



INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS

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July 16, 2019

Via Email and Overnight Mail

Mr. Bruce Ciallella
Senior Vice President
New Jersey Economic Development Authority
36 West State Street
Trenton, New Jersey 08625

Dear Mr. Ciallella:

On behalf of Conner Strong & Buckelew Companies, LLC (“CSB”), I write in response to your letter, dated June 26, 2019, a copy of which is attached hereto as **Exhibit “A”** and made a part hereof. In that letter, the New Jersey Economic Development Authority (“EDA”) asks that CSB respond to certain allegations made by the Governor’s Task Force on the EDA’s Tax Incentives established pursuant to Executive Order No. 52 (“Task Force”) in its First Published Report, dated June 17, 2019 (“Report”), the relevant portions of which are attached hereto as **Exhibit “B”** and made a part hereof. Kindly accept this letter as CSB’s response to your letter and the Report.

INTRODUCTION

CSB is among America’s largest risk management, employee benefits and insurance consulting firms. CSB is an industry leader in providing high-risk businesses with comprehensive solutions to prevent losses, manage claims, and drive bottom line growth. Its employee benefits practice focuses on providing best-in-class benefits administration, health and wellness programs and strategic advisory services.

Founded in 1959, CSB has a team of over 400 employees in offices in New York, New Jersey, Pennsylvania, Delaware, Massachusetts, Georgia and Florida, serving clients throughout the United States and abroad. CSB has maintained dual headquarters in Philadelphia, Pennsylvania and Marlton, New Jersey for over ten (10) years. At the time CSB filed its application for tax credits pursuant to the Grow New Jersey Assistance Act, N.J.S.A. 34:1B-242

et. seq. (“Grow Program”), its existing leases for the dual headquarters were scheduled to expire in March 2019 and, as a result, CSB was planning to consolidate its headquarters in one location. A copy of those leases is attached hereto as **Exhibit “C”** and made a part hereof.

In furtherance of those headquarters consolidation efforts, CSB submitted an application to EDA on October 24, 2016 for tax credits under the Grow Program, **a date more than three years after the Grow Program was enacted**. A copy of the CSB application is attached hereto as **Exhibit “D”** and made a part hereof. Several months later, following extensive due diligence by EDA, CSB’s application was unanimously approved by the EDA Board at a meeting on March 24, 2017. A copy of the EDA Board resolution is attached hereto as **Exhibit “E”** and made a part hereof. Subsequently, and acting in reliance upon said EDA approval, CSB diligently proceeded with its project, including the execution of an EDA approval award letter, dated October 18, 2017, a copy of which is attached hereto as **Exhibit “F”** and made a part hereof (“Approval Letter”). To date, tens of millions of private, at risk dollars have been expended in furtherance thereof.

During this entire period, CSB has diligently complied with all requirements of the Grow Program, including prevailing wage, obtaining necessary approvals of the site and green building plans, and related matters. In addition, CSB has timely complied with the filing of interim project reports with EDA, as required by the Grow Program on September 22, 2017, March 23, 2018, September 24, 2018 and March 20, 2019. See **Exhibit “G”** attached hereto and made a part hereof. In fact, EDA has, as recently as April 3, 2019, issued its approval for certain project modifications. The CSB project is now nearing completion and the Approval Letter states that provided the progress information is submitted, EDA will forward an executable Incentive Agreement to the applicant. On June 25, 2018, CSB submitted the required progress information to EDA. Since that time, CSB’s representatives have continuously requested that EDA provide the Incentive Agreement. See **Exhibit “H”** attached hereto and made a part hereof. The failure of EDA to issue the Incentive Agreement is disturbing and raises significant questions as to whether EDA intends to honor its obligations.

More recently, in 2019 the Task Force was established by Governor Murphy’s Executive Order No. 52 (“EO”). The stated purpose of the EO was to “conduct an in-depth examination of the deficiencies in the design, implementation, and oversight of Grow NJ and [the Economic Redevelopment and Growth Grant program], including those identified in the State Comptroller’s performance audit to inform consideration regarding the planning, development and execution of any future iterations of these or similar tax incentive programs.” However, it is evident from the text of the Report, that its purpose is more than conducting a review of the Grow and ERG programs, but rather an all-out attack on the Grow Program, the benefits provided to projects located in Camden, and specific projects approved for Camden.

The EDA had approved tax credits for more than 300 projects from 2013 through the date on which the Report was issued. Interestingly, only 10% of those applications involved projects located in Camden. The overwhelming focus of the Task Force, however, has been almost singularly on Camden projects, while seemingly ignoring the hundreds of other projects approved by EDA. To the unbiased observer, rather than a system-wide review as the EO creating the Task Force would suggest, a targeted, politically motivated investigation with respect to CSB has quickly emerged. See **Exhibit “I”** attached hereto and made a part hereof.

The Report states that it has uncovered information that identified threshold issues that must be resolved, identified issues that have led to voluntary termination of awards, and has received testimony from employees of companies that have made material misrepresentations in their Grow Program applications. With the exception of one company, the Report does not identify any of those companies by name or provide the detailed information related to those companies in an effort to highlight the “deficiencies in the design, implementation and oversight” of the Grow Program. See Report, p. 6. Instead, it goes to great lengths to issue the preliminary Report¹ to identify how provisions of the Grow Program were drafted to provide incentives for companies to locate in Camden, and to identify information in specific applications for projects in Camden, including the application of CSB, which it erroneously concludes contains statements that were “dubious” and materially misleading without allowing the companies to respond to the allegations.

The Task Force reached those erroneous conclusions regarding CSB’s application, and published those findings, at the May 2, 2019 hearing and in the Report, incredibly without providing CSB the opportunity to respond or to provide the additional information and documentation that it claims the EDA should have obtained from CSB during the underwriting and review of CSB’s application.² If the EDA is guilty of a lack of due diligence in reviewing the CSB’s application by failing to ask questions as the Task Force claims – **a conclusion not supported by the record** – the Task Force must also be guilty of its own lack of due diligence and transparency in reaching its conclusions without allowing CSB to respond to the issues it has identified.

The lengths to which the Task Force has gone to slander the companies identified in the Report are evident in its attempt to re-write provisions of the law that require jobs for projects outside Camden to be “at risk” of leaving the state to apply to projects in Camden as well. To achieve its end, the Task Force:

- ignores the plain language of the law;
- attempts to substitute the discussions of the proposed law among staffers for the actual legislative history;
- ignores contemporaneous legislative statements of the Senate Committee that wrote the provisions; and
- ignores specific New Jersey case law that clearly resolved the constitutional issue raised in the Report.

Furthermore, the questions raised in the Report are based on the false premise that CSB had “committed” to locate in Camden well before the EDA voted to approve the award of tax credits to CSB. This premise is based on the Task Force’s reading of press statements that – **on their face** – do not say what the Task Force claims they say, and actions identified by the Task Force that do not support the conclusions it reached. As set forth in detail below, CSB did not

¹ The Report states that this is a “first report” to advise the Governor of its initial findings and that the investigation is ongoing. See Executive Summary of Report and p. 74.

² Why issue a preliminary Report that alleges fraud without first allowing those that it accuses of fraud an opportunity to respond to the specific allegations? The Task Force has left it to the EDA to ask the questions that the Task Force failed to ask before it issued the Report. This “shoot first; ask questions later approach” reveals the true intent of the Report.

commit to move the Camden before the application was approved. It would have been reckless and financially irresponsible to undertake a project of this complexity and move to Camden without the tax credits.

For all of the reasons set forth below, the award of tax credits to CSB by the EDA was, and remains to this date, proper and appropriate. The self-serving conclusions of the Task Force set forth in the Report are nothing more than a poor and fatally flawed attempt by a non-licensed New York attorney to use a publicly funded inquiry to seek revenge against a political opponent of the Governor.

THE REPORT MISSTATES THE LAW

The Report attempts to re-write the New Jersey Economic Opportunity Act of 2013, L. 2013, c. 161 (“2013 Act”), by providing an interpretation of the law’s requirements for projects in Camden that is contrary to the plain language of the statute. Report at 24-29. The Task Force concludes that “tax credits for a project relocating to Camden, like incentives for projects relocating to elsewhere, are available only if the company is considering a potential out of state location.” See Report, p. 26. The Task Force takes this position even though the plain language of the statute says otherwise, and EDA itself has never read the statute as requiring an applicant for a project in Camden to prove the jobs were at risk in order to be eligible for an award of tax credits.

The Report’s conclusion is simply incorrect. The Task Force’s analysis ignores relevant statutory text and legislative history, and ignores legal precedent and misapplies other case law, to reach a conclusion designed to support its false and pre-determined narrative.

The Grow Program was first enacted into law on January 5, 2012. See L. 2011, c. 149 (“2012 Act”). The stated purpose of the 2012 Act was: “to encourage economic development and job creation and to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.” L. 2011, c. 149, § 3 (N.J.S.A. 34:1B-244). Under the 2012 Act, an applicant seeking Grow NJ tax credits must demonstrate that

“the capital investment resultant from the award of tax credits and the resultant retention and creation of eligible positions will yield a net positive benefit to the State . . . [and] the award of tax credits will be a material factor in the business’s decision to create or retain the minimum number of full-time jobs for eligibility under the program.” Ibid.

“To assist the authority in determining whether a proposed capital investment will yield a net positive benefit,” the applicant’s chief executive officer (“CEO”) was required to submit a certification stating: (1) “that any existing jobs are at risk of leaving the State”; (2) “that any projected creation of new full-time jobs would not occur but for the provision of the tax credits under the program;” and (3) that the applicant’s CEO “has reviewed the application and that the representations are accurate.” Ibid. (emphasis added). Furthermore: “[b]ased on this information, and any other information deemed relevant by the authority, the authority shall independently verify and confirm, by way of making a factual finding by separate vote of the authority’s board, the business’s assertion that the jobs are actually at risk of leaving the State, before a business may be awarded any tax credits under this section.” Ibid. There was no distinction in the 2012 Act for

“Garden State Growth Zones” because the concept of Garden State Growth Zones was not contained in the 2012 Act.

On January 14, 2013, the New Jersey Legislature introduced the first proposed amendments to the 2012 Act. See Assembly Bill No. 3680 (introduced Jan. 14, 2013). The concept of a Garden State Growth Zone was first introduced into the legislation in the amendments proposed by the Senate Budget and Appropriations Committee on June 24, 2013. As explained in the official statement at that time, “[t]he GSGZ [Garden State Growth Zone] program is a new area designation for the cities of Camden, Passaic, Paterson, and Trenton. The bill provides incentives to increase ERG and GROW award amounts for projects within GSGZs.” Sen. Budget and App. Committee Statement to A. 3680 (First Reprint) (June 25, 2013) (“Committee Statement”) at 8. On June 27, 2013, the Assembly concurred with the Senate amendments and made additional amendments on the floor. The Senate approved the Assembly amendments on August 19, 2013. The Governor issued a conditional veto and both houses concurred with the conditions of the veto. The 2013 Act was signed into law on September 18, 2013.

As amended by the 2013 Act, the Grow Program’s eligibility criteria retained the requirement that the CEO of the applicant company submit a certification stating: (1) that existing full-time jobs are “at risk” of leaving the state or being eliminated; (2) that the creation or retention of jobs would not occur “but for” the award of tax credits; and (3) that the information submitted with the application is truthful. However, unlike the 2012 Act, the 2013 Act created a separate requirement for projects in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c.43 (C.52:27BBB-1 et al.) (“MRERA”).

The 2013 Act specifically states that “in satisfaction of the provisions of (1) [“at risk”] and (2) [“but for”] of this subsection,” the applicant in a Garden State Growth Zone that qualifies under MRERA “shall indicate that, the provision of tax credits under the program is a material factor in the business decision to make a capital investment and locate in a Garden State Growth Zone that qualifies under [MRERA].” Ibid. (emphasis added). At the time of the 2013 amendment, only Camden was qualified under MRERA. Thus, pursuant to the plain language of the amendments in the 2013 Act, applicants proposing a project in Camden did not need to demonstrate that jobs were “at risk” of leaving the state. Instead a company satisfied this requirement if the provision of tax credits was a “material factor” in their decision to make an investment and locate jobs in Camden. Notwithstanding the clear distinction set forth in the statute, the Report completely ignores the separate requirement for projects in Camden and says “[f]rom the Task Force’s perspective . . . that tax incentives for projects relocating to Camden, like tax incentives for projects relocating from elsewhere, are available only if the company is considering a potential out-of-state location.” See Report, p. 26. The Task Force’s perspective is false and has no grounding in fact. In a word, it is preposterous.

In addition to the “material factor” distinction for eligibility of Camden projects set forth above, the 2013 amendment also created a distinction for Camden when the EDA evaluates the net positive benefit of a proposed project. The 2013 Act states “when considering an application involving intra-State job transfers” the EDA is required to “independently verify and confirm . . . the business’s assertion that the jobs are at risk of leaving the State . . . or, with respect to projects located in [Camden], the business’s assertion that the provision of tax credits under the program is a material factor in the business’s decision to make a capital investment and locate in [Camden].”

N.J.S.A. 34:1B-244(d) (emphasis added). The provision related to Camden was added by the Senate Budget and Appropriations Committee as part of its amendments to create Garden State Growth Zones. The disjunctive language used in the statute thus sets up a clear distinction between non-Camden and Camden applicants. For non-Camden projects the EDA must verify that “jobs are at risk of leaving the State.” Ibid. For Camden projects, no such verification is required. Instead, they need only demonstrate that the credits are a “material factor” in their decision to invest in Camden. Ibid.

The Senate Budget and Appropriations Committee, which introduced the Garden State Growth Zone provisions, explained that it intended to “modify the net positive benefit calculation and tax credit allocation amount for a project to be located in a GSGZ; ... and add full-time jobs that were to be eliminated to the net positive benefit determination but exempt the determination for certain projects in a GSGZ in certain municipalities.” Committee Statement at 4 (emphasis added). Thus, if the applicant was considering moving to Camden, it was “exempt” from demonstrating that jobs were “at risk.” Instead, it had to demonstrate only that the tax incentive was a “material factor” to its decision to construct a project in Camden. This was recognized in the Governor’s Conditional Veto to First Reprint of A. 3680 (Sept. 9, 2013) (“Conditional Veto”) which explained that the bill “lower[s] program eligibility thresholds for New Jersey’s municipalities in the most need of economic development” (emphasis added)).

The Task Force ignores the plain language of the statute, the Committee Statement and the Conditional Veto to provide its contorted interpretation of the 2013 Act. The Report refers to emails between staffers and ignores case law to interpret a key provisions of the 2013 Act. The Report says there are two reasons why Camden applicants nevertheless needed to demonstrate that jobs were “at risk.” **Both reasons are incorrect.**

First, the Task Force says that because the polestar of statutory interpretation is “the furtherance of legislative intent,” and because the Grow Program was originally designed to “preserve” jobs that might otherwise leave the State, Camden applicants must therefore satisfy the “at risk” standard. Report at 26 (quoting N.J.S.A. 34:1B-244(a)). The statutory language quoted by the Task Force, however, was added in 2011, prior to the amendments in the 2013 Act. See Report, p. 26. The legislative history from the 2012 Act is irrelevant to the interpretation of the amendments in 2013. Additionally, the purpose of the Grow Program is “economic development” and the creation and retention of jobs. As noted, the 2013 amendments were explicitly designed to “exempt” Camden applicants from the “at risk” obligation and to encourage development of those municipalities in most need by lowering the eligibility threshold. Unlike the Task Force’s “perspective,” this interpretation is consistent with the plain language of the 2013 Act, the Committee Statement and the Conditional Veto.

The Task Force looks beyond the clear language of the statute to attempt to glean the legislative intent. In doing so, the Report substitutes email discussions among staffers in place of the contemporaneous Committee Statement. If the Task Force’s position is correct – for “projects relocating to Camden, like ... projects relocating elsewhere, are available only if the company is considering potential out-of-state location,” there would be no reason to include the “or, with respect to projects located in [Camden]” provision to the statute. The Task Force’s “perspective” tells us to ignore the “or, with respect to projects located in [Camden]” provision of the statute. Common sense tells us that could not have been the legislative intent.

Second, the Task Force says that the law must be construed to require a finding that the jobs are “at risk,” because a contrary interpretation would favor Camden above other municipalities and therefore render the 2013 Act constitutionally suspect “special legislation.” Report at 27-28. This argument fails because it is inconsistent with established legal precedent, and was rejected outright by the New Jersey Appellate Division. The MRERA was specifically designed to include only one municipality: Camden. It is by cross-reference to MRERA that the 2013 Act sets forth distinct standards for Camden applicants under the Grow Program. See, e.g., N.J.S.A. 34:1B-244(d). The New Jersey Appellate Division has already held that MRERA is not “special legislation,” even though it covers Camden alone. See Camden City Bd. Of Educ. V. McGreevey, 369 N.J. Super. 592, 607 (App. Div. 2004); id. At 606 (“As long as the enactment ‘on its face’ allows other municipalities to qualify, it is irrelevant whether the Legislature was concerned with the needs of only one municipality when it acted.”); See also Twp. Of Mahwah v. Bergen County Bd. of Taxation, 98 N.J. 268, 285 (1985) (“a statute is not special legislation merely because it addresses the needs of a particular municipality or serves a particular purpose”). The Report’s rationale in favor of its interpretation is thus incorrect.³ For the foregoing reasons, the Task Force’s conclusion that jobs for a project in Camden must be at risk to be eligible for tax credits under the Grow Program is clearly wrong.

The Task Force also argues, regardless of whether the jobs are required to be at risk to satisfy the material factor test discussed above, it is indisputable that the jobs must be at risk to be included in the net positive benefit analysis.⁴ See Report, p. 28. The rules adopted by the EDA in 2015 to implement the 2013 Act stated that “taxes paid directly or generated indirectly by new or retained employees” are included in the net positive benefit analysis. See N.J.A.C. 19:31-18.7(c); 44 N.J.R. 1784(c), at 1791 (effective January 20, 2015). That regulation was subsequently amended to state that “retained employees” in Camden “shall not be included” in the net positive benefit analysis “unless the business demonstrates that the award of tax credits will be a material factor to retain the employees in the State.” Report at 29 n.74. CSB’s application was filed on October 24, 2016 and stated that the jobs were at risk of being relocated out of state. The amended regulation became effective on January 3, 2017 and applied to CSB’s application at the time it was approved on March 24, 2017. See 49 N.J.R. 134(a)

As a matter of law, the statute does not require a job for a project in Camden to be “at risk” to satisfy the material factor – eligibility – test. The regulations in effect at the time the CSB award was approved instead simply required a project in Camden to be “at risk” to be included in the net positive benefit analysis. Accordingly, CSB’s application stated that its New Jersey jobs were, in fact, at risk.

³ Perhaps an attorney licensed to practice law in the State of New Jersey would be aware of this precedent. As Senator Lesniak, the prime sponsor of the 2013 Act and a New Jersey Constitution expert, stated at the Task Force’s July 9, 2019 hearing, a claim that the 2013 Act included special legislation would go nowhere in court. He offered “a thousand to one odds” such a claim would fail.

⁴ It is not “indisputable” that the jobs must be at risk to satisfy the net benefit analysis test. For the same reasons set forth in this letter regarding “at risk” in relation to material factor, that requirement is inconsistent with the statute and the legislative history. Notwithstanding that point, it is indisputable that the regulations that applied at the time CSB’s application was approved required jobs to be at risk to be counted toward the net positive benefit analysis.

THE REPORT MISSTATES THE FACTS

The Report claims that CSB misrepresented the fact that existing New Jersey jobs were at risk of leaving the State even though it admits that the award to CSB would be unchanged if the jobs were not at risk. **“Based on recalculated net benefits analyses, the EDA concluded that CSB’s award would have stayed the same (\$86.2 million) . . .”** See Report, p. 64. The Report states “[i]ndeed . . . [CSB] . . . had publicly committed to moving to Camden on September 24, 2015 – thirteen months prior to their Grow NJ application[], which would seem to directly belie their claim that they were considering an out-of-state move.” See Report, pp 47-48. The focus of the Report’s attack on CSB relates to its contrived narrative that somehow CSB “committed” to move to Camden more than a year before it filed its application; and, that CSB did not “genuinely consider” the alternate location to Camden. Each premise of the Report is false and will be addressed separately below.

Commitment to Camden

The Report claims that the Task Force found clear deficiencies in the EDA’s evaluation of the potential out-of-state alternative submitted to support a claim that the applicant companies are at risk of leaving the state. See Report, p. 47. As an example of this “deficiency”, the Report refers to draft versions of the 2013 Act that included revisions from Parker McCay which, to the Task Force, raised a significant red flag. See Report at 47. The Report falsely concludes “[t]he Task Force remains skeptical that a company whose lobbyist had placed special provisions for its benefit in the tax incentive legislation would have a legitimate business plan to move jobs to a different state⁵. Indeed, three of these companies had publicly committed to moving to Camden on September 24, 2015 – thirteen months prior to the Grow applications, which would seem to directly belie their claim that they were considering an out-of-state move.” See Report, pp 47-48. Although the Report contains 79 pages - and 208 footnotes that cite to numerous statutes, regulations, testimony, applications, emails, and other documents that purportedly support its statements - it does not cite to one specific fact to support its conclusion that provisions included in the proposed legislation were for the benefit of CSB or anyone else. Instead, the Task Force claims that because the statute was amended by the Legislature to include the ability of a company moving to Camden to obtain tax credits equal to its capital investment – a provision that applies to all companies moving to Camden – that amendment was inserted for the specific benefit of CSB (as well as NFI, L.P. (“NFI”) and The Michaels Organization, L.P. (“Michaels”)). See Report, pp 47-48. **There are no facts** to support this conclusion. In fact, any company moving to Camden would be similarly eligible for the same tax credit benefits.

The Report also claims that CSB made statements “committing” to Camden a year prior to filing its application. See Report, pp. 55-57. The Report refers to a September 24, 2015 email from George Norcross, Executive Chairman of CSB, to Tim Lizura, President and Chief Operating Officer of EDA, which attached a press release announcing Liberty Property Trust’s (“LPT”) plan to acquire and develop property along the Camden waterfront. See Report, p. 56. The Report cites

⁵ CSB disputes the claim that its lobbyist placed special provisions in the 2013 act for its benefit. CSB did not retain any lobbyist to comment upon the 2013 Act or to discuss the drafts of the 2013 Act with any elected official, staff member, governmental agency, or anyone else. To state or suggest otherwise is blatantly false.

to part of the press release that states “local leaders who have committed to investing in the project either personally or through their firms” include the principals of CSB, Michaels and NFI. (Emphasis in original). See Report, p. 56. The Report also states Mr. Norcross attended the press conference announcing Liberty’s plans and gave an interview with NJTV. See Report, p. 56. Mr. Norcross was asked whether he was going to “put \$50 million into the project.” Mr. Norcross said “It’s absolutely true. I committed to do this when I was trying to persuade one of the biggest real estate concerns in the country to become part of this effort, and we all thought that was going to be a credible act, and we’re putting our money where our mouths are, and we’re looking forward to being a part of it.” (Emphasis in original). See Report, p. 56.

Finally, the Report refers to an article by Allison Steele in the *Philadelphia Inquirer* which states “based on an anonymous source that CSB was ‘considering moving its headquarters into the development’ and TMO and NFI were also ‘expected to join the project.’ ” See Report, p. 56, footnote 147. The Report would have the reader believe that the three companies, including CSB, had decided that they would invest hundreds of millions of dollars to build a new office building and move their headquarters to Camden regardless of whether they were awarded Grow NJ tax credits. This premise is absurd.

Significantly, the Report cites to no statement by any representative of CSB (or NFI or Michaels) who said that the companies have “committed” to move their headquarters to Camden. In the NJTV interview, Mr. Norcross said that he committed to put \$50 million “into the [LPT] project.” He was not asked, and he did not say, that CSB, or any of the other companies, had committed to moving their companies to Camden. See Michael Aron, *Christie Announces Historic \$700 Million Redevelopment Project in Camden*, NJTV NEWS, Sept. 24, 2015, <https://www.njtvonline.org/news/video/christie-announces-historic-700-million-redevelopment-project-in-camden/> (transcription from video).

The press release referred to in the Report was released by the City of Camden and LPT, **not CSB**. See Report, Exhibit 31. It identifies local leaders who have committed to investing in the project either “personally or through their firms” as George Norcross, John O’Donnell, Sid Brown and Chris Gibson. See Report, p. 56. The press release does not say their companies have committed to moving to Camden. The press release includes a quote from Bill Hankowsky of LPT who says, “[w]e have worked with a group of successful local business leaders over the last several months to shape this project” and “they will be investing in the various project components” as the final plans take shape. He does not say the “local leaders” have committed to locate their companies at the project. The press release contains quotes from Mr. Hankowsky, Robert A.M. Stern, Governor Christie, President Obama, Richard T. Smith, and Mayor Redd.

Significantly, the Report omits Christopher Gibson of Archer & Greiner from the list of local leaders identified in the press release as having committed to investing in the project. Apparently this is because it does not support the Task Force’s narrative that having attended the press conference and been identified in the press release means you have a binding commitment to move to Camden. The fact that Archer & Greiner did not move its headquarters to Camden proves that having attended the press conference and having been identified in the press release as

having “committed” to investing in the project did not mean that any of the leaders had committed to relocate their company’s headquarters to Camden.

The *Philadelphia Inquirer* article that is cited does not include a quote from a representative or an official statement of any of the three companies indicating they have committed to moving their companies to the project site. That article cites “an anonymous source” who said that CSB “was considering” moving its headquarters into the development and that Archer & Greiner, Michaels and NFI were also “expected” to join the project. It does not say that they had committed to doing so. See Report, p. 56, Footnote 147. Again, the fact that Archer & Greiner did not move to Camden is evidence that having been cited in the article is hardly proof to establish that the companies had in fact made a binding decision to locate in Camden. A citation in a newspaper article to a comment from an anonymous source cannot, by any reasonable measure, be said to be a commitment by any of the companies to locate in Camden.

On the date of the announcement, CSB President and Chief Executive Officer, Mike Tiagwad released a statement to CSB employees, a copy of which is attached hereto as **Exhibit “J”** and made a part hereof. The statement, referring to the plans disclosed by LPT earlier that day, says “George [Norcross] and his affiliates are expected to invest at least \$50 million in the project.” It further states that “[CSB] will now begin the process of determining whether to join with a number of national and regional companies in making this campus our corporate home.” Thus, the only actual statement from anyone at CSB at the time of the 2015 press conference says that CSB will “begin the process” of deciding whether or not to make Camden its corporate home. That is certainly not a commitment to Camden as suggested.

At the May 2, 2019 hearing, the Task Force asked Mr. Lizura about CSB’s alleged commitment to Camden in 2015. Mr. Lizura said that he viewed the comments in the press release and the press conference that the companies had “committed” to the Camden Waterfront development project only as a commitment to invest in the real estate project and that he was not aware of whether the companies had committed to relocate to Camden at any point before their applications were filed. Report, p. 58. In a footnote to its reference to Mr. Lizura’s statement, the Task Force says “[e]ven if CSB’s, TMO’s, and NFI’s only “commitment” was to invest in the real estate project, and not to relocate their offices there, as Mr. Lizura claims to have believed, it nonetheless is difficult to understand why a different understanding would not emerge once the companies filed their applications and indicated their intent to relocate there.” See Report, p. 58, footnote 153. Essentially, the Report says the fact that CSB had filed an application seeking Grow Program tax credits for the proposed Camden project is evidence that in fact CSB had committed to move to Camden at that time. **That statement is ridiculous.** If that were true, every applicant would be disqualified for tax credits under the program the minute they filed their application.

The Report also takes the position that the comments of others equaled a commitment by CSB. **This assertion is simply sophistry and demonstrates an intent to deceive.** The only way in which CSB could have a commitment was if it had a binding contract – with specific terms – to locate at the Camden site. The property where the CSB office is located was owned by the Camden Redevelopment Agency and the EDA at the time CSB filed its application. See Report, Exhibit 27. Camden Town Center, LLC (“CTC”) had a contract to acquire and develop the property and

LPT was under contract to purchase all of the membership interest in CTC. LPT – through CTC – did not acquire the property until December 2, 2016. See **Exhibit “K”**, a copy of which is attached hereto and made a part hereof. CSB’s application initially anticipated that LPT – through CTC - would sell the land on which the building was located to a partnership that would be formed consisting of the principals of CSB, NFI and Michaels (“Owner”), and that LPT would construct a build-to-suit office building that would be sold to Owner. See Report, Exhibit 27. LPT submitted a proposal for the sale of the land and construction of the building, the terms of which were incorporated into the application. At that time, there was no binding contract in effect for the purchase of the land or the construction of the building. In fact, the contract to acquire the land was not signed until June 8, 2017, two and a half months after the EDA award was approved. See **Exhibit “L”**, a copy of which is attached hereto and made a part hereof. Incidentally, the day after the application was filed John Muscella, Chief Financial Officer at CSB, sent an email to Mr. Lizura stating that CSB had not made a decision as to whether to locate in Camden and asking him how the information submitted with the application would be handled if CSB decided not to move forward with the project. See **Exhibit “M”**, a copy of which is attached hereto and made a part hereof.

After the application was submitted, it became clear to Owner that it would be unable to come to an agreement with LPT for the construction of the building. Owner decided to evaluate whether it could construct the buildings without LPT. It had an architect and construction manager provide proposals to design and construct the building. On February 17, 2017, CSB (and NFI and Michaels) submitted an update to the project which incorporated the new design and proposal from Joseph Jingoli and Sons, Inc. to construct the building. See **Exhibit “N”**, a copy of which is attached hereto and made a part hereof. The updated project was reviewed by the EDA underwriter, EDA senior leadership, the Attorney General’s Office, and the EDA Board Incentives Committee, and moved to the EDA Board for approval on March 24, 2017.

The Report’s claim that CSB committed to move to Camden before its application was filed is completely false. It refers to statements made by others when LPT announced its project. However, LPT had not acquired the land at that time. In fact, LPT did not acquire the land on which the CSB project is located until a year later on December 2, 2016. Owner did not sign the contract to purchase the project site from LPT until two months after the EDA approved the tax credit award. Additionally, after CSB had submitted its application, it informed EDA that it had not yet decided whether to move forward in Camden, and it modified the project because it could not reach an agreement for the construction of the Camden building with LPT. As a result, it was impossible for CSB to have committed to locate its headquarters at the Camden waterfront at the time the application was filed, let alone at the time of the LPT press conference in 2015.

Alternate Location

The Report claims that the Task Force has “discovered evidence appearing to indicate that [CSB] did not genuinely consider Philadelphia as an alternate location to Camden.”⁶ See Report, p. 61. In support of this allegation, it refers to the alternate location identified in CSB’s application at 1601 Market Street, Philadelphia; the dates of the proposals submitted for that location; the change in the amount of floor area identified by the Landlord as available in the proposals; and emails among CSB representatives, and representatives of NFI, Michaels, and CBRE. See Report, pp 58-64. The Task Force assertions in this regard are, as clearly demonstrated below, complete nonsense.

CSB is a national company with \$2.5 billion in premium revenue and clients in all 50 states and abroad. It has offices in New York, Pennsylvania, Delaware, Massachusetts, Florida, and New Jersey. At the time it filed its application, it had dual headquarters with 98 employees located in Philadelphia, Pennsylvania and 174 employees located in Marlton, New Jersey. See Report, Exhibit 27. It leased the space at which both headquarters were located and those leases were scheduled to expire in March 2019. Because the leases for each headquarters office were scheduled to expire in the same month, CSB intended to consolidate the two headquarters offices into one, and was evaluating where to locate the new headquarters.

For several reasons, CSB’s discussions related to the location of its consolidated headquarters focused on locations in Camden and Philadelphia. At the time of the discussions, more than one-third of the company’s headquarters employees were located at the Philadelphia office. See CSB Application attached to the Report as Exhibit 27. Approximately 15% of the overall headquarters employees lived in Philadelphia – including the company’s Chief Executive Officer, Michael Tiagwad - and a total of 40% lived in Pennsylvania. Center City Philadelphia has the greatest aggregation of intellectual talent necessary for a national organization to attract high caliber labor. There are five major universities, and seven other four-year colleges or universities located within the city limits, as well as numerous other nationally recognized universities and colleges located just outside the City. It has a mass transit system that fully integrates Center City with surrounding communities in Pennsylvania. It is widely recognized nationally and internationally as the center of the commercial and business market in the region, with a tremendous variety of housing within walking distance of Center City. The Camden location is located on the waterfront, adjacent to the Benjamin Franklin Bridge. CSB did not pursue any other locations in New Jersey, as the Philadelphia employees would not want to travel to suburban New Jersey. So, in the simplest terms, the choices were Camden or Philadelphia. No other alternatives were relevant.

The regulations in effect at the time CSB’s application was approved required CSB jobs to be “at risk” to be counted in the net benefit analysis. The CSB application states that the New Jersey jobs are at risk of leaving the state. See Report, Exhibit 27. The alternate location that CSB identified as being considered was 95,378 square feet of space at 1601 Market Street, Philadelphia,

⁶ The CSB application clearly delineated the employees who would potentially relocate and those New Jersey employees who would remain in their existing offices in Toms River and Parsippany. See CSB application in Exhibit “D”.

Pennsylvania. See Report, Exhibit 27. CSB submitted a proposal from the landlord at the Philadelphia property dated August 29, 2016 identifying 95,378 square feet of space on floors 3-7 and 57,967 square feet on floors 11-12 of that building that would be available to lease after December 1, 2016 and providing the proposed financial terms for that space. See Report, Exhibit 34. CSB submitted a Cost Benefit Analysis (“CBA”) on the EDA form with its application, a copy of which is attached hereto as Exhibit “O” and made a part hereof. The CBA compares the proposed Camden location to the 95,378 square feet of space located on floors 3-7 at 1601 Market Street.

The Report claims that subsequent changes in the Philadelphia proposal “differed significantly” from the initial proposal suggesting that such changes “cast doubt” on the availability of the site. See Report, pp. 59 and 63. The Report refers to an updated proposal from the landlord for the 1601 Market Street property dated December 1, 2016, which removed floors 11-12 that were previously available and identified space on the 13th floor as available. See Report, Exhibit 39. However, that proposal identified the same 95,378 square feet that CSB identified in its application as being available. In fact, CSB never changed the alternate location or the amount of floor area it had proposed to lease at 1601 Market Street at any time during the application process. The fact that the landlord had to update its proposal because space it identified as being available, floors 11-12, was no longer available, is not evidence of misrepresentation or fraud. Rather, it is evidence that CSB was providing EDA with the most current information in its possession related to the alternate location. The real estate market is constantly in motion and the fact that an inventory of rental properties changes frequently should come as a surprise to no one. The Report’s inference that CSB changed its alternate site, or misrepresented the risk that the New Jersey jobs would be relocated out of state, based on the updated proposal from the landlord, is blatantly false. CSB never changed the alternate location identified in its application or the amount of space to which it proposed to relocate.

The Report further states the Task Force discovered “evidence” appearing to indicate that the three companies did not “genuinely consider” Philadelphia as an alternate location to Camden. Page 61. The Report says CSB, NFI and Michaels collaborated to obtain proposals in Philadelphia which it claims raised “clear red flags” that “should have caused EDA personnel to question the statements that the companies were considering relocating out of state.” See Report, p. 63.

To buttress this illusion, the Report strings together phrases from several different emails to create the false narrative that the companies did not actually consider moving out of state. See Report, pp. 61-63. Task Force uses partial quotes to infer a false pretense. However, it appears from the full text of the emails that the actual conversations discuss the companies moving to those locations. To illustrate this point, Exhibit 45 to the Report is a series of emails between Steve Grabell, Chief Financial Officer at NFI, Michael Landsburg, Vice President of Real Estate at NFI, and Troy Adams, Real Estate Manager at NFI, and CBRE. The first email (8/22/16) is from CBRE to Mr. Grabell and Mr. Landsburg identifying two sites in Allentown, Pennsylvania. The next email (8/24/16) is from CBRE to Mr. Adams referring to the first email and informing him that the Crown Cork and Seal building is for sale and providing information about that property. Next is an email (8/25/16 at 9:32 am) from CBRE to Mr. Grabell and Mr. Adams about submitting an RFP to 1500 Spring Garden. Mr. Adams responds (8/25/16 at 9:40 am) stating “We are most

interested in Allentown due to fact that it is the lowest occupancy cost and incentives. Get proposal for 1500 Spring Garden. After seeing Crown Cork site the building likely could fit all of the partners in a nice campus setting. I will discuss internally.” Mr. Grabell forwards to Mr. Adams and Joe Purcell, CFO at Michaels (8/26/16 at 6:31 am) with copies to Mr. Muscella, and others, indicating he asked CBRE to get a proposal for 1500 Spring Garden, stating “[i]t checks all the boxes and will be very convenient for our workforce. Since it has availability for us and also one of our additional potential partners in Camden, Ken [Zirk of CBRE] has identified an additional possibility for 95,000 sf at 1601 Market as well which another partner could use . . . [i]f Ken can arrange a visit . . . can someone attend?” Mr. Muscella emails Mr. Grabell (8/26/16) indicating he can be available for a site visit to 1601 Market. In fact Mr. Muscella visited 1601 Market Street on August 26, 2016.

When the entire email chain contained in Exhibit 45 is reviewed, it is clear that the three companies are evaluating alternatives to the Camden location. One representative of NFI initially indicates that it is most interested in Allentown “due to fact that it is the lowest occupancy cost and incentives” and says that the Crown Cork building could fit all partners in one campus. Another representative states that NFI is interested in 1500 Spring Garden Street because “[i]t checks all the boxes and will be very convenient for our workforce.” NFI also informs CSB of the availability of space at 1601 Market Street that may be available. This email chain is clear and demonstrative evidence of a discussion among the parties to the Camden proposal of alternate locations and a recognition that each company has different needs. **The language in the full email chain** – and not just one clause quoted by the Report – unequivocally supports the fact that the companies were actually evaluating sites and considering what would work for their companies and employees. There is no evidence of fraud as outrageously suggested by the Task Force.

The Report refers to an email between CBRE and the owner of 1601 Market Street pointing to part of the statement in the chain. See Report, Exhibit 46. The Report states that the broker said CSB “didn’t get the tax breaks they were seeking” but it ignores the fact that he also said “the deal apparently got too expensive.” The Report implies this is evidence of fraud on the part of CSB. In fact, it is no such thing. CSB was trying to simply identify its options. Camden was obviously an option as CSB had filed its Grow NJ application and, after it received its award, decided to proceed with that project. However, Philadelphia was also an option. In order to properly evaluate that option, CSB had to know whether there was adequate space available in Philadelphia, and how much that space would cost.

No rational company would ever commit to a project of that magnitude without evaluating the cost of that project in relation to other alternatives. In CSB’s case, the cost of undertaking the project in Camden was significantly higher than the cost leasing Class A space in Philadelphia. CSB is paying \$62/sf of the actual office space and its share of all common space, over 10 years to lease in Camden. The lease proposal for comparable space in Philadelphia was for the office space only at \$25.95/sf. See Report, Exhibit 39. The cost per foot in Camden is more than double the cost in Philadelphia. The Report would have you believe that CSB was going to move to Camden regardless of whether it received tax credits. Without tax credits, no financially prudent company would choose this Camden project over the Philadelphia location given the costs of the

two alternatives. The EDA staff and Board clearly recognized these important facts when approving the CSB application.

EDA APPLICATION REVIEW PROCESS

Contrary to the Task Force assertions, the CSB application underwent a lengthy and laborious process of evaluation with many checks and balances. This process was identified by David Lawyer at the May 2, 2019 hearing and is summarized in the Report. It starts with a review of the application by the EDA Business Development Officer (“BDO”). The BDO performs the initial review of the application to ensure that all required documentation has been submitted. See Report, p. 33. After the BDO consults with the Project Manager and Managing Director the application is submitted to the Underwriting group. See Report, p. 33. The underwriter performs an analysis of the information provided to determine whether the application meets all program requirements. See Report, p. 33. The underwriter conducts due diligence and communicates with the applicants to address any follow-up questions that may arise, reviews the cost benefit analysis and conducts the net positive benefit analysis. See Report, p. 33-34. The underwriter prepares a project summary that is presented at Project Review Meetings with EDA Senior Leadership and a member of the Attorney General’s Office, at which time any issues or concerns related to the application are identified. See Report, p. 34. The underwriter will follow up with the applicant to obtain information to address those concerns. See Report, p. 34. Once approved at the Project Review meeting, the underwriter presents the application at a meeting of the Incentives Committee of the EDA Board, EDA Leadership and a member of the Attorney General’s Office (Elizabeth Renaud/Gabriel Chacon). See p. 53 of Transcript of May 2, 2019 Hearing, attached hereto as Exhibit “P” and made a part hereof. Once approved by the Incentives Committee, it is presented to the EDA Board for consideration.

CSB filed its application on October 24, 2016, **three (3) years after the Grow Program was enacted**. The underwriting and EDA review continued **for five (5) months**, from October 24, 2016 through March 16, 2017. During this period, EDA questioned the number of jobs and whether they were at risk of leaving the state. The initial review of CSB’s jobs related to whether they were at risk and the number of licensed professionals at the Marlton, New Jersey location. EDA took the position that licensed professionals, including insurance professionals, are not at risk of leaving the state because they are licensed to work in New Jersey, unless the licensed professionals do not require a license to perform their job function (i.e. general counsel, chief executive officer, chief financial officer, human relations professionals, etc.) CSB had to identify the number of unlicensed employees as well as the number of professionals whose job function did not require a license. As a result of this extensive due diligence process, EDA determined that only 69 of the 157 then existing jobs in Marlton were at risk of leaving the state. See Report, Exhibit 42.⁷

⁷ CSB has always maintained that all Marlton jobs were at risk of leaving the State, including the licensed professionals. The majority of the licensed professionals maintained licenses in many states, including Pennsylvania and New Jersey. The licensed professionals are not required to be located in New Jersey in order to do business in New Jersey. Moving them from Marlton to Philadelphia would have been no different than moving the Philadelphia licensed professionals to Camden as was done when the building was completed and ready for occupancy in June

The EDA underwriter also asked numerous questions related to the alternate location seeking documentation and information about the size of the proposed lease area, the costs, and updated proposals. The CSB application went through a thorough underwriting process which satisfied the underwriter, EDA Leadership, the Attorney General's Office, the Incentives Committee and the EDA Board that it met all of the criteria applicable to a tax credit applicant and that it qualified for tax credits.⁸

CSB TAX CREDIT AWARD WAS, AND REMAINS, PROPER AND APPROPRIATE

CSB maintains – and the record is compelling in support – that EDA acted appropriately in awarding the tax credits in 2017. The record is thorough in this regard and CSB has continuously complied with all Grow Program requirements up to and including this date, and acted in reliance upon those EDA approvals and Approval Letter in pursuing its project and investing tens of millions of dollars in furtherance of its project. **The Task Force Report does nothing to credibly refute that compelling record.**

In fact, the Report contains numerous misstatements of law and misstatements of fact to support its inference that CSB has defrauded the EDA and the State of New Jersey. There is nothing that the Task Force has identified wherein CSB said it “committed” to locating its headquarters office in Camden or that the jobs were not at risk. CSB clearly demonstrated it had the financial and operational ability and means to relocate in Philadelphia; frankly, a move that is common for many companies in Southern New Jersey. See **Exhibit “R”**, attached hereto and made a part hereof.

Moreover, without tax credits no reasonable company would locate in Camden at that high cost. The project cost \$62 a square foot over 10 years to locate in Camden. As the Philadelphia proposal shows, the market rate of rent in Philadelphia at the time CSB made its application was \$24-26 per square foot. The cost benefit analysis provided to EDA clearly showed the significant difference in the cost to build in Camden versus the cost to lease comparable space in Philadelphia. There is no question that CSB would not have moved to Camden but for the tax credits. The other intangibles with respect to site selection, are all clearly found in Philadelphia. The claim that CSB “committed” to Camden and the implication that they would have built in Camden without tax credits is ludicrous. It would have been financially irresponsible to do so.

Significantly, CSB has also exceeded what it had promised the EDA when it was awarded its tax credits. CSB estimates that approximately \$87 million has or will be invested in its new headquarters when completed.⁹ It has moved over 302 Grow-eligible jobs into its new Camden

2019. As a result of the EDA's excluding 88 licensed professionals from the net benefit calculation, the actual net benefit to the state is much greater than calculated by the EDA.

⁸ In 20017-20018, the U.S. Attorney's Office reviewed the entire CSB tax credit application and file. Based on a review of the applicable law and evidence during that investigation, the U.S. Attorney concluded that no further action was warranted and the matter was closed. See **Exhibit “Q”** attached hereto and made a part hereof.

⁹ The original project submitted to EDA included a helipad on the roof of the building. The project was subsequently modified to reduce the overall cost and to eliminate the helipad from consideration by the EDA. The project summary was revised to remove the helipad. (See Project Description attached as Exhibit “N”). Accordingly, when CSB certifies its costs and project completion to EDA, it will not include any costs related to the installation of the helipad.

Mr. Bruce Ciallella
July 16, 2019
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headquarters, and it actively recruiting to fill another 18 Grow eligible positions, for a total of 52 more than the 268 it had promised the EDA. CSB has more than upheld its side of the bargain.

CSB thanks the EDA for the opportunity to set the record straight. We look forward to meeting with your representatives as soon as possible to discuss any other questions or comments that may arise.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Heather A. Steinmiller".

Heather A. Steinmiller, Esquire

atop the building. The helipad was constructed with private funds and will not be a part of the Grow Program award. CSB, along with the other occupants, have authorized first responders (Cooper/police/fire/EMS) to utilize the helistop without cost as and when needed for emergencies.

Exhibit “A”



June 26, 2019

Certified and Electronic Delivery

Conner Strong & Buckelew Companies, LLC
John Muscella
Chief Financial Officer
401 Rt. 73 North, Ste. 300
PO Box 989
Marlton, NJ 08053
jmuscella@connerstrong.com

On March 24, 2017 ("Approval Date"), the New Jersey Economic Development Authority ("Authority") approved a Grow New Jersey Award ("Grow") for Conner Strong & Buckelew Companies, LLC ("Company") pursuant to the "Grow New Jersey Assistance Act," L. 2011, c. 149 as amended by, among other laws, L. 2013, c. 161 and L. 2014, c. 63 (hereinafter "the Act") which provides incentives for a business making, acquiring, or leasing a Capital Investment at a Qualified Business Facility with more than a certain required number of Retained Full-Time Jobs or New Full-Time Jobs ("Program"). The Authority approved the Application based on the information contained in the Application and supporting documents, as updated by the Company during the Authority's review of the Application, and in reliance on the certification of the Company's CEO that the information in the Application and attachments was true, accurate, and complete. The Authority has subsequently received the enclosed information regarding the Company.

The Authority requests that Company provide detailed information about each matter contained in the attached documentation and submit a written explanation for omitting to inform the Authority of any matter that existed prior to the Approval Date and the impact of each matter to the information the Company provided in its Application and supporting documents, as updated. After submittal of the written explanation, the Authority shall review in consultation with its legal counsel and invite Company to the Authority's office for a meeting to discuss the information and explanation provided.

On behalf of the Authority, I look forward to receiving your response. If you have any questions or concerns, please feel free to contact me at bciallella@njeda.com or 609-858-6091. Please be aware that this letter and the process described here does not waive any rights that the Authority may have under the Act, the Program Regulations, any executed agreements, and other applicable law.

Regards,

/s/ Bruce Ciallella

Bruce Ciallella
New Jersey Economic Development Authority
Senior Vice President

Enclosures: 1

CC: Tim Sullivan, New Jersey Economic Development Authority, CEO
Gabriel Chacon, New Jersey Department of Law & Public Safety, Division of Law, AAG
Eric Corngold, Friedman Kaplan, Partner
Ricardo Solano, Friedman Kaplan, Partner

Exhibit “B”



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I. EXECUTIVE SUMMARY

The Task Force on the Economic Development Authority's Tax Incentives (the "Task Force") is an advisory body and, pursuant to its mandate, submits this first report (the "First Report") to advise the Governor of its initial findings and recommendations.

In January 2018, Governor Philip D. Murphy directed the Office of the State Comptroller to conduct a comprehensive performance audit of the Grow New Jersey Assistance Act ("Grow NJ") and Economic Redevelopment and Growth ("ERG") tax-incentive programs (each a "Program" and together, the "Programs"), and predecessor programs, from 2010 forward, to "inform the public about the EDA's operations" and "assist lawmakers in their deliberations as to whether these programs should be reauthorized when they expire on July 1, 2019." On January 9, 2019, New Jersey State Comptroller Philip J. Degnan (the "Comptroller") issued his audit report¹ of the State's tax-incentive programs. The Comptroller's audit report revealed, among other things, that the New Jersey Economic Development Authority (the "EDA") had failed to comply with the applicable statutes and regulations and to implement key internal controls for monitoring the performance of tax-incentive beneficiaries.

In response to the Comptroller's audit report, Governor Murphy issued Executive Order No. 52, which established this Task Force with the following objectives:

1. Conduct an in-depth examination of the deficiencies in the design, implementation, and oversight of Grow NJ and the ERG tax-incentive programs, including those identified in the Comptroller's audit report, to inform consideration regarding the planning, development and execution of any future structure of these or similar tax-incentive programs; and
2. Hold public hearings and request testimony from individuals who can provide insight into the design, implementation, and oversight of these programs.

The Task Force has been authorized to call upon any department, office, division or agency of the State to supply it with data and any other information or assistance available to such agency as the Task Force deems necessary to execute its duties. Each State agency also has been required to timely cooperate with the Task Force. In addition, Governor Murphy appointed Professor Ronald Chen, as the Chairman of the Task Force, to "perform all of the functions of a duly authorized representative of the Governor" pursuant to N.J. Stat. § 52:15-7, including the ability to "subpoena

¹ A Performance Audit of Selected State Tax Incentive Programs, Jan. 9, 2019.



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and enforce the attendance of witnesses.”² The Task Force has generally sought, in the first instance, to obtain information through witnesses’ voluntary cooperation, but has also relied upon Professor Chen’s subpoena power where necessary.

As described in more detail below, to fulfill its mandate, the Task Force has collected and reviewed thousands of documents—obtained from the EDA and other agencies, from companies awarded benefits under the Programs, and from other parties—and conducted 28 interviews to date. These interviews have included former and current EDA personnel and other government employees, as well as other parties with knowledge of or information about the design and administration of the Programs.³ The Task Force has also interviewed several policy experts to provide insight on the structure and features of New Jersey’s tax-incentive programs.

Although the Task Force’s mandate encompasses both the Grow NJ and ERG programs, its investigation to date has focused primarily on Grow NJ. The Task Force’s investigation is ongoing, and it intends to address ERG, as well as other aspects of Grow NJ, in later reports.

Given its mandate of examining the “design, implementation, and oversight” of the tax incentive programs, the Task Force began its analysis by dividing its efforts into two separate but related areas. In the first, it focused on the Programs’ legislative underpinnings, examining factors relating to the design of the Programs, including whether special interests played a role in the statutory provisions. In the second, the Task Force focused on the EDA’s implementation of the statutes and on its administration of the Programs. This included focus on examining the EDA’s review and diligence over program applications to determine whether the EDA was employing meaningful scrutiny of those applications.

Although there is necessarily crossover among the issues encountered in these separate investigative areas, this investigative structure has enabled the Task Force to most efficiently and comprehensively examine the Programs. The description of our findings below follows this general investigative structure. The Task Force’s findings are based upon the information available to the Task Force as of this date and are subject to further revision as the Task Force’s investigation proceeds and additional information becomes available. In sum, the Task Force has found as follows:

² See March 22, 2019 Letter from Governor Murphy to Professor Chen.

³ We do not name EDA staff referenced herein, but we do name certain EDA senior managers.



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A. Special Interests, Which Prioritized Benefits to Private Parties Rather than the State, Had a Significant Impact on the Design of the Grow NJ Statutes and Regulations

With respect to the design of the statute, special interests—in the form of a law and lobbying firm and the clients on whose behalf it apparently operated—appear to have had a significant impact on the design of the Grow NJ statute as amended by the Economic Opportunity Act of 2013 (or “EOA 2013”) and its implementing regulations. As a result of those special interests, EOA 2013 was—in several ways—structured to favor certain parties while disfavoring others in certain respects. For example, a statutory provision related to grocery stores in Camden appears to have been drafted to permit a particular grocery store to obtain tax incentives, while prohibiting a competitor grocery store from obtaining such benefits. Although neither grocery store ultimately opened in Camden, the drafts of this provision highlight the significant and, in the Task Force’s view, inappropriate role special interests played in crafting the statute.

In addition, the Grow NJ program was dramatically expanded by EOA 2013 in numerous respects. Principal among these amendments were provisions that allowed projects in Camden—where many of the law firm’s clients had business interests—to receive awards far in excess of what would have been possible in other parts of the State. Unlike the requirements applicable in other parts of the State that Grow NJ awards be anticipated to result in a net positive benefit to the State in terms of new tax revenue, these large awards for projects in Camden could be based on “phantom” taxes that would never actually accrue and thus might not result in a gain to the public fisc.

B. The EDA Did Not Have Adequate Procedures in Place to Ensure That It Discovered Relevant Information, Including Applicant Misstatements, That Would Have Led to Rejection of Some Applications or a Significant Reduction in the Amount of Certain Awards

With respect to the administration of the Programs, the EDA had only a few formal written policies and procedures to provide guidance to the EDA employees tasked with reviewing companies’ applications for tax incentives. Even more troubling, the EDA lacked any formal training to ensure those same employees had a common understanding of Program requirements or clear rules for conducting due diligence on tax-incentive applications, which often involved awards of millions of dollars. This fundamental lack of controls led to important misunderstandings over threshold requirements for applications and inconsistency within the EDA in its evaluation and application of Program requirements—including confusion over even the basic level of scrutiny to be applied to applications, with some EDA employees viewing the vetting process as a “box



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checking” exercise, during which a company’s factual assertions deserved deference, and other employees applying meaningful scrutiny.

Relatedly, the EDA did not have any protocol or written standards for conducting research in connection with companies’ applications for Program benefits. As a result, at least with respect to the applications the Task Force has investigated in detail thus far, some EDA employees conducted independent research to verify aspects of applicants’ factual assertions and others failed to do so, even when relevant information was readily available. For example:

- A simple internet search revealed that one company, Holtec International, had been debarred by the Tennessee Valley Authority, even though Holtec said it had never been debarred in its Grow NJ application. Although such a debarment would have been grounds for the EDA to deny Holtec’s application for tax incentives, the Task Force found no evidence that the EDA discovered Holtec’s debarment. Apparently unaware of the debarment, the EDA ultimately approved Holtec for a \$260 million Grow NJ award.
- Another simple internet search revealed that three companies—Conner Strong & Buckelew Companies, LLC, The Michaels Organization, LLC, and NFI, L.P.—committed to move to Camden more than a year before submitting their applications for tax incentives, in which they claimed they were considering relocating to Pennsylvania as a potential alternative. Had the EDA’s employees found this information,⁴ the EDA may have found these applications materially misleading, and denied an award on that basis. At a minimum, armed with this information, the EDA should have calculated these awards based only on new jobs moving to Camden from outside the State, and the awards to these three entities combined would have been reduced by over \$70 million.

⁴ As we discuss below in Section V(C)(4)(b)(i) of this First Report, we found evidence that the then-President and Chief Operating Officer of the EDA, Tim Lizura, should have reasonably known by September 24, 2015—thirteen months before these three companies applied for tax incentives under the Grow NJ program—that these applicants had committed to the Camden project. This meant that their certifications in their applications that jobs were “at risk” of leaving New Jersey were, at best, dubious. We found no evidence that Mr. Lizura shared this information with either the Business Development Officer or Underwriter responsible for these applications. We continue to investigate this issue.



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To date, our investigation has uncovered no evidence that the EDA intentionally ignored this information, but the failure to have strict guidelines for such research made these lapses possible. Indeed, in another instance, the EDA failed to follow up on red flags (that is, concerns or cause to follow-up) in the actual application materials submitted by the applicant itself. The Cooper Health System acknowledged in its initial application materials that no jobs were at risk of leaving New Jersey and it was not considering any out-of-state locations. The EDA subsequently accepted, without any skepticism or further diligence, Cooper Health's later claim that it was considering an out-of-state relocation, and approved Cooper Health for nearly \$40 million in tax incentives. The evidence shows otherwise. Had the EDA calculated Cooper Health's award based on its initial representation that no jobs were at risk of leaving the State, Cooper Health's award would have been approximately \$7 million—more than \$32 million lower than what it was awarded.

Although the Task Force's investigation is ongoing, below we make a number of recommendations for future legislation, as well as for the EDA's procedures in administering the Programs, based on its findings to date. By way of summary, those include:

- Designing any future legislation to ensure as much as possible that the public policy goals are applied neutrally, without favoring specific business interests;
- Assuring that persons or firms who represent tax-incentive applicants are properly registered as lobbyists under the New Jersey Legislative and Governmental Process Activities Disclosure Act;⁵
- Refraining from providing draft EDA regulations to people or firms that represent tax-incentive applicants outside the public notice-and-comment procedure under the New Jersey Administrative Procedure Act;⁶
- Taking steps to ensure that tax incentives are structured so that they result in a net gain to the State, or, if they do not, that fact is transparent;
- Ensuring that the language of any new legislation and implementing regulations more clearly sets forth the standards to be applied in determining eligibility for tax incentives;
- Strengthening the EDA's ability to withhold all or part of an award where a company has failed to meet its commitments, and ensuring that the EDA has sufficient data to fully evaluate a company's compliance with its incentive agreement;

⁵ N.J. Stat. § 52:13C-18 et seq.

⁶ N.J. Stat. § 52:14B-1 et seq.



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- Requiring the EDA to implement formal written policies and procedures governing all aspects of the Programs and their administration and to undertake to formally train its staff in how to review Program applications and monitor compliance;
- Requiring the EDA to use an experienced professional services firm to conduct a background check on each applicant and its affiliates and senior executives; and
- Strengthening the EDA's process for conducting diligence into an applicant's claim that it intends to locate out of state absent the award of tax incentives from New Jersey.

In addition to examining the design and administration of the Programs, the Task Force has established an accelerated recertification program, or "ARP," pursuant to which companies can voluntarily submit information to establish that they have been and remain in compliance with all Program requirements. We did this for two reasons: (1) we desired to streamline our work to focus on the most serious issues; and (2) if the EDA did an inadequate job vetting applications, but the applicant had business records to demonstrate its compliance with Program requirements, the EDA's oversight lapses for these applications would not have had a negative impact on the public fisc. Currently, 53 companies have pursued participation in the ARP.⁷

Finally, although our focus has been and shall remain on the EDA, our investigation necessarily involves a review of companies' tax-incentive applications to determine how the EDA administered the Grow NJ and ERG programs. As a corollary to our work, the Task Force has uncovered several instances where Program beneficiaries have—whether intentionally or not—failed to comply with Program requirements, either by submitting inaccurate information in their applications or by subsequently falling out of compliance. The Task Force has obtained some voluntary terminations of awards, and has referred others to the State Treasury or either law enforcement agencies, the EDA, or both, which may result in, among other things, steps to suspend or terminate these awards. The aggregate value of the awards that were either voluntarily terminated or may be subject to such suspension/termination actions exceeds \$500 million.

II. INTRODUCTION TO THE PROGRAMS

New Jersey currently has two principal tax-incentive programs: Grow NJ and ERG. A brief summary of both programs follows.

⁷ Of these companies, the Task Force has identified several companies that present threshold issues, which must be resolved before the company can proceed with the ARP. The Task Force is working with these companies to obtain additional information before it makes a final decision regarding their participation in the ARP.



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e) The Material Factor Test Applicable to Camden Projects

For incentivized projects in most parts of New Jersey, it is indisputable that, for a company to receive Grow NJ tax incentives for existing jobs in New Jersey, those jobs must be at risk of leaving the State or being eliminated. This is clearly set out in the statutory text, which requires companies to establish that “but for” the provision of tax incentives, the jobs would be relocated out of state or eliminated:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating: (1) that any existing full-time jobs are at risk of leaving the State or being eliminated; (2) that any projected creation or retention, as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and (3) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate”⁵⁵

As discussed above, the Task Force reviewed the June 21, 2013 EOA 2013 bill drafts.⁵⁶ The metadata in these documents appear to show that Kevin Sheehan of Parker McCay amended the above-quoted language to add a provision expressly stating that the risk of an out-of-state relocation “shall not be required with respect to projects in [Camden].” Mr. Sheehan proposed to amend the provision as follows:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating that: (i) any existing full-time jobs are at risk of leaving the State or being eliminated; (ii) that any projected creation, or retention as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and, (iii) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate, **provided however, item (i) shall not be required with respect to projects in [Camden]. . . .**”⁵⁷

⁵⁵ N.J. Stat. § 34:1B-244(d).

⁵⁶ Exhibits 1 and 2.

⁵⁷ Additionally, in the current version of the statute, there is also language that makes this provision apply to projects in Atlantic City as well as to projects in Camden. The Atlantic City language was



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(Emphasis added).

On Friday, June 21, 2013, at 8:12 PM, an aide to then-Governor Chris Christie, Colin Newman, who was involved in EOA 2013's drafting, sent an email to several senior EDA officials—Tim Lizura, Maureen Hassett, and Michele Brown—attaching a working draft of the bill containing the above-quoted amendment by Mr. Sheehan of Parker McCay.⁵⁸ Mr. Newman noted in the email that the bill draft presented certain “issues” that needed to be discussed over the weekend.⁵⁹ On Sunday, June 23, 2013, at 10:31 PM, Mr. Newman sent an email to Mr. Lizura and Ms. Hassett, stating that they needed to prepare “compromise language” with respect to the above-quoted provision.⁶⁰ Mr. Newman proposed language that would have restored the requirement that, for projects in Camden, there be a risk of out-of-state relocation to receive tax incentives for retaining jobs.⁶¹ Throughout the morning and afternoon of Monday, June 24, 2013, Mr. Newman, Mr. Lizura, and Ms. Hassett proceeded to iteratively draft additional versions of proposed compromise language, while appearing to complain that the other side of the negotiations continued to produce “unsatisfactory” counterproposals.⁶²

By the afternoon of June 24, 2013, the negotiating parties appear to have agreed to compromise language that rejected the “shall-not-be-required” language that Mr. Sheehan had drafted and replaced it with a “material factor” test that was ultimately enacted into law, and is still embodied in the version of the statute in force now. That material factor test is as follows:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating: (1) that any existing full-time jobs are at risk of leaving the State or being eliminated; (2) that any projected creation or retention, as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and (3) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate, provided however, that **in satisfaction of the provisions of paragraphs (1) and (2) of this subsection, the certification**

added in 2014 statutory amendments. Because the current discussion concerns EOA 2013's amendments, which did not yet apply to Atlantic City, we omit that language here.

⁵⁸ Exhibit 4.

⁵⁹ Exhibit 4.

⁶⁰ Exhibit 5.

⁶¹ Exhibit 5.

⁶² See Exhibits 6, 7, and 8.



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with respect to a project in [Camden⁶³] . . . shall indicate that the provision of tax credits under the program is a material factor in the business decision to make a capital investment and locate in [Camden]”

(Emphasis added).⁶⁴

Thus, the statute provides that, for projects in Camden to be eligible for tax incentives, the company must be facing a “business decision” concerning where to “locate.” One option must be Camden, and the provision of tax incentives must be a “material factor” in the company’s decision to locate there. However, the statutory text *does not specify one way or the other* whether the “business decision” concerning the company’s location (a) must be between Camden versus an out-of-state location or (b) may be between Camden versus another New Jersey location. No court has yet had occasion to interpret this clause and resolve this statutory ambiguity concerning whether tax incentives are available for intra-state relocations to Camden when no potential out-of-state relocation is considered. From the Task Force’s perspective, the former interpretation—that is, that tax incentives for projects relocating to Camden, like tax incentives for projects relocating elsewhere, are available only if the company is considering a potential out-of-state location—is likely the better interpretation. This is so for at least two reasons. First, the New Jersey Supreme Court has repeatedly taught that “the furtherance of legislative purpose is the key to the interpretation of any statute,”⁶⁵ and here, the Grow NJ statute expressly states that a purpose of the program is to “preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.”⁶⁶ The statute does *not* say that its purpose is to incentivize the relocation of jobs to Camden from elsewhere in New Jersey, even if those jobs are not at risk of

⁶³ The statutory text that is replaced here with the bracketed “Camden” notation for ease of readability is the following: “a Garden State Growth Zone that qualifies under the ‘Municipal Rehabilitation and Economic Recovery Act,’ P.L.2002, c. 43 (C.52:27BBB-1 et al.)” Camden is the only municipality that fits that definition, as it is “the only municipality affected by the provisions of the [Municipal Rehabilitation and Economic Recovery Act].” Fiscal Impact Statement for Assembly Bill No. 4375 (Jan. 4, 2010), https://www.njleg.state.nj.us/2008/Bills/A4500/4375_S1.HTM.

⁶⁴ N.J. Stat. § 34:1B-244(d).

