. Affidavit of Publication in local newspaper following final adoption of the bond ordinance.

6. Clerk’s Certificate executed no sooner than 21 days following final publication of the bond ordinance.

BElOW FOR McMANIMON, SCOTLAND & BAUMANN, LLC USE ONLY

Posted: ___/___/___ Useful Life: 40 years

Reviewed By: ___

$20 Costs: $20,000,000

Mayor’s Approval: ___/___/___

Amends/Amended By: Ord. # ___ F/A: ___/___/___

Amendment: ____________________________

Supplements/Supplemented By: Ord. # ___ F/A: ___/___/___

Original Appropriation/Authorization: $ ___/___/___

Authorization for CFO to Sell Notes: X Yes No

Resolution Authorizing CFO to Sell Notes: F/A ___/___/___

Grant Moneys Expected: N/A

NOTES/BONDS ISSUED HEREUNDER

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>DATE</th>
<th>MATURITY</th>
<th>RATE</th>
<th>PAYDOWN</th>
<th>NEW/ RENEWAL</th>
<th>REMAINING AUTHORIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

46295-054: 801934.8
ORDINANCE FACT SHEET
This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance
ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (1) AUTHORIZING THE CITY TO ENTER INTO A REAL ESTATE PURCHASE AGREEMENT, ENVIRONMENTAL AGREEMENT, AND ALL OTHER DOCUMENTS NECESSARY FOR AND RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY, THE DEMOLITION OF CERTAIN STRUCTURES, AND THE CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE BAYFRONT I REDEVELOPMENT AREA (2) APPROPRIATING $170,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF $170,000,000 BONDS OR NOTES OF THE CITY TO FINANCE THE COST THEREOF AND (3) AUTHORIZING THE CITY TO ENTER INTO A COOPERATION AGREEMENT WITH THE JERSEY CITY REDEVELOPMENT AGENCY TO REPRESENT THE CITY IN THE REDEVELOPMENT OF THE BAYFRONT I REDEVELOPMENT AREA

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Name/Title</th>
<th>Phone/email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Administration</td>
<td>Brian Platt</td>
<td><a href="mailto:BPlatt@icnj.org">BPlatt@icnj.org</a></td>
</tr>
<tr>
<td></td>
<td>Business Administrator</td>
<td>201- 547-5147</td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

The purpose of this ordinance is to allow the City to bond for and purchase the Bayfront Property.

I certify that all the facts presented herein are accurate.

[Signature of Department Director]

[Date]
REAL ESTATE PURCHASE AGREEMENT

By and Between

BAYFRONT REDEVELOPMENT LLC,
a Delaware Limited Liability Company

SELLER

and

CITY OF JERSEY CITY,
a body politic of the State of New Jersey

BUYER

Dated: ______________, 2018
RECITALS ............................................................................................................................ 1

1. Agreement to Sell and Purchase ..................................................................................... 2

2. Purchase Price; Purchase Price Escrow; Demolition; Disposition of Escrowed Funds ............................................................................................................................................... 2
   (a) Purchase Price .............................................................................................................. 2
   (b) Deposit of Purchase Price ............................................................................................. 2
   (c) Demolition and Disposition of Demolition Escrow Funds ........................................... 3
   (d) Disposition of Property Purchase Price Escrow Funds ............................................... 5

3. Buyer's Property Inspection; Subdivision; Redevelopment Agreement; Buyer's Use Representation .......................................................................................................................................................................................... 5
   (a) Buyer's Inspection ........................................................................................................ 5
   (b) Subdivision .................................................................................................................... 7
   (c) Redevelopment Agreement .......................................................................................... 7
   (d) Buyer's Use Representation ......................................................................................... 8

4. Insurability of Title ............................................................................................................ 8
   (a) Title Commitment and Permitted Encumbrances ....................................................... 8
   (b) Title Cure ...................................................................................................................... 9

5. Closing Documents ........................................................................................................ 9
   (a) Deed ............................................................................................................................ 9
   (b) FIRPTA Certification ................................................................................................ 10
   (c) Environmental Agreement ........................................................................................ 10
   (d) Open Space Access Easement .................................................................................. 10
   (e) Declaration of Treatment Plant Easement ................................................................ 10
   (f) Declaration of Construction Trailer Easement ......................................................... 11
   (g) Colonial Concrete Agreement .................................................................................. 11
   (h) Other Documentation ................................................................................................. 11
   (i) Wire Transfer ............................................................................................................. 12

6. Closing Costs and Prorations; Pending Tax Appeal; PIP Tax Credit Grant; Securitas Services Contract .................................................................................................................................................................................. 12
   (a) Title Insurance and Closing Fees .............................................................................. 12
   (b) Transfer Tax .............................................................................................................. 12
   (c) Survey ....................................................................................................................... 12
   (d) Attorneys’ Fees ......................................................................................................... 12
18. Integration ....................................................................................................................... 26
19. No Recordation of Agreements ...................................................................................... 26
20. Construction ..................................................................................................................... 26
21. Waiver ............................................................................................................................. 26
22. Severability .................................................................................................................... 26
23. Parties Not Partners......................................................................................................... 27
24. Attorneys’ Fees, Costs and Expenses ............................................................................ 27
25. Cumulative Remedies ..................................................................................................... 27
26. Currency .......................................................................................................................... 27
27. Counterparts: Facsimile/E-mailed Signatures................................................................. 27
28. Section 1031 Exchange ................................................................................................. 27
29. Time of Essence .............................................................................................................. 28
30. Limitation on Liability ..................................................................................................... 28

EXHIBITS
Exhibit A-1 ......................................................................................................................... Survey of Land
Exhibit A-2 ......................................................................................................................... Trenk Lot
Exhibit A-3 ......................................................................................................................... Subdivision Plat
Exhibit A-4 ......................................................................................................................... Concept Plan
Exhibit B-1 ......................................................................................................................... Task Authorization Report
Exhibit B-2 ......................................................................................................................... Demolition Contract
Exhibit B-3 ......................................................................................................................... Scope of Work
Exhibit B-4 ......................................................................................................................... Wood-Buyer Agreement
Exhibit C ............................................................................................................................. Commitment and Permitted Encumbrances
Exhibit D ............................................................................................................................. Deed
Exhibit E ............................................................................................................................. Environmental Agreement
Exhibit F ............................................................................................................................. Open Space Access Easement
Exhibit G ............................................................................................................................. Declaration of Treatment Plant Easement
Exhibit H ............................................................................................................................. Declaration of Construction Trailer Easement
Exhibit I ............................................................................................................................. State PIP Tax Credit Grant
REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT ("Agreement") is made and entered into effective this __ day of _____, 2018 ("Effective Date"), by and between Bayfront Redevelopment LLC, a Delaware Limited Liability Company ("Seller") and the City of Jersey City ("Buyer").

RECITALS

A. Seller is the owner of: (1) approximately 95 acres of land graphically depicted on the survey attached hereto as Exhibit A-1 and made a part hereof ("Land") located at Route 440, Jersey City, New Jersey, together with the improvements on the Land, and (2) approximately .394 acres of land graphically depicted on the survey attached hereto as Exhibit A-2 and identified on the municipal tax map as Block 21901, lot 4 ("Trenk Lot").

B. The Land, together with additional property owned by the Jersey City Redevelopment Agency ("JICRA") and the Jersey City Municipal Utilities Authority ("JCMUA"), has been subdivided into nine (9) lots as shown on the subdivision plat last revised September 17, 2018, attached hereto as Exhibit A-3 ("Subdivision Plat"). Solely for ease of reference, the nine (9) lots are shown on the Concept Plan annexed hereto as Exhibit A-4. For sake of clarity, the Land does not include "Proposed Block 21901.01. Lot 2" as shown on the Subdivision Plat and identified on the Concept Plan as "Proposed Lot 2". The Subdivision Plat controls if there is any discrepancy between it and the Concept Plan.

C. Upon completing construction of certain roadways and additional requirements as set forth in the Consent Decree (hereafter defined), the following portions of the Land will be conveyed to the City of Jersey City (the "City"): two (2) portions of the Land (approximately 20 acres in the aggregate; identified as "Open Space" on Exhibit A-1, and identified as "Proposed Lot 3" and "Proposed Lot 5" on the Subdivision Plat, and "Proposed Lot 7" (approximately five (5) acres) as shown on the Subdivision Plat (collectively, the "Open Space Lots"). "Consent Decree" means that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 North and that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 South, in each case entered in Jersey City Municipal Utilities Authority v. Honeywell International Inc., United States District Court, District of New Jersey and other related cases consolidated under Docket No. 2:95-cv-02097-JLL-JAD. This Recital C is for informational purposes and is not intended to and does not alter or modify in any manner the Consent Decree or any rights or obligations in connection therewith.

D. The Land and Trenk Lot are part of a designated redevelopment area and Seller is the designated redeveloper of the Land and Trenk Lot pursuant to a Redevelopment Agreement dated May 12, 2008 ("Redevelopment Agreement") between Seller and the Jersey City Redevelopment Agency (the "JICRA").

E. Seller desires to sell and Buyer desires to purchase "Proposed Lot 1", "Proposed Lot 4", "Proposed Lot 6", "Proposed Lot 8" and "Proposed Lot 9" on the Subdivision Map and the Trenk Lot, and improvements thereon, together with all easements, rights of way,
appurtenances and other rights and benefits thereunto belonging (collectively, the "Property") upon the terms, covenants and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, it is hereby mutually agreed by and between Seller and Buyer as follows:

1. Agreement to Sell and Purchase. Seller agrees to sell and Buyer agrees to purchase the Property upon the terms, covenants and conditions hereinafter set forth.

2. Purchase Price; Purchase Price Escrow; Demolition; Disposition of Escrowed Funds.

   (a) Purchase Price. The purchase price to be paid by Buyer to Seller for the Property is Ninety Six Million and No/100 Dollars ($96,000,000.00) ("Purchase Price"), subject to adjustment as hereafter provided. Ninety Million Dollars ($90,000,000.00) of the Purchase Price is allocated for the sale and conveyance of the Property and, subject to adjustment as hereafter provided. Six Million Dollars ($6,000,000.00) of the Purchase Price is allocated for Demolition (hereafter defined).

   (b) Deposit of Purchase Price. Concurrently with the execution and delivery of this Agreement by Buyer, Buyer shall deposit Fifteen Million Dollars ($15,000,000.00) ("Purchase Price Deposit") in escrow ("Escrowed Funds") with ("Title Company"). Nine Million Dollars ($9,000,000.00) of the Purchase Price Deposit is allocated for the sale and conveyance of the Property ("Property Purchase Price Escrow Funds") and, subject to adjustment as hereafter provided. Six Million Dollars ($6,000,000.00) of the Purchase Price Deposit is allocated for Demolition ("Demolition Escrow Funds").

The Escrowed Funds shall be held by the Title Company, as escrow agent, with instructions to disburse according to the terms, covenants and conditions of this Agreement. The Escrowed Funds shall be deposited in interest-bearing accounts in a federally insured banking institution, utilizing Buyer’s taxpayer identification number, with the interest earned thereon to be retained by Buyer according and subject to the terms, covenants and conditions of this Agreement.

The parties acknowledge that the Title Company, in its capacity as escrow agent, (i) is acting solely as a stakeholder at their request and for their convenience; (ii) shall not be deemed to be the agent of either of the parties; and (iii) shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Agreement, or involving negligence.

The Title Company shall acknowledge its agreement to the provisions of this Section 2 by its execution of this Agreement in the space provided following the signatures of the parties.
(c) Demolition and Disposition of Demolition Escrow Funds. Subject to the terms and conditions hereafter set forth, Seller shall cause certain demolition work to be undertaken with regard to improvements on the Property, as follows:

(i) Honeywell International Inc. ("Honeywell"), an affiliate of Seller, has entered into a national Master Environmental Services Agreement ("MESA") with Wood PLC ("Wood"), successor to Amec Foster Wheeler Environmental & Infrastructure Inc. Pursuant to the MESA and a Task Authorization Report (including the exhibits thereto, the "TAR") annexed hereto as Exhibit B-1, Honeywell is authorizing Wood to enter into a contract for demolition of certain structures ("Demolition") to be undertaken by [Demolition Contractor], which contract ("Demolition Contract") is annexed hereto as Exhibit B-2. The Demolition will be undertaken strictly in accordance with the TAR and the scope of work set forth in Exhibit B-3 annexed hereto and as more particularly set forth in plans previously provided by Seller to Buyer ("Scope of Work"), which TAR and Scope of Work are approved by Buyer. Subject to Buyer's Access Indemnification (hereafter defined), Buyer shall have the right to have one or more representatives on the Property to witness and inspect the Demolition at all times Demolition is progressing.

(ii) Seller and Buyer acknowledge that field changes and conditions may require changes in one or both of the TAR or Scope of Work (each, a "Change Order"). Seller will cause weekly Demolition progress reports to be provided to Buyer or made available to Buyer's on-site representative, which reports, among other information, will identify Change Orders. Seller is authorized to approve Change Orders without consent or approval of Buyer other than any Change Order the cost of which is 20% or more of the original total Unanticipated Allowance, as set forth in the TAR ("Material Change Order"). A Material Change Order shall be subject to approval by Buyer in accordance with the following conditions: (1) if Seller desires to authorize Wood to proceed with a Material Change Order, Seller will provide Buyer with notice of the proposed Material Change Order, in accordance with the Demolition Change Notice provisions hereafter set forth; (2) Buyer shall have a period of time ending at 4:00 PM on the fourth business day following receipt of a Demolition Change Notice (and excluding the date Buyer received a Demolition Change Notice) to notify Seller in accordance with the Demolition Change Notice provisions that Buyer rejects the proposed Material Change Order; (3) failure of Buyer to provide notice of rejection of a Material Change Order on or before 4:00 PM on the fourth business day following receipt of a Demolition Change Notice shall constitute Buyer's deemed approval of the Material Change Order; (4) if Buyer notifies Seller that it approves the Material Change Order, or is deemed to have approved the Material Change Order, Seller shall be permitted to authorize the Material Change Order; (5) if Buyer rejects the Material Change Order within the time above provide in clause (2), Seller will not authorize the Material Change Order; (6) if a Material Change Order is rejected and in Seller's sole discretion, the Demolition should be suspended or terminated as a result of such rejection, Seller will take such actions as it deems necessary to cause the Demolition to be suspended in whole or in part, and, if Seller has determined in its sole discretion to terminate the Demolition, to provide an

---

1 To be attached to final, execution version of this Agreement, after the Demolition Contractor has been selected.
orderly termination of the Demolition; (7) if Demolition is suspended or terminated, Buyer shall remain responsible for paying all amounts due and payable to Wood and the Demolition Contractor through the date of suspension or termination, including all amounts that may be due and payable to the Demolition Contractor for demobilizing and otherwise as a result of suspension or termination of the Demolition and Demolition Contract before completion, as provided in one or more of the MESA, TAR and Demolition Contract. Seller shall also immediately send a Demolition Change Notice to Buyer, and provide Buyer a reasonable opportunity to consult with Seller, prior to the issuance of a Change Order that would take the Unanticipated Allowance at or above 80% of the original total Unanticipated Allowance. A “Demolition Change Notice” is a notice as provided in this subsection which is subject to and delivered in accordance with Section 12, including by means of email, provided: (A) without limitation, William Hague is authorized to deliver Material Change Notices on behalf of Seller; (B) any rejection of a Material Change Notice, to be effective, must be served by email upon William Hague (at william.hague@honeywell.com) or another representative designated by Seller, in addition to those persons required to receive notice as set forth in Section 12, and (C) Buyer may designate a representative to receive Material Change Notices, in addition to those persons required to receive notice for Buyer as set forth in Section 12, such designation to be by notice as provided in Section 12:

(iii) The sum of money to be paid to the Demolition Contractor pursuant to the Demolition Contract is the “Demolition Cost”, which is not more than Six Million Dollars ($6,000,000.00) as of the Effective Date. Should the TAR or Scope of Work be changed for any reason including a Material Change Order approved or deemed approved by the Buyer resulting in an increase in the amount payable to the Demolition Contractor under the Demolition Contract or if the cost of Demolition increases for any reason other than resulting from Seller’s approval of a Material Change Order after it has been rejected by Buyer as above provided in Section 2(c)(iii), the Demolition Cost shall be increased by such increased amount, the Purchase Price shall be increased by the same amount and Buyer shall deposit the increased amount of the Purchase Price with the Title Company within ten (10) business days after being advised of the increased amount, which increased amount shall held in escrow and added to the Demolition Escrow Funds. Seller shall have the right to suspend the Demolition if the increased amount of the Purchase Price is not deposited within the foregoing ten (10) business day period;

(iv) Should Demolition not be completed prior to the Closing Date, Seller, the Demolition Contractor and their respective agents and subcontractors shall have access to the Property after Closing, and the use of any on site utility services as needed, to complete the Demolition, at no cost or expense to Seller or the Demolition Contractor;

(v) Seller makes no covenants, warranties or representations, and Buyer waives and releases any and all damages, offsets or claims, that it may or could assert in the future against any or all Seller Parties (hereafter defined), regarding the Demolition Contract, Demolition Contractor, MESA, TAR, adequacy of the Scope of Work, cost of performing the Demolition, timing to complete the Demolition, unforeseen
conditions that may affect the Demolition Contract or Scope of Work, or any other matter regarding the Demolition ("Buyer Release"). Subject to the terms and conditions hereafter set forth: (1) Seller consents to Buyer being an express third-party beneficiary to the MESA solely with regard to the TAR for the Demolition ("Third Party Beneficiary") as set forth in the Letter Agreement between Wood and Buyer annexed hereto as Exhibit B-4 ("Wood-Buyer Agreement"); (2) Buyer may enforce the provisions of the TAR that are for the benefit of Honeywell solely with regard to the Demolition Contract and the Demolition as if it were a party thereto, and (3) Buyer is not releasing any claims it may assert against the Demolition Contractor arising out of the Demolition Contract that could be asserted by Honeywell directly or pursuant to the MESA or TAR against the Demolition Contractor arising out of the Demolition Contract (each, a "Third Party Beneficiary Claim") and any other claims that Buyer may assert against the Demolition Contractor arising out of the Demolition Contract ("Direct Claims");

(vi) Buyer's rights as a Third Party Beneficiary are subject to the following limitations and conditions: (1) Buyer and Wood shall enter into the Wood-Buyer Agreement; (2) neither Seller nor Honeywell shall be obligated to enforce the MESA or TAR for the benefit or on behalf of Buyer and shall not be required to accept or abide by any instructions or directives from Buyer regarding the MESA or TAR; (3) prior to asserting any Third Party Beneficiary Claim arising under or from the Demolition Contract Buyer shall provide reasonable notice to Seller and afford Seller a reasonable opportunity to mediate and resolve the claim; (4) in no event shall Buyer bring any action in the name of Seller or Honeywell; (5) in no event shall Buyer be authorized to bring any Third Party Beneficiary Claim for any cause of action or claim other than a claim (A) that the Demolition Contractor has not performed its work in accordance with the Scope of Work as it may be amended as above provided, or (B) as permitted by the Wood-Buyer Agreement; (6) a Third Party Beneficiary Claim shall not affect or supersede the Buyer Release or the Demolition Indemnification as below provided in clause (vii) of this Section; (7) Buyer's rights as a Third Party Beneficiary including its right to assert a Third Party Beneficiary Claim are personal to Buyer, its employees and agents, including the JCRA, and cannot be assigned or transferred to any other person or party directly, indirectly or by any means or method, and any attempted or purported assignment shall be of no force or effect, and (8) Seller and Honeywell do not make any warranty or representation regarding the legal efficacy of the designation of Buyer as a Third Party Beneficiary or any Third Party Beneficiary Claim that may be asserted by Buyer;

(vii) Buyer shall indemnify, defend and hold harmless Seller, Honeywell International Inc., and their respective officers, directors, employees and agents (collectively, "Seller Parties") from and against all suits, proceedings, actions, losses, liabilities, costs and expenses, including reasonable counsel fees and fees of consultants and experts retained by Seller, arising out of or in any manner related to the Demolition including suits, proceedings, actions, losses, liabilities, costs and expenses arising out of or in any manner related to any one or more Third Party Beneficiary Claims and any one or more Direct Claims ("Demolition Indemnification"). Buyer's Demolition Indemnification shall not be subject to limitations on Buyer's liability in Section 9 or elsewhere in this Agreement;
(viii) Upon receipt of an invoice for payment from the Demolition Contractor, accompanied by all lien waivers and other documents required to be presented in order for the Demolition Contractor to be paid pursuant to the Demolition Contract, and upon Seller’s written confirmation that the Demolition Contractor’s invoice is accurate and consistent with the Scope of Work or any approved revisions thereto pursuant to Section 2(c)(ii), Seller shall send a copy of the same to Buyer and notify the Title Company to remit payment to Seller in the amount invoiced by the Demolition Contractor. The Title Company shall remit payment of the invoiced amount to Seller from the Demolition Escrow Funds within three (3) business days after receiving notice from Seller requesting payment;

(ix) Upon completing the Demolition and receipt of final lien waivers and an invoice for final payment from the Demolition Contractor, and upon Seller’s written confirmation that the Demolition Contractor’s invoice is accurate and consistent with the Scope of Work or any approved revisions thereto pursuant to Section 2(c)(ii), Seller shall send a copy of the same to Buyer and notify the Title Company to remit final payment to Seller. The Title Company shall remit payment of the final invoice amount to Seller from the Demolition Escrow Funds within three (3) business days after receiving notice from Seller requesting payment;

(x) After the final payment as provided in clause (ix), if there are any remaining Demolition Escrow Funds held by the Title Company (such remaining Escrow Funds are the "Demolition Escrow Funds Balance"), and no further amounts are due and owing to the Demolition Contractor, the Purchase Price shall be reduced by the amount of the Demolition Escrow Funds Balance, and the Demolition Escrow Funds Balance shall be remitted to Buyer three (3) business days after notice from Buyer requesting such release; and

(xi) The provisions of this Section 2(c) shall survive Closing or termination of this Agreement.

(d) Disposition of Property Purchase Price Escrow Funds. The Property Purchase Price Escrow Funds shall be held and disbursed in accordance with the following terms and conditions:

(i) If the Closing occurs, the Property Purchase Price Escrow Funds shall be paid to Seller, subject to adjustments and prorations as described in Section 6. All interest that has accrued on the Property Purchase Price Escrow Funds shall be paid to Buyer; and

(ii) If a Buyer’s default or a Seller’s default occurs, Seller’s and Buyer’s respective rights concerning the Purchase Price Escrow Funds and the interest earned thereon shall be governed by the terms of Section 9 hereof.

3. Buyer’s Property Inspection; Access to the Property; Subdivision; Buyer’s Use Representation.

(a) Buyer’s Inspection.
(i) Prior to the Effective Date, Buyer, its agents and representatives have had access to (1) the Property, (2) the Property Documentation (hereafter defined in Section 11(a)) and all photocopies thereof, and (3) any and all Investigation Documentation (hereafter defined in Section 11(a)). Except with regard to future Demolition, Buyer is satisfied with the results of its investigations and has elected to proceed with the transaction evidenced by this Agreement without any right to terminate this Agreement based on any completed or on-going inspections of the Property, Property Documents or Investigation Documentation, any such right to terminate being expressly waived by Buyer. With regard to future Demolition, Buyer reserves its right to assert one or more Third Party Beneficiary Claims and Direct Claims, subject to and as provided in Section 2(c)(v) and (vi).

(ii) So long as this Agreement has not been terminated, prior to the Closing Buyer shall have continued access to the Property Documentation and access to the Property ("Buyer’s Property Access") subject to Seller’s customary health, safety and welfare requirements related to access to the Property, and in accordance with all applicable laws, and accompanied by a representative of Seller, provided that in no event shall Buyer interfere or disrupt, physically or otherwise or hinder or raise any objections to any on-going activities being performed at the Property including but not limited to the Demolition, and pursuant to the following additional terms, covenants and conditions:

(1) Buyer shall provide to Seller at least two (2) business days’ prior written notice (which may be oral) of any proposed Property inspection or access to the Property:

(2) In no event shall Buyer conduct any environmental or intrusive sampling:

(3) Buyer shall restore any damage to the Property as a result of Buyer’s Property Access, at Buyer’s sole cost and expense ("Buyer’s Restoration Obligation"). Until restoration is complete, Buyer shall take all steps necessary to ensure that any conditions on the Property created by Buyer’s access to the Property will not interfere with the operation of the Property or create any dangerous, unhealthy, unsightly or noisy condition on the Property. Buyer’s Restoration Obligation shall survive the termination of this Agreement;

(4) Buyer shall indemnify, defend and hold harmless the Seller Parties from and against any and all suits, proceedings, actions, losses, liabilities, costs and expenses, including reasonable counsel fees and fees of consultants and experts retained by Seller arising out of, resulting from or relating to one or more of (A) Buyer’s Property Access, (B) Buyer’s activities in, on or about the Property, and (C) Buyer’s breach of any of the terms, covenants or conditions of this Agreement as such relate to Buyer’s Property Access ("Buyer’s Access Indemnification"). Buyer’s Access Indemnification shall include, without limitation, losses, costs, liabilities and expenses arising out of, resulting from or relating to death, personal injury, property damage, construction liens or violations of applicable laws (including Environmental Laws, hereafter defined).
Buyer’s Access Indemnification shall survive the Closing Date or any earlier termination of this Agreement and shall not be subject to limitations on Buyer’s liability in Section 9 or elsewhere in this Agreement. Buyer’s Access Indemnification shall not include any losses, costs, liabilities or expenses arising out of, resulting from or relating to the gross negligence or willful misconduct of the Seller Parties;

(5) Buyer shall provide Seller with evidence of workers’ compensation and liability insurance satisfactory to Seller to protect Seller from any liability with respect to Buyer’s activities in, on or about the Property; and

(6) Seller and Buyer shall each designate a representative to act on its behalf in scheduling and arranging visits to and inspections of the Property. The representative of Seller shall be William Hague (“Seller’s Representative”), or such other individual to whom Seller’s Representative may delegate responsibility from time to time. The representative of Buyer shall be the City Business Administrator (“Buyer’s Representative”) or such other individual to whom Buyer’s Representative may delegate responsibility from time to time. Each party shall have the right to change its respective representative(s) by notice to the other party given in accordance with Section 12 hereof.

(iii) If permitted under applicable laws, including but not limited to the State of New Jersey’s Open Public Records Act (N.J.S.A. 47:1A-1 et seq., “OPRA”), if this Agreement terminates for any reason, Buyer immediately shall return to Seller: (1) the Property Documentation and all photocopies thereof, and (2) any and all Investigation Documentation arising out of, relating to, or resulting from Buyer’s Property Access. If any of the Property Documentation or Investigation Documentation was sent electronically, upon the request of Seller, and subject to the requirements and limitations under OPRA and other applicable laws, Buyer shall promptly destroy such Property Documentation and Investigation Documentation, in accordance with the instructions of Seller. If destruction is requested by Seller, Buyer shall promptly certify such destruction in writing to Seller. The provisions of this subsection shall survive termination of the Agreement.