⁶⁵ *GE Solid State, Inc. v. Dir., Div. of Taxation*, 132 N.J. 298, 308 (1993). See also, e.g., *In re Young*, 202 N.J. 50, 64 (2010) (explaining that statutory interpretation must be intended to “effectuate the fundamental purpose for which the legislation was enacted”).

⁶⁶ N.J. Stat. § 34:1B-244(a).



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leaving the State. It would further the statute's express purpose, therefore, to construe the out-of-state requirement that is applicable to projects in the rest of the State to also apply to Camden.⁶⁷ Second, if the statute were to be interpreted as intended to incentivize the relocation of jobs to Camden from other parts of New Jersey, a question would arise as to whether the statute would be unconstitutional because it would favor Camden over other parts of the State and, as such, arguably be an impermissible "private, special or local law."⁶⁸ Statutory interpretations that avoid such serious constitutional questions are typically favored.⁶⁹ For these reasons,⁷⁰ if a New Jersey court

⁶⁷ Cf. *Murray v. Plainfield Rescue Squad*, 210 N.J. 581, 592 (2012) ("We do not view the statutory words in isolation but in context with related provisions so as to give sense to the legislation as a whole.").

⁶⁸ See N.J. Const., art. IV, § VII, ¶ 7 ("No general law shall embrace any provision of a private, special or local character.") and ¶ 9(6) ("The Legislature shall not pass any private, special or local laws . . . [r]elating to taxation or exemption therefrom."); *Mooney v. Bd. of Chosen Freeholders of Atl. Cty.*, 122 N.J. Super. 151, 154 (Law. Div.), *aff'd*, 125 N.J. Super. 271 (App. Div. 1973) ("[L]ocal and special laws rest on a false or deficient classification in that . . . they create preference and establish inequalities; they apply to persons, things or places possessed of certain qualities or situations, and exclude from their effect other persons, things or places which are not dissimilar in these respects.") (internal quotation marks and citation omitted). While the Legislature may in some cases adopt special laws if there is prior public notice (¶ 8), the prohibition in ¶ 9(6) against special laws "[r]elating to taxation or exemption therefrom" is absolute.

⁶⁹ See, e.g., *Silverman v. Berkson*, 141 N.J. 412, 417 (1995) ("Unless compelled to do otherwise, courts seek to avoid a statutory interpretation that might give rise to serious constitutional questions.").

⁷⁰ Additionally, it is also notable that, whether the EDA is applying the "material factor" test that is applicable to Camden or the "but for" test that is applicable to the rest of the State, in both cases the statute directs the EDA to consider the same evidence concerning the company's potential relocation sites: "When considering an application involving intra-State job transfers, the [EDA] shall require the business to submit the following information as part of its application: a full economic analysis of all locations under consideration by the business; all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations; and all lease agreements, ownership documents, or substantially similar documentation for **the potential out-of-State location alternatives**, to the extent they exist. Based on this information, and any other information deemed relevant by the [EDA], the [EDA] shall independently verify and confirm, by way of making a factual finding by separate vote of the [EDA]'s board, the business's assertion that the jobs are actually at risk of leaving the State, and as to the date or dates at which the [EDA] expects that those jobs would actually leave the State, or, with respect to projects located in [Camden] . . . , the business's assertion that the provision of tax



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were to construe this “material factor” provision, the Task Force believes the court would more likely than not conclude that an out-of-state location is required for projects in Camden.⁷¹ Putting our view aside, whatever the Legislature intended, any representations Grow NJ applicants made to the EDA concerning their potential out-of-state relocation were required to be truthful, so falsely stating that jobs were at risk of leaving the State and, accordingly, that an out-of-state alternative was under consideration would be highly problematic.⁷²

In any event, whether or not a risk of an out-of-state relocation is strictly required under the statute for projects in Camden, it is indisputable, based on provisions of the Grow NJ Act and EOA 2013 separate and apart from those discussed here, that whether or not such an out-of-state relocation is contemplated is a critical factor bearing upon the potential size of any award. This is because of Grow NJ’s “net benefits” requirement, which mandates that every Grow NJ award be anticipated to result in a net benefit to the State in terms of new tax revenue.⁷³ For companies relocating existing jobs from somewhere within New Jersey to Camden, those jobs create no new “benefit” to the State, since the “benefits” test is state wide and those jobs would yield no new tax

credits under the program is a material factor in the business’s decision to make a capital investment and locate in [Camden] . . . before a business may be awarded any tax credits under this section.” N.J. Stat. § 34:1B-244(d) (emphasis added). If a potential out-of-state alternative location were not required for projects in Camden, it is difficult to understand why the statute directs the EDA to consider evidence of the company’s “potential out-of-state location alternatives” (“to the extent they exist”) in the same manner as if EDA were considering a project outside Camden, where there is no question that an out-of-state location alternative is required.

⁷¹ The “material factor” provision applicable to Camden, in the Task Force’s view, is likely best understood as intended to reduce the required showing for the at-risk nature of the jobs: outside Camden, the CEO has to certify that but for the tax incentives jobs would leave the State (that is, the tax incentives are a determinative factor in the company’s decision); by contrast, in Camden, the CEO has to certify that the tax incentives are a material factor in locating the jobs in Camden rather than in another state (that is, the tax incentives are an important factor in the company’s decision but are not necessarily determinative).

⁷² See N.J. Stat. § 34:1B-244(d) (requiring an applicant’s CEO or other equivalent officer to certify that he or she “has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate”). For criminal penalties under New Jersey law potentially applicable to misrepresentations in connection with Grow NJ applications, see N.J. Stat. §§ 41:3-1 (perjury), 2C:28-2 (false swearing), 2C:28-3 (unsworn falsification), 2C:21-3(b) (fraud relating to public records), 2C:20-4 (theft by deception), 2C:21-7(h) (deceptive business practices).

⁷³ See N.J. Stat. § 34:1B-244(a)(3) (requiring Grow NJ awards to “yield a net positive benefit to the State”).



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revenue.⁷⁴ Put another way, New Jersey accrues tax revenue from those jobs whether or not they are relocated, since in either case they are in the State. Based on this principle, when in-state jobs are relocated to Camden and no potential out-of-state alternative is contemplated, the “benefit” calculation is minimal, and the potential tax incentive award must be reduced as a result.⁷⁵ Thus, if a company falsely certified that its jobs were “at risk” of leaving the State—when they were not at risk—such a representation would likely affect the size of the company’s potential award, and, as such, would surely be material.⁷⁶

We hasten to note that the above discussion relates to the Grow NJ statute itself—not to the EDA’s administration of the law, which is covered later in this First Report. Here, the Task Force notes that with respect to the “material factor” provision of the statute, there is a notable ambiguity, which, as shown by the evidence above, may have been by design—as a compromise between, on the one hand, those parties who advocated for the statute to expressly provide that a risk of out-of-state relocation “shall not be required” for projects in Camden, and, on the other hand, those parties who advocated for the statute to require a showing that jobs were at risk of out-of-state relocation.⁷⁷

⁷⁴ This principle, which is inherent in the notion of a state-wide “benefits” test, is expressly set out in EDA’s regulations for Grow NJ, which provide in pertinent part: “Retained employees in a project in [Camden] . . . shall not be included [in the benefits calculation] unless the business demonstrates that the award of tax credits will be a material factor to retain the employees **in the State . . .**” N.J. Admin. Code § 19:31-18.7(c) (emphasis added).

⁷⁵ This issue is discussed further below, in Section V(C)(2)(b) of this First Report.

⁷⁶ As EDA’s former President and Chief Operating Officer Tim Lizura explained at the Task Force’s May 2, 2019 public hearing, “the net benefit test was a statewide test, and that would suggest, or would then require that the jobs would be at risk of leaving New Jersey in order to include [the] economic impact of those jobs under the net benefit test. If there was not a risk of leaving the state, we would include all the other drivers of the net benefit test except the economic activity from the employees, which is the largest driver of the economic output.” Hr’g Tr. (May 2, 2019) at 262:8-18).

⁷⁷ In 2014, this provision of the Grow NJ Act was again amended to provide that Atlantic City would be treated in the same manner as Camden. Therefore, under the current version of the statute, companies may be eligible for Grow NJ benefits when the tax incentives are a “material factor” in the company’s decision to locate in either Camden or Atlantic City. The statutory ambiguity discussed in this section with respect to Camden applies likewise with respect to Atlantic City.



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and-comment period, its regulations had been amended in response to the request of a private party, apparently to assist a specific client.

3. Inadequate Statutory Requirements to Ensure Job Requirements Are Consistently Met

The current statutory requirements and EDA regulations governing reporting requirements and required annual jobs reports for companies to receive awards are inadequate to ensure that companies are consistently creating or retaining the required number of jobs and achieving the aims of Grow NJ. Based on the language of the regulations, a company need only submit an annual report, certified by the company's chief financial officer or equivalent, showing that it created or retained the required number of jobs for the last tax year before the credit amount is approved and issued. There is no additional certification requirement to ensure that these jobs are maintained to further the aims of economic growth and job creation. In essence, a company could create the number of jobs required in its agreement, certify, receive the first tenth of its overall credit, and then eliminate or fail to retain the required number of jobs immediately after receiving its credit while still retaining the award for the full year.

Indeed, in one instance, World Business Lenders, LLC ("WBL"), moved to New Jersey from another state in July 2016. WBL's award was contingent on its promise to bring a specific number of jobs into New Jersey, and its Incentive Agreement provided that it would remain in New Jersey for fifteen years. By October 2016, WBL had hired enough employees to meet the employment numbers set forth in its Incentive Agreement. WBL's submission to the EDA showed that it had satisfied the employment numbers set forth in its Incentive Agreement in October 2016. In the beginning of December 2016, the EDA certified to the Division of Taxation that the company was eligible for its overall tax credit certificate of approximately \$16 million. At the beginning of January 2017, however, the company laid off a significant number of its employees, sending its job numbers well below the number required to continue to qualify for a tax-incentive grant. The EDA learned of the mass layoffs through news reports. The company subsequently submitted a report showing that it had met the required employment numbers for November and December 2016. Therefore, despite having seen indications that the company had terminated its employees after satisfying the requirements to receive its tax credit for 2016, the EDA asked the Division of Taxation to issue the company the first tenth of its overall credit, amounting to approximately \$1.6 million. The company received this award even though it had been located in New Jersey for only six months, had submitted only three months of employment data, and had laid off a significant number of employees shortly after qualifying for the first year of its award.

The Task Force is still investigating this issue and has not reached any conclusion regarding the company's conduct or intent in connection with its application, and the company has maintained



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Jersey Department of State, and through Choose New Jersey, a 501(c)(3) non-profit whose mandate is to act as the marketing arm of the State and attract out-of-state and international businesses to New Jersey. BAC personnel frequently work with EDA officers to attract and obtain program applicants, and the BAC has historically been the biggest driver of application lead referrals to the EDA. Separately, the EDA's Community Development Officers ("CDOs") and Business Development Officers ("BDOs")⁸² are also charged with developing business relationships and recruiting potential applicants. Indeed, a BDO's year-end performance is evaluated, in part, on their outreach efforts as well as whether they have met yearly goals in the volume of applications submitted to the EDA. Potential applicants may also directly contact the EDA to obtain information about the Programs. In addition, applicants are often represented by consultants, lawyers, lobbyists, or real-estate agents, and those representatives may also reach out directly to EDA personnel prior to the submission of a tax-incentive application.

Before submitting a Program application, a potential applicant often has an initial meeting or conversation with EDA personnel—typically a BDO—in order to discuss the applicant's business, needs, and Program requirements. Potential applicants occasionally meet with members of the EDA's senior leadership team in addition to or in lieu of meeting with a BDO. Pre-application dialogue between Program applicants and the EDA is not required, but in practice, often precedes formal submission of a company application by weeks or months.

A company formally submits its application through the EDA's electronic application system. At that time, the company pays an application fee and a BDO is assigned to the application. Often, it is the same BDO that worked with the company pre-application. The BDO is responsible for conducting an initial review of the application and assisting the applicant—or "client"—in ensuring that the applicant has submitted all required documentation prior to transmittal of the application file to Underwriting. BDOs must consult their Program Manager and Managing Director for application reviews before the application is submitted to the Underwriting group.

During the underwriting phase, underwriters are responsible for conducting due diligence and vetting an application to ensure it sufficiently meets all Program requirements and to address any outstanding concerns. Although underwriters bear the primary responsibility for conducting due diligence and follow-up with applicants, they often include the assigned BDO in correspondence to the applicant as the face of the relationship. Among other factors, underwriters

⁸² These roles and titles within the EDA are now consolidated and currently all Community Development Officers ("CDOs") are now referred to as Business Development Officers ("BDOs"). For the sake of consistency, the Task Force's First Report will refer to both CDOs and BDOs at various times as BDOs.



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assess the applicant's submitted cost benefit analysis⁸³ and conduct the required net benefits analysis.⁸⁴ Underwriters are also responsible for drafting project summary memoranda, which are presented during "Project Review Meetings." At those meetings, the assigned underwriter presents the application to EDA personnel and members of the New Jersey Attorney General's Office. The EDA staff discusses and raises any issues or concerns related to the application, which the assigned underwriter answers or addresses directly with the applicant as follow-up.

After the Project Review meeting, the underwriter presents the application to the Incentive Committee of the EDA Board, after which the Incentive Committee either does or does not recommend an application for approval by the Board. Although an application may proceed to Board review without a recommendation by the Incentive Committee, more often, the applicant will withdraw its application if the Incentive Committee does not recommend approval.

If the Incentive Committee recommends that the EDA Board approve an application, the application is presented during an EDA Board meeting for approval. EDA Board meetings are conducted on a regular basis and are open to the public. Prior to the Board Meeting, EDA personnel provides the EDA Board with memoranda detailing the project applications that are subject to review and approval at the upcoming meeting. If the Board votes on an application and it is approved, the Governor has ten days to veto the approval. Board-approved projects are required to pay a non-refundable fee of 0.5% of the approved award amount, capped between \$50,000 to \$500,000, prior to final approval.

Depending on the complexity of the application, the full review process may last a number of months. EDA employees said that, in the early period of Grow NJ's administration, they often processed applications in one or two months, but now, although they can process more complete applications in as little as two months, it could take several months to a year to process others.

⁸³ The EDA requires Grow NJ applicants to submit "Cost Benefit Analysis" (or "CBA") forms with their applications. These forms compare the costs of the applicant's proposed New Jersey site and the applicant's alternative site. The purpose of the form is to demonstrate that the applicant's proposed New Jersey location is more expensive than the alternative location—and thus, tax incentives are required to offset the higher costs.

⁸⁴ As discussed in further detail herein, the EDA conducts a net benefit analysis ("NBA") to determine that every Grow NJ award is anticipated to "yield a net positive benefit to the State" of at least 110%, with the exception of Camden, where the requirement is 100%.



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on how to execute each step outlined and therefore does not provide guidance as to the roles and responsibilities for personnel.

The Task Force observed that BDOs and underwriters rely primarily on basic “checklists” implemented in 2014, which set forth the documentation required for a complete application. These checklists, however, do not provide guidance on how EDA personnel are expected to review or analyze required documentation, which would be more helpful to the guide the process. Rather, they require only that the BDOs and underwriters confirm that the Program applicant submitted required documentation before the application was transmitted to the Underwriting group. As indicated, they do not offer guidance on what is considered adequate documentation. It appears, moreover, that at least some EDA employees believed the documents listed on the checklists were not all required to proceed with an application: a senior underwriter responsible for ERG applications described the ERG checklist, which identified “Items required prior to submission to underwriting” as including both required items and items that would be “nice to have.” That same underwriter told us that, for example, the Chief Executive Officer (“CEO”) Certification is a “nice to have” item from this checklist, despite the clear regulatory requirement for a CEO Certification under the ERG Act.⁹³

2. Failure to Comprehensively Train EDA Staff

The effect of the EDA’s lack of written policies and procedures was exacerbated by its failure to comprehensively train its staff while onboarding and during promotions and role transfers, or on an ongoing basis. The EDA did not comprehensively train its staff regarding: (1) the requirements and responsibilities of roles within the EDA; (2) the Programs’ requirements; (3) amendments to the Programs’ requirements; and (4) the EDA’s implementation of the Programs’ requirements. Indeed, each of the employees the Task Force interviewed confirmed that he or she did not receive any formal training when onboarded to the EDA; they also did not receive any formal training following a promotion or transfer to a new role. Rather, training was “on the job” and involved shadowing senior management and/or colleagues. In some cases, employees stated that they were provided with the relevant statutes and instructed to “familiarize themselves” with the provisions.

EDA employees also did not receive comprehensive training regarding the statutory requirements of the Programs and the Programs’ subsequent amendments. Some senior EDA employees recalled that, after the EOA 2013 was passed, employees attended a training seminar or

⁹³ The regulations governing ERG expressly require, as part of the Program’s application submission requirements, a “written certification by the chief executive officer, or equivalent officer for North American operations.” N.J. Admin. Code § 19:31-4.4.



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b) Inconsistent Understanding of the Program Requirements Concerning Camden and Atlantic City

The EDA personnel interviewed thus far have, in some important areas, exhibited inconsistent, incomplete, or inaccurate understandings of certain Program requirements, specifically with respect to (a) the circumstances in which Grow NJ applicants are required to demonstrate a risk that their jobs may be relocated outside of New Jersey and (b) the effect such a relocation risk may have on the terms of any tax incentives award.

As discussed in Section IV(A)(1)(e) of this First Report, the Grow NJ Act expressly states that a “purpose of the [Grow NJ] program is . . . to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.”⁹⁶ In most cases, Grow NJ applicants are indisputably required to demonstrate to the EDA, in order to qualify for tax incentives, that they are considering an out-of-state relocation. However, because of an ambiguity in the statute’s text, it is arguable that tax incentives may be available (although only in a reduced amount, for reasons discussed below) for relocating existing New Jersey jobs to Camden or Atlantic City, even when no potential out-of-state relocation is contemplated.⁹⁷ The EDA has on one occasion approved tax incentives for a company that relocated from within New Jersey to Atlantic City even though that company was not contemplating a possible out-of-state relocation—thus, the company was approved for tax incentives even though its jobs were not “in danger of being relocated outside of the State.”

Whether or not an out-of-state relocation is strictly required under the statute for projects in Camden or Atlantic City to receive tax incentives, it is indisputable, based on a separate provision of statute, that whether or not such an out-of-state relocation is contemplated is a critical factor bearing on, at a minimum, the potential size of any award. As discussed previously, the Grow NJ Act requires that every tax incentive award be anticipated to “yield a net positive benefit to the State.”⁹⁸ In this context, the “benefit to the State” means tax revenues collectible by the State as a result of the fruition of the project for which the tax incentives were awarded—tax revenue, that is, that the State would not collect in the absence of the tax incentives. Under the statute, no tax incentive award under the Grow NJ program may be larger than the anticipated benefit to the State. If the anticipated benefit is smaller than the award that for which the applicant would otherwise be

⁹⁶ N.J. Stat. § 34:1B-244(a).

⁹⁷ As discussed previously, EOA 2013 introduced this provision with respect to Camden, and the statute was amended again in 2014 to have the provision apply to Atlantic City as well.

⁹⁸ N.J. Stat. § 34:1B-244(a)(3).



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which is an internal request for application review, an EDA BDO, listed four articles highlighting these three lawsuits under the section "Google Search of Applicants/Owners." Our review of correspondence indicates that on October 24, 2016, the EDA BDO sent an email to Mr. Sheehan of Parker McCay, who represented NFI, asking for an explanation and status of the three cases she found based on her internet search. On October 31, 2016, Mr. Sheehan responded with a brief explanation and stated that NFI disputed each claim but settled "to avoid protracted and costly litigation." The EDA BDO referred the issue and lawsuits to an EDA Senior Legislative Officer. In her correspondence, the EDA BDO highlighted for the EDA Legislative Officer that NFI answered "No" for the legal questions on their application. Based on a review of the correspondence, it appears that the EDA Legislative Officer directed the EDA BDO to request the settlement agreements from Mr. Sheehan and had further communications with Mr. Sheehan regarding details and his initial concerns regarding lawsuits involving NFI.

While the Task Force appreciates that the EDA BDO conducted initial diligence, it believes that further diligence would have unveiled a criminal conviction and guilty plea by affiliate Interactive Logistics, Inc. d/b/a NFI Interactive Logistics, Inc. and at least two additional legal proceedings.¹⁰⁵ The Task Force reviewed publicly available documents indicating that in November 2005, an NFI-related entity, Interactive Logistics, Inc. d/b/a NFI Interactive Logistics, Inc., pled guilty to three counts of wire fraud for defrauding Anheuser-Busch.¹⁰⁶ In addition, the Task Force reviewed publicly available documents related to lawsuits alleging violations of wage and hours laws. The Task Force finds this concerning on numerous grounds. It further highlights potential misrepresentations by NFI, and Sidney Brown, NFI's CEO who certified on its behalf, that all information contained within the company's Grow NJ application was true. Second, it is concerning that—after the EDA questioned Mr. Sheehan and NFI about the discovered lawsuits—neither he nor Brown was forthcoming about the criminal conviction or additional lawsuits, especially those of a nature required to be disclosed on the EDA application. Finally, from an EDA perspective, the Task Force believes that in-depth due diligence would have found the publicly available lawsuits. While the EDA Legislative Officer identified the need to review the settlement agreements in the lawsuits that were found, neither he nor the EDA BDO seemed appropriately concerned that at the crux of the matter, NFI's application contained potential misrepresentations

¹⁰⁵ *Interactive Logistics, Inc. v. Markel Insurance Co.*, No. 08-CV-1834 (D.N.J.); *Brime v. Eckenrode and Interactive Logistics, LLC*, No. 08-CV-0095 (E.D.V.A.) (previously captioned *Brime v. Eckenrode and Interactive Logistics, Inc. t/a National Freight, Inc.*).

¹⁰⁶ *United States v. Interactive Logistics, Inc.*, No. 05-CR-00872 (D.N.J.); see Exhibit 13.



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and a potentially fraudulent CEO certification. Even more, despite learning this, the EDA approved NFI's application for an approximately \$80 million award.

4. Deficiencies in Assessing Applicants' Alternative Relocation Sites

The Task Force has investigated applicants' consideration of locations outside of New Jersey. Because a core goal of the Grow NJ program is "to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State,"¹⁰⁷ Grow NJ applicants are required to provide information about the locations in New Jersey and other states to which they are considering relocating.¹⁰⁸ The Task Force's investigation to date has found clear deficiencies in the EDA's evaluation of applicant submissions about these alternative sites. In some instances, Grow NJ applicants have made representations about a potential out-of-state alternative site that should have raised serious red flags about whether the applicant genuinely intended to move out of state, but the EDA failed to take any action to investigate the issue.

The Task Force has examined the EDA's processing of several applications of Program awardees thus far, and that investigation is ongoing. The Task Force selected certain applications to prioritize for investigation if it received information about red flags in connection with a particular application or applicant—for example, if a whistleblower indicated that there were potential concerns with a company's application or compliance with Program requirements. In some instances, however, the Task Force did not initially intend to include certain companies in its priority review, but information arising during the Task Force's investigation alerted it to potential issues that should be further examined.

As noted previously, the draft versions of the EOA 2013 that included revisions from Parker McCay were, from the Task Force's perspective, a very significant red flag. The Task Force remains skeptical that a company whose lobbyist had placed special provisions for its benefit in the tax-incentive legislation would have a legitimate business plan to move jobs to a different state. Indeed, three of these companies—Conner Strong & Buckelew Companies, LLC ("CSB"), The Michaels Organization, LLC ("TMO"), and NFI—had publicly committed to moving to Camden on September 24, 2015—thirteen months prior to their Grow NJ applications, which would seem

¹⁰⁷ N.J. Stat. § 34:1B-244(a).

¹⁰⁸ N.J. Stat. § 34:1B-244(d) ("When considering an application involving intra-State job transfers, the authority shall require the business to submit the following information as part of its application: a full economic analysis of all locations under consideration by the business; all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations; and all lease agreements, ownership documents, or substantially similar documentation for the potential out-of-State location alternatives, to the extent they exist.").



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to directly belie their claim that they were considering an out-of-state move. Yet, although the Parker McCay-edited version of the EOA 2013 had, we have determined, been shared with the EDA's then President and Chief Operating Officer, Tim Lizura, we saw no evidence that Mr. Lizura considered these applications with any skepticism or alerted the BDOs and underwriters reviewing the applications to apply any heightened scrutiny themselves. We thus worried that the process may have been compromised.¹⁰⁹ We therefore made our review of the EDA's oversight of some of these applications a key priority.

To compound our concerns, on March 11, 2019, the Executive Chairman of CSB and member of the Board of Trustees of The Cooper Health System ("Cooper Health"), George Norcross, III, published an Op-Ed on *NJ.com*. In the Op-Ed, Mr. Norcross stated, among other things, that the Programs' tax credits were intended to "convince firms to move to Camden," but "were **not intended** to entice firms that were leaving the state to remain." (Emphasis added).¹¹⁰ Mr. Norcross's contention caught the Task Force's attention because, in point of fact, every application for an in-state company that proposed a move to Camden did, in fact, certify that jobs were "at risk" of leaving the State (except one that had planned to eliminate jobs if denied tax incentives), including applications from entities with affiliations to Mr. Norcross, including CSB and Cooper Health.¹¹¹ We also learned that TMO and NFI were affiliated with Mr. Norcross in that their applications were related to CSB's application. The Op-Ed thus raised a concern about whether any of these companies had not, in fact, been considering moving out of the State at the time they applied for tax incentives under Grow NJ. The Task Force decided to review the applications for those companies and—even on a cursory review—additional concerns arose, and the Task Force determined that an examination of the EDA's oversight of these applications was appropriate.

Thus, we reviewed the applications of Cooper Health, CSB, TMO, and NFI, to examine whether the EDA gave any meaningful scrutiny to their certifications that jobs were at risk of leaving New Jersey and whether they had viable out-of-state locations that were bona fide, suitable,

¹⁰⁹ To date, we have found no direct evidence that Mr. Lizura's actions and inactions were motivated by any corrupt intent.

¹¹⁰ George E. Norcross, III, *George Norcross: We need tax incentives to continue to rebuild Camden*, NJ.COM, March 11, 2019, <http://s.nj.com/okKoUPg>.

¹¹¹ Although Cooper Health's application indicated that jobs were not at risk of leaving the State, it subsequently informed the EDA during the course of EDA's processing of its application that—in fact—it was considering an out-of-state move to Philadelphia. These circumstances are described more fully below. The EDA did not require Cooper Health to submit a revised application, nor did it require a new certification from Cooper Health's CEO.



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Street). Those facts should have alerted the EDA underwriter to a potential problem, prompting additional diligence. However, the EDA failed to further investigate the facts to ensure that Cooper Health was genuinely considering relocating to Philadelphia, and that the location was bona fide, suitable, and available.

The EDA Board approved Cooper Health for an almost \$40 million award on December 9, 2014.¹⁴¹ The Task Force requested that the EDA recalculate the award that Cooper Health could have received if it had communicated to the EDA, as it had communicated to the real estate broker, that there was “[n]o probability”¹⁴² of Cooper Health relocating to Philadelphia instead of Camden. Based on a recalculated net benefits analysis, the EDA concluded that Cooper Health would have qualified for only a \$7.15 million award at most. Therefore, the failures in the EDA’s processing of Cooper Health’s Grow NJ application appear to have resulted in over \$32 million in improperly approved tax incentives, putting aside the potential ramifications of Mr. Bush’s apparent misrepresentation.

b) Conner Strong & Buckelew, The Michaels Organization, and NFI

CSB, TMO, and NFI submitted Grow NJ applications on October 24, 2016.¹⁴³ The three companies sought tax incentives in connection with joint plans to move into a new office tower on the Delaware River waterfront of Camden, New Jersey (the “Camden Tower”). Floors 15 through 18 of the Camden Tower (110,161 sq. ft.) were allocated to CSB, floors 12 through 14 (101,511 sq. ft.) were allocated to TMO, and floors 9 through 11 (101,511 sq. ft.) were allocated to NFI. The Camden Tower was to be constructed by the Liberty Property Trust development firm.

i) Background Context

Although CSB, TMO, and NFI submitted their Grow NJ applications to the EDA in October 2016, the EDA was aware of their plans to relocate to Camden long before then.

In September 2014, more than two years before the companies filed their applications, senior EDA management held a meeting with Philip Norcross of Parker McCay and several

¹⁴¹ Cooper Health could have potentially qualified for a larger award, but during EDA’s processing of the application, Cooper Health removed a number of jobs from the application to keep the award under \$40 million. Under EDA policy, awards over \$40 million require additional scrutiny and processing time.

¹⁴² Exhibit 26.

¹⁴³ Exhibits 27, 28, and 29.



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representatives from Liberty Property Trust. The purpose of the meeting, as described in an email setting it up, was to discuss “a large office building on the Camden Waterfront.”¹⁴⁴

A year later, on September 24, 2015, CSB’s Executive Chairman, George E. Norcross, III, sent an email attaching a press release to the EDA’s then President and Chief Operating Officer Tim Lizura discussing Liberty Property Trust’s plans for the Camden waterfront, including the Camden Tower. The press release listed “local leaders who have **committed** to investing in the project either personally or through their firms,” including “George E. Norcross, III, Executive Chairman, Conner Strong & Buckelew,” “John O’Donnell, President, The Michael’s Organization,” and “Sidney Brown, Chief Executive Officer, NFI, and his family.” (Emphasis added).¹⁴⁵

That same day, then-Governor Chris Christie, then-Mayor Dana Redd, and others hosted a major press conference announcing the Camden waterfront development at the Camden Aquarium. George Norcross attended the event. At the event, a reporter for *NJTV News* asked Mr. Norcross, “It’s been reported that you’re going to put \$50 million into the project, is that true?” He responded, “It’s absolutely true. I **committed** to do this when I was trying to persuade one of the biggest real estate concerns in the country to become part of this effort, and we all thought that was going to be a credible act, and we’re putting our money where our mouths are, and we’re looking forward to being a part of it.” (Emphasis added).¹⁴⁶ Press coverage around that time indicated that CSB, TMO, and NFI were expected to relocate to the new Camden development.¹⁴⁷

Internal emails from the EDA show that Mr. Lizura attended the press event, at which he spoke to at least one reporter and one representative from Liberty Property Trust, the developer of the project.¹⁴⁸ But, later, when the companies were preparing their applications for tax incentives

¹⁴⁴ Exhibit 30.

¹⁴⁵ Exhibit 31.

¹⁴⁶ See Michael Aron, *Christie Announces Historic \$700 Million Redevelopment Project in Camden*, NJTV NEWS, Sept. 24, 2015, <https://www.njtvonline.org/news/video/christie-announces-historic-700-million-redevelopment-project-in-camden/> (transcription from video).

¹⁴⁷ See, e.g., Allison Steele, *Plans for Vast New Development on Camden Waterfront*, PHILA. INQUIRER, Sept. 24, 2015, https://www.inquirer.com/philly/business/20150924_Top_developer_to_announce_Camden_waterfront_project.html (reporting, based on an anonymous source, that CSB was “considering moving its headquarters into the development” and TMO and NFI were also “expected to join the project”).

¹⁴⁸ Mr. Lizura sent an email to several EDA staff members saying that he was “[h]eading down now” when he was leaving for the event. See Exhibit 32.



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based on representations that they were considering out-of-state locations and requested an initial assessment of the net benefits test, an EDA employee indicated that he planned to run the test assuming that no jobs were at risk of leaving the state—and Mr. Lizura directed the employee to run a preliminary assessment as if the jobs were at risk.

Specifically, on August 31, 2016, Kevin Sheehan of Parker McCay sent an email to an EDA BDO requesting that preliminary award calculations be run for CSB, TMO, and NFI.¹⁴⁹ The BDO forwarded Mr. Sheehan's email to an EDA underwriting supervisor, Director of Bonds and Incentives John Rosenfeld, saying: "[These] are all the applicants that may go into the LPT [Liberty Property Trust] space at the Camden Waterfront. All three would like to know what their award could potentially be before focusing their efforts on an application for this space, especially since it's expensive."¹⁵⁰ When Mr. Rosenfeld ran the numbers for two of the three companies later that day, he explained the results internally to others at EDA as follows: "I would advise caution on these numbers but, based on the extremely limited information involved, it looks like these applicants COULD have a Net Benefit of approximately \$36.8M and \$43.3M respectively."¹⁵¹

A few days later, the assigned EDA BDO copied Mr. Lizura into her email chain with Mr. Rosenfeld, saying as follows: "Hi John, are these [calculations] including the new and retained job numbers that are listed below? Also Tim has requested to see the reports so he can review them as well, thanks!" Mr. Rosenfeld replied that he did not include any credit for income taxes related to jobs retained in New Jersey, because he had "assumed that this was a situation where the jobs would stay where they are in NJ without the award" Mr. Lizura flatly told Mr. Rosenfeld, "**The retained jobs are at risk. Can you run them as such.**" (Emphasis added).¹⁵²

Mr. Lizura's instruction to Mr. Rosenfeld to assume that the jobs were at risk, given the well-publicized commitment made by Mr. Norcross at the press conference that he attended, certainly invites skepticism. In an interview with the Task Force, Mr. Lizura said that he was merely instructing Mr. Rosenfeld to run the assessment using the numbers that Mr. Sheehan had provided and was not making a factual statement about whether the "retained jobs" were "at risk." He further indicated that, at that stage, he deferred to Mr. Sheehan about whether the jobs were "at risk" because Mr. Sheehan knew the tax-incentive programs well and understood their requirements. Mr. Lizura also stated that he viewed the statements in the September 2015 press

¹⁴⁹ Exhibit 33.

¹⁵⁰ Exhibit 33.

¹⁵¹ Exhibit 33.

¹⁵² Exhibit 33.



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release and press conference that CSB, TMO, and NFI had “committed” to the Camden waterfront development project only as a commitment to invest in the real estate project, and that he was not aware of whether CSB, TMO, or NFI had committed to relocate to Camden at any point before their applications were filed.¹⁵³ Given the statements a year earlier that the very companies applying had “committed” to Camden, the Task Force believes that these applications should have been scrutinized, particularly given the size of the awards at stake. Indeed, despite his instruction to Mr. Rosenfeld to defer to Mr. Sheehan’s numbers about at-risk jobs, Mr. Lizura indicated during this interview with the Task Force that he instructed his team to pay particular attention to the applications because they involved companies related to Mr. Norcross. Mr. Lizura did not, however, identify any particular steps he asked the team to take to scrutinize the applications, and the Task Force has found no evidence of any. In any event, Mr. Rosenfeld, after re-running the test based on Mr. Lizura’s instruction, said: “With the at risk jobs, they both get to about \$88.8M in net benefit”¹⁵⁴ The final awards were granted based substantially on that calculation.

ii) The Applications

When CSB, TMO, and NFI submitted their Grow NJ applications on October 24, 2016, notwithstanding the prior public reports that the three companies had already “committed” to relocating to Camden, the companies all stated that they were considering a potential relocation to Philadelphia as an alternative.¹⁵⁵ Specifically, each company stated “Yes” in response to the application’s question of whether jobs were at risk of being located outside of New Jersey and listed “Pennsylvania” as in competition with New Jersey for the jobs.¹⁵⁶ Each company stated, in virtually identical language, that the company’s “business is expanding and requires additional space. If the credits are not awarded, the business will seek to relocate at a less expensive location outside of New Jersey.”¹⁵⁷ Each company’s application stated that the company had retained real

¹⁵³ Even if CSB’s, TMO’s, and NFI’s only “commitment” was to invest in the real estate project, and not to relocate their offices there, as Mr. Lizura claims to have believed, it nonetheless is difficult to understand why a different understanding would not emerge once the companies filed their applications and indicated their intent to relocate there. The EDA had the authority to request documentation from CSB, TMO, and NFI that would have revealed the nature of the “commitment” the companies had made and when they made it, but the EDA failed to exercise such authority.

¹⁵⁴ Exhibit 33.

¹⁵⁵ Exhibits 27, 28, and 29.

¹⁵⁶ Exhibits 27, 28, and 29.

¹⁵⁷ Exhibits 27, 28, and 29.



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estate brokers “to identify Class A office space in Philadelphia.”¹⁵⁸ Real estate proposal letters from real estate brokers for Philadelphia space for each company were attached to the applications.¹⁵⁹ However, TMO’s and NFI’s proposal letters for space in Philadelphia had already expired by the time the applications were filed. (CSB’s proposal letter did not specify an expiration date.)

On November 18, 2016, the EDA underwriter assigned to the three companies’ applications sent an email to Kevin Sheehan of Parker McCay, who represented all three companies, to ask whether the companies still had valid offers for space in Philadelphia, because the real estate proposal letters submitted with the companies’ applications appeared to have expired.¹⁶⁰ The underwriter followed up ten days later, also asking Mr. Sheehan to clarify how many employees at the three companies were at risk of moving out of New Jersey.¹⁶¹ Mr. Sheehan replied that “[a]ll employees are at risk in all 3 companies.”¹⁶² On November 30, 2016, Mr. Sheehan sent the EDA underwriter a new real estate proposal letter for CSB, dated December 1, 2016, outlining a proposal for space in Philadelphia.¹⁶³ The December 1, 2016 real estate proposal differed significantly from the prior real estate proposal that CSB had submitted with its application. The initial proposal offered approximately 150,000 sq. ft. of space on the third through seventh floors, and the eleventh and twelfth floors, of the building located at 1601 Market Street in Pennsylvania.¹⁶⁴ CSB’s new letter offered the company “approximately 110,000” sq. ft. of space on the third through seventh floors and the thirteenth floor of the building. The letter stated that it would expire on December 31, 2016.¹⁶⁵

Two months later, on March 1, 2017, Mr. Sheehan sent the EDA underwriter new real estate letters for NFI and TMO, outlining proposals for both companies for space at 1500 Spring Garden Street in Philadelphia.¹⁶⁶ Both real estate proposals differed from the initial, expired proposals that the companies submitted with their applications in respects, but the changes with respect to TMO’s proposals were significant. TMO’s initial real estate proposal, dated August 30, 2016, had offered

¹⁵⁸ Exhibits 27, 28, and 29.

¹⁵⁹ Exhibits 34, 35, and 36.

¹⁶⁰ Exhibit 37.

¹⁶¹ Exhibit 38.

¹⁶² Exhibit 38.

¹⁶³ Exhibit 39.

¹⁶⁴ Exhibit 34.

¹⁶⁵ Exhibit 39.

¹⁶⁶ Exhibits 40 and 41.



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the company 103,491 sq. ft. of space on the second floor of 1500 Spring Garden Street.¹⁶⁷ The proposal further stated that, in the alternative, TMO was offered 103,710 sq. ft. of space on the first and seventh floors of the building.¹⁶⁸ TMO’s second real estate proposal, dated February 28, 2017, offered the company 95,928 sq. ft. of space divided between the basement level, two separate suites on the first floor, a suite on the seventh floor, and another suite on the twelfth floor.¹⁶⁹ The proposal letter also stated that the space on the seventh floor—which comprised approximately a third of the total space offered to TMO—was “encumbered by a Right of First Offer in favor of [another company].”¹⁷⁰ Both NFI’s and TMO’s real estate proposal letters stated that they would expire on March 24, 2017.¹⁷¹

The differences between CSB’s, NFI’s, and TMO’s first and second sets of real estate proposal letters for Philadelphia are summarized below:

Company	CSB		NFI		TMO	
	1601 Market Street		1500 Spring Garden Street		1500 Spring Garden Street	
Address	1601 Market Street		1500 Spring Garden Street		1500 Spring Garden Street	
Proposal	First ¹⁷²	Second ¹⁷³	First ¹⁷⁴	Second ¹⁷⁵	First ¹⁷⁶	Second ¹⁷⁷
Date	8/29/2016	12/1/2016	8/29/2016	2/28/2017	8/30/2016	2/28/2017
Total sq. ft.	153,345	~110,000	103,491	93,308	103,491 OR 103,710	95,928
Floors	3-7, 11-12	3-7, 13	2	2	2 OR 1,7	Basement, 1, 7, 12
Expiration	Unspcfd.	12/31/2016	9/9/2016	3/24/2017	9/9/2016	3/24/2017

¹⁶⁷ Exhibit 35.

¹⁶⁸ Exhibit 35.

¹⁶⁹ Exhibit 41.

¹⁷⁰ Exhibit 41.

¹⁷¹ Exhibits 40 and 41.

¹⁷² Exhibit 34.

¹⁷³ Exhibit 39.

¹⁷⁴ Exhibit 36.

¹⁷⁵ Exhibit 40.

¹⁷⁶ Exhibit 35.

¹⁷⁷ Exhibit 41.



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The EDA underwriter prepared Project Summary memoranda based on the information provided by the companies.¹⁷⁸ Each company's memorandum stated that the company was considering between relocation in the Camden Tower or an alternative location in Philadelphia, that their New Jersey jobs were "at risk of being located outside the State," and that Grow NJ tax credits would be a "material factor" in the company's decision whether to locate in Camden.¹⁷⁹ Under the "Conditions of Approval" section of each memorandum, it stated as Condition No. 1 that the company "has not . . . committed to remain in New Jersey."¹⁸⁰ Each memorandum concluded by recommending that EDA's Board "approve the proposed Grow New Jersey grant to encourage [the respective company] to locate in Camden."¹⁸¹ The memoranda were provided to EDA's Board and, on March 24, 2017, the Board voted to approve CSB, TMO, and NFI for total tax incentive awards of almost \$245 million—\$86,239,720 for CSB, \$79,378,750 for TMO, and \$79,377,980 for NFI.

The Task Force has discovered evidence appearing to indicate that the three companies did not genuinely consider Philadelphia as an alternative location to Camden. In August 2016, only a few months before submitting their applications, and almost a year after the press conference during which their "commitment" to the Camden project was reported, Kevin Sheehan appears to have reached out to a real estate broker, Ken Zirk at CBRE, to solicit offers for real estate in Philadelphia. After the initial outreach, the companies collaborated to obtain proposals for Philadelphia real estate to submit to the EDA, and NFI led the efforts on behalf of all companies.

On August 26, 2016, NFI's Chief Financial Officer, Steven Grabell, sent an email to TMO's Chief Financial Officer, Joseph Purcell, and CSB's Chief Financial Officer, John Muscella, to explain that he had authorized the real estate broker "to proceed full speed ahead with getting a proposal for 1500 Spring Garden."¹⁸² NFI's Mr. Grabell wrote that the building located at 1500 Spring Garden Street was large enough for both NFI and one other company to obtain proposals from, and further, the real estate broker had "identified an additional possibility for 95,000 square feet at 1601 Market" that the third company "could use."¹⁸³

¹⁷⁸ Exhibits 42, 43, and 44.

¹⁷⁹ Exhibits 42, 43, and 44.

¹⁸⁰ Exhibits 42, 43, and 44.

¹⁸¹ Exhibits 42, 43, and 44.

¹⁸² Exhibit 45.

¹⁸³ Exhibit 45. Meanwhile, Mr. Zirk reached out to another broker who represented the landlord for 1601 Market Street. Mr. Zirk's note, expressing interest in the building on behalf of CSB, was forwarded to the building's landlord, who was surprised by the request: "This does not make any sense, we get on Friday afternoon a [request for proposal] that is due on Monday? Where is this



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Several days later, on August 29, 2016, NFI's Mr. Grabell wrote to Mr. Zirk, the real estate broker, to ask when the companies would be getting term sheets for the 1500 Spring Garden and 1601 Market properties in Philadelphia.¹⁸⁴ Later that day, Mr. Zirk sent one proposal letter, for NFI alone, for 1500 Spring Garden Street.¹⁸⁵ That evening, Parker McCay's Mr. Sheehan wrote to the group of CFOs for the three companies and the broker, noting that the proposal was for NFI and asking, "Is there one for Michaels?"¹⁸⁶ In response, NFI's Mr. Grabell stated: "Enough space for Michael's in that building as well. **I think it would be a little suspicious to ask for a duplicate.** Any thoughts?" (Emphasis added).¹⁸⁷ TMO's Mr. Purcell responded and wrote that he had understood that all three of the companies were "going with the 1500 Spring Garden Property."¹⁸⁸ However, in view of the concern that it would be "a little suspicious" for multiple companies to claim the same alternative location in Philadelphia, TMO's Mr. Purcell wrote that he would be willing for TMO "to go with" a different location in another city entirely—Fort Washington, Pennsylvania, instead of Philadelphia—if one of the other two companies requested it.¹⁸⁹ NFI's Mr. Grabell replied that "1500 Spring Garden has space for 2 of us, but not 3. That is why we reached out to 1601 Market."¹⁹⁰ Mr. Grabell asked Mr. Zirk whether he would "feel comfortable getting a similar quote for Michael's for 1500 Spring Garden?"¹⁹¹ Mr. Zirk responded that he would discuss with the landlord's broker "tomorrow first thing."¹⁹² TMO ultimately obtained a

tenant from? How would we not have known about a 100,000 SF prospects [sic]?" The broker responded with a lengthy explanation, noting, among other things, that CSB's "principal, George Norcross, is a major political figure in South Jersey & very well connected locally." The broker wrote to the landlord that CSB "had been attempting to [relocate to] Camden with Liberty Property Trust but the deal apparently got too expensive & they didn't get the tax breaks/incentives that they were seeking," so CSB had decided to move the jobs to Philadelphia instead. Exhibit 46. In fact, however, CSB had not yet applied for tax incentives in New Jersey at that point, let alone been rejected for them.

¹⁸⁴ Exhibit 47.

¹⁸⁵ Exhibit 47.

¹⁸⁶ Exhibit 48.

¹⁸⁷ Exhibit 48.

¹⁸⁸ Exhibit 48.

¹⁸⁹ Exhibit 48.

¹⁹⁰ Exhibit 48.

¹⁹¹ Exhibit 48.

¹⁹² Exhibit 48.



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proposal letter for 1500 Spring Garden, and CSB obtained a proposal letter for 1601 Market Street, which both companies submitted with their applications in October 2016.

Although the EDA did not have access to the companies' emails with the real estate broker, which the Task Force obtained, there were nonetheless clear red flags in CSB's, TMO's, and NFI's EDA application and in the public record that should have caused EDA personnel to question the three companies' statements that they were considering relocating out of the State. As discussed above, there were public statements, of which senior EDA leadership was aware, indicating that the three companies had already "committed" to relocate to Camden long before they claimed to be considering relocating to Philadelphia. Despite these public statements, EDA leadership appear to have instructed EDA staff that the companies' jobs were "at risk."

In addition, at the Task Force's public hearing on May 2, 2019, the current Managing Director of the EDA's the Underwriting department, David Lawyer (who did not work on these applications and was not responsible for the Grow NJ program at the time they were processed) testified that it was "unusual" for companies to submit expired proposal letters with their tax incentive applications, and the fact that the letters had expired when they were submitted "casts doubt on whether that site [was] available."¹⁹³ Mr. Lawyer also testified that the changes to the amount and the configuration of the space in TMO's alternative-site proposal, as well as the fact that a significant portion of the space was encumbered by a right of first offer, raised red flags about the sincerity of the company's consideration of the property.¹⁹⁴ Mr. Lawyer testified that, in his view, the issues with CSB's, TMO's, and NFI's real estate proposals raised serious questions, "because . . . there's a pattern."¹⁹⁵ Similarly, John Boyd, an expert in corporate site selection, testified that it is common for companies considering relocation to negotiate for extended offer periods to provide adequate time to assess the suitability of potential real estate.¹⁹⁶ That these companies did not do so but instead submitted expired real estate offers, therefore, was a red flag. Mr. Boyd further testified that in his experience, barring extraordinary circumstances like emergency relocation after a natural disaster, companies never want office space spread out over noncontiguous floors of a building of the sort TMO was purportedly considering, spread out across

¹⁹³ Hr'g Tr. (May 2, 2019) at 150:4-25, 162:12-16.

¹⁹⁴ Hr'g Tr. (May 2, 2019) at 163:12-17, 164:14-19.

¹⁹⁵ Hr'g Tr. (May 2, 2019) at 164:23-165:6.

¹⁹⁶ Hr'g Tr. (May 2, 2019) at 108:10-109:6.



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four separate floors, including the building's basement.¹⁹⁷ The EDA staff, however, took no action to further investigate based on these and other red flags.

In 2017, the EDA approved CSB, TMO, and NFI for almost \$245 million in tax incentive awards collectively—approximately \$86.2 million for CSB, \$79.4 million for TMO, and \$79.4 million for NFI. The Task Force requested the EDA recalculate the awards the three companies could have received if they had communicated to the EDA that they were not considering any potential relocation to Philadelphia instead of Camden—which, based on the evidence discussed above, appears to have likely been the truth. Based on recalculated net benefits analyses, the EDA concluded that CSB's award would have stayed the same (\$86.2 million), that TMO would have qualified for only a \$60.8 million award at most (rather than \$79.4), and that NFI would have qualified for only a \$27.2 million award at most (rather than \$79.4). Therefore, the EDA's failure to investigate the red flags in these companies' applications could have resulted in over \$70 million in improperly approved tax-incentive awards.

5. Lack of Proper Reporting Channels

The EDA does not have official reporting channels in place for the processing, review and recording of internal or external complaints about Program awardees or applicants and does not maintain a "hotline" or reporting line for outside parties to report potential misconduct related to the EDA's tax incentive or other programs. The absence of such reporting mechanisms makes it more likely that misconduct—whether on the part of EDA employees or companies—will be missed.

Several EDA employees we interviewed suggested that external complaints or tips should be elevated to an individual in Human Resources or the Deputy Attorney General, but there was no official reporting line or process for ensuring that all complaints and tips were carefully considered and escalated to the appropriate individuals. Nor was there an official record of such complaints or tips maintained within the EDA. Two BDOs we interviewed recalled outreach from FBI agents regarding a potentially fraudulent application. Those BDOs recalled that the information was generally "disseminated" amongst the directors and Deputy Attorney Generals, but there was no formal system for tracking flagged companies. In another instance, a local contact advised a BDO Program Manager that a Grow NJ awardee had recently fired 80 employees—or 30% of its workforce. The Program Manager who received this notice recalled that he referred the information to the Director of Portfolio Management and Compliance but was not involved in any further action. The Managing Director of Business Development indicated that there was no policy regarding how to treat this type of information but believed the information would have been "socialized" within

¹⁹⁷ Hr'g Tr. (May 2, 2019) at 109:11-110:8.



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application at some point after it is submitted, but does not submit a new CEO certification attesting to the truthfulness of the new information. The EDA should have a formal policy or regulation requiring the submission of a new CEO certification whenever an application is materially changed after its submission.

IX. NEXT STEPS

As we noted at the outset, the Task Force is continuing its investigation. It will continue to review documents it has received in response to requests to the EDA and third parties, and to interview witnesses to gain a deeper understanding of any flaws in the design, implementation, or administration of the programs. Among other things, the Task Force intends to:

- Hold further public hearings in which the public will have the opportunity to share its views and perspectives;
- Focus its investigation on the design, implementation, and administration of the ERG Program;
- Continue its investigation of the EDA's oversight over Grow NJ and ERG applications;
- Consider additional ways to make the application and compliance verification process more robust;
- Continue the re-certification process for companies participating in the ARP; and
- Continue its efforts to recapture tax-incentive awards where warranted and, as necessary, make additional referrals to the appropriate enforcement authorities.

In addition, the Task Force will examine the impacts of certain aspects of the Programs that may differ from other states' programs, from prior New Jersey tax-incentive programs, or from best practices described by policy experts. In that regard, the Task Force intends to further examine the policy recommendations made by two of the experts that testified during the first day of the public hearings, Josh Goodman, Senior Officer for State Fiscal Health, at The Pew Charitable Trust, and Jon Whiten, Deputy Director of State Communications at the Center on Budget and Policy Priorities. In particular, the Task Force intends to explore:

- Whether the State should consider targeting its tax incentives to businesses that will increase the State's economic growth by serving national and international markets, rather than local markets;
- Whether the State should shorten the timeframes for receiving tax incentives, in an effort to spend less on incentives while achieving the same impact, and to enable it to better predict the costs and benefits of awarding incentives to businesses;

Exhibit “C”



Grubb & Ellis[®]
Property Solutions Worldwide

December 11, 2008

Via Overnight Mail

Ms. Susan D. Hudson, Senior Vice President
CONNOR STRONG
1701 U.S. Route 70 East
Cherry Hill, NJ 08034

**RE: 401 Route 73 North- 40 Lake Center Drive
Marlton, NJ**

Dear Susan:

It was a pleasure to meet you last week and I look forward to working with you and your team on your relocation to our managed property.

Enclosed for your records are Two (2) fully executed, original copies of your Lease Agreement for your leased premises.

Please contact me if I can be of any further assistance. Thank you.

Sincerely,

James P. Lubitsky
Property Manager

LAKE CENTER EXECUTIVE PARK OFFICE LEASE

BETWEEN

NNN Lake Center, LLC, NNN Lake Center 1, LLC, NNN Lake Center 2, LLC, NNN Lake Center 4, LLC, NNN Lake Center 5, LLC, NNN Lake Center 6, LLC, NNN Lake Center 7, LLC, NNN Lake Center 8, LLC, NNN Lake Center 9, LLC, NNN Lake Center 10, LLC, NNN Lake Center 11, LLC, NNN Lake Center 12, LLC, NNN Lake Center 13, LLC, NNN Lake Center 14, LLC, NNN Lake Center 15, LLC, NNN Lake Center 16, LLC, NNN Lake Center 17, LLC, NNN Lake Center 18, LLC, NNN Lake Center 19, LLC, NNN Lake Center 20, LLC, NNN Lake Center 21, LLC, NNN Lake Center 22, LLC, NNN Lake Center 24, LLC, NNN Lake Center 25, LLC, NNN Lake Center 26, LLC, NNN Lake Center 27, LLC, NNN Lake Center 28, LLC, NNN Lake Center 29, LLC, NNN Lake Center 30, LLC, and NNN Lake Center 31, LLC, each one a Delaware limited liability company ("Landlord") acting by and through Triple Net Properties Realty, Inc. ("Agent" for Landlord)

as Landlord

-and-

Conner Strong Companies, Inc.

(a New Jersey corporation)

as Tenant

Dated: December 5, 2008

Premises:

**47,121 Rentable Square Feet
Third Floor - Suite 300
Fourth Floor - Suite 400
Lake Center IV
401 Route 73 North
Marlton, New Jersey 08053**

Exhibit “D”



Online Application for Financial Assistance

OFFICIAL COPY

APPLICATION SUBMISSION DATE - 10/24/2016 12:22:19 PM

APPLICATION NUMBER: 209423

Application Date:	10/24/2016
Who is your NJEDA contact?	Christina Fuentes
Products Selected:	Grow New Jersey Program
Application Fee:	\$5,000
Payment Method:	BYCHECK

Applicant Organization Information

Applicant Organization Name: (legal name without abbreviations)	Conner Strong & Buckelew Companies, LLC
Federal Employer's I.D. No. (FEIN):	21-0718159
Doing Business As Name:	N/A
Holding Company Name:	N/A
Authorized Representative:	John Muscella
Authorized Representative Title:	Chief Financial Officer
Authorized Representative Email Address:	jmuscella@connerstrong.com
Is the Organization's address the same as the Contact's address?	YES
County:	Burlington
Telephone Number:	(856)552-4500
Website Address:	www.connerstrong.com
Number of Employees:	334
Media Contact Name	Daniel Fee
Media Contact Telephone Number	2157043160
Media Contact Email Address	dan@echo-group.com
NAICS Number:	524298

(To find this number, look to the federal determination provided when the applicant entity was formed, or visit the following link to determine based upon current business functions, <http://www.census.gov/epcd/www/naics.html>.)

Nature of Business: Conner Strong & Buckelew is a national firm offering clients advice and solutions in risk, strategy and people.

Please provide a detailed company background and profile, together with a brief history and description of the applicant's business (including principal products and services) :

Conner Strong & Buckelew, founded in 1959, is among America's largest risk management, employee benefits and insurance consulting firms. It has offices in New York, New Jersey, Pennsylvania, Delaware and Florida. The national firm is an industry leader in providing high-risk businesses with comprehensive solutions to prevent losses, manage claims, and drive bottom line growth. Its employee benefits practice focuses on providing best-in-class benefits administration, health and wellness programs and strategic advisory services.

The company provides risk and insurance services to a wide-range of industries including but not limited to aviation, construction, education, healthcare, hospitality & gaming, life science & technology, public entity and real estate. Additionally, Conner Strong & Buckelew and its affiliates offer a number of innovative and specialty solutions which include captive strategies, construction wrap-ups, executive risk, safety and risk control, and private client services.

Year Established: 1959
 Ownership Structure: Limited Liability Co.
 State of Incorporation/Formation: NJ

List all Officers, Directors or Owners with a 10% or more interest.

Name	Position	US Citizen	Permanent Resident
See Attached Disclosure of Ownership	Owner/Partner - 100%	NA	NA

Principal Bank Reference Information

Bank Name	Contact Name	Contact Telephone Number	Contact Email Address
M&T Bank	Bill Cornelius	(856)889-1847	wcornelius@mtb.com

Legal Information

Name of counsel to applicant: Heather A. Steinmiller
 Address: 40 Lake Center Executive Park 401 Rt. 73 North, Suite 300, P.O. Box 989, Marlton, NJ 08053
 Telephone: (856)552-4784
 E-mail: hsteinmiller@connerstrong.com

Accountant Information

Accountant name: George Beppel
 Address: Ragone, Lacatena, Fairchild & Beppel, 76 E. Euclid Avenue, Suite 200, Haddonfield, New Jersey 08033
 Telephone: (856) 795-9650
 E-mail: gbeppe@rlfbcpa.com
 Has the applicant, or any related parties, previously received EDA assistance? NO

Applicant Contact Information

Salutation: Mr.
 First Name: John
 Middle Initial:
 Last Name: Muscella
 Suffix:
 Title: Chief Financial Officer
 Company: Conner Strong & Buckelew
 Mailing Address: 401 Rt. 73 North, Suite 300
 Address Line 2: PO Box 989
 City/Town: Marlton

State: NJ
 ZIP Code: 08053
 Telephone Number: 856-552-4770 Ext.
 Fax Number: 856-552-4771
 Email Address: jmuscella@connerstrong.com

Consultant Contact Information

Contact Name: N/A
 Contact Title: N/A
 Company: N/A
 Address: N/A
 Address Line 2:
 City: N/A
 State: NJ
 ZIP Code: 11111
 Phone: (111)111-1111
 Email: A@A.COM

Project Information

Project Location

Street Address: Caruso Place
 Address Line 2:
 City/Town: Camden City
 State: NJ
 ZIP Code: 08102
 County: Camden

Block	Lot
81.06	3.01
81.06	3.02

Census Tract: 340076103.00

Is the project located on property that was wholly or substantially damaged or destroyed as a result of a Federally-declared disaster? NO

Current Location

Street Address: 401 Rt. 73 North, Suite 300
 Address Line 2:
 City/Town: Marlton
 State: NJ
 ZIP Code: 08053
 Is the current location leased or owned? LEASED
 When does the lease end? 2019-03-01

Reason for leaving: Applicant wants to consolidate its dual headquarters and the existing space is too small to accommodate both existing sites.

Square Footage: 53,212
 Timeframe for moving out: 3/1/2019

Alternate Location

Street Address: 1601 Market Street
 Address Line 2:
 City/Town: Philadelphia
 State: PA
 ZIP Code: 19130
 Will the Alternate location leased or owned? LEASED
 Square Footage: 95,378
 Estimated capital investment (different from total projects): 4735517.60

Project Description

Please provide a narrative description as fully and precisely as possible of the project, including acquisition, lease and renewal terms, construction or expansion plans, current and future uses by the applicant, size of existing and proposed facility, and/or project occupant(s) of the building(s) and/or equipment to be acquired or upgraded:

The Applicant proposes to relocate its office headquarters to Camden, NJ. The Applicant currently has dual headquarters located in Marlton NJ and Philadelphia, PA. The Applicant will move 172 employees (157 Grow qualified) from Marlton to Camden; move 98 employees (96 Grow qualified) from Philadelphia to Camden; and create 15 new jobs in Camden.

Camden Waterfront Development Overview: The proposed Camden Tower Office Building, identified as building "C-1" on the Camden Master Plan prepared by Robert A.M. Stern Architects dated August 1, 2016, is part of the Liberty Property Trust (Liberty Property Trust and Liberty Property Limited Partnership are collectively referred to as "LPT") comprehensive vision for a mixed-use urban waterfront comprised of office, retail, and residential space, and accompanying structured and surface level parking in the City of Camden. The development site presently consists of eight separate tax lots, and is located north of Market Street, south of Pearl Street, and west of Delaware Avenue, in close proximity to the Benjamin Franklin Bridge. The entirety of the site is currently utilized as surface level parking lots. The various lots located within the development site are currently owned by the New Jersey Economic Development Authority ("EDA"), the City of Camden Redevelopment Agency ("CRA"), and Camden Town Center, LLC ("CTC"). In October of 2004, CTC and the EDA entered into a Development and Option Agreement for the redevelopment properties. However, attempts to redevelop the site have been unsuccessful for the twelve year period. In August of 2015, LPT entered in an Agreement of Sale and Purchase to acquire 100% of the membership interest in CTC. Immediately prior to Closing, CTC will exercise its option to purchase the EDA redevelopment properties and it, or LPT, will act as the overall project developer for the waterfront site. The various tax lots will be consolidated and entered into a condominium regime. CTC will sell the individual condo "units," or parcels within the condominium regime, to various end users.

Overview of C-1 Building Ownership and Space Allocation: The condominium unit encompassing buildings C-1 and P-1 will be sold to Camden Partners Tower Equities, LLC ("Landlord"), a Garden State Grown Zone Development entity. Landlord will enter into a build-to-suit contract with LPT for construction of the multi-tenant office building C-1 and parking garage P-1 at the condo unit site. Upon delivery of the office building and parking garage, Landlord will lease the building to Camden Partners Operating Company, LLC ("Operating Company"). Operating Company will sublease the office building and parking garage to three tenants, The Michaels Organization, LLC ("Michaels"), NFI, L.P. ("NFI") and Conner Strong & Buckelew, LLC ("Conner Strong") (collectively "Tenants"). The proposed office building C-1 and the parking garage P-1 are located upon present Block 81.06, Lots 3.01 and 3.02 as identified on the Tax Map of the City of Camden. The proposed office building will consist of thirteen stories with a gross area of 420,602 sf and a total rentable area of 386,900 sf. Building space will be specifically occupied by the three Tenants as follows:

- NFI will occupy Floors 4, 5, and 6 totaling 88,233 sf.
- Michaels will occupy Floors 7, 8, and 9 totaling 88,233 sf.
- Conner Strong will occupy Floors 10, 11, and 12, along with the corporate conference center with related facilities on Floor 13 totaling 90,000 sf.

General space within the building that will be allocated to, or shared by each Tenant includes:

- 20,118 sf of mechanical space on Floor 1;
- 12,314 sf of retail/restaurant space on Floor 1;
- 9,323 sf of retail/restaurant space on the mezzanine level;
- 32,499 sf in amenity space (cafeteria and fitness center);
- 28,697 sf of Floor 3 will be shared mail room and conference space;
- 17,387 sf of mechanical space on Floor 14; and
- 96 sf helipad

There is a total of 120,434 sf of general space within the C-1 building allocated to the three Tenants. The proposed parking garage P-1 will contain 785 parking spaces, all of which will be restricted to the exclusive use of the C-1 Tenants.

Overview of Total Capital Investment and Allocation of Landlord's Investment amongst Tenants: Landlord and each Tenant have executed a term sheet for the construction and lease of the building. Tenants will lease space within the building and garage as set forth above. The term sheet also provides a fit out allowance for each Tenant that will include interior improvements to the core and shell, furniture fixtures and equipment, relocation costs and other Landlord costs associated with the construction of the building. A budget with line item costs/sf is attached hereto. The total cost of construction of the C-1 core and shell and the P-1 garage will be \$188,420,300. The total cost of the Landlord's allowance for fit out and other costs included in the capital expense is estimated at \$81,249,000. Other Landlord costs eligible toward the Tenant's capital expense amount to \$22,153,182. Pursuant to N.J.A.C. 19:31-18.2, a business that leases a qualified business facility is deemed to have acquired the capital investment made or acquired by the landlord if pertaining primarily to the premises of the qualified business facility, and, if pertaining generally to the qualified business facility being leased, shall be allocated to the premises of the qualified business facility on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified business facility. Accordingly, the three tenants will be deemed to have acquired the total capital investment made by the landlord that pertains directly to their business facility and a pro rata portion of the landlord's

capital investment pertaining to the general building space. The GrowNJ statute states that within a mixed-use building, retail facilities in an amount up to 7.5% of the project may be included in the mixed-use project application for a grant of tax credits along with the non-retail facilities. N.J.S.A. 34:1B-244.e. The three Tenants will solely occupy a total of 266,466 sf in the C-1 building. Of the 266,466 sf, NFI will solely occupy 88,233 sf, or 33.1 percent, Michaels will solely occupy 88,233 sf or 33.1 percent, and Conner Strong will solely occupy 90,000 sf or 33.8 percent. The remaining 120,434 sf of space is the shared third floor, retail/restaurant space and other common space within the building, the cost of which is shared pro rata pursuant to N.J.A.C. 19:31-18.2. Each Tenant's share of the Landlord's total capital investment is as follows: • NFI - \$96,593,242 • Michaels - \$96,593,242 • Conner Strong - \$98,635,999 See attached Project Cost spreadsheet that identifies the space allocation, the total project cost, the Tenant's share of the total project costs, and the Tenant's specific capital investment.

Will the project facility be occupied or used by any party other than the applicant? YES

Is it anticipated that the project location will be purchased or leased? LEASE

Landlord Contact Information

Contact Name: Jeffrey Brown
 Contact Title: N/A
 Company: Camden Partners Tower Operations, LLC
 Address: 1515 Burnt Mill Road
 Address Line 2:
 City: Cherry Hill
 State: NJ
 ZIP Code: 08003
 Phone: (856)794-4648
 Email: jeff.brown@nfiindustries.com
 Useable Square Footage leased by the tenant: 90,000
 Total Useable Square Footage of the building: 386,900

Asset Type:	Gross Leasable Area (GLA))	Useable Square Feet (USF)
Office	130,677	90,000

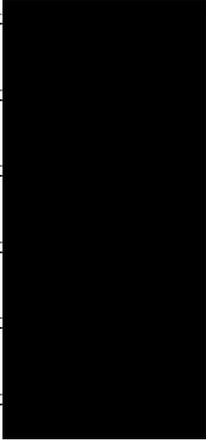
Describe how the green building standards posted on EDA's website, here www.njeda.com/GreenBldgGuidance1 and here www.njeda.com/GreenBldgGuidance2, will be incorporated into the proposed project. Also include how renewable energy, energy efficiency technology, and non-renewable resources will be incorporated into the project to reduce environmental degradation and to encourage long-term cost reduction.

Conner Strong & Buckelew will comply with NJEDA green building requirements.

Will the project generate solar energy on the site? NO

Project Costs

Please enter applicable costs:

New Building Construction	
Environmental Investigations and Remediation Costs	
Fees - Engineering and Architectural	
Fees - Legal	
Interest During Construction	

Fixtures & Equipment, Furniture	
Soft Costs	
Relocation Costs	
Security	
Other (1) - Owners Rep During Construction	
Other (3) - Insurance	
Total Cost:	\$98,635,999

Prevailing Wage

Be advised that projects utilizing financial assistance for construction related costs are subject to state prevailing wage requirements. For further information regarding prevailing wage requirements, please visit the New Jersey Department of Labor and Workforce webpage on prevailing wage requirements located at http://lwd.dol.state.nj.us/labor/wagehour/wagerate/prevailing_wage_determinations.html. Please contact Christina if you have any questions.

Will any of the Project costs be made or paid for by the landlord or through a tenant improvement allowance? YES

If yes, how much? \$98,635,999

Project Costs - New Building Construction

Provide a brief description of the new construction including number and size of new buildings:

The project includes a high-performance, sustainable office building on the Camden waterfront, comprised of 386,900 rentable square feet, together with a 785 stall parking structure. The office building, identified as C1, will be 13 stories and approximately 258 feet in height. The parking garage structure, identified as P1 will be 5 stories and approximately 56 feet in height with 785 parking spaces.

Square feet of the building: 386,900

Describe all approvals for this project	Status	Date
1. Site Plan Approval	Anticipated	2/15/2017
2. Schematic Drawings	Anticipated	12/1/2016
3. Design Drawings	Anticipated	1/1/2017
4. Construction Drawings	Anticipated	3/1/2017
5. Construction Permits	Anticipated	6/1/2017
6. Historic Review	NA	
7. Traffic/Offsite Improvements	Anticipated	4/16/2017

Project Costs - New Construction

Has construction work begun on project? NO

Do you have an Architect under contract at the time of this application? NO

Do you have an Construction Manager under contract at the time of this application? NO

Do you have an General Contractor under contract at the time of this application? NO

Project Costs - Environmental Investigations and Remediation Costs

Indicate in detail the present use of the project site:
Surface level parking lots.

Describe status of environmental investigation, including any known or suspected environmental problems:
Phase I, Preliminary Assessment, and Phase II- SI/RA/RAW environmental investigations of the site have been completed. VOCs were identified in the groundwater and soil gas. VOCs and PCBs were identified in the soil in the C1/P1 area at concentrations above the NJDEP remediation standards. This area was identified in previous environmental reports as a former discharge pit associated with historic RCA facility operations at the site.

Sources of Funds

Sources should include categories such as owner's equity, bank financing, and other government support used to finance the completion of the project. The EDA grant request, if successful, should **not** be considered a project financing source since it will be available over time.

Source Name	Source Amount
Building Owner Equity Attributable to Applicant	
Building Owner Debt Attributable to Application	
Total:	\$98,635,999

Grant Amount Requested: \$98,635,999

Describe how the request was calculated:

The grant amount requested represents the Applicant's pro rata share of the landlord's total cost to construct the building and parking structure, tenant's fit-out expenses and tenant's anticipated costs beyond the landlord's direct costs (see attached project cost sheet).

Desired Grant Term 10

Material Factor

Why is the grant a material factor in the project?

The Applicant will not make the contemplated capital investment in the City of Camden without the requested tax credits.

What are the advantages of the NJ Project location vs. the Alternate location?

The New Jersey project location is favorable because the business was founded in New Jersey and continues to have substantial operations in New Jersey. The business has determined to consolidate its dual headquarters at one new location. The employees that are proposed to be relocated to the new site presently work in New Jersey. Additionally, the proposed New Jersey project location will allow the Applicant to invest in the revitalization of Camden.

What diligence has the company performed in regards to Alternate Location?

The Applicant has retained CBRE to identify Class A office space in Philadelphia, with similar amenities available on site or in close proximity that would be available for lease. CBRE identified a building at 1601 Market Street with at least 107,000 sf that would be available after December 1, 2017. The Landlord has submitted a proposal for the lease of this space, a copy of which is included with the application documents.

Grow New Jersey Program

Location of Corporate headquarters

Address: 401 Rt. 73 North, Suite 300

Address Line 2:

City: Marlton

State: NJ

ZIP Code: 08053

County: Burlington

Country: US

State of Incorporation: NJ

New Jersey Operations

Job Type	Number of	Employment	Relocating	Current	Employee	Number	80%
----------	-----------	------------	------------	---------	----------	--------	-----

	Employees		to Proposed Site	Location of Positions	Type	of Hours Per Week	of Time at Job Site
Other - Other - See Attached Breakdown by Job Type	3	Retained	NO	Parsippany, New Jersey	W-2	40	NO
Other - See Attached Breakdown by Job Type	157	Retained	YES	Marlton, New Jersey	W-2	40	YES
Other - See Attached Breakdown by Job Type	17	Retained	YES	Marlton, NJ	W-2	40	NO
Other - See Attached Breakdown by Job Type	62	Retained	NO	Various, New Jersey	W-2	40	YES
Other - See Attached Breakdown by Job Type	15	New	YES	N/A	W-2	40	YES
Other - See Attached Breakdown by Job Type	96	New	YES	Philadelphia, PA	W-2	40	YES
Other - See Attached Breakdown by Job Type	2	New	YES	Philadelphia, PA	W-2	40	NO
	Total: 352						

Does the company provide employee health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (C.17B:27-54), a health benefits plan as defined under section I of P.L. 1992, c.162(C.17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of Title 17B of the New Jersey Statutes?

YES

Number of existing full-time jobs in NJ to be relocated to the proposed site:	157
Are any jobs listed in the application at risk of being located outside of New Jersey:	YES
<u>Date that the jobs at risk would be expected to leave the State:</u>	3/1/2019
<u>Why are the jobs at risk on that date?</u>	
The business is expanding and requires additional space. If the credits are not awarded, the business will seek to relocate to a less expensive location outside of New Jersey.	
Number of new full-time jobs to be created at the proposed site:	113
Will all of the new full-time jobs be at the proposed NJ project site at least 80% of the time?	NO
If no, how many jobs are not at the project site 80% of the time?	2
Number of Construction jobs working on this project:	350
List other states New Jersey is in competition with:	Pennsylvania.
What is the approximate start date for the project?	4/16/2017
What is the approximate date of completion for the project? (Completion of the project means the date in which the company would expect to file a CPA certification.)	5/31/2019
Date that company commenced operations in New Jersey:	January 1959
Are any of the employees or capital investment referenced in the application currently subject to a BEIP, BRRAG or HUB agreement?	NO
Has the EDA issued any tax-exempt bonds for the company or participated in any other EDA financings?	NO
Total number of full time employees of the applicant in NJ (which includes Affiliates) at the end of applicant's last tax period:	205
Estimated Total Gross Payroll at the project site:	\$25,324,971
Average Annual Salary for Eligible Employees:	\$94,496
Median Annual Salary for Eligible Employees:	\$72,050
I certify that my business is not in default with any other program administered by the State of New Jersey:	YES
Is the project going to generate at least 50% of electricity needs via solar?	NO
Is the project on an industrial premises and will the project be for industrial use?	NO
To what LEED standard will the project be built? LEED Certified.	
Is the project located in a mixed use development that incorporates sufficient moderate income housing to accommodate at least 20% of the full-time employees of the business?	NO
Is the project a marine terminal development?	NO
Is the project a Mega project?	YES
Is the applicant a United States headquarters of an automobile manufacturer, retaining at least 400 jobs, and located in the municipality in which it was located immediately prior to the filing of this application?	NO
Is the project a Qualified Incubator Facility?	NO

Is the project in one of the following Targeted Industries: NO
 Transportation, Manufacturing, Defense, Energy, Logistics,
 Life Sciences, Technology, Health, or Finance, excluding a
 primarily warehouse or distribution business?

Is the project a Tourism Destination Project? NO

Is the project a Transit Oriented Development? YES

Additional Background Information

Businesses applying for eligibility for NJEDA programs are subject to the Authority's Disqualification/Debarment Regulations (the "Regulations"), which are set forth in N.J.A.C. 19:30-2.1, et seq. Applicants are required to answer the following background questions pertaining to the commission of certain actions that can lead to debarment or disqualification from eligibility under the Regulations.

All capitalized terms used in this Questionnaire, except those defined elsewhere herein, shall be defined at the bottom of this form.

Has Applicant, any officers or directors of Applicant, or any Affiliates (collectively, the "Controlled Group") been found guilty, liable or responsible in any Legal Proceeding for any of the following violations or conduct? (Any civil or criminal decisions or verdicts that have been vacated or expunged need not be reported).

1. Commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract. NO
2. Violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty. NO
3. Violation of the Federal or State antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C.874). NO
4. Violation of any law governing the conduct of elections of the Federal Government, State of New Jersey or of its political subdivision. NO
5. Violation of the "Law Against Discrimination" (P.L. 1945, c169, N.J.S.A 10:5-1 et seq., as supplemented by P.L. 1975, c127), or of the act banning discrimination in public works employment (N.J.S.A 10:2-1 et seq.) or of the act prohibiting discrimination by industries engaged in defense work in the employment of persons therein (P.L. 1942, c114, N.J.S.A 10:10, et seq.). NO
6. To the best of your knowledge after reasonable inquiry, violation of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor. NO
7. To the best of your knowledge, after reasonable inquiry, violation of any law governing the conduct of occupations or professions of regulated industries. NO
8. Debarment by any department, agency, or instrumentality of the State or Federal government. NO
9. Violation of any of the following prohibitions on vendor activities representing a conflict of interest, or failure to report a solicitation as set forth below:
 - i. No person shall pay, offer or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Authority officer or employee or special Authority officer or employee, as defined by N.J.S.A 52:13D-13(b) and (e), with which such person transacts or offers or proposes to transact business, or to any member of the immediate family as defined by N.J.S.A 52:13D-13i, of any such officer or employee, or partnership, firm or corporation with which they are employed, or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A 52:13D-13g.
 - ii. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any Authority officer or employee or special Authority officer or employee from any person shall be reported in writing by the person to the Attorney General and the Executive Commission on Ethical Standards.

- iii. No person may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Authority officer or employee or special Authority officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Authority, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A 52:13D-13g. Any relationships subject to this subsection shall be reported in writing to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the Authority officer or employee or special Authority officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
- iv. No person shall influence, or attempt to influence or cause to be influenced, any Authority officer or employee or special Authority officer or employee in his or her capacity in any manner which might tend to impair the objectivity or independence of judgment of the officer or employee.
- v. No person shall cause or influence, or attempt to cause or influence, any Authority officer or employee or special Authority officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the person or any other person.

NO

10. Has any member of the Controlled Group been found guilty, liable or responsible for the violation in any Legal Proceedings of any State, Federal or foreign law that may bear upon a lack of responsibility or moral integrity, or that may provide other compelling reasons for disqualification. (Your responses to the foregoing question should include, but not be limited to, the violation of the following laws, without regard to whether any monetary award, damages, verdict, assessment or penalty has been made against any member of the Controlled Group, except that any violation of any environmental law in category (v) below need not be reported where the monetary award damages, etc. amounted to less than \$1 million).

- i. Laws banning or prohibiting discrimination or harassment in the workplace on the basis of gender, race, age, religion or handicapped status.
- ii. Laws prohibiting or banning any form of forced, slave, or compulsory labor.
- iii. Laws protecting workers who have reported the wrongdoing of their employers to governmental authorities, commonly referred to as "Whistleblower Laws".
- iv. Securities or tax laws resulting in a finding of fraud or fraudulent conduct.
- v. Environmental laws.
- vi. Laws banning the possession or sale of, or trafficking in, firearms or drugs.
- vii. Laws banning anti-competitive dumping of goods.
- viii. Anti-terrorist laws.
- ix. Criminal laws involving commission of any felony or indictable offense under State, Federal or foreign law.
- x. Laws banning human rights abuses.
- xi. Laws banning the trade of goods or services to enemies of the United States.
- xii. The New Jersey Conflicts of Interest Law, N.J.S.A 52:13D-1, et seq.

NO

11. To the best of your knowledge, after reasonable inquiry, is any member of the Controlled Group a party to pending Legal Proceedings wherein any of the offenses or violations described in questions 1-10 above are alleged or asserted against such entity or person? NO

If the answer to any of the foregoing questions is affirmative, you must provide the following information as an attachment to the application: (i) the case and court in which such matters were tried or are pending; (ii) the charges or claims adjudicated or alleged; and (iii) a brief explanation of the circumstances giving rise to such matters. Also, for affirmative answers to question 1-10, copies of the final judgments, consent orders or administrative findings, as the case may be, that were entered or made in such matters must be attached.

The terms set forth below shall be defined as follows:

"Affiliates" means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has the power to control another.

"Legal Proceedings" means any State, Federal or foreign civil, criminal or administrative proceeding in a court or administrative tribunal in the United States, any territories thereof or foreign jurisdiction.

The Authority reserves the right to require additional clarifying or explanatory information from the applicant ("Applicant") regarding the answers given. If, at any time prior to board action on this application, or, at any time between the date of such action and the execution of a grant agreement with the Authority, the Applicant should become aware of any facts that materially alter or change such answers, or render any of them incomplete, the Applicant shall have a duty to immediately report such facts to the Authority in writing.

Certification of Application

PLEASE NOTE:

Eligibility of financial assistance by the New Jersey Economic Development Authority is determined by the information presented in this application and the required attachments and schedules. Any changes in the status of the proposed

project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the staff of the EDA before taking any action which would change the status of the project as reported herein. The EDA's regulations and policies regarding the payment of prevailing wages and affirmative action in the hiring of construction workers require the submission of certain reports and certificates and the inclusion of certain provisions in construction contracts. Please consult with the EDA staff for details concerning these matters. (Forms can be found on our website www.njeda.com/forms)

Only Board Members of the governing board of the particular program for which you are applying, by resolution, may take action to determine project eligibility and to authorize the issuance of funds.

I, THE UNDERSIGNED, BEING DULY SWORN UPON MY OATH SAY:

1. I have received a copy of the "Regulation on Payment of Prevailing Wages" and the "Affirmative Action Regulation" and am prepared to comply with the requirements contained therein.
2. I affirm, represent, and warrant that the applicant has no outstanding obligations to any bank, loan company, corporation, or individual not mentioned in the above application and attachments; that the information contained in this application and in all attachments submitted herewith is to the best of my knowledge true and complete and that the bond/loan applied for herein is not for personal, family, or household purposes.
3. I understand that if such information is willfully false, I am subject to criminal prosecution under N.J.S.A. 2C:28-2 and civil action by the EDA which may at its option terminate its financial assistance.
4. I authorize the New Jersey Department of Law and Public Safety to verify any answer(s) contained herein through a search of its records, or records to which it has access, and to release the results of said research to the EDA.
5. I authorize the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the applicant and/or its principals, stockholders and/or investors.
6. I authorize the EDA to provide information submitted to it by or on behalf of the applicant to any bank or State agency which might participate in the requested financing with the EDA.

I am Authorized Signer and I accept the terms and conditions.

Required Attachments

- Division of Taxation Tax Clearance Certificate required. Certificates may be requested through the [State of New Jersey's Premier Business Services \(PBS\) portal online](#).
 - Under the Tax & Revenue Center, select Tax Services, then select Business Incentive Tax Clearance.
 - If the applicant's account is in compliance with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through PBS.

Please note: It is the applicant/client's responsibility to maintain a current and clear tax clearance certificate. If a current and clear certificate is not evidenced to EDA at time of closing, EDA will not proceed with closing.

- The Development Subsidy Job Goals Accountability Act
 - [Application Addendum](#)
 - [P.L.2007, C.200](#)
- 3 Years of Financial Statements
- Professional Engineer certification for solar claims, if applicable

- Site Map according to [Site Map Specifications](#)
- PDF of the on-line mapping tool found at http://njgin.state.nj.us/OIT_BusinessMap2 with applicant's proposed determination of project eligibility and associated report
- [CEO Certification](#)
- List all local and/or state financial assistance being utilized in the proposed project including development subsidies being requested or receiving, other state assistance, low interest rate loans, infrastructure improvements, property tax abatements and exemptions, and training grant assistance. Please specify program name, granting body, dollar amounts or value, terms and status of application.
- Material Factor - The provision of a grant from the Grow New Jersey Program must be a 'material factor' in a company's decision to retain/relocate/expand operations in New Jersey.
 - A. A full economic analysis of all locations under consideration including such components as, but not limited to the cost effectiveness of remaining in this State versus relocation under alternative plans (e.g. Real Estate listings, Tax or other State/Local financial incentives offered to the applicant and [Cost - Benefit Analysis](#), which may include cost per square foot, real estate tax, tax incentives, training incentives, labor costs, etc.)
 - B. All lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations
 - C. All lease agreements, ownership documents, or substantially similar documentation for the potential out-of-state location alternatives, to the extent they exist
 - D. A description of the 'at risk' nature of the employees that may be leaving the State. Include how such issues as the following will be addressed: mobility, labor and regulatory requirements as applicable (e.g., is the lease at the current facility expiring, will there be stranded assets if the business leaves; is the business' labor force required to be in the State; is a union contract required; is a license required to operate in the State).
 - E. A specific statement on the role the grant will play in the company's decision-making process to relocate in New Jersey
- Provide the names of the Affiliates (as defined below) that are directly or indirectly controlled by the business that will contribute either Full-Time Employees or Capital Investment at the Qualified Business Facility, by completing the attached [Affiliates Chart](#).

Affiliate means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the Federal Internal Revenue Code of 1986 (26 U.S.C. Section 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. Section 414). A taxpayer may establish by clear and convincing evidence, as determined by the Director of the Division of Taxation in the Department of the Treasury, that control exists in situations involving lesser percentages of ownership than required by the statutes.

- Additional Project Information

- A. Project schedule that identifies projected move dates for each site
 - B. An estimate of the projected retained State tax revenues resulting from the relocation, including State corporate business taxes.
 - C. A description of the type of contribution the business can make to the long-term growth of the State's economy and a description of the potential impact on the State's economy if jobs are not retained, etc.
 - D. A description of any capital investments made or to be made by the business at the new business location. Include estimated construction budget.
- Project Occupant Application (available at www.njeda.com/forms)
 - Notice Regarding Affirmative Action/Prevailing Wage, and Green Building Requirements, [click here](#) for form.
 - Copies of permits (New Building Construction)

Exhibit “E”

ADOPTED
MAR 24, 2017

Attachments

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of Grow New Jersey Assistance Program (Grow NJ) Project
Conner Strong & Buckelew Companies, LLC

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Project Summary in the form attached hereto; and

WHEREAS, the Project Summary requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Project Summary.

WHEREAS, the Members heard testimony and comments on the proposed actions at the March 16, 2017 meeting; and

WHEREAS, the Members have reviewed and considered de novo the Project Summary and the actions outlined and explained in the Project Summary.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The Members adopt the testimony and comments made at the March 16, 2017 meeting pertaining to the actions, as memorialized in the minutes of the March 16, 2017 meeting, attached hereto.
2. The actions set forth in the Project Summary, attached hereto, are hereby approved de novo, subject to any conditions set forth as such in said Project Summary.
3. The Project Summary, attached hereto, is hereby incorporated and made a part of this resolution as though set forth at length herein.

EXHIBIT 6

4. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: March 24, 2017

Exhibit “F”



October 18, 2017

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Via email and regular mail

jmuscella@connerstrong.com

John Muscella, CFO

Conner Strong & Buckelew Companies, LLC

401 Rt. 73 North, Suite 300

PO Box 989

Marlton, NJ 08053

Re: Conner Strong & Buckelew
Companies, LLC
P43583
Grow New Jersey Assistance ("Grow NJ")
Program

Dear Mr. Muscella:

This Approval Letter supersedes and replaces our original Approval Letter dated April 20, 2017 and our Approval Letter dated June 30, 2017.

Your Grow NJ Tax Credit ("Grow NJ Tax Credit") approved on March 24, 2017, is hereby awarded subject to the terms and conditions of the Grow New Jersey Assistance Act, P.L. 2011, c. 149, as amended by, among other laws, P.L. 2013, c. 161 and P.L. 2014, c. 63 (the "Act"); the Grow NJ Program regulations, N.J.A.C. 19:31-18.1 et seq., subject to final amendments to the regulations; and the terms and conditions set forth below and in the Incentive Agreement, which must be executed by Recipient as one of the preconditions of program eligibility. Recipient has been approved for an award under the Capital Investment Alternative (subsubparagraph ii. of subparagraphs (a) through (c) of subsection d. of N.J.S.A. 34:1B-246). This Approval Letter does not purport to summarize the entire Act and regulations and is subject to same. No act or omission by or on behalf of the Authority shall be deemed as a waiver to any of the terms and conditions contained in this letter. Such a waiver may be made only by an instrument in writing duly executed by an authorized representative of the Authority.

The Authority makes no warranties or representations about, and is not liable for damages resulting from, the issuance, non-issuance, use, sale, or marketability of the tax credits. The Recipient acknowledges the risks of relying on the use and sale of the tax credit to finance the Project. Recipient further acknowledges and accepts that the Legislature may enact further changes to the Act or to tax laws and that the terms and conditions set forth herein and in the Incentive Agreement, including the tax credit amount and when such amounts may be applied, are subject to changes to the Act and implementing Regulations and to tax laws. Nothing herein shall be construed as a waiver of the Recipient's right to challenge the validity of any Legislation or Regulation that may be enacted after the date on which this Approval Letter is accepted which changes the material terms of this Approval Letter.

RECIPIENT:

Conner Strong & Buckelew
Companies, LLC

DATE OF BOARD APPROVAL:

March 24, 2017

PROJECT:

Creation of 111 new Grow NJ eligible jobs and relocation and retention of 157 Grow NJ eligible jobs from Marlton, New Jersey to a new, non-industrial premises, consisting of 132,246 square feet, which consists of 110,161 square feet of office space to accommodate the Recipient's headquarters and 22,085 square feet of Recipient's pro-rata share of the building's retail and lobby, mechanical, amenity, and other common space.

QUALIFIED BUSINESS FACILITY LOCATION:

2 Cooper Street, Unit C-1, Block 80.02, Lot 1, City of Camden, Camden County, New Jersey (which is located in a Qualified Incentive Area - Garden State Growth Zone* that qualifies under the Municipal Rehabilitation and Economic Recovery Act)

ELIGIBILITY PERIOD COMMENCEMENT
DATE:

Date the Authority accepts the Project Completion certifications after satisfaction of the conditions set forth herein.

ELIGIBILITY PERIOD:

Ten (10) years starting on the Eligibility Period Commencement Date.

COMMITMENT PERIOD:

1.5 times the Eligibility Period starting on the Eligibility Period Commencement Date.

* Projects located in a Garden State Growth Zone may be eligible for an additional tax credit as described in the last paragraph of the "Conditions to Use of Tax Credit Certificate" section.

MAXIMUM GROW NJ ELIGIBLE JOBS:	New:	111
	Retained:	157 (of which 157 are new to Camden).
	Total Grow NJ Eligible Jobs:	<hr/> 268

MAXIMUM ELIGIBLE CAPITAL INVESTMENT: \$86,240,000

MAXIMUM TOTAL ANNUAL AWARD: \$8,623,972

ESTIMATED ANNUAL CREDIT PER GROW NJ ELIGIBLE JOB: \$32,179 (based on Project Completion certifications of 268 Grow NJ eligible jobs new to Camden and \$86,240,000 capital investment).

MINIMUM CAPITAL INVESTMENT TO QUALIFY UNDER THE CAPITAL INVESTMENT ALTERNATIVE: \$5,000,000 (but \$10,579,680 is required to be eligible for the Grow NJ Program based on 132,246 sq. ft. of gross leasable area).

MINIMUM GROW NJ ELIGIBLE JOBS NEW TO CAMDEN TO QUALIFY UNDER THE CAPITAL INVESTMENT ALTERNATIVE: 35 (but 250 is required to be eligible for the entire \$86,239,720 award)

MAXIMUM GROW NJ TAX CREDIT AMOUNT: Maximum Grow NJ Tax Credit amount not to exceed \$86,239,720, calculated based on the Maximum Total Annual Award per year for a period of 10 years. For each tax accounting or privilege period during the Eligibility Period, the Grow NJ Tax Credit shall be applied in an amount no greater than the total credit amount divided by the duration of the Eligibility Period in years (fractions of a cent rounded down) subject to the reduction and forfeiture provision set forth below.*

**NUMBER OF STATEWIDE EMPLOYEES:
(IN TAX PERIOD PRIOR TO APPROVAL)** 238 ("Statewide Workforce")

DEADLINE FOR SUBMISSION OF CAPITAL INVESTMENT AND EMPLOYMENT REQUIREMENT ("PROJECT COMPLETION") CERTIFICATIONS: March 24, 2021 (Project Completion Date = 3 years plus two six-month extensions, but in no event can the tax credit be issued more than 4 years from date of Board approval)

TAX CREDIT CERTIFICATE ISSUANCE FEE: A non-refundable fee of up to \$431,198.60 paid to the Authority, which amount represents 0.5% of the actual tax credit, not to exceed \$500,000, due prior to receipt of the tax credit certificate.

* The credit amount may be taken by the tax certificate holder for the tax period for which it was issued or may be carried forward for use by the tax certificate holder in any of the next 20 successive tax periods, and shall expire thereafter. The tax certificate holder may transfer the tax credit amount on or after the date of issuance or at any time within three years of the date of issuance for use by the transferee in the tax period during which it was transferred or in any of the next three successive tax periods. Notwithstanding the foregoing, it will be the responsibility of the Recipient to ensure that no more than the amount of tax credits equal to the total credit amount divided by the duration of the eligibility period in years may be taken in any tax period.

ANNUAL SERVICING FEE:

Annual non-refundable fee of up to \$75,000 paid to the Authority, which represents 2% of the actual annual tax credit amount not to exceed \$75,000, each year during the Eligibility Period at the time Recipient submits its Annual Report required to receive a letter of compliance from the Authority.

**TAX CREDIT TRANSFER FEE,
IF APPLICABLE:**

A non-refundable transfer fee of \$5,000, and \$2,500 per additional request made annually, upon application for a tax credit transfer certificate and per application for permission to pledge a tax credit transfer certificate purchase contract as collateral. All transfers must be for not less than \$25,000 in tax credits.

ANALYSIS FEE:

Recipient shall pay the Authority the full amount of direct costs of an analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary.

ADDITIONAL FEES:

In addition, modification fees are due when the Authority is requested to consider an administrative change, addition, or modification to an existing transaction, including, but not limited to, adding an Affiliate.

CONDITIONS OF APPROVAL:

In order to maintain the award of the Grow NJ Tax Credit, the Recipient must submit the following information to the Authority:

- i) On or before March 24, 2019 the following Progress Information:
 1. Copy of site plan approval from the City of Camden and Camden County permitting the development of the Project, if applicable;
 2. Copy of committed financing for the Project, if applicable, or evidence of self-financing;
 3. Documentation evidencing that Recipient has control of the site of the Qualified Business Facility (subsections 1, 2 and 3 shall collectively constitute the "Progress Information"). Unless the Recipient has indicated otherwise in its Grow NJ application, the document evidencing site control shall not have been executed prior to March 24, 2017. If the Recipient is a tenant, a copy of the executed lease (or, if a sub-lessee, then a

copy of the sublease and lease) must be provided, and the term of the lease (including renewal options) must extend for at least the duration of the Commitment Period; and

- ii) On September 24, 2017 and every six (6) months thereafter until completion of the Project, an update of the status of the Project ("Project Status Updates") together with a current Tax Clearance Certificate for the Recipient not more than 180 days old.
- iii) Prior to the commencement of construction, Recipient will submit to the Authority for its approval a plan ("Green Building Plan") to meet the Authority's Green Building Standards Policy regarding the use of renewable energy, energy-efficient technology, and non-renewable resources in order to reduce environmental degradation and encourage long-term cost reduction, which is available at <http://www.njeda.com/pdfs/GreenBuildingGuidance.aspx> ("Green Building Requirements"). Failure to submit the Green Building Plan within the indicated time frame may lead to forfeiture of the Grow NJ Tax Credit.

Unless otherwise determined by the Authority in its sole discretion, failure by Recipient to submit the Progress Information and the Project Status Updates in a form acceptable to the Authority by the end of business, 5 p.m., on the indicated dates will result in immediate expiration of the Authority's approval of the Grow NJ Tax Credit, without further action by the Authority.

The Authority approval is based on information set forth in your Grow NJ application and any other supplemental information provided. Recipient shall disclose to the Authority any substantive changes in such information, including substantive changes in public financial support; such changes must be reviewed and approved by the Authority and may affect eligibility. If the Project Completion certifications indicate that the capital investment or number of new and/or retained full-time jobs is less than the Capital Investment or Grow NJ Jobs to be eligible for the Grow NJ Program, which are \$80 per square foot (\$10,579,680 based on 132,246 square feet of gross leasable area) ("Program Eligibility Capital Investment") and 19 new and 27 retained full-time jobs, respectively ("Program Eligibility Jobs"), Recipient shall no longer be eligible for tax credits. The size of the grant is based on Recipient qualifying under the Capital Investment Alternative; failure to do so will require a re-evaluation by the Authority Board of the approval and award for the Recipient. To be eligible as a new or retained full-time employee, the employee must have his or her primary office at the Qualified Business Facility and must spend at least 80 percent of his or her time there at the Qualified Business Facility, or any other period of time generally accepted by custom or practice as full-time employment at the Qualified Business Facility, as determined by the Authority.

Within 15 days of receipt of the submission of the Progress Information and Project Status Updates, the Authority will inform the Recipient whether the documentation submitted is sufficient to maintain award of the Grow NJ Tax Credit.

Provided the documentation relating to the Progress Information required above is in a form acceptable to the Authority, the Authority will forward an executable Incentive Agreement to the Recipient.

Within 10 business days of transmittal of said Incentive Agreement or by the date the Recipient submits its Capital Investment and employee certifications, whichever is earlier, the Recipient must execute and return the Incentive Agreement to the Authority. Conditions to maintaining approval are set forth in the Incentive Agreement and include, but are not limited to:

a. Covenant that the Recipient will provide health benefits for eligible employees under a health benefits plan authorized pursuant to State or federal law. With respect to a logistics, manufacturing, energy, defense, aviation, or maritime business, excluding primarily warehouse or distribution operations, located in a port district having a container terminal: the requirement that employee health benefits are to be provided shall be deemed to be satisfied if such benefits are provided in accordance with industry practice by a third party obligated to provide such benefits pursuant to a collective bargaining agreement; full-time employment shall include, but not be limited to, employees that have been hired by way of a labor union hiring hall or its equivalent; 35 hours of employment per week at a qualified business facility shall constitute one "full-time employee" regardless of whether or not the hours of work were performed by one or more persons.

b. Covenant that prevailing wages have been and will be paid to construction workers at the Qualified Business Facility and that those contractors comply with the Authority's Affirmative Action Program as set forth at N.J.A.C. 19:30-3 et seq., and to the extent that Recipient undertakes construction/renovation/leasehold improvements/installation of equipment at the Qualified Business Facility within two (2) years from the date the first letter of compliance is issued to the Recipient, prevailing wage rate will be paid and the Authority's affirmative action rules and regulations apply ("Prevailing Wage and Affirmative Action Requirements").

c. If, at any time after the date of Board Approval and until the end of the Commitment Period, Recipient should become aware of any facts that materially alter, change, or render incomplete its answers to the questions in the Grow NJ application pertaining to the Authority's Disqualification/Debarment Regulations at N.J.A.C. 19:30-2.1, et seq., Recipient shall have a duty to immediately report such facts to the Authority in writing. **NO LETTER OF COMPLIANCE SHALL BE ISSUED IF RECIPIENT HAS BEEN DEBARRED, DISQUALIFIED, OR SUSPENDED BY THE AUTHORITY. A DEBARMENT, DISQUALIFICATION, OR SUSPENSION FOR A PERIOD OF TWO YEARS OR MORE SHALL BE AN EVENT OF DEFAULT.**

d. Covenant that, in each tax period during the Commitment Period, the number of full-time employees in Recipient's Statewide workforce for that year will be at least 80% of the Statewide Workforce. **FAILURE TO DO SO AS A RESULT OF A RELOCATION OUTSIDE OF THE STATE MAY RESULT IN AN EVENT OF DEFAULT, AND RECIPIENT MAY BE REQUIRED TO REPAY THE AMOUNT OF TAX CREDITS AWARDED.**

e. No more than 7.5 percent of the Project may be included as retail facilities, and no more than the pro-rata number of full-time employees employed by any number of tenants or other occupants of the included retail facilities may be included in the aggregate.

Recapture provisions: THE INCENTIVE AGREEMENT WILL ALSO INCLUDE A COVENANT THAT RECIPIENT MUST MAINTAIN THE PROJECT AT THE QUALIFIED BUSINESS FACILITY FOR NOT LESS THAN THE COMMITMENT PERIOD WITH AT LEAST THE MINIMUM FULL-TIME EMPLOYEES AS REQUIRED BY THE PROGRAM, WHICH SHALL INCLUDE A CONSIDERATION OF THE NET POSITIVE ECONOMIC BENEFIT TEST AND THE AMOUNT OF TAX CREDITS PREVIOUSLY RECEIVED BY THE RECIPIENT DURING THE ELIGIBILITY PERIOD, AND A PROVISION TO PERMIT THE AUTHORITY TO RECAPTURE ALL OR PART OF ANY TAX CREDITS AWARDED, AT ITS DISCRETION, IF THE BUSINESS DOES NOT REMAIN IN COMPLIANCE WITH THIS PROVISION FOR THE COMMITMENT PERIOD.

THE AUTHORITY MAY PURSUE RECAPTURE AT ANY TIME DURING THE ELIGIBILITY PERIOD AND THE REMAINDER OF THE COMMITMENT PERIOD, INCLUDING DURING ANY PERIOD IN THE ELIGIBILITY PERIOD IN WHICH THE TAX CREDITS ARE FORFEITED PURSUANT TO N.J.A.C. 19:31-18.15.

In the Authority's discretion, failure of Recipient to submit an executed Incentive Agreement in a form acceptable to the Authority within ten (10) business days of the Authority's transmittal thereof will result in immediate expiration of the Authority's approval of the Grow NJ Tax Credit, without further action by the Authority.

CONDITIONS TO RECEIPT OF TAX CREDIT CERTIFICATE:

Upon completion of the Project and satisfaction of the Capital Investment and employment requirements, but no later than the Project Completion Date, Recipient must submit the following documents ("Tax Credit Certificate Documents") to receive a tax credit certificate:

1. A temporary certificate of occupancy and the detailed Project Completion certification by an independent certified public accountant acceptable to the Authority stating the total amount of the Recipient's Capital Investment in the Qualified Business Facility, provided that the eligible Capital Investments made or acquired by Recipient in the Qualified Business Facility must be at least the Program Eligibility Capital Investment to be eligible for the Grow NJ Tax Program. The amount of the Capital Investment in the certification shall be utilized by the Authority in the calculation of the grant of tax credits and shall not be increased regardless of additional Capital Investment in the Qualified Business Facility. In the event the Capital Investment is reduced below the Maximum Eligible Capital Investment by 25%, the Authority may re-evaluate the net positive economic benefit and reduce the size of the grant accordingly.
2. The detailed Project Completion certification by Recipient's chief financial officer acceptable to the Authority stating the actual number of eligible new and retained full-time employees employed in positions at the Qualified Business Facility, and the current number of full-time employees in Recipient's Statewide workforce. The number of full-time employees employed at the Qualified Business Facility must equal at least the Program Eligibility Jobs to be eligible for the Grow NJ Tax Program. Employee information must include the names, addresses, dates of hire, termination dates, annual salary, title and any other information as requested by the Authority. Except as set forth under the "Conditions to Use of Tax Credit

Certificate" section, the certification shall not be increased regardless of additional employees at the Qualified Business Facility. If the number of new and retained full-time employees is reduced below the required number in subsections (b) through (e) in the Capital Investment Alternative, the size of the grant shall be adjusted under the subsection that corresponds to the reduced number of full-time employees. In the event the number of new and/or retained full-time jobs is reduced below the Maximum Grow NJ Eligible Jobs by 25% or the number of employees eligible to be included in the net positive economic benefit test is reduced below the number included at Board approval (180 employees) by 25%, the Authority may re-evaluate the net positive economic benefit and reduce the size of the grant accordingly.

3. As part of each Project Completion certification, a list of the Affiliates that contributed to the Capital Investment and to the full-time employees at the Qualified Business Facility and, for each such Affiliate, the number of full-time employees in New Jersey in the last tax period prior to the Authority's approval if that number was not provided in the Grow NJ application. Please note: The term "Affiliate" is defined in the Act and the implementing regulations. In order to be considered an Affiliate for purposes of this program, an entity must meet the definition of Affiliate either by being a member of a controlled group of corporations with the Recipient as defined pursuant to section 1563 of the Internal Revenue Code of 1986 ("Code") or the entity is an organization in a group of organizations with the Recipient as defined pursuant to subsection (b) or (c) of section 414 of the Code, as demonstrated by the Recipient to the Authority either through a certification by an independent certified public accountant or an opinion of counsel. In the alternative, a Recipient may demonstrate that an entity is an Affiliate by presenting to the Authority a written determination of the Director of the Division of Taxation. Approval of Recipient's Grow NJ Tax Credit does not constitute approval or confirmation that the entities listed on its Grow NJ application meet the definition of Affiliate.
4. All construction contracts regarding the Project must contain additional language as set forth in Authority Affirmative Action Addendum to Construction Contract. In addition, the general contractor must include said language in all subcontracts. Regulations, forms, and guidance documents (including an Affirmative Action and Prevailing Wage program summary) are available at www.njeda.com/affirmativeaction.
5. Covenant by the Recipient, that will be incorporated into the Agreement, that it will comply with all applicable law, and specifically, that the Project will comply with (i) the Authority's prevailing wage requirements as set forth in N.J.S.A. 34:1B-5.1, (ii) the Authority's affirmative action requirements as set forth in N.J.S.A. 34:1B-5.4, (iii) the Green Building Requirements, (iv) the Conflicts of Interest Law as set forth in N.J.S.A. 52:13D-12 et seq., (v) requirements of the Americans with Disabilities Act of 1990, 42 U.S.A. Sec. 12101 et seq. and implementing regulations, and (vi) requirements of all applicable New Jersey environmental laws.
6. When construction is completed, as a condition to receipt of the award, Recipient will be required to submit a certification from a licensed engineer that the Project has adhered in all material respects to the Green Building Plan.

7. A current Tax Clearance Certificate for the Recipient, and any Affiliate that contributed to the full-time employees at the Qualified Business Facility and to the Capital Investment, not more than 180 days old.

The Authority may modify the net positive economic benefit analysis from time to time. If the Authority re-evaluates the net positive economic benefit as stated in paragraphs 1 and 2 above, the Authority shall use the net positive economic benefit analysis in effect at the time of the re-evaluation.

The per full-time employee tax credit calculation will be established by dividing the number of full-time employees in the Project Completion certification into the lesser of the amount of capital investment in the Project Completion certification or the award of tax credits.

Upon a determination by the Authority that the Tax Credit Certificate Documents are acceptable, the Authority shall notify the Recipient and Director of the Division of Taxation and a Tax Credit Certificate will be issued to Recipient.

IN NO EVENT SHALL THE DATE ON WHICH THE TAX CREDIT CERTIFICATE IS ISSUED OCCUR LATER THAN FOUR YEARS FOLLOWING THE DATE OF THE AUTHORITY'S APPROVAL OF THE RECIPIENT'S GROW NJ APPLICATION.

Once the Tax Credit Certificate is issued, the Recipient may apply the amount of tax credits equal to the total tax credit amount divided by the duration of the Eligibility Period in years (fractions of a cent rounded down) to offset its tax liability in each tax privilege period with applicable carry forward provisions, beginning with liability that arises in the tax privilege period in which the Authority accepts the Project Completion certifications ("First Eligibility Tax Period"), subject to the conditions set forth below.

CONDITIONS TO USE OF TAX CREDIT CERTIFICATE:

After receipt of the Tax Credit Certificate, Recipient shall submit to the Authority, within 120 days after the end of the First Eligibility Tax Period and at the same time on an annual basis thereafter, a report certified by Recipient's chief financial officer as described below ("Annual Report"). Upon satisfactory review of all information submitted in the Annual Report, the Authority will issue a letter of compliance. No Tax Credit Certificate will be valid without the letter of compliance issued for the relevant tax period. Use of the Tax Credit Certificate shall be subject to the reduction and forfeiture provisions set forth below. The Annual Report shall include the following:

1. A certification acceptable to the Authority by the Recipient indicating whether or not the Recipient is aware of any condition, event or act which would cause the business not to be in compliance with the approval, the Act, the Incentive Agreement or the regulations promulgated thereunder.

2. A certification acceptable to the Authority by the Recipient indicating any change or anticipated change in the identity of the entities comprising the business that have elected to claim all or a portion of the credit, provided such entities have contributed either Capital Investments or employees to the Qualified Business Facility.
3. A current Tax Clearance Certificate for the Recipient, and any Affiliate that contributed to the full-time employees at the Qualified Business Facility and to the Capital Investment, not more than 180 days old.
4. For the relevant tax period, certification acceptable to the Authority stating the number of full-time employees employed at the Qualified Business Facility, the number of those employees that are employed in eligible new and retained full-time jobs, and the current number of full-time employees in Recipient's Statewide workforce, provided that: Full-time employment for the tax period shall be determined as the average of monthly full-time employment for that period. The certification must also list the Affiliates that contributed to the full-time employees at the Qualified Business Facility and, for each such Affiliate, the number of full-time employees in New Jersey in the last tax period prior to the Authority's approval if that number was not provided in the Grow NJ application. Employee information must include the names, addresses, dates of hire, termination dates, annual salary, title and any other information as requested by the Authority. This certification shall also indicate and verify that the bonus increase criteria have been met.

FAILURE TO SUBMIT A COMPLETE PACKAGE OF ALL INFORMATION REQUIREMENTS LISTED HEREINABOVE IN THIS SECTION WITHIN 120 DAYS AFTER THE END OF THE FIRST ELIGIBILITY TAX PERIOD AND AT THE SAME TIME ON AN ANNUAL BASIS THEREAFTER WILL LEAD TO FORFEITURE OF THE TAX CREDITS ALLOCABLE TO THAT YEAR UNLESS THE AUTHORITY DETERMINES THAT THERE ARE EXTENUATING CIRCUMSTANCES EXCUSING THE RECIPIENT OR TAX CREDIT TRANSFEREE FROM THE TIMELY FILING REQUIRED. IT MAY ALSO TRIGGER RECAPTURE.

Please note:

Any reduction in the number of eligible Grow NJ jobs shall proportionately reduce the amount of tax credits for that year based on the per full time employee calculation done at Project Completion certification, i.e. the number of full-time employees will be multiplied by the per full-time employee calculation done at certification. Also, if the number of eligible Grow NJ jobs is reduced below the required number in subsections (b) through (e) in the Capital Investment Alternative, the tax credits that Recipient may take shall be rescored under the subsection that corresponds to the reduced number of eligible Grow NJ jobs. For purposes of illustration, if the Project Completion certification shows 255 Grow NJ jobs new to the municipality and tax credits are issued in the amount of \$80 million, then the annual credit per Grow NJ job is \$31,373 and a reduction to 250 Grow NJ jobs will reduce the tax credits that Recipient may take for that year to \$7,843,250 (250 x \$31,373). In the same illustration, a reduction to 249 Grow NJ jobs will reduce the tax credits that Recipient may take for that year to \$5 million based on the

annual cap in subsection (d) in the Capital Investment Alternative. Such reduction during the Eligibility Period and the remainder of the Commitment Period may cause the grant to be subject to forfeiture or recapture as set forth more fully in the Incentive Agreement.

The Authority reserves the right to audit any of the representations made and documents submitted in the Annual Report.

Recipient shall not change the location of the Qualified Business Facility, expand the Qualified Business Facility, or include any Grow NJ Job in an Annual Report for any month the job is not located in the Qualified Business Facility during the Commitment Period, without the prior written consent of the Authority, provided that any consent shall not affect any reduction, forfeiture, or recapture. Recipient shall maintain its existence as a legal entity and shall not sell, assign, transfer or otherwise dispose of all of its assets without the prior written consent of the Authority, which consent shall be based on Recipient's continued compliance with the approval, the Act, the Incentive Agreement, and the regulations promulgated thereunder.

If, in any tax period during the Eligibility Period, the number of eligible full-time employees employed by Recipient at the Qualified Business Facility located within a Qualified Incentive Area drops below 80 percent of the number of new and retained full-time jobs specified in the Project Completion certification, then the Recipient shall forfeit its credit amount for that tax period and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of the number of eligible full-time employees employed by the recipient at the Qualified Business Facility to 80 percent of the number of jobs specified in the Project Completion certification has been reviewed and approved by the Authority.

If, in any tax period during the Eligibility Period, the current number of full-time employees in Recipient's Statewide workforce has been reduced by more than 20% from the Statewide Workforce, the Recipient shall forfeit its credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the number of full-time employees to a number at least 80% of Recipient's Statewide Workforce has been reviewed and approved by the Authority, for which tax period and each subsequent conforming tax period the full amount of the annual credit shall be allowed. The Statewide workforce shall include the full-time employees in the last tax period prior to the Authority's Approval of any Affiliate that contributed to the full-time employees at the Qualified Business Facility in the tax period or contributed capital investment to the Project. The number of full-time employees in Recipient's Statewide workforce shall not include a new eligible position at the Qualified Business Facility unless the new eligible position is in addition to the number of full-time employees specified in the incentive agreement and Recipient is not receiving an additional tax credit award for the new eligible position.

If the Qualified Business Facility is sold by the owner in whole or in part during the Eligibility Period, the new owner shall not acquire the Capital Investment of the seller and the seller shall forfeit all credits for the tax period in which the sale occurs and all subsequent tax periods, except that any credits of the Recipient shall remain unaffected. If the Recipient merges with or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner.

If the Recipient leases or subleases the Qualified Business Facility in whole or in part during the Eligibility Period, the new tenant shall not acquire the credit of the Recipient, and the Recipient shall forfeit all credits for the tax period of its lease or sublease and all subsequent tax periods except for leases or subleases to tenants or other occupants in a mixed-use project that includes retail facilities and that is located in a Garden State Growth Zone or the Atlantic City Tourism District if such mixed-use project aggregates the pro-rata number of full-time employees employed by any number of tenants or other occupants of the included retail facilities. Notwithstanding the foregoing, the Recipient may lease or sublease an amount up to five percent of the Qualified Business Facility to a new tenant without forfeiting any of the Recipient's tax credit; however, no full-time employees or capital investment by the new tenant shall contribute to the Recipient's eligible full-time employees or capital investment.

If all or part of any tax credits awarded is subject to recapture due to a failure to comply with the Grow NJ Program requirements, the Authority will pursue recapture from the Recipient and not from a tax credit transfer certificate purchaser. Any taxpayer from whom the Recipient received consideration for the transfer of tax credits prior to the issuance of an annual letter of compliance shall be subject to all other limitations and conditions that apply to the use of the tax credits by the Recipient, including, but not limited to, reduction and forfeiture provisions (which provisions apply to the tax credits for a tax period until the issuance of a letter of compliance for that tax period) and the requirement of a letter of compliance for the relevant tax period. The number of tax credits held by any taxpayer from whom the Recipient has received consideration for the transfer of tax credits that have been authorized by an annual letter of compliance and are evidenced by a tax credit transfer certificate shall not be subject to the forfeiture or reduction described in this "Conditions to Use of Tax Credit Certificate" section.

If, in any tax period during the Eligibility Period the number of full-time employees employed by Recipient at the Qualified Business Facility increases above the number of full-time employees specified in the Incentive Agreement such that Recipient shall then meet the minimum number of employees required in subparagraph (b), (c), (d), or (e) of the Capital Investment Alternative, then the Authority shall recalculate the total tax credit amount per full-time job by using the certified Capital Investment of the Project allowable under the applicable subparagraph and the number of full-time jobs certified on the date of the recalculation and applying those numbers to subparagraph (b), (c), (d), or (e) of the Capital Investment Alternative, until the first tax period for which documentation demonstrating a reduction of the number of full-time employees employed by Recipient at the Qualified Business Facility, at which time the tax credit amount shall be adjusted accordingly; provided that the adjustment will not affect other obligations under the Incentive Agreement to maintain a minimum number of full-time employees. To obtain this additional tax credit award, Recipient shall submit, in its Annual Report, a request to the Authority with supporting evidence documenting the additional full-time employees added above the number of full-time employees specified in the Incentive Agreement. Following EDA staff acceptance of the Annual Report, it shall notify the Director of the Division of Taxation and Recipient shall receive an increased tax credit certificate.

INDEMNIFICATION; INSURANCE:

Recipient covenants and agrees to indemnify and hold harmless the Authority, the State of New Jersey, the Department of the Treasury and the Division of Taxation and their respective members, agents, officers, employees and servants (collectively, the "Indemnified Parties") from all losses, claims, damages, liabilities, and costs whatsoever (including all costs, expenses and reasonable counsel fees incurred in investigating and defending such losses and claims, etc.), brought by any person or entity, and caused by, related to, arising or purportedly arising out of, or from: (i) the condition, use, possession, conduct, management, construction, and financing of the Project; (ii) the performance by Recipient of its obligations pursuant to the terms and conditions of the Grow NJ Tax Credit, as set forth in this Approval Letter; (iii) any loss, damage or injury to, or death of, any person occurring at or about or resulting from, the operations of the Project; and (iv) any damage or injury to property of the Recipient or to the agents, servants, employees or co-employees of the Recipient, caused by the negligence, gross negligence and willful misconduct of any person, except for: losses, claims, damages, liabilities and costs arising from the gross negligence or willful misconduct of the Indemnified Parties. These Indemnification provisions shall survive the expiration or earlier termination of the Incentive Agreement entered into in connection with the Grow NJ Tax Credit.

To effectuate the purposes of the Indemnification provisions set forth above, Recipient shall obtain sufficient coverage under its commercial general liability insurance policy to cover not only its own liability, but also, any liability which might arise under the Indemnification provisions against the Indemnified Parties to the extent such liability is insurable under a commercial general liability insurance policy. Recipient shall include the Indemnified Parties as additional insureds in any liability insurance coverage for the Project. Recipient shall promptly provide evidence of such insurance to the Authority upon request. Failure of Recipient to retain such coverage and/or provide evidence of same to the Authority will result in either the Authority cancelling an existing letter of compliance and/or not issuing a letter of compliance.

The liability of the Authority, the Department of the Treasury and the Division of Taxation, and their directors and employees shall be subject to all provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

GENERAL:

Tax Clearance Certificates are issued by the Division of Taxation. To apply to receive a Tax Clearance Certificate, a Recipient must complete and submit the online application for Business Assistance Tax Clearance ("Application") by visiting the State of New Jersey's Premier Business Services (PBS) portal at: https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp. Questions regarding Business Assistance Tax Clearance may be emailed to: BusinessAssistanceTC.Taxation@treas.nj.gov.

It is the sole responsibility of the Recipient to obtain each Tax Clearance Certificate and ensure timely delivery to the Authority as set forth herein.

The Authority requires that a valid Tax Clearance Certificate no more than 180 days old is on file with the Authority from the time of Recipient's Grow NJ application through the date that the Tax Credit Certificate is issued. During this period it remains the sole responsibility of the Recipient to renew the Tax Clearance Certificate. In addition, a current Tax Clearance Certificate must be submitted with each Annual Report. If a Tax Clearance Certificate is not issued by the Division of Taxation and submitted to the Authority, the Recipient will have failed to meet the Conditions of Approval, and/or Conditions of Receipt and/or Use of Tax Credit Certificate. In the Authority's discretion, this may result in the expiration of the Authority's approval of the tax credit award and/or delay or non-issuance of a Tax Credit Certificate/Letter of Compliance.

The Grow New Jersey documents shall be governed by the provisions of the Act and all applicable regulations. Any term not defined in this Approval Letter shall have the meaning set forth at N.J.A.C. 19:31-18 et seq.

Counsel to the Authority must be satisfied with respect to the legality, validity, binding effect and enforceability of all instruments, agreements, and documents used to effect and consummate the transactions contemplated herein. All documentation shall be in form and substance satisfactory to the Authority.

The interests of the Recipient and the Authority are or may be different and may conflict. The Authority's attorney represents only the Authority and does not represent the Recipient in this transaction. The Recipient, therefore, is advised to employ an attorney licensed to practice in the State of New Jersey, of the Recipient's own choice to represent the Recipient's interest in this transaction.

The Authority, at its option, may announce and publicize the Project contemplated hereunder, by means and media selected by the Authority.

It is specifically understood and agreed that this Grow NJ Tax Credit is *cross-defaulted* with any existing assistance and any future assistance provided by the Authority and/or State to the Recipient and/or any of its subsidiaries including, but not limited to, entities that may not be related to Recipient, but have common principals. For purposes of this cross-default, a principal of an entity shall be any executive officer, director, or general partner; any person or other entity directly or indirectly controlling the entity; or a person or other entity directly or indirectly owning or controlling ten percent (10%) or more of the entity's ownership interests.

This Approval Letter shall terminate and the Authority shall have no further obligation or liability hereunder if this letter and Notice Regarding AA/PW and Green Building Requirements are not signed and delivered by the end of business, 5 p.m. on or November 1, 2017. This Approval Letter may be executed and delivered by telecopier, email, PDF or other facsimile transmission of all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

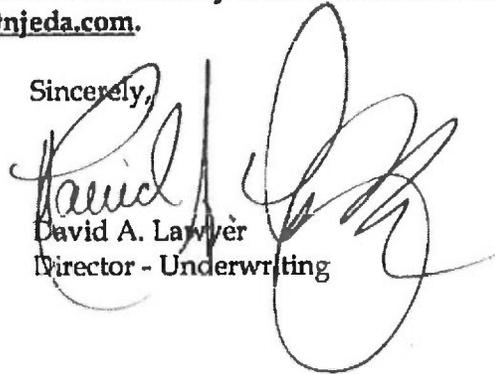
In the event that the items listed in the "Conditions of Approval" section of this Approval Letter are not provided by the dates indicated herein to Senior Real Estate Incentives Officer, Tyshon Lee, at tlee@njeda.com, the Authority's obligation to provide the grant hereunder shall automatically terminate unless an extension has been requested in writing prior to such dates by the Recipient and approved by the Authority in its sole discretion, prior to such dates.

We appreciate your interest in expanding operations and creating business opportunities in New Jersey. We look forward to assisting in your Project. If you should have any questions regarding this letter, please contact me at 609-858-8186 or dlawyer@njeda.com or your Senior Underwriter, Mark Chierici at 609-858-6869 or mchierici@njeda.com.

Kindly contact Senior Real Estate Incentives Officer, Tyshon Lee, at 609-858-6746 or tlee@njeda.com if you have any questions regarding the Conditions of Approval for this Project or Jobs Incentives Officer, Keirah Black at 609-858-6943 or kblack@njeda.com if you have any questions regarding the servicing of this Project.

This fully executed Approval Letter in its entirety should be returned to Margaret Maurio, Executive Assistant, at mmaurio@njeda.com.

Sincerely,



David A. Lawyer
Director - Underwriting

KJS

C: C. Fuentes
M. Chierici
K. Black
D. Wong
J. McIntyre
L. Butterfield
L. Petrizzi
M. Maurio
T. McCusker
T. Lee
J. Rosenfeld
L. Young
S. Quattro
ksheehan@parkermckay.com

ACCEPTED AND AGREED THIS
26 DAY OF October, 2017

CONNER STRONG & BUCKELEW COMPANIES, LLC

By: John F. Muscella
Name: John F. Muscella
Title: EVP/cfo



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
 INTERNAL PROCESS MANAGEMENT DEPARTMENT
 OFFICE OF AFFIRMATIVE ACTION
 NJEDA WEB www.njeda.com/affirmativeaction
 NJEDA EMAIL affirmativeaction@njeda.com
 NJEDA PHONE (973) 855-3447

NOTICE REGARDING AFFIRMATIVE ACTION/PREVAILING WAGE AND GREEN BUILDING REQUIREMENTS

PROJECT NUMBER: P43583
 PROJECT NAME: Connor Strong & Buckelew Companies, LLC

THIS PROJECT MAY BE SUBJECT TO NJEDA AFFIRMATIVE ACTION/PREVAILING WAGE AND GREEN BUILDING REQUIREMENTS. THE TERM CONSTRUCTION INCLUDES ANY CONSTRUCTION, RECONSTRUCTION, DEMOLITION, ALTERATION, REPAIR WORK, RENOVATION, OR CONSTRUCTION/RENOVATION WORK RELATED TO THE INSTALLATION OF EQUIPMENT. IN ADDITION, IF THIS PROJECT IS AN INCENTIVE PROJECT IT MAY BE SUBJECT TO GREEN BUILDING REQUIREMENTS. WE ENCOURAGE YOU TO VISIT www.njeda.com/affirmativeaction AND <http://www.njeda.com/pdfs/GreenBuildingGuidance.aspx> TO LEARN MORE ABOUT THESE REQUIREMENTS. PLEASE CONTACT YOUR BUSINESS DEVELOPMENT OFFICER SHOULD YOU HAVE ANY QUESTIONS OR CONCERNS.

TYPE OF ASSISTANCE: Grow NJ AMOUNT: \$86,239,720

CUSTOMER CONTACT INFORMATION, INCLUDING E-MAIL AND MAILING ADDRESS FROM COMMITMENT/APPROVAL LETTER:

jmuscella@connorstrong.com
 John Muscella, CFO
 Connor Strong & Buckelew Companies, LLC
 401 Rt. 73 North, Suite 300
 PO Box 989
 Marlton, NJ 08053

CUSTOMER PHONE NUMBER FROM APPLICATION: 856-552-4770

COMPLETE AND RETURN THIS FORM WITH COMMITMENT/APPROVAL LETTER

CUSTOMER CONTACT PERSON FOR AA/PW:

NAME: George Loesch
 ADDRESS: 40 Lake Center Executive Park, 401 Route 73 North, Suite 300
Marlton, NJ 08053
 PHONE NUMBER: (856) 552-4995
 EMAIL ADDRESS: gloesch@connorstrong.com

CHECK WHICH STATEMENTS APPLY AND COMPLETE DATES:

- DATE CONSTRUCTION IS EXPECTED TO BEGIN: 8/1/17 DATE CONSTRUCTION STARTED: 8/9/17
- SIGNED CONSTRUCTION CONTRACT WHICH INCLUDES NJEDA AA/PW REQUIRED LANGUAGE: YES THIS PROJECT DOES NOT INCLUDE CONSTRUCTION.
- ESTIMATED # OF TOTAL CONSTRUCTION JOBS: 1,200

OTHER: NONE OF THE BOXES ABOVE APPLY BECAUSE (EXAMPLES OF EXPLANATIONS MAY INCLUDE 1) I HAVE NOT SELECTED A GENERAL CONTRACTOR, OR 2) I HAVE NOT SELECTED A LOCATION) N/A

(Please provide signature below)

NAME: John F. Muscella
 TITLE: EV/CFO

MAILING ADDRESS: PO BOX 890 | TRENTON, NJ 08625-0890
 36 WEST STATE STREET | TRENTON, NJ 08625 | 609 856 8700 | e-mail: njeda@njeda.com | www.njeda.com

Revised 10/2/13

Exhibit “G”

NJEDA PROJECT STATUS UPDATE TEMPLATE FOR GROW NJ PROJECTS
(This form must be completed every 180 days until project certification and be accompanied by a
valid New Jersey tax clearance for each approved entity and PEO)
Revised 4/2017

SUBMISSION DATE: 9/22/17

SECTION 1: GENERAL INFORMATION

1. Recipient Name:

Conner Strong & Buckelew Companies, LLC

2. Qualified Business Facility Address:

2 Cooper Street, Camden, NJ

3. Project Contact:

John Muscella

4. Recipient's Tax Filing Period End Date (e.g. 12/31):

12/31

5. List below the Affiliate(s) or PEO(s) that will be making a job or capital investment contribution to the project:

None.

6. List below the landlord(s) that will be making a capital investment contribution to the project:

Camden Partners Tower Equities, LLC

SECTION 2: PROJECT BENCHMARKS

1. Has site plan approval been obtained from the municipality? If so, provide the approval date:

Yes. June 1, 2017

2. Construction commencement date:

August 9, 2017

3. Anticipated construction completion date:

Estimated to be completed on August 1, 2019

4. Is construction delayed?

No.

5. Is there a change to the project scope?

No.

6. Has a green building plan been submitted for EDA review?

Yes. The plan has been approved.

SECTION 3: PROJECT STATUS

Provide a narrative of the current project status and projected timeline

- Building permit has been received
- Excavation and backfill of area of concern (AOC-3) is complete
- Installation of all structural auger cast piles were completed 9/18
- Structural auger pile caps and building foundations started 9/7/17 and projected to be complete 10/15/17
- Projected date to start erection of precast concrete for parking garage 10/23/17
- Projected date to start erection of Structural Steel 1/19/18

SECTION 4: CERTIFICATION TIMELINE

Certificate of Occupancy:

1. Has a temporary or permanent Certificate of Occupancy been issued? If so, when? If not, please provide the anticipated issuance date.

No. Estimated date of TCO is August 1, 2019

Capital Investment:

1. Have you engaged a Certified Public Accountant to perform the Cost Certification? If so, please list the name of your CPA firm below. If not, when do you expect to engage a CPA?

No. Prior to project completion.

2. What is the anticipated date that the Cost Certification will be submitted to the Authority?

Estimated date on which the Cost Certification will be filed is September 30, 2019.

Jobs:

1. What is the estimated date that all retained employees will be transferred to the site? How many employees have been retained to date?

Estimated to be September 1, 2019. 157.

2. What is the estimated date that all the anticipated new jobs will be created at the site? How many jobs have been created to date?

Estimated to be September 1, 2019. None.

3. What is the anticipated date that the Jobs Certification will be submitted to the Authority?

Estimated date on which the jobs certification will be filed is September 30, 2019.

SECTION 5: MISC

1. This section is for any other information you would like to provide to the Authority concerning the project.

Please submit this completed questionnaire
to your assigned Incentives Officer via email.

Cost and Jobs Certification instructions can be found at www.njeda.com/GNJForms

Tax clearance can be obtained at <http://www.state.nj.us/treasury/taxation/busasst.shtml>

NJEDA PROJECT STATUS UPDATE TEMPLATE FOR GROW NJ PROJECTS
(This form must be completed every 180 days until project certification and be accompanied by a
valid New Jersey tax clearance for each approved entity and PEO)
Revised 4/2017

SUBMISSION DATE: 3/23/18

SECTION 1: GENERAL INFORMATION

1. Recipient Name:

Conner Strong & Buckelew Companies, LLC

2. Qualified Business Facility Address:

2 Cooper Street, Camden, NJ

3. Project Contact:

John Muscella

4. Recipient's Tax Filing Period End Date (e.g. 12/31):

12/31

5. List below the Affiliate(s) or PEO(s) that will be making a job or capital investment contribution to the project:

None

6. List below the landlord(s) that will be making a capital investment contribution to the project:

Camden Partners Tower Equities, LLC

SECTION 2: PROJECT BENCHMARKS

1. Has site plan approval been obtained from the municipality? If so, provide the approval date:

Yes. June 1, 2017

2. Construction commencement date:

August 9, 2017

3. Anticipated construction completion date:

Estimated to be August 1, 2019

4. Is construction delayed?

No

5. Is there a change to the project scope?

No

6. Has a green building plan been submitted for EDA review?

Yes. The plan has been approved.