(b) Subdivision. The Planning Board of the City has approved the subdivision of the Land and “Proposed Lot 2” as shown on the Subdivision Plat into nine (9) new tax lots pursuant to Resolution in Case P17-105, adopted June 19, 2018. At or prior to Closing, Seller shall cause the subdivision to be perfected by filing the Subdivision Plat. Buyer shall cooperate reasonably in perfecting the subdivision including without limitation, causing the Subdivision Plat to be reviewed promptly and signed promptly by those municipal officers whose signatures are required to be affixed to the Subdivision Plat in order to perfect the subdivision. Buyer acknowledges that in order to perfect the subdivision, certain property located in the boundary of “Proposed Lot 2” that is now owned by Seller will be conveyed by Seller to the JCMUA prior to Closing and is not included in the sale to Buyer.
(c) Redevelopment Agreement. Capitalized terms used in this subsection are defined in the Redevelopment Agreement. The Redevelopment Agreement, and Seller’s designation as Redeveloper, shall be terminated at and subject to completing Closing and shall be of no further force or effect thereafter. Buyer shall not be obligated to file or obtain approval of a Transfer Application, be designated as a Transferee Redeveloper, enter into a Development Agreement or Transferee Redevelopment Agreement or obtain any other consent or approval of the JCRA with regard to the terms of this Agreement and the transactions contemplated by this Agreement. As a material inducement to Seller to enter into this Agreement, without which Seller would not enter into this Agreement, the JCRA and City unconditionally and irrevocably waive and release all rights to the City Share of the Net Sale Proceeds pursuant to the Redevelopment Agreement and any and all rights to receive any Net Redevelopment Proceeds as defined and provided in the Settlement Consent Order. JCRA further waives and releases any and all claims for any fees or expenses reimbursements from Seller under the Redevelopment Agreement accruing on or after June 27, 2018, including any and all claims for “Acquisition Costs”, “Administrative Fees” and “Professional Service Fees”, as such terms are defined and as provided in the Redevelopment Agreement. Any Professional Fee Deposit balance as of the Effective Date shall be released and returned to Bayfront at the Closing. The JCRA and the City are executing this Agreement to confirm that they are bound by the terms and conditions of this subsection.

(d) Use by Buyer.

(i) Buyer represents that as of the Effective Date none of Buyer, the Jersey City Municipal Utilities Authority or any other City agency occupies any portion of the Property (“Buyer’s Use Representation”). Seller agrees and acknowledges that Buyer’s representation herein is specifically limited to the current transaction as set forth in this Agreement and is not made with respect to any prior transactions related to the Property. Seller represents that it is not aware of any facts or information that would contradict Buyer’s Use Representation. Buyer shall indemnify, defend and hold harmless the Seller Parties from and against any and all suits, proceedings, actions, losses, liabilities, costs and expenses, including reasonable counsel fees and fees of consultants and experts retained by Seller arising out of, or resulting from, any inaccuracy in Buyer’s Use Representation.

(ii) The provisions of this Section 3(d) shall survive Closing or termination of this Agreement.

4. Insurability of Title.

(a) Title Commitment and Permitted Encumbrances. Identified on Exhibit C attached hereto and made a part hereof are commitments for title insurance (collectively, the “Commitment”) (a true and correct copy of which has been delivered by Seller to Buyer) previously issued by First American Title Insurance Company (“FATIC”). On the Closing Date, the Title Company or FATIC shall issue a policy of title insurance at

---

2 Date City adopted resolution to pursue the purchase of the property.
regular rates, insuring that title to the Property is vested in Buyer, free and clear of any and all liens, charges and encumbrances, except (i) the usual printed exceptions and exclusions contained in such policies of title insurance; (ii) the lien of any real estate taxes and assessments, sewer and water and other utility rents and charges, personal property taxes, and other similar taxes and charges, which Buyer is obligated to assume or pay pursuant hereto; (iii) matters identified in Exhibit A-1 and Exhibit A-2 (collectively, the "Survey"); and (iv) the items identified as Permitted Encumbrances on Exhibit C hereto including but not limited to the Declaration of Waste Water Treatment Plant Easement further described in Section 5(e) (all of the matters referred to in clauses (i) through (iv) being hereinafter collectively referred to as the "Permitted Encumbrances"), and Buyer agrees that it will accept title to the Property subject to the Permitted Encumbrances. An Environmental Lien (hereafter defined) is not a Permitted Encumbrance.

(b) Title Cure. If, on the Closing Date, the Title Company or FATIC is unwilling to issue the title insurance policy, or to agree to issue the title insurance policy, as provided in Section 4(a), without making exception for a lien, charge or encumbrance which is not a Permitted Encumbrance, Seller shall have a period of one hundred twenty (120) days thereafter within which to cause the Title Company or FATIC to remove said exception or to agree to insure Buyer against any loss or damage which Buyer may sustain or incur by reason of the existence thereof. The Closing Date shall be postponed during said one hundred twenty (120) day period, provided that within five (5) business days after removal of said exception or agreement by the Title Company or FATIC to insure Buyer against any and all loss or damage which Buyer may sustain or incur by reason of the existence thereof, the sale and purchase contemplated hereby shall be closed in accordance with the terms, covenants and conditions of this Agreement. If, within said one hundred twenty (120) day period, the Title Company or FATIC does not remove said exception or agree to insure Buyer against any and all loss or damage which Buyer may sustain or incur by reason of the existence thereof, Buyer, as Buyer's sole and exclusive remedy, may elect either to (i) terminate this Agreement, in which event: (1) all Escrowed Funds and the interest accrued thereon shall be delivered by the Title Company to Buyer minus all amounts then due and owing pursuant to the Demolition Contract, including without limitation, the amounts due upon mobilization and termination of the Demolition Contract, as certified by Seller, (collectively, the "Demolition Contract Balance"); (2) the Demolition Contract Balance shall be delivered by the Title Company to Seller; (3) Seller shall terminate the Demolition Contract; (4) neither party shall be liable for damages or have any further duties or obligations hereunder (except for any obligations that expressly survive the termination of this Agreement), and (5) Buyer shall deliver to Seller the Property Documentation and Investigation Documentation; or (ii) consummate the transaction contemplated by this Agreement in the same manner as if there had been no such exception made by the Title Company, with no reduction of the Purchase Price or claim against Seller, in which event Seller shall have no obligation to expend any money or take any further action with regard to such exception.

5. Closing Documents. At Closing (as hereinafter defined):
(a) **Deed.** Seller shall convey fee simple title to the Property free and clear of all liens, charges and encumbrances, except the Permitted Encumbrances, by Bargain and Sale Deed with Covenants against Grantor’s Acts in the form attached hereto and made a part hereof as **Exhibit D** ("Deed").

(b) **FIRPTA Certification.** Seller shall deliver a certification of non-foreign status representing that Seller is not a "foreign person" as defined in Code Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended.

(c) **Environmental Agreement.** Seller and Buyer shall execute and deliver the Environmental Agreement in the form attached hereto and made a part hereof as **Exhibit E** ("Environmental Agreement").

(d) **Open Space Access Easement and Closing.** Pursuant to the Environmental Agreement and the Consent Decree, each Open Space Lot shall be conveyed by Buyer to Seller at an Open Space Closing (as defined in the Environmental Agreement). To facilitate Buyer’s access rights prior to the Open Space Lots prior to the Open Space Closing, Seller and Buyer shall execute and deliver the Open Space Access Easement in the form attached hereto and made a part hereof as **Exhibit F**. Title to each Open Space Lot shall not be subject to any liens or encumbrances other than the Permitted Exceptions, any encumbrances caused by Buyer or any agent of Buyer (including for purposes hereof, any party acquiring any right, title or interest in all or any portion of the Property from Buyer) and the Consent Decree and any encumbrance required or caused to be created by or in connection with any Consent Decree (collectively, "Permitted Open Space Encumbrances"). The provisions of Section 4(b) shall apply with regard to any lien or encumbrance on an Open Space Lot that is not a Permitted Open Space Encumbrance, provided: (i) "Closing Date" as used in Section 4(b) shall mean the scheduled date for an Open Space Closing; (ii) if, within the one hundred twenty (120) day period set forth in Section 4(b), the Title Company or FATIC does not remove said lien or encumbrance or agree to insure Buyer against any and all loss or damage which Buyer may sustain or incur by reason of the existence thereof, Buyer, as Buyer’s sole and exclusive remedy, may elect either to (1) accept such title as Seller is able to convey without claim against Seller, (2) in the case of a lien for a fixed monetary amount that is not a Permitted Encumbrance, receive payment in the amount required to discharge such lien, (3) utilize any remedy available under the SA6 South Consent Decree, or (4) commence an action for specific performance, provided that said action is commenced within ninety (90) days after such right of action shall arise; the provisions of subsection (i) of Section 4(b) (allowing termination of the Agreement) shall be inapplicable under this Section 5(d).

(e) **Declaration of Treatment Plant Easement.** At or prior to Closing Seller shall execute and cause to be recorded, prior to the Deed, the Declaration of Treatment Plant Easement reserving to Seller, its successors and assigns, an easement to own, operate, repair, maintain and replace the waste water treatment plant ("Treatment Plant"), the lines from the Property to the Treatment Plant as depicted on the plan attached to the Declaration of Treatment Plant Easement as **Exhibits A-2 and A-3** and the lines bringing electric power and other utility services, if any, to the Treatment Plant,
together with an easement over the Property for ingress and egress to and from the Treatment Plant and the lines from the Property and utility connections to the Treatment Plant. The Treatment Plant, and associated lines and utilities, shall be subject to relocation, as more particularly set forth in the Declaration of Treatment Plant Easement. The Declaration of Treatment Plant Easement shall be for a term that is perpetual, subject to the right of Seller, in its sole judgment, to terminate the Declaration of Treatment Plant Easement at any date, in Seller's sole judgment, and upon termination, Seller shall remove from the Property any or all of the Treatment Plant and equipment within the Treatment Plant not later than six (6) months after termination, failing which Buyer shall have the right to remove the Treatment Plant and equipment and seek reimbursement from Seller for all costs and expenses related thereto. The Declaration of Treatment Plant Easement shall be in the form annexed hereto as Exhibit G, subject to modifications, if any, reasonably required by Seller. Except for Buyer's right to remove the Treatment Plant and equipment from the Property if Seller fails to do so, if, as and when required as above provided, Buyer shall have no right, title or interest in or to the Treatment Plant, all of which is and shall be reserved to Seller.

(f) Declaration of Construction Trailer Easement. At or prior to Closing Seller shall execute and cause to be recorded, prior to the Deed, the Declaration of Construction Trailer Easement reserving to Seller, its successors and assigns, an easement to own, operate, repair, maintain and replace two (2) construction trailers ("Construction Trailers"), labelled "A" and "B" on the plan attached to the Declaration of Construction Trailer Easement as Exhibit A-1 and the lines bringing electric power and other utility services, if any, to the Construction Trailers, together with an easement over the Property for ingress and egress to and from the Construction Trailers. The Declaration of Construction Trailer Easement shall create an easement for a term of five (5) years, subject to extension by mutual agreement, and can be terminated at any sooner date, in Seller's sole judgment, and upon expiration of the term or termination, Seller shall remove the Construction Trailers from the Property within sixty (60) days after termination, failing which Buyer shall have the right to remove the Construction Trailers and seek reimbursement from Seller for all costs and expenses related thereto. The Declaration of Construction Trailer Easement shall be in the form annexed hereto as Exhibit H, subject to modifications, if any, reasonably required by Seller. Except for Buyer's right to remove the Construction Trailers from the Property if Seller fails to do so, if, as and when required as above provided, Buyer shall have no right, title or interest in or to the Construction Trailers, all of which is and shall be reserved to Seller. At Closing, Seller shall convey to Buyer the construction trailer shown on Exhibit A-1 of the Construction Trailer Easement and labelled Trailer "C", for no additional consideration, by bill of sale without warranty or representation.

(g) Colonial Concrete Agreement. Seller shall assign and Buyer shall assume and indemnify Seller against the obligations to pay the seller under the Colonial Concrete Agreement (hereafter defined) for "Submerged Areas" that are filled and approved for "Occupied Structures" within ten (10) years after closing of title under the Colonial Concrete Agreement, as set forth in the Colonial Concrete Agreement (the foregoing payment obligation is the "Colonial Concrete Post Closing Agreement"). The Colonial Concrete Post Closing Agreement shall be referred to in the Deed and shall be a covenant.
running with the land which shall be binding upon Buyer, its successors and assigns. The Colonial Concrete Agreement is the Agreement of Sale dated as of January 6, 2010 between Kellogg Associates, L.L.C., c/o Colonial Concrete Co., and Seller, which Agreement of Sale has been provided to Buyer previously.

(h) Other Documentation. Seller and Buyer shall deliver and execute such other documents as may be reasonably required hereunder and under the Environmental Agreement to consummate the sale and purchase contemplated hereby, which are not inconsistent with this Agreement, including but not limited to affidavits of consideration required to record the Deed and, from Seller, an Affidavit of Title.

(i) Wire Transfer. Buyer shall pay the Property Purchase Price required to be paid by Buyer at Closing to Seller by federal funds wire transfer of immediately available funds, or cause the Title Company to pay the Property Purchase Price Escrow Funds to Seller by federal funds wire transfer of immediately available funds, in each case in accordance with instructions by Seller.

6. Closing Costs and Prorations: Pending Tax Appeal: PIP Tax Credit Grant; Securitas Security Agreement:

(a) Title Insurance and Closing Fees. Buyer shall pay charges for title searches and the premium for any title insurance policies issued pursuant to the Commitment and any and all additional premiums for the issuance of endorsements expanding coverage. Seller and Buyer shall each pay one-half (1/2) of any closing fee or charge imposed by any closing agent.

(b) Transfer Tax. Seller and Buyer acknowledge and agree that the sale and conveyance of the Property to Buyer is exempt from the Realty Transfer Fee pursuant to N.J.S.A. 46:15-5 et seq. and the fee ("Mansion Tax") pursuant to N.J.S.A. 46:15-7.2.

(c) Survey. Any modifications to the Survey or any additional Survey requirements of Buyer shall be obtained by Buyer, at Buyer’s sole cost and expense.

(d) Attorneys’ Fees. Seller and Buyer shall each pay their respective counsel fees.

(e) Other Closing Costs. Buyer shall pay any and all other costs associated with Closing including, without limitation, recording fees relative to the Deed to be delivered by Seller.

(f) Real Estate Taxes and Assessments. Real estate taxes shall be pro-rated as of the Closing Date, on a per diem basis based on latest available data and in accordance with local custom. Installments of special assessments shall be prorated as of the Closing Date. The aforesaid prorations shall be deemed final.

(g) Operating Costs and Expenses. Operating costs and expenses shall be prorated between Seller and Buyer as of the Closing Date. Seller shall attempt to cause its utility meters, if any, to be read by the appropriate utility company immediately prior
to the Closing Date. If and to the extent Seller is unable to do so, utility charges shall be prorated as of the Closing Date based upon the latest available information and such proration shall be deemed final.

(h) **Pending Tax Appeal.** There are pending in the Tax Court of New Jersey appeals by Seller of the City’s assessment of the Property for realty tax purposes for the years [ ], (collectively, "**Tax Appeal**"). Seller shall withdraw the Tax Appeal upon completing Closing.

(i) **PIP Tax Credit Grant.** Seller has received notice of approval of a State Public Infrastructure Project Tax Credit Incentive Grant ("**PIP Tax Credit Grant**"), annexed hereto as **Exhibit I**, in the amount of Two Million Dollars ($2,000,000.00). After Closing, Seller and Buyer shall cooperate reasonably to satisfy the conditions to maintain the award of the PIP Tax Credit Grant and shall keep each other reasonably informed of its efforts and all material communications with the State regarding the PIP Tax Credit Grant. Buyer shall endeavor to satisfy the “Conditions to Maintaining Approval” numbers 1, 2, 3 and 4 and the “Additional Conditions” (“**Buyer Conditions**”), as set forth in the PIP Tax Credit Grant, within the time for satisfying such Buyer Conditions as set forth in **Exhibit I**, as such time may be extended by the State, in addition to satisfying any other conditions within the Buyer’s reasonable control to satisfy. Seller shall be responsible to pay the Tax Credit Certificate Fee, Tax Credit Transfer Fee (as set forth in the PIP Tax Credit Grant) and any other fees due and payable, to the State in connection with the PIP Tax Credit Grant. Nothing herein shall impose any liability upon Seller or Buyer should the conditions to maintaining the PIP Tax Credit Grant not be satisfied. Should a tax credit certificate be issued, Seller shall have the right, in its sole discretion, to utilize the tax credit to reduce State taxes of a Seller Party or to sell the tax credit certificate to a person or party that is not a Seller Party on such terms and conditions as Seller elects in its sole discretion, including for a price less than the amount of the tax credit certificate. If a Seller Party utilizes the tax credit certificate to reduce its State Taxes, or if Seller sells the tax credit certificate to a third party, Seller shall pay Buyer an amount equal to thirty percent (30%) of the amount of the Net Tax Credit Certificate (hereafter defined). The “**Net Tax Credit Certificate**” is: (1) the gross amount of the tax credit certificate (approved for $2 million in the PIP Tax Credit Grant), if the tax credit certificate is used by a Seller Party to reduce its State taxes, or, if the tax credit is sold to a third party, the net proceeds of the sale, it being acknowledged by the parties that a third party sale may be for an amount less than the face amount of the tax credit certificate, such net proceeds being the gross proceeds of sale minus all out of pocket costs of sale incurred or paid by Seller in connection with the sale, minus (2) all Tax Credit Certificate Charges (hereafter defined). The “**Tax Credit Certificate Charges**” are the Tax Credit Certificate Fee, Tax Credit Transfer Fee and any other out of pocket fees and expenses paid by Seller in connection with the PIP Tax Credit Grant. Seller shall be entitled to deduct and retain for its own account the Tax Credit Certificate Charges and, if the tax credit certificate is sold to a third party, reimbursement of all out of pocket costs of sale, prior to calculating and paying any amount to Buyer on account of the tax credit certificate.

\[3\] Awaiting confirmation of the years for which a tax appeal is now pending.
(j) **Securitas Security Agreement.** Seller has entered into a contract with Securitas Security Services to provide security services at the Property and Open Space Lots ("Securitas Contract"). Without in any manner limiting the obligations of Buyer to provide security pursuant to the Environmental Agreement, for a period of six (6) months after the Closing Date Seller shall keep the Securitas Contract in effect with regard to the Property and Open Space Lots. At Closing, Buyer shall pay Seller an amount equal to fifty percent (50%) of the amount payable by Seller under the Securitas Contract with regard to the Property and Open Space Lots for the six (6) month post-Closing period. Seller shall terminate the Securitas Contract with regard to the Property and Open Space Lots as of six 6) months after the Closing Date. The provisions of this Section shall survive Closing.

7. **Conditions to Closing: Date and Place of Closing.**

(a) **Closing: Closing Date.** For the purposes of this Agreement, the term "Closing" means the delivery of documents as provided in Section 5 and payment of the Property Purchase Price, and "Closing Date" shall mean the date on which the Closing occurs. Seller shall select the Closing Date in its sole, unreviewable discretion, and shall notify Buyer of the Closing Date as selected by Seller, provided such Closing Date is not less than twenty (20) days after Seller's notice, is not prior to December 15, 2018 and not later than January 15, 2019 or such later date to which the Closing may be postponed pursuant to Section 4 or any other provision of this Agreement permitting the Closing Date to be extended. In lieu of an in-person closing of the transaction hereunder, Seller and Buyer shall deposit all documents with the Title Company, pursuant to escrow instructions acceptable to each of them and the Title Company, on the Closing Date. If the parties are unable to agree on terms for an escrow Closing, then Closing shall occur at the offices of Seller's counsel, Gibbons P.C., One Gateway Center, Newark, New Jersey 07102, at 10 o'clock a.m. EST or Eastern Daylight Savings Time, as appropriate, on the Closing Date.

(b) **Seller's Conditions Precedent.** Seller's obligation to consummate the transaction contemplated by this Agreement on the Closing Date shall be subject to the satisfaction or performance of the following terms and conditions on or as of the Closing Date, any one or more of which may be expressly waived by Seller, in its sole and absolute discretion:

(i) Buyer shall have paid the Property Purchase Price, delivered all of the documents and other items required to be delivered by Buyer pursuant to Section 5 and shall not be in default of any of its material obligations hereunder beyond any applicable notice and grace period;

(ii) All of the representations and warranties of Buyer set forth in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of the Closing Date; and

---

4The total monthly contract amount is about $15,000.
(iii) All conditions precedent to Seller’s obligation to close elsewhere set forth in this Agreement shall have been satisfied.

(c) **Buyer’s Conditions Precedent.** Buyer’s obligation to consummate the transaction contemplated by this Agreement on the Closing Date shall be subject to the satisfaction or performance of the following terms and conditions on or as of the Closing Date, any one or more of which may be expressly waived by Buyer, in its sole and absolute discretion:

(i) Seller shall have delivered all of the documents and other items required to be delivered by Seller pursuant to Section 5 and shall not be in default of any of its material obligations hereunder beyond any applicable notice and grace period;

(ii) All of the representations and warranties of Seller set forth in this Agreement shall be true and correct at and as of the Closing Date in all material respects as though such representations and warranties were made at and as of the Closing Date; and

(iii) All conditions precedent to Buyer’s obligation to close elsewhere set forth in this Agreement shall have been satisfied.

(d) **Waiver.** By completing Closing, Seller and Buyer shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in this Section, except to the extent that the same expressly survive Closing. If any of the conditions set forth in this Section are neither waived nor fulfilled, Seller or Buyer (as appropriate) may terminate this Agreement and exercise such rights and remedies, if any, that such party may have pursuant to the terms of Section 9(a) or Section 9(b), as applicable.

(e) **Bulk Sales.** The parties acknowledge that the provisions of the New Jersey Sales and Use Tax Act, N.J.S.A. 54:32B-1 et seq. and N.J.S.A. 54:50-38 (collectively, “**Bulk Sales Act**”), are applicable to the sale of the Property by Seller. Buyer shall submit the required Notification of Sale, Transfer or Assignment in Bulk (Form C-9600) (“**Bulk Sale Notice**”) and all required attachments to the New Jersey Department of the Treasury, Division of Taxation, Bulk Sales Section (“**Bulk Sales Section**”). Buyer shall submit its filing as provided in the immediately preceding sentence no later than fifteen (15) days prior to the Closing Date and, if previously provided by Seller, shall include Seller’s Asset Transfer Tax Declaration. Such filing shall be made by overnight delivery to the address specified by the Section for such filing by overnight delivery. Seller shall cooperate with the Buyer in connection with such submission by supplying any other information necessary for Buyer to file the Bulk Sales Notice. Closing shall not be delayed in any manner or for any reason including, but not limited to, Buyer’s failure to timely submit a complete Bulk Sales Notice. If the Bulk Sales Section requires that a portion of the Purchase Price be held in escrow for potential tax liabilities of Seller, Seller authorizes Buyer to comply with such requirement and the Title Company shall hold such amount in escrow in accordance escrow terms that are consistent with the Property Purchase Price escrow terms and this Section and are
otherwise reasonably acceptable to Seller and Buyer, and the Title Company is authorized to disburse same upon receipt of authorizations, and in accordance with directions, from the Bulk Sales Section, and the balance of the escrow, if any, shall be paid to Seller promptly. Buyer shall have no right, title or interest in or to the funds escrowed pursuant to this Section and shall have no right to demand or receive payment of all or any portion of such escrowed funds. The funds held in escrow shall be held in an interest bearing account, which costs, if any, shall be borne by Seller, utilizing Seller’s taxpayer identification number for reporting purposes, and the interest accrued on the escrowed funds shall be the sole property of Seller and shall be disbursed to Seller from time to time upon Seller’s request. The provisions of this Section shall survive the Closing.

8. **Brokerage.** Seller and Buyer acknowledge that Cushman and Wakefield of New Jersey represents Seller ("**Seller’s Broker**") and is the only real estate broker involved in the transaction contemplated hereby. Seller’s only obligation shall be to pay the brokerage commission earned by Seller’s Broker with respect to this transaction in accordance with a separate agreement between Seller and Seller’s Broker. Seller and Buyer each represent and warrant to each other that no other brokers, finders or the like are involved in connection with this transaction and agree to indemnify each other and hold each other harmless against all claims, damages, costs and expenses of or for any fees or commissions resulting from its actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys’ fees. The indemnification obligation in this Section shall survive Closing or termination of this Agreement and is not subject to any limitation on liability elsewhere set forth in this Agreement.

9. **Default.**

(a) **Buyer’s Default.** Should Buyer default in the performance of its obligations hereunder prior to Closing, and such default shall continue for a period of five (5) days after written notice ("**Default Notice**") from Seller to Buyer (provided, however, if the nature of the default is such that it cannot be cured within a period of five (5) days, but Buyer has commenced to cure said default within said five (5) day period and is diligently pursuing such cure, such period shall be extended to the period reasonably required to cure such default but in no event beyond twenty (20) days after delivery of a Default Notice), Seller shall have the right to terminate this Agreement by delivering written notice thereof to Buyer. In the event of such termination, (i) an amount of money equal to the sum of: (1) five percent (5%) of the Property Purchase Price and the interest accrued on the Property Purchase Price Escrow Funds held in escrow by the Title Company, and (2) the Demolition Contract Balance (the sum of the amounts in clauses (1) and (2) is, collectively, the "**Liquidated Damages Amount**"), shall be delivered by the Title Company to Seller; (ii) all Escrowed Funds minus the Liquidated Damages Amount shall be delivered by the Title Company to Buyer; (iii) Seller shall terminate the Demolition Contract; (iv) neither party shall be liable for damages or have any further duties or obligations hereunder (except for any obligations that expressly survive the termination of this Agreement), **provided, however,** nothing in this Section 9 or elsewhere in this Agreement shall limit Seller’s rights and remedies against Buyer for any breach by
Buyer of its obligations under Section 3 or Section 8 of this Agreement, and (v) Buyer shall deliver to Seller the Property Documentation and Investigation Documentation. If this Agreement is terminated as provided in this Section, Buyer and Seller agree that the damages of Seller, while substantial, would be difficult or impossible to determine precisely. Thus, Seller and Buyer agree that a reasonable estimate of Seller's damages is and shall be the Liquidated Damages Amount which shall be disbursed to Seller as the full, agreed and liquidated damages for Buyer's default under or breach of this Agreement. The parties agree that the provisions of this Section 9 represent an agreed measure of damages and are not to be deemed a forfeiture or penalty. In the event of such termination, the Title Company is hereby irrevocably authorized and directed to forward the Liquidated Damages Amount, to Seller.

(b) Seller's Default. Should Seller default in the performance of its obligations hereunder prior to Closing, and such default shall continue for a period of five (5) days after Default Notice from Buyer to Seller (provided, however, if the nature of the default is such that it cannot be cured within a period of five (5) days, but Seller has commenced to cure said default within said five (5) day period and is diligently pursuing such cure, such period shall be extended to the period reasonably required to cure such default but in no event beyond twenty (20) days after delivery of a Default Notice), Buyer shall have the right, at Buyer's option, as Buyer's sole and exclusive remedy, either to (i) terminate this Agreement, in which event: (1) all Escrowed Funds and the interest accrued thereon shall be delivered by the Title Company to Buyer minus the Demolition Contract Balance: (2) the Demolition Contract Balance shall be delivered by the Title Company to Seller: (3) Seller shall terminate the Demolition Contract: (4) neither party shall be liable for damages or have any further duties or obligations hereunder (except for any obligation that expressly survives the termination of this Agreement), and (5) Buyer shall deliver to Seller the Property Documentation and Investigation Documentation, or (ii) commence an action for specific performance, provided that said action is commenced within ninety (90) days after such right of action shall arise. The foregoing options are mutually exclusive and are the exclusive rights and remedies available to Buyer at law or in equity in the event the transaction contemplated by this Agreement is not consummated because of Seller's default under or breach of this Agreement prior to Closing. Buyer hereby waives any and all rights it may now or hereafter have to pursue any other remedy or recover any other damages on account of any such breach or default by Seller. If Buyer shall fail to commence an action under clause (ii) above within ninety (90) days following the Closing Date, then it shall be deemed that Buyer exercised the option set forth in clause (i) above.