SECTION 3: PROJECT STATUS

Provide a narrative of the current project status and projected timeline

- All building foundations are complete
- Precast concrete garage erection is complete
- Structural steel erection is 20% complete
- Slab-on-deck pours to start 3/19/18
- Exterior metal panel installation to start 4/4/18
- Structural steel erection projected to be complete 6/1/18

SECTION 4: CERTIFICATION TIMELINE

Certificate of Occupancy:

1. Has a temporary or permanent Certificate of Occupancy been issued? If so, when? If not, please provide the anticipated issuance date.

No. Estimated date of TCO is August 1, 2019.

Capital Investment:

1. Have you engaged a Certified Public Accountant to perform the Cost Certification? If so, please list the name of your CPA firm below. If not, when do you expect to engage a CPA?

No. Prior to project completion.

2. What is the anticipated date that the Cost Certification will be submitted to the Authority?

Estimated date on which the Cost Certification will be filed is September 30, 2019.

Jobs:

1. What is the estimated date that all retained employees will be transferred to the site? How many employees have been retained to date?

Estimated to be September 1, 2019. 157

2. What is the estimated date that all the anticipated new jobs will be created at the site? How many jobs have been created to date?

Estimated to be September 1, 2019. None

3. What is the anticipated date that the Jobs Certification will be submitted to the Authority?

Estimated date on which the jobs certification will be filed is September 30, 2019.

SECTION 5: MISC

1. This section is for any other information you would like to provide to the Authority concerning the project.

- The total GLA of the building has changed with the final building design
- The total GLA has increased from 375,790 sf to 395,164 sf
- The total common area has increased from 62,787 sf to 79,734 sf
- The tenant specific and allocated space is as follows:

Conner Strong & Buckelew - 114,174 office space + 28,953 allocated space = 143,127 total

NFI - 100,128 office space + 25,391 allocated space = 125,519 total

The Michaels Organization - 100,128 office space + 25,391 allocated space = 125,519 total

See attached spreadsheet with calculation

Please submit this completed questionnaire
to your assigned Incentives Officer via email.

Cost and Jobs Certification instructions can be found at www.njeda.com/GNJForms

Tax clearance can be obtained at <http://www.state.nj.us/treasury/taxation/busasst.shtml>

Base Building includes Office Tower atop Garage	Pro rata share	Allocated Space	Total SF attributed to Applicant
SPECIFIC ALLOCATION			
NFI Floors 9, 10 & 11 Allocated Space	0.318	25,391	125,519
TMO Floors 12, 13 & 14 Allocated Space	0.318	25,391	125,519
CSB Floor 15, 16 & 17 18 Executive Offices - CSB Allocated Space	0.363	28,953	143,127
Total	1.000	79,734	394,164

General Space to be Allocated	
1 Lobby/Core/Support/Stairs	20,190
1 Amenity	8,353
2 Lobby/MEP	2,523
3 Lobby/MEP	1,069
4-6 MEP	906
7 MEP	12,740
8 Amenity	27,518
8 Core/MEP/Elevators	6,435
Total Allocated Space	79,734

Total sf **394,164**

NJEDA PROJECT STATUS UPDATE TEMPLATE FOR GROW NJ PROJECTS
(This form must be completed every 180 days until project certification)

SUBMISSION DATE: 9/21/18

SECTION 1: GENERAL INFORMATION

1. APPLICANT NAME:

Conner Strong & Buckelew Companies, LLC

2. APPLICANT TAX FILING PERIOD:

12/31

3. AFFILIATES:

Please indicate if affiliates of entity will be making a capital investment or employee contribution to the project:

None

4. PROJECT LOCATION(s):

2 Cooper Street, Camden, NJ

5. PROJECT CONTACT(s):

John Muscella

SECTION 2: PROJECT BENCHMARKS

1. Construction commencement date: 7/5/17
2. Expected construction completion date: 3/1/19
3. Has construction been delayed? No
4. Has there been a significant change to the project scope?: NO
5. Has a green building plan been submitted for EDA review?: Yes
If no, please provide the reason that a plan has not yet been submitted in the project status box below.

SECTION 3: PROJECT STATUS

Please provide a brief narrative of the current project status and timeline

- Office tower is weather tight
- Office tower has been energized with permanent power
- All permanent utilities are to the office tower and being utilized
- Exterior roads surrounding the office tower are complete.
- Tenant TI work currently under construction.
- Furniture installs to start approximately 11/1/18

SECTION 4: PROJECT TIMELINE

1. The project is currently expected to receive a temporary certificate of occupancy by: 4/1/19
2. All employees are expected to be transferred to the site by: 6/1/19
3. The cost and employment certification is expected to be submitted to the Authority no later than: 7/30/19

SECTION 5: MISC

1. This section is for any other information or questions you would like to provide to the Authority concerning the project.

- The total GLA of the building has changed with the final building design.
- The total GLA has increased from 375,790 sf to 394,164 sf.
- The total common area has increased from 62,787 sf to 79,734 sf.
- The tenant specific and allocated space is as follows:

Conner Strong & Buckelew - 114,174 office space + 26,578 allocated space = 140,752 total

NFI - 100,128 office space + 26,578 allocated space = 126,706 total

The Michaels Organization - 100,128 office space + 26,578 allocated space = 126,706 total

The Applicant expects to file an application to modify its award to reflect the final design and GLA within the next two weeks.

Please submit this completed questionnaire
to your assigned Incentives Officer via email.

NJEDA PROJECT STATUS UPDATE TEMPLATE FOR GROW NJ PROJECTS
(This form must be completed every 180 days until project certification)

SUBMISSION DATE: 3/20/19

SECTION 1: GENERAL INFORMATION

1. APPLICANT NAME:

Conner Strong & Buckelew Companies, LLC

2. APPLICANT TAX FILING PERIOD:

12/31

3. AFFILIATES:

Please indicate if affiliates of entity will be making a capital investment or employee contribution to the project:

None

4. PROJECT LOCATION(s):

2 Cooper Street, Camden, NJ

5. PROJECT CONTACT(s):

John Muscella

SECTION 2: PROJECT BENCHMARKS

1. Construction commencement date: 7/5/17
2. Expected construction completion date: 8/1/19
3. Has construction been delayed? No
4. Has there been a significant change to the project scope?: NO
5. Has a green building plan been submitted for EDA review?: Yes
If no, please provide the reason that a plan has not yet been submitted in the project status box below.

SECTION 3: PROJECT STATUS

Please provide a brief narrative of the current project status and timeline

- Office tower exterior work is 95% complete.
- Office tower parking garage is 100% complete.
- All exterior utilities are complete.
- Exterior roads surrounding the office tower are complete.
- Tenant TI work is 95% complete.
- Furniture installation is currently underway.

SECTION 4: PROJECT TIMELINE

1. The project is currently expected to receive a temporary certificate of occupancy by: 5/1/19
2. All employees are expected to be transferred to the site by: 8/1/19
3. The cost and employment certification is expected to be submitted to the Authority no later than: 9/1/19

SECTION 5: MISC

1. This section is for any other information or questions you would like to provide to the Authority concerning the project.

· The Applicant expects to file an application to modify its award to reflect the final design and GLA. That application is pending approval by NJEDA.

Please submit this completed questionnaire to your assigned Incentives Officer via email.

Exhibit “H”



PARKER McCAY

Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-5054

P: 856.596.8900
F: 856.596.9631
www.parkermccay.com

Kevin D. Sheehan, Esquire
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com

June 25, 2018

File No. 14282-41

VIA OVERNIGHT DELIVERY

David A. Lawyer,
Director-Underwriting
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, NJ 08625-0990

**Re: Conner Strong & Buckelew Companies, LLC
Grow New Jersey Assistance Program
Approval No. P43583**

Dear Mr. Lawyer:

This office represents Conner, Strong & Buckalew Companies, LLC with regarding to the award of tax credits pursuant to the Grow New Jersey Assistance Program. Pursuant to the terms of the Approval Letter dated October 18, 2017, Conditions of Approval, I enclose herewith the following progress information:

1. Copy of the Resolution memorializing site plan approval from the City of Camden Planning Board permitting the development of the Project;
2. Copy of a letter from Camden County Planning Board permitting the development of the Project;
3. Copy of the Sublease between CPT Operations, LLC (Landlord) and Conner, Strong & Buckelew, LLC (Tenant) for the Qualified Business Facility; and
4. Copy of the Fee and Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixtures and the HUD-1 settlement sheet for the loan from M&T Bank and Camden Partners Tower Equities, LLC (the developer of the QBF). We request that the HUD-1 be treated as confidential since that document is not required to be recorded.

COUNSEL WHEN IT MATTERS.SM

Mount Laurel, New Jersey | Lawrenceville, New Jersey | Atlantic City, New Jersey



The project is being financed by the developer. The developer land entity leased the building in which the QBF is located to its operations entity. The operations entity leased the QBF to the tax credit awardee. The developer is responsible for the construction of the building and fit out. The loan/mortgage is in the amount of \$155 million. The balance of the capital expense is being contributed by the principals of the landlord as equity and the tax credit awardee. The project has been under construction since the Fall of 2017. We anticipate project completion in the middle of 2019 and project certification by September 30, 2019.

Pursuant to the terms of the Approval Letter, please confirm that the progress information submitted is sufficient to maintain the Grow New Jersey tax credit award. Additionally, please forward the Incentive Agreement as soon as possible.

Thank you for your cooperation. Should you have any questions, please contact me.

Very truly yours,



KEVIN D. SHEEHAN

KDS/jpc
Enclosures

cc: Mark Chierici, NJEDA (via email only)
Tyshon Lee, NJEDA (via email only)
Keirah Black, NJEDA (via email only)
Margaret Maurio, NJEDA (via email only)
John Muscella, Conner Strong & Buckelew, LLC (via email only)

Kevin Sheehan

From: Robert Carroll <rcarroll@njeda.com>
Sent: Wednesday, June 12, 2019 9:07 AM
To: Kevin Sheehan
Subject: RE: Incentive Agreements

Hi Kevin

The AG office is using the certification deadline first to set priorities, then using the anticipated certification deadline second. At the present time there is a backup of the certification deadline projects. I do not have a anticipated date for your incentive agreement for any of the Camden 3.

Thanks,
Bob



Robert Carroll

Post Closing Approval Conditions Officer

New Jersey Economic Development Authority (NJEDA)

P.O. Box 990 | Trenton, New Jersey | 08625-0990

(609) 858-6057

For information about NJEDA's products and services, please visit us on the web: www.njeda.com



From: Kevin Sheehan <ksheehan@parkermccay.com>
Sent: Wednesday, June 5, 2019 5:35 PM
To: Robert Carroll <rcarroll@njeda.com>
Subject: Incentive Agreements

Bob. I was asked to follow up on the status of the Incentive Agreements for Conner Strong and Michaels. If there is anything else that is needed from us, please let me know.

I still owe you a Legal Questionnaire for NFI. I have reminded them I need this and asked that they provide ASAP.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
ksheehan@parkermccay.com
www.parkermccay.com

2 Cooper Street
Suite 1901
P.O. Box 99106

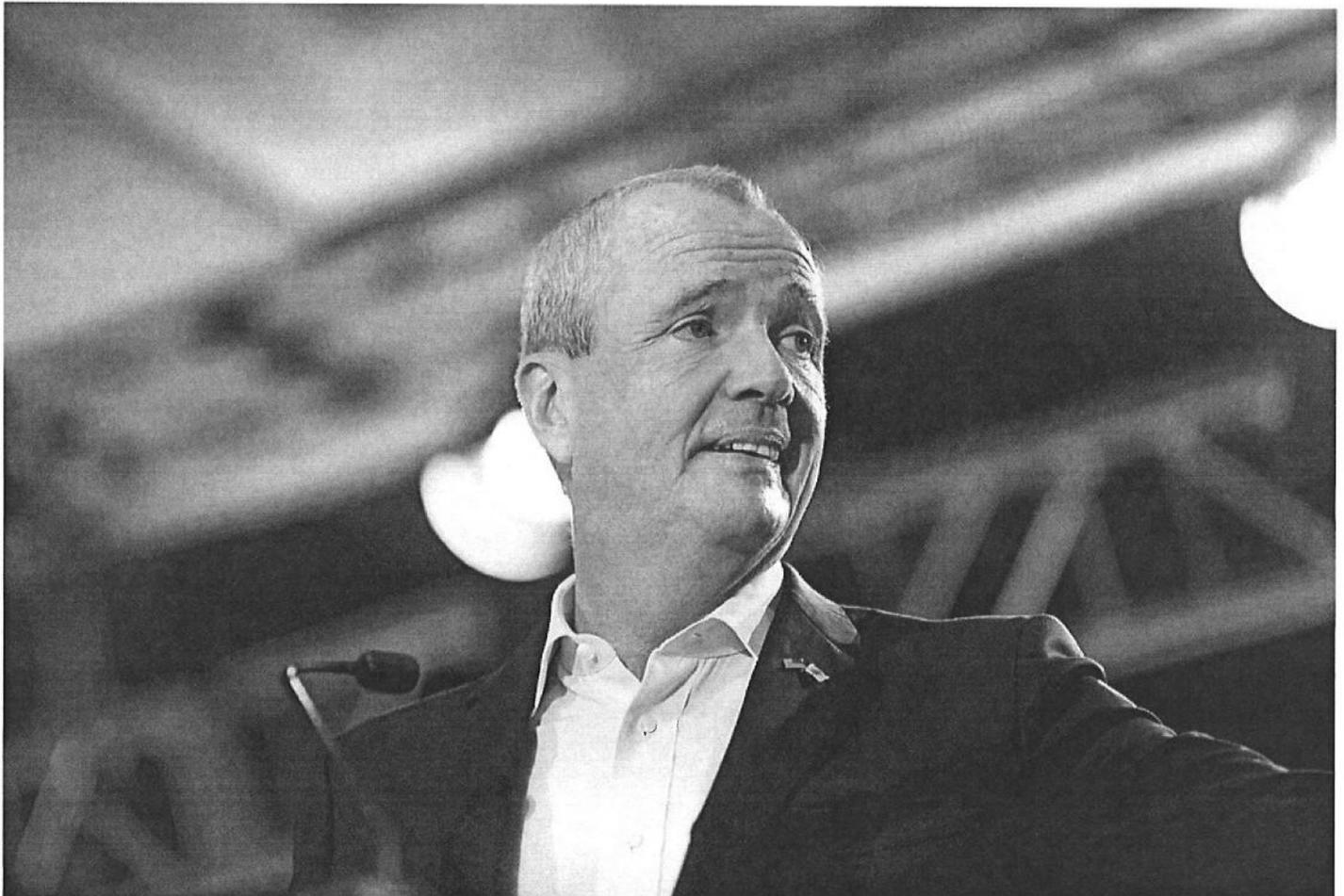
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P: 856-596-8900
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Exhibit “I”



Home > Feature Right > Murphy's Inside/Outside Calls Discussed EDA



Gov. Phil Murphy, Kevin Sanders for New Jersey Globe

Murphy's Inside/Outside calls discussed EDA

Chief Counsel was on calls

By [David Wildstein](#), July 15 2019 10:26 am



regular topics on their inside/outside calls, a conference call held on most Fridays between senior members of the governor's staff and their outside consulting team.

The New Jersey Globe has learned that Chief Counsel Matt Platkin was also occasionally on those calls. Platkin was involved in the creation and litigation surrounding the Governor's Task Force on EDA Tax Incentives.

According to a source deeply familiar with the workings of the weekly call, the outside consultants – all of whom have other clients with an interest in state government – were frequently told about other pending actions by Gov. Phil Murphy prior to the public having access to the same information not related to the task force.

At least one Murphy staffer intensely disliked the Friday calls, which one participant described as a bunch of outsiders berating them for doing a bad job. The consultants viewed themselves at the top of the food chain, the staffer said.

That Murphy staffer said discussions about the EDA "loomed large on a lot of those calls."

The governor's office pushed back on the idea that the EDA probe was part of the discussion.

"This is a complete fabrication," said Dan Bryan, a spokesman for Murphy.

Another source told the Globe that discussions about the EDA were centered on messaging.

Multiple sources said that the only conversation they heard where Platkin discussed the EDA was to advise all parties to have no communications regarding the task force.

Peter Cammarano, who served as Murphy's Chief of Staff from 2018 to 2019, told the New Jersey Globe on Friday that he refused to participate on those calls.

While Cammarano was chief of staff, Steve DeMicco, Murphy's political consultant, ran the Inside/Outside calls.

Now George Helmy, who became Chief of Staff to the governor earlier this year, opens the call.

The task force Murphy appointed by Murphy issued a earthshaking report last month finding that the EDA gave out billions in tax incentives during the administration of Gov. Chris Christie to recipients with political connections.

Platkin is the twelfth top Murphy staffer to be identified as participating on the calls.



Bryan, Mahan, Gunaratna, Rasmeem, Frangione, Alyana, Alfar Post, Derrick Greene and Stephanie Lagos were also Inside/Outside call participants.

Outside consultants on the all included: Steve DeMicco, Brad Lawrence, Brendan Gill, Adam Alonso and Jim McQueeney.

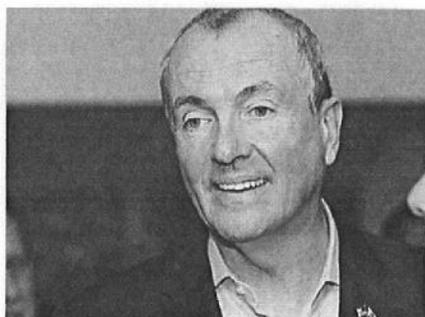
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New Direction NJ files lobbying report with state

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February 19, 2019 9:53 am



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Blue Jersey hasn't re-elected Democratic governor since 1

May 13, 2019 12:56 am

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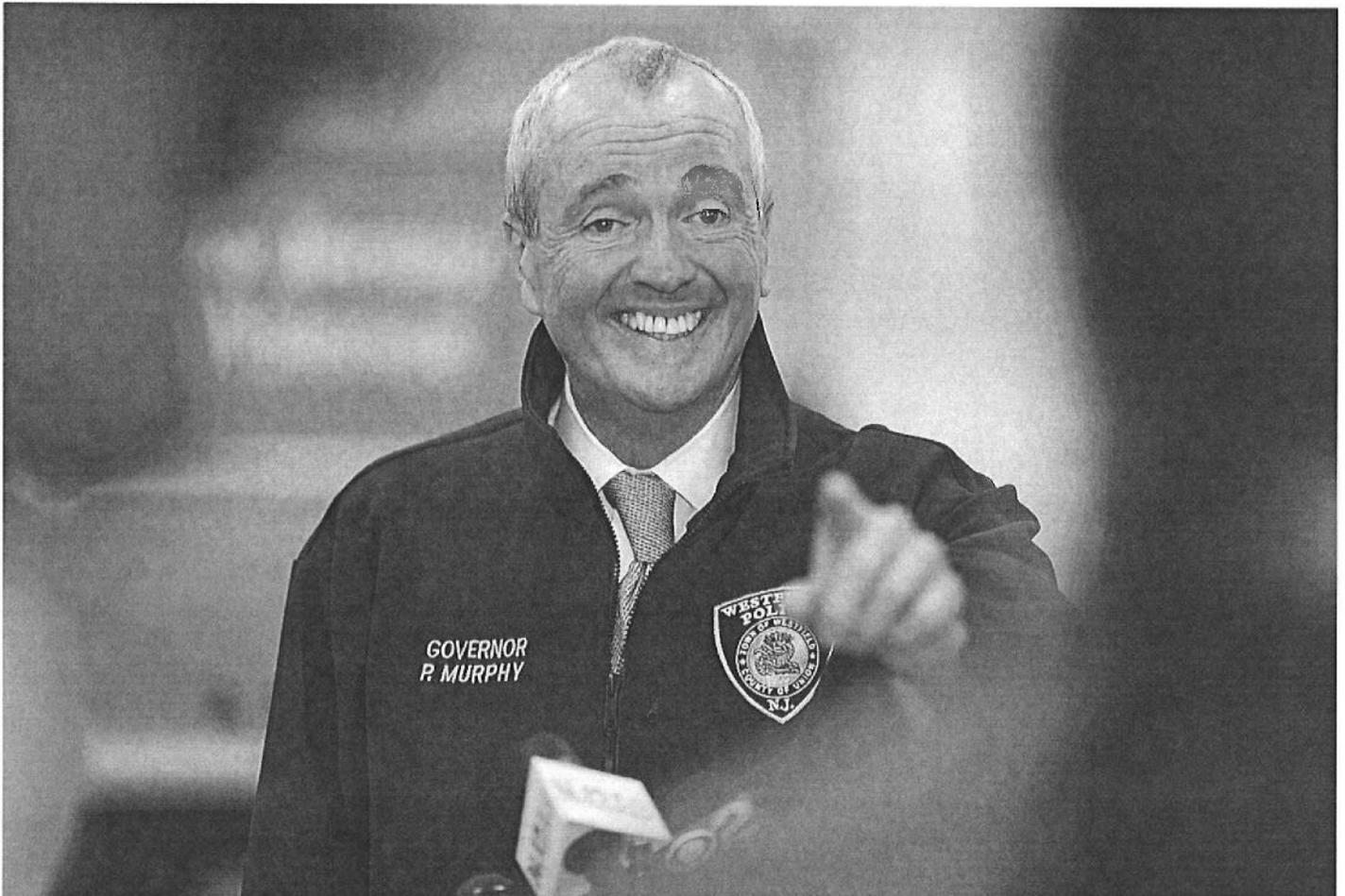


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Home > Feature Right > Phil Murphy's Inside/Outside Call



Gov. Phil Murphy. Photo by Kevin Sanders for the New Jersey Globe.

Phil Murphy's Inside/Outside Call

Governor's staff has regular call with outside consultants nearly every Friday

By David Wildstein, July 12 2019 12:05 am



governor's outside political consultants

It's called the "Inside/Outside Call."

At least eleven Murphy aides are on the inside part of the call: Chief of Staff George Helmy; Deputy Chiefs of Staff Joe Kelley, Justin Braz, Greg Petzold; and Deborah Cornavaca; Senior Advisor Dan Bryan; Communications Director Mahen Gunaratna; Chief Policy Advisor Kathleen Frangione; Press Secretary Alyana Alfaro Post; Senior Advisor Derrick Greene; and Stephanie Lagos, the First Lady's Chief of Staff.

From the outside, there are at least five: Steve DeMicco and Brad Lawrence of Message & Media; Brendan Gill, Murphy's former campaign manager; and Adam Alonso, the governor's former Deputy Chief of Staff; and Jim McQueeeny, a lobbyist and former top aide to Frank Lautenberg. Prior to her departure earlier this month, Democratic State Committee Executive Director Liz Gilbert was also on the call.

"I refused to participate in these calls. They are basically the outside consultants telling the inside Governor's office what they are doing wrong. Of course they have never governed and think its easy. They may give the worst advice I have ever heard," Peter Cammarano, Murphy's first chief of staff, told the New Jersey Globe. "My lack of participation or willingness to listen to them caused them to turn sour on me pretty early."

It's not immediately clear how much government information is shared with the consultants, since no minutes are kept of the Inside/Outside calls.

The role of Murphy's outside advisors came into play this week, after the New Jersey Globe obtained an e-mail from DeMicco sent to a spokesman for Democratic powerbroker George Norcross about the governor's decision to cut \$5 million earmarked to Cooper Health Care from the state budget.

"No pain, no gain," DeMicco wrote in what s might be interpreted as a validation of Senate President Steve Sweeney's allegation that the Copper cuts – Norcross chairs the hospital board – were an act of political retaliation.

The line between Message & Media and state government is a bit murky.

Sources say that Lawrence was actively involved in writing Murphy's 2019 State of the State address. A big part of that speech was dedicated to the governor's attack on tax incentives approved by the embattled Economic Development Authority during the administration of Gov. Chris Christie.

DeMicco and Lawrence's firm also runs New Direction New Jersey, a Murphy-allied dark money group that advocates on behalf of the governor's agenda.

Murphy often holds his political meetings at the DeMicco/Lawrence offices in New Brunswick.



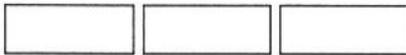
Christie held Red/Green meetings before any gubernatorial appointments would be made.

Staff would arrive at the meeting with binders full of resumes and would go appointment-by-appointment with Christie, famously a micromanager who demanded that even the smallest detail be approved by him.

Christie would sit at the head of the conference table, usually with a Diet Coke and a bag of pretzels, and literally give the green light (go) or a red light (stop) on each individual appointment.

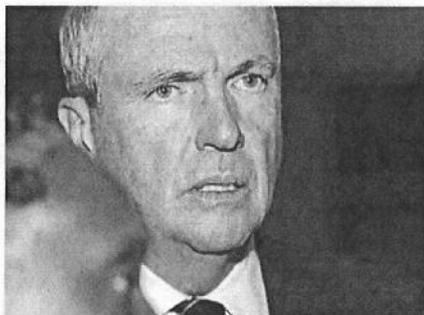
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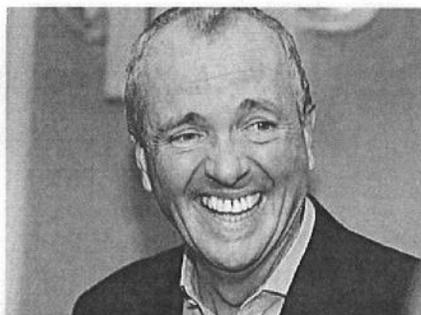
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Exhibit “J”

FROM THE DESK OF

MICHAEL TIAGWAD

September 24, 2015

Today, George Norcross and a number of other regional business leaders including Bill Hankowsky, the President and CEO of Liberty Property Trust announced their participation in an exciting new project that promises to bring new energy and economic vibrancy to our region. "The Camden Waterfront", is a \$700-\$800 million development that will transform the city, the region and the businesses that occupy this new multi-use complex. It will include 1.5 million square feet of office space, restaurants, retail shops, a hotel and hundreds of residential units with amazing views of the Philadelphia skyline. The development would be the largest private sector investment in Camden's history.

The Camden Waterfront is being designed by Robert A.M. Stern Architects, the same firm that designed the Comcast Tower in Philadelphia and it is being designed and built by the same team behind the highly successful Philadelphia Navy Yard. As with any development project of this size, there are still hundreds of details to be worked out, but as the attached rendering shows, this will be transformative not only for the region, but for the companies that locate there.

This project grew out of a long-term professional and personal relationship dating back to the late 1970's between George Norcross and Bill Hankowsky. George and his affiliates are expected to invest at least \$50 million in the project. In addition, others investing their own funds include Chris Gibson, the head of Archer Greiner law firm, Sid and Jeff Brown, the leaders of NFI, a leading international provider of transportation logistics, warehousing and distribution service, and John O'Donnell, the president of The Michael's Organization, one of the leading private sector affordable housing, student housing, and military housing owners and developers in the nation.

These waterfront buildings will have a state-of-the-art health club and dining, ample structured parking and much more, as well as, easy access to both the PATCO high speed line and the light rail between Camden and Trenton. The project will fundamentally change the Camden waterfront, and like Hoboken, Camden will become an exciting small city looking across the water at one of the country's iconic skylines.

In view of this transformative announcement, we will now begin the process of determining whether to join with a number of national and regional companies in making this campus our corporate home.

As the long development process unfolds, we are committed to keeping you not only informed, but also included in the conversation.

For more information, please take a look at the attachments including the full press release, renderings of The Camden Waterfront and other information that will inform you of many positive developments in Camden.

Exhibit “K”

CAMDEN COUNTY, NJ
CAMDEN COUNTY CLERK'S OFFICE
DEED-OR BOOK 10537/709
RECORDED 12/05/2016 13:19:03
FILE NUMBER 2016095816
RCPT #: 18307071 RECD BY: CR88
RECORDING FEES \$133.00
MARGINAL NOTATION \$0.00
TOTAL TAX \$0.00

Prepared By:

Kevin Golden
Kevin Golden, Esquire
Cozen O'Connor
One Liberty Place, Suite 2800
1650 Market Street
Philadelphia, PA 19103

This Deed is made on November 28, 2016, effective as of December 2, 2016.

BETWEEN NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, an instrumentality of the State of New Jersey, having an address at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625 (referred to as the Grantor), **AND**

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company, whose address is c/o Liberty Property Limited Partnership, 1628 John F. Kennedy Boulevard, Suite 1100, Philadelphia, Pennsylvania 19103 (referred to as the Grantee).

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of **ONE DOLLAR (\$1.00)**. The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A.46:26A-3) Municipality of the City of Camden, Block No. 80, Lot No. 2.01 and a portion of Marina Drive (vacated).

Property. The property consists of the land and all the buildings and structures on the land in the City of Camden, County of Camden and State of New Jersey. The legal description is more fully described on Exhibit "A" attached hereto and made a part hereof.

UNDER AND SUBJECT to matters of record, to the extent valid and enforceable and still applicable to the above described premises.

ALSO UNDER AND SUBJECT to the following Deed restriction (the "Deed Restriction"): The Property or any portion thereof may not be used for the purpose of inducing any company, firm, organization or other entity which is currently operating in the Commonwealth of Pennsylvania from moving any portion of its existing operations to a location on the above stated real estate, when such movements or relocation would entail the removal of one hundred or more existing jobs from the Commonwealth. It is intended and agreed that the Deed Restriction shall be a covenant running with the land exclusively for the benefit and in favor of and enforceable by the Delaware River Port Authority and shall remain in effect and be binding on the Grantee, each successor in interest to the Property only for such period as such party shall have title to the Property.

Promises by Grantors. The Grantor promises that the Grantor has done no act to encumber the property described on Exhibit "A" as Premises "A" and Premises "B", except as

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stated above. This promise is called a "covenant as to grantor's acts" (N.J.S.A.46:4-6). This promise means that, except as stated above, the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Quitclaim. The Grantor also quitclaims, remises and releases all of the Grantor's right, title and interest, if any, in and to the property described on Exhibit "A" as Premises "C" to the Grantee. The Grantor makes no promises as to ownership or title, but simply transfers whatever interest the Grantor has to the Grantee.

[Signatures start on next page]

EXHIBIT "A"

PREMISES A

ALL THAT CERTAIN lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Camden City, County of Camden and State of New Jersey, being more particularly described as follows:

Beginning at the point of intersection of the northwesterly line of Marina Drive, (50 feet wide) with the southwesterly line of Pearl Street, (variable width) and extending, thence

(1) S 14°22'12" W, measured along the northwesterly line of Marina Drive, 642.50 feet to the intersection of same with the northeasterly line of Penn Street, (60 feet wide), thence

(2) N 76°24'35" W, measured along said line of Penn Street, 261.56 feet to the intersection of same with the northwesterly line of Penn Street, thence

(3) S 12°15'51" W, measured along said line of Penn Street and the line of Lot 5, Block 80, 80.02 feet to a point corner to same, thence

(4) N 76°24'35" W measured along the line of Lot 5, Block 80, 10.96 feet to the intersection of same with the line of Lot 2, Block 80, thence

(5) N 09°26'12" E, measured along the line of Lot 2, Block 80 and Lot 1, Block 80, 389.57 feet to the southerly line of Lot 2.02, Block 80, thence

(6) S 77°27'36" E, measured along the said southerly line of Lot 2.02, Block 80, 30.18 feet to a point corner to same, thence

(7) N 12°15'51" E, 330.98 feet to a point in the southerly line of Pearl Street aforementioned, thence

(8) S 76°54'00" E, along said southerly line of Pearl Street 285.13 feet to the point and place of Beginning.

BEING the same premises which The Delaware River Port Authority, a Bi-State Instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey, by Deed dated July 31, 2003 and recorded in the Camden County Clerk's Office on September 11, 2006 in Deed Book 8321, Page 1435, File No. 2006105082, granted and conveyed unto New Jersey Economic Development Authority, in fee.

PREMISES B

ALL THAT CERTAIN tract or parcel of land situate in the City of Camden, County of Camden, State of New Jersey, more particularly described as follows:

BEGINNING at a point on the northerly side of Penn (60 feet wide) Street, said point being the point of intersection of the northerly side of Penn Street with the easterly side of Marina (50.00 feet wide) Drive and located North 76 degrees 34 minutes 52 seconds West, a distance of 637.06 feet from the intersection of the northerly side of Penn Street with the westerly side of Delaware (60 feet wide) Avenue; thence

1. Along the northerly side of Penn Street, North 76 degrees 34 minutes 52 seconds West, a distance of 50.00 feet to the point of intersection of the northerly side of Penn Street with the westerly side of Marina Drive; thence
2. Along the westerly side of Marina Drive, North 14 degrees 11 minutes 55 seconds East, a distance of 642.50 feet to the point of intersection of the westerly side of Marina Drive with the southerly side of Pearl (variable width) Street; thence
3. Along the southerly side of Pearl Street, South 77 degrees 04 minutes 17 seconds East, a distance of 50.01 feet to the point of intersection of the southerly side of Pearl Street with the easterly side of Marina Drive; thence
4. Along the easterly side of Marina Drive, South 14 degrees 11 minutes 55 seconds West, a distance of 642.92 feet to the point of Beginning.

BEING Marina Drive (vacated) between Penn Street on the south and Pearl Street on the North.

Grantor became vested with Premises B described above pursuant to:

- (1) That certain Ordinance MC-4945, Ordinance Authorizing the Vacation of a Portion of the Paper Street (Marina Drive) Contiguous to Block 80, Lots 1.01 and 2.01 on the Tax Map of the City of Camden, adopted by the Council of the City of Camden on February 9, 2016, and recorded in OR 1043, File No. 2016 051533; and PG 348
- (2) That certain Quitclaim Deed dated June 16, 2016 from Camden County Improvement Authority, a Body Politic and Corporate of the State of New Jersey to the New Jersey Economic Development Authority, recorded in the Camden County Clerk's Office on July 7, 2016 in Deed Book 10443, Page 1046, File No. 2016054744

PREMISES C

Parcel I

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON

A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT - ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY SIDE OF PEARL (VARIABLE WIDTH) STREET WITH THE FORMER WESTERLY SIDE OF MARINA (50 FEET WIDE) DRIVE; THENCE

1. ALONG THE FORMER WESTERLY SIDE OF MARINA DRIVE, SOUTH 14 DEGREES 31 MINUTES 03 SECONDS WEST, A DISTANCE OF 642.50 FEET TO A POINT ON THE NORTHERLY SIDE OF PENN (60 FEET WIDE) STREET; THENCE
2. ALONG THE NORTHERLY SIDE OF PENN STREET, NORTH 76 DEGREES 15 MINUTES 44 SECONDS WEST, A DISTANCE OF 261.56 FEET TO A POINT, THE WESTERLY TERMINUS OF PENN STREET; THENCE
3. ALONG THE WESTERLY TERMINUS OF PENN STREET AND THE WESTERLY LINE OF BLOCK 80, LOT 5.04, SOUTH 12 DEGREES 24 MINUTES 42 SECONDS WEST, A DISTANCE OF 80.02 FEET TO A POINT, A CORNER TO BLOCK 80, LOT 5.04; THENCE
4. ALONG THE NORTHERLY LINE OF BLOCK 80, LOT 5.04, NORTH 76 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 10.96 FEET TO A POINT ON THE EASTERLY LINE OF BLOCK 80, LOT 2; THENCE
5. ALONG THE EASTERLY LINE OF BLOCK 80, LOT 2, NORTH 09 DEGREES 35 MINUTES 03 SECONDS EAST, A DISTANCE OF 389.57 FEET TO A POINT, A CORNER TO BLOCK 80, LOT 2.02; THENCE
6. ALONG THE SOUTHERLY LINE OF BLOCK 80, LOT 2.02, SOUTH 77 DEGREES 18 MINUTES 45 SECONDS EAST, A DISTANCE OF 30.18 FEET TO A POINT, A CORNER TO BLOCK 80, LOT 2.02; THENCE
7. ALONG THE EASTERLY LINE OF BLOCK 80, LOT 2.02, NORTH 12 DEGREES 24 MINUTES 42 SECONDS EAST, A DISTANCE OF 330.98 FEET TO A POINT ON THE SOUTHERLY SIDE OF PEARL STREET; THENCE
8. ALONG THE SOUTHERLY SIDE OF PEARL STREET, SOUTH 76 DEGREES 45 MINUTES 09 SECONDS EAST, A DISTANCE OF 285.13 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 183,272 SQUARE FEET OR 4.2073 ACRES OF LAND, MORE OR LESS.

Parcel II

Block 80 lot 2.01

A-3

LEGAL/277385934 11638.0001.000/362960.000

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT - ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT, COMMON TO THE NORTHERLY SIDE OF PENN STREET (60 FEET WIDE) AND THE CORNER OF LOT 1.01, BLOCK 80; THENCE

1. ALONG THE NORTHERLY SIDE OF PENN STREET, NORTH 76 DEGREES 15 MINUTES 44 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT, COMMON TO BLOCK 80, LOT 2.01; THENCE
2. ALONG THE EASTERLY LINE OF BLOCK 80, LOT 2.01, NORTH 14 DEGREES 31 MINUTES 03 SECONDS EAST, A DISTANCE OF 642.50 FEET TO A POINT, ON THE SOUTHERLY SIDE OF PEARL STREET (VARIABLE WIDTH); THENCE
3. ALONG THE SOUTHERLY SIDE OF PEARL STREET, SOUTH 76 DEGREES 45 MINUTES 09 SECONDS EAST, A DISTANCE OF 50.01 FEET TO A POINT, COMMON TO BLOCK 80, LOT 1.01; THENCE
4. ALONG THE WESTERLY LINE OF BLOCK 80, LOT 1.01, SOUTH 14 DEGREES 31 MINUTES 03 SECONDS WEST, A DISTANCE OF 642.92 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 32,131 SQUARE FEET OR 0.7376 ACRES OF LAND, MORE OR LESS

Aracelis D. Davis

<u>DEED</u>	
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, an instrumentality of the State of New Jersey <p style="text-align: center;">Grantor</p> <p style="text-align: center;">TO</p> CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company <p style="text-align: center;">Grantee</p>	Record and Return to: Land Services USA, Inc. 602 E. Baltimore Pike Suite 100 Media, PA 19063 Attn: Raphael Hanley

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RTF-1 (Rev. 7/14/10)
MUST SUBMIT IN DUPLICATE

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER
(Chapter 49, P.L. 1988, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY Marion } SS. County Municipal Code 0400
MUNICIPALITY OF PROPERTY LOCATION City of Camden

FOR RECORDER'S USE ONLY
Consideration \$ _____
RTP paid by seller \$ _____
Date _____ By _____

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (Instructions #3 and #4 on reverse side)

Deponent, Timothy J. Lizara being duly sworn according to law upon his/her oath, deposes and says that he/she is the President/Chief Operating Officer in a deed dated 11-20-2011 AND THIS AFFIDAVIT (Grantor, Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.) transferring

real property identified as Block number 80 Lot number 2.01 located at Block 80, Lot 2.01 and a portion of Marina Drive, in the City of Camden, County of Camden, NJ and annexed thereto. (Street Address, Town)

(2) CONSIDERATION \$ 134,141.46 (Instructions #1 and #5 on reverse side) no prior mortgage to which property is subject.

(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS:
(Instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ _____ + _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1988, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.
Conveyance by an instrumentality of the State of New Jersey.

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004, and C. 60, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) 62 years of age or over. (Instruction #9 on reverse side for A or B)
B. BLIND PERSON Grantor(s) legally blind or;
 DISABLED PERSON Grantor(s) permanently and totally disabled receiving disability payments not gainfully employed
Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
 Owned and occupied by grantor(s) at time of sale. Resident of State of New Jersey.
 One or two-family residential premises. Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANITOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (Instruction #9 on reverse side)

- Affordable according to HUD standards. Reserved for occupancy.
 Meets income requirements of region. Subject to resale controls.

(6) NEW CONSTRUCTION (Instructions #2, #10, #12 on reverse side)

- Entirely new improvement. Not previously occupied.
 Not previously used for any purpose. "NEW CONSTRUCTION" printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #6, #12, #14 on reverse side)

- No prior mortgage assumed or to which property is subject at time of sale.
 No contributions to capital by either grantor or grantee legal entity.
 No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1988, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 25 day of Nov., 2011

Christina A. Hamilton

Christina A. Hamilton
A Notary Public of New Jersey
My Commission Expires on August 1, 2018

Signature of Deponent [Signature] New Jersey Economic Development
Grantor Name
36 West State Street Grantor Name
Deponent Address Trenton, NJ 08625
Grantor Address at Time of Sale
Last three digits in Grantor's Social Security Number 817 Name/Company of Notarizing Officer

FOR OFFICIAL USE ONLY
Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to:

STATE OF NEW JERSEY

PO BOX 231

TRENTON, NJ 08646-0231

ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and it may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division's website at www.state.nj.us/treasury/taxation/rtf1localtax.shtml.



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION

GIT/REP-3
 (8-2015)

(Please Print or Type)

SELLER'S INFORMATION

Name(s) **New Jersey Economic Development Authority**

Current Street Address
Post Office Box 990, 36 West State Street

City, Town, Post Office Box **Trenton** State **NJ** Zip Code **08625**

PROPERTY INFORMATION

Block(s) **80** Lot(s) **2.01** Qualifier

Street Address
Part of Marina Drive

City, Town, Post Office Box **Camden** State **NJ** Zip Code **08103**

Seller's Percentage of Ownership **100%** Total Consideration **\$124,191.48** Owner's Share of Consideration **50% \$62,095.74** Closing Date **12-2-2016**

SELLER'S ASSURANCES (Check the Appropriate Box) (Boxes 2 through 14 apply to Residents and Nonresidents)

1. Seller is a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to the New Jersey Gross Income Tax Act, will file a resident gross income tax return, and will pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property sold or transferred is used exclusively as a principal residence as defined in 26 U.S. Code section 121.
3. Seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor, or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not an individual, estate, or trust and is not required to make an estimated gross income tax payment.
6. The total consideration for the property is \$1,000 or less so the seller is not required to make an estimated income tax payment.
7. The gain from the sale is not recognized for federal income tax purposes under 26 U.S. Code section 721, 1031, or 1033 (CIRCLE THE APPLICABLE SECTION). If the indicated section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale and report the recognized gain.
8. The real property is being transferred by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this State.
9. The real property being sold is subject to a short sale instituted by the mortgagee, whereby the seller agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
10. The deed is dated prior to August 1, 2004, and was not previously recorded.
11. The real property is being transferred under a relocation company transaction where a trustee of the relocation company buys the property from the seller and then sells the house to a third party buyer for the same price.
12. The real property is being transferred between spouses or incident to a divorce decree or property settlement agreement under 26 U.S. Code section 1041.
13. The property transferred is a cemetery plot.
14. The seller is not receiving net proceeds from the sale. Net proceeds from the sale means the net amount due to the seller on the settlement sheet.

SELLER'S DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein may be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box I certify that a Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

11-28-2016
 Date

[Signature]
 Signature
 (Seller) Please Indicate if Power of Attorney or Attorney in Fact

 Date

 Signature
 (Seller) Please Indicate if Power of Attorney or Attorney in Fact



CAMDEN COUNTY, NJ
 CAMDEN COUNTY CLERK'S OFFICE
 DEED-DR BOOK 10537/692
 RECORDED 12/05/2016 13:19:03
 FILE NUMBER 2016095815
 RCPT #: 1830707; RECD BY: CR88
 RECORDING FEES \$203.00
 MARGINAL NOTATION \$0.00
 TOTAL TAX \$0.00

Prepared By:

Kevin Golden

Kevin Golden, Esquire
 Cozen O'Connor
 One Liberty Place, Suite 2800
 1650 Market Street
 Philadelphia, PA 19103

This Deed is made on November 21, 2016, effective as of December 2, 2016.

BETWEEN THE CITY OF CAMDEN REDEVELOPMENT AGENCY, having an address at 520 Market Street, 13th Floor, Camden, New Jersey 08101 (referred to as the Grantor), **AND**

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company, whose address is c/o Liberty Property Limited Partnership, 1628 John F. Kennedy Boulevard, Suite 1100, Philadelphia, Pennsylvania 19103 (referred to as the Grantee).

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of **One Million Fourteen Thousand One Hundred Thirty and 36/100 Dollars (\$1,014,130.36)**. The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A.46:26A-3) Municipality of the City of Camden, Block No. 81.06, Lots No. 3.01 and 3.04; Block No. 80, Lot 5.

Property. The property consists of the land and all the buildings and structures on the land in the City of Camden, County of Camden and State of New Jersey. The legal description is more fully described on Exhibit "A" attached hereto and made a part hereof.

UNDER AND SUBJECT to matters of record, to the extent valid and enforceable and still applicable to the above described premises.

ALSO UNDER AND SUBJECT to the following Deed restriction (the "Deed Restriction"): The Property or any portion thereof may not be used for the purpose of inducing any company, firm, organization or other entity which is currently operating in the Commonwealth of Pennsylvania from moving any portion of its existing operations to a location on the above stated real estate, when such movements or relocation would entail the removal of one hundred or more existing jobs from the Commonwealth. It is intended and agreed that the Deed Restriction shall be a covenant running with the land exclusively for the benefit and in favor of and enforceable by the Delaware River Port Authority and shall remain in effect and be binding on the Grantee, each successor in interest to the Property only for such period as such party shall have title to the Property.

NON-DISCRIMINATION COVENANT. The Grantee agrees for itself, and its successors and assigns, that the Grantee and such successors and assigns shall not discriminate upon the basis of race, color, gender, religion or national origin in the sale, lease or rental or in the use or occupancy of the Property (the "Non-discrimination Covenant").

NON-DISCRIMINATION COVENANT BINDING UPON SUCCESSORS IN INTEREST; PERIOD OF DURATION. It is intended and agreed that the Non-discrimination Covenant shall be a covenant running with the land and that it shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of and enforceable by the United States of America, City of Camden Redevelopment Agency and its successors and assigns, and the City of Camden, against the Grantee, its successors and assigns and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that the Non-discrimination Covenant shall remain in effect without limitation as to time, provided, that such Non-discrimination Covenant shall be binding on the Grantee, each successor in interest to the Property, and every part thereof, and each party in possession or occupancy, respectively, only for such period as such party shall have title to or an interest in, or possession or occupancy of, the Property.

RIGHTS TO ENFORCE. It is intended and agreed that the United States of America, City of Camden Redevelopment Agency and their successors and assigns shall be deemed beneficiaries of the Non-discrimination Covenant both for and in their own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such Non-discrimination Covenant has been provided. Such Non-discrimination Covenant shall run in favor of the United States of America and City of Camden Redevelopment Agency for the entire period during which such Non-discrimination Covenant shall be in force and effect, without regard to whether the United States or City of Camden Redevelopment Agency has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such Non-discrimination Covenant relates. The United States and City of Camden Redevelopment Agency may, in the event of any breach of the Non-discrimination Covenant, exercise all of the rights and remedies, and maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of the Non-discrimination Covenant, to which it or any other beneficiaries of such Non-discrimination Covenant may be entitled. The failure at any time to enforce the rights hereunder shall not be construed as a waiver thereof.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property described on Exhibit "A" as Premises "A" and Premises "B", except for matters of record, to the extent valid and enforceable and still applicable to the above described premises. This promise is called a "covenant as to grantor's acts" (N.J.S.A.46:4-6). This promise means that, except as stated above, the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Quitclaim. The Grantor also quitclaims, remises and releases all of the Grantor's right, title and interest, if any, in and to the property described on Exhibit "A" as Premises "C" to the Grantee. The Grantor makes no promises as to ownership or title or covenants as to grantor's acts as to Premises "C", but simply transfers whatever interest the Grantor has to the Grantee.

[Signatures start on next page]

EXHIBIT "A"

PREMISES A

Parcel I

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT – ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY SIDE OF COOPER (115 FEET WIDE) STREET WITH THE NORTHERLY SIDE OF RIVERSIDE (60 FEET WIDE) DRIVE; THENCE

1. ALONG THE WESTERLY SIDE OF RIVERSIDE DRIVE, SOUTH 14 DEGREES 37 MINUTES 34 SECONDS WEST, A DISTANCE OF 360.36 FEET TO A POINT, A CORNER TO BLOCK 81.04, LOT 1.02; THENCE
2. ALONG THE NORTHERLY LINE OF BLOCK 81.04, LOT 1.02, NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 155.12 FEET TO A POINT, A CORNER TO BLOCK 81.04, LOT 1.02; THENCE
3. STILL ALONG THE LINE OF BLOCK 81.04, LOT 1.02, NORTH 14 DEGREES 27 MINUTES 32 SECONDS EAST, A DISTANCE OF 21.71 FEET TO A POINT, A CORNER TO BLOCK 81.04, LOT 1.02; THENCE
4. STILL ALONG THE LINE OF BLOCK 81.04, LOT 1.02, NORTH 74 DEGREES 16 MINUTES 28 SECONDS WEST, A DISTANCE OF 45.90 FEET TO A POINT, A CORNER TO BLOCK 81.06, LOT 3.02; THENCE
5. ALONG THE EASTERLY LINE OF BLOCK 81.06, LOT 3.02, NORTH 14 DEGREES 07 MINUTES 28 SECONDS EAST, A DISTANCE OF 337.64 FEET TO A POINT ON THE SOUTHERLY SIDE OF COOPER STREET AND A CORNER TO BLOCK 81.06, LOT 3.02; THENCE
6. ALONG THE SOUTHERLY SIDE OF COOPER STREET, SOUTH 75 DEGREES 32 MINUTES 28 SECONDS EAST, A DISTANCE OF 204.03 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 71,938 SQUARE FEET OR 1.6514 ACRES OF LAND, MORE OR LESS.

Parcel II

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT – ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT, A CORNER TO BLOCK 81.06, LOT 3.02 AND SOUTHERLY SIDE OF COOPER STREET, SAID POINT BEING LOCATED THE FOLLOWING COURSE AND DISTANCE FROM THE POINT OF INTERSECTION OF THE SOUTHERLY SIDE OF COOPER (115 FEET WIDE) STREET WITH THE NORTHERLY SIDE OF RIVERSIDE (60 FEET WIDE) DRIVE; THENCE

- A. ALONG THE SOUTHERLY SIDE OF COOPER STREET NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 540.60 FEET TO THE POINT OF BEGINNING; THENCE**

- 1. ALONG THE LINE OF BLOCK 81.06, LOT 3.02, SOUTH 10 DEGREES 53 MINUTES 17 SECONDS WEST, A DISTANCE OF 49.69 FEET TO A POINT, COMMON TO BLOCK 81.06, LOT 3.03; THENCE**
- 2. ALONG THE LINE OF BLOCK 81.06, LOT 3.03, NORTH 75 DEGREES 22 MINUTES 54 SECONDS WEST, A DISTANCE OF 18.72 FEET TO A POINT, A CORNER TO BLOCK 81.06, LOT 1.02; THENCE**
- 3. ALONG THE LINE OF BLOCK 81.06, LOT 1.02, NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 22.54 FEET TO A POINT, A CORNER TO BLOCK 81.06, LOT 1.02; THENCE**
- 4. STILL ALONG THE LINE OF BLOCK 81.06, LOT 1.02, NORTH 10 DEGREES 53 MINUTES 17 SECONDS EAST, A DISTANCE OF 49.65 FEET TO A POINT ON THE SOUTHERLY SIDE OF COOPER STREET; THENCE**
- 5. ALONG THE SOUTHERLY SIDE OF COOPER STREET, SOUTH 75 DEGREES 32 MINUTES 28 SECONDS EAST, A DISTANCE OF 36.07 FEET TO A POINT AND PLACE OF BEGINNING.**

CONTAINING 1,787 SQUARE FEET OR 0.0410 ACRES OF LAND, MORE OR LESS

BEING, as to Premises "A", a part of the same premises which Martin Marietta Corporation, by Deed dated November 30, 1993 and recorded in the Camden County Clerk's Office on January 14, 1994 in Deed Book 4669, Page 419, granted and conveyed unto The City of Camden Redevelopment Agency, in fee.

PREMISES B

Parcel I

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT - ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY SIDE OF PENN (60 FEET WIDE) STREET WITH THE WESTERLY SIDE OF DELAWARE (60 FEET WIDE) AVENUE; THENCE

1. ALONG THE WESTERLY SIDE OF DELAWARE AVENUE, SOUTH 14 DEGREES 31 MINUTES 03 SECONDS WEST, A DISTANCE OF 275.22 FEET TO A POINT OF CURVATURE; THENCE
2. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 47.09 FEET (CHORD BEARING SOUTH 59 DEGREES 29 MINUTES 07 SECONDS WEST, 42.40 FEET) TO A POINT OF TANGENCY ON THE NORTHERLY SIDE OF COOPER (115 FEET WIDE) STREET; THENCE
3. ALONG THE NORTHERLY SIDE OF COOPER STREET, NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 317.64 FEET TO A POINT OF CURVATURE; THENCE
4. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 39.27 FEET (CHORD BEARING NORTH 30 DEGREES 32 MINUTES 28 SECONDS WEST, 35.36 FEET) TO A POINT OF TANGENCY ON THE EASTERLY SIDE OF RIVERSIDE (80 FEET WIDE) DRIVE; THENCE
5. ALONG THE EASTERLY SIDE OF RIVERSIDE DRIVE, NORTH 14 DEGREES 27 MINUTES 32 SECONDS EAST, A DISTANCE OF 250.81 FEET TO A POINT OF CURVATURE; THENCE
6. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 38.96 FEET (CHORD BEARING NORTH 59 DEGREES 06 MINUTES 14 SECONDS EAST, 35.14 FEET) TO A POINT OF TANGENCY ON THE SOUTHERLY SIDE OF PENN STREET; THENCE

7. ALONG THE SOUTHERLY SIDE OF PENN STREET, SOUTH 76 DEGREES 15 MINUTES 44 SECONDS EAST, A DISTANCE OF 348.26 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 112,431 SQUARE FEET OR 2.5810 ACRES OF LAND, MORE OR LESS.

Parcel II

ALL THAT CERTAIN PARCEL OR TRACT OF LAND SITUATE IN THE CITY OF CAMDEN, COUNTY OF CAMDEN, AND THE STATE OF NEW JERSEY, AS SHOWN ON A PLAN ENTITLED, "CAMDEN WATERFRONT DEVELOPMENT - ALTA/NSPS LAND TITLE SURVEY", PREPARED BY PENNONI ASSOCIATES INC., DATED 4/25/2016, REVISED 8/19/2016, JOB NO. LIBP 1512, DRAWING V0301 AND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY SIDE OF PENN (60 FEET WIDE) STREET, SAID POINT BEING THE WESTERLY END OF A CURVE CONNECTING THE SOUTHERLY SIDE OF PENN STREET WITH THE WESTERLY SIDE OF RIVERSIDE (80 FEET WIDE) DRIVE, SAID POINT ALSO BEING LOCATED NORTH 76 DEGREES 34 MINUTES 52 SECONDS WEST, A DISTANCE OF 478.27 FEET FROM THE INTERSECTION OF THE SOUTHERLY SIDE OF PENN STREET WITH THE WESTERLY SIDE OF DELAWARE (60 FEET WIDE) AVENUE; THENCE

1. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 39.58 FEET (CHORD BEARING SOUTH 30 DEGREES 54 MINUTES 06 SECONDS EAST, 35.58 FEET) TO A POINT OF TANGENCY ON THE WESTERLY SIDE OF RIVERSIDE DRIVE; THENCE
2. ALONG THE WESTERLY SIDE OF RIVERSIDE DRIVE, SOUTH 14 DEGREES 27 MINUTES 32 SECONDS WEST, A DISTANCE OF 249.17 FEET TO A POINT OF CURVATURE; THENCE
3. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 39.27 FEET (CHORD BEARING SOUTH 59 DEGREES 27 MINUTES 32 SECONDS WEST, 35.36 FEET) TO A POINT OF TANGENCY ON THE NORTHERLY SIDE OF COOPER (115 FEET WIDE) STREET; THENCE
4. ALONG THE NORTHERLY SIDE OF COOPER STREET, NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 455.36 FEET TO A POINT ON THE EASTERLY LINE OF BLOCK 80, LOT 2; THENCE
5. ALONG THE EASTERLY LINE OF BLOCK 80, LOT 2, NORTH 09 DEGREES 35 MINUTES 02 SECONDS EAST, A DISTANCE OF 274.24 FEET TO A POINT, A CORNER TO BLOCK 80, LOT 2.01; THENCE

6. ALONG THE SOUTHERLY LINE OF BLOCK 80, LOT 2.01, SOUTH 76 DEGREES 15 MINUTES 45 SECONDS EAST, A DISTANCE OF 10.96 FEET TO A POINT, A CORNER TO BLOCK 80, LOT 2.01; THENCE
7. ALONG THE EASTERLY LINE OF BLOCK 80, LOT 2.01, NORTH 12 DEGREES 24 MINUTES 42 SECONDS EAST, A DISTANCE OF 19.90 FEET TO A POINT ON THE SOUTHERLY SIDE OF PENN STREET; THENCE
8. ALONG THE SOUTHERLY SIDE OF PENN STREET, SOUTH 76 DEGREES 15 MINUTES 44 SECONDS EAST, A DISTANCE OF 468.14 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 145,578 SQUARE FEET OR 3.3420 ACRES OF LAND, MORE OR LESS.

BEING, as to Premises "B", a part of the same premises which General Electric Company, by Deed dated December 19, 1991 and recorded in the Camden County Clerk's Office on December 27, 1991 in Deed Book 4534, Page 421, granted and conveyed unto The City of Camden Redevelopment Agency, in fee.

PREMISES C

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN CAMDEN CITY, COUNTY OF CAMDEN AND STATE OF NEW JERSEY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION OF THE NORTHERLY SIDE OF PENN (60 FEET WIDE) AND THE WESTERLY SIDE OF DELAWARE AVENUE (80 FEET WIDE); THENCE

1. ALONG THE WESTERLY SIDE OF DELAWARE AVENUE, SOUTH 14 DEGREES 31 MINUTES 03 SECONDS WEST, A DISTANCE OF 480.30 FEET TO A POINT ON THE SOUTHERLY SIDE OF COOPER STREET (115 FEET WIDE); THENCE
2. ALONG THE SOUTHERLY SIDE OF COOPER STREET, NORTH 75 DEGREES 32 MINUTES 28 SECONDS WEST, A DISTANCE OF 989.06 FEET TO A POINT; THENCE
3. NORTH 09 DEGREES 35 MINUTES 07 SECONDS EAST, A DISTANCE OF 3.34 FEET TO A POINT; THENCE
4. NORTH 10 DEGREES 25 MINUTES 26 SECONDS EAST, A DISTANCE OF 57.92 FEET TO A POINT; THENCE

5. NORTH 09 DEGREES 37 MINUTES 58 SECONDS EAST, A DISTANCE OF 39.03 FEET TO A POINT, COMMON TO LOT 2, BLOCK 80; THENCE
6. ALONG LOT 2, BLOCK 80, SOUTH 75 DEGREES 32 MINUTES 28 SECONDS EAST, A DISTANCE OF 65.13 FEET TO A POINT; THENCE
7. CONTINUING ALONG LOT 2, BLOCK 80, NORTH 09 DEGREES 35 MINUTES 02 SECONDS EAST, A DISTANCE OF 289.26 FEET TO A POINT, COMMON TO LOT 2.02, BLOCK 80; THENCE
8. ALONG LOT 2.02, BLOCK 80, SOUTH 76 DEGREES 15 MINUTES 45 SECONDS EAST, A DISTANCE OF 10.96 FEET TO A POINT; THENCE
9. CONTINUING ALONG LOT 2.02, BLOCK 80, NORTH 12 DEGREES 24 MINUTES 42 SECONDS EAST, A DISTANCE OF 80.02 FEET TO A POINT ON THE NORTHERLY SIDE OF PENN STREET; THENCE
10. ALONG THE NORTHERLY SIDE OF PENN STREET, SOUTH 76 DEGREES 15 MINUTES 44 SECONDS EAST, A DISTANCE OF 948.62 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 452,909 SQUARE FEET OR 10.3974 ACRES OF LAND, MORE OR LESS.

DEED

**THE CITY OF CAMDEN
REDEVELOPMENT AGENCY, a public
body corporate and politic of the State of
New Jersey**

Grantor

TO

**CAMDEN TOWN CENTER, LLC, a New
Jersey limited liability company**

Grantee

**Record and Return to:
Land Services USA, Inc.
602 E. Baltimore Pike
Suite 100
Media, PA 19063
Attn: Raphael Hanley**

LEGAL277400686 11638.0001.000/362960.000

RTF-1 (Rev. 7/14/10)
MUST SUBMIT IN DUPLICATE

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER
(Chapter 49, P.L. 1988, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.
STATE OF NEW JERSEY

COUNTY Camden } SS. County Municipal Code 0408
MUNICIPALITY OF PROPERTY LOCATION City of Camden

FOR RECORDER'S USE ONLY
Consideration \$ _____
RTF paid by seller \$ _____
Date _____ By _____

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (Instructions #3 and #4 on reverse side)

Deponent, Johanna Carver being duly sworn according to law upon his/her oath, deposes and says that he/she is the (Maiden) Director of Finance in a deed dated 11/16/10 effective 12/1/10 transferring (Grantor, Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.)

real property identified as Block number See attached Exhibit "A" Lot number See attached Exhibit "A" located at See attached Exhibit "A" and annexed thereto. (Street Address, Town)

(2) CONSIDERATION \$ 1,014,130.36 (Instructions #1 and #5 on reverse side) no prior mortgage to which property is subject.

(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS: (Instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ _____ + _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1988, as amended through C. 65, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail. Conveyance by an instrumentality of the State of New Jersey.

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 17B, P.L. 1975, C. 113, P.L. 2004, and C. 65, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) 62 years of age or over. (Instruction #8 on reverse side for A or B)
B. { BLIND PERSON Grantor(s) legally blind or,
DISABLED PERSON Grantor(s) permanently and totally disabled receiving disability payments not gainfully employed
Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
 Owned and occupied by grantor(s) at time of sale. Resident of State of New Jersey.
 One or two-family residential premises. Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (Instruction #9 on reverse side)

- Affordable according to H.U.D. standards. Reserved for occupancy.
 Meets income requirements of region. Subject to resale controls.

(6) NEW CONSTRUCTION (Instructions #2, #10, #12 on reverse side)

- Entirely new improvement. Not previously occupied.
 Not previously used for any purpose. "NEW CONSTRUCTION" printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #6, #12, #14 on reverse side)

- No prior mortgage assumed or to which property is subject at time of sale.
 No contributions to capital by either grantor or grantee legal entity.
 No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1988, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 21st day of NOVEMBER 2016

Donna M. Pettigrew

Signature of Deponent
520 Market Street, 13th Floor
Deponent Address

City of Camden Redevelopment Agency
Grantor Name
Camden, New Jersey 08101
Grantor Address at Time of Sale

DONNA M. PETTIGREW
COMMISSION # 0028105
NOTARY PUBLIC-STATE OF NEW JERSEY
MY COMMISSION EXPIRES
DECEMBER 11, 2020

XXX-XXX-144
Last three digits in Grantor's Social Security Number
Name/Company of Settlement Officer

FOR OFFICIAL USE ONLY
Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to: STATE OF NEW JERSEY
PO BOX 261
TRENTON, NJ 08646-0261

ATTENTION: REALTY TRANSFER FEE UNIT
The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and it may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division's website at: www.state.nj.us/treasury/taxation/rtf1ocaffidz.shtml.

Exhibit "A"
Real Property Description

Tax Map Reference. (N.J.S.A.46:26A-3) Municipality of the City of Camden, Block No. 81.06, Lots No. 3.01 and 3.04; Block No. 80, Lot 5.

LEGAL28776238\1

Exhibit “L”

PURCHASE, SALE AND DEVELOPMENT AGREEMENT

Between

**LIBERTY PROPERTY LIMITED PARTNERSHIP and
CAMDEN TOWN CENTER, LLC**

And

CAMDEN PARTNERS TOWER EQUITIES LLC

Dated: June 8, 2017

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PURCHASE, SALE AND DEVELOPMENT AGREEMENT

This PURCHASE, SALE AND DEVELOPMENT AGREEMENT (this "Agreement") is made this 8 day of June, 2017 (the "Effective Date") by and among CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company ("CTC"), LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("Master Developer" and collectively with CTC "Seller") and CAMDEN PARTNERS TOWER EQUITIES LLC, a New Jersey limited liability company ("Buyer").

RECITALS

A. CTC is undertaking the development of certain portions of a contemplated mixed use development of the waterfront in the City of Camden, New Jersey (the "Camden Waterfront Project") pursuant to a master plan prepared by Robert A. M. Stern Associates and attached hereto as Exhibit A (as the same may be modified from time to time, the "Master Plan"). CTC has engaged Master Developer (which is an Affiliate of CTC) to execute the Camden Waterfront Project in accordance with the Master Plan.

B. CTC created Camden Waterfront Condominium (the "Condominium") by filing that certain Master Deed of Camden Waterfront Development dated December 2, 2016 in the land records of Camden County, New Jersey on December 5, 2016.

C. The parties anticipate that the Master Deed will be amended prior to Settlement in the manner contemplated in Section 5.1(b) below to, among other things, create a new Condominium Unit referred to herein as "New Unit C-1", which will consist of (i) a portion of the land currently referred to as Unit C-1 of the Condominium under the Master Deed, and designated as Unit C1/P1 on the Condominium Plan attached hereto as Exhibit B-1, and (ii) all of the land currently referred to as Unit RT of the Condominium under the Master Deed, and designated as Unit RT on the Condominium Plan attached hereto as Exhibit B-1. New Unit C-1 is depicted on the site plan attached hereto as Exhibit B-2, and is described by metes and bounds on Exhibit B-3 attached hereto. New Unit C-1, together with an undivided percentage interest in the common elements of the Condominium (as more particularly described in the Master Deed) constitutes the "Property" to be conveyed to Buyer pursuant to this Agreement.

D. The southern portion of existing Unit C-1 that will not be included in New Unit C-1 shall become a separate Condominium Unit referred to herein as "New Unit C-5" (although identified on Exhibit B-2 as "Unit P-5"). New Unit C-5 is depicted on the site plan attached hereto as Exhibit B-2, and is described by metes and bounds on Exhibit B-4 attached hereto.

A. CTC contemplates, in accordance with the Master Plan, the development of a Class-A office building with associated structured parking, ancillary retail and other amenities to be located on the Property. Buyer desires to purchase the Property and develop such a class-A office building with structure parking, retail, conference facilities, and other amenities thereon, in accordance with the Master Plan and this Agreement.

B. The Parties now desire to enter into this Agreement to provide for the conveyance of the Property to Buyer, and the development of the Property by Buyer in accordance with the Master Plan.

NOW, THEREFORE, in consideration of the covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I Definitions

1.1 Certain Definitions. Capitalized terms not otherwise defined in the body of this Agreement shall have the following meanings.

"Affiliate" means, when used with reference to a specific Person, any Person directly or indirectly Controlling, Controlled by, or under common Control with the Person in question, together with any successor thereto in the case of a merger, consolidation, sale of substantially all assets or substantially all equity interests, or any similar transaction.

"Agreement" has the meaning set forth in the recitals to this Agreement.

"Agent" of a Person means such Person's employees, agents, representatives, contractors, licensees or invitees.

"Anchor Tenants" means Connor Strong & Buckelew Companies, Inc., or an Affiliate thereof; The Michaels Organization, or an Affiliate thereof, and; NFI Industries, or an Affiliate thereof.

"ATTD" has the meaning set forth in Section 10.8(a).

"Bulk Sales Laws" has the meaning set forth in Section 10.8(a).

"Bulk Sales Notification" has the meaning set forth in Section 10.8(a).

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday in the State of New Jersey or a day on which banking institutions located in the State of New Jersey are authorized by law or other governmental action to close.

"Buyer" has the meaning set forth in the recitals to this Agreement.

"Buyer Competitor" means (i) any supply chain solutions or third party logistics provider or any provider of dedicated transportation, warehousing, intermodal, brokerage, transportation management or global logistics services, or (ii) any insurance agency/broker, risk manager or consulting firm, safety and/or loss control firm, public entity risk management firm or benefits third party administration firm.

"Buyer Event of Default" has the meaning set forth in Section 7.1(a).

"Buyer Materials" has the meaning set forth in Section 2.6(a).

"Buyer Related Parties" means Buyer, Buyer's Affiliates, and their respective directors, officers, employees, outside counsel, accounting firm and other professional consultants, and any prospective lender which may provide financing to Buyer.

"C-5 Conveyance Allocation" has the meaning set forth in Section 2.8(b).

"C-5 Permits and Approvals" has the meaning set forth in Section 2.8(a).

"C-5 User" has the meaning set forth in Section 2.8(a).

"C-5 User Agreement" has the meaning set forth in Section 2.8(a).

"Camden Waterfront Project" has the meaning set forth in the recitals to this Agreement.

"CCRA" means the City of Camden Redevelopment Agency, an instrumentality of the State of New Jersey.

"Claim" has the meaning set forth in Section 10.8(b).

"C/O" means a certificate of occupancy (temporary or otherwise) or equivalent instrument or approval sufficient to allow lawful occupancy.

"Commence Construction" or "Commencement of Construction" means that the party in question shall have received all permits and approvals necessary to commence construction of the applicable project, any third-party financing required for such construction shall be obtained, and such party's general contractor shall have mobilized on site and commenced site work with the intention of immediately and diligently pursuing vertical construction.

"Common Elements" has the meaning set forth in Section 5.1.

"Community Investment Agreement" means that certain Community Investment Agreement dated June 29, 2016 between Master Developer and the City of Camden, a true and correct copy of which is attached hereto as Exhibit G.

"Competitor of Master Developer" means any of the following: a publicly held or privately held real estate investment trust whose principal investments are directly or indirectly in income-producing office and/or industrial real estate; an individual, private equity fund or other organization that directly or through its Affiliates has as its primary business the ownership, development or operation of income-producing office real estate assets; and any Affiliate of any of the foregoing. "Competitor of Master Developer" shall not include NFI Industries, Joseph Jingoli & Son, Inc., or their respective Affiliates.

"Condition of the Property" means title, survey conditions, use of the Property for Buyer's intended use, the physical and legal condition of the Property, past and present use, development, investment potential, tax ramifications or consequences, compliance with law, zoning, the presence or absence of hazardous substances, the availability of utilities, access to public road, habitability, merchantability, fitness or suitability for any purpose.

"Condominium" has the meaning set forth the recitals to this Agreement.

"Condominium Association" means Camden Waterfront Condominium Association, Inc., a New Jersey non-profit corporation, established to govern the Condominium pursuant to the Master Deed.

"Condominium Documents" means the Master Deed, the bylaws of the Condominium Association, and the rules and regulations of the Condominium, if any.

"Control," "Controlled" or "Controlling" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such party, whether through the ownership of voting securities or by contract or otherwise.

"CTC" has the meaning set forth in the recitals to this Agreement.

"D&O Agreement" means that certain Development and Option Agreement dated October 19, 2004 between CTC and the NJEDA (as amended from time to time, the "D&O Agreement").

"DDSA Assignment Agreement" means an agreement, in substantially the form annexed to the Designated Developer Sub-Agreement, whereby CTC assigns, and Buyer assumes, all of CTC's rights and obligations under the Designated Developer Sub-Agreement arising from and after the date of such assignment with respect to the Property.

"DDSA Estoppel" has the meaning set forth in Section 3.3.

"Deficiency" has the meaning set forth in Section 10.8(b).

"Deposit" has the meaning set forth in Section 2.2.

"Deposit Claim Notice" has the meaning set forth in Section 2.2(d).

"Designated Developer Sub-Agreement" means that certain Designated Developer Sub-Agreement between CTC and CCRA dated December 2, 2016, at true and correct copy of which is attached hereto as Exhibit D, to be assigned by CTC to Buyer at Settlement.

"Discharge" means an intentional or unintentional action or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, migrating, emptying, or dumping of a Hazardous Substance into the environment on or from the Property or migrating to the Property.

"Division" has the meaning set forth in Section 10.8(a).

"Due Diligence Materials" means the following reports and materials prepared by or on behalf of Master Developer: (i) the Title Commitment, (ii) the Survey, (iii) the Environmental Reports, (iv) the Geotechnical Reports, (v) the Redevelopment Agreement, (vi) the D&O Agreement, (vii) the Designated Developer Sub-Agreement, (viii) the Municipal Development Agreement, (ix) the Condominium Documents, and (x) the Pre-Development Materials.

"Effective Date" has the meaning set forth in the recitals to this Agreement.

"End User" means any one of the Persons to whom CTC will convey one or more Condominium Units for the purposes of development by Master Developer as developer on behalf of such Person, of an office building as part of the Camden Waterfront Project.

"Engineering Controls" shall have the meaning ascribed to the term in the SRRA, as defined below.

"Environmental Law(s)" means all present or future federal, state or local laws, ordinances, rules or regulations (including the rules and regulations of the federal Environmental Protection Agency and New Jersey Department of Environmental Protection ("NJDEP")) relating to the protection of human health or the environment including without limitation; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Toxic Substances Control Act ("TSCA") 15 U.S.C. §2601, et seq. the Industrial Site Recovery Act ("ISRA") N.J.S.A. §13:1K, et seq.; the Site Remediation Reform Act ("SRRA") N.J.S.A. §58:10C-1 et seq.; the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; the Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq.; and the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq.; and such laws, ordinances, rules, regulations, court orders, judgments and common law which govern (A) the existence, investigation, cleanup and/or remediation of Hazardous Substances on the Property; (B) the protection of human and health and the environment from spilled, deposited, or otherwise released Hazardous Substances; (C) the control of Hazardous Substances; or (D) the use, generation, transport, treatment, removal, storage, discharge or recovery of Hazardous Substances, including building materials.

"Environmental Liabilities and Obligations" means Environmental Remediation and any other known or unknown liability, obligation (including, without limitation, any obligation to report to governmental authorities or any obligation under a permit), expense or cost under Environmental Laws or for personal injury or property damage, including, but not limited to natural resource damages, or other loss (including, without limitation, reasonable attorneys' fees and consultants' fees), fine or penalty, whether previously incurred by, or claimed against Master Developer or CTC, or asserted in the future against Master Developer, CTC or Buyer, arising out of or relating to Hazardous Substances or any actual, alleged or threatened Discharge at, on, under or migrating to or from the Property.

"Environmental Remediation" means environmental investigations, testing and remediation of real property, the protection of the environment from spilled, deposited or otherwise released contamination and/or the control of Hazardous Substances.

“Environmental Reports” means those environmental reports listed on Exhibit F, together with all documents referenced or incorporated therein.

“Escrow Agent” means Title America Agency Corporation.

“Excusable Delay” means strikes or other labor disturbance; delays in obtaining governmental permits or approvals not caused by the negligence or willful misconduct of the applicable Party; unavailability or delays in obtaining materials not caused by the negligence of the applicable Party; war or other national emergency; acts of terrorism; accidents; floods; fire damage or other casualties; unanticipated soil conditions; extraordinary weather conditions (including high winds); any cause similar or dissimilar to the foregoing beyond the reasonable control of the applicable Party, and any other item expressly identified in this Agreement as an Excusable Delay. The Party claiming an Excusable Delay shall notify the other Party of any Excusable Delay within five (5) business days after obtaining actual knowledge of such Excusable Delay.

“Exterior Design Elements” means, with respect to the building in question (i) the exterior façades (including façade finishes), (ii) site plan(s) for each proposed building, (iii) proposed elevations, (iv) site layout and access, (v) exterior signage, (vi) exterior equipment, (vii) rooftop plans, (viii) major ground-floor level interior public/common spaces, and (ix) landscaping.

“Final Construction Documents” has the meaning set forth in Section 4.2.

“Financial Assurance” means any, or a combination of, financial mechanisms including, but not limited to remediation trust fund agreements, letters of credit and lines of credit required to be established, employed, used or maintained by Agencies, this Agreement or Environmental Laws, including the SRRA as detailed at N.J.A.C. 7:26C-5, in order to assure performance of any obligation or satisfaction of any liability imposed by Environmental Laws.

“FIRPTA Certificate” means a certificate in the form of Exhibit I attached hereto.

“Geotechnical Reports” means the geotechnical report prepared for the Camden Waterfront Project by Pennoni Associates Inc., dated February 26, 2016.

“Hazardous Substances” means all “hazardous materials”, “hazardous wastes”, “hazardous substances”, “toxic substances”, and “toxic wastes”, “contaminants” and “pollutants” as such terms are defined in any Environmental Law.

“Infrastructure Allocation” means the sum of [REDACTED].

“Improvements” means a Class-A office building and associated structured parking facility to be constructed on the Property by Buyer in accordance with this Agreement and the Master Plan.

“Institutional Controls” shall have the meaning ascribed to the term in the SRRA.

"ISRA" means the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., and the regulations promulgated thereunder.

"LEED" means Leadership in Energy and Environmental Design.

"LSRP" means a licensed site remediation professional under SRRA.

"Master Deed" means the master deed forming the Condominium (including the condominium plan and exhibits thereto), as the same may be amended from time to time.

"Master Developer" has the meaning set forth in the recitals to this Agreement.

"Master Developer Purchase Agreement" means that certain Purchase and Sale Agreement dated August 19, 2015 between Master Developer and the prior members of CTC, whereby Master Developer or its Affiliates purchased the ownership interests in CTC.

"Master Plan" has the meaning set forth in the recitals to this Agreement.

"Municipal Development Agreement" means that certain Municipal Development Agreement between CTC and the City of Camden dated September 15, 2016.

"Necessary Common Elements" means those common elements of the Condominium described on Exhibit H-1, and, where applicable, more precisely depicted on the site plans attached hereto as Exhibit H-2 and Exhibit H-3. For the avoidance of doubt, the sole purpose of Exhibit H-3 is to depict the location of the primary electrical duct bank to the electric transfer switch located on the southwest corner of the building, and for no other purpose.

"New Unit C-1" has the meaning set forth in the recitals to this Agreement.

"New Unit C-5" has the meaning set forth in the recitals to this Agreement.

"NJEDA" means the New Jersey Economic Development Authority.

"Outside C-5 Development Initiation Date" has the meaning set forth in Section 2.8(a).

"Outside Completion Date" means, subject to Excusable Delay and any rights of NJEDA and/or CCRA (as applicable) to exercise remedies against the Property or Buyer for the applicable delay, April 10, 2021.

"Outside Settlement Date" means June 8, 2017.

"Parties" means, collectively, CTC, Master Developer and Buyer.

"Party" means each of CTC, Master Developer, and/or Buyer, as context may require.

"Permitted Title Exceptions" means those exceptions to title to the Property listed on Exhibit C.

"Permitted Assignee" has the meaning set forth in the D&O Agreement.

"Permitted Transferee" means an entity that (i) qualifies as a "Permitted Assignee" under the D&O Agreement, and (ii) is an Affiliate of Buyer. Notwithstanding the foregoing, a Permitted Transferee shall not include a Competitor of Master Developer or any joint venture in which a Competitor of Master Developer holds an interest.

"Person" means a natural person or a corporation, partnership, limited liability company or other entity.

"Pre-Development Materials" means, solely to the extent applicable to the Property, the items listed on Exhibit K attached hereto.

"Pre-Development Materials Assignment Agreement" means an agreement, in the form attached hereto as Exhibit E, assigning all of Master Developer's and CTC's right, title and interest in and to the Pre-Development Materials to Buyer. To the extent that any of the Pre-Development Materials are relevant to more than just the Property (e.g., the Environmental Reports), the assignment thereof to Buyer shall apply only with respect to the matters therein applicable to the Property and not be deemed to prevent Seller from continuing to rely thereon.

"Property" has the meaning set forth in the recitals to this Agreement.

"[REDACTED]".

"Redevelopment Agreement" means that certain Redevelopment Agreement between the CCRA and the NJEDA dated October 24, 2005.

"Required Approvals" means (i) an amendment to the Waterfront Development Permit approved by the State of New Jersey Department of Environmental Protection Division of Land Use Regulation that accommodates the new design and configuration of the Condominium Units and the Improvements, (ii) the written approval by NJEDA and CCRA to a revised Master Plan that accommodates the new design and configuration of the Condominium Units and the Improvements, (iii) the written approval of the City of Camden Planning Board to a revised Condominium Plan that accommodates the new design and configuration of the Condominium Units and the Improvement, (iv) the confirmation by NJEDA that, in light of the reconfiguration of Unit C1/P1 under the revised Condominium Plan, references to Unit C1/P1 in the Restated Fourth Amendment to Development and Option Agreement dated December 2, 2016 shall be deemed to be references to the newly configured Unit C-1 under the revised Condominium Plan, (v) an amendment to the Designated Developer Sub-Agreement (and the corresponding recorded memorandum thereof) executed by Buyer and the City of Camden Redevelopment Authority, which reflects the modification of the design of the Improvements to be developed on New Unit C-1 and confirms that such Designated Developer Sub-Agreement does not apply to New Unit C-5.

“Response Action Outcome” or “RAO” means the final remediation document described at N.J.A.C. 7:26C-1.3 and issued by a licensed site remediation professional and filed with the NJDEP stating that a contaminated site or area of concern was remediated in accordance with all applicable statutes, rules and guidance.

“Review Package” has the meaning given to such term in the D&O Agreement.

“Seller” has the meaning set forth in the recitals to this Agreement.

“Seller Event of Default” has the meaning set forth in Section 7.2(a).

“Seller Related Parties” means Master Developer, CTC, Liberty Property Trust and the current and future Affiliates, partners, shareholders, members, beneficial owners, directors, officers, employees and Agents of the foregoing, and their respective heirs, successors, personal representatives and assigns.

“Settlement” has the meaning set forth in Section 2.3(a).

“SRRA” means the Site Remediation Reform Act (N.J.S.A. 58:10C-1, et seq.) and the regulations promulgated thereunder.

“Substantial Completion of the Improvements” means that:

- (i) Buyer has obtained a C/O for the base building core and shell of the Improvements;
- (ii) Buyer’s architect has delivered a certificate to Master Developer certifying that the base building core and shell of the Improvements are substantially completed substantially in accordance with the Final Construction Documents; and
- (iii) all utilities necessary for the use, occupancy and operation of the Improvements are connected to the appropriate public utility unless not connected due to a Seller Event of Default.

“Survey” means that certain Camden Waterfront Development ALTA/NSPS Land Title Survey prepared by Pennoni Associates Inc. dated March 25, 2016 and last revised October 19, 2016.

“Title Commitment” means that certain title commitment dated September 23, 2016, issued to CTC by First American Title Insurance Company with respect to the Camden Waterfront Project.

“Tax Credits” means the allocation of tax credits obtained pursuant to the Grow New Jersey Assistance Program administered by the NJEDA.

“Tax Escrow” has the meaning set forth in Section 10.8(b).

"Unit" has the meaning set forth in the Master Deed.

"Unit Owner" means an "Owner" as defined in the Mater Deed.

"Waterfront Development Permit" means Waterfront Development Permit Number 0408-16-0001.1, WFD160001 approved June 30, 2016 by the New Jersey Department of Environmental Protection as amended by the Waterfront Development Permit Modification letter dated September 14, 2016.

ARTICLE 2 Acquisition of the Property

2.1 Purchase and Sale; Infrastructure Allocation; Assignment of Pre-Development Materials.

(a) Subject to the terms of this Agreement, CTC agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase the Property from CTC, for the Purchase Price.

(b) Subject to the terms of this Agreement, Buyer agrees to pay to CTC at Settlement a sum equal to the Infrastructure Allocation, representing an agreed-upon allocation to the Property of costs incurred and to be incurred by CTC and/or Master Developer in connection with certain development services and activities undertaken, and to be undertaken, in furtherance of the overall Camden Waterfront Project, including (without limitation) the following components thereof: the construction of the Necessary Common Elements; master planning; creation of the Condominium; fees and costs of design professionals, engineers, lawyers and other consultants; design and installation of streets, sidewalks, utilities and other infrastructure; governmental approvals; due diligence investigations; carrying costs; and all other hard and soft costs in connection therewith. In no event shall Buyer have any obligation to pay to CTC or Master Developer, or reimburse CTC or Master Developer, for any additional costs incurred by CTC or Master Developer to construct the Necessary Common Elements or any other infrastructure constructed by Master Developer in connection with the Camden Waterfront Project, other than the payment of the Infrastructure Allocation.

(c) Subject to the terms of this Agreement, CTC and Master Developer agree to assign to Buyer (to the extent assignable) all of CTC's and Master Developer's right, title and interest in and to the Pre-Development Materials. The assignment contemplated in this Section 2.1(c) shall be by execution and delivery of the Pre-Development Materials Assignment Agreement in the manner set forth below. Buyer shall be responsible for contracting directly with any design, engineering or other professionals in connection with any use or modification of the Pre-Development Materials.

2.2 Deposit.

(a) Contemporaneously with the execution of this Agreement, Buyer shall deliver to Escrow Agent a deposit in the amount of [REDACTED] either (A) by wire transfer of immediately available federal funds, or (B) by delivery

of Buyer's ordinary check, subject to collection. Such funds, together with all interest accrued thereon, are referred to herein as the "Deposit".

(b) If any Party terminates this Agreement prior to Settlement in accordance with the provisions of Section 2.7(c), or if Buyer terminates this Agreement pursuant to Section 7.2(b) below, the Deposit shall be returned to Buyer.

(c) If a Buyer Event of Default occurs prior to consummation of Settlement, and no circumstance then exists which (independent of the Buyer Event of Default) would give Buyer the right to terminate this Agreement and receive the Deposit, then subject to the provisions of Section 7.1(b) below (i) the Deposit shall be delivered to CTC as liquidated damages for Buyer's default, and the receipt of same shall be CTC's and Master Developer's exclusive and sole remedy with respect thereto, and (ii) no Party shall have any further obligations under this Agreement, other than any provisions hereof that expressly survive the termination of this Agreement.

(d) The Deposit shall be held in an interest bearing, federally insured account, by Escrow Agent in accordance with this Agreement pending consummation of this transaction. All interest accrued thereon shall be added to, and become part of, the Deposit. In the event that either Buyer or CTC believes that it is entitled to the Deposit, such Party shall provide written notice thereof to the other Party and Escrow Agent (the "Deposit Claim Notice"). The Party receiving the Deposit Claim Notice shall have five (5) business days following receipt thereof to notify Escrow Agent and the other Party in writing that it disputes the claim to the Deposit, in which event Escrow Agent shall retain the Deposit until Escrow Agent has received a joint written direction of Buyer and CTC with respect to the application of the Deposit or a final and binding order of a court of competent jurisdiction. If the Party receiving the Deposit Claim Notice does not provide written notice of objection within such five (5) day period, Escrow Agent shall release the Deposit to the Party identified in the Deposit Claim Notice. Escrow Agent may act upon any instrument or other writing believed by Escrow Agent in good faith to be genuine and to be signed and presented by the proper person. Escrow Agent shall not be liable in connection with the performance by Escrow Agent of its duties hereunder, except for Escrow Agent's own fraudulent misconduct or gross negligence. Escrow Agent shall be under no obligation to institute or defend any action, suit or legal proceeding in connection herewith or to take any other action likely to involve Escrow Agent in expense (except to interplead the Deposit as aforesaid) unless first indemnified to its reasonable satisfaction by Buyer and CTC.

(e) At the Settlement, the Deposit shall be applied on account of the Purchase Price.

2.3 Settlement.

(a) The settlement on Buyer's acquisition of the Property (the "Settlement") shall occur on the Outside Settlement Date, or earlier upon ten (10) days prior written notice by Buyer to CTC. At or before the Settlement:

(i) CTC shall place into escrow with the Escrow Agent (A) a fully executed deed conveying the Property from CTC to Buyer, (B) a counterpart of the DDSA Assignment Agreement executed by CTC, (C) a counterpart of the Pre-Development Materials

Assignment Agreement executed by Master Developer and CTC, (D) if obtained pursuant to Section 3.3 below, the executed DDSA Estoppel, (E) an executed FIRPTA Certificate, and (F) such other instruments (including an executed settlement statement and title affidavits) as are customary and necessary to complete the transactions contemplated herein;

(ii) Buyer shall place into escrow with the Escrow Agent (A) the balance of the Purchase Price, (B) funds equal to the Infrastructure Allocation, (C) a counterpart of the DDSA Assignment Agreement executed by Buyer, (D) a counterpart of the Pre-Development Materials Assignment Agreement executed by Buyer, (E) a counterpart of a Community Investment Agreement substantially similar to the agreement attached hereto as Exhibit G, executed by Buyer, and (F) such other instruments (including an executed settlement statement) as are customary and necessary to complete the transactions contemplated herein.

(b) Upon the completion of the Settlement, the Parties shall cause the Escrow Agent to (i) deliver the Purchase Price and the Infrastructure Allocation to CTC, (ii) release the documents from escrow (with the exception of the Community Investment Agreement, which shall continue to be held in escrow by Escrow Agent until a building permit is issued for the Improvements, at which time the Community Investment Agreement shall be released from escrow and delivered to the City of Camden by Escrow Agent), and (iii) record the deed referenced in Section 2.3(a)(i).

2.4 Form of Conveyance. The conveyance of the Property to Buyer shall be by Bargain and Sale Deeds with Covenants against Grantor's Acts (each in the form required by the D&O Agreement and applicable law) from CTC to Buyer, subject to the Permitted Title Exceptions and such covenants, restrictions and other matters as may be required under the D&O Agreement and Designated Developer Sub-Agreement, and shall include, without limitation, the following language:

“ALSO UNDER AND SUBJECT to the following Deed restriction (the “Deed Restriction”): The Property or any portion thereof may not be used for the purpose of inducing any company, firm, organization or other entity which is currently operating in the Commonwealth of Pennsylvania from moving any portion of its existing operations to a location on the above stated real estate, when such movements or relocation would entail the removal of one hundred or more existing jobs from the Commonwealth. It is intended and agreed that the Deed Restriction shall be a covenant running with the land exclusively for the benefit and in favor of and enforceable by the Delaware River Port Authority and shall remain in effect and be binding on the Grantee, each successor in interest to the Property only for such period as such party shall have title to the Property.”

2.5 Costs and Apportionments.

(a) At Settlement, Real estate taxes, Condominium assessments and any other apportionable income and expenses respecting the Property shall be apportioned pro rata on a per diem basis as of 12:01 a.m. on the date of such Settlement. Taxes shall be apportioned based on

the fiscal year of the taxing authority. Buyer shall be responsible for the cost of its owner's and, if applicable, lender's policies of title insurance for the Property. Realty transfer taxes associated with the conveyance of the Property from CTC to Buyer shall be paid by CTC. Any so-called "mansion tax" associated with the conveyance of the Property from CTC to Buyer shall be the responsibility of Buyer. The out-of-pocket costs incurred by the parties to obtain the Required Approvals shall be apportioned in accordance with Section 3.4.

(b) CTC and Buyer acknowledge that it may be necessary for certain of the costs subject to proration under this Agreement to be based on estimates. Except as otherwise expressly provided herein, if any payments by CTC or Buyer at Settlement under this Section 2.5 are based on estimates, then, when the actual amounts are finally determined, CTC and Buyer shall recalculate the amounts that would have been paid at Settlement based on such actual amounts, and CTC or Buyer, as the case may be, shall make an appropriate payment to the other based on such recalculation; provided, however, that neither party shall have the right to request a recalculation after the one (1) year anniversary of the date of Settlement. This provision will survive Settlement under this Agreement.

2.6 As-Is Condition and Release; Environmental Indemnity.

(a) Buyer acknowledges receipt of the Due Diligence Materials. Buyer shall keep the Due Diligence Materials and all information obtained by Buyer as part of its due diligence review of the Property ("Buyer Materials") confidential and (except with respect to materials which are already of public record or are known to third parties not subject to the non-disclosure requirements of this Agreement, or as may otherwise be required by law) shall not share any of the foregoing with anyone other than Buyer Related Parties who, in Buyer's judgment, need to know such information for evaluating the purchase of the Property. The Buyer Related Parties shall be informed by Buyer of the confidential nature of the Due Diligence Materials and, subject to this Section 2.6(a), the Buyer Materials and shall be directed by Buyer to keep same in the strictest confidence. Buyer shall be responsible for any breach of the obligations set forth in this subparagraph by Buyer or the Buyer Related Parties.

(b) Buyer hereby represents and warrants to Master Developer and CTC that, except as otherwise expressly set forth in this Agreement, Buyer has not entered into this Agreement based upon any representation, warranty, statement or expression of opinion by Master Developer, CTC or any person or entity acting or allegedly acting for or on behalf of Master Developer or CTC with respect to Master Developer, CTC, the Property or the Condition of the Property. Buyer acknowledges and agrees that, except as otherwise expressly set forth in this Agreement, the Property shall be sold and conveyed (and accepted by Buyer at Settlement) **AS IS, WHERE IS, WITH ALL DEFECTS AND WITHOUT ANY WRITTEN OR ORAL REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW.** Except as expressly otherwise provided in this Agreement, Master Developer and CTC make no representation, warranty or covenant, express, implied or statutory, of any kind whatsoever with respect to the Property, including, without limitation, any representation, warranty or covenant as to the accuracy or completeness of the Due Diligence Materials, the Condition of the Property, or any other matter with respect to the Property, all of which are, except as otherwise expressly provided in this Agreement, hereby expressly

disclaimed by Master Developer and CTC. Except as otherwise expressly provided in this Agreement, Buyer acknowledges that Master Developer and CTC have made no representation, warranty or covenant as to the Condition of the Property or compliance of the Property with any federal, state, municipal or local statutes, laws, rules, regulations or ordinances including, without limitation, those pertaining to construction, building and health codes, land use, zoning, riparian or other water related rights, hazardous substances or toxic wastes or substances, pollutants, contaminants, or environmental matters.

(c) Buyer further represents and warrants that Buyer has knowledge and expertise in financial and business matters that enable Buyer to evaluate the merits and risks of the transaction contemplated by this Agreement and that Buyer is not in any disparate bargaining position. Buyer acknowledges and agrees that it has been given full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without, limitation the Condition of the Property.

(d) The Parties acknowledge that the soil and groundwater beneath the Property have been impacted by Hazardous Substances, including without limitation those identified in the Environmental Reports, and require Environmental Remediation pursuant to Environmental Laws. After Settlement, Buyer shall have the obligation, at its sole liability, cost and expense to diligently satisfy, in accordance with Environmental Laws, any and all Environmental Liabilities and Obligations related to the Property resulting from any Hazardous Substances at, on, under or migrating from or onto the Property, other than that caused by any of the Seller Related Parties (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016). Buyer shall remediate any such Hazardous Substances in accordance with, and to the extent required by, all applicable Environmental Laws and shall obtain and provide to Master Developer's LSRP such information as that LSRP requires to issue a Response Action Outcome(s) for the Property within the regulatory timeframes as set forth in the New Jersey Administrative Requirements for the Remediation of Contaminated Sites, N.J.A.C. 7:26C et seq., and the Technical Requirements for Site Remediation, N.J.A.C. 7:26E et seq., stating that the Environmental Remediation has been completed. Buyer shall be solely responsible for the cost associated with having Master Developer's LSRP review that information and issue the RAO(s) for the Property. Alternatively, Buyer may separately engage Master Developer's LSRP to review the information and issue the RAO's for the Property. As to any remedial action permit that is necessary in order for Buyer to obtain an RAO for the Property, Buyer shall, at its sole liability, cost and expense, do all things necessary to apply for, obtain and comply with such permit, including, but not limited to payment of the application fee, the posting of Financial Assurance, and the performance of certifications to the New Jersey Department of Environmental Protection. The Parties agree that any RAOs to be obtained by Buyer pursuant to this Agreement may be restricted use RAOs reflecting attainment of non-residential remediation standards, and/or requiring Institutional and/or Engineering Controls on all or part of the Property including, but not limited to, a deed notice, soil cap, and/or classification exception area, and may also rely on the implementation of a natural attenuation remedial action to achieve any applicable groundwater remediation standards, and Buyer shall be solely responsible for the cost and expense of implementing any requirements associated with those Institutional and/or Engineering Controls; provided, however, Buyer shall not be responsible for any costs, expenses, or worsening of any Environmental Liabilities and Obligations caused by the gross negligence of Master Developer's

LSRP acting pursuant to its engagement by Master Developer with respect to the Camden Waterfront Project.

(e) Without limiting the above, Buyer acknowledges and agrees that, except with respect to environmental conditions on the Property caused by any of the Seller Related Parties (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016), Buyer shall be responsible for all required Environmental Remediation at the Property from and after their acquisition, and on behalf of itself and its successors and assigns waives any rights to recover from, and forever waives, releases and discharges, and covenants not to sue, the Seller Related Parties from any and all demands, claims, rights, remedies, causes of action, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with Environmental Laws or under any common law theory, or any other theory of liability, with respect to environmental matters of any kind or nature concerning the Property.

(f) Anything in this Agreement to the contrary notwithstanding, from and after the date of acquisition of the Property, Buyer hereby agrees to indemnify, defend and hold harmless the Seller Related Parties from and against any claim, action, loss, cost or damage which arises out of, or is alleged to have arisen out of: (a) the violation of any Environmental Law by any Person (other than by any Seller Related Parties (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016)) in connection with the Property; or (b) the presence, use, generation, storage, remediation or release of Hazardous Substances on, under, at or about the Property attributable to the actions or omissions of any Person (other than by any Seller Related Parties (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016)). Without limiting the foregoing, this indemnity shall include any and all costs for any investigations of the Property and other affected Property, any cleanup, removal, repair, remediation or restoration of the Property and other affected property, the preparation of any work plans required or permitted by any governmental authority, the preparation of any corrective action, closure or other plan or report, and all foreseeable and unforeseeable consequential damages, in each case arising directly or indirectly out of the presence, use, generation, storage, remediation or release of Hazardous Substances by any Person (including, without limitation, any Seller Related Parties, DRPA, NJEDA or CCRA) on, under, at or about the Property. Notwithstanding anything in this Section 2.6(f) to the contrary, the foregoing indemnities in this Section 2.6(f) shall not require Buyer to indemnify any of the Seller Related Parties for any matter to the extent caused by any Seller Related Party (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016).

(g) The provisions of this Section 2.6 shall survive Settlement or any expiration or termination of this Agreement without limitation as to time.

2.7 Conditions to Settlement.

(a) The obligation of CTC to complete Settlement hereunder shall be subject to each of the following conditions precedent being satisfied (or waived in writing by CTC in its sole

and absolute discretion) at or before the date of Settlement (or such earlier date as designated below):

(i) No Buyer Event of Default shall then exist;

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct at and as of such Settlement in all material respects as though such representations and warranties were made at and as of such Settlement, except for changes therein that do not materially and adversely affect CTC, Master Developer or the transactions contemplated in this Agreement;

(iii) The Required Approvals shall have been obtained;

(iv) Buyer shall have been designated a Permitted Assignee by the NJEDA;

(v) An amendment to the Master Deed in the form of Exhibit N shall have been recorded in the land records of Camden County, New Jersey; and

(vi) Buyer shall have performed, observed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed on its part prior to or as of such Settlement.

(b) The obligation of Buyer to complete Settlement hereunder shall be subject to each of the following conditions precedent being satisfied (or waived in writing by Buyer in its sole and absolute discretion) at or before the date of Settlement (or such earlier date as designated below):

(i) No Seller Event of Default shall then exist;

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct at and as of such Settlement in all material respects as though such representations and warranties were made at and as of such Settlement, except for changes therein that do not materially and adversely affect Buyer or the transactions contemplated in this Agreement;

(iii) Except to the extent Buyer has agreed otherwise prior to such Settlement, title to the Property shall be good and marketable, subject only to the Permitted Title Exceptions, and insurable at customary or standard rates;

(iv) The Required Approvals shall have been obtained;

(v) Buyer shall have been designated a Permitted Assignee by the NJEDA;

(vi) An amendment to the Master Deed in the form of Exhibit N shall have been recorded in the land records of Camden County, New Jersey; and

(vii) CTC and Master Developer shall each have performed, observed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed on its part prior to or as of such Settlement.

(c) If for any reason whatsoever (other than the default of the Party in whose favor the condition runs) any condition precedent to Settlement set forth in this Section 2.7 is not satisfied or waived as set forth above, the Party in whose favor the condition runs may terminate this Agreement by delivering written notice thereof to the other Party at any time thereafter (but prior to the satisfaction of such condition precedent); provided, however, that the Party receiving such notice may elect to extend the date of Settlement to a date not later than the Outside Settlement Date in order to attempt to satisfy the unsatisfied condition. If any Party terminates this Agreement as set forth in this Section 2.7(c), Buyer shall return all Due Diligence Materials to CTC.

2.8 Treatment of New Unit C-5.

(a) CTC shall retain title to New Unit C-5 at Settlement. Master Developer shall have until the first anniversary of Settlement (the "Outside C-5 Development Initiation Date") to (i) enter into one or more definitive written agreements (each a "C-5 User Agreement") for the development of one or more office buildings by, or on behalf of, one or more end users thereof that are not Affiliates of Master Developer or CTC (each a "C-5 User"), and (ii) obtain, or cause to be obtained, all permits and approvals necessary to commence construction of such office building and improvements on New Unit C-5 (the "C-5 Permits and Approvals"). Each C-5 User Agreement shall provide, among other things, that (A) the height of the building to be developed on New Unit C-5 will not exceed the finished height of the parking garage to be located on the Property, such height not to be lower than as currently contemplated in the Conceptual Design Package, (B) the building to be developed on New Unit C-5 will have a green roof, and (C) none of the initial occupant(s) of the building to be constructed on New Unit C-5 may be a Buyer Competitor and such initial occupants shall use the building for office space and uses ancillary thereto. CTC shall provide written notice to Buyer promptly after CTC or Master Developer enters into a C-5 User Agreement, which notice shall include adequate evidence and backup documentation (including, to the extent necessary, redacted portions of the C-5 User Agreement) to reasonably demonstrate the full consideration paid to CTC or Master Developer for the conveyance of New Unit C-5 to the C-5 User, whether characterized as purchase price, infrastructure allocation or other consideration for such conveyance. The Exterior Design Elements of the building to be constructed on New Unit C-5 shall be subject to the approval of Buyer, such approval not to be unreasonably withheld, conditioned or delayed.

(b) If on or before the Outside C-5 Development Initiation Date Master Developer has entered into a C-5 User Agreement and the C-5 Permits and Approvals have been obtained, then if, as and when settlement occurs under the C-5 User Agreement, CTC shall pay to Buyer an amount equal to fifty percent (50%) of all amounts received by CTC or Master Developer as consideration for the conveyance of New Unit C-5 to the C-5 User (whether characterized as purchase price, infrastructure allocation or other consideration for such conveyance) (the "C-5 Conveyance Allocation"). In no event shall the C-5 Conveyance Allocation paid to Buyer be less than One Million Five Hundred Thousand Dollars (\$1,500,000). Notwithstanding the foregoing, if on the Outside C-5 Development Initiation Date Developer has entered into a C-5 User

Agreement and has applied for the C-5 Permits and Approvals, but any of the C-5 Permits and Approvals have not yet been obtained, then the Outside C-5 Development Initiation Date shall be deemed automatically extended for a one-time period of six (6) months.

(c) Unless on or before the Outside C-5 Development Initiation Date (as the same may have been extended as set forth in Section 2.8(b) above) Master Developer has (i) entered into a C-5 User Agreement, and (ii) obtained the C-5 Permits and Approvals, CTC shall convey New Unit C-5, in its then current as-is where-is condition, to Buyer, or its designated Affiliate that is a Permitted Assignee, for a purchase price of \$1.00. Such conveyance shall take place within sixty (60) days after the Outside C-5 Development Initiation Date, and the conveyance shall be subject to the provisions of Sections 2.4, 2.6, 5.1, 5.3, 5.4, 5.5, 5.6, 5.8, Article 10 and (if required) Section 5.2 of this Agreement. Furthermore, apportionable income and expenses with respect to New Unit C-5 shall be apportioned between CTC and Buyer in accordance with Section 2.5 above as of the date of such conveyance. The deed conveying New Unit C-5 to Buyer or its designated Affiliate shall contain restrictions running with the land that (i) restrict the use of New Unit C-5 to a parking lot, and (ii) require that for a period of ten (10) years thereafter New Unit C-5 shall be landscaped in a manner reasonably acceptable to Master Developer.

ARTICLE 3 Operations Prior to Settlement

3.1 Buyer Access Rights. At reasonable times prior to Settlement, following reasonable notice, Buyer, its accountants, architects, attorneys, engineers, contractors and other representatives shall be afforded reasonable access as follows (collectively, "Buyer Access Rights") to the Property to inspect, measure, appraise, test and make surveys of the Property; provided, however, as follows:

(a) Buyer shall be obligated to obtain Master Developer's prior approval for the performance of any invasive or intrusive environmental testing, such approval not to be unreasonably withheld or delayed if same is recommended by Buyer's environmental engineer. Buyer's written request to undertake such invasive testing shall be accompanied by a summary of the proposed scope of work.

(b) Prior to making any entry upon the Property, Buyer shall deliver to Master Developer an insurance certificate and endorsement to Buyer's insurance policy naming CTC and Master Developer as the certificate holder, evidencing a minimum of \$2,000,000.00 of comprehensive general liability insurance and naming Master Developer and CTC as additional insured thereunder. Such certificate and endorsement shall state that the insurance coverage may not be canceled or modified except upon fifteen (15) days' prior written notice to Master Developer.

(c) Buyer shall not interfere unreasonably with the operation of the Property (which currently serves as a surface parking lot) and shall coordinate all of Buyer's activities under this Section 3.1 with Master Developer to minimize possible interference with the Property.

(d) If this Agreement terminates for any reason, Buyer shall promptly restore (at Buyer's sole cost) any area on the Property disturbed in the course of Buyer's testing to

substantially the conditions that existed prior to such tests unless directed otherwise by Master Developer. The provisions of this Section 3.1(d) shall survive any termination of this Agreement; provided, however, that if Seller does not notify Buyer in writing of the need for restoration of the Property as contemplated above within one (1) year after the termination of this Agreement, the provisions of this Section 3.1(d) shall be void and of no further force or effect.

(e) Except to the extent caused by gross negligence or willful misconduct of any Seller Related Party (including CTC, but only with respect to matters caused by CTC from and after December 2, 2016), Buyer agrees to indemnify, defend, and hold the Seller Related Parties harmless from and against any claim made against any of the Seller Related Parties as a result of Buyer exercising its rights under this Section 3.1. The foregoing indemnification obligation of Buyer shall survive Settlement or the earlier termination of this Agreement.

3.2 Notices. Promptly after receipt thereof by CTC or Master Developer, Master Developer shall deliver to Buyer (i) a copy of any tax bill, notice or statement of value, or notice of change in a tax rate affecting or relating to the Property, (ii) a copy of any notice of an actual or alleged violation of applicable law or regulation relating to the Property, (iii) a copy of any notice of governmental taking or condemnation affecting the Property, and (iv) notice of any material litigation involving the Property or the Camden Waterfront Project.

3.3 DDSA Estoppel. Prior to Settlement, CTC shall use commercially reasonable efforts to obtain an estoppel certificate executed by the CCRA stating to the best of its knowledge that (i) the Designated Developer Sub-Agreement is in full force and effect, and (ii) no default by either party currently exists thereunder, nor does any circumstance then exist which, with the passage of time or the giving of notice, or both, would constitute a default thereunder (the "DDSA Estoppel"). If, as and when Seller receives the DDSA estoppel executed by CCRA, Seller shall promptly deliver a copy of the same to Buyer.

3.4 Pursuit of Required Approvals. The Parties each agree to use diligent good faith efforts to obtain the Required Approvals prior to Settlement, and to cooperate reasonably with each other in support of the Parties' unified efforts to obtain the Required Approvals. Without limiting the generality of the foregoing, neither Buyer nor Seller shall make any application for any Required Approval without first submitting same to the other party for review and approval, to be granted or denied within five (5) Business Days after such submission, such approval not to be unreasonably withheld, conditioned or delayed. With respect to the costs incurred by the parties to pursue to the Required Approvals (i) Seller shall bear the costs of its legal counsel (Ballard Spahr LLP and Cozen O'Connor) and of Robert A.M. Stern Architects, (ii) Buyer shall bear the costs of its legal counsel (including, without limitation, Parker McCay P.A. and Archer Law) and of Pennoni Associates.

ARTICLE 4 Improvements

The Parties acknowledge that this Agreement imposes no obligation on Buyer to construct the Improvements. However, if Buyer, in its sole discretion, elects to construct the Improvements, Buyer shall construct the Improvements at Buyer's sole cost and expense in accordance (in all

material respects) with the Master Plan, the Final Construction Documents, the Designated Developer Sub-Agreement, applicable law (including all zoning, site plan and land use approvals and all requirements thereunder), and otherwise in accordance with the requirements of this Agreement, and shall achieve Substantial Completion of the Improvements no later than the Outside Completion Date. The Parties acknowledge that the Waterfront Development Permit for the Camden Waterfront Project contemplates that the Improvements will be LEED certified. The Parties are seeking approval from the applicable governmental authorities to amend the Waterfront Development Permit to, among other things, modify the LEED requirement such that the Improvements need only be built in accordance with LEED standards, but need not be LEED certified. If such an amendment to the Waterfront Development Permit is obtained, Buyer agrees to design and construct the Improvements in accordance with LEED standards. If such an amendment to the Waterfront Development Permit is not obtained, Buyer shall indemnify, defend and hold Seller harmless from and against any claim, loss, cost or damage arising from Buyer's failure to obtain LEED certification.

4.1 Review Packages. If Buyer elects to construct the Improvements, Buyer, at its sole cost and expense, shall prepare and submit to the NJEDA any updates to the Review Package for the Improvements, to the extent required by the NJEDA under the D&O Agreement. Buyer shall not Commence Construction of the Improvements until it has obtained all necessary approvals from NJEDA to do so.

4.2 Design of the Improvements. Attached hereto as Exhibit J are conceptual design documents for the Exterior Design Elements of the Improvements which are mutually acceptable to the Parties (the "Conceptual Design Package"). Prior to the Commencement of Construction of the Improvements, each subsequent iteration of design documentation for the Improvements (schematic documents, design development documents and construction documents) shall be submitted to Master Developer for review and approval, such approval not to be unreasonably withheld, conditioned or delayed; provided, however, that Master Developer's right to disapprove any such iteration of documents shall be limited solely to additions, deletions or modifications to the Exterior Design Elements which are not mere refinements of concepts embodied in the prior iteration of design documentation. The construction documents approved pursuant to this Section 4.2 are referred to herein as the "Final Construction Documents". Buyer shall not Commence Construction on any portion of the Property until Master Developer has approved the Final Construction Documents in accordance with this Section 4.2. In the event Master Developer does not provide written notice of its disapproval within ten (10) Business Days after Buyer submits the applicable iteration of design documentation for the Improvements to Master Developer, such iteration of design documents shall be deemed to be approved by Master Developer.

4.3 Construction of the Improvements.

(a) If, as and when Buyer elects to Commence Construction of the Improvements, Buyer shall construct the Improvements in a good and workmanlike manner, in accordance in all material respects with the Final Construction Documents and all applicable laws, codes and ordinances. Any material deviation from the Final Construction Documents that modifies an Exterior Design Element, by change order or otherwise, shall be subject to the prior written consent of Master Developer (which consent shall not be unreasonably withheld,

conditioned or delayed) except to the extent required by any applicable governmental authority. The Improvements shall be constructed by a developer, construction manager and/or general contractor selected by Buyer and reasonably acceptable to Master Developer; provided, however, that Buyer shall not engage as developer, development manager, construction manager, owner's representative or general contractor, or in any other capacity in connection with the Improvements, any Competitor of Master Developer. Master Developer hereby approves Jingoli & Sons, Inc., to serve as Buyer's developer, construction manager or general contractor for the construction of the Improvements. Buyer shall use only such labor as is harmonious with other labor used at the Camden Waterfront Project. Master Developer and CTC shall ensure that any labor used at other sites within the Camden Waterfront Project is harmonious with labor used by Buyer.

(b) Prior to the Commencement of Construction of the Improvements, Buyer shall provide CTC and Master Developer with a copy of any completion guaranty provided by Buyer or its principals to Buyer's construction lender. Nothing herein shall be deemed to require Buyer to provide its lender with such a guaranty if the lender does not require it.

(c) CTC shall provide Buyer with access to that portion of New Unit C-5 depicted on the site plan attached hereto as Exhibit M, to be used solely for the purpose of temporary construction staging, equipment storage and laydown areas in connection with the construction of the Improvements; provided, however, that if, as and when Master Developer is ready to commence construction of an office building on New Unit C-5, Master Developer shall notify Buyer thereof in writing, whereupon Buyer shall have twenty (20) days to remove all of its equipment, materials and personnel from New Unit C-5. The rights granted to Buyer under this Section 4.3(c) shall be subject to all of the provisions of Sections 3.1(b) 3.1(c) 3.1(d) and 3.1(e) above.

(d) Master Developer shall ensure that all temporary construction staging, equipment storage and laydown areas to be used in connection with the construction of any other projects within the Camden Waterfront Project shall not materially interfere with or encroach upon the Property.

ARTICLE 5 Additional Agreements

5.1 Condominium Regime.

(a) Prior to the date hereof, CTC has formed the Condominium by filing the Master Deed in the land records of Camden County, New Jersey. Certain facilities and amenities (such as the private streets, sidewalks, utility systems and green areas) will be common elements of the Condominium (the "Common Elements"), and the Condominium Association will provide or oversee certain common services for the benefit of the Unit owners, such as security and, subject to the modifications to the Master Deed set forth below, shuttle transportation services. Buyer agrees to take title to the Property subject to the Condominium and the Condominium Documents, subject to the modifications described below. Buyer agrees that it will be subject to ongoing common expense assessments and other service charges in accordance with the recorded Condominium Documents (as so modified) which are anticipated to be assessed against owners of

the Camden Waterfront Project for maintenance and operation of the common elements of the Condominium (and limited common elements appurtenant to the Property) as well as for services provided by the Condominium Association.

(b) Subject to receipt of the Required Approvals, prior to Settlement Master Developer and CTC shall cause the Master Deed to be amended, such amendment to be in the form of Exhibit N attached hereto.

5.2 Community Outreach. Buyer acknowledges that Master Developer and the City of Camden are parties to the Community Investment Agreement, a true and correct copy of which is attached hereto as Exhibit G. Buyer shall not do anything that would cause Master Developer to violate the Community Investment Agreement. Furthermore, Buyer desires to work cooperatively with the City of Camden and its associated agencies and offices to promote community outreach and job training in the Camden metropolitan area. Accordingly, at Settlement Buyer shall execute and deliver to the Escrow Agent an agreement that embodies the concepts of the Community Investment Agreement, which agreement shall be released from escrow and delivered to the applicable governmental authorities by Escrow Agent upon issuance of a building permit for the Improvements, in accordance with the procedures described in Section 2.3 above. Master Developer and CTC shall not intentionally undertake any action or inaction which would cause Buyer to violate such agreement. Without limiting the generality of the foregoing, if Buyer commences construction of the Improvements, [REDACTED]

[REDACTED], which payment is required on account of the Improvements pursuant to Section V.D of the Community Investment Agreement, and Buyer agrees to hold Seller harmless for such payment.

5.3 D&O Agreement. Buyer agrees to be bound by and comply with all of the provisions of the D&O Agreement applicable to the Property or to a Permitted Assignee. Master Developer shall cooperate reasonably with Buyer (at no cost to Master Developer) in Buyer's efforts to cause NJEDA to accept Buyer as a Permitted Assignee.

5.4 Municipal Development Agreement. Buyer agrees to comply with the requirements of Section 2(b) of the Municipal Development Agreement, as applicable to the Property.

5.5 Designated Developer Sub-Agreement.

(a) CTC has the right to develop parcels of property within the Camden Waterfront Project pursuant to the D&O Agreement between CTC and NJEDA. However, some of the property which is subject to the D&O Agreement was previously owned in fee by CCRA. The NJEDA's right to convey the CCRA property to CTC pursuant to the D&O Agreement was and is subject to the terms of the Redevelopment Agreement between the NJEDA and CCRA. The Redevelopment Agreement, in turn, requires CTC, or any permitted assignee of CTC, to enter into the Designated Developer Sub-Agreement with CCRA. The Property is subject to this requirement. Because CTC has taken title to the Property prior to conveying it to Buyer, CTC is currently the signatory to the Designated Developer Sub-Agreement with respect to the Property

and will assign such agreement to Buyer at the Settlement, which agreement shall be binding on Buyer immediately upon such assignment.

(b) At Settlement, in accordance with Sections 2.3(a)(i) and 2.3(a)(ii) above, Buyer and CTC shall execute and deliver a DDSA Assignment Agreement (in the form of Exhibit D to said form of revised Designated Developer Sub-Agreement) whereby CTC assigns its rights and obligations under such revised Designated Developer Sub-Agreement to Buyer, and Buyer assumes all such rights and obligations (which agreement shall be binding on Buyer immediately upon such assignment) solely with respect to the Property and solely to the extent of rights and obligations arising after Settlement, including without limitation the right of reverter held by CCRA thereunder.

5.6 Support of the Camden Waterfront Project. Buyer agrees to use diligent good-faith efforts to publically and privately support the Camden Waterfront Project (including with respect to state and local governmental agencies). Buyer agrees to work cooperatively with Master Developer in Master Developer's efforts to obtain new End Users for the Camden Waterfront Project. No Party shall, in any public or private statement made or promoted by it or its Affiliates, disparage the Camden Waterfront Project or any of the Seller Related Parties or Buyer Related Parties with respect to the Camden Waterfront Project. Notwithstanding the foregoing, the failure of any Party to satisfy the provisions of this Section 5.6 shall not constitute an Event of Default under this Agreement.

5.7 Street Name. On or before October 1, 2017, Master Developer shall cause the name of the street identified on the Master Plan as "Proposed Caruso Place" to be changed to "Victor Place".

5.8 Conveyance; Leasing. If Buyer elects to convey all or any part of the Property prior to the Substantial Completion of the Improvements, Buyer shall cause the grantee of such conveyance to assume all obligations of Buyer set forth in Article 4 and Article 5 of this Agreement. Any such conveyance shall comply with the D&O Agreement, the Designated Developer Sub-Agreement and any additional requirements of the NJEDA. Except with respect to leases for retail uses and amenities serving the office component of the Improvements (such as, by way of example and not limitation, conference centers, fitness centers, restaurants and convenience stores) Buyer shall not lease any part of the Property or Improvements, or market any part of the Property or Improvements, to any tenants other than the Anchor Tenants for a period of four (4) years after Settlement.

5.9 Necessary Common Elements. Subject to extension by one (1) day for each day of Excusable Delay, Master Developer and CTC agree to substantially complete the Necessary Common Elements on or before April 24, 2019. As used in this Section 5.9, "substantially complete" means that the Necessary Common Elements are (i) completed, except for minor items that do not materially interfere with the use of the Necessary Common Elements, and (ii) available for Buyer's use. If Seller fails to substantially complete the Necessary Common Elements within the time period specified above, Buyer shall be entitled to exercise all remedies available at law or in equity. Buyer shall provide Master Developer, CTC and their contractors reasonable access to those portions of the Property as may be necessary for Master Developer and CTC to construct the

Necessary Common Elements. Without limiting the generality of the foregoing, commencing not later than January 24, 2019, Master Developer, CTC and their contractors shall be afforded unfettered access to those portions of the Property necessary for the construction of the Necessary Common Elements located on or adjacent thereto, subject to the following:

(a) Master Developer shall provide Buyer with not less than five (5) days prior written notice that it requires access to the Property. Such notice shall describe in reasonable detail the work that Master Developer intends to perform and the anticipated duration of the required access to the Property.

(b) Provided Master Developer and its contractors are afforded the unfettered access to the Property described above, Master Developer shall make commercially reasonable efforts not to interfere unreasonably with Buyer's construction activities at the Property, and shall coordinate its activities under this Section 5.9 with Buyer to minimize possible interference with Buyer's construction activities at the Property.

(c) Prior to making any entry upon the Property, Master Developer shall deliver to Buyer an insurance certificate and endorsement to Master Developer's insurance policy naming Buyer as the certificate holder, evidencing a minimum of \$2,000,000.00 of comprehensive general liability insurance and naming Buyer as an additional insured thereunder. Such certificate and endorsement shall state that the insurance coverage may not be canceled or modified except upon fifteen (15) days' prior written notice to Buyer.

(d) Except to the extent caused by gross negligence or willful misconduct of any Buyer Related Party, Master Developer agrees to indemnify, defend, and hold the Buyer Related Parties harmless from and against any claim made against any of the Buyer Related Parties as a result of Master Developer entering onto the Property for the purpose of exercising its rights under this Section 5.9.

5.10 Permitted Assignee. Buyer shall use diligent good faith efforts to obtain from NJEDA prior to Settlement written approval of Buyer as a Permitted Assignee. Buyer shall deliver a copy of such written notice to Master Developer promptly upon the receipt thereof.

5.11 Limited Access to New Unit C-5. CTC acknowledges that Buyer has developed an environmental remediation protocol for New Unit C-1 which includes the excavation and removal of certain contaminated soil. Buyer has identified the portions of New Unit C-1 on which it will conduct such excavation, including so called "buffer zones" around the areas of contamination. Some of these buffer zones encroach slightly onto New Unit C-5. Accordingly, as an accommodation to Buyer, effective from the date of Settlement until the date that is six (6) months after Settlement, CTC hereby grants Buyer and Buyer's contractors the right to access those portions of New Unit C-5 reasonably required for Buyer to excavate soil solely from the portion of New Unit C-5 labeled as "AOC-3 Environmental Excavation" on Exhibit L attached hereto, and disposing of such soil in accordance with all Environmental Laws, all at Buyer's sole cost and expense. Furthermore, at Buyer's sole cost and expense, and in accordance with all Environmental Laws, Buyer shall immediately provide and place appropriate backfill in the areas that it excavates on New Unit C-5 and shall restore those areas to substantially the conditions that existed prior to

excavation. Buyer shall provide Master Developer with not less than two (2) Business Days prior written notice before entering New Unit C-5 for the purpose of commencing the work described in this paragraph and shall provide a certification, together with supporting documentation, in form and substance reasonably acceptable to Master Developer, from Buyer's engineer confirming and demonstrating that clean fill is being used for all backfill in accordance with all Environmental Laws. The provisions of Sections 3.1(b), 3.1(c), 3.1(d) and 3.1(e) above shall apply to the access to New Unit C-5 granted in this Section 5.11. Notwithstanding the foregoing, if (i) Buyer removes soils from New Unit C-5 that Master Developer would have been required to remediate (other than by capping the site and/or the implementation of use restrictions) pursuant to Environmental Laws, and (ii) settlement takes place under a C-5 User Agreement, then contemporaneously with such settlement CTC shall pay to Buyer or its designee promptly after receiving Buyer's invoice therefor (together with reasonable supporting documentation) a sum equal to the out-of-pocket costs reasonably incurred by Buyer to excavate and remove that contaminated soil from New Unit C-5.

ARTICLE 6

Parking

6.1 Parking Requirements. Buyer shall be required to provide sufficient parking on the Property to cause the Improvements to comply with applicable parking space requirements under the Land Development Ordinance for the City of Camden (which includes the provision of at least one (1) parking space for each one-thousand (1,000) square feet of professional space to be constructed on the Property).

ARTICLE 7

Default; Remedies

7.1 Default by Buyer.

(a) As used herein "Buyer Event of Default" means (i) Buyer fails to complete Settlement as and when required by this Agreement, or (ii) Buyer otherwise fails to comply with any of its material non-monetary obligations hereunder and such failure is not cured within thirty (30) days after written notice of default sent by Master Developer to Buyer, provided, however, that if a post-Settlement default cannot reasonably be cured within such thirty (30) day period, then so long as Buyer commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion, Buyer shall have such additional period of time as is reasonably necessary to complete the cure.

(b) Upon the occurrence of a Buyer Event of Default, CTC and Master Developer shall have all rights and remedies available at law or in equity; provided, however, that if the Settlement has not yet been consummated, CTC (as Seller's sole remedy) shall have the right to terminate this Agreement and retain all rights to the Deposit in accordance with the provisions of Section 2.2 as liquidated damages, and thereafter no Party shall have any further rights or obligations under this Agreement except for those that expressly survive the termination of this Agreement. For the avoidance of doubt, neither CTC nor Master Developer shall have any right to enforce any completion guaranty in favor of Buyer's lender.

(c) The rights and remedies of CTC and Master Developer hereunder shall survive the termination of this Agreement. No payment by Buyer or receipt or acceptance by CTC or Master Developer of a lesser amount than the total amount due CTC and/or Master Developer under this Agreement shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and CTC and/or Master Developer may accept such check or payment without prejudice to their respective right to recover the balance of all amounts due hereunder, or their respective right to pursue any other available remedy.

7.2 Default by Seller.

(a) As used herein, "Seller Event of Default" means (i) the failure of CTC to complete Settlement as and when required under this Agreement, or (ii) CTC or Master Developer otherwise fail to comply with any of their respective material non-monetary obligations hereunder and such failure is not cured within thirty (30) days after written notice of default sent by Buyer to CTC and Master Developer, provided, however, that if such default cannot reasonably be cured within such thirty (30) day period, then so long as CTC and/or Master Developer (as applicable) commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion, CTC and Master Developer shall have such additional period of time as is reasonably necessary to complete the cure.

(b) If CTC fails to convey the Property to Buyer on the date of the Settlement as set forth in Section 2.3(a) above in default of its obligations under this Agreement, Buyer, as its sole and exclusive remedy, may either (i) terminate this Agreement by delivery of notice of termination to CTC, whereupon Buyer shall retain all rights to the Deposit in accordance with the provisions of Section 2.2, and Seller shall reimburse Buyer for its reasonable out-of-pocket costs incurred from and after January 1, 2017 in connection with (A) Buyer's due diligence investigations of the Property, and (B) legal fees incurred in the negotiation of this Agreement, provided that the costs reimbursable under clauses (A) and (B) above [REDACTED], or (ii) bring suit for specific performance hereunder of CTC's obligations to complete the Settlement, provided appropriate proceedings are commenced by Buyer within ninety (90) days of the date upon which the Settlement was to have occurred and prosecuted with diligence and continuity.

(c) With respect to any Seller Event of Default occurring after Settlement, Buyer shall have all remedies available at law or in equity.

(d) The rights and remedies of Buyer hereunder shall survive the termination of this Agreement. No payment by CTC or Master Developer or receipt or acceptance by Buyer of a lesser amount than the total amount due Buyer under this Agreement shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and Buyer may accept such check or payment without prejudice to Buyer's right to recover the balance of all amounts due hereunder.

ARTICLE 8 Notices

All notices, demands, requests and other communications under this Agreement will be in writing and will be delivered (i) in person, (ii) by registered or certified mail, return receipt requested, (iii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (iv) by electronic mail, provided that if sent by electronic mail pursuant to this clause (iv), a copy is sent concurrently by one of the methods described in clauses (i), (ii) or (iii) above, addressed as follows or at such other address of which Master Developer or Buyer will have given notice as herein provided:

To CTC or Master Developer at: Liberty Property Limited Partnership
c/o Liberty Property Trust
150 Rouse Boulevard
Suite 210
Philadelphia, PA 19112
Attn: John S. Gattuso, Senior Vice President
and Regional Director
Email: Jgattuso@libertyproperty.com

with a copy to: Liberty Property Trust
500 Chesterfield Parkway
Malvern, PA 19355
Attn: Herman C. Fala, Esquire
Email: Hfala@libertyproperty.com

with a copy to: Cozen O'Connor
One Liberty Place, Suite 2800
1650 Market Street
Philadelphia, PA 19103
Attn: Adam M. Silverman, Esquire
Email: Asilverman@cozen.com

To Buyer at: Camden Partners Tower Equities, LLC
c/o Parker McCay, P.A.
9000 Midlantic Drive
Suite 300
Mt. Laurel, NJ 08054
Attn: Susan D. Hudson
Email: shudson@generalamerican.net

With a copy to: Archer Law
One Centennial Square
33 East Euclid Avenue
Haddonfield, NJ 08033
Attn: Gary L. Green, Esq.
Email: ggreen@archerlaw.com

ARTICLE 9
Representations and Warranties

9.1 CTC's Representations and Warranties. CTC hereby represents and warrants to Buyer as of the Effective Date and the date of Settlement that:

(a) CTC is a limited liability company duly formed and in good standing in the State of New Jersey;

(b) CTC has all necessary limited liability company power and authority to enter into this Agreement and, at or before Settlement, shall have all necessary limited liability company power and authority to perform its obligations under this Agreement;

(c) Prior to the date hereof, no written notice was served upon CTC nor does CTC have any actual knowledge of the existence of any assessments pending against the Property for public improvements which remain unpaid;

(d) Except as disclosed to Buyer in writing (including, without limitation, for matters disclosed in the Due Diligence Materials), CTC has not received any written notice of, nor to CTC's knowledge has any governmental authority threatened, any proceeding, notice, suit or judgment related to the violation at the Property of any zoning, building, fire, air pollution, health, environmental or other law, ordinance or regulation or seeking or requiring any corrective work on the Property;

(e) The persons who have executed this Agreement on CTC's behalf have the authority to do so;

(f) The execution, delivery and (subject to the satisfaction of the conditions set forth in Section 2.7 above) performance of this Agreement will not violate the organizational documents of CTC or the terms of any contract or agreement to which it is a party or by which it is bound, and no consent or approval from any third-party is required for the execution, delivery and performance of this Agreement (other than those that have been obtained or which are anticipated to be obtained prior to Settlement or when otherwise necessary);

(g) There are no proceedings pending or, to CTC's knowledge, threatened by or against CTC in bankruptcy, insolvency or reorganization in any state or federal court;

(h) CTC is not aware of and has not received any written notice of any current or pending litigation against CTC or the Property (including, without limitation, any condemnation proceedings) which would materially and adversely affect the Property or the ability of CTC to fulfill its obligations under this Agreement;

(i) The transactions described in this Agreement are not subject to the requirements of ISRA;

(j) Neither CTC nor, to CTC's actual knowledge, any person, group or entity that CTC is acting, directly or indirectly for, or on behalf of (including, without limitation, CTC),

is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and CTC is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. CTC is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of CTC have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in CTC is prohibited by Law or that the transaction or this Agreement is or will be in violation of law. CTC has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Settlement; and

(k) CTC has received no written notice of, and to CTC's knowledge CTC is not in, any default (i) by CTC under the D&O Agreement or the Designated Developer Sub-Agreement, or (ii) by any of the parties under the Redevelopment Agreement or the Municipal Development Agreement.