10. Risk of Loss; Condemnation; Demolition.

(a) Risk of Loss. Buyer acknowledges that other than the Treatment Plant and the buildings and other improvements to be demolished in accordance with the Scope of Work ("Demolition Structures"), there are no buildings on the Property. No damage from fire or other casualty to the Treatment Plant or Demolition Structures, or any other damage or casualty affecting all or any portion of the Property prior to Closing shall entitle Buyer to any reduction in the Purchase Price or claim against Seller, or entitle
Buyer to any proceeds of insurance carried by or for the benefit of Seller or delay
Closing.

(b) Condemnation.

(i) As a material inducement to Seller to enter into this Agreement, without which Seller would not enter into this Agreement, the City irrevocably and unconditionally waives and releases any and all rights to acquire the Property or any portion thereof by exercise of the power of condemnation directly, indirectly, by its own actions or by or through any governmental agency or governmental authority, and shall not enter into any agreement contemplating, providing for or authorizing acquisition of the Property or any portion thereof by exercise of a power of condemnation or by any other method or means. The foregoing is referred to herein as the City’s “Non-Condemnation Agreement”. Any violation of the Non-Condemnation Agreement by the City or any agency thereof shall be a material default by Buyer. In addition to all other rights and remedies available to Buyer, should a breach or threatened breach of the Non-Condemnation Agreement occur, it is acknowledged and agreed that any breach would irrevocably harm Seller and that issuance of an injunction to prevent any breach or threatened breach would be an appropriate remedy available to Seller. In any legal proceedings arising from a breach or attempted breach of the Non-Condemnation Agreement, Buyer and the City shall be responsible for and shall pay Seller’s attorney’s and expert’s fees and expenses incurred in connection with such proceeding, which obligation shall survive termination of this Agreement and shall not be limited by the provisions of Section 9(a).

(ii) In the event of a condemnation by any condemning authority other than the City or any agency of the City (or sale in lieu thereof) of all or any portion of the Property or any improvements prior to the Closing Date, or in the event any such condemnation proceeding is threatened or commenced, Seller and Buyer nevertheless shall proceed with the Closing, in which event there shall be no reduction in or abatement of the Purchase Price and Seller shall be entitled to receive all awards or payments allocable to any improvements, including but not limited to the Treatment Plant, and Buyer shall be entitled to any awards allocable to the Property excluding the Treatment Plant, made therefore by the condemning authority. Notwithstanding the foregoing, if the Closing does not occur for any reason whatsoever, Seller shall be entitled to receive all awards or payments made therefore by the condemning authority. In addition, in the event that any such awards or payments are made prior to the Closing Date, such awards or payments shall be held in trust by the Title Company pending Closing, other than any award allocable to improvements including but not limited to the Treatment Plant, which shall be paid to Seller.

11. Condition of Property.

(a) As Is Sale. Buyer specifically acknowledges and agrees that (i) Buyer has, or will have before the Closing Date, to the extent desired and deemed consistent with good commercial practice and at Buyer’s sole cost and expense, completed an investigation and inspection of the Property including, without limitation, such soils,
engineering and environmental studies as may be necessary to assess the condition of the
Property and the suitability of the Property for its intended uses ("Buyer's Property
Inspection") and shall deliver to Seller copies of any and all engineering, environmental
or other documented information independently obtained by Buyer, if any, in conjunction
with Buyer's investigation of the Property ("Investigation Documentation"). (ii) Buyer
has received and reviewed certain documentation with respect to the Property including,
without limitation, the documentation and information in a certain online data room
("Property Documentation"), (iii) Seller is selling and Buyer is purchasing the Property
on an "AS IS WITH ALL FAULTS" basis, and (iv) except as expressly provided in
Section 11(c) hereof, Buyer is not relying on any representations or warranties of any
kind whatsoever, express or implied, from Seller, its employees, directors, officers,
agents, consultants, contractors, subcontractors or brokers as to any matters concerning
the Property including, without limitation, any information contained in any report, plan
or other written material given by Seller to Buyer with respect to the Property.

Without in any way limiting the generality of the preceding paragraph, in entering into
this Agreement and purchasing the Property, Buyer hereby acknowledges and agrees that Seller
has not made, does not hereby make and will not hereafter make any representations or
warranties (except as provided in Section 11(c) hereof and in the Environmental Agreement) or
guarantees, whether express or implied, with respect to the Property or the physical condition
thereof, including, without limitation:

(1) The quality, nature, adequacy or physical condition of the
Property.

(2) The quality, nature, adequacy or physical condition of soils,
geology and groundwater.

(3) The existence, quality, nature, adequacy or physical condition of
utilities servicing the Property.

(4) The development potential of the Property, or the Property's use,
habitability, merchantability, fitness, suitability, value or adequacy for any
particular purpose.

(5) The zoning or other legal status of the Property or any other public
or private restrictions on use of the Property.

(6) The compliance of the Property or its operation with any
applicable codes or laws or with the restrictions of any governmental or quasi-
governmental entity or of any other person or entity.

(7) The presence of Hazardous Substances (as hereinafter defined) in,
on, under, beneath or about the Property or the adjoining or neighboring Property
or the existence of any subsurface structures, including underground tanks,
containers or conduits in, on, under, beneath or about the Property. The term
"Hazardous Substances" shall mean any chemical, substance, waste, material, gas,
microorganism or emission which is deemed hazardous, toxic, a pollutant or a
contaminant under any Environmental Law (as hereinafter defined), or which has been shown to have significant adverse effects on human health or the environment. "Hazardous Substances" shall also include, without limitation, petroleum and petroleum products, asbestos, chlorofluorocarbons, radon gas, polychlorinated biphenyls and stachybotrys. The term "Environmental Laws" shall mean all statutes, ordinances, bylaws, rules and regulations, executive orders and other administrative orders, judgments, decrees, injunctions or other judicial orders of or by any governmental authority, now or hereafter in effect, relating to pollution or protection of human health or the environment, including, without limitation, any of the foregoing relating to emissions, discharges, releases or threatened releases, manufacturing, processing, distribution, use, treatment, storage, disposal, transport or handling of materials or substances that may be harmful to human health, safety or the environment.

(8) Access rights to or from the Property.

(9) The condition of title of the Property.

(10) The economics of the operation of the Property.

(11) The quality of any labor and materials used in any improvements on the Property.

The provisions of this Section 11(a) shall survive the Closing Date.

(b) Release. Except as expressly set forth in the Environmental Agreement, Buyer, on behalf of itself and its successors and assigns, waives Buyer's right to recover from and forever releases and discharges, Seller, Seller's affiliates, shareholders, employees, directors and officers, for, from and against any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and court costs), whether direct or indirect, known or unknown, foreseen or unforeseen, patent or latent, that may arise on account of or in any way be connected with the Property, the physical condition of the Property, or any law or regulation applicable thereto including, without limitation, Environmental Laws.

The provisions of this Section 11(b) shall survive the Closing Date.

(c) Seller's Representations and Warranties.

(i) Seller represents as follows, which representations of Seller contained within this Section 11(c) shall be true and correct as of the Effective Date, and shall be true and correct as of the Closing Date, but shall not survive the Closing Date, subject to the terms and conditions hereafter set forth:

(1) Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in the State of New Jersey.
(2) Seller has the full power and authority to execute and deliver and fully perform its obligations under this Agreement; and this Agreement constitutes a valid and legally binding obligation of Seller, enforceable in accordance with its terms.

(3) Seller has not either filed or been the subject of any filing of a petition under the Federal Bankruptcy Law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

(4) Seller is currently (A) in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury and any statute, executive order (including Executive Order 13224, dated September 24, 2001 and entitled “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”), or regulation relating thereto, and (B) not listed on, and shall not during the term of this Agreement be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation.

(5) There are no proceedings at law or in equity before any court, grand jury, administrative agency or other investigative agency, bureau or instrumentality of any kind pending or, to Seller’s knowledge, threatened in writing, against or affecting Seller or the Property that (i) involve the validity or enforceability of this Agreement or (ii) enjoin or prevent or threaten to enjoin or prevent the performance of Seller’s obligations hereunder.

(6) Seller has not received written notice and of any proceeding to condemn any portion of the Property.

(7) Seller has not entered into any leases of space at the Property or entered any agreement granting any rights of possession to any third party, other than Permitted Exceptions, and Seller has not executed any other unterminated agreement of sale, option agreement or right of first refusal with respect to the Property.

(d) Knowledge. All references in this Agreement to “Seller’s knowledge” or words of similar import shall refer only to the current actual knowledge of seller (without inquiry by such person and without imposing any personal liability on such person) and shall not be construed to impute any knowledge to Seller or to refer to the knowledge of any other officer, agent or employee of Seller or any affiliate or any broker or consultant acting on behalf of Seller.

(i) Prior to Closing, if Seller discovers that any of Seller’s representations or warranties in this Agreement are or have become inaccurate, untrue or incorrect in any material respect, then promptly thereafter Seller shall give written notice
thereof to Buyer ("Seller’s Material and Adverse Change Notice"). If, prior to Closing, Buyer obtains actual knowledge that any of Seller’s representations or warranties in this Agreement are or have become inaccurate, untrue or incorrect in any material respect, then promptly thereafter, Buyer shall notify Seller in writing thereof ("Buyer’s Material and Adverse Change Notice"). In Seller’s Material and Adverse Change Notice, Seller shall notify Buyer in writing of Seller’s election (1) not to cure such breach; or (2) if such breach is capable of being cured, to attempt to cure such breach within sixty (60) days of (A) giving Seller’s Material and Adverse Change Notice, or (B) receipt of Buyer’s Material and Adverse Change Notice, and, if necessary, the Closing Date will be extended accordingly but in no event more than sixty (60) days, provided, that, if Seller cannot reasonably cure such breach within such sixty (60) day period, then Seller shall have such longer period of time to cure such breach not to exceed an additional forty-five (45) days, so long as Seller commences the cure within such sixty (60) day period and thereafter proceeds with diligence to cure the breach. If Seller elects not to cure such breach, or if Seller fails to so cure all breaches within the time provided in clause (2) above, then Buyer, as its sole and exclusive remedy, shall have the option (exercisable at any time prior to Closing) either to: (A) terminate this Agreement, in which event: (1) all Escrowed Funds and the interest accrued thereon shall be delivered by the Title Company to Buyer minus the Demolition Contract Balance; (2) the Demolition Contract Balance shall be delivered by the Title Company to Seller; (3) Seller shall terminate the Demolition Contract; (4) Seller shall reimburse Buyer’s Reimbursable Expenses (hereafter defined), (5) neither party shall be liable for damages or have any further duties or obligations hereunder (except for Seller’s obligation to reimburse Reimbursable Expenses) any obligation that expressly survives the termination of this Agreement), and (6) Buyer shall deliver to Seller the Property Documentation and Investigation Documentation, or (B) elect to waive such breach and proceed with the Closing subject to such breach without any adjustment to the Purchase Price or claim against Seller and any such claims shall be deemed to have been waived and released. Upon termination as above provided, the parties shall have no further rights or obligations under this Agreement except for any rights or obligations that expressly survive termination of this Agreement. If Buyer elects to proceed under clause (B) above, then Buyer shall be deemed to have accepted and approved Seller’s representations and warranties as qualified and amended by the changes relating to the uncured breaches set forth in Seller’s Material and Adverse Change Notice or such Buyer’s Material and Adverse Change Notice, as the case may be, and proceed with the transactions contemplated by this Agreement without any right or remedy on account thereof. Buyer’s failure to give written notice of such election to Seller prior to the Closing shall constitute Buyer’s irrevocable election to accept and approve Seller’s representations and warranties as so qualified and amended and to proceed with the transactions contemplated by this Agreement without any right or remedy on account thereof.

(ii) "Reimbursable Expenses" are out-of-pocket expenses incurred by Buyer after the Effective Date and prior to the termination of this Agreement as provided in Section 11(d)(ii), excluding cost of any due diligence investigations and excluding any financing costs and costs associated with raising Escrowed Funds or funds for paying the
Purchase Price. Without limitation, Reimbursable Expenses exclude the interest rate differential between the interest rate paid by the City on funds raised to pay the Escrowed Funds or Purchase Price, or both, and the interest rate earned by the City on Escrowed Funds or Purchase Price funds, or both, held in escrow. Reimbursable Expenses shall not exceed Fifty Thousand Dollars ($50,000.00) in the aggregate. To be reimbursed for Reimbursable Expenses, the City shall provide an itemized accounting of Reimbursable Expenses accompanied by invoices and proof of payment reasonable acceptable to Seller.

(iii) Anything contained herein to the contrary notwithstanding, if Buyer has actual knowledge of any inaccuracy in any of Seller’s representations or warranties, whether as a result of notice from Seller, Buyer’s own investigations or inquiries or otherwise, and notwithstanding such actual knowledge, Buyer nonetheless proceeds with the Closing, then Seller’s representations and warranties shall be deemed qualified and amended or modified to the full extent of Buyer’s actual knowledge of such inconsistent information, Buyer shall be deemed to have accepted and approved Seller’s representations and warranties as so qualified and amended or modified, and Buyer shall have no right or remedy, and Seller shall have no obligation or liability, on account thereof.

(e) Pre-Closing Environmental Issues.

(i) Seller shall promptly notify Buyer of and deliver to Buyer any notice from any third party or governmental authority, including, without limitation, the NJDEP, relating to any new emissions, discharges or releases of Hazardous Substances or a violation, or purported violation, of any Environmental Laws, which concerns the Property and which is received between the Effective Date and Closing.

(ii) Seller shall promptly notify Buyer of any newly known emissions, discharges or releases of Hazardous Substances on, in or beneath the Property, which occur or arise between the Effective Date and Closing.

(iii) Seller shall promptly notify Buyer of any liens threatened or attached against the Property pursuant to any Environmental Laws for which it receives notice between the Effective Date and Closing ("Environmental Liens").

(iv) Capitalized terms in this subsection are defined in the Environmental Agreement. Pursuant to the Environmental Agreement, Honeywell’s Retained Environmental Liabilities shall include liability for: (1) any emission, discharge or release of chromium, that occurs at, on, or beneath the Property between the Effective Date and Closing, which requires investigation or remediation, or both, pursuant to any Environmental Laws, provided that such emission, discharge or release was not caused by Buyer or any agent of Buyer; and (2) any emission, discharge or release of Hazardous Substances caused by Honeywell or Honeywell’s Access Parties that occurs at, on, or beneath the Property between the Effective Date and Closing, which requires investigation or remediation, or both, pursuant to any Environmental Laws.
(f) **Buyer’s Representations and Warranties.**

(i) Buyer represents as follows, which representations of Buyer contained within this Section 11(e) shall be true and correct as of the Effective Date, and shall be true and correct as of the Closing Date, as if made at that time.

1. Buyer is a __________ corporation, duly organized, validly existing and in good standing under the laws of the State of __________ and is qualified to do business in the State of __________.

2. Buyer has the full power and authority to execute and deliver and fully perform its obligations under this Agreement; and this Agreement constitutes a valid and legally binding obligation of Buyer, enforceable in accordance with its terms.

3. Buyer has not either filed or been the subject to any filing of a petition under the Federal Bankruptcy Law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

4. Buyer has sufficient assets to purchase the Property and perform its obligations under this Agreement without the need to obtain financing from any third party and Buyer’s obligations under this Agreement are not contingent upon Buyer obtaining any financing.

5. Buyer is currently (A) in compliance with and shall at all times during the term of this Agreement remain in compliance with the OFAC regulations and any statute, executive order (including Executive Order 13224, dated September 24, 2001 and entitled “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”), or regulation relating thereto, and (B) not listed on, and shall not during the term of this Agreement be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation.

12. **Notices.** Whenever in this Agreement it shall be required or permitted that notice or demand be given or served by either party to this Agreement, such notice or demand shall be given or served in writing and sent to Seller and Buyer at the addresses set forth below:

To Seller:  
Bayfront Redevelopment LLC, a Delaware limited liability company  
c/o Honeywell International Inc.  
21925 Field Parkway, Suite 220  
Deer Park, IL 60010  
ATTN: Daniel Kirschner  
Vice President, Global Real Estate  
Email: Daniel.Kirschner@Honeywell.com
With copy to: 
Bayfront Redevelopment LLC, a Delaware limited liability company c/o Honeywell International Inc. 115 Tabor Road Morris Plains, New Jersey 07950 ATTN: Thomas Byrne Associate General Counsel/Chief Environmental Counsel Email: tom.byme@Honeywell.com

and

Gibbons P.C. One Gateway Center Newark, New Jersey 07102 ATTN: Russell Bershad, Esq. Email: rbershad@gibbonslaw.com

To Buyer: 
City of Jersey City Brian Platt 280 Grove Street Jersey City, New Jersey 07303 ATTN: Business Administrator Email: bplatt@jcnj.org

With copy to: McManimon, Scotland & Baumann, LLC 75 Livingston Avenue, Suite 201 Roseland, NJ 07068 ATTN: Joseph P. Baumann, Jr., Esq. Email: JBaumann@MSBNJ.com

All such notices shall be sent by (i) certified or registered mail and shall be effective three (3) days after the date of mailing; (ii) Federal Express or similar overnight courier and shall be effective upon delivery; (iii) personal service and shall be effective on the same day as service, or (iv) email and shall be effective upon delivery. Attorneys for a party shall be authorized to give notices on behalf of such party. Any party may designate a different address for the purpose of the service of notices hereunder by giving notice thereof in accordance with the provisions of this Section.

13. Successors and Permitted Assigns. The terms, conditions and covenants hereof shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and permitted assigns of the parties hereto. Buyer shall not assign this Agreement without the prior written consent of Seller in each instance. Any attempted assignment without consent shall be null and void. Any assignment permitted by Seller hereunder shall be pursuant to a written instrument of assignment provided to Seller. Upon any such assignment, the assignor’s liabilities and obligations hereunder or under any instruments, documents or
agreements made pursuant thereto shall be binding upon such assignee, but the assignor shall not be relieved of its liability hereunder and shall be jointly and severally liable with the assignee, and the written instrument of assignment shall so provide.

14. **Survival of Covenants.** The covenants, agreements and representations herein contained shall not survive the Closing Date and shall not bind the parties subsequent to the Closing, except Sections 9, 10, 11(a), 11(b), 24, 28 and 30 and all other provisions expressly surviving termination shall survive the Closing (each, a “Surviving Provision”). Except as provided in any provision of this Agreement expressly limiting a party's liability in time or amount, liability for breach of a Surviving Provision shall not be limited in amount or by time.

15. **Applicable Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New Jersey, without giving effect to the principles of conflicts of law thereof.

16. **Amendments.** This Agreement may not be amended, modified, extended, revised or otherwise altered, nor may any party hereto be relieved of any of its liabilities or obligations hereunder, except by a written instrument duly executed by both parties. Any such written instrument entered into in accordance with the provisions of the preceding sentence shall be valid and enforceable notwithstanding the lack of separate legal consideration therefor.

17. **Headings.** The title of this Agreement and the paragraph and other headings used in this Agreement have been inserted for convenience of reference only, are not part of the parties' agreement, shall not be deemed in any manner to modify, expand, explain or restrict any of the provisions of this Agreement and are not intended to have any legal effect. Accordingly, no reference shall be made to any such title or heading for the purpose of interpreting, construing or enforcing any of the provisions of this Agreement.

18. **Integration.** This Agreement, including the exhibits attached to this Agreement and references contained in this Agreement, constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, proposals, offers, counteroffers, agreements and understandings of the parties regarding said subject matter, whether written or oral, all of which are hereby merged into and superseded by this Agreement.

19. **No Recordation of Agreements.** Neither this Agreement, nor any memorandum hereof, nor any other document or instrument making reference to this Agreement shall be recorded in the Hudson County Register's Office, and any purported recordation or filing shall be deemed null, void and of no force or effect. Upon execution, this Agreement and all Exhibits shall become a matter of public record and will be filed in the Office of the City Clerk of the City of Jersey City.

20. **Construction.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Buyer have contributed to the preparation of this Agreement.
21. **Waiver.** Except as expressly provided herein, no waiver by any party of any failure or refusal of the other party to comply with its obligations under this Agreement shall be deemed a waiver of any other subsequent failure or refusal to so comply by such other party. No waiver shall be valid unless in writing signed by the party to be charged and only to the extent therein set forth.

22. **Severability.** If any term or provision of this Agreement or application thereof to any person or circumstances shall, to any extent, be found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

23. **Parties Not Partners.** Nothing contained in this Agreement or any of the documents or instruments to be executed pursuant hereto shall constitute any one or more of Buyer or its officers, directors, successors or assigns, as partners with, agents for or principals of any one or more of Seller or its officers, directors, successors or assigns.

24. **Attorneys' Fees, Costs and Expenses.** In any proceeding or dispute resolution process arising from, out of or in connection with this Agreement and the transactions contemplated hereby, the prevailing party therein shall be entitled to recover from the other party hereto the costs, expenses and reasonable attorneys’ fees incurred by the prevailing party in connection therewith. Nothing contained in this Section 24 is intended to limit any provision regarding payment of attorneys’ fees, costs, expenses and similar matters contained elsewhere in this Agreement or in any document or instrument executed and delivered pursuant to this Agreement.

25. **Cumulative Remedies.** Unless expressly provided otherwise herein, the remedies of the parties provided for herein shall be cumulative and concurrent, and may be pursued singly, successively or together, at the sole and absolute discretion of the party for whose benefit such remedies are provided, and may be exercised as often as occasion therefor shall arise.

26. **Currency.** All amounts to be paid hereunder shall be paid in the currency of the United States of America.

27. **Counterparts; Facsimile/E-mailed Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Seller and Buyer agree that the delivery of an executed copy of this Agreement by facsimile or by attachment to an e-mail shall be legal and binding on the transmitting party and shall have the same full force and effect as if an original executed copy of this Agreement had been delivered.

28. **Section 1031 Exchange.** Buyer understands that Seller may seek to structure the disposition of Seller's interest in the Property in such a way that will afford Seller an opportunity to take advantage of the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder governing “like-kind” exchanges. Buyer shall cooperate with Seller in such efforts. Without limiting the generality of
the foregoing, Buyer, as directed by Seller, shall make all payments on account of the Purchase Price, including, if so directed, the Escrowed Funds, to a Qualified Intermediary (as defined in the Treas. Reg. 1.1031(k)-1(g)(4)). Seller reserves the right, in effectuating such like-kind exchange, to assign Seller's rights, but not its obligations, under this Agreement to the Qualified Intermediary and Buyer hereby consents to such assignment. Buyer agrees to execute such reasonable documents and otherwise to cooperate in such respects as may reasonably be requested by Seller in order to enable Seller to carry out a like-kind exchange as aforesaid. Seller shall be entitled to one or more adjournments to the Closing Date, not to exceed thirty (30) days in the aggregate, to facilitate such like-kind exchange, provided that in no event shall Buyer have less than five (5) business days' notice of the new Closing Date. In the event Seller fails to arrange such a like-kind exchange, the transaction shall nevertheless be consummated as a sale and purchase.

29. **Time of the Essence.** Time is of the essence of all terms and provisions of this Agreement including without limitation, all dates for notices to be provided hereunder. This means that a party's failure to perform or provide notice by the dates or within the times specified in this Agreement shall constitute a default by such party or entitle the other party to the remedies expressly provided in this Agreement upon the other party's non-performance, as the case may be, without further extension of time for performance or notice, as the case may be. Notwithstanding the foregoing, if the time period for notice or the performance of any act called for under this Agreement expires on a Saturday, Sunday, or any other day when banking institutions in the State of New Jersey are authorized or obligated by law or executive order to close, the deadline for notice or performance of the act in question shall be the next succeeding day that is not a Saturday, Sunday or such other day when banking institutions in the State of New Jersey are authorized or obligated by law or executive order to close. Any reference herein made to "business day" shall mean any day that is not a Saturday, Sunday, or any other day when banking institutions in the State of New Jersey are authorized or obligated by law or executive order to close.

30. **Limitation on Liability.** In no event will either party be liable to the other party for indirect, incidental, exemplary, special or consequential damages including, without limitation, damages for lost profits, regardless of the form of action, whether in contract, tort or otherwise and even if such party has been advised of the possibility of such damages. The limitations set forth in this Section 30 shall not apply with respect to (a) claims for which Buyer is obligated to indemnify Seller or (b) the fraudulent acts of either party.

*Signatures appear on next page.*
INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this instrument to be duly executed the day and year first above written.

BAYFRONT REDEVELOPMENT LLC,
a Delaware Limited Liability Company
By: Honeywell International Inc., a Delaware corporation, its Sole Member

By: __________________________
    Daniel Kirschner
    Vice President, Global Real Estate

THE CITY OF JERSEY CITY

By: __________________________
    Its __________________________

As to Section 3(c):

JERSEY CITY REDEVELOPMENT AUTHORITY

By: __________________________
    Its __________________________

The undersigned hereby executed this Agreement for the purpose of acknowledging its agreement with the provisions of Section 2(b) hereof relating to its duties and obligations as escrow agent hereunder.

[INSERT NAME OF TITLE COMPANY]

By: __________________________
    Its __________________________
The mailing, delivery or negotiation of this Agreement by Seller or its agent or attorney shall not be deemed an offer by Seller to enter into any transaction or to enter into any other relationship with Buyer, whether on the terms contained herein or on any other terms. This Agreement shall not be binding upon Seller, nor shall Seller have any obligations or liabilities or Buyer any rights with respect thereto, or with respect to the Property, unless and until Seller has executed and delivered this Agreement. Until such execution and delivery of this Agreement, Seller may terminate all negotiation and discussion of the subject matter hereto, without cause and for any or no reason, without recourse or liability.

THIS DRAFT FOR DISCUSSION PURPOSES ONLY
ENVIRONMENTAL AGREEMENT

This Environmental Agreement (this "Agreement") is made effective as of the day of [XX], 2018 ("the Date of this Agreement") by and between HONEYWELL INTERNATIONAL INC., a Delaware corporation ("Honeywell"), BAYFRONT REDEVELOPMENT LLC, a Delaware limited liability company ("Bayfront") (Honeywell and Bayfront are collectively referred to as "Seller") and the City of Jersey City ("Buyer") (collectively, the "Parties", each a "Party").

RECITALS:

A. Bayfront and Buyer have this day closed on the sale and purchase of property pursuant to that certain Real Estate Purchase Agreement dated as of [XX] (the "Purchase Agreement"), which property is located at Route 440, Jersey City, New Jersey, and legally described on Exhibit A, attached hereto and incorporated herein (the "Development Lots").