9.2 Master Developer's Representations and Warranties. Master Developer hereby represents and warrants to Buyer as of the Effective Date and the date of Settlement that:

(a) Master Developer is a limited partnership duly formed and subsisting in the Commonwealth of Pennsylvania;

(b) Master Developer has all necessary limited partnership power and authority to enter into this Agreement and, at or before Settlement, shall have all necessary partnership power and authority to perform its obligations under this Agreement;

(c) Prior to the date hereof, no written notice was served upon Master Developer nor does Master Developer have any actual knowledge of the existence of any assessments pending against the Property for public improvements which remain unpaid;

(d) Except as disclosed to Buyer in writing (including, without limitation, for matters disclosed in the Due Diligence Materials), Master Developer has not received any written notice of, nor to Master Developer's knowledge has any governmental authority threatened, any proceeding, notice, suit or judgment related to the violation at the Property of any zoning, building, fire, air pollution, health, environmental or other law, ordinance or regulation or seeking or requiring any corrective work on the Property;

(e) The persons who have executed this Agreement on Master Developer's behalf have the authority to do so;

(f) The execution, delivery and (subject to the satisfaction of the conditions set forth in Section 2.7 above) performance of this Agreement will not violate the organizational

documents of Master Developer or the terms of any contract or agreement to which it is a party or by which it is bound, and no consent or approval from any third-party is required for the execution, delivery and performance of this Agreement (other than those that have been obtained or which are anticipated to be obtained prior to Settlement or when otherwise necessary);

(g) There are no proceedings pending or, to Master Developer's knowledge, threatened by or against Master Developer in bankruptcy, insolvency or reorganization in any state or federal court;

(h) Master Developer is not aware of and has not received any written notice of any current or pending litigation against Master Developer or the Property (including, without limitation, any condemnation proceedings) which would materially and adversely affect the Property or the ability of Master Developer to fulfill its obligations under this Agreement;

(i) The transactions described in this Agreement are not subject to the requirements of ISRA;

(j) Neither Master Developer nor, to Master Developer's actual knowledge, any person, group or entity that Master Developer is acting, directly or indirectly for, or on behalf of (including, without limitation, CTC), is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and Master Developer is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Master Developer is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Master Developer have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Master Developer is prohibited by Law or that the transaction or this Agreement is or will be in violation of law. Master Developer has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Settlement; and

(k) Master Developer has received no written notice of, and to Master Developer's knowledge Master Developer is not in, any default (i) by CTC under the D&O Agreement or the Designated Developer Sub-Agreement, or (ii) by any of the parties under the Redevelopment Agreement or the Municipal Development Agreement.

9.3 Buyer's Representations and Warranties. Buyer hereby represents and warrants to CTC and Master Developer as of the Effective Date and the date of Settlement that:

(a) Buyer is a limited liability company duly formed and in good standing under the laws of New Jersey;

(b) Buyer has all necessary limited liability company power and authority to enter into and perform its obligations under this Agreement;

(c) As of the Effective Date, Buyer is Controlled by the Anchor Tenants or their Affiliates;

(d) The persons who have executed this Agreement on Buyer's behalf have the authority to do so;

(e) The execution, delivery and performance of this Agreement will not violate the organizational documents of Buyer or the terms of any contract or agreement to which it is a party or by which it is bound, and no consent or approval from any third-party is required for the execution, delivery and performance of this Agreement (other than those that have been obtained or which are anticipated to be obtained prior to Settlement or when otherwise necessary);

(f) There are no proceedings pending or, to Buyer's knowledge, threatened by or against Buyer or its principals in bankruptcy, insolvency or reorganization in any state or federal court;

(g) Buyer has not received any written notice of any current or pending litigation against Buyer or the Property (including, without limitation, any condemnation proceedings) which would materially and adversely affect the Property or the ability of Buyer to fulfill its obligations under this Agreement; and

(h) Neither Buyer nor, to Buyer's actual knowledge, any person, group or entity that Buyer is acting, directly or indirectly for, or on behalf of, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and Buyer is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Buyer is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Buyer have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Buyer is prohibited by Law or that the transaction or this Agreement is or will be in violation of law. Buyer has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Settlement.

9.4 Survival. The representations and warranties of the parties set forth in this Agreement, including those set forth in this Article 9, shall survive Settlement for a period of one (1) year.

ARTICLE 10
Miscellaneous

10.1 Survival. The provisions of this Agreement which, by their express terms or by context, are intended to be performed after Settlement shall survive Settlement.

10.2 Complete Agreement. This Agreement together with the that certain Parking Lease Agreement between CTC and an Affiliate of Buyer dated December 2, 2016, represents the complete, entire and integrated agreement between Buyer and Seller, and their respective Affiliates and principals, and it supersedes all prior negotiations, representations or agreements, either written or oral, including, without limitation, all negotiations, discussions, terms sheets, letters of intent and draft documents in any way relating to the sale or development of the Property or the development of, or investment or joint venturing in, the Camden Waterfront Project or any component thereof. This Agreement may be amended only by written instrument signed by Buyer, CTC and Master Developer.

10.3 Advice of Counsel. This Agreement was negotiated in good faith between Buyer and Seller, and Buyer and Seller have had the opportunity to be, and have been, advised by independent counsel of their own selection concerning the negotiation, import and execution of this Agreement.

10.4 Severable Provisions. The provisions of this Agreement are severable and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, such invalidity or unenforceability shall not in any manner affect such provision in any other jurisdiction or any other provisions of this Agreement in any jurisdiction, unless such invalidity or unenforceability materially and adversely impacts the benefits or burdens of this Agreement to any Party.

10.5 Binding Effect. None of the Parties to this Agreement shall be permitted to assign or transfer its rights hereunder, except that (i) Master Developer shall have the right to assign its rights hereunder and delegate its obligations hereunder to CTC or any other Affiliate of Master Developer, provided that (a) the assignee shall expressly assume all obligations of Master Developer under this Agreement pursuant to a written instrument reasonably acceptable to Buyer, and (b) either (A) Master Developer agrees to remain liable of all of its obligations under this Agreement, or (B) Buyer consents in writing to such assignment, (ii) CTC shall have the right to assign its rights hereunder and delegate its obligations hereunder (other than its obligations respecting the conveyance of the Property) to Master Developer or any other Affiliate of CTC, provided that the assignee shall expressly assume all obligations of CTC under this Agreement pursuant to a written instrument reasonably acceptable to Buyer, and (iii) subject to the terms of the D&O Agreement and the Designated Developer Sub-Agreement, Buyer shall have the right to assign its rights hereunder and delegate its obligations hereunder to an Affiliate of Buyer, provided that: (a) the assignee shall be a Permitted Transferee, (b) the assignee shall expressly assume all obligations of Buyer under this Agreement pursuant to a written instrument reasonably acceptable to Master Developer, and (c) such assignment shall not relieve the Buyer named in this Agreement (or any future Buyer) from its obligations under this Agreement. Any change in Control of Buyer (by the assignment or transfer of direct or indirect equity interests in Buyer, by contract or otherwise) shall be deemed an assignment of Buyer's rights under this Agreement for the purposes of this Section 10.5. Nothing herein shall be deemed to prohibit any holder of direct or indirect ownership interests in Buyer from transferring all or part of such direct or indirect interests,

provided that following any and all such transfers Buyer continues to be Controlled by the Anchor Tenants or their Affiliates. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

10.6 Broker's Commission. Buyer represents and warrants to Seller, and Seller represents and warrants to Buyer, that each has dealt with no broker, agent, finder or other intermediary in connection with the sale and purchase of the Property. Seller agrees to indemnify, defend and hold Buyer harmless from and against any broker's claim arising from any breach by Seller of Seller's representation and warranty in this paragraph. Buyer agrees to indemnify, defend and hold Seller harmless from and against any broker's claim arising from any breach by Buyer of Buyer's representation and warranty in this paragraph. The foregoing indemnification obligations of Seller and Buyer shall survive the expiration or earlier termination of this Agreement.

10.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, together, shall constitute one and the same instrument. Electronically delivered signatures shall bind the parties hereto.

10.8 Bulk Sales.

(a) CTC acknowledges that Buyer shall be entitled to file with the State of New Jersey, the Division of Taxation (the "Division"), a Notification of Sale, Transfer, or Assignment in Bulk (New Jersey Form C-9600) and an executed copy of this Agreement, enumerating the Purchase Price and the terms and the conditions hereof, as required by N.J.S.A. Sections 54:32B-22(c) and 54:50-38 (the "Bulk Sale Laws") and as necessary to obtain a letter of tax clearance from the Division (the "Bulk Sale Notification"). Buyer's attorney shall prepare and deliver to the Division the Bulk Sale Notification no later than fifteen (15) Business Days prior to Settlement and shall forward a copy of the same to CTC's attorney. Further, Buyer shall provide to CTC a copy of any and all correspondence received from the Division in response to the Bulk Sale Notification. CTC shall prepare and deliver to the Division an Asset Transfer Tax Declaration (the "ATTD") in the form prescribed by the Division at least ten (10) Business Days prior to Settlement. If this Agreement is terminated prior to Settlement for any reason whatsoever, Buyer shall promptly send a written notice to the Division notifying the Division that this Agreement has been terminated and that the sale contemplated hereby will not close. CTC agrees to cooperate in good faith with Buyer with filing the Bulk Sale Notification and obtaining a letter of tax clearance from the Division.

(b) If, at any time prior to Settlement, the Division informs Buyer that a possible claim (the "Claim") for any State Tax (as defined in N.J.S.A. Section 54:48-2) imposed or to be imposed on CTC exists, then Buyer and CTC shall close as scheduled, and Buyer shall withhold from the Purchase Price the amount directed by the Division (the "Deficiency"), which amount so withheld (together with interest accrued thereon, if any, the "Tax Escrow") shall be held in escrow by the Escrow Agent pursuant to a tax escrow agreement in a form reasonably agreed to by Buyer, CTC and Escrow Agent. CTC shall have the right to negotiate directly with the Division regarding the Claim and the Deficiency; provided, however, (i) if a letter of tax clearance is issued by the Division or if the Division otherwise informs Buyer or Escrow Agent in writing that the Division will not assert liability against Buyer pursuant to the Bulk Sale Laws in connection with the

transactions contemplated by this Agreement, then Escrow Agent shall immediately release any and all amounts remaining in the Tax Escrow to CTC, or (ii) if the Division demands in writing the payment of any amounts held in the Tax Escrow by the Buyer, Escrow Agent is irrevocably authorized and directed to remit to the Division the sum demanded, provided however, that Escrow Agent shall not do so any sooner than the business day immediately prior to the last date provided by the Division for the remittance of such amounts, and thereafter, shall immediately release any and all amounts remaining in the Tax Escrow to CTC.

(c) CTC agrees to indemnify Buyer for any and all amounts of CTC's State Tax obligations that the Division holds the Buyer responsible for pursuant to the Bulk Sale Laws.

(d) CTC's New Jersey Tax Identification Number is 04-3793293.

(e) The provisions of this Section 10.8 shall survive Settlement or the sooner termination of this Agreement.

10.9 Interpretation. The paragraph headings are used herein for reference purposes only and should not govern, limit, or be used in construing this Agreement or any provision hereof. Any Exhibits attached hereto are incorporated herein by reference and expressly made a part of this Agreement for all purposes. References to any Exhibit made in this Agreement shall be deemed to include this reference and incorporation. Where the context so requires, the use of the neuter gender shall include the masculine and feminine genders, the masculine gender shall include the feminine and neuter genders, and the singular number shall include the plural and vice versa. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

10.10 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by the laws of the State of New Jersey.

(b) With respect to any suit, action or proceedings relating to the transactions contemplated herein, this Agreement, the Property, the Camden Waterfront Project or the relationship of Seller and Buyer herein, each Party irrevocably (a) submits to the exclusive jurisdiction of the courts of Camden County, New Jersey and the United States District Court for the District of New Jersey sitting in Camden New Jersey, and (b) waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have jurisdiction over such Party.

(c) **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDINGS BROUGHT BY THE OTHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE TRANSACTIONS CONTEMPLATED HEREIN, THIS AGREEMENT, THE PROPERTY, OR THE RELATIONSHIP OF SELLER AND BUYER HEREUNDER. EACH PARTY HEREBY WAIVES THE RIGHT TO RECEIVE INCIDENTAL, SPECIAL,**

**CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOST PROFITS)
RESULTING FROM ANY BREACH OR DEFAULT OF THIS AGREEMENT.**

(d) The provisions of this Section 10.10 shall survive Settlement (and not be merged therein) or any termination of this Agreement.

10.11 No Partnership. Nothing in this Agreement shall be deemed to create a partnership between Buyer and Seller in connection with all or any aspect of the transactions contemplated herein or any services to be provided by CTC or Master Developer hereunder.

10.12 No Third-Party Beneficiaries. Except as expressly provided herein, this Agreement is made solely for the benefit of CTC, Master Developer and Buyer and no other parties whatsoever. Nothing contained herein is intended to, nor shall, create a contractual relationship with or a cause of action in favor of a third party against Buyer, CTC or Master Developer.

10.13 Time of Essence. Time is of the essence with respect to all matters under this Agreement.

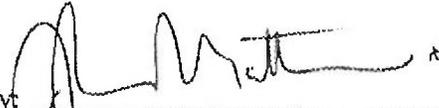
(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Purchase, Sale and Development Agreement as of the date first above written.

MASTER DEVELOPER:

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust, its sole general partner

By: 
Name: John S. Gattuso
Title: Senior Vice President and Regional Director

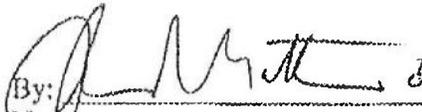
By: _____
Name:
Title:

CTC:

CAMDEN TOWN CENTER, LLC

By: CTC PARENT HOLDINGS LLC,
a Delaware limited liability company,
its sole member

By: LPDC CAMDEN LLC,
a Delaware limited liability
Company, its Managing Member

By: 
Name: JOHN S. GATTUSO
Title: SENIOR VICE PRESIDENT & REGIONAL DIRECTOR

By: _____
Name:
Title:

(Signatures continue on next page)

IN WITNESS WHEREOF, the parties have executed this Purchase, Sale and Development Agreement as of the date first above written.

MASTER DEVELOPER:

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust, its sole general partner

By: _____
Name: John S. Gattuso
Title: Senior Vice President and Regional Director

By:  _____
Name: William P. Hankowsky
Title: Chairman, President and CEO

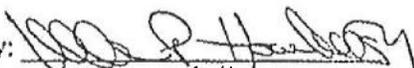
CTC:

CAMDEN TOWN CENTER, LLC

By: CTC PARENT HOLDINGS LLC,
a Delaware limited liability company,
its sole member

By: LPDC CAMDEN LLC,
a Delaware limited liability
Company, its Managing Member

By: _____
Name:
Title:

By:  _____
Name: William P. Hankowsky
Title: President and CEO

(Signatures continue on next page)

BUYER:

CAMDEN PARTNERS TOWER EQUITIES, LLC

By: 

Name: Philip A. Norcross

Title: Authorized Representative

[Signature Page to Purchase, Sale and Development Agreement]

JOINDER OF ESCROW AGENT

The undersigned hereby joins in the execution of this Agreement to evidence its agreement to serve as Escrow Agent in accordance with the terms of this Agreement applicable thereto including, without limitation, the provisions of Article 2 above, and to acknowledge receipt of the Deposit in the amount of [REDACTED].

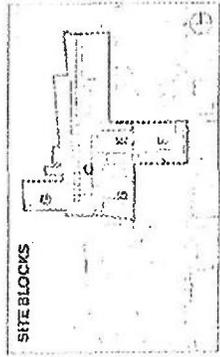
TITLE AMERICA AGENCY CORPORATION

By: [Signature]
Name: PAUL D. SKEWES
Title: EXECUTIVE VICE PRESIDENT

[Joinder to Purchase, Sale and Development Agreement]

EXHIBIT A

Master Plan



DELAWARE RIVER

BEN FRANKLIN BRIDGE

WATERMONT PARK

PROPOSED WATER ST.

C1 LOT LINE
10' SETBACK

FERRY
TERMINAL
BUILDING

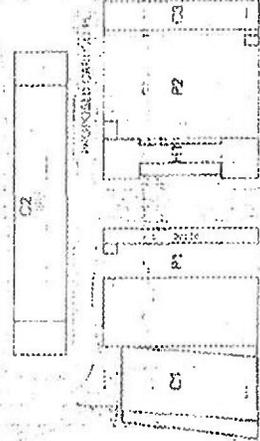
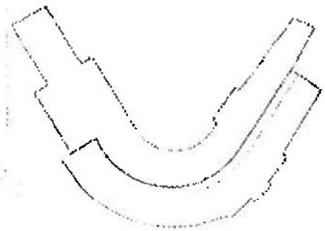
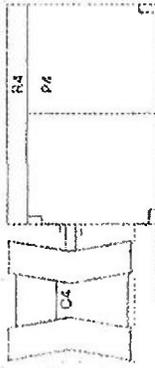
RIVERVIEW DR

MARKET ST

ARCH ST

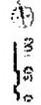
COOPER ST

PEW ST



LIBERTY ST.

DELAWARE AVE.



LIBERTY PROPERTY TRUST
ROBERT A.M. STERU ARCHITECTS

SITE PLAN
JULY 13, 2016

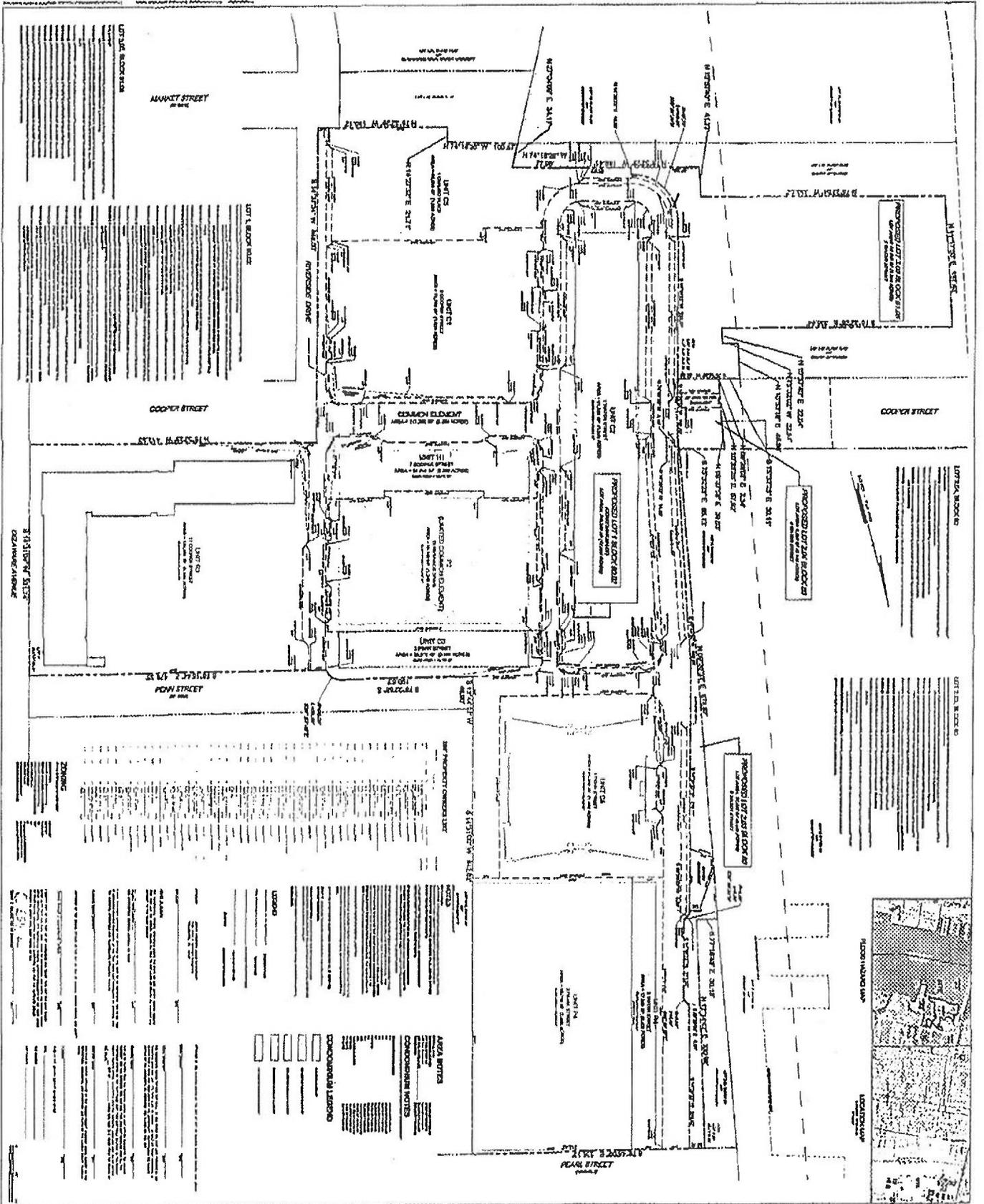
CAMDEN MASTER PLAN
CAMDEN, NEW JERSEY
NOT INTENDED FOR CONSTRUCTION PURPOSES

EXHIBIT B-1

Existing Condominium Plan

EXHIBIT B-2

Site Plan Depicting Newly Configured Condominium Units



V1501

NO.	REVISION	DATE
1	ISSUED FOR PERMIT	08/15/11
2	REVISION TO PERMIT	09/01/11
3	REVISION TO PERMIT	09/15/11
4	REVISION TO PERMIT	10/01/11
5	REVISION TO PERMIT	10/15/11
6	REVISION TO PERMIT	11/01/11
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99	REVISION TO PERMIT	09/15/15
100	REVISION TO PERMIT	10/01/15

CAUDEN WATERFRONT DEVELOPMENT
 1000 WEST 10TH STREET, PHOENIX, ARIZONA 85001
 CITY OF PHOENIX, ARIZONA

CONDOMINIUM PLAN

1000 WEST 10TH STREET, PHOENIX, ARIZONA 85001
 1000 WEST 10TH STREET, PHOENIX, ARIZONA 85001
 1000 WEST 10TH STREET, PHOENIX, ARIZONA 85001

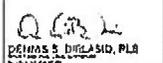

DENNIS & DILASID, PLLC
 ARCHITECTS
 1000 WEST 10TH STREET, PHOENIX, ARIZONA 85001
 PHOENIX, ARIZONA 85001

EXHIBIT B-3

Metes & Bounds Description of New Unit C-1

BEGINNING at a point on the Southerly end of an arc that connects the Westerly side of Riverside Drive and the Southerly side of Cooper Street:

Thence (1) From said Beginning Point, along a curve to the left, concave to the West, having a radius of 25.00 feet, an arc length of 39.27 feet and a chord bearing of N 30°30'38" W, to a point of tangency on the Southerly side of Cooper Street;

Thence (2) Along the Southerly side of Cooper Street, N 75°30'38" W, a distance of 18.60 feet to a point of curvature;

Thence (3) Continuing along same, along a curve to the left, concave to the South, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of S 81°59'22" W, to a point of tangency;

Thence (4) S 59°29'22" W, a distance of 7.17 feet to a point;

Thence (5) N 75°30'38" W, a distance of 198.00 feet to a point;

Thence (6) N 30°30'38" W, a distance of 7.17 feet to a point of curvature;

Thence (7) Along a curve to the left, concave to the West, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of N 53°00'38" W, to a point of tangency;

Thence (8) N 75°30'38" W, a distance of 20.39 feet to a point of curvature;

Thence (9) Along a curve to the left, concave to the South, having a radius of 25.00 feet, an arc length of 39.27 feet and a chord bearing of S 59°29'22" W, to a point of tangency, on the Easterly side of Caruso Place;

Thence (10) Along same, S 14°29'22" W, a distance of 17.54 feet to a point of curvature;

Thence (11) Along a curve to the left, concave to the East, having a radius of 10.00 feet, an arc length of 7.91 feet and a chord bearing of S 08°11'07" E, to a point of tangency;

Thence (12) S 30°51'36" E, a distance of 7.07 feet to a point;

Thence (13) S 14°29'22" W, a distance of 44.00 feet to a point;

Thence (14) S 59°29'22" W, a distance of 7.17 feet to a point of curvature;

Thence (15) Along a curve to the left, concave to the South, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of S 36°59'22" W, to a point of tangency;

- Thence (16) S 14°29'22" W, a distance of 47.25 feet to a point of curvature;
- Thence (17) Along a curve to the left, concave to the East, having a radius of 5.00 feet, an arc length of 3.96 feet and a chord bearing of S 08°11'07" E, to a point of tangency;
- Thence (18) S 30°51'36" E, a distance of 9.16 feet to a point;
- Thence (19) S 14°29'22" W, a distance of 44.00 feet to a point;
- Thence (20) S 59°29'22" W, a distance of 7.17 feet to a point of curvature;
- Thence (21) Along a curve to the left, concave to the South, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of S 36°59'22" W, to a point of tangency;
- Thence (22) S 14°29'22" W, a distance of 25.60 feet to a point, common to the Northerly line of Unit C-5;
- Thence (23) Along the Northerly line of Unit C-5, S 75°30'38" E, a distance of 85.94 feet to a point;
- Thence (24) Continuing along same, N 14°29'22" E, a distance of 17.50 feet to a point;
- Thence (25) S 75°30'38" E, a distance of 217.34 feet to a point to the Westerly side of Riverside Drive;
- Thence (26) Along the Westerly side of Riverside Drive, N 14°29'22" E, a distance of 1.38 feet to a point;
- Thence (27) N 59°29'22" E, a distance of 7.17 feet to a point of curvature;
- Thence (28) Along a curve to the left, concave to the West, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of N 36°59'22" E, to a point of tangency;
- Thence (29) N 14°29'22" E, a distance of 118.55 feet to a point of curvature;
- Thence (30) Along a curve to the left, concave to the West, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of N 08°00'38" W, to a point of tangency;
- Thence (31) N 30°30'38" W, a distance of 7.17 feet to a point;
- Thence (32) N 14°29'22" E, a distance of 22.00 feet to a point;
- Thence (33) N 59°29'22" E, a distance of 7.17 feet to a point of curvature;
- Thence (34) Along a curve to the left, concave to the North, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of N 36°59'22" E, to a point of tangency;
- Thence (35) N 14°29'22" E, a distance of 28.90 feet to the Point of Beginning.

EXHIBIT B-4

Metes and Bounds Description of New Unit C-5

BEGINNING at a point of intersection of the Southerly line of Unit C1 and the Westerly side of Riverside Drive;

Thence (1) From said Beginning Point, along the Southerly line of Unit C1, N 75°30'38" W, a distance of 217.34 feet to a point;

Thence (2) Continuing along same, S 14°29'22" W, a distance of 17.50 feet to a point;

Thence (3) N 75°30'38" W, a distance of 85.94 feet to a point on the Easterly side of Caruso Place;

Thence (4) Along the Easterly side of Caruso Place, S 14°29'22" W, a distance of 6.68 feet to a point of curvature;

Thence (5) Along a curve to the right, concave to the North, having a radius of 55.00 feet, an arc length of 77.95 feet and a chord bearing of S 55°05'28" W, to a point of reverse curvature;

Thence (6) Along a curve to the left, concave to the South, having a radius of 10.00 feet, an arc length of 6.53 feet and a chord bearing of S 76°59'46" W, to a point of tangency;

Thence (7) S 58°17'59" W, a distance of 7.88 feet to a point;

Thence (8) N 75°30'38" W, a distance of 67.27 feet to a point;

Thence (9) Partially along Lot 3.05, Block 81.06, S 14°29'22" W, a distance of 15.02 feet to a point, common to Lot 1.02, Block 81.06;

Thence (10) Along Lot 1.02, Block 81.06, S 75°32'28" E, a distance of 91.61 feet to a point;

Thence (11) Continuing along same, S 74°16'28" E, a distance of 77.98 feet to a point;

Thence (12) Continuing along same, S 27°04'09" W, a distance of 34.17 feet to a point, common corner to Lot 1.02, Block 81.04;

Thence (13) Along Lot 1.02, Block 81.04, S 74°16'28" E, a distance of 100.87 feet to a point;

Thence (14) Continuing along same, S 14°27'32" W, a distance of 21.71 feet to a point;

Thence (15) Continuing along same, S 75°32'28" E, a distance of 173.29 feet to a point on the Westerly side of Riverside Drive;

Thence (16) Along the Westerly side of Riverside Drive, N 14°29'22" E, a distance of 18.21 feet to a point of curvature;

Thence (17) Along a curve to the left, concave to the West, having a radius of 10.00 feet, an arc length of 7.85 feet and a chord bearing of N 08°00'38" W, to a point of tangency;

Thence (18) N 30°30'38" W, a distance of 7.17 feet to a point;

Thence (19) N 14°29'22" E, a distance of 130.62 feet to the Point of Beginning.

EXHIBIT C

Permitted Title Exceptions

1. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.
2. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records, to the extent caused by Buyer, its contractors or Agents, or any person acting by, through or under any of the foregoing.
3. Subject to added or omitted assessments pursuant to N.J.S.A 54:4-63.1 et seq.
4. Subsurface conditions and/or encroachments not disclosed by an instrument of record.
5. Subject to the lien of real estate taxes and assessments in favor of The City of Camden, not yet due and payable.
6. Easement Agreement as described and defined by instrument recorded in OR Book 5189 at Page 505. (Common Elements only)
7. Statements of No Interest (Tidelands) dated January 25, 1991 and recorded March 12, 1991 in OR Book 4489 Page 1; dated March 18, 1997 and recorded April 25, 1997 in OR Book 4881 Page 97; and dated July 2, 2003 and recorded October 30, 2003 in OR Book 7231 Page 386 executed by the Tidelands Resource Council of the State of New Jersey.
8. Agreement Re: View Easement and Right of First Refusal as defined by instrument recorded in Deed Book 5265, at Page 483 modified to delete the View Easement contained therein only, as set forth in Termination of View Easement as defined by instrument recorded December 5, 2016 in OR Book 10537 at Page 739.
9. Restrictive Covenant as set forth in Deed in OR Book 8321 at Page 1435.
10. Restrictions as in Ordinance MC-4945 authorizing the vacation of a paper street contiguous to Block 80, Lots 1.01 and 2.01 subject to the reservation of certain easements as more particularly described therein recorded June 27, 2016 in OR Book 10436 Page 348. (Common Elements only)
11. Restrictions and Non-Discrimination Covenant as in Deed to Camden Town Center, LLC from The City of Camden Redevelopment Agency dated December 2, 2016 and recorded December 5, 2016 in OR Book 10537 page 692.
12. Restriction as in Deed to Camden Town Center, LLC from New Jersey Economic Development Authority dated December 2, 2016 and recorded December 5, 2016 in OR Book 10537 page 709. (Common Elements Only)

13. Master Deed of Camden Waterfront Condominium made by Camden Town Center, LLC dated December 2, 2016 and recorded December 5, 2016 in OR Book 10537 page 795; including, but not limited to, a right of first refusal granted to the Hotel Unit Owner (which right of first refusal does not grant any rights with respect to the Property), as amended pursuant to the First Amendment to Master Deed referenced in Section 5.1(b) of the Agreement to which this Exhibit C is attached.
14. Restrictions as in Ordinance MC-4961 authorizing the vacation of certain portions of Cooper Street, Penn Street, and Riverside Drive subject to the reservation of certain easements as more particularly described therein recorded December 5, 2016 in OR Book 10537 Page 764 and re-recorded February 14, 2017 in OR Book 10574 Page 1564.
15. Restrictions as in Ordinance MC-4999 authorizing the vacation of certain portions of Penn Street subject to the reservation of certain easements as more particularly described therein recorded December 5, 2016 in OR Book 10537 Page 785. (Common Elements only)
16. Designated Developer Subagreement as evidence by a Memorandum of Designated Developer Sub-Agreement as to Unit C-1 recorded December 5, 2016 in OR Book 10537 Page 944.
17. The following restrictive covenant to be included in the deeds from Camden Town Center, LLC: "The properties described herein or any portion thereof may not be used for the purpose of inducing any company, firm, organization or other entity which is currently operating in the Commonwealth of Pennsylvania from moving any portion of its existing operations to a location on the above stated real estate, when such movements or relocation would entail the removal of one hundred or more existing jobs from the Commonwealth."
18. Memorandum of Repurchase Right and Restrictive Covenant as to Unit RT recorded December 5, 2016 in OR Book 10537 at Page 976.
19. New Jersey Department of Environmental Protection High-Rise Structures Rule Waiver as evidenced by letter dated June 30, 2016 and recorded September 1, 2016 in OR Book 10474 at Page 48.
20. Waterfront Development Permit Modification as contained in OR Book 10570 Page 496.
21. Flood Hazard Area Modification as contained in OR Book 10570, Page 498.
22. Grant of Easement for the construction, installing and maintenance for construction/security fencing as contained in OR Book 10578, Page 1882.
20. State of New Jersey Department of Environmental Protection Division of Land Use Regulation Permit recorded September 1, 2016 in OR Book 10474 page 38, including the following notice to be included in the deeds from Camden Town Center, LLC: "The roadways providing access to this property are subject to flooding, and the depth of

flooding on the roadway during the flood hazard area design flood is approximately 4 feet. The properties may therefore not be accessible to emergency vehicles or other vehicular traffic during a flood. *The State shall not be held responsible for any property damage, safety risk or inconvenience that may result from construction onsite should such flooding occur.*"

EXHIBIT D

Executed Designated Developer Sub-Agreement

(Attached)

DESIGNATED DEVELOPER SUBAGREEMENT BETWEEN THE CITY OF CAMDEN
REDEVELOPMENT AGENCY, AND CAMDEN TOWN CENTER, LLC

PART I

This Designated Developer Subagreement, consisting of this Part I and Part II annexed hereto and made a part hereof (which together are hereinafter referred to as the "Agreement") is made this 2nd day of December, 2016.

Between

THE CITY OF CAMDEN REDEVELOPMENT AGENCY, a public body corporate and politic of the State of New Jersey, organized pursuant to N.J.S.A 40A:12A-1 through 63, whose present address is City Hall, 13th Floor, Sixth and Market Streets, Camden, New Jersey 08101-5120 (together with any successor public body or office hereafter designated by or pursuant to law, is hereinafter called and referred to as "CCRA"),

and

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company whose present address is c/o Liberty Property Limited Partnership, 1628 John F. Kennedy Blvd., Suite 1100, Philadelphia, PA 19103 (which is hereinafter referred to as the "Designated Developer"),

CCRA and the Designated Developer are referred to collectively as "the Parties."

All capitalized terms not otherwise defined herein shall have the meaning ascribed to it in the Development and Option Agreement between the Designated Developer and the New Jersey Economic Development Authority ("NJEDA") dated as of October 19, 2004, as amended by that certain Amendment to Development and Option Agreement dated as of November 18, 2013, that certain Second Amendment to Development and Option Agreement dated as of July 31, 2015, that certain Amended and Restated Third Amendment to Development and Option Agreement dated June 30, 2016, effective as of November 9, 2015, that certain Second Amended and Restated Third Amendment dated October 20, 2016, effective as of November 9, 2015, and that certain Fourth Amendment to Development and Option Agreement dated as of the date hereof (as amended, the "Development Agreement"), a copy of which has been provided to the Parties.

RECITALS

WHEREAS, the continued development of the waterfront of the City of Camden is vital to its continued revitalization; and

WHEREAS, CCRA is the owner of certain parcels of land situated in the City of Camden, shown and described on Exhibit "A" attached hereto and made a part hereof, (herein collectively referred to as the "CCRA Owned Land") and in the Development Agreement being a portion of what was referred to as "Tract 2"); and

WHEREAS, pursuant to the terms of the Development Agreement, NJEDA agreed to cause and facilitate redevelopment of the CCRA Owned Land; and

WHEREAS, NJEDA agreed, pursuant to the terms of the Development Agreement, to facilitate the conveyance by and from CCRA to Designated Developer or its Permitted Assignees, as defined in the Development Agreement, of said ownership and development rights for portions of CCRA Owned Land in furtherance of the development of certain subprojects; and

WHEREAS, it is the opinion of CCRA that the redevelopment of CCRA Owned Land is in the best interests of the City and the health, safety, morals and welfare of the residents thereof and in accordance with the public purposes and provisions of the applicable federal, state and local laws and requirements under which projects pursuant to this Agreement are to be undertaken and assisted; and

WHEREAS, on April 30, 2003, CCRA passed a resolution authorizing the transfer of development rights of the CCRA Owned Land to NJEDA; and

WHEREAS, on October 24, 2005, CCRA and NJEDA entered into a certain Redevelopment Agreement (the "Redevelopment Agreement") which, *inter alia*, provides for the entering into Designated Developer Subagreements for particular, approved subprojects; and

WHEREAS, CCRA and Designated Developer, as assignee of Cooper's Square Urban Renewal Venture, LLC, entered into that certain Designated Developer Subagreement dated December __, 2005 (the "Existing Subagreement"), pursuant to which CCRA transferred to Designated Developer certain parcels of land situated in the City of Camden, described on Exhibit "B" attached hereto and made a part hereof (herein collectively referred to as the "CTC Land") to be utilized as a surface parking lot to support the Ferry Terminal Building until developed for a higher and better use pursuant to the Master Plan, as the Master Plan may be amended from time to time; and

WHEREAS, Designated Developer has submitted to NJEDA and CCRA a Review Package (the "End User Review Package"), as required by the Development Agreement, to develop a multistory office building containing approximately 386,900 rentable square feet of office space and 500-800 parking spaces as set forth in the End User Review Package as more particularly described on Exhibit "C" attached hereto and made a part hereof (the "Subproject"). The Subproject will be constructed on a portion of the CCRA Owned Land (the "CCRA Subparcel") and a portion of the CTC Land as more particularly described on Exhibit "D" attached hereto and made a part hereof (collectively, such portions of the CTC Land and the CCRA Subparcel are referred to herein as the "Subparcel"); and

WHEREAS, Designated Developer, in accordance with the terms of the Development Agreement, intends to (i) create a condominium to be known as the Camden Waterfront Condominium, (ii) subject the Subparcel to the master deed of condominium (the "Master Deed") which would designate the Subparcel as Unit C1/P1, and (iii) following the submission of the Subparcel to the Master Deed, transfer the Subparcel and Designated Developer's right to develop the Subproject to Camden Partners Tower Equities, LLC, a New Jersey limited liability company ("End User") as more particularly set forth in this Agreement; and

WHEREAS, the Parties desire to terminate the Existing Subagreement and to enter into this Agreement to set forth the entire agreement with respect to their obligations for the conveyance of ownership, development rights and redevelopment of the Subproject to be constructed on the Subparcel.

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

1. A. **Termination of Existing Subagreement.** The Existing Subagreement is hereby terminated and shall be of no force or effect whatsoever.

B. **Notice of Request.** In conjunction with its obligations pursuant to the Redevelopment Agreement, NJEDA has submitted a Notice of Request on behalf of the Designated Developer for the transfer of ownership and development rights to the CCRA Subparcel for the purpose of constructing the Subproject and CCRA has given its approval of the Subproject.

C. **Purchase Price.** Subject to all of the terms, covenants and conditions of this Agreement, CCRA agrees to transfer and the Designated Developer agrees to accept the transfer of the CCRA Subparcel for the sum of the greater of (i) ten (10%) percent of the Purchase Price paid to NJEDA by the Designated Developer pursuant to the Development Agreement for the CCRA Subparcel; or (ii) ten dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration.

D. **Additional Fees.** It is the understanding of the Parties that NJEDA has, on behalf of the Designated Developer, submitted a Notice of Request to CCRA, pursuant to the Redevelopment Agreement, in order to obtain a transfer of the CCRA Subparcel to the Designated Developer subsequent to approval by CCRA of the Subproject proposed to be constructed thereon. At the time of the transfer of the CCRA Subparcel, neither NJEDA, nor the Designated Developer shall have any obligation to pay, or cause to be paid, to CCRA any additional fees with regard to said transfer other than the amount described in Section 1(C) above.

2. **Time for Completion of Subprojects.** Subject to Section 7(F) of Part II of this Agreement, the construction of the proposed Subproject which is particularly described in Exhibit "C", attached hereto and made a part hereof, shall be commenced no later than nine (9) years following the execution of this Agreement by Designated Developer and CCRA and substantially completed no later than twelve (12) years following the execution of this Agreement by Designated Developer and CCRA.

3. **Review Package and Time For Review and Approval.**

A. **Submission of Review Package to CCRA.** As a condition precedent to the Closing of the transfer of the CCRA Subparcel from CCRA to the Designated Developer hereunder, and as part of the Notice of Request for the transfer of the CCRA Subparcel to the Designated Developer, NJEDA, on behalf of the Designated Developer, has provided to CCRA, for its review and approval, a written request for the acquisition of such CCRA Subparcel, together with the End User Review Package.

B. **Approval By CCRA.** CCRA has agreed to the requested conveyance.

C. **Access to Property during Review Period.** Pursuant to that certain Access Grant and License Agreement for Entry to and Use of Property dated September 21, 2015 between CCRA and Liberty Property Limited Partnership (the "Access Agreement"), representatives of the Designated Developer have had the right to inspect, investigate, test, survey, and conduct due diligence with respect to the Subparcel (but not to perform any construction thereon).

4. **Conveyance of Property.**

A. **Form of Deed.** CCRA will convey to the Designated Developer good and marketable title to the Subparcel, insurable by a title insurance company at regular rates, by a Bargain and Sale Deed with Covenants as to the Grantor's Acts. Such conveyance and title, in addition to the condition subsequent provided for in Section 7(C) of Part II of this Agreement, shall be subject to all other conditions, covenants and restrictions set forth or referred to elsewhere in this Agreement and to the Permitted Exceptions (defined below). The Parties acknowledge that any conveyance hereunder of the CCRA Subparcel shall also be subject to the following deed restriction: "The properties described herein may not be used or any portion thereof for the purpose of inducing any company, firm, organization or other entity which is currently operating in the Commonwealth of Pennsylvania from moving any portion of its existing operations to a location on the above stated real estate, when such movement or relocation would entail the removal of one hundred or more existing jobs from the Commonwealth."

B. **Time and Place of Settlement.** Settlement shall be held at a time and place which is convenient to the Designated Developer and CCRA; provided, however, and notwithstanding any other provision contained herein, the failure or refusal of the Designated Developer to take title to the CCRA Subparcel for any reason whatsoever by the date which is nine (9) months after CCRA grants its approval of the Subproject, shall effect a release and relinquishment of any and all of Designated Developer's rights under this Agreement and the Designated Developer shall not have any claim against CCRA of any type, kind, nature or description premised upon or arising from this Agreement, subject, however, to the provisions of Section 7(F) of Part II of this Agreement regarding unforeseeable causes beyond Designated Developer's control. Additionally, notwithstanding the foregoing, the parties acknowledge and agree that, on a case-specific basis, this and other timing provisions of this Agreement may be waived or modified by CCRA, in the exercise of its commercially reasonable discretion. Upon request of NJEDA and/or Designated Developer, either may also request modifications to such timing, and CCRA hereby covenants and agrees to work cooperatively with either or both of NJEDA and/or Designated Developer to accommodate such requests, provided, however, the ultimate decision whether to modify/waive any requirements shall rest with CCRA.

C. **Recording of Deed.** The Designated Developer shall promptly file the Deed from CCRA to the Designated Developer for recording with the Clerk of Camden County, New Jersey and shall pay the cost for recording such Deed. The Designated Developer shall also pay all of the costs and fees of any title insurance and/or title searches, and closing fees.

D. **Title Report.** The Designated Developer has provided CCRA with a title commitment or proforma title policy for the CCRA Subparcel issued by First American Title

Insurance Company dated _____. All exceptions to title which are listed on Schedule B-II to such title commitment or Schedule B to such proforma policy are acceptable to the Designated Developer ("Permitted Exceptions"); provided, however, that nothing contained herein shall affect Designated Developer's right to cure or cause the title company to insure over any of the Permitted Exceptions, and CCRA shall, at no cost or expense to CCRA, act in good faith and reasonably cooperate with Designated Developer in connection therewith, including, without limitation, the execution of a standard affidavit of title.

E. Survey. The Designated Developer has delivered to CCRA a survey of the property subject to the Development Agreement including the Subparcel from Pennoni Associates, Inc.

5. Period of Duration of Covenant on Use. The covenant set forth in Part II, Section 4(A) hereof shall remain in effect in perpetuity.

6. Alteration or Removal of Public Utilities. If, in connection with the improvements to be erected on the Subparcel, any property owned or used by any public utility is located on the Subparcel and must be removed and/or relocated and/or reconstructed, then the cost of such removal and/or relocation and/or reconstruction shall be borne by the Designated Developer.

7. Payment of Prevailing Wage Scales. The Designated Developer shall require the developer it engages to perform the construction of the Subproject (the "Contractor") to comply with the New Jersey Prevailing Wage Act, N.J.S.A 34:11-56.25 to 56.48 with respect to the construction of the Subproject. The Contractor shall also comply with any other prevailing wage requirements that are applicable to the Subproject.

8. Disputes. In the event of any dispute of any kind concerning the meaning of any term or provision of this Agreement, the interpretation placed thereon by CCRA, in the exercise of its commercially reasonable discretion, shall be binding between the parties, unless the Designated Developer, within thirty (30) days following receipt of written notice from CCRA by registered or certified mail containing such interpretation, shall object to such interpretation.

9. Review by Municipal Planning Board. On or prior to the earlier of (i) the date of closing on the conveyance of the Subparcel from Designated Developer to End User, or (ii) the date on which Designated Developer intends to commence construction on the Subproject, the Designated Developer shall submit to CCRA a certified copy of a resolution duly adopted by the Planning Board of the City of Camden attesting to the approval by said Planning Board, and the Architectural Review Committee thereof, if required, of the preliminary construction plans for the Subproject.

10. Cooperation between Parties. CCRA agrees to cooperate in making available to Designated Developer information and data with regard to the CCRA Subparcel and other projects that are being undertaken and/or planned in the vicinity of the Subparcel.

11. CCRA Protections.

A. Release. As part of the consideration given for this Agreement, the Designated Developer and all of its parent corporations, subsidiaries, affiliates, administrators, directors, officers, receivers, trustees, members, volunteers, assigns, successors, agents, employees, servants, licensees, invitees, visitors, guests, consultants, experts, contractors, sub-contractors, and independent contractors ("Releasors") now and forever waive, release, discharge CCRA and all its administrators, commissioners, directors, officers, members, assigns, successors, agents, employees, servants, licensees, invitees, visitors, guests, consultants, experts, contractors, sub-contractors, independent contractors and affiliated entities ("Releasees") from and against any and all actions, causes of action, obligations, expenses, liabilities, losses, penalties, fines, fees, costs, claims, suits and direct and/or consequential damages, including damages for personal injury or death, property damage or violations of laws, foreseen or unforeseen ("Released Claims"), arising out of related to this Agreement, including without limitation, expenses, attorney's fees and expert's fees associated with the Released Claims. The provisions of this paragraph will survive Closing and/or the cancellation, expiration, or termination of this Agreement for any reason whatsoever.

B. Indemnification. As part of the consideration given for this Agreement, the Designated Developer (the "Indemnitor"), shall be solely liable for Indemnitor's conduct, and the conduct of Indemnitor's parent corporations, subsidiaries, affiliates, administrators, directors, officers, receivers, trustees, members, volunteers, assigns, successors, agents, employees, servants, licensees, invitees, visitors, guests, consultants, experts, contractors, sub-contractors and independent contractors ("Co-Indemnitors"). Indemnitor shall defend, hold and keep harmless, indemnify, protect, and save, without limitation CCRA and all of its administrators, commissioners, directors, officers, members, assignees, successors, agents, employees, servants, licensees, invitees, visitors, guests, consultants, experts, contractors, sub-contractors, and independent contractors ("Indemnitees") from and against any and all causes of action, claims, costs, demands, direct and/or consequential damages, death expenses, fees, fines, liabilities, losses, obligations, penalties, personal injury, property damage, suits, or violations of laws, foreseen or unforeseen ("Indemnified Claims") which Indemnitees may incur, be exposed to, become responsible for, and/or pay out as a result of Indemnitor's and/or Co-Indemnitors' activities or omissions in any way relating to this Agreement. Indemnitor shall pay without limitation any and all expenses and/or costs, including but not limited to attorney's fees, court costs, discovery costs, experts' fees, and investigation costs associated in any manner with the Indemnified Claims ("Indemnified Costs"). Indemnitee shall notify Indemnitor of the existence of any Indemnified Claims as soon as Indemnitee is aware of same, but in no event later than ten (10) days after such claim is made against Indemnitee. Indemnitor shall assume the investigation, defense, and expense of all Indemnified Claims with investigators and attorneys acceptable to the Indemnitee. The provisions of this paragraph will survive Closing and/or the cancellation, expiration or termination of this Agreement for any reason whatsoever.

C. Environmental. *The Designated Developer agrees to accept the CCRA Subparcel "As Is and Where Is" with all faults, in its current condition, subject to normal wear and tear. The Designated Developer acknowledges and agrees (1) that neither CCRA nor any agent or representatives of CCRA have made, and (2) that CCRA is not liable or responsible for or bound in any manner by, any express or implied representations, warranties, covenants, agreements, obligations, guarantees, statements, information or inducements pertaining to the Condition of the Subparcel or any part of it except as expressly set forth in this Agreement. The Designated*

Developer acknowledges that CCRA does not assume any responsibility or liability because of any existing Condition on the Subparcel. The Designated Developer acknowledges, agrees, represents and warrants that:

(1) the Designated Developer and its respective agents and representatives, have had or will have had access to information and data relating to all matters respecting the CCRA Subparcel as they have considered necessary, prudent, appropriate, or desirable for the purposes of this transaction;

(2) the Designated Developer and its respective agents and representatives, have had or will have had the opportunity to inspect the CCRA Subparcel; and

(3) the Designated Developer, and its respective agents and representatives, have independently inspected, examined, analyzed, and appraised all matters respecting the CCRA Subparcel for which it has an option, and are fully cognizant of the Condition of the Subparcel.

The term "Condition of the Subparcel" means the title and physical condition of the CCRA Subparcel, including all environmental matters, its quantity, character, firmness, quality, marketability, fitness for particular purpose, income, expenses of operation, value and profitability, permitted use, the structural and mechanical condition of the CCRA Subparcel, the buildings, structures and improvements situate thereon, the plumbing, heating, electric and ventilating systems serving the CCRA Subparcel, and any other matter or thing whatsoever with respect thereto.

D. Environmental Claims and Liability. (1) In addition to, and without limiting the foregoing, the Designated Developer further acknowledges and agrees that the CCRA Subparcel is conveyed in its "As Is and Where Is" condition with respect to all environmental matters. The Designated Developer hereby assumes the risk that adverse past, present, or future conditions may not be revealed in its inspection or investigation. As a material inducement and consideration for the transfer hereunder, such Designated Developer hereby releases CCRA from any and all claims which arise from or are related to the condition of the CCRA Subparcel, including, without limitation, as a result of the presence of any Hazardous Materials (as hereinafter defined) and/or violation of any Environmental Law (as hereinafter defined), regardless of whether the conduct or condition took place or existed prior to or after the conveyance of the CCRA Subparcel pursuant to this Agreement.

(2) In addition, as a material inducement and consideration for the transfer hereunder, Designated Developer hereby indemnifies CCRA from any and all claims which arise from or are related to the condition of the CCRA Subparcel, including, without limitation, as a result of the presence of any Hazardous Materials (as hereinafter defined) and/or violation of any Environmental Law (as hereinafter defined), regardless of whether the conduct or condition took place or existed prior to or after the conveyance of the CCRA Subparcel pursuant to this Agreement. Without limiting the generality of the foregoing, it is understood that Designated Developer is assuming all of CCRA's liabilities respecting the CCRA Subparcel under all Environmental Laws, it being the intent of CCRA and the Designated Developer, that, as between them, the Designated Developer shall be solely liable for compliance with all

Environmental Laws affecting the CCRA Subparcel or operations on the CCRA Subparcel. The Designated Developer hereby waives any and all rights of contribution and/or other claims it might otherwise have against CCRA under applicable Environmental Laws and/or at common law in connection with the environmental condition of the CCRA Subparcel or claims now existing or hereafter arising as a result thereof. This provision shall survive: (1) the termination, cancellation or expiration of this Agreement; (2) the Closing of this transaction; and (3) any future sale or other transfer of the CCRA Subparcel by the Designated Developer, and its respective successors, and assigns, and shall be binding upon the Designated Developer, and its respective successors and assigns of the CCRA Subparcel.

(3) As used in this Agreement, the phrase "Hazardous Materials" means any hazardous wastes or hazardous substances as defined in any Environmental Law, including, without limitation, any asbestos, PCB, toxic, noxious or radioactive substance, methane, volatile hydrocarbons, industrial solvents or any other material or substance which could cause or constitute a health, safety or other environmental hazard to any person or property. The term "Environmental Law" means any federal, state or local environmental cleanup statutes, laws, code, rules, regulations, ordinances, decisions, orders, decrees, and interpretations now or hereafter in effect including, without limitation (1) the Industrial Site Recovery Act (formerly known as the Environmental Cleanup Responsibility Act), N.J.S.A. 13:1K-6 et seq.; (2) the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11; (3) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C §9601 et seq. as amended by Superfund Amendments and Reauthorization Act; (4) the Toxic Substances Control Act, 15 U.S.C § 2601 et seq.; (5) the Resource Conservation and Recovery Act, 42 U.S.C §6901 et seq.; (6) the Clean Air Act, 42 U.S.C §7401 et seq.; (7) the Federal Pollution Control Act, 33 U.S.C §1251 et seq.; and (8) any other federal, state, or local environmental statutes, laws, codes, rules, regulations, ordinances, decisions, orders, decrees, and interpretations, including those yet to be enacted or promulgated, and shall include all amendments, successor laws and/or replacement laws to same.

12. **Inspection.** The Designated Developer shall permit authorized representatives of CCRA to inspect and audit all data and records of the Designated Developer relating to its performance under this Agreement.

13. **Amendments.** This Agreement may be amended only upon the written consent of the Parties.

14. **Counterparts.** This Agreement may be executed in counterparts. Each counterpart shall constitute one and the same instrument, shall be binding on the Parties, and shall for each and every intent, reason and purpose, be considered an original thereof.

15. **Provisions Not Merged with Deed.** None of the provisions of this Agreement is intended to or shall be merged by reason of any deed transferring title to the CCRA Subparcel from CCRA to the Designated Developer, or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of the Agreement.

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

17. **Applicability of Laws.** This Agreement will be governed by and construed in accordance with all applicable statutes, laws, ordinances, rules and regulations of the United States of America, the State of New Jersey and the City of Camden.

18. **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered (A) in person, (B) by registered or certified mail, return receipt requested, (C) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (D) by electronic mail provided that notice is given simultaneously by one of the methods described in (A), (B) or (C) above, addressed as follows or at such other address of which Designated Developer or CCRA shall have given notice to the other Parties as provided in this Section 18:

If intended for Designated Developer:

c/o Liberty Property Limited Partnership
1628 John F. Kennedy Blvd., Suite 1100
Philadelphia, PA 19103
Attn: John S. Gattuso, Senior Vice President and Regional Director
Email: jgattuso@libertyproperty.com

with a copy to:

Liberty Property Limited Partnership
500 Chesterfield Parkway
Malvern, PA 19355
Attn: Herman Fala, General Counsel
Email: hfala@libertyproperty.com

and a copy to:

Cozen O'Connor
One Liberty Place
1650 Market Street, Suite 2800
Philadelphia, PA 19103
Attn: Kevin Golden
Email: kgolden@cozen.com

If intended for CCRA:

City Hall, 13th Floor
520 Market Street,
Camden, NJ 08102
Attn: James Harveson
Email: jaharves@ci.camden.nj.us

with a copy to:

Brown & Connery, LLP
360 Haddon Ave.
Westmont, NJ 08108
Attn: Mark Asselta, Esq.
Email: masselta@brownconnery.com

All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof only upon receipt, or refusal to accept receipt, by the party to whom such notice is sent (which, if sent by electronic mail will be evidenced by confirmation of completed transmission generated by the sender's electronic mail device). Notices by the parties may be given on their behalf by their respective attorneys.

19. **Further Assurances/Cooperation.** The Parties agree that they shall execute, acknowledge and deliver such further documents, instruments and agreements, and shall engage in such further actions, which shall be deemed reasonably necessary or desirable to effect the purposes of this Agreement; provided, however, that no Party shall be required to waive a right or remedy hereunder or to assume a liability or obligation not provided herein.

[Part II starts on next page]

City of Camden Redevelopment Agreement
Part II

1. **PREPARATION OF PROPERTY FOR REDEVELOPMENT**

A. **No Work to be Performed by CCRA.** The CCRA Subparcel shall be conveyed to the Designated Developer in its AS IS condition. The Designated Developer shall be responsible for the total rehabilitation of the conveyed CCRA Subparcel in accordance with its End User Review Package. CCRA shall be under no obligation to make any repairs or improvements to the conveyed CCRA Subparcel.

2. **RIGHTS OF ACCESS TO PROPERTY.**

A. **Right of Entry for Utility Service.** CCRA reserves for itself, the City, and any public utility company, as may be appropriate, the unqualified right to enter upon the conveyed CCRA Subparcel at all reasonable times for the purpose of reconstructing, maintaining, repairing, or servicing the public utilities located within the CCRA Subparcel boundary lines.

B. **No Construction over Utility Easements.** The Designated Developer shall not construct any building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities, unless such construction is provided for in such easement or has been approved by the City and/or the public utility. If approval for such construction is requested by the Designated Developer, then CCRA shall use its best efforts to assure that such approval shall not be unreasonably withheld.

C. **Access to Property.** Prior to the conveyance of the CCRA Subparcel by CCRA, pursuant to the Access Agreement, CCRA has permitted representatives of the Designated Developer to have access to any part of the CCRA Subparcel to which CCRA holds title, at reasonable times for the purpose of obtaining data and making various tests concerning the CCRA Subparcel as may be necessary to carry out the terms of this Agreement. After the conveyance of the CCRA Subparcel by CCRA, the Designated Developer shall permit representatives of CCRA, the City of Camden, and the United States of America access to the conveyed CCRA Subparcel, at all reasonable times, which any of them deems necessary, for the inspection of all work being performed in connection with the construction of the Subproject. No compensation shall be payable, nor shall any charge be made in any form by any party, for the access provided for in this Section.

3. **PLANS, CONSTRUCTION OF IMPROVEMENTS AND CERTIFICATE OF COMPLETION.**

A. **Plans for Construction of Improvements.**

Intentionally Deleted.

B. **Commencement and Completion.** The Designated Developer agrees for itself, its successors and assigns, and every successor in interest to the conveyed Subparcel or any

part thereof, that a separate memorandum to be recorded concurrently with the recordation of the Deed (the "Memorandum") shall contain covenants that the Designated Developer shall promptly begin and diligently prosecute to completion the redevelopment of the conveyed Subparcel through the undertaking of the Subproject thereon, and, subject to Section 7(C) of this Part II, Designated Developer agrees that such improvements shall in any event be commenced and completed within the period specified in Section 2 of Part I of this Agreement. It is intended and agreed that the obligation to begin and diligently prosecute to completion the Subproject on the conveyed Subparcel shall commence with the conveyance thereof to the Designated Developer. It is further intended and agreed that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding to the fullest extent permitted by law and equity for the benefit of CCRA against the Designated Developer, and its successors and assigns to or of the conveyed Subparcel or any part thereof or interest therein. The development of the Subproject shall be performed in compliance with all applicable federal, state and local laws.

C. **Progress Report.** Subsequent to the conveyance of the CCRA Subparcel, or any part thereof, by CCRA, and until construction of the Subproject has been completed, the Designated Developer shall submit to CCRA copies of all reports, if any, submitted to the City of Camden, any entity that has loaned or in any way advanced funds for the construction of the Subproject, and any other entity to whom the Designated Developer is required to submit progress and/or final reports.

D. **Certificate of Completion.**

(1) After commencement of the construction of the Subproject in accordance with those provisions of this Agreement relating to the obligations of the Designated Developer to commence construction of the Subproject, CCRA will furnish the Designated Developer with an appropriate instrument so certifying.

(2) After the completion of the Subproject in accordance with those provisions of this Agreement relating to the obligations of the Designated Developer to complete the Subproject, CCRA will furnish the Designated Developer with an appropriate instrument so certifying. Such certification by CCRA shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Memorandum with respect to the obligations of the Designated Developer, and its successors and assigns, to complete the Subproject.

(3) Such certifications provided pursuant to this Section 3(D) shall be in such form as will enable it to be recorded in the proper office for the recording of deeds and other instruments pertaining to the Subparcel, including the Deed. If CCRA shall refuse or fail to provide any certification in accordance with the provisions of this Section 3(D), then CCRA shall, within fifteen (15) days after written request by the Designated Developer so to do, provide the Designated Developer with a written statement, indicating in adequate detail in what respect the Designated Developer has failed to commence or complete the Subproject in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts will be

necessary, in the commercially reasonable opinion of CCRA, for the Designated Developer to take or perform in order to obtain such certification.

4. RESTRICTIONS UPON USE OF PROPERTY

A. **Restriction on Use.** The Designated Developer agrees for itself, and its successors and assigns, and every successor in interest to the Subparcel or any part thereof, that the Deed shall contain covenants on the part of the Designated Developer, for itself and such successors and assigns, that the Designated Developer and such successors and assigns shall not discriminate upon the basis of race, color, gender, religion or national origin in the sale, lease or rental or in the use or occupancy of the Subparcel.

B. **Covenants Binding upon Successors in Interest; Period of Duration.** It is intended and agreed that the agreements and covenants provided in Section 4(A) shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of and enforceable by the United States of America, CCRA and its successors and assigns, the City of Camden, and any successor in interest to the Subparcel, or any part thereof, against the Designated Developer, its successors and assigns and every successor in interest to the Subparcel, or any part thereof or any interest therein, and any party in possession or occupancy of the Subparcel or any part thereof. It is further intended and agreed that the agreements and covenants provided in Section 4(A) shall remain in effect without limitation as to time, provided, that such agreements and covenants shall be binding on the Designated Developer, each successor in interest to the Subparcel, and every part thereof, and each party in possession or occupancy, respectively, only for such period as such party shall have title to or an interest in, or possession or occupancy of, the Subparcel.

C. **Rights to Enforce.** It is intended and agreed that the United States of America, CCRA and their successors and assigns shall be deemed beneficiaries of Section 4(A) both for and in their own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Deed shall so state) run in favor of the United States of America and CCRA for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the United States or CCRA has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The United States and CCRA may, in the event of any breach of the covenants provided in Section 4(A), exercise all of the rights and remedies, and maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreements or covenants, to which it or any other beneficiaries of such agreements or covenants may be entitled. The failure at any time to enforce the rights hereunder shall not be construed as a waiver thereof.

5. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

A. **Representations as to Redevelopment.** The Designated Developer represents and agrees that its acceptance of the Subparcel, and its other undertakings pursuant to

this Agreement, are, and will be used, for the purpose of redevelopment of the Subparcel and not for speculation in land holding. The Designated Developer further recognizes that in view of

(1) the importance of the redevelopment of the Subparcel to the general welfare of the community,

(2) the substantial financing and other public aids that have been made available for the purpose of making such redevelopment possible, and

(3) the fact that the qualifications of the Designated Developer and End User are of particular concern to the community and CCRA, and a transfer of any interest with respect to the identity of the parties in control of the Designated Developer is, for practical purposes, a transfer or disposition of the Subparcel and the Designated Developer further recognizes that it is because of such qualifications and identity that CCRA is entering into this Agreement with the Designated Developer, and in so doing is further willing to accept and rely on the Designated Developer or the End User for the faithful performance of all undertakings and covenants hereby to be performed without requiring in addition a surety bond or similar undertaking for such performance of all undertakings and covenants in this Agreement.