B. Seller and Buyer have been involved cooperatively in the remediation and redevelopment of the Bayfront Property (unless otherwise expressly provided, capitalized terms in these Recitals are defined in Section 1 of this Agreement) for several years. Honeywell and Buyer entered into various Consent Decrees to address Buyer's and Seller's roles in the remediation and redevelopment of the Bayfront Property. Buyer has also developed the Bayfront Redevelopment Plan for the Bayfront Property. Buyer and Honeywell have also been participating in a remediation process for chromium contamination overseen by a federal court-appointed Special Master pursuant to various Consent Decrees. Under certain Consent Decrees, Honeywell has been responsible for the remediation of chromium contamination at the Bayfront Property, and Buyer has been anticipated to receive title for the Open Space Lots (as hereinafter defined) upon completion of construction of the road and utility corridors within the Open Space Lots. The sale and purchase of the Development Lots under this Agreement, and the subsequent conveyance of title to the Buyer of the Open Space Lots represent the final stages in the cooperative relationship between Buyer and Seller to implement remediation and redevelopment of the Bayfront Property.

C. As provided under this Agreement, Honeywell will retain liability for and manage Honeywell's Retained Environmental Liabilities, and will require access to the Development Lots, and eventually the Open Space Lots, in connection therewith. Certain remediation and redevelopment activities on the Bayfront Property, including Honeywell's Retained Environmental Liabilities and the development of various open space areas on the Bayfront Property are subject to various Consent Decrees, as well as regulatory oversight by the Applicable Governmental Agencies. Buyer will assume liability for Buyer's Environmental Liabilities at the Bayfront Property.

D. The Parties recognize that as of the Date of this Agreement, chromium and non-chromium remediation is substantially complete on the Bayfront Property (with the exception of the Deferred Areas and two areas of non-Chromium Contamination), and access and coordination between the Parties and the Oversight Entities is necessary to address the remaining

1 This may be reduced to one area by the time of closing.
elements of remediation, the development of the Open Space Lots, and Long Term Monitoring of the Bayfront Property.

E. The Parties desire to set forth their understandings regarding their roles and responsibilities for addressing the chromium and non-chromium remedies at the Bayfront Property, and to set forth the terms and conditions governing Honeywell’s access and use of the Bayfront Property in connection with the Remediation, Long Term Monitoring, the Open Space Development Work and other environmental matters impacting the Bayfront Property.

NOW, THEREFORE, in consideration for the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

1.1 The term “Additional Deep Overburden Remedy” shall have the meaning set forth in the Deep Overburden and Bedrock Groundwater Mass Removal Consent Decree.

1.2 The term “Applicable Governmental Agency(ies)” shall mean and refer to any federal, state or local governmental authority overseeing the Remediation of Hazardous Substances (as herein defined) at the Bayfront Property, including the New Jersey Department of Environmental Protection (“NJDEP”) and the United States Environmental Protection Agency.

1.3 The term “Approval and Oversight Process” shall have the meaning set forth in Section 4.1.1.

1.4 The term “Bayfront Property” shall mean the area so defined in Exhibits A and B, and consists of the Development Lots and the Open Space Lots.

1.5 The term “Bayfront Redevelopment Plan” shall mean the redevelopment plan regarding, *inter alia*, the Bayfront Property adopted by the City of Jersey City Council on March 12, 2008.

1.6 The term “Beneficial Environmental Project” shall have the meaning set forth in the Sediment Consent Order as described in Paragraphs 33-36.

1.7 The term “Buyer’s Access Parties” shall mean and refer to those employees, agents, contractors and consultants of Buyer responsible for overseeing, supervising or conducting the Open Space Development Work.

1.8 The term “Buyer’s Environmental Liabilities” shall have the meaning set forth in Section 2.3.

1.9 The term “Buyer’s Parties” shall mean Buyer, its licensees, tenants, successors, assignees, contractors, lenders, employees, officers, directors, shareholders, partners, agents, representatives, related entities, affiliates, subsidiaries, or Buyer’s Access Parties.

1.10 The term “Cap Features” shall have the meaning set forth in Section 4.1.1.
1.11 The term "Chromium Contamination" shall refer to hexavalent chromium and chromite ore processing residue present in soils, groundwater and surface waters on the Bayfront Property on or before the Date of this Agreement at levels above remediation criteria established under Environmental Laws or the Consent Decrees.

1.12 The term "Chromium Remedy" shall mean: (1) the remediation of Chromium Contamination as set forth in the Final Judgment, (2) the "Chromium Remedy," as that term is defined in Article III of the SA6 South Consent Decree, (3) the "Chromium Remedy" as that term is defined in Article III of the SA6 North Consent Decree; (4) the "Chromium Remedy," as that term is defined in Section 2.3 of the Jersey City Entities Consent Order, (5) the "Sediment Remedy," as that term is defined in the Sediment Consent Order, (6) the Deep Overburden Groundwater Remedy, (7) the Additional Deep Overburden Remedy, and (8) the Deferred Work.

1.13 The term "Consent Decrees" shall mean the SA6 Consent Decrees, the Sediment Consent Order, the Jersey City Entities Consent Order, the Deep Overburden and Bedrock Groundwater Mass Removal Consent Decree, the Deep Overburden and Groundwater Remedies Consent Order, and the Final Judgment (all as defined herein and as may be amended from time to time).

1.14 The term "Coordination Dispute" will have the meaning set forth in Section 3.1.5.

1.15 The term "Corporate Assignment" shall have the meaning set forth in Section 8.2.

1.16 The term the "Court" shall mean the United States District Court, District of New Jersey.

1.17 The term "Date of this Agreement" shall mean the date on which this Agreement is executed by all Parties.

1.18 The term "Deep Overburden and Bedrock Groundwater Mass Removal Consent Decree" shall mean the consent decree regarding chromium contaminated deep overburden and bedrock groundwater beneath the Bayfront Property entered by the Court on May 18, 2010, in Case No. 2:95-cv-02097-JLL, Doc. No. 979, and any and all exhibits, attachments and amendments thereto approved by the Court.

1.19 The term "Deep Overburden and Bedrock Groundwater Remedies Consent Order" shall mean the consent decree regarding chromium contaminated deep overburden and bedrock groundwater beneath the Bayfront Property entered by the Court on September 3, 2008, in Case No. 2:95-cv-02097-JLL, Doc. No. 898, and any and all exhibits, attachments and amendments thereto approved by the Court.

1.20 The term "Deep Groundwater Remedy" shall mean the deep overburden and bedrock groundwater pump and treat remedies as defined in and required by the Deep Overburden and Bedrock Groundwater Remedies Consent Order.

1.21 The term "Deferred Areas" shall mean those parcels on which the Deferred Work is to be performed, as depicted on Exhibit F-1 hereto.
1.22 The term "Deferred Work" shall have the meaning set forth in the Consent Order Entering Consolidated 100% Design for Study Area 6 North and Study Area 6 South, Case No. 95-2097-JLL, Doc. 1180, entered July 9, 2013, attached hereto as Exhibit G, and shall also mean any sediment remediation work required under the Sediment Consent Order not completed as of the effective date of this Agreement.

1.23 The Term "Development Lots" shall mean those lots so designated on Exhibit A.

1.24 The term "Encumbrances" shall have the meaning set forth in Section 8.1.

1.25 The term "Engineering and Institutional Controls" shall mean and refer to any and all restrictions, measures, covenants and obligations that run with the Bayfront Property that may be used in lieu of, in conjunction with, or as a component of, any Remediation to obtain Regulatory Closure under this Agreement and Environmental Laws, including: (a) requirements for engineering and institutional controls; (b) proscriptions against residential or groundwater use, including Classification Exception Areas; (c) limitations on the rights of access to the Bayfront Property; (d) geosynthetic caps, root barriers, warning layers, pavement, roadways and hydraulic controls; and (e) any documents, instruments, agreements, rights and obligations embodying, establishing or necessary or ancillary to the foregoing, including certifications, deed notices, deed restrictions, easements, conservation restrictions, governmental roster of open space inventory access agreements, open space design standards, equitable servitudes and restrictive covenants ("Institutional Controls").

1.26 The term "Environmental Law(s)" shall mean and refer to: the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601, et seq.; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.; the Clean Air Act, 42 U.S.C. § 7401, et seq.; N.J.S.A. 58:10-23.11, et seq.; N.J.S.A. 58:10C-1, et seq.; N.J.A.C. Chapter 26F; N.J.A.C. Chapter 26C; N.J.A.C. § 7.36 all as the same may be from time to time amended, and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which relates to or deals with human health or the environment, including all regulations promulgated by a regulatory body pursuant to any such statute, law, ordinance or regulation.

1.27 The term "Fee Billing Contact Person" will have the meaning set forth in the NJDEP, Site Remediation and Waste Management Program form entitled "Remedial Action Permit Transfer Change of Property Ownership Application and Contact Information Changes".

1.28 The term "Final Judgment" shall mean the Court's Final Judgment in Case No. 2:95-cv-02097-JLL, Doc. No. 356, entered June 30, 2003, ordering the remediation of Study Area 7, as that term is defined therein, by excavation of chromium contamination on Study Area 7, and remediation of chromium contained in deep groundwater and sediments in the Hackensack River in the vicinity of Study Area 7, and as modified in the Amended Order Modifying Injunction, Case No. 95-2097-JLL, Doc. No. 1116, entered January 13, 2012.

1.29 The term "Hazardous Substance(s)" shall mean and refer to any hazardous or toxic substance, material or waste which is regulated by any local governmental authority, the State of
New Jersey or the United States Government, including (i) asbestos; (ii) radon; (iii) urea-formaldehyde; (iv) polychlorinated biphenyls ("PCBs") or substances containing PCBs; (v) nuclear fuel or materials; (vi) radioactive materials; (vii) explosives; (viii) known carcinogens; (ix) petroleum products and byproducts; and (x) any substance in quantities, locations or circumstances which cause such substance to be defined as hazardous or toxic or as a contaminant or pollutant in, or the release or disposal of which is regulated by, any Environmental Law.

1.30 The term "Historic Fill Contamination" shall refer to non-chromium hazardous substances remediated by Honeywell in order to obtain Regulatory Closure.

1.31 The term "Historic Fill Remediation" shall mean any "Remedial Action" (as that term is defined pursuant to N.J.S.A. 58:10B-1) for Historic Fill Contamination conducted prior to or after the Date of this Agreement, and includes the Historic Fill Remediation as defined in the Jersey City Entities Consent Order, and also includes the remediation of two remaining UST areas as defined in Section 2.3.1.

1.32 The term "Honeywell’s Access Parties" shall mean and refer to those employees, agents, contractors and consultants of Honeywell responsible for overseeing, supervising or conducting the Remediation and Long Term Monitoring.

1.33 The term "Honeywell Open Space Easement" shall have the meaning set forth in Section 3.3.

1.34 The term "Honeywell’s Retained Environmental Liabilities" shall have the meaning set forth in Section 2.1.

1.35 The term "including" shall mean "including, but not limited to."

1.36 The term "Jersey City Entities" shall mean the Jersey City Municipal Utilities Authority, the Jersey City Incinerator Authority, and the City of Jersey City.

1.37 The term "Jersey City Entities Consent Order" shall mean the Settlement Consent Order by and Between the Jersey City Entities and Honeywell International Inc., entered into by Honeywell, the Jersey City Municipal Utilities Authority, the Jersey City Incinerator Authority, and the City of Jersey City entered by the Court April 21, 2008 in Case No. D.N.J. Civ. No. 05-cv-5955, Doc. No. 201 (originally Jersey City Municipal Utilities Authority v. Honeywell International Inc., Civ. No. 05-cv-5995; Jersey City Incinerator Authority v. Honeywell International Inc., D.N.J. Civ. No. 05-cv-5993; Hackensack Riverkeeper, Inc. v. Honeywell International Inc. D.N.J. Civ. No. 06-22), and any and all exhibits, attachments and amendments thereto approved by the Court.

1.38 The term "Long Term Monitoring" shall mean the implementation of the Long Term Monitoring Plans, including monitoring, remediation, inspection, reporting, recordkeeping, and maintenance of the Chromium Remedy (including any Engineering or Institutional Controls on

---

2 This may be one area by the time of closing.
the Bayfront Property), as required pursuant to or in support of the Consent Decrees, and as may be required by the Oversight Entities.

1.39 The term "Long Term Monitoring Plans" shall mean the Integrated Groundwater Sampling and Analysis Plan (April 29, 2014), the Long Term Monitoring Program, First Five Year Implementation Plan; Study Area 7 Sediment Remedy (July 8, 2016), the Long Term Monitoring Plan - Study Area 6 North and Study Area 6 South and Open Space Areas (February 28, 2018), and the Long Term Monitoring Plan, Deep Overburden and Bedrock Groundwater Remedy - Study Area 7 (June 13, 2008) and any and all attachments, documents incorporated therein, as same may be from time to time amended.

1.40 The term "Losses" shall mean and refer to losses, claims, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, assessments, deficiencies, costs or expenses of whatever kind, including reasonable professional and attorneys’ fees, and the cost of enforcing any right to indemnification hereunder.

1.41 The term "M&A Transaction" shall have the meaning set forth in Section 8.2.

1.42 The term "New Property Owner" shall have the meaning set forth in the NJDEP Site Remediation and Waste Management Program form entitled "Remedial Action Permit Transfer Change of Property Ownership Application and Contact Information Changes".

1.43 The term "No Further Action Equivalent Letter" shall mean a letter issued by NJDEP or a New Jersey Licensed Site Remediation Professional approving the performance of the Remediation or aspects of the Remediation regarding certain Hazardous Substances in environmental media and having the same legal force and effect as a No Further Action Letter pursuant to N.J.S.A. § 58:10B-13.1 and N.J.A.C. § 7:26C before those provisions were amended effective in 2012 to no longer authorize No Further Action letters. A form of No Further Action Equivalent Letter is attached as Exhibit C.

1.44 The term "Non-Chromium Contamination" shall mean Hazardous Substances other than hexavalent chromium and chromite ore processing residue -- including Historic Fill Contamination — present in soils, groundwater and surface waters on the Bayfront Property on or before the date of this Agreement at levels above remediation criteria established under Environmental Laws.

1.45 The term "Open Space Closing" shall have the meaning set forth in Section 3.3.

1.46 The term "Open Space Development Plans" shall mean Buyer’s plans for development of the Open Space Lots as required pursuant to Section 3 of the Open Space Design Standards and Paragraph 60(j) of the SA6 North Consent Decree and Paragraph 74(j) of the SA6 South Consent Decree.

1.47 The term "Open Space Development Work" shall mean the implementation of the Open Space Development Plans.
1.48 The term “Open Space Design Standards” shall mean the document entitled “Appendix L; Preliminary Open Space Design Standards for the Bayfront Development” as Appendix L to the 100% Design Report for Design For SA 6, dated June 27, 2013, approved by the Special Master, and adopted pursuant to the SA6 Consent Decrees (Civ. No. 95-2097, Doc. No. 1176, Attachments 37-40), and any and all attachments, documents incorporated therein, and as same may from time to time be amended.

1.49 The term “Open Space Lots” shall mean those lots so designated on Exhibit B as Open Space Lots and as the Site 163 Hardscape Area Lot.

1.50 The term “Oversight Entities” shall mean the Court, the Special Master, and the Applicable Governmental Agencies, as same may be revised or changed by agreement, court order or otherwise.

1.51 The term “Person Responsible for Conducting the Remediation” shall have the meaning set forth in N.J.A.C. § 7:260-1.3.

1.52 The term “Person with Primary Responsibility for Permit Compliance” shall have the meaning set forth in the NJDEP, Site Remediation and Waste Management Program form entitled “Remedial Action Permit Transfer Change of Property Ownership Application and Contact Information Changes”.

1.53 The term “Plaintiffs” shall mean the Interfaith Community Organization, the Hackensack Riverkeeper, Inc., Lawrence Baker, Winston Clarke, Martha Webb Herring, Margarita Navas, William Sheehan, and Margaret Webb.

1.54 The term “Regulatory Closure” shall mean and refer to one or more final agency Response Action Outcomes, No Further Action Letters, No Further Action Equivalent Letters, or other similar documents issued by NJDEP or a New Jersey Licensed Site Remediation Professional approving the performance of the Remediation or aspects of the Remediation regarding certain Hazardous Substances in environmental media in specific areas of the Bayfront Property, regardless of whether such documents may require Engineering and Institutional Controls or other conditions. NJDEP has approved the form attached hereto as Exhibit C as a model for its memorialization of Regulatory Closure with respect to the Chromium Contamination. The term “Regulatory Closure” shall further include (1) the publication of all notices and the expiration of all periods for public notice and comment and the successful resolution of all administrative and judicial appeals or challenges; and (2) all submittals and approvals from the Oversight Entities regarding the Chromium Remedy required pursuant to the Consent Decrees. As of the Date of this Agreement, Honeywell has obtained Regulatory Closure with respect to soils on Study Area 7 pursuant to the No Further Action Letter issued by NJDEP on December 23, 2010. In addition, Remedial Action Reports documenting the Chromium Remedy at SA-6 South and SA-6 North were submitted to the NJDEP in December 2016 (revised February 2017) and March 2017 and were approved by the NJDEP on March 30, 2017 and June 1, 2017, respectively. Remedial Action Reports documenting the remediation of Non-Chromium Contamination have been submitted to NJDEP in December 2016 for Study Area 6.
South and in August 2017 for Study Area 6 North. These RARs do not include the two UST AOCs referenced in Section 3.2.1. Environmental permits for soil for Chromium Contamination and for Non-Chromium Contamination have been approved by NJDEP; environmental permits for groundwater have been submitted to NJDEP. A complete list of the status of the permit approvals is attached as Exhibit D.

1.55 The term "Remediation of Chromium Contamination" shall mean the investigation of environmental conditions, development and implementation of work plan(s), long term monitoring as required by the Consent Decrees, and any other work approved or required by the Oversight Entities, for purpose of removing, containing, treating, controlling, assessing or mitigating Chromium Contamination at the Bayfront Property, or sediments or groundwater off the Bayfront Property if related to or arising from the migration of Chromium Contamination from the Bayfront Property to obtain Regulatory Closure, including such actions required by the Consent Decrees or any other successor enforcement documents between Honeywell and the Oversight Entities as may exist now or hereafter. Remediation shall include (1) the Chromium Remedy; (2) Engineering and Institutional Controls with respect to the Chromium Remedy; and (3) any "Remedial Action" with respect to Chromium as that term is defined pursuant to N.J.S.A. 58:10B-1. The Remediation of Chromium Contamination is documented in the Regulatory Closure documents identified in Section 1.54 as well as the Final Construction Completion Report, SA-6 South Chromium Remedy, dated October 2017, the Final Construction Completion Report, SA-6 North Chromium Remedy, dated November 2017, and the Final Construction Completion Report, SA-7 Chromium Remedy, dated August 2010. All Regulatory Closure documents are maintained on an online repository located at ____________.

1.56 The term "Remediation of Non-Chromium Contamination" shall mean the investigation of environmental conditions, development and implementation of work plan(s), long term monitoring as required by the Oversight Entities, for purpose of removing, containing, treating, controlling, assessing or mitigating Non-Chromium Contamination at the Bayfront Property, or sediments or groundwater off the Bayfront Property if related to or arising from the migration of Non-Chromium Contamination from the Bayfront Property, including such actions required by the Oversight Entities. Remediation of Non-Chromium Contamination shall include (1) the Historic Fill Remediation; (2) Engineering and Institutional Controls with respect to the Historic Fill Remediation; and (3) any "Remedial Action" (as that term is defined in N.J.S.A. 58:10B-1) with respect to Non-Chromium Contamination that may be required by the Oversight Entities prior to or after the effective date of this Agreement. All Regulatory Closure documents are maintained on an online repository located at ____________.

1.57 The term "SA6 Consent Decrees" shall mean the First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 South entered by the Court in Case No. 2:95-cv-02097-JLL entered by the Court on August 13, 2012, Doc. No. 1140, pertaining to Study Area 6 South ("SA6 South") (the "SA6 South Consent Decree"); and the First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 North entered by the Court in Case No. 2:95-cv-02097-JLL on August 15, 2012, Doc. No. 1141, pertaining to

3 This may become one as of the time of closing.

8
Study Area 6 North ("SA6 North") (the "SA6 North Consent Decree"), and any and all exhibits, attachments and amendments thereto approved by the Court.

1.58 The term "Sediment Consent Order" shall mean the First Amended Consent Order on Sediment Remediation and Financial Assurances pertaining to remediation of chromium contaminated sediments in the Hackensack River in the vicinity of the Bayfront Property approved by the Court and filed September 4, 2013, Case No. 2:95-cv-02097-JLL, Doc. No. 1186, and any and all exhibits, attachments and amendments thereto approved by the Court.

1.59 The term "Single Owner Representative" shall have the meaning set forth in Section 8.2.

1.60 The term "Site 163 Hardscape Area Lot" shall mean the lot so identified in Exhibit B.

1.61 The term "Special Master" shall mean Senator Robert G. Torricelli, appointed as the Special Master in Case No. 2:95-cv-02097-JLL (Doc. No. 342, entered May 20, 2003), and his successors or whomever the Court may appoint as Special Master for the remediation and oversight and monitoring of Study Areas 6 and 7.

1.62 The term "Study Area 6 North" shall have the meaning set forth in the SA6N Consent Decree.

1.63 The term "Study Area 6 South" shall have the meaning set forth in the SA6 South Consent Decree.

1.64 The term "Study Area 7" shall have the meaning set forth in the SA6 South Consent Decree.

1.65 The term "Subordination and Joinders" shall have the meaning set forth in Section 4.2.

2. Environmental Matters. The Parties agree that with respect to environmental matters at the Bayfront Property, allocation of liabilities and responsibilities among them shall be as follows:

2.1 Honeywell’s Retained Environmental Liabilities.

2.1.1 Subject to the terms of this Agreement, Honeywell shall retain liability for the following (collectively, "Honeywell’s Retained Environmental Liabilities"):

2.1.1.1 Remediation of the Chromium Contamination on the Development Lots and the Open Space Lots for the uses set forth in the Bayfront Redevelopment Plan, including any remaining obligations for obtaining Regulatory Closure for the Chromium Contamination on the Development Lots and the Open Space Lots and all Long Term Monitoring with respect to the Chromium Remedy on the Development Lots and the Open Space Lots.

2.1.1.2 Any Losses arising from, out of or in connection with, or otherwise relating to activities or operations of Honeywell or Honeywell’s Access Parties at the Development Lots and the Open Space Lots during Honeywell’s access, use or occupancy of the Development Lots and the Open Space Lots following the Date of this Agreement, including but not limited to: (a) activities
associated with the removal and disposal of Hazardous Substances generated in the course of Honeywell conducting activities related to implementation of the Deferred Work or to implementation of Long Term Monitoring Plans or (b) any new emission, discharge or release of Hazardous Substances caused by Honeywell or Honeywell’s Access Parties that occurs at, on, or beneath the Property after Closing, which requires investigation or remediation, or both, pursuant to any Environmental Laws. Honeywell shall promptly notify Buyer of any such new emission, discharge or release of Hazardous Substances caused by Honeywell or Honeywell’s Access Parties that occurs at, on or beneath the Property after Closing. Honeywell’s retained liabilities under this Section 2.1.1.2 do not include, and Seller is released from: (a) any claims or liability for special, consequential, exemplary or punitive damages; and (b) any claims or liability arising from or resulting from delays in remediating the Deferred Areas. Nothing in this Section 2.1.1.2 shall waive any rights Buyer may have under the Study Area 6 Consent Decrees.

2.1.1.3 Losses by third parties, including the employees, contractors and invitees of the Buyer, relating to: (i) exposure to Chromium Contamination at, on, in, under, or emanating from the Bayfront Property or (ii) any activities or operations or omissions of Honeywell or Honeywell’s Access Parties at the Bayfront Property during Honeywell’s access, use or occupancy of the Bayfront Property following the Date of this Agreement. Notwithstanding the foregoing, Honeywell’s Retained Environmental Liabilities pursuant to this Section 2.1.1.3 shall not include any liability resulting from the negligent acts or omissions or willful misconduct of the employees, contractors or other invitees of Buyer who enter onto the Bayfront Property for purposes of inspection or conducting activities with or for Buyer. Honeywell’s retained liabilities under this Section 2.1.1.3 do not include, and Seller is released from: (a) any claims or liability for special, consequential, exemplary or punitive damages; and (b) any claims or liability arising from or resulting from delays in remediating the Deferred Areas (“Seller Release”). The Seller Release shall be binding upon Buyer, its successors and assigns and all persons or parties hereafter acquiring any right, title or interest in all or any portion of the Development Lots, including without limitation lessees. In furtherance of the Seller Release, Buyer shall require, as a term to any subsequent agreement with any third party developer for sale or development of all or any portion of the Development Lots, or any subsequent agreement with any third party owner or lessee of all or any portion of the Development Lots, excluding a person owning or leasing a residential unit for his or her personal residence (“Residential Occupant”), that such third party developer, owner or lessee acknowledge in a written instrument that it is bound by the Seller Release, but failure to obtain such acknowledgement shall not affect the Seller Release which shall remain in full force and effect and be binding upon such third party developer, owner, lessee or Residential Occupant hereafter acquiring any right, title or interest in or to all or any portion of the Development Lots. In the case of a residential unit that is part of a condominium or other common ownership regime that is subject to a master deed, declaration or similar instrument, the owner, developer, sponsor or other person or party creating such condominium or other common ownership regime shall include in the master deed, declaration or similar instrument that each Residential Occupant of such condominium or other common ownership regime is bound by the Seller Release, but failure to include such provision in the master deed, declaration or other similar instrument shall not affect the Seller Release, which shall in full force and effect and be binding upon such Residential Occupant. Nothing in this Section 2.1.1.3 shall or shall be construed to waive any rights Buyer may have under the Study Area 6 Consent Decrees.
2.2 Honeywell’s Environmental Indemnification.

2.2.1 Except as set forth herein, Honeywell shall defend, indemnify and hold harmless Buyer of, from and against any and all Losses arising from, out of or in connection with or otherwise relating to Honeywell’s Retained Environmental Liabilities. Honeywell’s obligations to indemnify with respect to this Section 2.2.1 shall not extend to any claims or liability arising from or resulting from delays in remediating the Deferred Areas. Honeywell’s obligations to defend, indemnify and hold harmless with respect to this Section 2.2.1 shall not extend to any costs incurred by Buyer to obtain approvals from, to address comments, proposals or correspondence from or with, or to attend meetings with, Oversight Entities, Plaintiffs or third parties related to the Chromium Remedy, Open Space Development or any Buyer obligation under this Agreement. Honeywell releases Buyer from any claims for contribution for Honeywell’s costs incurred for remediation of Non-Chromium Contamination as of the Date of this Agreement. Nothing in this Section 2.2.1 shall or shall be construed to waive any rights Buyer may have under the Study Area 6 Consent Decrees.

2.2.2 In no event shall Honeywell’s indemnification obligations pursuant to this Section 2.2 include special, consequential, exemplary or punitive damages, and Buyer expressly waives the right to recover same from Seller.

2.3 Buyer’s Environmental Liabilities. Subject to the terms of this Agreement, Buyer shall accept liability for the following (“Buyer’s Environmental Liabilities”):

2.3.1 The presence of Non-Chromium Contamination existing in soils and groundwater on the Development Lots on or before the Date of this Agreement, and any obligations for Remediation of Non-Chromium Contamination on the Development Lots that may be required by Environmental Law or by the Oversight Entities on or subsequent to the Date of this Agreement (except where caused by Honeywell or Honeywell’s Access Parties after the Date of this Agreement). Without limiting Buyer’s Environmental Liabilities, Buyer acknowledges that two areas in the Development Lots (as shown on Exhibit F-1) exhibit residual groundwater contamination from previous operation of underground storage tanks that will require additional monitoring and may require additional remediation by Buyer prior to Regulatory Closure.

2.3.2 The presence of Hazardous Substance(s) to the extent placed upon, about or beneath the Development Lots on or subsequent to the Date of this Agreement (except where caused by Honeywell or Honeywell’s Access Parties after the Date of this Agreement) in a manner giving rise to liability on or subsequent to the Date of this Agreement under Environmental Law(s), including any one or more of the following: (i) damages to or loss relating to real property that is adjacent to, or in the vicinity of, the Bayfront Property; (ii) fines or penalties assessed by any governmental agency or instrumentality; (iii) costs related to any investigation, remediation or other action regarding such Hazardous Substance(s) required by Environmental Law; or (iv) liability from tort claims related to the presence of Hazardous Substances.

---

4 This may be reduced to one area by the time of closing.
2.3.3 Except for Honeywell’s Retained Environmental Liabilities, liability under Environmental Law(s) for violations of Environmental Law(s) as a result of activities or operations at the Bayfront Property on, or subsequent to, the Date of this Agreement performed by Buyer or Buyer Parties including Buyer’s or Buyer Parties’ failure to comply with (i) the terms, prescriptions, and prohibitions in the Remedial Action Permits; (ii) the Open Space Design Standards (including any action by Buyer or Buyer Parties that adversely impacts the integrity of the cap or any other Engineering Control); (iii) the Consent Decrees; and (iv) any documents developed pursuant to the Consent Decrees that pertain to the Remediation of Chromium Contamination, the Remediation of Non-Chromium Contamination, the Long Term Monitoring Plans, and any Oversight Entities’ order or directive.

2.3.4 Except for Honeywell’s Retained Environmental Liabilities or where caused by Honeywell or Honeywell’s Access Parties after the Date of this Agreement, invasive investigations, disturbance, excavation or movement of soils, sediments, surface water, groundwater or other materials on the Bayfront Property.

2.3.5 Except for Honeywell’s Retained Environmental Liabilities, offsite disposal of soils, sediments, surface water, groundwater or other materials in connection with redevelopment of the Bayfront Property.

2.3.6 Breach of any: (i) restriction imposed by Engineering or Institutional Controls implemented as part of the Remediation of Chromium Contamination or the Remediation of Non-Chromium Contamination or any Engineering or Institutional Controls implemented pursuant to the terms of this Agreement (except where caused by Honeywell or Honeywell’s Access Parties after the Date of this Agreement); or (ii) obligation under this Agreement.

2.3.7 Buyer or Buyer’s Parties’ damage to real or personal property or fixtures on the Open Space Lots, or damage to any of the Engineering Controls in the Development Lots or the Open Space Lots (except where caused by Honeywell or Honeywell’s Access Parties after the Date of this Agreement).

2.4 Buyer’s Environmental Indemnification. Buyer shall indemnify, defend and hold Seller harmless, against all Losses arising out of Buyer’s Environmental Liabilities. In no event shall Buyer’s indemnification obligations pursuant to this Section 2.4 include special, consequential, exemplary or punitive damages (but not incidental damages), and Seller expressly waives the right to recover same.


3.1 Control and Performance of Remediation by Honeywell.

3.1.1 Honeywell shall have exclusive control over the performance of the Remediation of Chromium Contamination and the Long Term Monitoring and over the selection and performance of all activities undertaken pursuant thereto. In accordance with Honeywell’s obligations and commitments under the Consent Decrees and in accordance with Environmental Laws, Honeywell shall use commercially reasonable efforts to perform the Remediation of Chromium Contamination and the Long Term Monitoring so as to mitigate interference with the
ability of any Buyer Party to use the Bayfront Property for purposes set forth in the Bayfront Redevelopment Plan, provided that Honeywell shall not be obligated to make material changes in the performance of the Remediation of Chromium Contamination or Long Term Monitoring on the Bayfront Property, subject to the following terms. Buyer shall have the opportunity to propose to Honeywell alternatives to mitigate the impact on Buyer of the Remediation of Chromium Contamination and Long Term Monitoring, and Honeywell shall reasonably consider any alternatives proposed by Buyer, but as between Honeywell and Buyer pursuant to this Agreement, Honeywell shall have the authority to make the ultimate determination as to the manner in which it shall complete Remediation of Chromium Contamination and Long Term Monitoring. Buyer retains any rights it may have to provide input on decisions related to Remediation of Chromium Contamination and Long Term Monitoring pursuant to the Consent Decrees. Buyer acknowledges (1) the nature, scope, and extent of the Remediation of Chromium Contamination that has been accepted by the Oversight Entities on or before the Date of this Agreement, and agrees to take no actions to further expand or enhance the nature, scope, and extent of the Remediation of Chromium Contamination; and (2) that the Remediation of Chromium Contamination and Long Term Monitoring are subject to review, oversight, and approval of the Oversight Entities.

3.1.2 Buyer shall be responsible for the Open Space Development Plans and the Open Space Development Work, consistent with the terms of the Consent Decrees and the Open Space Design Standards, and subject to oversight by Honeywell. Honeywell shall have the primary responsibility for communicating with the Oversight Entities and the Plaintiffs concerning Honeywell’s Retained Environmental Liabilities, the Open Space Development Plans, and the Open Space Development Work.

3.1.3 Honeywell and Buyer shall each designate a “Coordination Representative” with regard to the coordination of activities hereunder. On or before the thirtieth (30th) day of each month during which the Open Space Development, the Chromium Remedy or the Long Term Monitoring is proceeding, the Coordination Representatives (and such other persons as each party chooses to have attend) shall meet to coordinate Seller’s obligations for the Chromium Remedy and for Long Term Monitoring under this Agreement and Buyer’s development obligations under this Agreement (a “Coordination Meeting”), unless and until it is agreed that meetings may be held at a greater or lesser frequency. Each Coordination Meeting shall include an exchange of information and discussion between Honeywell and Buyer, including the field schedule; the status, details, and design of Buyer’s anticipated development in each area; the Status of the Deferred Work, any modifications planned by Honeywell to any element of the Chromium Remedy already installed; and any modifications to any element of the Chromium Remedy proposed by Buyer. Honeywell and Buyer will jointly develop a schedule for completion of the Deferred Work, understanding that the completion of the Deferred Work may be subject to the actions of third parties. On a monthly basis, Honeywell will provide Buyer with a schedule of the anticipated days and locations of work areas by personnel working for Bayfront or Honeywell during the upcoming month. Should Honeywell require additional days or locations of access, Bayfront or Honeywell will endeavor to provide forty-eight (48) hours’ advance notice to Buyer of such entry, unless exigent circumstances require less notice. In addition, Honeywell and Buyer shall provide to each other electronic copies of any and all reports, filings, notices, correspondence, or other documents related to the environmental
remediation or contamination of the Property submitted to or received from Applicable Governmental Agencies after the Effective Date within two (5) business days of submission or receipt thereof.

3.1.4 Buyer shall reasonably cooperate with Honeywell in Honeywell's obligations for the Chromium Remedy and the implementation of the Long Term Monitoring Plans including: (a) responding promptly to all reasonable requests of Honeywell in connection with the Chromium Remedy including requests for site development plans or related applications and information, access, consultation and space for the staging, storage or installation of equipment for the Chromium Remedy; (b) using commercially reasonable efforts to ensure that Buyer's or Buyer's Parties use and operation of the Bayfront Property does not unreasonably interfere with, delay or increase the level, cost or duration of implementation of the Long Term Monitoring or the Deferred Work; (c) at Honeywell's request, attending or supporting Honeywell in meetings with the Oversight Entities including one or both the Special Master or the Plaintiffs; and (d) compliance with all applicable provisions of the Consent Decrees and the Long Term Monitoring Plans, including but not limited, so long as required by the Consent Decrees or Long Term Monitoring Plans as they may be amended or modified, to the requirement to provide notice of environmental conditions to subsequent residential or commercial purchasers of the Property pursuant to paragraph 66 of the SA 6 North Consent Decree and paragraph 80 of the SA 6 South Consent Decree.

3.1.5 Time is of the essence regarding the resolution of disputes concerning the application of this Section 3, given the potential impact on the Chromium Remedy. The Parties shall attempt to resolve amicably any dispute or controversy arising between them regarding this Section 3 ("Coordination Dispute"). Within five (5) business days after either Party shall have notified the other of a Coordination Dispute, the Coordination Representatives (and such other persons as each party chooses to have attend) shall meet and confer in an effort to promptly resolve the Coordination Dispute. If the Parties cannot mutually agree within ten (10) business days then either Party shall be entitled to pursue specific performance and other injunctive relief in addition to all other available judicial remedies at law or in equity. In the case of exigent circumstances involving an imminent threat to human health or the environment, a Party may seek judicial remedies sooner than ten (10) business days after notice of a Coordination Dispute. In no event shall Buyer bar or interfere with Seller's access to the Bayfront Property other than pursuant to a binding court order. The Parties agree that irreparable damage would occur if any provision of this Section 3 were not performed in accordance with the terms hereof.

3.1.6 Permits and Approvals.

3.1.6.1 Except as set forth in this Section 3.1.6.1, any and all permits, licenses, authorizations or approvals required by the Oversight Entities in connection with the Chromium Remedy, the Long Term Monitoring and the exercise by Honeywell's Access Parties of the rights granted under this Agreement shall be obtained by Honeywell at Honeywell's sole cost and expense. Any cost or expense incurred by Buyer to review, comment on, or facilitate Honeywell's acquisition of permits, licenses, authorizations or approvals required by the Oversight Entities in connection with the Chromium Remedy or the Long Term Monitoring shall be at Buyer's sole cost and expense. Any cost or expense associated with obtaining Subordination and Joinders shall be at Buyer's sole cost and expense.
3.1.6.2 Buyer shall reasonably cooperate and join with Honeywell to secure such approvals including joining in any necessary permit applications and supplying documentation or witnesses required thereby; provided, however, such signing shall not diminish Honeywell's liabilities and obligations under this Agreement. Upon Honeywell's request, Buyer shall provide its written consent that Honeywell may conduct all permitted activities under all active permits.

3.1.6.3 Remedial Action Permits.

(a) Chromium Contamination. Honeywell has obtained all Remedial Action Permits ("RAPs") for soil related to Chromium Contamination as of the Date of this Agreement, and Honeywell has submitted applications for all RAPs for groundwater related to Chromium Contamination. With respect to the Bayfront Property's RAPs related to the Chromium Contamination, Honeywell shall be identified as the Person Responsible for Conducting the Remediation and the Person with Primary Responsibility for Permit Compliance and shall be responsible for all costs and expenses associated with the preparation and filing of the RAPs, and all ongoing obligations thereunder, including renewal fees, the posting and certification of financial assurances, biennial certifications and annual inspections. As the owner of the Development Lots, Buyer will be the co-permittee with respect to the Development Lot RAPs.

(b) Non-Chromium Contamination. Honeywell has completed the remediation of Non-Chromium Contamination for soils and groundwater on SA6 North on behalf of the Jersey City Entities (with the exception of the two areas of groundwater contamination noted in Section 2.3.1), as well as the remediation of Non-Chromium Contamination for soils and groundwater on SA6 South. As of the Date of this Agreement, Honeywell has obtained all RAPs for Non-Chromium Contamination for soils, and has submitted applications for all RAPs for the remediation of Non-Chromium Contamination for groundwater. Buyer agrees that all Non-Chromium Contamination RAPs will be transferred from Honeywell to Buyer (as identified in Exhibit D). Buyer shall be identified as the Person with Primary Responsibility for Permit Compliance and shall be responsible for all costs and expenses associated with all ongoing obligations for the RAPs, including renewal fees, the posting and certification of financial assurances, biennial certifications and annual inspections, with respect to remediation of Non-Chromium Contamination. Buyer shall take all necessary steps to cooperate in the transfer of all such RAPs to Buyer, consistent with the provisions of this Section, including without limitation the execution of a "Remedial Action Permit Transfer/Change of Ownership Application" (or such other forms as NJDEP may require) that lists Buyer as the Fee Billing Contact Person, the New Property Owner, and the Person with Primary Responsibility for Permit Compliance (as those terms are used in the NJDEP Remedial Action Permit Transfer/Change of Ownership Application). Buyer shall be responsible for complying with all requirements of the transferred RAPs, to the same extent as required by this subsection 3.1.6.3(b) for all other RAPs issued in conjunction with the remediation of Non-Chromium Contamination.

3.1.6.4 Other Permits. The Development Lots are subject to certain permits (listed in Exhibit J) in addition to Remedial Action Permits. These permits will be transferred to the Buyer as of the

---

5 This may be reduced to one area by the time of closing.
Date of this Agreement, and Buyer agrees to be bound by all terms and conditions of these permits.

3.1.7 **Industrial Site Recovery Act.** Seller shall be responsible and shall determine the method, at its sole cost, for satisfying any Industrial Site Recovery Act ("ISRA") (N.J.S.A. 13:1K-6 et seq.) requirements and obtaining approvals as required under ISRA with regard to conveyance of the Bayfront Property to Buyer. Buyer shall cooperate with Seller to ensure compliance with any requirements of ISRA and any regulations promulgated thereunder, that apply to the conveyance of the Bayfront Property. In the event of any conflict or inconsistency between this Section 3.1.7 and the Purchase Agreement with respect to ISRA obligations, the Purchase Agreement shall govern.

3.1.8 **Monitoring and Extraction Wells.** Buyer acknowledges the current locations and anticipated disposition of monitoring wells as set forth in Exhibits E-1 and E-2 attached hereto. Prior to and during Buyer's redevelopment activities on the Development Lots and implementation of the Open Space Development Work, Buyer and Honeywell shall cooperate to develop and implement a commercially reasonable plan to move or protect monitoring and extraction wells, wells related to the remedial system and other equipment on the Development Lots at Buyer's expense. Buyer shall have the opportunity to propose to Honeywell alternative locations to mitigate the impact on Buyer's redevelopment activities, and Honeywell shall reasonably consider any alternatives proposed by Buyer. Buyer shall provide to Honeywell Buyer's construction and redevelopment plans which may impact the location of wells or remediation equipment as soon as such plans are available. Notwithstanding any other provision of this Agreement, any abandonment, relocation, or location of monitoring wells described herein may be subject to the approval of the Oversight Entities, and must be in conformance with the Consent Decrees and the Open Space Design Standards.

3.1.9 **Waste Disposal and Onsite Storage.** Honeywell shall remove and dispose of all waste generated as a result of the Deferred Work and Long Term Monitoring in compliance with Environmental Laws. Honeywell shall comply with Environmental Laws with regard to onsite storage of any material or liquid used in, produced or generated by, or which results from the Deferred Work and Long Term Monitoring. Stockpiled soils consisting of historic fill and alternative fill shall not constitute waste pursuant to this provision and shall remain on the Bayfront Property for Buyer and Honeywell's use in accordance with the Soil Management Plan.

3.1.10 **Bayfront Property Security.** After the Date of this Agreement, Buyer shall provide security to the Bayfront Property to include fencing and security personnel, at its sole cost and expense (except as otherwise provided in the Purchase Agreement with regard to the six-month period after the Date of this Agreement), which security shall be reasonably acceptable to Honeywell.

3.2 **Access for Completion of Remediation and for Long Term Monitoring:** Buyer hereby grants to Honeywell and Honeywell's Access Parties a non-exclusive permanent easement for access to, under, and across the Development Lots, at no cost to Honeywell and Honeywell's Access Parties, for the purpose of completing the Chromium Remedy and for Long Term Monitoring, for completion of the Beneficial Environmental Project, and for completion of the Deferred Work, including: (i) the privilege of ingress and egress for persons, vehicles, machinery and
equipment over and across the Development Lots and to and from the Development Lots and any public roads or adjacent rights-of-way; (ii) the installation, inspection maintenance, repair, relocation, storage or operation of any monitoring or Remediation equipment or facilities (including underground piping along the bulkhead of the Bayfront Property and deep groundwater monitoring wells in the vicinity) reasonably required in connection with the Remediation and Long Term Monitoring provided there is space available on the Bayfront Property to install such equipment or facilities without commercially unreasonable interference to the operations of Buyer; (iii) the utilization of staging areas with Buyer’s consent as to their location, which consent shall not be unreasonably withheld; (iv) the use of utilities, to be used or consumed at Honeywell’s expense; (v) access to and use of onsite utilities, including water, power and sewage (which shall be separately metered by Honeywell or subject to an equitable reimbursement mutually agreeable to the parties); (vi) indemnifications by Honeywell which include at minimum, the indemnifications set forth in Section 2.2; and (vii) proofs of insurance in the amounts and of the types reasonably acceptable to Buyer, naming the Buyer and/or its agents, successors or assigns as additional insured.

3.2.1 As of the Date of this Agreement, Honeywell’s outstanding obligations with respect to the maintenance of the Chromium Remedy and implementation of Long Term Monitoring and the areas to which Honeywell will require on-going access are summarized in Exhibits F-1, F-2, H, and I, attached hereto, all of which are subject to change. Chromium Contamination in the Development Lots and Open Space Lots proximate to the utilities impacted by the Route 440 widening project and contamination along the bulkhead (areas that are part of the Deferred Work) will be addressed in the future as set forth in the Consent Order Entering Consolidated 100% Design for Study Area 6 North and Study Area 6 South, Doc. No. 1180 (entered July 10, 2013), and subject to the review and comment procedures prescribed in Paragraph 72 of the SA6 North Consent Decree and Paragraph 86 of the SA6 South Consent Decree. Buyer shall not commence construction activities, disturb any soils, or conduct any invasive activities in any areas subject to the Chromium Remedy until Honeywell’s receipt of the No Further Action Equivalent letters for SA6 South and SA 6 North Development Lots from the NJDEP.

3.2.3 For Long Term Monitoring, Honeywell requires, and pursuant to Section 3.2 above, Buyer grants, access to the well locations identified on Exhibits E-1 and E-2, or to areas identified as well locations after the Date of this Agreement in accordance with Section 3.1.9, as well as additional areas of the Development Lots as set forth in the Long Term Monitoring Plans. Pursuant to the SA6 Consent Decrees, modifications to the Long Term Monitoring Plans, which may impact Honeywell’s access needs, may occur in the future and Buyer shall cooperate with Honeywell with respect to accommodation of such access needs.

3.2.4 Honeywell’s Responsibility for Damage. If Honeywell or Honeywell’s Access Parties cause damage to real or personal property or fixtures on the Development Lots during the performance of the Remediation of Chromium Contamination or Long Term Monitoring, Honeywell shall cause such damage to be repaired or replaced, and the damaged real or personal property or fixtures materially restored to their condition prior to the damage to the extent possible, at its expense.

3.2.5 Honeywell and Buyer Subject to Matters of Record. Honeywell and Buyer shall be subject to all covenants, conditions, restrictions, reservations, exceptions, agreements, rights and
easements of record affecting the Development Lots in effect on or before the Date of this Agreement.

3.2.6 Conduct of Access Parties. Honeywell shall ensure that Honeywell’s Access Parties, in the performance of the Remediation of Chromium Contamination and Long Term Monitoring, comply with all applicable laws, rules, Consent Decrees, ordinances, regulations and orders of the Oversight Entities.

3.2.7 Notice. Honeywell or Honeywell’s Access Parties shall notify Buyer no less than three (3) work days in advance (or as soon as possible if Honeywell or Honeywell’s Access Parties require immediate access under the instructions of the Oversight Entities or when responding to emergency conditions) before taking any actions on the Development Lots (and after the transfer to Buyer, the Open Space Lots) other than the regular monitoring set forth in the Long Term Monitoring Plans, for which a one-time notification of the anticipated routine activities will be provided in advance. If Buyer believes Honeywell’s or Honeywell’s Access Parties’ access will unreasonably interfere with Buyer’s use of the Development Lots (or after transfer to Buyer, the Open Space Lots) on the date specified in Honeywell’s notice, Buyer shall immediately notify Honeywell, and the Parties shall endeavor to reschedule Honeywell’s access for a mutually convenient time, except in the event Honeywell requires access (i) to address a written request from the Oversight Entities that requires Honeywell to obtain earlier access, or (ii) to address emergency conditions.

3.2.8 No Liens. Honeywell shall not permit any liens against the Development Lots or Open Space Lots for materials, goods, services, remediation, construction or any other costs incurred by, through or related to Honeywell, including but not limited to, the maintenance of the Remediation of Chromium Contamination, implementation of the Long Term Monitoring and any other activities of Honeywell or the Access Parties, and in the event any such lien is filed, Honeywell shall promptly remove any such lien of which it is aware after receiving written notice of the lien from the Buyer. If Honeywell fails to remove any such liens (which removal can be accomplished by payment or posting of a bond or such other means as would cause the liens to be released of record) within thirty (30) days after receiving such written notice, Buyer may do so and Honeywell shall reimburse Buyer for the reasonable costs of such removal, including reasonable attorneys’ fees and costs. In the event of any conflict or inconsistency between this Section 3.2.8 and the Purchase Agreement with respect to liens on the Open Space Lots, the Purchase Agreement shall govern.

3.3 Buyer’s Access to and Obligations regarding the Open Space Lots. In accordance with the SA6 Consent Decrees, Seller shall retain title to the Open Space Lots until completion of, and approval by Oversight Entities of, final construction by Buyer of all roads and utility corridors in the Open Space Lots, after which title to the Open Space Lots shall be transferred from Seller to the City of Jersey City, pursuant to the SA 6 Consent Decrees (“Open Space Closing”). The Parties have this day executed an Open Space Access Easement (Exhibit F to the Purchase Agreement), which grants Buyer a permanent, non-exclusive ingress and egress easement over the Open Space Lots, in accordance with the limitations set forth in the Open Space Design Standards, Section 2.2.1., regarding limitations on temporary and permanent roadways in the Open Space Lots. Buyer agrees that its access across the Open Space Lots shall conform with the requirements of the Open Space Design Standards, including Section 2.2.1. In conjunction
with Buyer's development of the Development Lots, Buyer shall undertake the Open Space Development Work on the Open Space Lots in accordance with the Open Space Design Standards and as set forth herein. Pursuant to the SA 6 Consent Decrees, upon transfer of the Open Space Lots from Seller to the City of Jersey City at the Open Space Closing, the City of Jersey City will grant Seller all necessary access for purposes of allowing Seller to meet its obligation to monitor and maintain the Chromium Remedy ("Honeywell Open Space Easement"), in accordance with the requirements of the SA 6 Consent Decrees and incorporating the same terms as prescribed in Section 3.2, herein.

3.3.1 Buyer's Obligations regarding the Open Space Development Work: In developing the Open Space Development Plans and implementing the Open Space Development Work, Buyer agrees to abide by all the terms, prescriptions, and prohibitions in the SA6 Consent Decrees, the Engineering and Institutional Controls on the Open Space Lots, as well as the Open Space Design Standards adopted pursuant to the SA6 Consent Decrees.

3.3.1.1 Specifically, Buyer agrees to submit to Honeywell the Open Space Development Plans, which, within thirty (30) days, Honeywell shall review for conformance with the Open Space Design Standards and the SA6 Consent Decrees. If, upon Honeywell's review, revision to the Open Space Development Plans is required, Honeywell shall provide Buyer written comments regarding same. Buyer shall implement any necessary revisions and re-submit the Open Space Development Plans to Honeywell for its review, upon which Honeywell shall be afforded an additional thirty (30) day review period prior to submittal to the Oversight Entities or return to Buyer for additional revision. This process will continue until the Open Space Development Plans are approved by Honeywell.

3.3.1.2 Pursuant to the SA6 Consent Decrees, Honeywell retains the sole obligation for submittal of the Open Space Development Plans to the relevant Oversight Entities. Honeywell, in its sole discretion, upon determining the Open Space Development Plans are appropriate for submittal, shall do so. Buyer shall address comments received from the relevant Oversight Entities on the Open Space Development Plans and all such related documents and shall resubmit the same to Honeywell in accordance with the procedures set forth above.

3.3.1.3 Buyer shall not commence any work until all applicable processes for obtaining written final approval of the Open Space Development Plans by the relevant Oversight Entities have been completed and such written approval has been obtained.

3.3.1.4 Upon completion of each phase of the Open Space Development, Buyer agrees to submit to Honeywell as-built documentation of the completed Open Space Development, which, within thirty (30) days, Honeywell shall review for conformance with the Open Space Design Standards, the SA 6 Consent Decrees, and the approved Open Space Development Plans. If, upon Honeywell's review, revision to the as-built documentation or construction is required, Honeywell shall provide Buyer written comments regarding same. Buyer shall implement any necessary revisions to the documentation or construction, or both, and re-submit the as-built documentation to Honeywell for its review, upon which Honeywell shall be afforded an additional thirty (30) day review period prior to submittal to the Oversight Entities or return to Buyer for additional revision. This process will continue until the as-built documentation is approved by Honeywell.
3.3.1.5 Pursuant to the SA6 Consent Decrees, Honeywell retains the sole obligation for submittal of the as-built documentation to the relevant Oversight Entities. Honeywell, in its sole discretion, upon determining the as-built documentation is appropriate for submittal, shall do so. Buyer shall address comments received from the relevant Oversight Entities on the as-built documentation and all such related documents and shall resubmit the same to Honeywell in accordance with the procedures set forth above.

3.3.1.6 Buyer may submit to Honeywell the Open Space Development Plans in one or more phases. Buyer may schedule the Open Space Closing individually for Study Area 6 North and South, after the road and utility corridors within the Open Space Lots have been completed individually for Study Area 6 North and for Study Area 6 South, in accordance with the SA 6 Consent Decree procedures.

3.3.2 Permits and Approvals: Except for approvals by Oversight Entities pursuant to the SA6 Consent Decrees or the RAPs related to Chromium Contamination, any and all other permits, licenses, authorizations or approvals required in connection with the Open Space Development Work shall be obtained by Buyer at Buyer’s sole cost and expense. Honeywell shall reasonably cooperate and join with Buyer to secure such approvals including joining in any necessary permit applications and supplying documentation or witnesses required thereby; provided, however, such cooperation and joining in permits shall not diminish Buyer’s liabilities and obligations under this Agreement, and provided further, however, that any such activities shall not impose any additional financial or other obligations, liabilities, or out-of-pocket costs upon Honeywell for the Open Space Lots.

3.3.3 No Liens. Buyer shall not permit any liens against the Open Space Lots for materials, goods, services, construction or any other costs incurred by, through or related to the Buyer, including but not limited to, the implementation of the Open Space Development Work and any other activities of the Buyer or the Buyer’s Access Parties, and in the event any such lien is filed, Buyer shall promptly remove any such lien of which it is aware after receiving written notice of the lien from Honeywell. If Buyer fails to remove any such liens (which removal can be accomplished by payment or posting of a bond or such other means as would cause the liens to be released of record) within thirty (30) days after receiving such written notice, Honeywell may do so and Buyer shall reimburse Honeywell for the reasonable costs of such removal, including reasonable attorneys’ fees and costs.