B. Prohibition Against Transfer of Subparcels and Assignment of Agreement. For the foregoing reasons, except as set forth in Section 5(C) below, the Designated Developer represents and agrees for itself, and its successors and assigns, that except only by way of security for, and only for, (1) the purposes of obtaining financing necessary to enable the Designated Developer, or any successor in interest to the Subparcel, or any part thereof, to perform its obligations with respect to making the improvements under this Agreement, and (2) any other purpose authorized by this Agreement, the Designated Developer has not made or created, and will not, prior to the completion of the Subproject as certified by CCRA, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, encumbrance, pledge or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Subparcel, or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of CCRA and NJEDA, provided that, prior to the issuance by CCRA of the certificate provided for in Section 3(D) of Part II of this Agreement as to completion of construction of the Subproject, the Designated Developer may enter into any agreement to sell, lease or otherwise transfer, after the issuance of such certificate, the Subparcel or any part thereof or interest therein, which agreement shall not provide for payment of or on account of the purchase price or rent for the Subparcel, or the part thereof or the interest therein to be so transferred, prior to the issuance of such certificate. The foregoing shall not apply, however, to easements, covenants, restrictions and licenses which Designated Developer deems reasonably necessary or required to be granted in the ordinary course of development and construction of a Subparcel. CCRA and NJEDA shall be entitled to require, except as otherwise provided in this Agreement, as conditions to any such approval that:

(1) any proposed transferee shall have the qualifications and financial ability, as reasonably determined by CCRA and NJEDA, as are necessary and adequate to fulfill the obligations undertaken in this Agreement by the Designated Developer (or, in the event the transfer is of or relates to part of the Subparcel, such obligations to the extent that they relate to such part),

(2) any proposed transferee, by instrument in writing reasonably satisfactory to CCRA and NJEDA and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the CCRA, have expressly assumed all of the obligations of the Designated Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Designated Developer is subject; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, a Subparcel shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by CCRA and NJEDA) relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit CCRA of or with respect to a Subparcel or the construction of the Subproject since it is the intent of this, together with other provisions of this Agreement, that to the fullest extent permitted by law and equity (and excepting only in the manner and to the extent specifically provided otherwise in the Agreement), no transfer of, or change with respect to, ownership in the Subparcel or any part thereof, or any interest therein, however consummated or occurring, and whether or not voluntary shall operate, legally or practically, to deprive or limit CCRA of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Subparcel and the construction of the Subproject that CCRA would have had, had there been no such transfer or change (the foregoing provisions are not intended, however, to apply to simple space tenants in any building(s) related to the Subproject),

(3) there shall be submitted to CCRA and NJEDA for review all instruments and other legal documents involved in any such transaction, and if approved by CCRA and NJEDA and such approval is required under this Agreement, then such approval shall be given to the Designated Developer in writing.

C. Permitted Transfers. Notwithstanding anything contained in this Agreement, the following transactions are not subject to the prohibitions against assignment and transfer set forth in this Section 5:

(1) **Permitted Transfers by CTC.** This Section 5 shall not prohibit transfers of direct or indirect ownership interests in Camden Town Center, LLC, provided that Liberty Property Limited Partnership or an entity controlled by Liberty Property Limited Partnership retains control of the management of Camden Town Center, LLC.

(2) **Permitted Transfer to End User.** The Parties recognize that End User is the intended end user of the Subproject and that Designated Developer is taking title to the CCRA Subparcel to subject the Subparcel to the Master Deed. Following the submission of the Subparcel to the Master Deed, Designated Developer intends to transfer to End User the Subparcel which is to be known as Unit C1/P1 under the Master Deed. Simultaneously with the transfer of the Subparcel to the End User, Designated Developer and End User intend to enter into an Assignment and Assumption of Designated Development Subagreement substantially in the form attached hereto as Exhibit "E" (the "Assignment"). Notwithstanding anything contained in this Agreement to the contrary, CCRA consents to (i) the submission of the Subparcel to the Master Deed, (ii) the transfer of the entire Subparcel from Designated Developer to End User (and not to any other party) and (iii) the assignment and assumption of this Agreement between Designated Developer and End User as provided pursuant to the Assignment. Following the execution of the

Assignment by Designated Developer and End User and the delivery of a copy of the Assignment to CCRA, the Designated Developer shall be relieved of all of its obligations under this Agreement accruing on or after the date of the Assignment.

6. MORTGAGE FINANCING RIGHTS OF MORTGAGEES

A. **Limitation upon Encumbrance of Property.** Prior to the completion of the Subproject as certified by CCRA, neither the Designated Developer, nor any successor in interest to the Subparcel or any part thereof, shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon a Subparcel, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Subparcel, except for the purposes of obtaining funds only to the extent necessary for completing the Subproject. The Designated Developer (and any successors in interest) shall notify CCRA in advance of any financing, secured by any mortgage or other similar lien instrument, it proposes to enter into with respect to the Subparcel, or any part thereof, and in any event it shall promptly notify CCRA of any encumbrance or lien that has been created on or attached to a Subparcel and of which it has knowledge, whether by voluntary act of the Designated Developer, or otherwise.

B. **Mortgagee Not Obligated to Construct.** Notwithstanding any of the provisions of this Agreement, including but not limited to, those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement, including any such holder who obtains title to the Subparcel or any part thereof as a result of foreclosure proceedings, or action in lieu thereof (but not including (1) any other party who thereafter obtains title to the Subparcel or such part from or through such holder or, (2) any other purchaser at a foreclosure sale other than the holder of the mortgage itself) shall in no way be obligated by the provisions of this Agreement to construct or complete the Subproject or to guarantee such construction or completion, nor shall any covenant or any other provision in the Deed be construed to so obligate such holder, provided, however, that nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Subparcel or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements which are provided or permitted in this Agreement.

C. **Copy of Notice of Default to Mortgagee.** Whenever CCRA shall deliver any notice or demand to the Designated Developer with respect to any breach or default by the Designated Developer of its obligations or covenants under this Agreement, CCRA shall at the same time forward a copy of such notice or demand to each holder of any mortgage shown in the records of CCRA.

D. **Mortgagee's Option to Cure Defaults.** After any breach or default with regard to any such mortgage, the mortgagee shall (insofar as the rights of CCRA are concerned) have the right, at its option, to cure or remedy such breach or default (or such breach or default to the extent that it relates to the part of the Subparcel covered by its mortgage) and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided that if the breach or default is with respect to construction of the Subproject, nothing contained herein or in any other provision of this Agreement shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Subproject (beyond the extent necessary to conserve or protect any improvements or construction

already made) without first having expressly assumed the obligation to CCRA by written agreement reasonably satisfactory to CCRA, to complete, in the manner provided for in this Agreement, the Subproject on the Subparcel or the part thereof to which the lien or title of such holder relates. Notwithstanding the foregoing, the parties acknowledge and agree that, on a case-specific basis, this and other timing provisions of this Agreement may be waived or modified by CCRA, in the exercise of its commercially reasonable discretion. Holder may also request modifications to such timing and/or assumption, and CCRA hereby covenants and agrees to work cooperatively with such holder to accommodate such requests; provided, however, the ultimate decision wither to modify/waive any requirements shall rest with CCRA. Any such holder who shall properly complete the Subproject relating to the Subparcel or applicable part thereof shall be entitled, upon written request made to CCRA, to the certification provided for in Section 3(D) of Part II of this Agreement, and any such certification shall, if so requested by such holder, mean and provide that any remedies or rights with respect to recapture of or reversion or revesting of title to the Subparcel that CCRA shall have or be entitled to, because of a failure by the Designated Developer, or any successor in interest to the Subparcel, or any part thereof, to cure or remedy any default with respect to the construction of improvements on other parts of the Subparcel, or because of any other default in or breach of this Agreement by the Designated Developer or such successor, shall not apply to the part of the Subparcel to which such certification relates.

E. CCRA's Option to Pay Mortgage Debt or Purchase Property. In any case where, subsequent to a default or breach by the Designated Developer (or any successor in interest) under this Agreement, the holder of any mortgage on the Subparcel or part thereof:

(1) has, but does not exercise, the option to construct or complete the Subproject relating to the Subparcel or part thereof covered by its mortgage or to which it has obtained title, and such failure continues, subject to Section 7(F) below, for a period of ninety (90) days after the holder has been notified or informed of the default or breach, or

(2) undertakes construction of the Subproject but does not complete, subject to Section 7(F) below, such construction within the period as agreed upon by CCRA and such holder (which period shall in any event be at least as long as the period prescribed for such construction or completion in Part I of this Agreement), and such default shall not have been cured within ninety (90) days after written demand by CCRA to do so, then CCRA may (and every mortgage instrument made prior to completion of the Subproject with respect to the Subparcel by the Designated Developer, or any successor in interest shall so provide) pay to the holder the full amount of the mortgage debt and obtain an assignment of the mortgage and the debt secured thereby, or, in the event ownership of the Subparcel (or part thereof) has vested in such holder by way of foreclosure or deed in lieu thereof, CCRA shall be entitled, at its option, to a conveyance to it of the Subparcel or part thereof (as the case may be) upon payment to such holder of an amount equal to the sum of: (1) the mortgage debt at the time of the foreclosure or deed in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during the foreclosure proceedings); (2) all reasonable expenses with respect to the foreclosure, including reasonable attorneys' fees; (3) the net expense, if any (exclusive of general overhead), incurred by such holder in, and as a direct result of, the subsequent management of the Subparcel; (4) the costs of any improvements made by such holder; and (5) an amount equivalent to the interest (including any default interest and any late fees) that would have

accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence until the maturity thereof.

F. **CCRA's Option to Cure Mortgage Default.** In the event of a default or breach prior to the completion of the Subproject by the Designated Developer, or any successor in interest, in or of any of its obligations under, and to the holder of, any mortgage or other instrument creating an encumbrance or lien upon the Subparcel or part thereof, CCRA may, at its option, cure such default or breach, in which case CCRA shall be entitled, in addition to, and without limitation upon, any other rights or remedies to which it shall be entitled by this Agreement, operation of law, or otherwise, to reimbursement from the Designated Developer, or any successor in interest, of all costs and expenses incurred by CCRA in curing such default or breach and to a lien upon the Subparcel (or the part thereof to which the mortgage, encumbrance, or lien relates) for the amount of such reimbursement; provided that any such lien shall be subject always to the lien of (including any lien contemplated, because of advances yet to be made, by) any then existing mortgages on the Subparcel authorized by this Agreement.

G. **Mortgage and Holder.** For the purpose of this Agreement, the term "mortgage" shall include a deed of trust or other instrument creating an encumbrance or lien upon the Subparcel, or any part thereof, as security for a loan. The term "holder" in reference to a mortgage shall include any insurer or guarantor of any obligation or condition secured by such mortgage or deed of trust, including, but not limited to, the Federal Housing Commissioner, the Administrator of Veterans Affairs, and any successor in office of either such official.

7. REMEDIES

A. **In General.** Except as otherwise provided in this Agreement (including, without limitation, the provisions of Section 7(F) below, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by either party hereto, or any successor to such party, such party (or successor) shall, upon written notice from any other party, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice.

B. **Specific Performance.** In case action as required pursuant to Section 7(A) above is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

C. **Title Subject to Condition Subsequent.** If after the conveyance of the Subparcel or any part thereof to the Designated Developer and before the commencement of the construction of the Subproject:

(1) the Designated Developer (or any successor in interest) shall default in or violate its obligations with respect to the commencement of construction of the Subproject, and such default shall not be cured, ended, or remedied within, subject to the provisions of Section 4(B) of Part I of this Agreement and Section 7(F) below, three (3) months after written demand by CCRA so to do; or

(2) the Designated Developer (or any successor in interest) shall fail to pay real estate taxes or assessments on the Subparcel or any part thereof when due, or shall place or permit to be placed thereon any encumbrance or lien unauthorized by this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanic's lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien shall not have been removed or discharged or provision satisfactory to CCRA shall not have been made for such payment, removal, or discharge, within ninety (90) days after written demand by CCRA so to do; or

(3) there is, in violation of this Agreement, any transfer or attempted transfer of the Subparcel or any part thereof, or any change in the ownership of or with respect to the identity of the parties in control of the Designated Developer, or the degree thereof, and such violation shall not be cured within sixty (60) days after written demand by CCRA to the Designated Developer, then, in any such event, CCRA may re-enter and take possession of the Subparcel and terminate (and re-vest in CCRA) the estate conveyed by the Deed to the Designated Developer, it being the intent of this provision, together with other provisions of this Agreement, that the conveyance of the Subparcel to the Designated Developer shall be made upon a condition subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by the Designated Developer specified in subdivisions (1), (2) or (3) of this Section 7(C), the failure on the part of the Designated Developer to remedy, end, or abrogate such default, failure, violation, or other action or inaction, within the period and in the manner stated in such subdivision, shall, at the option of CCRA, result in a re-vesting in CCRA of the title, and of all of the rights and interests in and to, the Subparcel conveyed by the Deed to the Designated Developer and such title and all rights and interests of the Designated Developer, and any assigns or successors in interest to and in the Subparcel, shall revert to CCRA; provided that such condition subsequent and any re-vesting of title as a result thereof in CCRA shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement, or any rights or interests provided in this Agreement for the protection of the holders of such mortgages.

D. Resale of Reacquired Property: Disposition of Proceeds. Upon the re-vesting in CCRA of title to the Subparcel or any part thereof as provided in this Section 7(D), CCRA shall use its best efforts to resell the Subparcel or part thereof (subject to such mortgage liens and leasehold interests as permitted in this Agreement), as soon and in such manner as CCRA shall find feasible and consistent with the objectives of the Urban Renewal Plan, to a qualified and responsible party or parties (as reasonably determined by CCRA) who will assume the obligation of making or completing the Subproject or such other improvements in their stead as shall be satisfactory to CCRA and in accordance with the uses specified for the Subparcel and the proceeds thereof shall be applied:

(1) first, to reimburse CCRA, on its own behalf or on behalf of the City, for all costs and expenses incurred by CCRA, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the Subparcel or part thereof (but less any income derived by CCRA from the Subparcel or part thereof in connection with such management); all tax assessments, and water and sewer charges with respect to the Subparcel or part thereof (or, in the event the conveyed Subparcel is exempt from taxation or assessment or such charges during the period of ownership thereof by CCRA after re-vesting, an amount, if paid,

equal to such taxes, assessments, or charges (as determined by the City assessing official) as would have been payable if the Subparcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens on the Subparcel or part thereof at the time of revesting of title thereto in CCRA or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Designated Developer, its respective successors, assigns or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Subproject or any part thereof on the Subparcel or part thereof; and any amounts otherwise owing to CCRA by the Designated Developer and its respective successors or transferees; and

(2) second, to reimburse the Designated Developer, or its respective successors assigns or transferees, up to the amount equal to: (a) the sum of the purchase price paid by it for the Subparcel (or allocable to the part thereof) and the cash actually invested by it in making any of the Subproject on the Subparcel or part thereof, less (b) any gains or income withdrawn or made by it arising out of the Subparcel; and

(3) any balance remaining after such reimbursement shall be retained by CCRA as its property.

E. Other Rights and Remedies of CCRA; No Waiver by Delay. CCRA may institute such actions or proceedings as it may deem reasonably desirable for effectuating the purposes of this Agreement, including the right to execute and record or file among the public land records in the office in which the Deed is recorded, a written declaration of the termination of all the right, title, and interest of the Designated Developer pursuant to any of the applicable provisions of this Agreement (except for such individual parts or parcels upon which construction of that part of the Subproject required to be constructed thereon has commenced, in accordance with this Agreement and subject to such mortgage liens and leasehold interest permitted by this Agreement). Any delay by CCRA in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under any provision of this Agreement shall not operate as a waiver of such rights or to deprive it of, or limit, such rights in any way, nor shall any waiver in fact made by CCRA with respect to any specific default by the Designated Developer be considered or treated as a waiver of the rights of CCRA with respect to any other defaults by the Designated Developer under this provision with respect to the particular default except to the extent specifically waived in writing.

F. Enforced Delay in Performance for Causes Beyond Control of Party. For the purposes of any of the provisions of this Agreement, neither CCRA nor the Designated Developer, nor any of their respective successors in interest, shall be considered in breach of, or default in, their respective obligations with respect to the sale or preparation of the Subparcel for redevelopment, or the beginning and completion of construction of the Subproject, or progress in respect thereto, in the event of any delay in the performance of such obligation due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal, state or local government, acts of the other party or NJEDA, injunctions or court orders, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes, it being the purpose and intent of this provision that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the

Designated Developer, with respect to construction of the Subproject, shall be extended for the period of the delay as reasonably determined by CCRA; provided that the party seeking the benefit of this provision shall, within ten (10) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the delay.

G. Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or the manner or time thereof, of any obligation of the other party or any condition to its own obligations under this Agreement shall be considered to be a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and solely to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

H. Position of Surety with Respect to Obligations. The Designated Developer, for itself and its respective successors and assigns, and for all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation, responsibility or burden under this Agreement, hereby waive, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the ground of its (or their) being or having become a person in the position of a surety, whether real, personal or otherwise or whether by agreement or operation of law, including, without limitation on the generality of the foregoing, any and all claims and defenses based upon extension of time, indulgence, or modification of terms of contract.

8. MISCELLANEOUS

A. Conflict of Interests. No member, official, or employee of CCRA shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which such individual is, directly or indirectly, interested. No member, official, employee, commissioner, agent, servant, employee or affiliated entity of CCRA shall be liable, personally or otherwise, to the Designated Developer, or any successor in interest, in the event of any default or breach by CCRA or for any amount which may become due to the Designated Developer, or its successors in interest on any obligations of any type, kind, nature or description whatsoever, whether under the terms of this Agreement or otherwise.

B. Equal Employment Opportunity. The Designated Developer, for itself and its successors and assigns, each agree that during the construction of the Subproject provided for in this Agreement, it will impose the following restrictions on the Contractor:

(1) the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin; the Contractor

will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause;

(2) the Contractor will, in all solicitations or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin;

(3) the Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) the Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor;

(5) the Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to the Contractor's books, records, and accounts by CCRA, the Secretary of Housing and Urban Development, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders;

(6) in the event of the Contractor's noncompliance with the nondiscrimination clauses of this Section 8(B), or with any of the said rules, regulations or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law;

(7) the Contractor will include the provisions of Sections (B)(1) through (B)(5) in every contract or purchase order pertinent to the redevelopment of the Subparcel and will require the inclusion of these provisions in every subcontract entered into by any of its subcontractors, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each such contractor, subcontractor or vendor, as the case may be, involved in the redevelopment of the Subparcel and/or the construction of the improvements thereon;

(8) the Contractor will take such action with respect to any construction contract, subcontract, or purchase order as CCRA or the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in litigation or is threatened with litigation brought by a contractor, subcontractor or vender as a result of such direction by CCRA or the Department of Housing and Urban Development, the Contractor may request the United States to enter into such litigation to protect the interests of the United States (for the purpose of including such provisions in any construction contract, subcontract, or purchase order, as required hereby, the first three lines of this Section 8(B) shall be changed to read "During the performance of this Contract, the Subcontractor agrees as follows " and the term "Contractor" shall be changed to "Subcontractor");

(9) the Contractor will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work; provided that if the Contractor is a State or local government or any agency or instrumentality thereof, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under this Agreement or the construction contract;

(10) the Contractor will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor. Contractor will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance; and

(11) the Contractor will refrain from entering into any contract or contract modification which is subject to Executive Order 11246 of September 24, 1965, with a contractor who is debarred from, or who has not demonstrated eligibility for, government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the Contractor will agree that if it fails or refuses to comply with these undertakings, then the administering agency may take any or all of the following actions: cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee), refrain from extending any further assistance to the Contractor under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Contractor and refer the case to the Department of Justice for appropriate legal proceedings.

[Signatures start on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their proper officers and to have their respective seals affixed hereto on the day and year first above written in Part 1.

ATTEST

THE CITY OF CAMDEN
REDEVELOPMENT AGENCY

BY _____
Name:
Title:

Date: _____

ATTEST/WITNESS

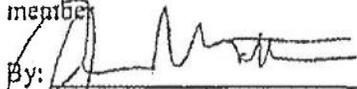
Kevin Golda

DESIGNATED DEVELOPER

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company

By: CTC Parent Holdings LLC, its sole member

By: LPDC Camden LLC, its managing member

By: 
Name: _____
Title: John S. Gattuso
Senior Vice President & Regional Director

Date: 12/2/16

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their proper officers and to have their respective seals affixed hereto on the day and year first above written in Part 1.

ATTEST

Joseph M. Petrucci

THE CITY OF CAMDEN
REDEVELOPMENT AGENCY

BY

Jehanna S. Cinyer
Name: *Jehanna S. Cinyer*
Title: *Director of Finance
Authorized Signer*

Date: *Nov. 21, 2016*

ATTEST/WITNESS

DESIGNATED DEVELOPER

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company

By: CTC Parent Holdings LLC, its sole member

By: LPDC Camden LLC, its managing member

By: _____

Name:

Title:

Date: _____

EXHIBIT "A"

Description of CCRA Owned Land

BEGINNING at a point on the westerly right-of-way line of Delaware Street (60' wide) at the intersection of said right-of-way line and the division lines of Block 81, Lot 4 (n/f City of Camden) and Block 81, Lot 3, said point being the following 3 courses and distances from the point of intersection on the westerly right-of-way line of Delaware Street (70' right-of-way) with the northerly right-of-way line of Federal Street (66' right-of-way);

(A) along the right-of-way line of Delaware Street, N 14°22'22" E, a distance of 899.28 feet to a point,

(B) continuing along same, S 75°36'38" E, a distance of 10.00 feet to a point,

(C) continuing along same, N 14°22'22" E, a distance of 40.50 feet to the point of BEGINNING.

The following 4 courses and distances are along the division line of Block 81, Lots 4 and 3

(1) thence leaving said right-of-way line, N 75°36'38" W, a distance of 265.03 feet to a point;

(2) thence N 30°36'38" W, a distance of 50.00 feet to a point;

(3) thence N 75°36'38" W, a distance of 80.00 feet to a point;

(4) thence S 59°23'22" W, a distance of 50.00 feet to a found iron pin;

The following 3 courses and distances are along the division line of Block 81, Lots 2 (n/f DRPA) and 3:

(5) thence N 75°36'38" W, a distance of 169.87 feet to a found iron pin;

(6) thence N 14°23'22" E, a distance of 21.71 feet to a found drill hole;

(7) thence N 74°20'38" W, a distance of 171.39 feet, to a point on the division line of Block 81, Lots 3 and 14 (n/f Camden County);

(8) thence along said division line, N 75°36'38" W, a distance of 565.30 feet to a point on the United States Government Pierhead Line, approved June 16, 1916 and adopted September 21, 1916 by the Board of Commerce and Navigation;

The following 3 courses and distances are along the U.S. Pierhead Line:

(9) thence N 11°13'40" E, a distance of 65.07 feet to a point;

(10) thence N 11°23'12" E, a distance of 270.26 feet to a point,

(11) thence N 11°18'25" E, a distance of 100.14 feet to a point

(12) thence leaving said U.S. Pierhead Line, S 75°36'38" E, a distance of 425.69 feet along the division line of Block 80, Lots 2 (n/f Camden County) and 5 to a point,

(13) thence continuing along same, N 09°26'12" E, a distance of 288.01 feet to a point;

(14) thence leaving said division line, S 76°24'35" E, a distance of 10.96 feet along the division line of Block 80, Lots 5 and 2.01 to a point,

(15) thence continuing along same, N 12°15'51" E, a distance of 20.01 feet to a point on the southerly right-of-way line of Penn Street (60" wide);

(16) thence leaving said division line, S 76°24'35" E,, a distance of 946.42 feet along said right-of-way line to a point on the westerly right-of-way line of Delaware Street;

The following 3 courses and distances are along the westerly right-of-way line of Delaware Street:

(17) thence leaving said right-of-way line along, S 14°22'12" W, a distance of 420.27 feet to a point,

(18) thence N 75°36'38" W, a distance of 12.22 feet to point;

(19) thence S 14°22'22" W, a distance of 360.35 feet to the point of BEGINNING.

EXCEPTING from the above described parcel the Parcel I and Parcel II more particularly described on Exhibit B below.

EXHIBIT "B"

Description of CTC Land

Parcel I:

BEGINNING at a point being the proposed subdivision line of Lot 3, Block 81.06, said point being N 75°51'36" W along said line of Cooper Street, a distance of 204.03 feet from the point of intersection of the southerly line of Cooper Street (100' wide), and the westerly line of Riverside Drive (60' wide), and runs; thence

(1) S 13°48'20" W along said subdivision line, a distance of 337.64 feet to a point in the division line between Block 81.04, Lot 1.01 and Block 81.06, Lot 3; thence

(2) N 74°35'36" W along said division line, a distance of 54.97 feet to a point in the division line between Block 81, Lot 1.02 and Block 81.06, Lot 3; thence

(3) N 26°45'01" E along the last mentioned division line, a distance of 34.17 feet to an angle point in same; thence

(4) N 74°35'36" W along same, a distance of 77.98 feet to an angle point in same; thence

(5) N 75°51'36" W along same, a distance of 189.41 feet to an angle point in same; thence

(6) N 10°38'32" E along same and also along the division line between Block 81, Lots 1 and Block 81.06, Lot 3, a distance of 252.21 feet to an angle point in same; thence

(7) N 75°42'02" W along same, a distance of 18.72 feet to a point in the aforementioned division line between Block 81, Lot 1.02 and Block 81.06, Lot 3; thence

(8) N 75°51'36" W along same, a distance of 22.54 feet to a point in the division line between Block 81, Lot 1.01 and Block 81.06, Lot 3; thence

(9) N 10°34'09" E along the last mentioned division line, a distance of 49.65 feet to a point in the aforementioned southerly line of Cooper Street; thence

(10) S 75°51'36" E along said line of Cooper Street, a distance of 372.64 feet to the Point and Place of Beginning.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 3.02, Block 81.06, on the Official Tax Map of the City of Camden

Parcel II:

BEGINNING at a pointing division line between Lots 1 and 1.02, Block 81 and at an angle point in the line of Lot 3, Block 81.06, said point being the following three courses from the point of intersection of the southerly line of Cooper Street (100' wide), and the westerly line of Riverside Drive (60' wide), and runs; thence

(a) N 75°51'36" W along said line of Cooper Street, a distance of 576.67 feet to a point in the division line between Block 81, Lot 1.01 and Block 81.06, Lot 3; thence

(b) S 10°34'09" W along the last mentioned division line, a distance of 49.65 feet to a point in the division line between Block 81, Lot 1.02 and Block 81.06, Lot 3; thence

(c) S 75°51'36" E along the last mentioned division line a distance of 22.54 feet to the Point of Beginning; thence

(1) S 75°42'02" E along the division line between Block 81, Lot 1 and Block 81.06, Lot 3, a distance of 18.72 feet to a point an angle point in same; thence

(2) S 10°38'32" W along same, a distance of 210.44 feet to a point in the division line between Lots 1 and 1.02, Block 81; thence

(3) N 75°42'02" W along same, a distance of 355.52 feet to an angle point in same; thence

(4) N 10°58'42" E along same, a distance of 187.40 feet to an angle point in same; thence

(5) S 75°51'36" E along same, a distance of 335.64 feet to an angle point in same; thence

(6) N 10°38'32" E along same, a distance of 22.04 feet to the point and place of Beginning.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 3.03, Block 81.06, on the Official Tax Map of the City of Camden

EXHIBIT "C"

Description of Subproject

C1/P1 Subproject Land Takedown Review Package for the Camden Waterfront Development Project dated July 29, 2016 submitted by Liberty Property Trust, as supplemented by:

1. C1/P1 Review Package Supplement delivered August 10, 2016
2. Estimated Development Costs for C2, P2, and C1/P1 delivered August 10, 2016
3. C1/P1 Review Package Supplement regarding financing letters delivered August 23, 2016
4. C1 Review Package Supplement delivered November 22, 2016
5. Estimated Environmental Remediation Costs for entire Waterfront Development dated November 29, 2016

EXHIBIT "D"

Description of the Subparcel

Unit C1/P1 of the Camden Waterfront Condominium, to be established upon the recordation of the Master Deed creating the Camden Waterfront Condominium.

EXHIBIT "E"

Assignment and Assumption of Designated Developer Subagreement

THIS ASSIGNMENT AND ASSUMPTION OF DESIGNATED DEVELOPER SUBAGREEMENT (this "Assignment") is entered into as of _____, 201__ (the "Effective Date"), by and between CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company (collectively, "Assignor"), and CAMDEN PARTNERS TOWER EQUITIES, LLC, a New Jersey limited liability company ("Assignee").

PRELIMINARY STATEMENTS:

A. Assignor has entered into that certain Designated Developer Subagreement dated _____, 2016 (the "Agreement") by and between Assignor and the City of Camden Redevelopment Agency ("CCRA").

B. In connection with the transfer of the certain real property and the improvements thereon located in the City and County of Camden, New Jersey, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Unit"), from Assignor to Assignee, Assignor and Assignee have agreed to enter into this Assignment.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Assignment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms used in this Assignment which are not otherwise defined in this Assignment shall have the same meanings given such terms in the Agreement.

2. Assignment.

(a) Assignor hereby sells, assigns, and transfers to the Assignee all of its rights, title, interest in and to and its obligations in, to and under the Agreement.

(b) Assignee hereby accepts the forgoing sale, assignment, and transfer of Assignor's rights, title, interest and obligations, in, to and under the Agreement and, for the benefit of Assignor and CCRA, hereby covenants and agrees to (i) assume all of the Assignor's rights and obligations thereunder accruing on and after the Effective Date, or otherwise attributable to the period commencing on said date and continuing thereafter, and (ii) be subject to all of the conditions and restrictions to which the Designated Developer is subject under the Agreement.

3. Further Acts. Assignee and Assignor each hereby agrees to execute and deliver promptly upon request of the other party hereto such further agreements or instruments and to do, or cause to be done, such further acts and things as may be necessary or appropriate to complete the assignment and transfer of the Agreement to Assignee as contemplated in this Assignment.

4. Execution in Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one instrument.

5. Severability. Any provision of this Assignment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6. Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

7. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New Jersey (without reference to conflicts of laws principles).

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date and year hereinabove written.

ASSIGNOR

CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company

By: CTC Parent Holdings LLC, its sole member

By: LPDC Camden LLC, its managing member

By: _____
Name:
Title

ASSIGNEE

CAMDEN PARTNERS TOWER EQUITIES, LLC, a New Jersey limited liability company

By: _____
Name:
Title:

STATE OF _____ :
: ss.
COUNTY OF _____

I CERTIFY that on _____, 2016, _____
personally came before me and acknowledged under oath, to my satisfaction, that this person:

- (a) is named in and personally signed this instrument; and
- (b) signed, sealed and delivered this instrument as his/her act and deed in his/her capacity as _____ of LPDC Camden LLC, managing member of CTC Parent Holdings LLC, sole member of Camden Town Center, LLC, a New Jersey limited liability company.

Notary Public

My Commission Expires:

STATE OF _____ :
: ss.
COUNTY OF _____

I CERTIFY that on _____, 2016, _____
personally came before me and acknowledged under oath, to my satisfaction, that this person:

- (a) is named in and personally signed this instrument; and
- (b) signed, sealed and delivered this instrument as his/her act and deed in his/her capacity as _____ of Camden Partners Tower Equities, LLC, a New Jersey limited liability company.

Notary Public

My Commission Expires:

EXHIBIT E

PRE-DEVELOPMENT MATERIALS ASSIGNMENT AGREEMENT

This PRE-DEVELOPMENT MATERIALS ASSIGNMENT AGREEMENT (this "Assignment") is made as of the ___ day of _____, 2017 by and among CAMDEN TOWN CENTER, LLC, a New Jersey limited liability company, and LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania limited partnership (collectively "Assignor") and CAMDEN PARTNERS TOWER EQUITIES, LLC, a New Jersey limited liability company ("Assignee").

RECITALS

WHEREAS, Assignor and Assignee are parties to that certain Purchase, Sale and Development Agreement dated _____, 2017 (the "Purchase Agreement") pursuant to which, among other things, Camden Town Center, LLC agrees to sell, and Assignee agrees to purchase, that certain parcel of land commonly known as Unit C-1 of Camden Waterfront Condominium; and

WHEREAS, the Purchase Agreement contemplates that at Settlement (as defined therein) Assignor shall assign to Assignee all of Assignor's right, title and interest in and to certain Pre-Development materials, as more particularly defined in the Purchase Agreement.

NOW, THEREFORE, in consideration of the Purchase Price (as defined in the Purchase Agreement) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. To the extent assignable, Assignor hereby assigns, transfers and sets over unto Assignee all of Assignor's right, title and interest in and to the Pre-Development Materials described on Exhibit A attached hereto.

2. The assignment and assumption set forth in Paragraph 1 above is made without any representation or warranty by Assignor whatsoever. Assignee hereby releases Assignor from any and all claims arising under, or related to, the Pre-Development Materials and agrees to indemnify, defend and save Assignor harmless from any and all claims, demands, actions, causes of action, suits, proceedings, and damages, liabilities, and costs and expenses, including without limitation reasonable legal fees and court costs, of every nature whatsoever which arise pursuant to the Pre-Development Materials. Assignee's indemnity obligations in this Paragraph shall not extend to claims arising out of the negligence or willful misconduct of Assignor or Assignor's agents, employees or representatives, and shall not cover punitive or consequential damages other than punitive damages or consequential damages of any third party for which Assignor is held responsible.

3. To the extent any of the Pre-Development Materials are relevant to more than just the Property including, without limitation any Environmental Reports (as defined in the Purchase Agreement), this Assignment shall be deemed to apply only with respect to the matters therein applicable to the Property and nothing in this Assignment shall be deemed to prevent Assignor from continuing to rely thereon.

4. This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns.

5. This Assignment shall be governed by, and interpreted under, the laws of the State of New Jersey without regard to principles of conflict of laws.

6. This Assignment may be executed in counterparts. Faxed or electronically delivered signatures shall be binding as original signatures.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

ASSIGNOR:

CAMDEN TOWN CENTER, LLC

By: CTC PARENT HOLDINGS LLC,
a Delaware limited liability company,
its sole member

By: LPDC CAMDEN LLC,
a Delaware limited liability
Company, its Managing Member

By: _____
John S. Gattuso
Senior Vice President and Regional Director

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust, its sole general partner

By: _____
John S. Gattuso
Senior Vice President and Regional Director

ASSIGNEE:

CAMDEN PARTNERS TOWER EQUITIES, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A
(to Pre-Development Materials Assignment Agreement)

Pre-Development Materials

EXHIBIT F

Environmental Reports

- Phase I Environmental Site Assessment, Proposed Camden Mixed Use Development Block 81.06, Lots 3.01, 3.02, and 3.03; Block 80.01, Lots 5.03 and 5.04; Block 80, Lot 2.01, City of Camden, Camden County, NJ 08102, prepared by Pennoni Associates Inc., dated April 11, 2016
- Preliminary Assessment Report, Proposed Camden Mixed Use Development Block 81.06, Lots 3.01, 3.02 and 3.03; Block 80.01, Lots 5.03 and 5.04; Block 80, Lot 2.01, Camden City, Camden County, NJ 08102, prepared by Pennoni Associates Inc., dated April 2016
- Site Investigation Report/Remedial Investigation Report/Remedial Action Workplan, Proposed Camden Mixed Use Development Block 81.06, Lots 3.01, 3.02, and 3.03; Block 80.01, Lots 5.03, and 5.04; Block 80, Lot 2.01, Camden City, Camden County, NJ 08102, prepared by Pennoni Associates Inc., dated August 2016

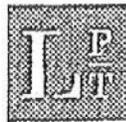
EXHIBIT G

Community Investment Agreement

The Camden Waterfront:

City of Camden
Community Investment
Agreement

Prepared By:



LIBERTY
PROPERTY
TRUST

June 29, 2016, amended 9-1-16, amended 9-13-16

I. Introduction

Liberty Property Limited Partnership ("Liberty") is undertaking the development of a 16.5 acre portion of the Camden Waterfront with the goal of creating a vibrant urban destination featuring office, residential, hotel, structured parking, open space, and ancillary retail uses. In connection with its development of the Camden Waterfront, Liberty is committed to providing fair, equitable, and representative opportunities for Camden residents and businesses in the areas of professional services and construction, as well as encouraging and securing long-term benefits for the residents of Camden overall. The elements comprising this commitment are described in this Community Investment Agreement (the "Agreement").

The Agreement consists of the following elements:

- Maximizing sourcing from businesses located within Camden and/or owned by Camden residents (Camden Business Enterprises or "CBEs"); or
- Maximizing the utilization of qualified Camden residents as part of the construction workforce;
- Enhancing opportunities for long-term employment by Camden residents;
- Working with the Mayor's Residents Building Camden Task Force on job outreach and training programs;
- Construction workforce consisting of at least a 10% - 20% of qualified Camden residents;
- An increase in the quantity and quality of public spaces along the Camden Waterfront;
- Student internships and apprenticeships;
- Adding affordable housing within Camden; and
- Monitoring and reporting

As the master developer for The Camden Waterfront, Liberty will manage and direct the development and construction of the infrastructure, office buildings, and parking garages. Liberty will also enter into development agreements providing for the development of the above-referenced hotel and residential components. Liberty will also require the developers of the hotel and residential sites, as well as end users of the buildings it constructs, to enter into agreements with the City of Camden to establish job outreach and training programs and the active recruitment of city residents for employment opportunities. Liberty will use commercially reasonable efforts to incorporate language that will maximize opportunities for Camden residents and Camden based firms into its other contracts.

II. Proposed Development Program

This Agreement is being provided in connection with the development of The Camden Waterfront. The program for the Camden Waterfront consists of four office buildings containing 1,440,000 rentable square feet of office space, a 130 to 150-unit hotel, approximately 211 residential units, approximately 4,000 structured parking spaces, open

space, and ancillary retail on the Camden Waterfront (the "Project"). The scope of the Project may change to respond to market demands.

This Agreement contains goals for the employment of Camden-based workers in connection with the Liberty-developed portions of the Project. Each contractor performing work on behalf of Liberty shall establish sound procurement policies to provide CBE firms and residents a fair and representative opportunity to participate in the contracts relating to the Project.

III. Employment Goals and First Source Hiring

A. Purpose

The purpose of this section is to facilitate the customized employment goals and first source hiring of targeted job applicants for the Project. Liberty will establish a job outreach and training program, as well as an active recruitment process for qualified City residents in the construction industry. Qualified contractors and suppliers will be identified by the Residents Building Camden Work Group ("RBCWG"). In order to connect job applicants with L.F. Driscoll/Jingoll, RBCWG will develop a referral system of targeted job applicants from the City including those from the Cooper Grant and Lanning Square neighborhoods. The general contractor L.F. Driscoll/Jingoll will utilize such qualified contractors and suppliers to the extent possible.

The goals set forth in this Agreement shall be communicated in all Requests for Proposals (RFPs) and solicitations.

B. Employment Goals

In connection with the construction of the Project, Liberty will cause its general contractor, L.F. Driscoll/Jingoll to use a good faith effort to achieve a construction workforce consisting of 10% - 20% of qualified Camden residents. This goal will also apply to the construction of the hotel and residential portions of the Project.

At any given time it is possible that Liberty will have up to 1,000 construction workers on site. Additionally, there are numerous other projects currently under construction or about to be under construction in Camden. The current number of Camden residents enrolled in the building trades represents a challenge to the achievement of the employment goal. In recognition of this, Liberty and Driscoll/Jingoll will work diligently with the building trade unions, the Office of the Mayor, and all other interested parties to expand the number of qualified Camden residents in the building trades.

Liberty will also use good faith efforts to require the developers of the hotel and residential sites, as well as end users of the buildings it constructs, to enter into

agreements with the City of Camden to establish job outreach and training programs and the active recruitment of city residents for employment opportunities.

C. First Source Hiring

The purpose of first source hiring is to facilitate the employment of targeted job applicants in the City of Camden, including the Cooper-Grant and Lanning Square neighborhoods. It is the goal of this Agreement that qualified City residents be utilized for employment opportunities with qualified applicants from those neighborhoods utilized first. It is expected that Liberty will benefit from this requirement by helping to employ a workforce that is invested in the Waterfront development.

D. Subcontracting

Liberty shall use good faith efforts to arrange for CBEs to be engaged as subcontractors in the construction and/or the providers of goods and services to the Project, insofar as they are competitive with respect to quality, service, delivery time, and price. Contractors bidding on or performing work in connection with the Project shall not be required to engage CBEs when not the lowest responsible and qualified bidder, or otherwise are not competitive with respect to quality, service, delivery time or price. Contractors will not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, sexual or affectional preference, national origin, handicap, or because he or she is a disabled veteran.

E. Marketing and Advertising

Liberty will cause its general contractor L.F. Driscoll/Jingoli to participate in job fairs throughout the City of Camden and to work with the RBCWG to inform community organization(s) about job vacancies, announcements, and listings using media identified by RBCWG, which may include newspapers, radio, on Camden City's website, and social media (Facebook, Twitter, LinkedIn).

Liberty will post job opportunity signs at the construction worksite and will require the general contractor to participate in the marketing and advertising of open opportunities.

IV. Agreement Monitoring and Management

Liberty's requirements relative to monitoring good faith efforts shall include the following:

- The contractor shall submit copies of all bid solicitations with CBE subcontractors identified. If such bid solicitation did not include any CBE subcontractors, the contractor shall state the efforts made to identify qualified firms.

- The contractor shall submit copies of all bid results with CBE subcontractors identified at 1st tier and 2nd tier. If a CBE subcontractor that received a bid solicitation did not respond or provide a bid, the contractor shall state the efforts made to assist such qualified firms to prepare a bid.
- The contractor shall submit a spreadsheet of signed contracts and purchase orders with subcontractors identifying CBE participation.
- Subcontractors shall provide documentation of the actual dollar amounts paid to CBE subcontractors.
- For contracts or subcontracts in excess of \$100,000 contractors and subcontractors shall submit "certified" payrolls, and/or a weekly payroll record, listing the following items for all on-site employees.
- Certified payroll reports shall be signed by an authorized company officer and must include:
 - a. Full name
 - b. Last four digits of the social security number
 - c. Full address
 - d. Trade classification (e.g., laborer, carpenter, electrician, plumber, apprentice, and foreman)
 - e. Gender
 - f. Race
 - g. Hours worked
 - h. All withholding (e.g., city, local, state, FICA, etc.)
 - i. Name of Contractor and Identification of Prime for Subcontractors
 - j. Name of Project
- Payroll Records, while not certified should include:
 - a. Full name
 - b. Last four digits of the social security number
 - c. Full address
 - d. Trade classification (e.g., laborer, carpenter, electrician, plumber, apprentice, and foreman)
 - e. Gender
 - f. Race
 - g. Hours worked
 - h. All withholding (e.g., city, local, state, FICA, etc.)
 - i. Name of Contractor and Identification of Prime for Subcontractors
 - j. Name of Project
- For contracts or subcontracts less than \$100,000 contractors and subcontractors shall include a statement, signed by an authorized representative of such contractor or subcontractor of the percentage of its workforce that is comprised of minorities, women, and Camden residents related to the work performed and being billed for on such invoice.

Liberty retains the right to inspect and receive contract and employment documents to verify employment activities.

The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the contractor's commitments under this subparagraph and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor shall comply with all applicable requirements of any federal, state or local law, ordinance or regulation relating to equal opportunity and nondiscrimination in employment, and shall use its best efforts to meet local goals relating thereto.

To facilitate the inclusion of CBEs as contractors, vendors and suppliers and Camden residents as site workforce participants, it is required that all bidders submit participation goals with their bids together with trade and/or employee worksheets confirming the contractor's/vendors plan for achieving participation levels presented for Camden Resident employment participation levels. The basis for each determination will be the projected total on-site, employee hours divided by the number of Camden residents employee hours anticipated to be performed on the contractor's payroll, and each of the contractor's on-site subcontractors, to determine Camden residents employee utilization.

If the contractor's CBE participation does not meet or exceed the established goals, the contractor must prepare a plan showing how it has made a good faith "best effort" to achieve the project goals. This plan may include, but not be limited to, the following:

- Telephone logs
- Bid results and a statement of why no awards were made
- Correspondence between firm and any CBE firms relating to the project bid.

V. Education and Training

A. Purpose

The Purpose of this section is to provide an opportunity for Camden residents to have exposure to real work experience. The current number of Camden residents enrolled in the building trades represents a challenge to the goals set forth in this agreement, thus providing an opportunity through internships and apprenticeships will enable residents to gain real work experience and eventually full time employment.

B. Internship Program

As part of the Agreement, an Internship program will be implemented throughout the duration of the Project. Participants will be identified by the Office of the Mayor. As currently envisioned, this will consist of one student for each six (6) month term over the duration of the Project's development period (for an anticipated aggregate total of 6 to 8 student participants). Students will receive a stipend for participation. The goal of the program is to provide students with exposure to a real work experience that translates into a greater understanding of career opportunities in the areas of construction, real estate, and related fields.

C. Apprenticeship Program

In recognition of the lack of qualified residents in the building trades, Liberty's general contractor L.F. Driscoll/Jingoll will work diligently with the building trades unions, the Office of the Mayor, community organization(s), and all other interested parties to expand the number of qualified Camden residents in the building trades by encouraging Camden residents to be recruited into union apprenticeship programs. The goal of the apprenticeship program is to provide on the job training that will enable the participant to continue working in the construction field. Liberty and its general contractor will offer their full support in this effort.

D. Training Program

Liberty shall work with the RBCWG and other employers in the City to create job training programs that will enable Camden City residents to gain real work experience and eventually full time employment. Liberty shall ensure that each building contribute [REDACTED] for job training classes for Camden City residents.

E. Camden Corps Plus

Liberty supports the City of Camden and the Center for Family Services in their application for the Disconnected Youth Demonstration Project-Camden Corps. Plus. The project provides education and job training for Camden City residents that will increase the opportunity for a pathway to a career. As a partner in this endeavor, Liberty has committed to supporting this effort to increase economic opportunities for Camden residents by committing to consider successful Camden Corps Plus trainees for internships and permanent jobs.

VI. Community Outreach and Sustainability

Liberty acknowledges that having a structured communication process is in the best interest of the general community. To help implement this process, Liberty agrees that any community outreach, community investment, or public service projects undertaken by Liberty shall be coordinated through the Office of the Mayor.

A. Student Art Program

A student-based art program will be implemented by Liberty during the construction phase of the Project. Liberty will work with the Office of the Mayor to organize a program for Camden youth to design and execute several temporary murals to screen the construction fencing of various projects during the construction period.

B. Waterfront Park

Liberty will dedicate an additional approximately 100,000 square feet to the Waterfront Park. In connection with this enlarged Waterfront Park, Liberty intends to make a significant financial contribution towards its upgrade, improvement and/or reconstruction. The amount of this financial contribution shall be specifically defined by Liberty upon the completion of a final, approved plan for the improvement of the Waterfront Park.

C. Green Infrastructure

The Project will insert into its design significant green infrastructure, including green roofs on many of the buildings and the collection of rain water for irrigation. As long as the Project is ongoing, Liberty will work with the Office of the Mayor to incorporate sustainability and green infrastructure initiatives into the Project.

D. Affordable Housing

The residential rental component of the Project will be required to develop twenty percent (20%) of the residential units as affordable housing.

E. Cooper-Grant and Lanning Square Business Support

Liberty recognizes the impact that the Project will have on other businesses located in the Cooper-Grant and Lanning Square neighborhoods. Smaller, minority-owned businesses face gentrification pressures and it is important that Liberty be sensitive to these individuals who own and work at these establishments. In an effort to support the viability of these neighborhood businesses, Liberty will work with the Mayor's office, Cooper Lanning Civic Association, and any other interested parties to support and collaborate in marketing and promotional initiatives.

F. Youth Sports

Organized youth sports are one of the greatest resources available for instilling valuable life skills in youngsters. Liberty will coordinate with the Mayor's office relating to organized sports within the City of Camden in their census tract and neighboring census tracts (Cooper Point, North Camden, and Lanning Square) for sponsorship, mentoring and volunteering opportunities.

VII. Common Area Association

Liberty will create a common area association, funded by the future owners of the various sites within the 16.5 acre project area (the "Project Area"). This common area association will be responsible for the ongoing maintenance of the streets, sidewalks, landscaping, as well as snow removal. It will further provide for supplemental maintenance within the Waterfront Park, an ambassador corps, and a scheduled shuttle bus service connecting the Project Area to PATCO.

VIII. Oversight Committee

Liberty will establish an Oversight Committee. Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

The Oversight Committee shall consist of the following members:

- Representative of Liberty Property Limited Partnership
- Representative of the Office of the Mayor
- Representative of the purchaser of the building
- Representative of the general contractor

IX. Communication and Reporting

Liberty acknowledges that having a structured communication process is in the best interest of the general community. To help implement this process, Liberty agrees that any community outreach, community investment, or public service projects undertaken by Liberty shall be coordinated through the Office of the Mayor.

Liberty agrees to file an annual report with the Office of the Mayor of the City of Camden concerning the performance of the Community Benefit Plan through the duration of the Project. Reporting will include: (i) utilization of CBEs and (ii) the hiring and employment of Camden residents.

X. Term of Agreement

This CBA will become effective on the date that the CBA is signed by all parties. It will remain in effect throughout the term of the project. This Agreement shall be reviewed

after two (2) years to update and make any necessary changes agreed upon by the parties.

XI. Default and Remedies

If Liberty fails to perform under sections III, IV, V, or VI, the City of Camden shall be entitled to remedies available at law or in equity, provided however that it shall not be liable for direct, incidental, consequential, special, exemplary, liquidated, punitive or other damages; nor shall any member, manager, officer, director or employee have any personal liability for a default of Liberty hereunder. The City of Camden shall provide Liberty written notice of any failure to perform the obligations set forth in the above referenced sections. Liberty shall have 30 business days to cure the failure. Notwithstanding the foregoing, no privity of contract exists between the City and any CBE, contractor or individual identified in any contract resulting from implementation of the Plan. Neither the Owner nor the City intends to give or confer upon any such CBE, contractor or individual any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the CBE, contractor or individual may seek as a private cause of action under any legally binding contract to which it may be party.

XII. Governing Law

This CBA shall be governed by the laws of the State of New Jersey.

XIII. Severability

If any term, provision, covenant, or condition of this CBA is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue to be in full force and effect.

XIV. Non-Discrimination

Liberty affirms that it is an equal opportunity employer. Liberty will not discriminate in any employment or personnel practices against any employee or applicant on the basis of race, color, creed, religion, sex, national origin, marital status, age, sexual orientation, physical or mental disability, veteran status, public assistance status, genetic information, membership or activity in local commission, or any other status protected by law. This policy extends to all applicants and employees and to all aspects of the employment relationship, including but not limited to recruiting, hiring, training, promotions, transfers, layoffs, terminations, and compensation.

XV. Contact

Liberty's contact persons for the Project are:

Name: John S. Gattuso
Title: Senior Vice-President and Regional Director

Address: 1628 John F. Kennedy Boulevard, Suite 1100
Philadelphia, PA 19103

Phone: (215) 568-4100
Fax: (215) 568-1999
E-Mail: jgattuso@libertyproperty.com

and

Name: Anne Cummins
Title: Manager, Development

Address: 1628 John F. Kennedy Boulevard, Suite 1100
Philadelphia, PA 19103

Phone: (215) 255-7607
Fax: (215) 568-1999
Email: acummins@libertyproperty.com

City of Camden's contact:

Name: Dana L. Redd
Title: Mayor City of Camden

Address: 520 Market Street, 4th Floor
Camden, NJ 08101

Phone: (856) 757-7200
Email: mayor@ci.camden.nj.us

and

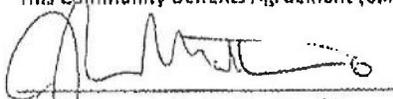
Name: Marc A. Riondino, Esq.
Title: City Attorney

Address: 520 Market Street, 4th Floor, Suite 419

P.O. Box 95120
Camden, NJ 08101

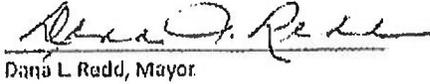
Phone: (856) 757-7170
Fax: (856) 342-7728
Email: law@ci.camden.nj.us

This Community Benefits Agreement (CBA) is hereby signed, executed, and agreed to by:



Liberty Property Limited Partnership
By: Liberty Property Trust, its sole general partner

9-15-2016
Date



Dana L. Redd, Mayor

9/14/16
Date

EXHIBIT H-1

Description of Necessary Common Elements

- Sidewalks – curbs and sidewalks shown as shaded on Exhibit H-2, sidewalk tree pits and sidewalk/street lighting on the west side of Riverside Drive, the east side of Caruso Pl. (to be renamed Victor Pl.) and the south side of Cooper Street, all in accordance with the plan attached hereto as Exhibit H-2.
- Streets – Proposed Water St. and Proposed Caruso Pl. (to be renamed Victor Pl.)
- Water, Sanitary and Stormwater pipes in accordance with the plan attached hereto as Exhibit H-2.
- Primary electrical duct bank to the electric transfer switch located on the southwest corner of the building as shown on the plan attached hereto as Exhibit H-3.
- Telecommunication conduits in Riverside, Cooper and Victor Streets.

EXHIBIT H-2

Necessary Common Elements Plan

EXHIBIT H-3

Plan of Electrical Duct Bank to Electrical Transfer Switch

EXHIBIT I

NONFOREIGN PERSON CERTIFICATION

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the Transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Liberty Property Development Corp.- II, a Pennsylvania corporation ("Transferor"), the sole member of LPDC Camden LLC, a Delaware limited liability company, the sole member of CTC Parent Holdings LLC, a Delaware limited liability company, the sole member of Camden Town Center, LLC, a New Jersey limited liability company, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and income tax regulations);
2. The undersigned Transferor is not a disregarded entity as defined in Treasury Regulation §1.1445-2(b)(2)(iii);
3. Transferor's U.S. taxpayer identification number is 23-2936997; and
4. Transferor's office address is:
500 Chesterfield Parkway
Malvern, PA 19355

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

**LIBERTY PROPERTY DEVELOPMENT
CORP.-II, a Pennsylvania corporation**

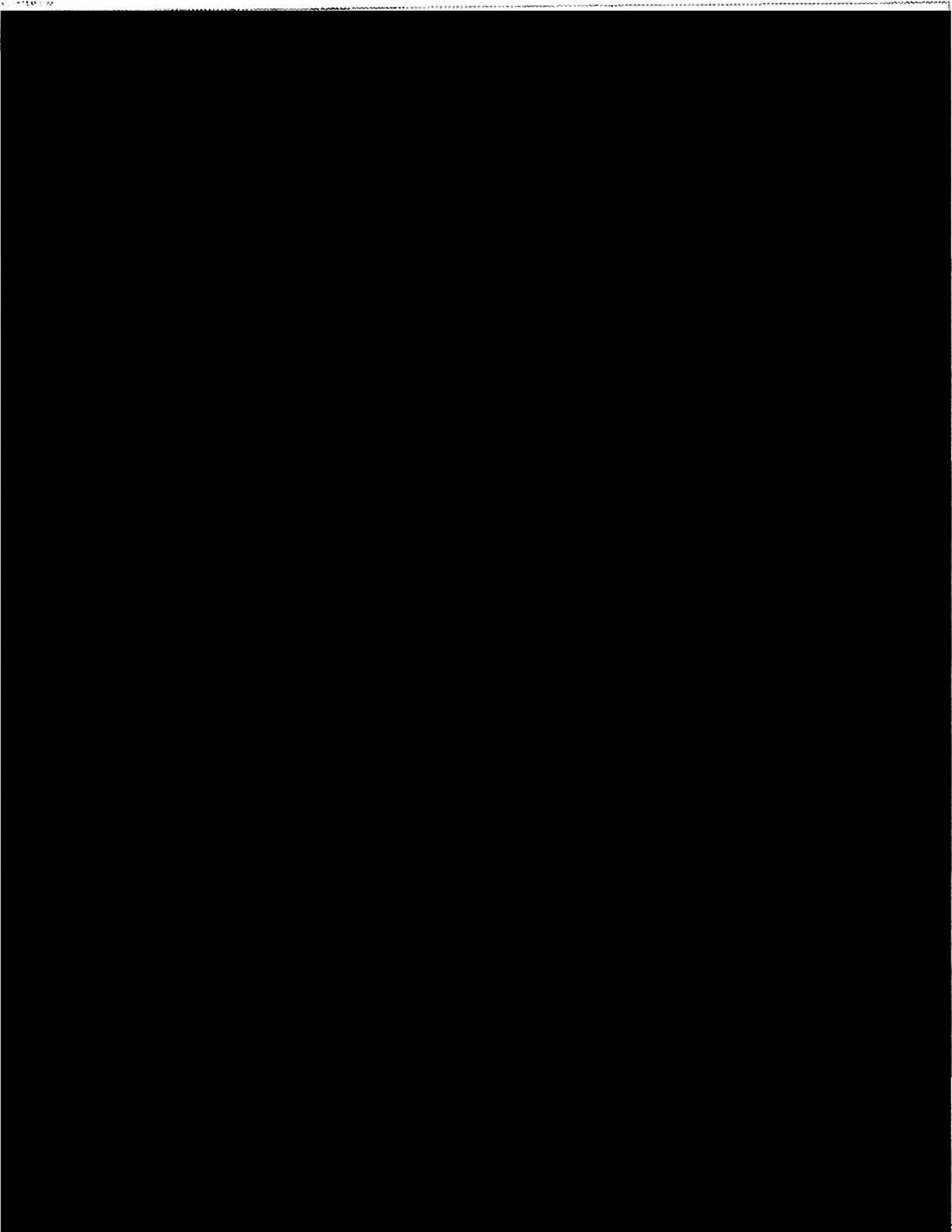
By: _____
Name:
Title:

EXHIBIT J

Conceptual Design Package



U.S. DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION WASHINGTON, D.C. 20535	
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AUTHORITY:	
ABSTRACT:	
SUMMARY:	
FULL-TEXT ABSTRACT:	
KEYWORDS:	
SUBJECT TERMS:	
DISTRIBUTION STATEMENTS:	
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SCALE: 1/8" = 1'-0"	
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APPROVED BY: [Name]	
TITLE: [Title]	
PROJECT: [Project Name]	
LOCATION: [Location]	
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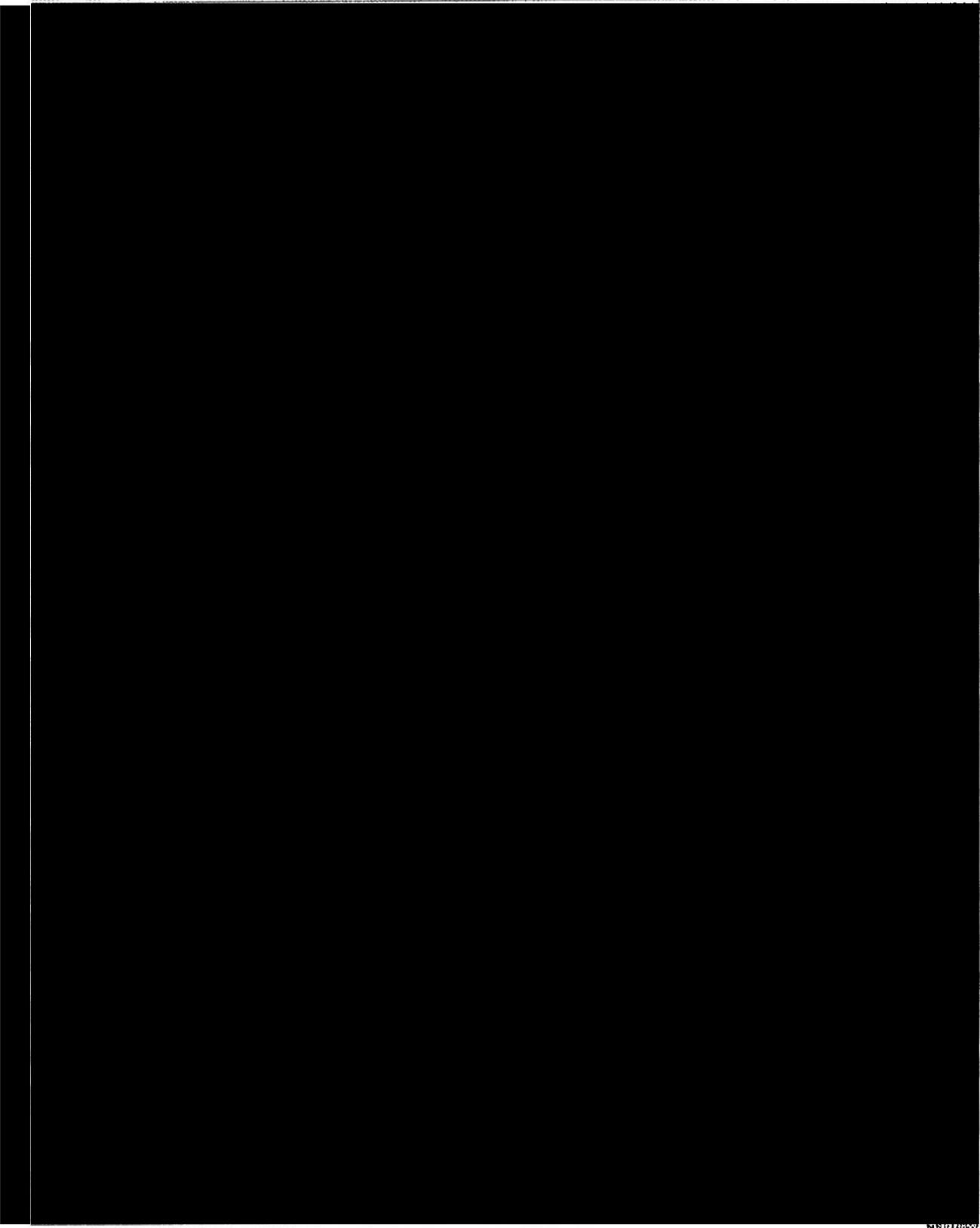
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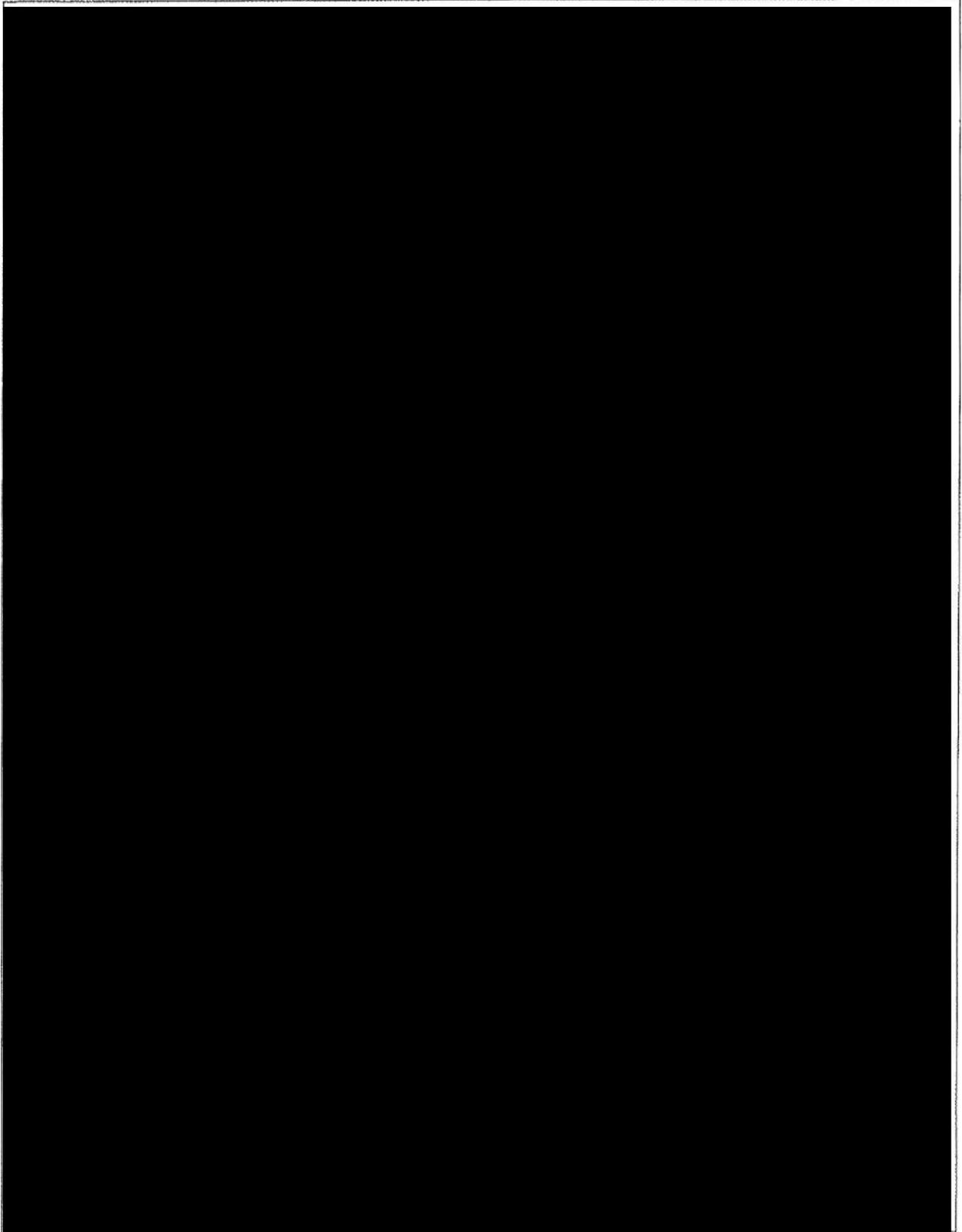
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WASHINGTON, DC 20540