3.3.4 Buyer’s Responsibility for Damage. If Buyer or Buyer’s Access Parties cause damage to real or personal property or fixtures on the Open Space Lots, or damage to any of the Engineering Controls in the Development Lots or the Open Space Lots, including the cap, Buyer shall cooperate with Honeywell in the expeditious repair or replacement of the capped areas, and the repair or replacement of any such damaged real or personal property or fixtures or Engineering Controls, shall be at Buyer’s sole expense.

3.3.5 Buyer’s access to and obligations regarding the Open Space Lots as set forth in this Section 3.3 shall be subject to Sections 2.3 and 2.4 herein.

4. Engineering and Institutional Controls.
4.1 As of the Date of this Agreement, the Institutional Controls listed in Exhibit I attached hereto are currently approved or must be approved in order to obtain Regulatory Closure in accordance with the Consent Decrees and Environmental Laws. Specifically, a conservation restriction for the Site 163 Hardscape Area Lot has been proposed and is under review by the Oversight Entities, and modifications to conservation restrictions for the Study Area 6 North and Study Area 6 South Open Space Lots have been proposed and are under review by the Oversight Entities (additional detail on the status of Institutional Controls is provided in Exhibit I.) Buyer agrees to abide by the Engineering and Institutional Controls that exist or may be subsequently required by the Consent Decree or by Environmental Laws.

4.1.1 Specifically, roadways, sidewalks, vegetated materials, crushed stone, and other paved features ("Cap Features") on the Open Space Lots and the Development Lots serve as Engineering Controls and their relocation may not be possible absent modification to the existing Institutional Controls, RAPs, and Regulatory Closure, which may require approval and oversight by the Oversight Entities ("the Approval and Oversight Process"). Buyer shall accommodate, comply with, and account for the Engineering and Institutional Controls in its redevelopment plans. To the extent Buyer determines that relocation of Cap Features or any other modification to the Remediation of Chromium Contamination that has been Approved by the Oversight Entities prior to this Agreement may be necessary for redevelopment of the Development Lots as set forth in the Bayfront Redevelopment Plan, Buyer shall bear all costs and expenses associated with the Approval and Oversight Process as well as all incremental costs resulting from any the construction or implementation of such modification.

4.2 Engineering and Institutional Controls in addition to those summarized on Exhibit I may be an element of the Remediation of Chromium Contamination necessary to obtain Regulatory Closure on one or more of the Open Space Lots, and the Development Lots, and are subject to review and approval by the Oversight Entities. Prior to submitting to the Oversight Entities drafts of any proposed additional Engineering and Institutional Controls, Honeywell shall consult with, and reasonably cooperate with Buyer over the terms, location and extent of such Engineering and Institutional Controls. Buyer shall execute, and agrees to the recording of, Engineering and Institutional Controls on the Development Lots and the Open Space Lots (in form and content acceptable to Honeywell and the Oversight Entities), to the extent that such controls are required by the Oversight Entities in order for Honeywell to achieve Regulatory Closure in accordance with the terms of this Agreement. Each and every Engineering and Institutional Control on any of the Development Lots and Open Space Lots, without regard to the date executed and/or recorded, shall encumber and be a lien on Development Lots and the Open Space Lots described therein, which lien shall have priority over any and all other Encumbrances then or thereafter affecting such Development Lots or Open Space Lots, without the need or requirement to record any instrument confirming the priority of the Engineering and Institutional Control and subordination of all other Encumbrances. In confirmation of the priority and subordination provided herein, at Honeywell's request, Buyer shall obtain the written subordination of any existing mortgage lienholder and the written subordination or joinder and consent of the interest of any other Encumbrance holder, as may be required by the Applicable Governmental Agency (collectively "Subordination and Joinders"), provided, however, the failure or refusal to obtain any Subordination and Joinders shall not affect the lien priority of the Engineering and Institutional Controls as provided herein.
4.3 At Honeywell’s request, Buyer shall provide Honeywell all necessary information to allow Honeywell to provide notice to stakeholders and effectuate the notice requirements in accordance with Paragraphs 80 and 82 of the SA6 South Consent Decree and Paragraphs 66 and 68 of the SA6 North Consent Decree. Buyer shall also include provisions in all future leases requiring: (i) tenants to comply with Environmental Laws pertaining to the use, storage and disposal of Hazardous Substances; (ii) tenants not to disturb or otherwise breach any Engineering and Institutional Controls; and (iii) tenants to provide Buyer or any successor landlord with copies of any submissions to Applicable Governmental Authorities, required under Environmental Laws, that pertain to tenant’s use, storage or handling of Hazardous Substances at the Development Lots, whereupon the same, upon Honeywell’s request, shall be delivered to Honeywell.

5. Identification of Hazardous Substances Following the Date of this Agreement.

5.1 Honeywell Notification. If the presence, or suspected presence, of a Hazardous Substance(s) at the Bayfront Property is discovered on or after the Date of this Agreement, Buyer shall promptly notify Honeywell in writing of such discovery.

5.2 Evaluation by Honeywell. Promptly after receipt of notification pursuant to Section 5.1, Honeywell shall commence an onsite evaluation of the subject Hazardous Substances to determine whether such Hazardous Substance(s): (a) are in fact present; (b) require notification of the Oversight Entities; or (c) may require cleanup or other action by Honeywell under the Consent Decrees or Environmental Laws. To the extent that Honeywell determines that notification of the Oversight Entities is required, Honeywell shall work cooperatively and in good faith with Buyer to make such notification promptly and in conformance with Environmental Law.

5.3 Determination by Honeywell. Promptly after receipt of notification pursuant to Section 5.1, Honeywell shall determine whether Honeywell believes that the Hazardous Substance(s) discovered by Buyer is one of Honeywell’s Retained Environmental Liabilities, and shall notify Buyer in writing of same.

5.4 Remediation by Honeywell. In the event that Honeywell determines that the Hazardous Substance(s) is one of Honeywell’s Retained Environmental Liabilities, Honeywell shall proceed with diligence to conduct any Remediation.

5.5 Honeywell Objection to Responsibility. In the event that Honeywell determines that the Hazardous Substance(s) described in Section 5.1 is not one of Honeywell’s Retained Environmental Liabilities, and Buyer Disagrees, Buyer and Honeywell shall negotiate in good faith to attempt to resolve their disagreement within thirty (30) days of receipt by Buyer of Honeywell’s notification pursuant to Section 5.3, which period is extendable by mutual agreement of the Parties. In the event the Parties remain unable to resolve their disagreement following the period of good faith negotiations described herein, the Parties reserve all rights and remedies available to them under this Agreement.

6. Notices. Whenever in this Agreement it shall be required or permitted that notice or demand be given or served by either party to this Agreement, such notice or demand shall be given or served in writing and sent to the Parties at the addresses set forth below:
To Seller: Honeywell International Inc.
21925 Field Parkway, Suite 220
Deer Park, IL 60010
ATTN: Daniel Kirschner, Vice President, Global Real Estate
Email: Daniel.Kirschner@Honeywell.com

With copy to: Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
ATTN: Assistant General Counsel/Chief Environmental Counsel
Email: tom.byrne@honeywell.com

With copy to: Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
ATTN: William Hague, Remediation Manager - Corporate HSE
Email: william.hague@honeywell.com

With copy to: Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
ATTN: John Morris, Remediation Director - Corporate HSE
Email: john.morris@honeywell.com

With copy to: Arnold & Porter Kaye Scholer LLP
601 Massachusetts Ave., NW
Washington, DC 20001
ATTN: Michael Daneker
Email: Michael.Daneker@arnoldporter.com

To Buyer: [XX]

With copy (by email) to: [XX]

All such notices shall be sent by: (i) certified or registered mail and shall be effective three (3) days after the date of mailing; (ii) Federal Express or similar overnight courier and shall be effective upon delivery; (iii) email transmission and shall be effective on the date of receipt of the transmission; or (iv) personal service and shall be effective on the same day as service. Any
such address may be changed from time to time by either party serving notices as above provided. Attorneys for a party shall be authorized to give notices on behalf of such party.

7. **Recordation.** This Agreement shall be filed and recorded.

8. **Successors and Assigns.**

8.1 This Agreement shall run with the land and be binding upon and shall inure to the benefit of permitted successors and assigns of the Parties. Subject to the SA6 Consent Decrees, Seller shall have the right to assign this Agreement with Buyer’s consent in the case of an assignment to an unrelated third party that is not a Corporate Assignment (hereafter defined) and without Buyer’s consent or approval in the case of a Corporate Assignment. In the event of a request for an assignment to an unrelated third party that is not a Corporate Assignment, Seller shall provide notice and contact information to Buyer in accordance with Section 6 of this Agreement. This Agreement shall be senior in priority to all covenants, conditions, restrictions, reservations, exceptions, agreements, rights, easements, mortgages, liens and encumbrances (collectively, "Encumbrances") created or affecting the Bayfront Property after the Date of this Agreement. The existence of any Encumbrance or foreclosure or exercise of any rights by the holder of any Encumbrance shall not affect this Agreement and anyone acquiring title to all or any portion of the Bayfront Property by foreclosure, deed in lieu of foreclosure or by any other means shall take title to the Bayfront Property acquired subject to, and shall be bound by, this Agreement.

8.2 "Corporate Assignment" shall be defined broadly to include any assignment other than an assignment to an unrelated third party, and shall include an assignment to: (a) Seller’s subsidiary or other affiliated entity, (b) a joint venture between Seller, or an affiliate, and an unrelated third party, (c) a partnership between Seller, or an affiliate, and an unrelated third party, and (d) a related or unrelated successor in interest to any part or all of Seller’s business including, without limitation, a sale of assets or stock, or a merger or consolidation with another related or unrelated entity ("M&A Transaction"). If Seller elects to assign this Agreement, Seller shall remain primarily liable regarding Seller’s obligations under this Agreement.

8.3 Notwithstanding the foregoing, Buyer recognizes that Seller may not be a surviving corporation in the case of an M&A Transaction and, in such event, Seller will not remain primarily liable, but the surviving corporation (by operation of law or otherwise) will assume Seller’s obligations under this Agreement and will become primarily liable.

8.4 Buyer has the right to transfer all or any portion of its interest in the Development Lots. In the event of any such transfer, Buyer and all subsequent owners, subject to Seller’s consent, which consent shall not be unreasonably withheld, shall have the right to assign to such transferee the rights, interests and benefits under this Agreement as they relate to the transferred portion of the Development Lots. Buyer shall not transfer its obligations with respect to Section 3.3 without Seller’s consent, which consent shall not be unreasonably withheld.

8.5 At any time there is more than one owner of the Development Lots, only one owner of the Development Lots ("Single Owner Representative") shall have the right to send notices or demands to Seller under this Agreement. Buyer shall coordinate all notices and demands to Seller such that the Single Owner Representative delivers only one notice or demand to Seller for
each request made pursuant to this Agreement. By sending notice to Seller, the Single Owner Representative shall bind all other owners of the Development Lots with regard to their rights under such notice. Seller shall only be required to correspond with the Single Owner Representative. By default, the Single Owner Representative shall be deemed Buyer or the last of Buyer’s successors in title to provide written notice to Seller that it is the Single Owner Representative. Seller shall have the right, in its sole discretion, to disregard any additional or conflicting demands from any party other than the Single Owner Representative.

8.6 Any transfer or assignment in violation of this Section 8 shall be null and void.

9. **Not A Public Dedication.** Notwithstanding the Parties’ acknowledgment that the Open Space Lots shall be donated to Jersey City in accordance with the terms and conditions of the SA6 Consent Decrees, nothing contained in this Agreement will be deemed to be a gift or dedication of any portion of the Bayfront Property to the general public or for the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement will be strictly limited to and for the purposes herein expressed.

10. **No Business Relationship.** The Parties intend that this Agreement shall establish a grantor- grantee relationship between the Parties, and expressly disavow any intent or desire to create a partnership, joint venture, joint enterprise, principal and agent or any other business relationship other than that of licensor and licensee.

11. **Third Party Rights.** This Agreement shall not create any rights or benefits for any parties other than Seller and Buyer.

12. **Miscellaneous.**

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

12.2 No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any succeeding or preceding breach thereof, or any other covenant or provision herein contained. No extension of time of any obligation or act shall be deemed an extension of the time for performance of any other obligation to act except those of the waiving party, which shall be extended by a period of time equal to the period of delay.

13. **Construction.** Headings at the beginning of each section and subsection are solely for the convenience of the Parties and are not a part of the Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared the same.
14. **Counterparts/Delivery.** This Agreement may be executed in two or more duplicate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

15. **Entire Agreement.** This Agreement and the pertinent provisions of the Purchase Agreement embody the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings between the Parties relating thereto. Relative to the rights, obligations and remedies to be afforded the parties in connection with environmental matters, in the event of any discrepancy between this Agreement and the Purchase Agreement, the terms of this Agreement shall govern. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

16. **Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the New Jersey in which the Bayfront Property is located, without giving effect to the principles of conflicts of law thereof.

[Signatures on next page]
IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement as of the date first written above.

BUYER:

Witnesses:    

Print Name: __________________________

By: __________________________

Name: __________________________

As its Manager

Print Name: __________________________

STATE OF __________________________)

COUNTY OF __________________________

The foregoing instrument was acknowledged before me this ___ day of __________, by __________________________ as __________________________, on behalf of the __________________________. He is personally known to me, or has produced __________________________ as identification.

Signature of Notary Public

Print Name of Notary Public

Commission No. __________________________

Commission Expires: __________________________
SELLER: HONEYWELL INTERNATIONAL INC.,
A Delaware corporation

By: ___________________________________________
   Daniel Kirschner
   Vice President, Global Real Estate

BAYFRONT REDEVELOPMENT LLC, ______

By: HONEYWELL INTERNATIONAL INC.,
a Delaware corporation, as its manager

By: ___________________________________________
   Daniel Kirschner
   Vice President, Global Real Estate

STATE OF ___________________________) s.s.:

COUNTY OF _________________________)

The foregoing instrument was acknowledged before me this ___ day of ________, by
____________________________________________________, as ____________________________, on behalf of the
____________________________________________. He is personally known to me, or has produced
__________________________________________ as identification.

____________________________________
Signature of Notary Public

____________________________________
Print Name of Notary Public

Commission No. _______________________

Commission Expires: _________________

____________________________________
Signature of Notary Public

____________________________________
Print Name of Notary Public

Commission No. _______________________

Commission Expires: _________________
COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (hereafter the “Agreement”) is made this ______ day of ____________, 20__ (the “Effective Date”), between the CITY OF JERSEY CITY, a municipal corporation of the State of New Jersey, with offices at City Hall, 280 Grove Street, Jersey City, New Jersey 07302 (the “City”), and the JERSEY CITY REDEVELOPMENT AGENCY, a public body corporate and politic of the State of New Jersey, with offices at 66 York Street, 3rd Floor, Jersey City, New Jersey 07302 (the “Agency”; together with the City, the “Parties”, each, a “Party”).

WITNESSETH:

WHEREAS, on March 12, 2008, pursuant to Ordinance 08-025 and the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), the City adopted a redevelopment plan known as the Bayfront I Redevelopment Plan (the “Redevelopment Plan”) to regulate the redevelopment of the Bayfront I Redevelopment Area (the “Redevelopment Area”); and

WHEREAS, on October __, 2018 the City finally adopted an ordinance (the “City Ordinance”) authorizing public financing for the acquisition of approximately 70 acres of real property located within the Redevelopment Area, identified more specifically as Block 21901.01, Lots 1, 4, 6, 8 and 9 on the official tax maps of the City (the “Development Lots”) and Block 21901, Lot 4 (the “Trenk Lot”, and with the Development Lots, the “Property”) from Bayfront; and

WHEREAS, in accordance with the City Ordinance, the City and Bayfront have executed that certain Real Estate Purchase Agreement, effective as of November 1, 2018 (the “Purchase Agreement”) pursuant to which title of the Development Lots and the Trenk Lot shall transfer to the City; and

WHEREAS, pursuant to that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 North and that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 South, in each case entered in Jersey City Municipal Utilities Authority v. Honeywell International, Inc., United States District Court, District of New Jersey, and other related cases consolidated under Docket No. 05-5955 (DMC-PS) (collectively, the “Consent Decree”), the Redevelopment Area is subject to environmental remediation and monitoring requirements by Honeywell International Inc. (“Honeywell”) and the City, all as further set forth in that certain Environmental Agreement between the City and Bayfront, effective as November 1, 2018 (the “Environmental Agreement”); and

WHEREAS, Bayfront is also the owner of approximately 25 acres of real property located within the Redevelopment Area, identified more specifically as Block 21901.01, Lots 3, 5 and 7 on the official tax maps of the City (the “Open Space Lots”); and
WHEREAS, in accordance with the requirements of the Consent Decree, Bayfront shall donate the Open Space Lots to the City after completion of the construction of the road and utility corridors within the Open Space Lots; and

WHEREAS, the City Ordinance also authorized the demolition of certain structures located on the Development Lots (the “Demolition”), the construction of certain infrastructure improvements within the Redevelopment Area as described in the City Ordinance (the “Infrastructure Improvements”) and the entry of this Agreement for the Agency to act as redevelopment entity for the redevelopment for the Redevelopment Area (the “Redevelopment Entity”); and

WHEREAS, Bayfront will transfer title to the Development Lots and the Trenk Lot to the City on or before January 15, 2019 (the “Development Lots Closing”); and

WHEREAS, upon the Development Lots Closing, the City, and the Redevelopment Entity, as its agent, shall take on all the rights and obligations set forth in the Purchase Agreement, the Environmental Agreement and all other closing documents (collectively, the “Development Lots Closing Documents”), which are incorporated herein by reference; and

WHEREAS, after the completion of construction of the road and utility corridors within the Open Space Lots, Bayfront shall transfer title of the Open Space Lots to the City (the “Open Space Closing”); and

WHEREAS, the City desires that the Agency exercise the powers available to it as Redevelopment Entity for the Redevelopment Area and facilitate the undertakings contemplated in the Redevelopment Plan and the Development Lots Closing Documents, and shall, amongst other things, oversee the completion of the Demolition, manage the Development Lots Closing, oversee the construction of the road and utility corridors within the Open Space Lots and manage the Open Space Closing, oversee the construction of the Infrastructure Improvements and coordinate with all utilities, manage the site security, environmental remediation and monitoring responsibilities under the Environmental Agreement, procure all necessary professionals, and market the Redevelopment Area and negotiate redevelopment agreements with redevelopers (the “Agency Redevelopment Activities”), and

WHEREAS, the Parties have determined that the Agency has the experience and expertise to implement the Agency Redevelopment Activities; and

WHEREAS, in furtherance of the Agency Redevelopment Activities, the City shall, from time to time transfer title of one or more of the Development Lots to the Agency; and

WHEREAS, the Parties find it mutually beneficial and in the public interest to enter into a cooperation agreement for redevelopment of the Redevelopment Area; and

WHEREAS, the City and the Agency have duly authorized their proper officials to enter into and execute this Agreement.
NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1
PURPOSE AND SCOPE OF AGREEMENT

1.1 The purpose of this Agreement is to set forth the mutually agreeable terms and conditions under which the City and the Agency will undertake redevelopment of the Redevelopment Area.

ARTICLE 2
TERM OF AGREEMENT

2.1 This Agreement shall commence on the Effective Date and shall expire upon the earlier of (a) termination by either Party in accordance with the terms set forth in this Agreement, or (b) completion of redevelopment of the Redevelopment Area, which shall mean the receipt of a final Certificate of Occupancy for the Redevelopment Area.

ARTICLE 3
REDEVELOPMENT: IMPLEMENTATION

3.1 The City hereby appoints the Agency as its general agent with respect to any action to be taken, direction to be provided, or right or remedy to be exercised by the City as redevelopment entity for the Redevelopment Area. The Agency shall have full power to undertake redevelopment of the Redevelopment Area in accordance with the Redevelopment Law, including the power to take any reasonably necessary or convenient action to carry out its duties, obligations and responsibilities. The Agency shall undertake the Agency Redevelopment Activities, as defined herein, and utilize its best efforts to ensure that the Redevelopment Area is redeveloped, marketed, used and maintained in accordance with the Redevelopment Law and the Redevelopment Plan. The Agency shall provide the City with ongoing updates, including financial information, concerning its efforts with respect thereto.

3.2 The Parties intend to undertake the redevelopment in tranches as set forth in Article 5 herein (each, a "Tranche"). The Agency shall have the discretion to select one or more redeveloper(s) to design, construct, maintain and operate the applicable Tranche(s) in accordance with the terms and conditions of the Redevelopment Plan and in consultation with the City, which consultation shall include regular and routine communication regarding all aspects of design, construction, maintenance and operation including budgeting, solicitation and negotiation of developers, as well as consultation with the advisory committee as and when appropriate. The Agency at its discretion may award and enter into one or more redevelopment agreement(s) with one or more redevelopers for each applicable Tranche. The material terms and conditions of this Agreement will be incorporated into any such redevelopment agreement.
ARTICLE 4
FUNDING OF REDEVELOPMENT

4.1 The City will provide the funding for the Agency Redevelopment Activities with proceeds from bonds or notes issued pursuant to the City Ordinance. In furtherance thereof the City and the Agency shall establish a budget for such expenses to be updated periodically by the Parties.

4.2 The City and the Agency shall work together to develop a financial plan for the issuance of bonds or notes to fund (A) ongoing City expenses related to the implementation of the Redevelopment Plan including capitalized interest, costs of issuance and other costs and expenses and (B) Agency Redevelopment Activities.

4.3 The City shall transfer funds to the Agency as and when needed to fund the budget established pursuant to Section 4.1 for Agency Redevelopment Activities.

ARTICLE 5
TRANSFER OF THE PROPERTY

5.1 The City shall from time to time, in whole or in part, convey to the Agency its title in the Property. The Agency in its discretion reserves the right to reconfigure any Tranche or the order of redevelopment as circumstances may require.

ARTICLE 6
RELEASE OF THE PROPERTY

6.1 The Agency shall convey title to one or more of the Development Lots to portions of the Property to the applicable redeveloper upon such price and terms as the Agency, in conjunction with the City, and such redeveloper determine reasonable in accordance with the Redevelopment Law.

ARTICLE 7
NOTICE

7.1 Notices. All notices, requests, demands or other communications required or desired hereunder shall be in writing, and shall be deemed duly given if hand delivered or mailed by certified mail, return receipt requested to:

In the case of the City:

City of Jersey City
Business Administrator
City Hall
280 Grove Street
ARTICLE 8
TERMINATION

8.1 The City or the Agency may terminate this Agreement in whole or in part upon giving at least sixty (60) days' written notice to the other Party of such termination and specifying the effective date therefor. In such case, the Parties shall continue to perform their respective obligations as required until the effective date provided in the termination notice.

ARTICLE 9
MISCELLANEOUS

9.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and there have been and are no covenants, agreements, representations or restrictions between the Parties hereto set forth elsewhere with respect to the subject matter hereof.

9.2 Amendment. No modification or amendment of this Agreement shall be effective unless made in writing and executed by both the Agency and the City.

9.3 Titles and Headings. Any titles of the several Articles and Sections of this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of its provisions.

9.4 Counterparts. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute one and the same instrument.

9.5 No Waiver by Delay. The failure of either Party to avail itself of any remedy provided for in this Agreement, or either Party's delay in seeking such remedy, shall not be deemed a waiver of the rights to be enforced thereby or of any right of enforcement that may accrue in the future.
9.6 Binding. The provisions of this Agreement shall be binding on and inure to the benefit of the Parties hereto, their legal representatives, successors and permitted assigns.

[Signatures appear on following page]
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

ATTEST

Robert Byrne
City Clerk

CITY OF JERSEY CITY

By: ________________________________

Brian Platt
Business Administrator

WITNESS

JERSEY CITY REDEVELOPMENT AGENCY

By: ________________________________

Diana Jeffrey
Executive Director
ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-114

TITLE:

AN ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, PROVIDING FOR A SPECIAL EMERGENCY APPROPRIATION OF $14,500,000 FOR THE PAYMENT OF CONTRACTUALLY REQUIRED SEVERANCE LIABILITIES RESULTING FROM THE RETIREMENT OF CITY EMPLOYEES

WHEREAS, N.J.S.A. 40A:4-53 provides that a municipality may adopt an ordinance providing for a special emergency appropriation for contractually required severance liabilities resulting from the retirement of City employees; and

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, New Jersey (the "City") has determined to authorize a special emergency appropriation to provide for the payment of contractually required severance liabilities resulting from the retirement of City employees; and

WHEREAS, the estimated cost of the payment of the required severance liabilities is $14,500,000; NOW THEREFORE

BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

Section 1. Pursuant to N.J.S.A. 40A:4-53, the sum of $14,500,000 is hereby appropriated for the payment by the City of contractually required severance liabilities resulting from the retirement of City employees, and the same shall be deemed a special emergency appropriation as defined and provided for in N.J.S.A. 40A:4-55.

Section 2. The portion of the authorization financed shall be provided for in succeeding annual budgets by the inclusion of at least one fifth of the amount authorized by this ordinance and financed and as provided in N.J.S.A. 40A:4-55.

Section 3. A copy of this ordinance shall be filed with the Director of the Division of Local Government Services.
Section 4. This ordinance shall take effect upon final passage and publication as required by law.
AN ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, PROVIDING FOR A SPECIAL EMERGENCY APPROPRIATION OF $14,500,000 FOR THE PAYMENT OF CONTRACTUALLY REQUIRED SEVERANCE LIABILITIES RESULTING FROM THE RETIREMENT OF CITY EMPLOYEES

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Administration</th>
<th>Management &amp; Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Donna Mauer</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Phone/email</td>
<td>201-547-3042</td>
<td><a href="mailto:DonnaM@jcnn.org">DonnaM@jcnn.org</a></td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This ordinance will allow for the appropriation and issuance of up to $14,500,000 in emergency notes to fund accumulated time payouts to retirees.

I certify that all the facts presented herein are accurate.

Signature of Department Director  

Date  9/17/18
COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-115

TITLE:
AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 160, (FEES AND
CHARGES) SECTION SS, (VEHICLES AND TRAFFIC) OF THE MUNICIPAL CODE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES HEREBY ORDAIN:

I. The following amendments to Chapter 160, (Fees and Charges) Section SS (Vehicles
and Traffic) are hereby adopted:

CHAPTER 160
FEES AND CHARGE

§160-1.- Fee schedule established.

Fees shall be as follows:

A. through RR.

NO CHANGE.

SS. Chapter 332, Vehicles and Traffic.

(1) through (9)

NO CHANGE.

(10) On street parking permit fees. Beginning on July 1, 2015, the following fees
shall apply:

a. Residential parking permit or new resident temporary parking
permit: fifteen dollars ($15.00) per year for each vehicle registered to
a resident of the zone;

b. Non-residential parking permit: three one hundred dollars
($3100.00) per year;

c. Temporary resident parking permit (90-day): one hundred twenty-
five dollars ($125.00):

Temporary work permit (90-day): one hundred twenty-five dollars
($125.00) and not more than 90 days;

Temporary residential permit (14-day): fifteen dollars ($15.00);

d. Home healthcare permit (90-day): fifty dollars ($50.00);

e. Contractor parking permit (1 and 2 family residences):

(i) Six-month permit: one hundred twenty-five dollars ($125.00);

and

(ii) Daily permit: fifteen dollars ($15.00) a day;
f. Visitors parking permit: Daily: five dollars ($5.00) for each permit for up to five (5) permits;

g. Transfer permit: fifteen dollars ($15.00);

h. Senior citizen residents or deed restricted low/moderate income residents or R-2 residents: zero dollars ($0.00).

i. Zone 16-2: $50 per six-month period for each vehicle registered to a person currently working for an employer located within Parking Permit Zone 16.

(11) through (13)

NO CHANGE.

II. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

III. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

IV. This Ordinance shall take effect at the time and in the manner as provided by law.

V. The City Clerk and the Corporation Counsel may change any chapter numbers, article numbers and section numbers if codification of the ordinance reveals a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repeaters of existing provisions.

NOTE: All new material is underlined; words struck through are repealed. For purposes of advertising only, new matter is in boldface type and words which are repealed are in italics.

jH/mma

09/19/18
ORDINANCE FACT SHEET –
This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the ordinance.

Full Title of Ordinance/Resolution

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 160, (FEES AND CHARGES) SECTION SS, (VEHICLES AND TRAFFIC) OF THE MUNICIPAL CODE

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Business Administration</th>
<th>Business Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Brian Platt</td>
<td><a href="mailto:BPlatt@jcnj.org">BPlatt@jcnj.org</a></td>
</tr>
<tr>
<td>Phone/email</td>
<td>201-547-4513</td>
<td></td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

This Ordinance reduces the fee for Non-Residential Parking Permits from $300 per year to $100 per year and this Ordinance also eliminates the special fee for Zone 16 Parking Permits

I certify that all the facts presented herein are accurate.

Signature of Department Director  

Date  

September 19, 2018
ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-116

TITLE: AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE III (PARKING, STANDING AND STOPPING) AMENDING THE JERSEY CITY MUNICIPAL CODE; SECTION 332-22 (PARKING PROHIBITED AT ALL TIMES) DESIGNATING NO PARKING ANY TIME ON THE NORTH SIDE OF CLAREMONT AVENUE FROM WATER STREET TO GREENWICH STREET AND ON THE SOUTH SIDE FROM WATER STREET TO MALLORY AVENUE AND AMENDING SECTION 332-23 (NO STOPPING OR STANDING) DESIGNATING BOTH SIDES OF CLAREMONT AVENUE FROM MALLORY AVENUE TO WEST SIDE AVENUE AS NO STOPPING OR STANDING

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

1. Chapter 332 (Vehicles and Traffic) Article III (No Parking Any Time) of the Jersey City Code is hereby supplemented as follows:

   Section 332-22 Parking prohibited at all times.
   No person shall park a vehicle on any of the streets or parts thereof described.

   Name of Street  Side  Limits
   Claremont Av  North  [Route 440 east 400 feet]
                   [155 feet west of Halstead]
                   Halstead St to West Side Av
                   Greenwich Dr to Water St
   South  [Route 440 east feet]
           [West Side Av to a point 325 feet east thereof]
           Water St to Mallory Av

   Section 332-23 NO STOPPING OR STANDING
   No person shall stop or stand a vehicle upon any of the streets or parts thereof listed below.

   Name of Street  Side  Limits
   Claremont Av  Both  Mallory Av to West Side Av

2. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

3. This ordinance shall be a part of the Jersey City Code as though codified and incorporated in the official copies of the Jersey City Code.

4. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repeaters of existing provisions.

   NOTE: All material to be inserted is underscored; all material to be repealed is in [brackets].

   APPROVED:  
   Director of Traffic & Transportation

   APPROVED AS TO LEGAL FORM
   Corporation Counsel

   Certification Required □
   Not Required □
AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE III (PARKING, STANDING AND STOPPING) AMENDING THE JERSEY CITY MUNICIPAL CODE; SECTION 332-22 (PARKING PROHIBITED AT ALL TIMES) DESIGNATING NO PARKING ANY TIME ON THE NORTH SIDE OF CLAREMONT AVENUE FROM WATER STREET TO GREENWICH STREET AND ON THE SOUTH SIDE FROM WATER STREET TO MALLORY AVENUE AND AMENDING SECTION 332-23 (NO STOPPING OR STANDING) DESIGNATING BOTH SIDES OF CLAREMONT AVENUE FROM MALLORY AVENUE TO WEST SIDE AVENUE AS NO STOPPING OR STANDING

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Administration</th>
<th>Engineering, Traffic and Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Andrew Vischio, P.E at the request of Councilwoman Priaz-Arey, Ward B</td>
<td>Director of Traffic &amp; Transportation</td>
</tr>
<tr>
<td>Phone/email</td>
<td>201.547.4419</td>
<td><a href="mailto:AVischio@jcnj.org">AVischio@jcnj.org</a></td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

Claremont Avenue does not have sufficient width for two-way traffic and parking on both sides of the street. Given the presence of intersecting streets and driveways along the southerly curb, sight lines would be improved if parking was allowed along the northerly curb instead. Therefore, parking will be prohibited on the south side of Claremont Avenue from Water Street to Mallory Avenue.

Parking will be permitted on the north side of Claremont Avenue from Greenwich Drive to Mallory Avenue.

Legislation is proposed designating both sides of Claremont Avenue from West Side Avenue to Mallory Avenue as “no stopping or standing” in order for Chapter 332 of the Municipal Code to reflect what is already signed on the street.

I certify that all the facts presented herein are accurate.

Director of Traffic & Transportation

<table>
<thead>
<tr>
<th>Signature of Department Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date 9/6/18</td>
</tr>
<tr>
<td>Date 9/14/19</td>
</tr>
</tbody>
</table>
MEMORANDUM

DATE: September 6, 2018

TO: Peter J. Baker, Corporation Counsel
    Brian D. Platt, Business Administrator
    Robert Byrne, City Clerk
    Councilwoman Mira Prinz-Arey, Ward B

FROM: Andrew Vischio, PE
Division of Engineering, Traffic and Transportation

SUBJECT: PROPOSED ORDINANCE – CLAREMONT AVENUE

Attached for your review, is an Ordinance proposed by this Division at the request of Councilwoman Prinz-Arey, (for Municipal Council approval), amending the parking restrictions on both sides of Claremont Avenue from Water Street to West Side Avenue.

Claremont Avenue does not have sufficient width for two-way traffic and parking on both sides of the street. Given the presence of intersecting streets and driveways along the southerly curb, sight lines would be improved if parking was allowed along the northerly curb instead. Therefore, parking will be prohibited on the south side of Claremont Avenue from Water Street to Mallory Avenue. Parking will be permitted on the north side of Claremont Avenue from Greenwich Drive to Mallory Avenue.

Legislation is proposed designating both sides of Claremont Avenue from West Side Avenue to Mallory Avenue as “no stopping or standing” in order for Chapter 332 of the Municipal Code to reflect what is already signed on the street.

Councilwoman Prinz-Arey has been advised of the proposed Ordinance via E Mail as well. (Copy attached) It is anticipated this Ordinance will be on the Agenda for the September 26, 2018 Municipal Council Meeting.

If you have any questions regarding this Ordinance, please feel free to contact me at AVischio@jcnj.org or at extension 4419.

Andrew Vischio, PE
Director of Traffic & Transportation

C: Jose R. Cunha, PE, C.M.E., C.P.W.M., C.R.P., Municipal Engineer
    Allison Solowsky, Deputy Chief of Staff
    Mary Spinello-Paretti, Director, Parking Enforcement Division, Department of Public Safety
    Council President Lavarro, Jr. Councilwoman Watterman Councilman Rivera
    Councilwoman Ridley Councilman Boggiano Councilman Yun
    Councilman Solomon Councilman Robinson
    Councilman Robinson
Good afternoon Councilwoman
We are proposing legislation for the September 26th Municipal Council meeting amending the parking restrictions along Claremont Avenue from Water Street to West Side Avenue.
Claremont Avenue does not have sufficient width for two-way traffic and parking on both sides of the street. Given the presence of intersecting streets and driveways along the southerly curb, sight lines would be improved if parking was allowed along the northerly curb instead. Therefore, parking will be prohibited on the south side of Claremont Avenue from Water Street to Mallory Avenue.
Parking will be permitted on the north side of Claremont Avenue from Greenwich Drive to Mallory Avenue.
Legislation is proposed designating both sides of Claremont Avenue from West Side Avenue to Mallory Avenue as “no stopping or standing” in order for Chapter 332 of the Municipal Code to reflect what is already signed on the street.
Please advise if you have any objection to proposing this legislation. Feel free to contact Andrew Vischio, PE, Director of Traffic & Transportation, via Email at AVischio@jcni.org or at 4419 if you have any questions.

Sincerely,
The City of Jersey City
Department of Administration

Patricia Logan, Engineering Aide
Division of Engineering, Traffic and Transportation
Municipal Services Complex/13-15 Linden Avenue East
Jersey City, New Jersey 07305
201.547.4492
COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-117

TITLE:
AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) OF THE JERSEY CITY TRAFFIC CODE ARTICLE II (TRAFFIC REGULATIONS) AMENDING SECTION 332-9 (STOP INTERSECTIONS) DESIGNATING SAYLES STREET AND MINA DRIVE AS A STOP INTERSECTION, STOPPING MINA DRIVE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

1. Chapter 332 (Vehicles and Traffic) Article II (Traffic Regulations) Section 332-9 (Stop Intersections) of the Jersey City Traffic Code is hereby supplemented as follows:

Section: 332-9 Stop Intersections.

The Intersections listed below are hereby designated as stop intersections. Stop signs shall be installed as provided therein.

<table>
<thead>
<tr>
<th>Street 1 (Stop Sign On)</th>
<th>Direction of Travel</th>
<th>Street 2 (At Intersection)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mina Dr</td>
<td>East</td>
<td>Sayles St</td>
</tr>
</tbody>
</table>

2. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

3. This ordinance shall be a part of the Jersey City Code as though codified and incorporated in the official copies of the Jersey City Code.

4. This ordinance shall take effect at the time and in the manner as prescribed by law.

5. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repeaters of existing provisions.

NOTE: All the material to be inserted is new and underscored.

AV: pcl
(09.11.18)

APPROVED: __________
Director of Traffic & Transportation

APPROVED AS TO LEGAL FORM

Certification Required ☐
Not Required ☐

APPROVED: __________
Municipal Engineer

APPROVED: __________
Business Administrator
Full Title of Ordinance

AN ORDINANCE SUPPLEMENTING CHAPTER 332 (VEHICLES AND TRAFFIC) OF THE JERSEY CITY TRAFFIC CODE ARTICLE II (TRAFFIC REGULATIONS) AMENDING SECTION 332-9 (STOP INTERSECTIONS) DESIGNATING SAYLES STREET AND MINA DRIVE AS A STOP INTERSECTION, STOPPING MINA DRIVE

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Administration</th>
<th>Engineering, Traffic and Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Andrew Vischio, P.E on behalf of the Jersey City Police Department</td>
<td>Director of Traffic &amp; Transportation</td>
</tr>
<tr>
<td>Phone/email</td>
<td>201.547.4419</td>
<td><a href="mailto:AVischio@jcni.org">AVischio@jcni.org</a></td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

The purpose of this Ordinance is to designate the following intersection as a stop intersection:

Sayles Street and Mina Drive

Designate Sayles Avenue and Mina Drive as a “stop” intersection, stopping Mina Drive.

Designating Mina Drive as a “stop” street will increase traffic safety.

I certify that all the facts presented herein are accurate.

Director of Traffic & Transportation

Signature of Department Director

Date
ORDINANCE
OF
JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-118

TITLE: ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE BERRY LANE PARK ZONES OF THE MORRIS CANAL REDEVELOPMENT PLAN

WHEREAS, the Municipal Council of the City of Jersey City adopted the Morris Canal Redevelopment Plan in March of 1999, and amended the Plan numerous times subsequently, most recently on November 9, 2016; and

WHEREAS, the amendments proposed herein to the Morris Canal Redevelopment Plan are limited to the paragraphs outlining the requirements and standards of the Berry Lane Park Zone as well as corresponding Map B changes; and

WHEREAS, the Planning Board of Jersey City, at its meeting of June 19, 2018, reviewed this amendment and found there to be many advantages including improved vehicular and pedestrian circulation through the creation of a new street, creation of inclusionary housing, and public parking facilities for a public park; and

WHEREAS, the Planning Board recommended that the proposed amendments be adopted by Municipal Council; and

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that the proposed amendments to the Morris Canal Redevelopment Plan, attached hereto, as recommended by the Jersey City Planning Board on June 19, 2018, be, and hereby is, adopted.

BE IT FURTHER ORDAINED THAT:

A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
C. This ordinance shall take effect at the time and in the manner as provided by law.
D. The City Clerk and the Corporation Council be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible repeaters of existing provisions.
E. The City Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson County Planning Board and to all other persons entitled thereto pursuant to N.J.S. 40:55D-15 and N.J.S. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S. 40:49-2.1.

APPROVED AS TO LEGAL FORM

APPROVED:

Corporation Counsel

APPROVED:

Business Administrator

Certification Required □
Not Required □
ORDINANCE FACT SHEET – NON-CONTRACTUAL
This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the ordinance.

Full Title of Ordinance/Resolution

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE BERRY LANE PARK ZONES OF THE MORRIS CANAL REDEVELOPMENT PLAN

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>The Municipal Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Jermaine D. Robinson</td>
</tr>
<tr>
<td>Phone/email</td>
<td><a href="mailto:JDRobinson@jcnj.org">JDRobinson@jcnj.org</a></td>
</tr>
<tr>
<td></td>
<td>201-547-5361</td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

Please be advised that on June 19, 2018, at the Regular Meeting of the Planning Board of the City of Jersey City the Board reviewed and commented on the proposed ordinance listed above. The purpose of the amendments to the Ordinance is to revise the requirements and standards of the Berry Lane Park Zones. The Amendments proposed still require a road to be built between Woodward Street and Van Horne Street, but now also requires the following: a) 21% of all units created to be inclusionary housing – a minimum of 50% must be provided on-site and a contribution of $18,000 is required for every unit not constructed onsite; and, b) a rededication and buildout of the stub end of Woodward Street into a public parking area for visitors to Berry Lane Park. New bulk and density requirements proposed and coordinating Map B Changes included as well.

At their meeting, the Planning Board discussed, were provided the opportunity to ask questions and reviewed the amendment and its conformance to the Master Plan. After public comments, the Board voted unanimously to recommend to the Council that the Ordinance amending the Morris Canal Redevelopment Plan be adopted.

Public outreach was conducted in lead up to these amendments being scheduled before the Planning Board

I certify that all the facts presented herein are accurate.

Signature of Department Director  Date
ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE BERRY LANE PARK ZONES OF THE MORRIS CANAL REDEVELOPMENT PLAN

The purpose of the amendments to the Ordinance is to revise the requirements and standards of the Berry Lane Park Zones. The Amendments proposed still require a road to be built between Woodward Street and Van Horne Street, but now also requires the following: a) 21% of all units created to be inclusionary housing - a minimum of 50% must be provided on-site and a contribution of $18,000 is required for every unit not constructed onsite; and, b) a rededication and buildout of the stub end of Woodward Street into a public parking area for visitors to Berry Lane Park. New bulk and density requirements proposed and coordinating Map B Changes included as well.
H. **Berry Lane Park Zone**

This district shall encompass lands at and near the foot of Woodward Street and Van Horne Street, Lots 2, 3, 4, 5, 6, 7, 42, 43, and 44 on Block 19901, as depicted in the Zoning Map (Map B).

Purpose: To encourage a more dense pattern of development where housing is within proximity to public park space and a Hudson Bergen Light Rail station.

1. **The provisions of the Berry Lane Park Zone shall only apply to Designated Redevelopers.** Any development conducted within this zone that is not subject to a Redeveloper’s Agreement with the Jersey City Redevelopment Agency ("JCRA") is subject to the Residential (R) Zone of this plan.

2. Developers within the Berry Lane Park Zone area are eligible for an increase in density and bulk, subject to designation by the JCRA. Designated Redevelopers are required to fulfill certain community benefits and performance standards for the successful implementation of the objectives of the Redevelopment Plan. These community benefits and performance standards shall be memorialized in a Redeveloper’s Agreement, which shall be fully executed prior to site plan approval and which shall be in recordable form. Nothing herein shall be construed to deprive or dispossess the Redevelopment Agency of the discretionary exercise of its redevelopment powers enumerated in N.J.S.A. 40A:12A-1 et seq., including the designation of a redeveloper under the Act. These benefits to the community include, but are not limited to:
   a. Inclusionary housing requirements as described herein.
   b. Publically dedicated new street is constructed in accordance with City standards, inspected and accepted by the Municipal Engineers, and in the location outlined herein.
   c. Improvements to and rededication of a portion of Woodward Street south of the required new street as described herein.

3. **Infrastructure Requirements**

   a. At a point 98 feet south of the northwest corner of Block 19901 Lot 7 along Woodward Street, a new public right-of-way shall be created. The required publicly dedicated street (the New Street) shall be constructed on Lots 6, 7, 42 and 43 on Block 19901. The right-of-way shall be a minimum of 50 feet in width, with a 34-foot-wide carriageway, a minimum of 10 foot wide sidewalks, and a maximum inside curb radius of R10 at the corner. This new street shall connect existing Woodward Street and existing Van Horne Street. All improvements as required by the Division of Engineering shall be made by the developer in order to be eligible for the density...
bonus. Moreover, no certificates of occupancy shall be granted for any buildings developed until the new street has been built, inspected, dedicated to the City, and approved by the Municipal Engineers; or a bond has been posted by the redeveloper in an amount sufficient to assure completion of the required improvements.

b. The JCRA and redeveloper shall rededicate and improve a portion of Lot 2 Block 19901 at the end of Woodward Street as a public right-of-way. The extents of this rededicated area shall be a 30 foot by 30 foot square portion of the northeast area of Lot 2 adjoining Woodward Street. The purpose of this dedicated area is to provide additional public parking available to the residents of the neighborhood and visitors to the adjacent park, and to provide improved access to the park for maintenance and for the general public. The design of this parking area shall be built with the inclusion of cross-walks extending across Woodward Street to the adjacent park at the intersection of Woodward street and the new road. Said improvements shall be incorporated into the redeveloper agreement between the JCRA and the designated developer. Said improvements shall be designed and built as approved by the Planning Board.

5. Inclusionary Housing Requirements
a. Any development constructed pursuant to the Berry Lane Park Overlay Zone must provide inclusionary housing units equivalent to 21% of the total units constructed within the Zone, rounded up to the nearest whole number.

b. Of these inclusionary units, a minimum of 50% must be provided on-site.

c. The designated redeveloper must provide the on-site inclusionary units to be affordable to families of moderate income (i.e. incomes up to 80% of median income), unless the designated redeveloper and the JCRA specify in a redevelopment agreement a different equivalent mix of the on-site inclusionary units affordable to families of low income (incomes up to 50% of median income), moderate income (i.e. incomes up to 80% of median income), and/or work force units (i.e. units affordable to families with incomes up to 120% of median income).

d. For the number of inclusionary units not constructed on site, the developer shall provide a payment of $18,000.00 per required inclusionary unit not constructed to the JCRA which will deposit the payment to the Affordable Housing Trust Fund of the City of Jersey City.

4. Berry Lane Park Overlay—North
This overlay zone encompasses property north of the new through street connecting Woodward, and Van Home Streets. The following standards are applicable only if the street, as described above, is provided and all zoning standards are met. If the street is not provided as required and/or zoning standards are not met, the property is subject to Residential (R) zoning.

a. Permitted Principal Use
i. One- and two-family homes
ii. Three-family homes

b. Accessory Use
i. Off-street parking
ii. Restaurant, Category Two

c. Zoning Standards
i. Minimum lot area: 2,450 square feet
ii. Minimum lot width: twenty-four and one half (24.5) feet
iii. Minimum lot depth: one hundred (100) feet
iv. Minimum Front Yard Setback: 5 (five) feet
v. Minimum Side Yards: 0 feet
vi. Minimum Rear Yards: 30 (thirty) feet
vii. Maximum building coverage: sixty-five percent (65%)
viii. Maximum lot coverage: eighty-five percent (85%)
ix. Maximum building height: 3 stories
x. All new development shall provide a landscaped area across at least 20% of the front yard.
xi. Front yard parking is prohibited throughout the district.

A twelve-foot (12') wide easement shall be provided along the rear property line between homes facing Van Horne and Woodward Streets, utilizing six feet of depth from the rear of each property. This easement shall be accessed from the new through-street and shall provide parking access to each unit. Front facing garages are prohibited.

xiii. Parking: Two garaged and one rear yard parking space are required.

d. Design Standards
i. Please refer to the design standards in the Section VII for design standards for this district.

2. Berry Lane Park—South

This overlay zone encompasses property south of the new through street connecting Woodward and Van Horne Streets and adjacent to the railroad. The following standards are applicable only if the street, as described above, is provided and all zoning and design standards are met. If the street is not provided as required and/or zoning standards are not met, the property is subject to Residential (R) zoning.

6.a. Permitted Principal Use
a.1 Multi-family apartment buildings

7.b. Permitted Accessory Use
a.1 Off-street parking, bicycle storage and loading.
b. Resident amenity spaces such as indoor and outdoor recreational and fitness areas, meeting rooms, play rooms, community rooms, rooftop landscaped areas, green roofs and other similar amenity spaces and facilities.
c. Such other uses which are customarily associated with, subordinate and incidental to the permitted principal use.

8.c. Zoning Standards
a.1. Minimum Front-Yard Setback from the New Street: 5 feet at ground floor; 0 feet, starting 15 feet above grade.
b.1. Minimum Side Yards: Setback from Van-Horne and Woodward Streets: 0 (zero) feet.
c.1. Minimum Rear-Yards Setback from the Rail ROW: 0 (zero) feet for parking levels, on the ground floor, 40 5 feet above for residential stories.
d. Minimum Setback from Berry Lane Park: 5 feet.
e.iv. Maximum Building Coverage: 70 (seventy) percent. *The area of the required dedicated public streets as described herein shall be included in the lot area when calculating the Building Coverage.*

f.iv. Maximum Lot Coverage: 80 (eighty) 85 (eighty-five) percent. *The area of the required dedicated public streets as described herein shall be included in the lot area when calculating the Lot Coverage, however, impervious areas within those dedicated public streets shall not be counted as Lot Coverage. Green roofs for the purpose of providing water detention shall not be counted as lot coverage.*

g.vi. Maximum Building Height: 4 stories 7 residential stories over parking and not to exceed 90 feet in total.

h.vii. Minimum Parking: 0.75 vehicle space per market rate unit and 0.25 vehicle space per inclusionary unit; bicycle parking per LDO

i.viii. Minimum Residential Floor-to-Ceiling height: 9 feet

j. Maximum Unit Count shall not exceed 170 dwelling units inclusive of the inclusionary units.

9. Design Standards

a. Please refer to the design standards in the Section VII for design standards for this district, which shall be modified by what is listed below.

b. If a ground floor garage is developed, garage shall have two points of entry, one driveway from the new through street with a garage entry on the side, and the other from a driveway extending from the northern portion of vacated Woodward Street, again with entry on the side of the building. *Not more than one parking garage entry point shall be located along the new street. All loading areas and any other entry point to the garage shall be located on Van Horne Street in order to minimize impacts on Berry Lane Park.*

c. Main pedestrian and resident access to the building(s) must be provided from a lobby area with frontage along the new street.

d.iv. If a ground floor garage is developed, garage levels shall be screened so as not to give the apparent perception of garage space from all street Rights-of-Ways and from all adjacent property lines. Examples of various acceptable screening and façade treatment techniques which can be utilized include the following:

- Artificial windows of the punched out style utilizing glass or decorative grillwork or a combination of same.
- Artificial building façade wrapping around the exterior of the garage.
- Extension of the ground floor or second floor window design to upper floors without the glass, but utilizing the same detailing, design, and window frame color.
- The addition of cornices, lintels, quoins, and other decorative detailing in addition to all the other façade designs.
- Emphasis of a vertical exterior façade pattern instead of the horizontal

e.v. The building corners closest to the intersection of Woodward Street and the new street and at the intersection of Van Horne Street and the new street shall provide an attractive terminated vista at the end of Woodward Street and Van Horne Street. Camphor is required on all upper floors, optional on the ground floor.

f.vi. Bike rooms must be provided.

*Note: COORDINATING MAP B CHANGES INCLUDED*
Morris Canal Redevelopment Plan
Map B: Zoning

ZONE ABBREVIATIONS

R    Residential
R2   Residential 2
MU-A/R Mixed Use - A or Residential
MU-A  Mixed Use - A
MU-B  Mixed Use - B
MU-C  Mixed Use - C
MU-D  Mixed Use - D
MU-E/R Mixed Use - E/Residential
I    Industrial
RTC  Rail Transportation Corridor
W    Whitlock Cordage ARD
TOD North
TOD South
TOD West
TV/CP Transit Village / Commuter Parking

MAP AMENDMENTS
see changes in red and text boxes below for descriptions.
version: 2018/05/29

Amend boundaries of Berry Lane Zone.
Out parcel rezoned to R Zone

June 15, 2016
MEMORANDUM

To: Council President Rolando R. Lavarro, Jr., City of Jersey City

From: Michael Hanley, Principal, NW Financial Group, LLC
Timothy Eismeier, Managing Director, NW Financial Group, LLC

Date: August 14, 2018

RE: Morris Canal Redevelopment Plan Berry Lane Park Zone Amendment

Summary

- The proposed amendment (the “Amendment”) to the Morris Canal Redevelopment Plan (the “Redevelopment Plan”) will allow for 170 total units to be constructed by Wallabout Holdings, LLC (the “Developer”) adjacent to Berry Lane Park at Woodward Street and Van Horne Street (the “Project” or the “Site”)
- Based on a market capitalization approach, the net market value after construction costs of the Project is approximately $4.1 million
- The value of the rent loss from the 18 on site affordable units required under the Amendment is approximately $2.9 million and the upfront payment to the City of Jersey City’s (the “City”) Affordable Housing Trust Fund for the remaining 18 units will cost the Developer an additional $324,000
- Absent detailed cost projections of the proposed public improvements, NW Financial estimated the cost of the public improvements to be approximately $250,000
- That produces a net incremental market value of the Amendment to the developer of approximately $600,000

Background

The City requested that NW Financial Group, LLC (“NW Financial”), as the City’s financial consultant, review the proposed Amendment to provide the City with a valuation of the proposed 170 units that the Developer will be allowed to construct on the Site. NW Financial’s approach to this analysis and the
resulting valuation are summarized herein. With respect to this valuation, NW Financial relied on the following from both the City and the developer:

- Estimated project costs
- Projected rents and operating expenses
- Projected unit mix
- A copy of the proposed Amendment
- Prior correspondence between the City and the Developer

### Density Bonus Valuation (Market Capitalization)

The value of the density bonus can be calculated by projecting the additional Net Operating Income ("NOI") that the Developer will generate from the additional units, dividing the NOI by an assumed capitalization ratio and subtracting the estimated project costs. With respect to estimating NOI, NW Financial's analysis used projections provided by the developer with respect to revenues and operating expenses. Exhibit 1 below provides an estimate of NOI of the Project at 100% market rate units:

Exhibit 1

**Projected Net Operating Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Potential Revenue</td>
<td>$4,532,471</td>
</tr>
<tr>
<td>Less: Vacancy</td>
<td>(226,624)</td>
</tr>
<tr>
<td>Annual Revenue</td>
<td>$4,305,847</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1,211,209</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$3,094,638</td>
</tr>
</tbody>
</table>

As Exhibit 1, indicates the projected NOI of the Project at 100% market rate units would be approximately $3,094,638. To calculate a market value of the units, this NOI is divided by an assumed capitalization rate (in this case 5.75%, based on current market conditions plus a certain amount of cushion that considers the development risk associated with the Project). Exhibit 2 on the following page provides a summary of the market value of the Project based on the above NOI and assumed capitalization rate.

2 of 4
Exhibit 2
Market Value of Project at 100% Market Rate

<table>
<thead>
<tr>
<th>Net Operating Income</th>
<th>$3,094,638</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalization Rate</td>
<td>5.75%</td>
</tr>
<tr>
<td>Market Value</td>
<td>$53,819,792</td>
</tr>
</tbody>
</table>

The net value of the new units is calculated by subtracting the estimated project costs to build the Project from the projected market value. In this case, we used the per unit project costs provided by the Developer. Exhibit 3 below provides a calculation of net value after project costs of the Project:

Exhibit 3
Net Value After Project Costs

<table>
<thead>
<tr>
<th>Market Value</th>
<th>$53,819,792</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Project Costs</td>
<td>$49,707,602</td>
</tr>
<tr>
<td>Net Value</td>
<td>$4,112,190</td>
</tr>
</tbody>
</table>

As provided in Exhibit 6, the net value of the additional units under this methodology is approximately $4,112,190.

Value of Rent Loss from On-Site Affordable and Payment to Affordable Housing Trust Fund

As per the proposed Amendment and the Developer’s financial projections, the Developer will include 18 affordable units at 80% of Area Median Income ("AMI") on site. As per the Developer’s financial projections, the on-site affordable units will result in an annual rent loss to the developer of $168,985. The value of this rent loss can be calculated by dividing the annual rent loss by an assumed capitalization rate of 5.75%. The resulting value of the rent loss from the on-site affordable units is $2,938,867. For the remaining 18 affordable units required by the Amendment, it is NW Financial’s understanding that the Developer has opted to make the payment of $18,000 per unit rather than include those units as on-site affordable. The resulting one-time cost to the Developer of this payment to the City is $324,000. The total value of the inclusionary zoning requirement under the Amendment is $3,262,867.
Cost of Public Improvements

To estimate the costs of the required road between Woodward Street and Van Horne Street along with the required sidewalks, cross walks and parking lot for Berry Lane Park, NW Financial took into account the length of proposed road, the required size of the sidewalks and the square footage of the parking lot referenced in the Amendment. Based on nationwide averages for the construction of roads and parking lot, NW Financial has estimated the cost of these public improvements to be approximately $250,000. It should be noted that this estimate was not confirmed by the Developer or the City and is a rough estimate of the cost.

Conclusion

Exhibit 4 below provides a comparison of the increase in value to developer of proposed Amendment to the concessions required by the City and the proposed Amendment.

Exhibit 4
Summary of Incremental Value to Developer

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Density Bonus</td>
<td>$4,112,190</td>
</tr>
<tr>
<td>Less: Inclusionary Zoning Requirement</td>
<td>(3,262,867)</td>
</tr>
<tr>
<td>Less: Public Improvements</td>
<td>(250,000)</td>
</tr>
<tr>
<td>Net Incremental Value to Developer</td>
<td>$599,323</td>
</tr>
</tbody>
</table>

As Exhibit 8 indicates the net incremental value to the Developer of the proposed plan Amendment to the Developer is approximately $600,000. This incremental value to the Developer is reasonable given the scope of the Project as well as the fact that the Developer would be unlikely to proceed with a project to generate a zero or negative return on investment.

It is important to remember that different sites and different redevelopment areas will produce significantly different results. Revenue, site conditions, efficiency of site, parking requirements and type of construction all have significant impact on value of land.
COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-119

TITLE: AN ORDINANCE (1) ACKNOWLEDGING THE TRANSFER OF THE OWNERSHIP INTEREST IN EXETER THOMAS McGOVERN LAND URBAN RENEWAL, LLC; (2) AMENDING THE FINANCIAL AGREEMENT AUTHORIZED BY ORDINANCE 17-107 THAT APPROVED A 20 YEAR EXEMPTION FOR A PROJECT TO BE CONSTRUCTED ON THE PROPERTY DESIGNATED AS BLOCK 21508, LOT 2, ON THE CITY’S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 29S McGOVERN DRIVE; AND (3) ACKNOWLEDGING THE AMENDED CONSTRUCTION SCHEDULE OF THE COMMERCIAL WAREHOUSE PROJECT TO BE CONSTRUCTED BY EXETER THOMAS McGOVERN LAND URBAN RENEWAL, LLC

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES HEREBY ORDAIN:

WHEREAS, on August 16, 2017, the Municipal Council approved Ordinance 17-107 which granted a twenty (20) year tax exemption to Exeter Thomas Mc Govern Land Urban Renewal, LLC ("the Entity") for a commercial warehouse project to be built on Block 21506, Lot 2, on the City's Official Tax map, and more commonly known by the street address of 295 McGovern Drive (F/K/A as 79 Thomas F. McGovern Drive); and

WHEREAS, Section 9, paragraph 2 of the Financial Agreement authorized by Ordinance 17-107, reads "Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement"; and

WHEREAS, pursuant to Section 9, paragraph 2 of the Financial Agreement, prior to the filing of the annual disclosure statement, the Entity wishes to transfer the entirety of its ownership interest to CTR Realty which will acquire the ownership interest in the Entity and finance the construction of the warehouse; and

WHEREAS, the correspondence notifying the City of the Entity's desire to transfer the entirety of its ownership interest to CTR Jersey City 79, LLC ("CTR") in advance of the filing of the annual disclosure statement is attached hereto as Exhibit "A"; and

WHEREAS, as a condition of taking ownership of the Entity, CTR sought to insure that transfer of the Project, not the tax exemption, would be permitted in a manner that would protect CTR's interests as the financier of the Project, and accordingly, CTR required that the Entity first enter into a Redevelopment Agreement (RDA) with the Jersey City Redevelopment Agency (JCRA) which provides the lender protections sought by CTR; and

WHEREAS, the RDA was approved on September 17, 2018; and

WHEREAS, in order to ensure that the RDA is consistent with the terms of the Financial Agreement, CTR wishes to clarify the language of Section 9.1 of the Financial Agreement authorized by Ordinance 17-107 to ensure the legal protections requested by the prospective new holders of the ownership interest in the Entity and for the protection of its lender; and
WHEREAS, these revisions would not alter any of the Entity's obligations under Ordinance 17-107 or under the original Financial Agreement; and

WHEREAS, both the Entity and the prospective new holders of the ownership interest in the Entity, CTR, assure the City that changing the ownership of the Entity will not endanger the timely construction of the Project, recognizing that pursuant to the Section 13 of the Ordinance 17-107, construction of the Project is to be commenced within two (2) years from the date of adoption of the Ordinance, and Substantially Completed within five (5) years of the adoption of the Ordinance; and

WHEREAS, Ordinance 17-107 was adopted only one (1) year ago on August 16, 2017 and so there is still a year in which to commence construction and four years to complete construction of the warehouse; and

WHEREAS, a new Disclosure Form indicating the proposed new ownership structure of the Entity and the Project's new Financial Plan is attached hereto as Exhibit "B"; and

WHEREAS, CTR assures the City that the Entity does not own any other Project subject to a long term tax exemption at the time CTR will become the transferee of the ownership interest in the Entity; 2) the Entity is not in default of this Agreement or the Law; 3) after the transfer of the ownership interest in the Entity to CTR, the Entity's obligations set forth in Ordinance 17-107 and in the Financial Agreement authorized by it will remain unchanged; and 4) the Entity will pay the Transfer Fee as permitted by N.J.S.A. 40A:20-10(d); and

WHEREAS, the Project's new estimated construction schedule is attached hereto as Exhibit "C"; and

WHEREAS, the proposed amendments to Section 9.1 of the Financial Agreement authorized by Ordinance 17-107 are on page 15 of Exhibit "D" which is attached hereto.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

A. The City hereby acknowledges that pursuant to Section 9, paragraph 2 of the Financial Agreement authorized by Ordinance 17-107, the Entity has formally notified the City of its intent to transfer the entirety of the ownership interest in the Entity Exeter Thomas McGovern Land Urban Renewal, LLC as indicated in Exhibit "A" attached hereto; and

B. The City hereby acknowledges the new Disclosure Form indicating the proposed new ownership structure of the Entity attached hereto as Exhibit "B"; and

C. The City hereby acknowledges the new construction schedule as indicated in Exhibit "C" attached hereto; and

D. Section 9.1 of the Financial Agreement authorized by Ordinance 17-107 is hereby amended to read as is indicated on page 15 of Exhibit "D" attached hereto; and

E. The Mayor or Business Administrator is hereby authorized to execute the amended tax exemption Financial Agreement and which also retains the following provisions:

1. Term: the earlier of twenty-three (23) years from the adoption of Ordinance 17-107 or twenty (20) years from the date the project is Substantially Complete; and

2. Annual Service Charge: each year the greater of the Minimum Annual Service Charge or 13% of the Annual Gross Revenue, which sum is initially estimated to be $137,004; and which shall be subject to statutory staged increases over the term of the tax exemption; and

3. Administrative Fee: 2% of the prior year's Annual Service Charge estimated to be or $2,740; and

4. County Payment: an additional 5% of the Annual Service Charge for
remittance to Hudson County estimated to be $6,850; and

5. Affordable Housing Trust Fund: $44,525 or $0.10 \times 95,808 square feet of industrial space and $1.50 \times 23,296 square feet of parking space; and.

6. Execution of a Project Employment and Contracting Agreement.

E. The City Clerk shall deliver a certified copy of the amended Financial Agreement to: 1) the City Tax Assessor; 2) the Director of the New Jersey Division of Local Government Services; 3) the Hudson County Chief Financial Officer; and 4) the Hudson County Counsel, within ten (10) calendar days of adoption or execution, whichever occurs later;

F. The Entity agrees to pay, within ten (10) days of the execution of the amended Financial Agreement, a Transfer Fee equal to 2% of the Annual Service Charge, estimated to be $2,740 in accord with N.J.S.A. 40A:20-10(d).

I. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

II. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

III. This Ordinance shall take effect at the time and in the manner as provided by law.

IV. The City Clerk and the Corporation Counsel may change any chapter numbers, article numbers and section numbers if codification of the ordinance reveals a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repeaters of existing provisions.

NOTE: All new material is underlined; words struck through are repealed. For purposes of advertising only, new matter is in boldface type and words which are repealed are in italics.

JH/mmo
09/20/18

APPROVED AS TO LEGAL FORM

Corporation Counsel

APPROVED: ____________________________

APPROVED: ____________________________

Certification Required □
Not Required □
ORDINANCE FACT SHEET
This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance
AN ORDINANCE (1) ACKNOWLEDGING THE TRANSFER OF THE OWNERSHIP INTEREST IN EXETER THOMAS McGOVERN LAND URBAN RENEWAL, LLC; (2) AMENDING THE FINANCIAL AGREEMENT AUTHORIZED BY ORDINANCE 17-107 THAT APPROVED A 20 YEAR EXEMPTION FOR A PROJECT TO BE CONSTRUCTED ON THE PROPERTY DESIGNATED AS BLOCK 21508, LOT 2, ON THE CITY’S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 295 McGOVERN DRIVE; AND (3) ACKNOWLEDGING THE AMENDED CONSTRUCTION SCHEDULE OF THE COMMERCIAL WAREHOUSE PROJECT TO BE CONSTRUCTED BY EXETER THOMAS McGOVERN LAND URBAN RENEWAL, LLC

Initiator

<table>
<thead>
<tr>
<th>Department/Division</th>
<th>Law</th>
<th>Office of the Corporation Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td>Peter J. Baker, Esq.</td>
<td>Corporation Counsel</td>
</tr>
<tr>
<td>Phone/email</td>
<td>201-547-4667</td>
<td><a href="mailto:pbaker@jcnj.org">pbaker@jcnj.org</a></td>
</tr>
</tbody>
</table>

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose
On August 16, 2017, by virtue of Ordinance 17-107, the Municipal Council granted Exeter Thomas McGovern Land Urban Renewal, LLC (“the Entity”) a twenty (20) year tax exemption to construct a commercial warehouse at 295 McGovern Drive. This Ordinance acknowledges the intent to transfer the entirety of the ownership interest in Exeter Thomas McGovern Land Urban Renewal, LLC to CT Realty, and amends Section 9.1 of the Financial Agreement authorized by Ordinance 17-107. This transfer of ownership would in no way alter the Entity’s obligations to the City, though the project’s construction schedule has been delayed.

I certify that all the facts presented herein are accurate.

September 19, 2018
Peter J. Baker, Esq.
Corporation Counsel
September 19, 2018

Via Electronic Mail

Municipal Council of the City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302

City of Jersey City, Department of Law,
Corporation Counsel
280 Grove Street
Jersey City, New Jersey 07302

Re: Transfer of the ownership interests in Exeter Thomas McGovern Land Urban
Renewal LLC (the “Entity”) to CT Realty.

Dear Council President and Corporation Counsel:

Pursuant to Section 9.1 of the Financial Agreement dated September 6, 2017, by and between the Entity and the City of Jersey City (the “City”), the Entity hereby discloses to the City in advance of the filing of the annual disclosure statement, that the Entity desires to transfer the entirety of its ownership interest to CT Realty who shall construct the Project as set forth in the Financial Agreement.

Should you have any questions please contact me.

Yours very truly,

COLE SCHOTZ P.C.

/s/ Jonathan Goodelman

Jonathan Goodelman

JZG:bef
OWNERSHIP DISCLOSURE STATEMENT OF APPLICANT

CTR JERSEY CITY 79, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Dominic J. Petracci, who is the Authorized Signatory of CTR Logistics LLC, a Delaware limited liability company, which is a member of Applicant, hereby certifies as follows:

The organizational chart reflecting the ownership of Applicant is attached hereto as Exhibit "A".

The address for all the CTR entities is: 4343 Von Karman Avenue, Suite 200, Newport Beach, California 92660.

The address for all Thackeray entities is 5207 McKinney Avenue, Suite 200, Dallas, Texas 75205.

Remainder of the Page Intentionally Left Blank

Signature Page Follows
CTR JERSEY CITY 79, LLC,
a Delaware limited liability company

By: CTR Logistics, LLC,
a Delaware limited liability company

By: [Signature]
Name: [Redacted]
Title: [Redacted]

Sworn before me this ___ day of _____________, 2018

Notary Public [Redacted]
JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 19th day of Sept., 2018, by Dominic J. Petruci, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Kimberly W. Vander Riet
Notary Public - California
Orange County
Commission # 2255359
Rev Comm. Expires Sep 18, 2022

(Seal)
## Construction Schedule

### Premier Design + Build Group

#### SPEC Warehouse

**295 Thomas McGoVERN Drive**

**Jersey City, NJ**

**August 30, 2018**

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site/Building Permits Issued</td>
<td>10/1 Site/Building Permits Issued</td>
</tr>
<tr>
<td>Demo/Mass Grading/Working</td>
<td>10/2 Demo/Mass Grading/Working Platform</td>
</tr>
<tr>
<td>Platform</td>
<td></td>
</tr>
<tr>
<td>Exterior Utilities</td>
<td>10/18 Exterior Utilities, 7 wks</td>
</tr>
<tr>
<td>Exterior Concrete</td>
<td>4/9 Exterior Concrete, 3 wks</td>
</tr>
<tr>
<td>Asphalt Paving</td>
<td>4/28 Asphalt Paving, 3 wks</td>
</tr>
<tr>
<td>Landscaping</td>
<td>5/29 Landscaping, 3 wks</td>
</tr>
<tr>
<td>CMC Installation</td>
<td>10/22 CMC Installation, 6 wks</td>
</tr>
<tr>
<td>LTP Platform</td>
<td>11/29 LTP Platform, 6 wks</td>
</tr>
<tr>
<td>Foundations</td>
<td>12/24 Foundations, 4 wks</td>
</tr>
<tr>
<td>Precast Erection</td>
<td>1/14 Precast Erection, 3 wks</td>
</tr>
<tr>
<td>Structural Steel/Decking</td>
<td>2/8 Structural Steel/Decking, 6 wks</td>
</tr>
<tr>
<td>Roofing</td>
<td>3/14 Roofing, 4 wks</td>
</tr>
<tr>
<td>Building Enclosure (OH Doors/Glass)</td>
<td>4/11 Building Enclosure (OH Doors/Glass), 8 wks</td>
</tr>
<tr>
<td>Warehouse Interior MEP</td>
<td>4/14 Warehouse Interior MEP, 8 wks</td>
</tr>
<tr>
<td>Exterior Staining/Painting</td>
<td>5/6 Exterior Staining/Painting, 4 wks</td>
</tr>
<tr>
<td>Concrete Floor Slabs</td>
<td>5/12 Concrete Floor Slabs, 3 wks</td>
</tr>
<tr>
<td>Substantial Completion</td>
<td>6/5 Substantial Completion, 6 wks</td>
</tr>
</tbody>
</table>
THIS FINANCIAL AGREEMENT, [Agreement] is made the _____day of__, 2017, by and between EXETER THOMAS MCGOVERN LAND URBAN RENEWAL, LLC, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 101 West Elm Street, Suite 600, Conshohocken, PA 19428 [Entity], and the CITY OF JERSEY CITY, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WHEREAS, the Entity is the Owner pursuant to a Deed dated September 16, 2016, of certain property designated as Block 21508, Lot 2, more commonly known by the street address of 295 Thomas F. McGovern Drive (f/k/a 79 Thomas F. McGovern Drive), Jersey City, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is an industrial project and is thus eligible for tax exemption pursuant to N.J.S.A. 40A:20-4 and N.J.S.A. 40A:12A-5(g), although it is within the Liberty Harbor Redevelopment Plan Area; and

WHEREAS, the Entity plans to construct a single story building with approximately 95,808 square feet of industrial space, eighty-seven (87) parking spaces and fifteen (15) loading docks [Project]; and

WHEREAS, the Project received Final Major Site Plan approval from the Planning Board on May 24, 2016; and
WHEREAS, the Project received Amended Preliminary and Final Major Site Plan Approval with Deviation from the Planning Board on June 27, 2017; and

WHEREAS, on May 30, 2017, the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, on July 20, 2017, the Entity filed an Amended Application with the City for a long term tax exemption for the Project; and

WHEREAS, by the adoption of Ordinance 17-____ on ________, 2017, the Municipal Council approved a long term tax exemption for the Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only $49,286, whereas, the Annual Service charge as estimated, will generate revenue to the City of approximately $137,004;

2. as required by Ordinance 13-088, the Entity shall pay the City the sum of $14,842 on or before the effective date of the Ordinance approving the Financial Agreement, and will pay the balance of $29,683 as an affordable housing contribution as required by the ordinance;

3. the City will share 10% percent of the Annual Service Charge the City receives, or $13,700, with the Jersey City Board of Education;

4. it is expected that the Project will create approximately 117 new construction jobs and approximately 40-120 new permanent full time jobs;

5. the Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to the new occupants; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and

2. the relative stability and predictability of the service charges will allow the
owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract occupants to the Project, insure the likelihood of stabilized rents to tenants and the success of the Project; and

3. have a positive impact on the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 2015-007, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance 17-______, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

i. Allowable Net Profit- The amount arrived at by applying, on a non-accrual basis, the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).

ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.
iii. **Annual Gross Revenue** - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

iv. **Annual Service Charge** - The amount the Entity has agreed to pay the City each year for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12. It shall include an annual payment for all annual excess profit.

v. **Auditor's Report** - A complete annual financial statement outlining the financial status of the Project, which shall also include a certification of Total Project Cost and clear computation of the annual non-accrued Net Profit and annual Excess Profit due to the City, if any. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vi. **Certificate of Occupancy** - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vii. **Debt Service** - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and affordable related party debt for the Project for a period equal to the term of this Agreement.

viii. **Default** - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any
applicable grace or cure periods.

ix. **Entity** - The term Entity within this Agreement shall mean Exeter Thomas McGovern Land Urban Renewal, LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. **Improvements or Project** - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. **In Rem Tax Foreclosure or Tax Foreclosure** - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. **Land Taxes** - If applicable, the amount of taxes assessed on the value of land, on which the project is located and taxes on any pre-existing improvements. If Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. **Land Tax Payments** - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. **Law** - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 2015-007, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status, Executive Order of the Mayor 2017-007 mandating that ten percent (10%) of the Annual Service Charge be paid to the School Board and Ordinance 17-______, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. **Minimum Annual Service Charge** - The Minimum Annual Service Charge shall be (a) until Substantial Completion the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is $49,286; and (b) upon Substantial Completion, the sum of $137,004 per year, which sum is equal to the estimated Annual Service Charge.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Annual Service Charge, calculated
pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xvi. **Net Profit** - The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xvii. **Pronouns** - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xviii. **Substantial Completion** - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Project receives, or is eligible to receive, any Certificate of Occupancy whether temporary or permanent for any portion of the Project.

xix. **Termination** - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xx. **Total Project Cost** - The total cost of constructing the Project through the date a
Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included from Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. If the Service Charge is a percentage of Total Project cost, then the Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

ARTICLE IX - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor’s Map of the City as: Block 21508, Lot 2, more commonly known by the street address 295 Thomas F. McGovern Drive (f/k/a 79 Thomas F. McGovern Drive), Jersey City, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct a one story building with approximately 95,808 square feet of industrial space, 87 parking spaces and 15 loading docks; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5,
and in compliance with any Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement and any Redevelopment Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Rents

The Entity represents that its good faith projections of the initial rents and other revenue to the Project are set forth in Exhibit 7.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 23 years from the date of the adoption of Ordinance 17-____ on ________, 2017, which approved the tax exemption or 20 years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following annual payments to the City for services provided to the Project:

i. City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 13% of the Annual Gross Revenue. The
Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Service Charge: an amount equal to 5% of the Municipal Annual Service Charge shall be paid to the City and remitted by the City to the County, or $6,850.

iii. Board of Education Payment: the City will share 10% percent of the Annual Service Charge the City receives, or $13,700.

iv. The Minimum Annual Service Charge pursuant to Section 1.2xv(a) shall be due beginning on the effective date of this Agreement. The Minimum Annual Service Charge pursuant to Section 1.2xv(b) shall be due upon Substantial Completion of the Project. The City Service Charge and the County Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6th year, the Annual Service Charge shall be 13% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1st day of the 7th year following Substantial Completion until the last day of the 9th year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iii. Stage Three: Beginning on the 1st day of the 10th year following the Substantial Completion until the last day of the 11th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iv. Stage Four: Beginning on the 1st day of the 12th year following Substantial Completion until the last day of the 13th year, an amount equal to the greater of the Annual
Service Charge or 60% of the amount of the taxes otherwise due on the assessed value of the
land and Improvements.

v. Final Stage: Beginning on the 1st day of the 14th year following Substantial
Completion through the date the tax exemption expires, an amount equal to the greater of the
Annual Service Charge or 80% of the amount of the taxes otherwise due on the assessed value of
the land and Improvements.

Section 4.3 Land Tax

The Entity is required to pay both the Annual Service Charge and the Land Tax
Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the
pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual
Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount,
without interest, of the Land Tax Payments made in the last four preceding quarterly installments
against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax
Payments when due and owing, such delinquency shall render the Entity ineligible for any Land
Tax Payment credit against the Annual Service Charge. No credit will be applied against the
Annual Service Charge for a partial payment of Land Taxes. In addition, the City shall have,
among this remedy and other remedies, the right to proceed against the property pursuant to the
In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this
Agreement.

Section 4.4 Quarterly Installments / Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly
installments on those dates when real estate tax payments are due; subject, nevertheless, to
adjustment for over or underpayment within thirty (30) days after the close of each calendar year.
In the event that the Entity fails to pay the Annual Service Charge or any other charge due under
this agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of
unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual Administrative Fee to the City in addition to the
Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two
percent (2%) of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution and Remedies

A. Contribution. The Entity will pay the City the sum of $44,525 or $0.10 x 95,808 square feet of industrial space and $1.50 x 23,296 square feet of parking space as a contribution. The sum shall be due and payable as follows:

i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and

iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including Annual Net Profits and any adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

Section 5.2 Living Wage Mandate (Projects with construction costs exceeding $25 million)

The Entity also agrees to comply with the requirements of Section 3-76 of the Jersey City Municipal Code concerning required wage, benefit and leave standards for building service workers. All janitors and unarmed security guards employed at the Projects, including by any
and all tenants or subtenants of the developer, shall not be paid less than the standard hourly rate of pay and benefits for their respective classifications and shall be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code Section 3-51G(1).

**ARTICLE VI - CERTIFICATE OF OCCUPANCY**

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the Property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated construction cost disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit for the Project.

**ARTICLE VII - ANNUAL REPORTS**

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local
Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year, the excess of which shall be paid to the City each year an excess profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. All disclosures shall include ownership interests of the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force and effect.

All costs incurred by the City to conduct a review of the Entity's audits, including
reasonable attorneys’ fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity’s Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

**ARTICLE VIII - LIMITATION OF PROFITS AND RESERVES**

**Section 8.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits there to shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year’s Gross Revenue.

**Section 8.2 Annual Payment of Excess Net Profit**

In the event the Net Profits of the Entity, in any year, exceed the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity’s Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the annual service charge.

**Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale**

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the
ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Project, tax exemption or of this Agreement shall be void unless approved in advance by Ordinance of the Municipal Council, other than as provided for herein. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new Entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d); and 6) as to projects that are not Substantially Complete, the Entity is comprised of principals possessing substantially the same or better financial qualifications and credit worthiness as the Entity.

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but
also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have thirty (30) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such thirty (30) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, or a sale of the Project occurs without the consent of the City, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property
pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided herein, but shall allow the City to proceed immediately to terminate the Agreement as provided herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

**ARTICLE XII: TERMINATION**

Section 12.1 Termination Upon Default of the Entity
In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may notify the City that it will relinquish its status as a tax exempt Project, after the expiration of one year from the Substantial Completion of the Project, as of the January 1st of the year next ensuing. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution. In addition, the due date for all Affordable Housing Contribution and any other fees that the Entity agreed to pay under this Agreement, shall be accelerated so that all fees to be paid shall be due on January 1st as a condition precedent of the voluntary termination.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration
In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne by the Entity. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of the Staged Adjustments that is, taxes otherwise due, pursuant to Section 4.2 and N.J.S.A. 40A:20-12, either party may file an appeal of the conventional assessment to determine the value of land and improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City’s right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys’ fees and costs), arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this
The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

Exeter Thomas McGovern Land Urban Renewal, LLC
101 West Elm Street, Suite 600
Conshohocken, PA 19428
Attn: [name]

With a copy to:
Johnathan Goodelman, Esq.
Wendy Berger, Esq.
Cole Schotz P.C.
25 Main Street
Hackensack, New Jersey 07601

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity’s Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice
to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property’s Block and Lot number).

ARTICLE XVIII - SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to, the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations
There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

Section 18.6 Pending Litigation

The Entity fully and freely holds the City harmless and assumes any risk that may effect the present or future validity of the within financial agreement, arising from any other litigation.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rents;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs;
10. Entity’s Deed.
IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

EXETER THOMAS MCGOVERN LAND
URBAN RENEWAL, LLC

ATTEST:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

BRIAN D. PLATT
BUSINESS ADMINISTRATOR