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WASHINGTON, DC 20540

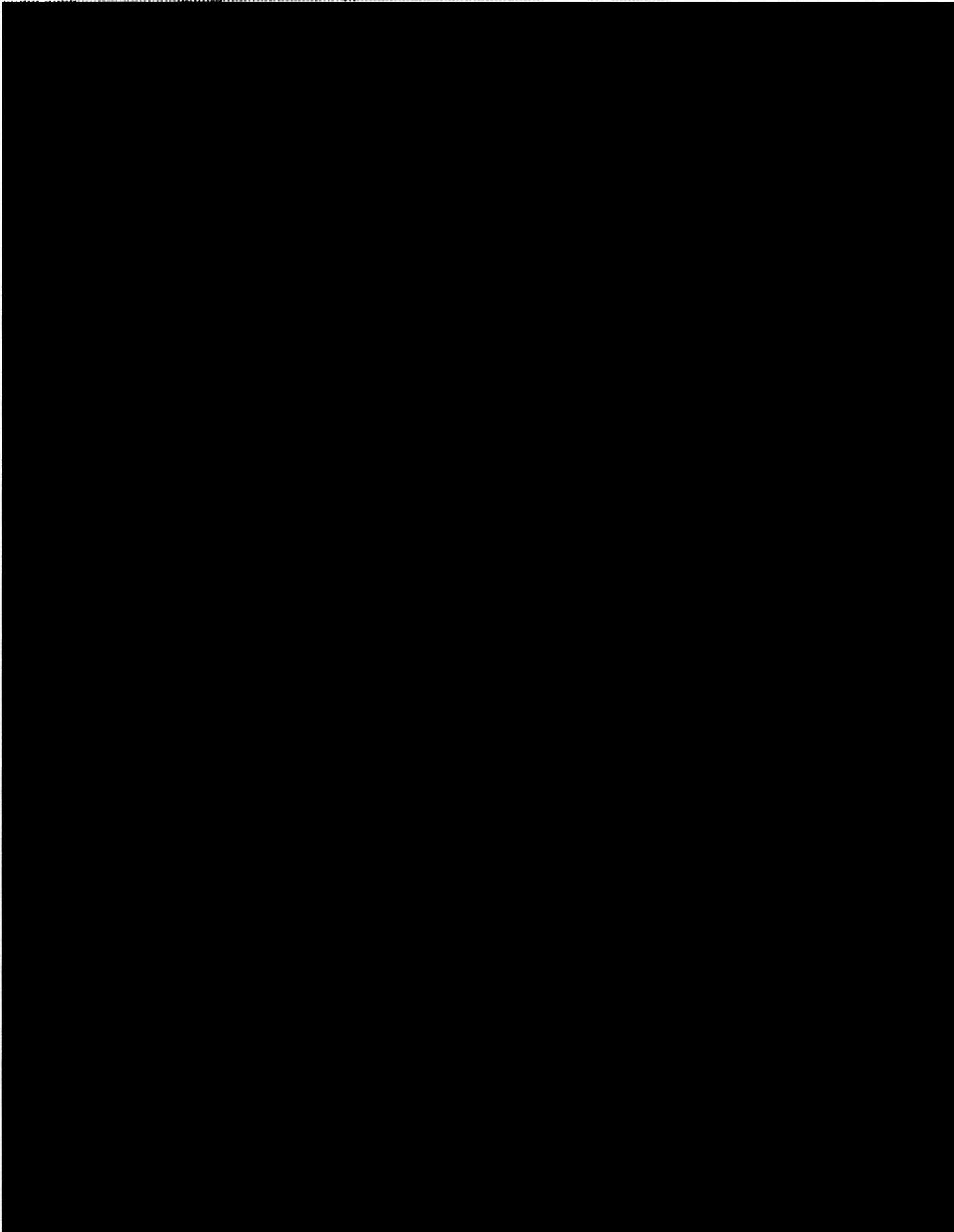
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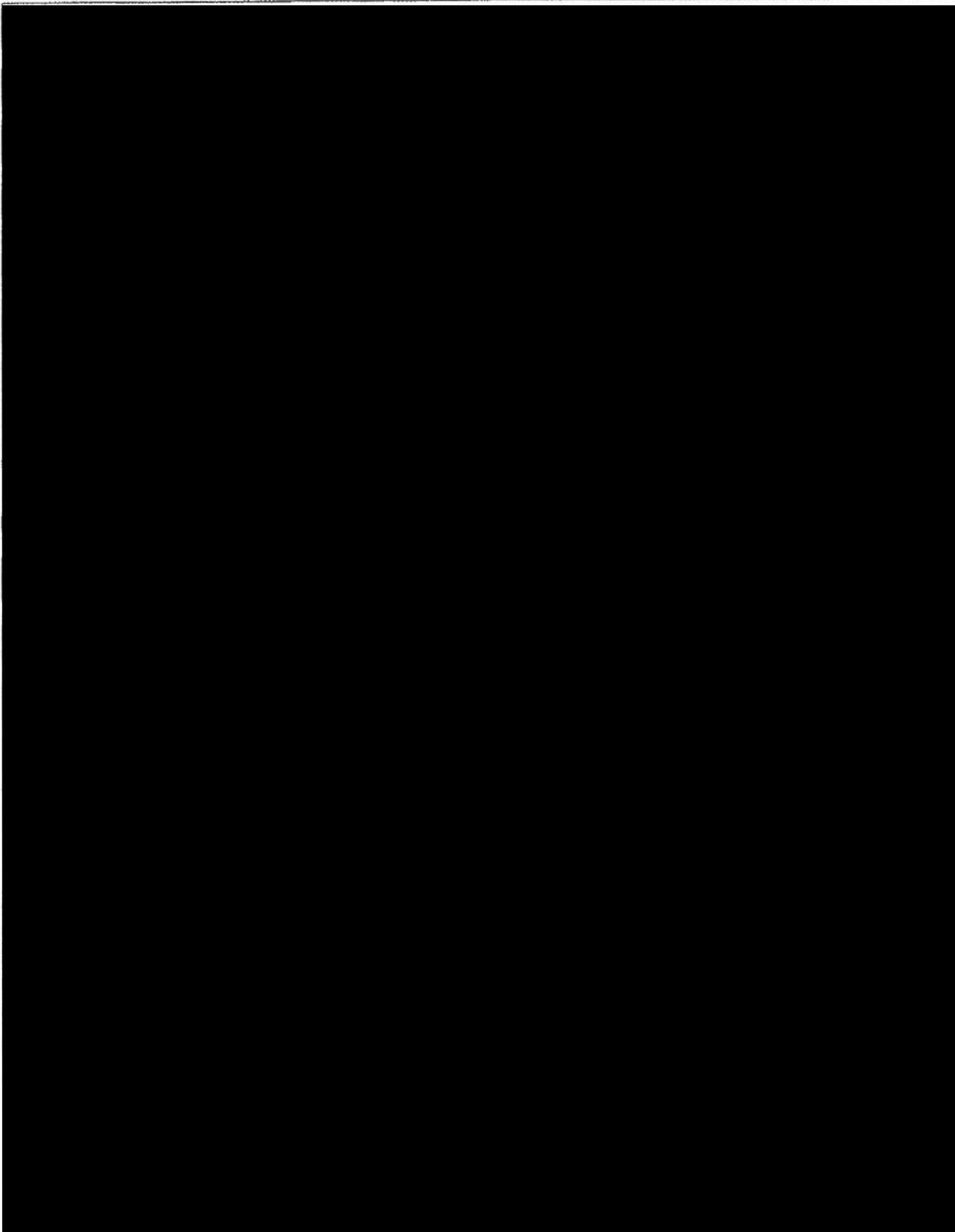
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FOR THE UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Case No. 13-1152
Date of Report 05/20/13
Page 1 of 1

MEMORANDUM FOR THE DIRECTOR, FBI
SUBJECT: [REDACTED]

DATE: 05/20/13
BY: [REDACTED]

TO: [REDACTED]
FROM: [REDACTED]

Category	Item	Quantity	Unit	Value
BIDDING SECTIONS	1.00			
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13-1152

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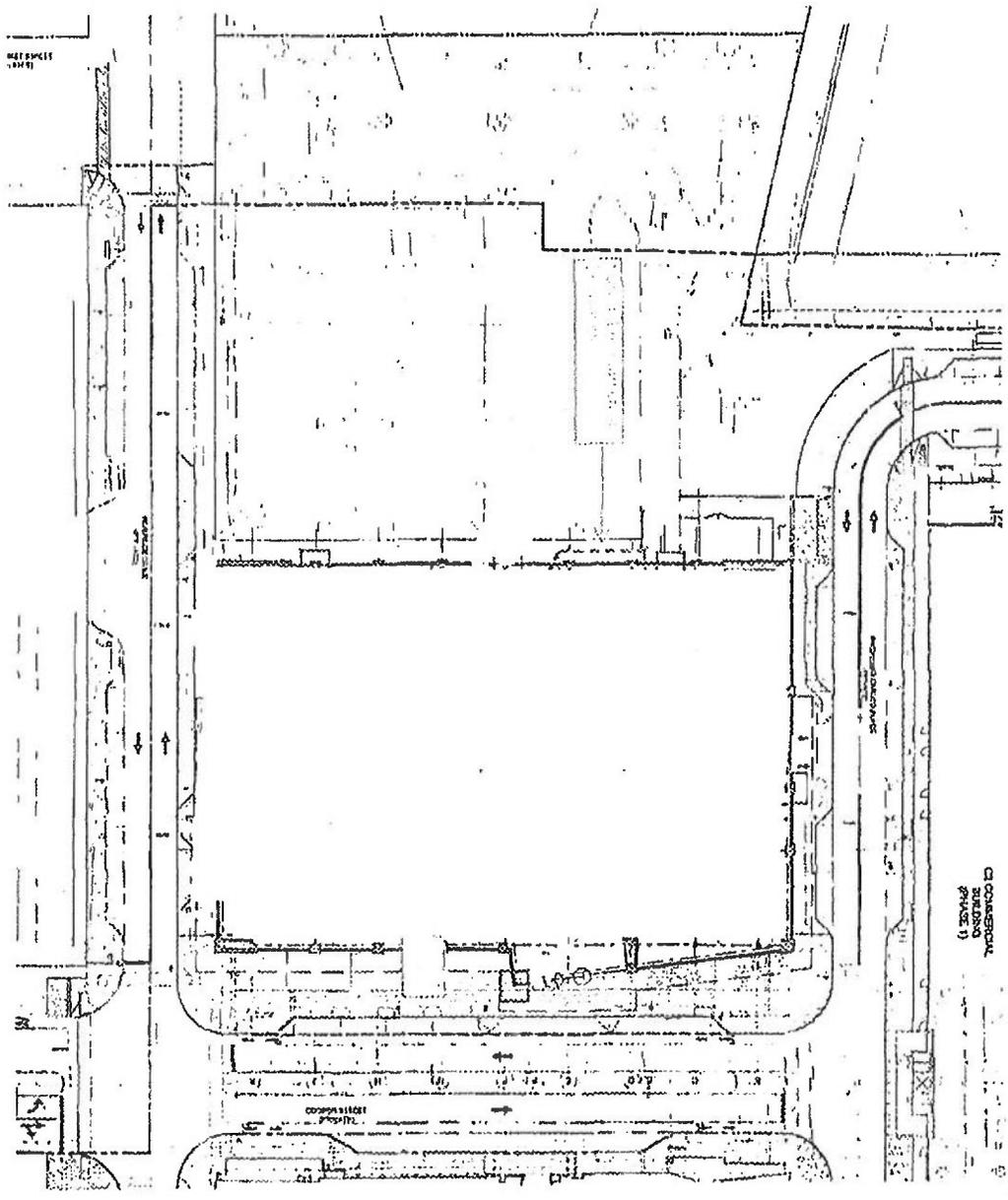
EXHIBIT K

Pre-Development Materials

- The Survey
- The Geotechnical Reports
- The Environmental Reports
- The Health and Safety Plan prepared by Pennoni Associates Inc. dated 1/9/2017.
- The Traffic Study prepared by RWD Consultants, associated with Pennoni Associates Inc. dated 11/22/2016.
- The Approved Infrastructure Site Plan prepared by Pennoni Associates Inc. dated 9/22/2016.

EXHIBIT L

Access Areas of New Unit C-5 for Buyer Remediation



METERS
1:2000

CHAD GAULRAPP
ARCHITECT
PHYSICAL ADDRESS
1000 N. 3RD ST.
PHILADELPHIA, PA 19107

CS0405

NO.	REV.	DATE	DESCRIPTION
1	1	10/1/00	ISSUED FOR PERMITS
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3	3	10/1/00	ISSUED FOR PERMITS
4	4	10/1/00	ISSUED FOR PERMITS
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THE CAMDEN WATERFRONT
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**COOPER TOWER SKETCH - BORING
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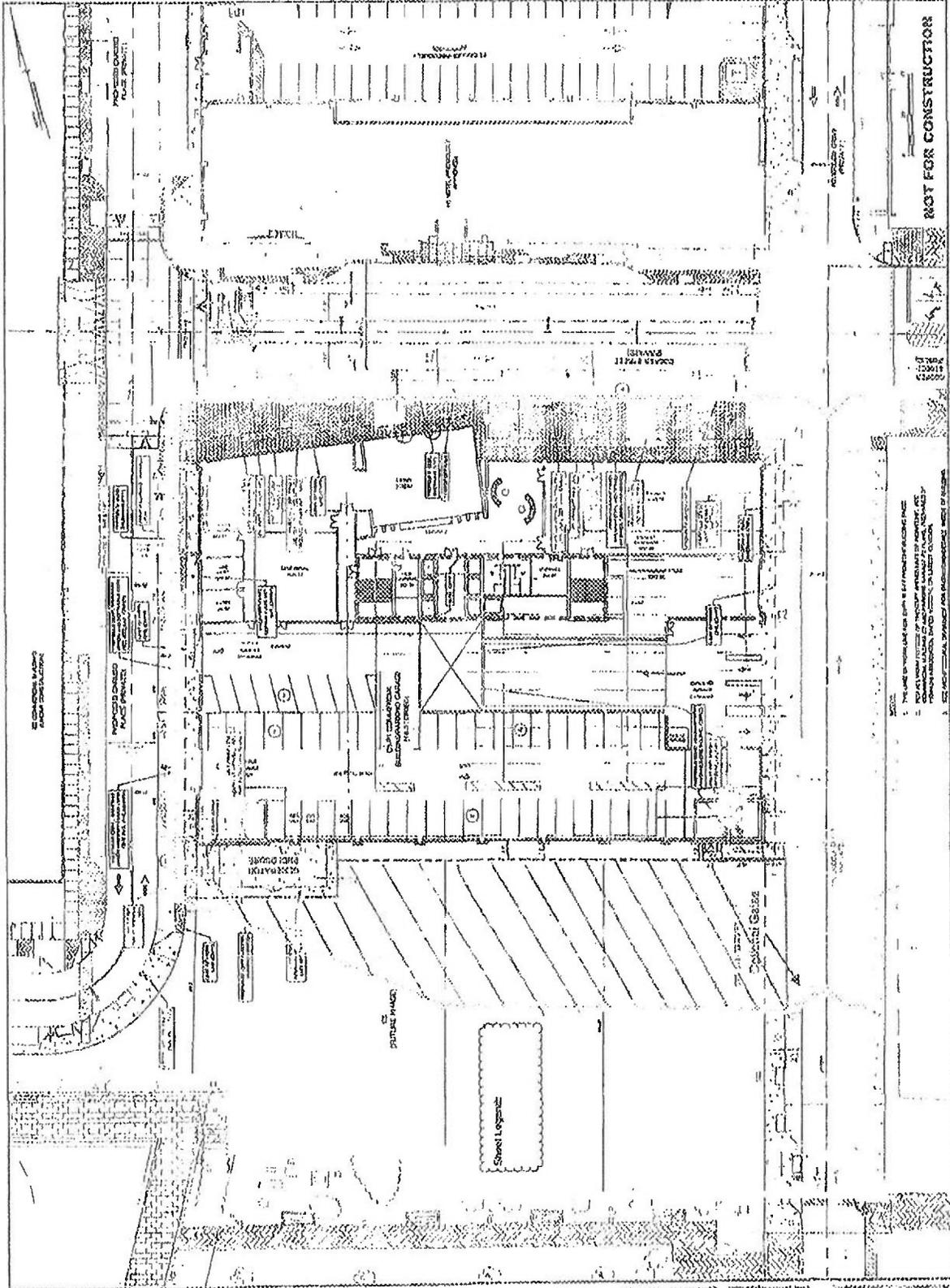
CHAD GAULRAPP
 ARCHITECT
 1000 N. 3RD ST.
 PHILADELPHIA, PA 19107

PHYSICAL ADDRESS
 1000 N. 3RD ST.
 PHILADELPHIA, PA 19107

EXHIBIT M

Temporary Construction Staging Area on New Unit C-5

	CHAD GAULRAPP CIVIL ENGINEER LICENSE NO. 12345 STATE OF CALIFORNIA	CS1004 SHEET 9 OF 10
	CHPT COMMERCIAL BUILDING/PARKING GARAGE SITE PLAN CHAD GAULRAPP ARCHITECTS 12345 MARKET STREET, SUITE 100 OAKLAND, CA 94612 (415) 555-1234	PROJECT NO. 12345 DATE: 12/15/2023 SCALE: AS SHOWN DRAWN BY: J. SMITH CHECKED BY: C. GAULRAPP



NOT FOR CONSTRUCTION

- NOTES:
1. THIS PLAN IS TO BE USED FOR PERMITTING PURPOSES ONLY. IT IS NOT TO BE USED FOR CONSTRUCTION.
 2. FOR ALL WORK, REFER TO THE PROJECT MANUAL AND SPECIFICATIONS.
 3. SEE ARCHITECTURAL DRAWINGS FOR DIMENSIONS AND MATERIALS.

STAGING AREA



EXHIBIT N

Form of Amendment to Master Deed

FIRST AMENDMENT TO MASTER DEED

OF

CAMDEN WATERFRONT CONDOMINIUM

Dated: _____, 2017

Ballard Spahr LLP
210 Lake Drive East
Suite 200
Cherry Hill, New Jersey 08002-1163
(856) 761-3430
Facsimile No. (856) 761-1020

FIRST AMENDMENT TO MASTER DEED

THIS FIRST AMENDMENT TO MASTER DEED (this "Amendment"), dated _____, 2017, is made by CAMDEN WATERFRONT CONDOMINIUM ASSOCIATION, INC., a New Jersey non-profit corporation (the "Association").

BACKGROUND

Camden Town Center, LLC, a New Jersey limited liability company ("Grantor") has caused that certain real property owned by it and located in the City of Camden, County of Camden, State of New Jersey to be subjected to the provisions of the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., and all amendments thereto (collectively, the "Act"), by the recording of that certain Master Deed dated December 2, 2016, recorded on December 5, 2016, in Deed Book 10537, Page 795 (the "Master Deed"), thereby creating in such real property that certain Condominium known as Camden Waterfront Condominium (the "Condominium").

Pursuant to Section 19.1(a) of the Master Deed, the Grantor is currently the holder of more than sixty-seven percent (67%) of the voting interest in the Condominium and has approved this Amendment.

NOW, THEREFORE, the Association, intending to be legally bound, agrees as follows:

1. **Background; Definitions.** The Background of this Amendment is hereby incorporated within and forms a part of the agreements contained in this Amendment. Capitalized terms used herein and not specifically defined herein shall have the meaning as set forth in the Master Deed.
2. **Amendments to Master Deed.** The Association hereby amends the Master Deed as follows:
 - (a) Subsection (g) of Article 2 (the defined term "Commercial Units") is hereby deleted in its entirety and replaced with the following:

"Commercial Units" means the units designated for office, other accessory commercial and retail use, and, with respect to the ground floor of such units only, general retail use, to be known as Units C-1, C-2, C-3, C-4 and C-5.
 - (b) Subsection (i) of Article 2 (the defined term "Common Expenses") is hereby amended by deleting clause (ii) therefrom and replacing it with the phrase "Intentionally Omitted".
 - (c) Subsection (cc) of Article 2 (the defined term "Retail Unit") is hereby deleted in its entirety and replaced with the phrase "Intentionally Omitted".
 - (d) Section 9.1(c) of the Master Deed is hereby amended by adding the following to the end of such section:

Notwithstanding anything to the contrary set forth herein, due to its different use, occupants and location, Residential Unit R-3 may not use all of the services provided to the Condominium and payable by the Owners as Common Expenses. Accordingly, at the request of any member of the Executive Board shall consult with the Owner of Residential Unit R-3 from time to time to determine the extent and scope of common services that such Unit will not be using (collectively, the "Unit R-3 Unused Services"), and the Common Expenses allocated to Residential Unit R-3 shall not include the costs associated with the Unit R-3 Unused Services, as determined by the Executive Board in its reasonable discretion. Residential Unit R-3 shall not be given any voting or consent rights with respect to any matters involving the Unit R-3 Unused Services.

(e) Section 9.1(d) of the Master Deed is hereby amended by adding the following new sentence at the end of such section:

Any shuttle serving the Condominium shall be a Limited Common Expense assessed against those Units that use the shuttle service from time to time. The cost of such shuttle service shall be allocated in accordance with the agreement of the Owners then utilizing the shuttle service.

(f) Section 10.3 is hereby deleted in its entirety and replaced with the phrase "Intentionally Omitted".

(g) Section 10.6(a) is hereby amended by adding the following new sentence at the end of such section:

With respect to the Commercial Units, the phrase "accessory retail use" shall include general retail uses on the ground floor only, in accordance with the definition of Commercial Units.

(h) Section 10.6(d) is hereby amended by deleting the term "Retail Unit" in the three instances in which it appears.

(i) Section 18.3 is hereby deleted in its entirety and replaced with the phrase "Intentionally Omitted".

(j) Exhibits "B", "B-1", "B-2", "B-3" and "C" are hereby deleted in their entirety and replaced with the corresponding Exhibits attached to this Amendment.

3. **Approval.** This Amendment has been approved by the Grantor and executed by the Association in accordance with Section 19.1 of the Master Deed, and all notices or consents required by the Master Deed have been given or received, as the case may be.

4. **Ratification.** All other terms, covenants, easements, restrictions and agreements contained in the Master Deed and not specifically amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the Association executed this Amendment to Master Deed on the day and year first above written.

ASSOCIATION:

CAMDEN WATERFRONT CONDOMINIUM
ASSOCIATION, INC., a New Jersey non-profit
corporation

By: _____

Name: John S Gattuso

Title: President

By: _____

Name: Shawn Neuman

Title: Secretary

My commission expires:

EXHIBIT "B"

SCHEDULE OF UNITS AND UNDIVIDED INTERESTS

<i>Unit</i>	<i>Undivided Interests</i>
Commercial Unit C-1 (including parking garage shown as P-1)	20.66%
Commercial Unit C-2	12.50%
Commercial Unit C-3	3.52%
Commercial Unit C-4	41.15%
Commercial Unit C-5	5.08%
Hotel Unit H-1	6.26%
Residential Unit R-3 (including parking garage shown as P-3)	7.92%
Residential Unit R-4	2.90%
Parking Unit P-4	0.00%
Total	100%

EXHIBIT "B-1"

ALLOCATION OF LIABILITY FOR COMMON EXPENSES

<i>Unit</i>	<i>% Allocation</i>
Commercial Unit C-1	20.66%
Commercial Unit C-2	12.50%
Commercial Unit C-3	3.52%
Commercial Unit C-4	41.15%
Commercial Unit C-5	5.08%
Hotel Unit H-1	6.26%
Residential Unit R-3	7.92%
Residential Unit R-4	2.90%
Parking Unit P-4	0.00%
Total	100%

EXHIBIT "B-2"

ALLOCATION OF LIABILITY FOR LIMITED COMMON EXPENSES

- P2 Parking Garage -- C2 Unit as 72.7% / C3 Unit as 18% / Hotel H1 Unit as 9.3%
- C2 Unit on-street parking spaces -- 100% to C2 Unit
- C1 Unit on-street parking spaces -- 100% to C1 Unit

EXHIBIT "B-3"

ALLOCATION OF VOTING INTERESTS

<i>Unit</i>	<i>% Allocation of Voting Interests</i>
Commercial Unit C-1	20.66%
Commercial Unit C-2	12.50%
Commercial Unit C-3	3.52%
Commercial Unit C-4	41.15%
Commercial Unit C-5	5.08%
Hotel Unit H-1	6.26%
Residential Unit R-3	7.92%
Residential Unit R-4	2.90%
Parking Unit P-4	0.00%
Total	100%

EXHIBIT "C"

PLANS

See Map filed if the Office of the Clerk in and for Camden County, New Jersey

as Map # _____

A reduced copy of the Map is attached hereto.

Exhibit “M”

From: John Muscella

Sent: Tuesday, October 25, 2016 4:14 PM

To: 'TLizura@njeda.com'

Subject: Conner Strong & Buckelew Companies, LLC GrowNJ Application #209423

Mr. Lizura,

As you are aware a GrowNJ application was filed on behalf of Conner Strong & Buckelew Companies, LLC, application #209423. Although a final decision on whether to obtain approval of the GrowNJ tax credits has not and cannot be made at this time, we wanted to get the application to your team so that you can start the underwriting process with the goal of having it considered by the EDA Board at its November 17 meeting. It is our understanding that if we decide not to proceed at some point prior to the placement of our application on the Board agenda we may do so and that the application will be withdrawn and all documents (physical or electronic) within the possession of EDA will be either returned to us if physical documents or destroyed if electronic documents and such documents will not be subject to the OPRA.

If you need any additional information please do not hesitate to contact me. Thank you.

John Muscella

John F. Muscella, CPA | *Managing Director* | *Executive Vice President* | *Chief Financial Officer*
Conner Strong & Buckelew | 40 Lake Center Executive Park
401 Route 73 North | P.O. Box 989 | Marlton, NJ 08053
P : 856-552-4770 | F : 856-552-4771 | C : 609-440-3517
jmuscella@connerstrong.com | connerstrong.com

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Please remember requests to bind or change coverage cannot be considered bound until you have received confirmation from an authorized Conner Strong and Buckelew representative.

Exhibit “N”

Camden Office Project

Project Description

The Applicant, Conner Strong & Buckelew, LLC, proposes to relocate its office headquarters to Camden, NJ. The Applicant currently has dual headquarters in Marlton NJ and Philadelphia, PA. The Applicant will move 172 employees (157 Grow qualified) from Marlton to Camden; move 98 employees (96 Grow qualified) from Philadelphia to Camden; and create 15 new jobs in Camden.

Camden Waterfront Development Overview:

The proposed Camden Tower Office Building, identified as building "C-1" on the Camden Master Plan prepared by Robert A.M. Stern Architects dated August 1, 2016, is part of the Liberty Property Trust (Liberty Property Trust and Liberty Property Limited Partnership are collectively referred to as "LPT") comprehensive vision for a mixed-use urban waterfront comprised of office, retail, and residential space, and accompanying structured and surface level parking in the City of Camden. The Condominium development is identified as Block 80.02 Lot 1 on the tax map of the City of Camden ("Property"). The Property is identified as Unit C-1 on the Condominium Plan recorded by LPT on December 5, 2016 upon its acquisition of the Property. The LPT development site is located north of Market Street, south of Pearl Street, and west of Delaware Avenue, in close proximity to the Benjamin Franklin Bridge. The entirety of the site is currently utilized as surface level parking lots.

The various lots located within the development site were previously owned by the New Jersey Economic Development Authority ("EDA"), the City of Camden Redevelopment Agency ("CRA"), and Camden Town Center, LLC ("CTC"). In October of 2004, CTC and the EDA entered into a Development and Option Agreement for the redevelopment properties. However, attempts to redevelop the site have been unsuccessful for the twelve year period. In August of 2015, LPT entered in an Agreement of Sale and Purchase to acquire 100% of the membership interest in CTC. LPT acquired the membership interest in CTC and the Property on December 2, 2016. The various tax lots were consolidated and entered into a condominium regime. CTC will sell the individual condo "units," or parcels within the condominium regime to various end users.

Overview of C-1 Building Ownership and Space Allocation:

The condominium unit encompassing Unit C-1 will be sold to Camden Partners Tower Equities, LLC ("Landlord"), a Garden State Grown Zone Development entity. Landlord will enter into a build-to-suit contract with Joseph Jingoli and Son Inc. for construction of the multi-tenant office building and parking garage upon the condominium unit site. Upon delivery of the office building and parking garage, Landlord will lease the building to Camden Partners Operating Company, LLC ("Operating Company"). Operating Company will sublease the office building and parking garage to three tenants, The Michaels Organization, LLC ("Michaels"), NFI, L.P. ("NFI") and Conner Strong & Buckelew, LLC ("Conner Strong") (collectively "Tenants").

The proposed office building and parking garage are located upon Unit C-1 on the Camden Waterfront Development Condominium Plan identified as Block 80.02 Lot 1 on the Tax Map of the City of Camden. The proposed office building will consist of a seven-floor garage and 11 floors of office and amenity space with 366,838 rentable square feet. Building space will be specifically occupied by the three Tenants as follows:

- NFI will occupy Floors 9, 10 & 11 totaling 101,511 sf.
- Michaels will occupy Floors 12, 13 & 14 totaling 101,511 sf.
- Conner Strong will occupy Floors 15, 16 & 17, along with the corporate conference center on Floor 18 totaling 110,161 sf.

General space within the building that will be allocated to, or shared by each Tenant includes:

- 7,015 sf of mechanical space on Floor 1;
- 10,035 sf of lobby/core/support/stair on Floor 1;
- 3,150 sf of Lobby space on Floor 2;
- 28,457 sf of amenity space (cafeteria and fitness center) on Floor 8;
- 5,028 sf of mechanical space on Floor 8; and

There is a total of 53,685 sf of general space within the building allocated to the three Tenants.

The proposed parking garage will be restricted to the exclusive use of the C-1 Tenants.

Overview of Total Capital Investment and Allocation of Landlord's Investment amongst Tenants:

Landlord and each Tenant have entered into a Letter of Intent ("LOI") for the construction and lease of the building. Tenants will lease space within the building and garage as set forth above. The LOI also provides a fit out allowance for each Tenant that will include interior improvements to the core and shell, furniture fixtures and equipment, relocation costs and other Landlord costs associated with the construction of the building. A budget with line item costs/sf is attached hereto.

The total cost of construction of the core and shell including the garage will be \$151,170,224. The total cost of the Landlord's allowance for fit out and other costs included in the capital expense are estimated at \$45,047,333. Other Landlord costs eligible toward the Tenant's capital expense amount to \$48,782,443.

Pursuant to N.J.A.C. 19:31-18.2, a business that leases a qualified business facility is deemed to have acquired the capital investment made or acquired by the landlord if pertaining primarily to the premises of the qualified business facility, and, if pertaining generally to the qualified business facility being leased, shall be allocated to the premises of the qualified business facility on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified business facility. Accordingly, the three tenants will be deemed to have acquired the total capital investment made by the landlord that pertains directly to their business facility

and a pro rata portion of the landlord's capital investment pertaining to the general building space.

The GrowNJ statute states that within a mixed-use building, retail facilities in an amount up to 7.5% of the project may be included in the mixed-use project application for a grant of tax credits along with the non-retail facilities. N.J.S.A. 34:1B-244.e.

The three Tenants will solely occupy a total of 313,183 sf in the office building. Of the 313,183 sf, NFI will occupy 101,511sf, or 32.4 percent, Michaels will solely occupy 101,511 sf or 32.4 percent, and Conner Strong will solely occupy 110,161 sf or 35.2 percent. The remaining 53,685 sf of space is the lobby, mechanical, amenity and other common space within the building, the cost of which is shared pro rata pursuant to N.J.A.C. 19:31-18.2.

Each Tenant's share of the Landlord's total capital investment is as follows:

- NFI - \$79,380,000
- Michaels - \$79,380,000
- Conner Strong - \$86,240,000

See attached Project Cost spreadsheet that identifies the space allocation, the total project cost, the Tenant's share of the total project costs, and the Tenant's specific capital investment.

Exhibit “O”

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
COST/BENEFIT ANALYSIS
VERSION 1.03**

APPLICANT: Conner Strong & Buckelew

Date: 10/11/2016

Grow NJ Term: 10 Years

LOCATION INFORMATION:

	NEW JERSEY LOCATION	ALTERNATE LOCATION	SIZE DIFFERENCE
Project Location (City, State)	Camden , NJ	Philadelphia , <i>Alt State</i>	
Location Size in Sq. Ft.	130,677 Sq. Ft.	95,378 Sq. Ft.	35,299 Sq. Ft.
Purchase (P)/Gross Lease (GL)/Triple Net Lease (TNL)/ Owned Facility (OF)/Construction (C)	GL	GL	
Building Cost Per Sq. Ft.			

ONE-TIME UPFRONT COSTS:

		COST DIFFERENCE
Land Acquisition Cost (if separate from building)		\$ -
Building Acquisition Cost		\$ -
Building Construction Costs		\$ -
Building Renovation Costs		\$ -
Machinery and Equipment Acquisition Cost		\$ -
Furniture, Fixtures and Equipment		\$ (2,737,348.60)
Employee Relocations Costs		\$ -
Company Moving Costs		\$ -
Lease Termination Costs		\$ -
Sale of Owned Facility (Net of any Mortgage Amount)		\$ -
Other One-Time Upfront Costs - <i>See separate sheet with notes and assum</i>		\$ (1,998,169.00)
Total One-Time Upfront Costs =	\$ -	\$ (4,735,517.60)

ONGOING ANNUAL COSTS:

	Start	End	Cost	Start	End	Cost
	Month	Month	Frequency	Month	Month	Frequency
Annual Rental Costs				1	180	\$ 4,054,809.03
Annual Real Estate Taxes				1	180	\$ (56,273.02)
Annual Property Insurance Costs				1	180	\$ (205,602.70)
Annual Building Maintenance Costs				1	180	\$ 1,754,769.66
Annual Electricity Costs				1	180	\$ (209,831.60)
Annual Payroll Costs				1	180	\$ -
Lease of Owned Facility (for a partial sublease or due to relocation)				1	180	\$ -
Other Annual Ongoing Costs - <i>Parking costs for employees</i>				1	180	\$ (600,000.00)
Other Annual Ongoing Costs - <i>Fitness center cost to employees</i>				1	180	\$ (90,000.00)
Other Annual Ongoing Costs - <i>Phila Use & Occupancy Tax</i>				1	180	\$ (155,466.14)
Total Annual Ongoing Costs =			\$ 8,997,111.45			\$ 4,504,706.22

Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 10 Year Grant Term = \$ 28,985,020.13
Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 15 Year Grant Commitment Duration = \$ 39,628,299.82

ASSUMPTIONS:

1 See attached Assumption and Notes Sheet with Fit Out Budget and Operating Expense Budget

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Given that selecting the proposed New Jersey location is \$28,985,020.13 more expensive than the alternative location and the potential incentive grant may not completely cover the cost differential, please provide insight into the other factors that make New Jersey competitive despite the additional costs:

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Exhibit “P”



Ronald Chen: [00:00:00] Good morning everyone. My name is Ronald Chen. I am a professor here at Rutgers Law School. I want to welcome you all to the second public hearing held by the New Jersey Governor's Task Force on the Economic Development Authorities tax incentives. As most of you already know, Governor Philip Murphy issued Executive Order Number 52 on January 24, 2019, which established the task force. I've been appointed to lead the task forces chair and carry out its mission to conduct an in-depth examination of the design implementation and oversight of two Tax Incentive Programs.

Before I further explain our mission and goals, let me reintroduce the members of my team. I'm being assisted in this task by a special counsel, Walden, Macht, and Haran. Jim Walden is leading the team to your right and he is being assisted by a Georgia Winston, Milton Williams, and Avni Patel. We also have sitting to my right Pablo Quiñones of Quinones Law serving the special counsel and providing corporate compliance expertise to the team.

I explained the background leading up to our work and our first public hearing on March 28, so I will not repeat those remarks here. Before and after that hearing, our team has been hard at work. Thankfully, the cooperation we are getting from most parties we've contacted has been robust. At the last chairing I announced my decision to offer an Accelerated Recertification Program for companies, which I will refer to as the ARP and which is not in any way related to EDAs own annual recertification program. Companies can elect to participate in the ARP if they believe (a) they applied for tax incentives in good faith and (b), they are in **[00:02:00]** compliance with the program requirements.

By providing timely and complete cooperation the company will benefit from an accelerated determination from the task force about his compliance with the requirements of the Tax Incentive Programs. Companies will not be eligible to participate in the ARP process, however, if we have information suggesting either potential misconduct or other significant irregularity that requires a deeper investigation, and that is true thus far of approximately nine companies, which we have identified as entities of concern. I will come back to that in a moment.

To streamline the ARP I have approved the recertification process that will culminate in the company submitting to the task force and affidavit scoring to certain facts and attaching detailed verified information to prove their compliance and good faith. The affidavit and documentation goes well beyond what the EDA typically requires for both programs. During the ARP process, the special counsel team led by Pablo will evaluate and investigate the information and then make a recommendation as to how to proceed with each individual company. I'll review the recommendation and either conclude our investigation of that company director further investigation by the special counsel or take other appropriate steps depending on the information received by the task force. To date, 841 eligible companies have elected to participate in the ARP, not every company who got AGLO or Yerger Ward, which the two programs at issue have done so for all those companies, not in the ARP, I plan



to conduct a thorough investigation of their awards. For companies who refuse to cooperate with the investigation, two things will happen, I will issue a subpoena for the documents and I will request that the EDA determine whether failure to cooperate in our probe runs afoul of regulatory or contractual requirements.

Today's [00:04:00] hearing will focus on a few topics but mainly we plan to present witnesses relevant to EDA's oversight of the Tax Incentive Programs in a moment. Jim Walden will explain what we hope to accomplish today as we have many witnesses but I would like to note one difference between this hearing and the last one. At the last hearing, we opted against naming specific companies and individuals in part based on fairness concerns and in part because we were at the very beginning of our work. For some companies, we are still digging into the facts. For others, we know much more. We have secured very important documents and corroboration from cooperating witnesses which have helped us better understand some of the critical problems with some of these applications and some have commented including members of the legislature that the public has a right to know more information about what we are finding as we investigate. That is a fair point.

Executive order 52 requires us to hold public hearings and part of the purpose of such hearing is to promote transparency about the design implementation and oversight of the EDA programs and the fact remains that much of the information we will be outlining to you today is either available through public record requests or through online searches. Thus, I've decided that we should in today's proceedings provide certain names as part of the public record to the extent that any entity or individual might be adversely portrayed we've endeavored to notify them in advance although we're not required to and we will give them the opportunities to submit a sworn statement with relevant facts which we'll read at the next day of a proceeding.

I want to further caution here that we are only a few months into our investigation after an initial ramp-up period so even adverse inferences we may [00:06:00] elicit maybe tempered or rebutted by other evidence we may find later. This is a hearing. It's not a trial. In other words, although our mandate requires public hearings everyone should expect us to follow the facts wherever they may lead us as we undertake our investigation which goes well beyond the public portion of our work. Before I pass the microphone to Jim, I also want to thank the EDA for its robust cooperation. Their outside counsel has been diligent, helpful and timely in addressing our many requests for documents and information. The EDA's staff has been very helpful to us and candid with us in interviews. While our work does require us to examine its past practices, we are heartened by their recognition of the room for improvement and by the professional dedication of their employees. With that introduction, I would like to call on Jim Walden to describe the testimony we plan to elicit at today's hearing.

Jim Walden: Thanks very much [inaudible 00:07:05] make. I just want to say thanks in advance to a great team that's been working really hard altogether. At the



first hearing, I emphasized the critical importance of people coming forward to disclose wrongdoing. As you alluded to a couple of moments ago many people have heeded that request. Some have disclosed, in large ways and small, evidence of potential corruption and self-dealing and arguable illegal activity. Now, I caveat those statements with the words potential and arguable because at the end of the day we do not intend to base any conclusions that Professor Chen will make based only on confidential sources although they are a critical first step in finding other evidence to substantiate the claims. I suspect today [00:08:00] that you're going to hear about a number of different topics. As in the last hearing, we will hear from a whistleblower about alleged misconduct within one company. I have a caveat about that in a moment. We will also hear from some current and some former EDA employees. We plan with these witnesses to focus on a couple of things but, in particular, on one topic that is both important and granular. I apologize in advance that what I'm about to say is going to get a little wonky. You can't really talk about tax incentives without getting wonky at some point.

For businesses desiring tax incentives one object of this program that is referred to as grow New Jersey was to protect jobs in New Jersey that were at risk of leaving the state. Now whether program applicants actually retained the jobs that they promised is not going to be a subject of today's hearing but will be a subject of another hearing later on. For companies with projects all over the state, the statute and the implementing regulations seem abundantly clear that if you are going to retain jobs in the state, you must show that you're actually considering a location out of the state meaning that you have an out-of-state location that is bona fide, suitable and available for your business. We're going to hear from one witness today who's going to talk about the extent of diligence that a company needs to do in order to show that a location was those three things, available, suitable and bona fide.

Now, there is one wrinkle and one nuance when it comes to jobs that were before Agro-application in New Jersey, but they were moving specifically to Camden [00:10:00] It's that wrinkle that we're going to explore in some detail through two of the witnesses today. Now, this is an important issue for jobs that are already in New Jersey and they're moving the Camden. Do you have to prove that there's an out-of-state location? What we found is that there's evidence of two schools of thought within the EDA itself on these. Those perspectives may not have been well known throughout the organization.

First, some of the people that we've interviewed and you're going to hear from one of them today. Have said that, "As the program was administered by the EDA, that EDAH 2013 required every applicant including those moving jobs to Camden from another city in New Jersey to demonstrate that the jobs were at risk of leaving the state. They couldn't get tax credits if they didn't prove that. According to this view, if the applicant couldn't show a location that was bona fide, suitable and available, they may not qualify for tax credits.



Others within the EDA however, and you'll hear from one of those people today as well, believe that applicants promising to move jobs from another location in New York to Camden were not actually required by the statute to show that they were considering a location out-of-state. It was just the move to Camden was enough. Those same witnesses though seem to suggest that there may not be a practical difference because of something that's called the net benefit test. Under this thing called the net benefit test and I'll try not to get too wonky here. Basically, the statute required a showing that you only get the money if the application over the years is a net benefit to the state and under that test, if you're moving jobs from say, Jersey City [00:12:00] to Camden, it's a statewide test so there's no net benefit to that move from the perspective of the statute and, therefore, you'd get a much lower award. To be clear, in-state move means no net benefit for the job transfer. The headcount associated with that would get reduced from any award that you get and that could be very significant.

Now for what it's worth on that last point about the net benefit test, we have found some evidence that at least one important consultant who handled many applications was giving the same advice to program applicants. They had the same understanding that if you're moving jobs within the state you don't get any money for those jobs. You don't get credit for those routine jobs. This memo is from a very reputable company called Biggins Lacy Shapiro & Company. It's dated February 25th, 2015 and this is the wonkiest part of what I'm going to say so I apologize for it but I think it's important that the record reflect this because it is some objective indicator that whether or not the statute required a showing of an out-of-state location for those companies that said they were considering a location out-of-state, it was really material. It was a material representation because it impacted the dollars in a significant way.

Let me read this language. "The most important source of such net benefit is the stimulus resulting from the payroll associated with the jobs based on the proposed project site. As the net benefits analysis is intended to measure the incremental new revenue generated by the project, the state includes the payroll associated with net new jobs created in the state. If applicable," here's the relevant part, "the state will also include payroll from [00:14:00] existing New Jersey jobs, but only if the company can demonstrate that existing jobs are at risk of leaving the state, i.e retaining jobs that otherwise would have left the state is accorded comparable economic and fiscal impact as creating new jobs."

Why does all this matter? First of all, qualifying and disqualifying requirements of a multi-billion dollar tax program should be clear. They should be clear such that they can properly be understood by businesses and enforced by whatever authority is responsible for vetting the applications and enforcing the rules. Second, if there was an ambiguity in the statute, and by the way, we're not taking a position on that we don't necessarily agree that the statute is ambiguous on this. The EDA as the administering agency really should have one interpretation, not two. Now, we cannot yet explain why people working within the EDA had differing perspectives on



program requirements concerning this issue of jobs moving within the state but to Camden. Either way, our investigation is clear to date based on the available evidence, that other than one exception that I'll explain in a moment, every single applicant promising to move jobs from within New Jersey to Camden, actually certified that they were considering an out-of-state location anyway, and the one exception was a company that said they were going to eliminate the jobs entirely and that qualifies under a different part of the statute. Put it another way, for any company seeking to retain jobs in New Jersey that wasn't going to eliminate those jobs, every single application included an out-of-state location to show that those jobs were at risk of leaving the state. Obviously, these [00:16:00] applications are submitted under penalties if there is a representation that was made in the applications and it turns out that that representation is false. The grants are subject to suspension, termination, recapture, and there's the potential of criminal enforcement.

I don't want to make too much of this we are at a very early stage of our proceedings and I'm not suggesting that will happen. I do think it's important for people that are going to apply to the program that they understand the law on this area a little bit and for that purpose, I'd like to turn to Pablo Quiñones.

Pablo Quiñones: Thank you, Jim. Thank you, Professor Chen. We don't want to make too much of this point, but as a criminal or practitioner both as a professor and an attorney in this area, I do think it's worth making it plain to the public that there is real criminal exposure for companies that lied to the EDA and thereby deprived New Jersey of tax revenue. Several cases applying Federal mail and wire fraud statutes. Hope to explain my point. Federal law makes it a crime for anyone to use a mail or interstate wires to devise a scheme to defraud or to obtain money or property by false or fraudulent pretenses. Title 18 United States code section 1341 is a mail fraud statute and section 1343 is the wire fraud statute. Now, the Supreme Court has addressed taxes in this particular context in a case called *In Pasquantino v. United States*. Where the court held that the right to collect taxes is money or property protected by the mail and wire fraud statutes. The court found that tax evasion inflicts an economic injury no less than embezzling funds from the government's Treasury. New Jersey Federal cases have followed this approach, for example, [00:18:00] the third circuit in a case called US vs USIF found that unpaid taxes which are unlawfully retained by mailing fraudulent tax returns that conceal the amount of tax revenue due may be considered criminal proceeds subject to the federal money laundering laws. Finally, in August of 2018, a case from the US court of appeal for the fifth circuit makes a point more clearly in connection with tax credits.

In Hoffman, the court upheld a fraud conviction that involved the defendant who schemed to get Louisiana tax credits by submitting false documents to the state. The court found that tax credits reduced the dollars otherwise owed to the state and lying to obtain them has the same effect as lying to evade taxes. The state collects less money. Some companies that lie to obtain tax breaks from New Jersey have hurt



New Jersey's economy and potentially committed a serious crime. With that, I'd like to return the floor to Jim.

Jim: Thank you, Pablo. First of all, for anyone who wants it, there is a handout here on this table that has a listing and this is all publicly available information that lists every company that has-- The 31 companies that I mentioned before. Companies that 30 of them were moving jobs in States to Camden. One of them was planning to eliminate jobs before the tax credits. To underscore Pablo's point, we very carefully looked at the EDA vote approval memos which is what is submitted to the EDA board when a vote is being requested of the board members to award these tax credits. As you all know I'm sure at this point, the amount of dollars is considerable and for the jobs moving to Camden [00:20:00] we're talking over a billion dollars. You'll see in the handout that in each and every circumstance, for every single one of these board memos, there is a statement in the board memo that says words to the effect that these jobs were at risk of leaving the state and on that basis, the board is asked to approve.

That just underscores the point that these are clearly a material representation, the EDA viewed it as material. They included it in the board members and the board memos and the board relied on those assertions in awarding the tax credits that they did. Understand as well that these weren't just simple representations by the company as the program was being administered, the EDA required some proof that the company had identified an out-of-state location that was bona fide, suitable and available and we're going to hear a little bit about that today. In doing that, we're going to take a look at four applications where companies claim to have an out-of-state location to demonstrate their jobs were at risk. I want us all to be very, very careful about how we consider this evidence. EO52 requires us to do some of our fact-finding in public so there's no choice about that. We're going to be as responsible and careful and moderate as one can imagine in doing it.

Understand we're going to put before you factual information. We are not drawing any conclusions today. We are not directly or indirectly insinuating that anyone broke the law. What we're trying to do is to figure out the level of diligence that was applied to these and that's what you're getting here today. You're going to hear essentially an expert witness from the EDA [00:22:00] who oversees this group of people that's called the Underwriters and they're the ones that are the primary group of people that vet the applications. He's reviewed files that he did not work on it at the time and we're going to put factual information into the record. He's going to give his perspective on whether or not more questions should have been asked, and then we're going to move on. It very well may be that when we talked to the companies about these, they have additional information that allays any concern. Again, the point here is not so much about what the companies did or didn't do but the EDA management and vetting of these applications which is where we're trying to focus.

With all that being said, let me just talk about the line up here.



At a high level, as you've heard him on the first day of our proceedings, there was a whistleblower. The whistleblower filed a lawsuit and that lawsuit had a number of different allegations. Again, caution here. We want to be careful. We're not saying the whistleblower was telling the truth or not. In a sense, it's not relevant. What's relevant is that there were some very specific allegations that were made about misconduct concerning specific awards.

That was something that could be investigated. Whether it turned out that that investigation yielded information that collaborated or undercut the allegations for any organization you learn from any experience and it was an opportunity for the EDA to increase its level of scrutiny, particularly over this idea of phantom locations and require additional diligence and articulate some clear rules about what business records company had to had to submit in addition [00:24:00] to a draft lease or a lease proposal for the out-of-state location.

That's by way of broad context what we're going to get to today. We're also going to hear from a witness who was aware of the way in which the legislation came to be, and the various individuals that were involved in that legislation, and whoever else was involved in it. We're really going to focus on the involvement of one specific individual at a firm called Parker McCay. That's broadly what you're going to hear today. The way we're going to frame that is as follows:

First, we're going to start off with my colleague, Jen Prevedy. For those of you who did not follow this whistleblower case that actually went to trial, Jen's going to just give people a high-level presentation of the case, how it was resolved, and what the key allegations were. Again, we have not yet investigated those things ourselves given the focus that we've had on these based on confidential sources. For that reason, she's not going to mention the names of the companies that were the subject of the allegations. She's just going to describe the allegations, so Jen Prevedy is first.

Then we're going to hear from Fred Cole. For those of you who were at the first day of our proceedings, you remember Mr. Cole's name. Mr. Cole was actually deposed during the Sucsuz, the case brought by a man named David Sucsuz. Mr. Cole was deposed. Mr. Cole actually had been the person that originally investigated his discrimination case before he made the claims of misconduct in a lawsuit, and ultimately, that lawsuit was going on when the comptroller started his audit at Governor Murphy's direction back in January of 2018.

You'll recall [00:26:00] that there was a specific letter that Cole signed indicating that there was no litigation where former employees were accusing the EDA of any sort of misconduct or fraud. Mr. Cole certified that there wasn't one even though the lawsuit with those allegations was pending at the time. The comptroller, as you remember, testified he had no idea about this lawsuit during the course of his audit. We're going to hear from Mr. Cole and get the explanation as to why that happened.



Next, we're going to hear from a man named John Boyd, who's at a company called The Boyd Company, a corporate site selection firm based in Princeton, New Jersey. Mr. Boyd will explain the procedures, processes, and analysis that companies typically use when making the important decisions of whether to repeat, locate and where to relocate their offices or facilities, and the seriousness with which they need to take that decision. Excuse me for a second.

Next, we will hear from a man named David Lawyer who is an EDA employee. He is actually the manager of the underwriting section. As I said before, he only became the manager of the underwriting section in May of 2017. For the period where at least we are focusing right now, everybody understands, I'm sure, that given the nature of our work we're focusing right now on the issues that we were talking to you about today. Behind the scenes, we're focusing on a much broader picture. As we get further along in our work, we will bring more information forward. I suspect that Mr. Lawyer is going to be a very clear witness who's going to describe the process through which the EDA vets the applications or the way that it was administered [00:28:00] in the period between begin 2013 and 2017. He's going to talk about the specific issue of out-of-state locations. He's going to talk about the consideration things that go into asking additional questions. He's going to review, as I said before, four applications that he did not work on and guide us through what the process looks like based on the review of the file. The files are very complicated we're not going to be able to go through all the documents. He's gone through the files and we're going to give you an overview of his conclusions concerning those applications.

Now, you saw me there being distracted for a second because I made a mistake. It won't be the last time you will see me make a mistake. There is another witness that I didn't put in the order. That is either before or after Mr. Cole and that's the whistleblower that I referred to before. Her name is Kerrie-Ann Murray. Again because we have not investigated her claims, and because the company very vehemently denies them and they believe they have data. We don't have it yet but they believe they have data showing that her allegations are not correct. We're going to have to not identify her former employer. I ask everyone to understand this is not a trial as Chairman Chen said.

We are here under the executive order to make information that's brought to our attention known, not to draw conclusions about it and in fairness to everyone when we present information if we find later on that there is additional information that cast doubt on the credibility of some evidence that we have elicited, we'll either notify the public or call witnesses to the stand. We will hear from Ms. Murray.

After David Lawyer, we will then going to hear from the former CEO of the EDA a man named Tim Lizura. [00:30:00] We will ask Mr. Lizura about the role that the EDA played in drafting the legislation that was created in 2013 and we're going to ask him about a draft that's a pretty specific draft. It was a draft that was created and sent to him after the Assembly had already passed its version of the statute and as



the Senate was considering what changes to make. We're going to ask some very detailed questions about that version of the bill and how certain of the amendments were added and by whom and what his understanding because Mr. Lizura I think that you will conclude a very experienced and knowledgeable policy expert on tax incentives has been doing this or versions of this throughout much of his career. We're going to ask him about what the policy was behind some of these changes whether he agreed or disagreed with it. We hope to get his perspective.

Finally, we're going to hear from Brandon McCoy of the Center on Budget and Policy and he's going to offer us his perspectives on the involvement of a private law firm representing clients in the legislative process and the in which a bill was created in this specific instance with respect to the Economic Opportunity Act of 2013. As you can see we're going to try to keep breaks to a minimum today because it will be it will take quite a bit of effort for us to stay focused enough to be able to get through all of these witnesses between now and five o'clock, which is our hope. Thank you and let me return the proceedings to the chair.

Ronald: As Mr. Walden has said, [00:32:00] [inaudible 00:32:03]

Jen Prevedy: Thank you, Professor Chen. I would like to introduce this presentation into the record as passports Exhibit 2. As you heard and saw in the first day of this hearing and as Professor Chen just mentioned, whistleblowers play an integral role in the investigative process. For those of you who are not present at the first day of the task force's hearing. We showed a brief timeline of a whistleblower complaint that had been lodged by a former EDA employee. Today I will be walking through some of those whistleblower allegations made by this former EDA employee who had worked on the Tax Incentive Programs at the focus of the task force's inquiry. This whistleblower, Veyis David Sucsuz, alleged that he had witnessed a misconduct in connection with the Incentives Program approvals, and was fired when he resisted directives from senior management to alter or promote applications that should have otherwise been rejected. This information described in this presentation consists of what we know from Mr. Sucsuz's lawsuit, and we emphasize that they remain allegations at this time.

To provide some background about Mr. Sucsuz, he was an employee with the EDA for over 10 years. He started as a legal assistant in the Lending Services Division and then became a Finance Officer with the EDA's Bonds and Incentives Division. After that, his title changed to Underwriter. As a Finance Officer, and later as an Underwriter, Mr. Sucsuz's primary responsibilities included reviewing applications submitted to the EDA under its various Funding and Incentive Program, addressing project summaries for those applications, [00:34:00] and presenting the applications at Project Review meetings and Incentive Committee meetings.

In the context of the lawsuits, Mr. Sucsuz certified under oath that he was also responsible for understanding the provisions of the applicable program statutes and regulations that governed the Funding and Incentive Program, and was responsible



for ensuring that program applicants met the qualifications required by law. Mr. Sucsuz filed an internal complaint with EDA on May 21, 2014. He was terminated on September 24, 2014.

Mr. Sucsuz filed his lawsuit on May 11, 2015, in New Jersey Superior Court, Mercer County, against the New Jersey Economic Development Authority and several EDA employees. He alleged discrimination and unlawful termination based on violation of New Jersey's Conscientious Employee Protection Act and based on discrimination. In addition to his claims of unlawful termination and discrimination, Mr. Sucsuz alleged various violations of EDA policies, regulations, and statutory requirements in connection with EDA Tax Incentive and Finance Program.

As we reviewed on the first day of our proceeding, after Mr. Sucsuz filed his complaint, various senior leadership team members of the EDA, as well as Mr. Sucsuz, were deposed in 2017 and early 2018. The last of these depositions took place on January 26, 2018. The case ultimately went through a jury trial, which started on April 30th, 2018 and lasted eight days. The jury announced its verdict on May 10th. [00:36:00] While Mr. Sucsuz did not ultimately succeed on his retaliation claim, the jury unanimously found that he had proven his whistleblower allegations via a preponderance of the evidence with respect to his claim under the New Jersey's Conscientious Employee Protection Act. In connection with that finding, the jury concluded 6-0 that Mr. Sucsuz had proven via a preponderance of the evidence, that he had a reasonable belief that the New Jersey Economic Development Authority had violated a law, rule or regulation in the processing of applications for loan grants and tax incentives.

Mr. Sucsuz alleged that during his tenure as an Underwriter in the Bonds and Incentives Division of the EDA between September 2011 and September 2014, members of the EDA management team had instructed him to falsify various grant and tax incentive applications in violation of rules and regulations for grant and tax incentive funding. I will now walk you through some of Mr. Sucsuz's allegations of misconduct related to the administration of the Tax Incentive Programs.

These include allegations of companies providing phantom alternative locations, allegations of manipulative cost input and allegations of falsified job figures. I will also briefly describe some of Mr. Sucsuz's allegations and some of the testimonies related to external pressures on EDA employees. Mr. Sucsuz alleged that the EDA requires applicants to demonstrate that the alternative and competing out-of-state locations are legitimate and comparable to the New Jersey site as part of the material factor requirement for certain of the Tax Incentive Programs.

It is a requirement of the Grow New Jersey grant that an applicant [00:38:00] is deciding between a legitimate alternative location and a New Jersey location that the company seeks to be the subject of the Grow NJ grant. Mr. Sucsuz alleged that in connection with this requirement, he notified EDA management that the competing out-of-state locations just were not real. He further alleged senior management took



no action in response to his concerns and the applications of companies was apparently phantom alternative locations were approved anyway. Mr. Sucsuz gave several examples of specific project application that allegedly involved what he referred to as these phantom locations.

For Company A, Mr. Sucsuz testified that one applicant's proposed alternate location appeared not to be real because it was provided after the EDA had asked for it and it didn't seem to be comparable to the location in New Jersey in numerous ways. Including differences with the sites dimensions and certain issues with accessibility which was relevant because the management of the company would be traveling to the location. Mr. Sucsuz testified that another company seemed to be relying on a phantom alternative location because it had already moved in to a New Jersey location and was even hiring for this new site prior to submitting an application for a Grow NJ tax incentive grant. Mr. Sucsuz further testified that the alternate location provided was at a site where the company already had offices. He alleged that reported his concerns to EDA management but that nobody took any action.

With respect to a third application, Mr Sucsuz testified that the applicant was already in New Jersey, but wanted to move to a different part of the States. The company identified an ultimate location in North or South [00:40:00] Carolina. Mr. Sucsuz testified that because he could not conduct a site visit, he tried to find the alternate location through Google maps but was unable to do so based on the information provided by the applicant. When he raised this issue to his supervisor, he was told that since the applicant was a furniture company, he only needed to know that North and South Carolina were popular for furniture companies.

Mr. Sucsuz testified that another applicant had initially mentioned an alternate location in New York, but was unable to provide an address for that location and then claimed to have a second alternative location in Pennsylvania. He further testified that when the applicant submitted his application, he provided a city in Pennsylvania as the alternate location, but was unable to provide a specific address. Ultimately, after several requests, the company provided more information about these alternatives, but only after the application had been submitted. Mr Suesez suspected that the alternate location was fabricated for purposes of the application. Mr. Sucsuz also testified that it took much effort to obtain the information regarding the alternate location address, floor and term sheets noting that "this was a teeth pulling exercise."

Mr. Sucsuz further testified that another applicant provided a Pennsylvania location as part of its alternatives. He testified however, that the first proposed alternate location was not suitable because it did not fit the company's description and needs. The company then proposed a built-to-suit location, but did not provide any construction contract or other indicators. That's upon review of the second alternate location, Mr. Sucsuz determined that the alternate location was not suitable because the company would have to complete [00:42:00] if personal lives filled out in Pennsylvania within a year. Which seemed unlikely. Furthermore, Mr. Sucsuz



testified that the company had already indicated its intention to extend in New Jersey. This application was also approved.

Mr. Sucsuz testified that in another incident an application lacked a material factor showing because of the phantom alternative site. He testified that the applicant failed to provide an alternate location at first and while they ultimately did provide an out-of-state location, he could not verify its existence and understood that they had already decided to move to a location within New Jersey. Mr. Sucsuz's supervisor testified that the application included some odds and ends that made it seem as though the company might have committed to moving to New Jersey already. Mr. Sucsuz's supervisor along with others and EDA management, visited this company's offices for due diligence purposes and his supervisor concluded that the company had already committed to staying in New Jersey. Nevertheless, the company's withdrawal application and was approved. Although this company ultimately withdrew it from the programme and did not receive a tax credit, Mr. Sucsuz's supervisor testified that a deposition that it was an inadvertent **[unintelligible 00:43:24]** with that, that the application was approved.

Mr. Sucsuz alleged that there were other ways that the applicant manipulated their applications that EDA had overlooked. He testified that he was directed to alter or manipulate cost inputs for the cost-benefit analysis or the next benefit test in order to qualify a company that would not have otherwise qualified under the cost input the company provided. When he refused to alter the cost input, Mr. Sucsuz's supervisor would do it himself.

[00:44:00] Mr. Sucsuz alleged that when the net benefit analysis shows little or no economic benefits to New Jersey, his supervisor asked him to change the inputs to the calculation to make it show a benefit, When Mr. Sucsuz refused to do it, his supervisor would do this himself.

Mr. Sucsuz testified that in other instances, companies falsified job figures to obtain grow awards. A grant recipient eligibility an award amount under the Grow NJ program is based, in part, on the number of jobs created. Thus the more jobs that are created, the greater potential tax incentive grant. In one example, Mr. Sucsuz testified that he objected to an application because the company had very limited space for the number of employees for which they were trying to create jobs. Specifically, Mr. Sucsuz testified that one company indicated it would employ 150 employees at its new location in Camden. However, that location only had 9,000 square feet of working space when four or five times that square footage would have been required to accommodate that many employees. When confronted with the fact, the company indicated that it was running three eight-hour shifts at the site. Mr. Sucsuz testified that he objected to the application because advertising companies like Company G do not operate at a 24-hour per day basis, but his supervisor told him not to include that information in his project summary. Mr. Sucsuz alleged his supervisor directed him to change the company project summary to reflect inaccurate information.



Finally, in addition to his allegations about false or phantom locations, manipulative cost inputs, and falsified job figures, Mr. Sucsuz alleged that there were external pressures [00:46:00] on EDA employees related to grant applicants. Mr. Sucsuz alleged that representatives from other public offices would call and inquire about certain applications regarding when they would be approved and for what award size. Mr. Sucsuz also recalled hearing EDA senior management complaining of these public officials overstepping with the EDA and being too involved in the approval process. Other EDA witnesses during the course of the litigation similarly noted that there's always pressure from the outside.

This concludes the task force's presentation regarding this whistleblower lawsuit. Thank you. I'll turn it back over to my colleague.

Ronald: Thank you, Miss Prevedy. I have no further questions at this time. Next, we will hear the testimony of Mr. Frederick Cole from the EDA. That'll be presented by Miss Lemon. Just for a moment. Mr. Cole will be with us shortly.

[silence] [00:48:00] [background conversations]

Interviewer 1: Good morning, Mr. Cole.

Fredrick Cole: Good morning.

Interviewer 1: Thank you for joining us today. Could you please state and spell your name for the record?

Fredrick: Yes. It's Fredrick Cole.

Interviewer 1: Mr. Cole, where do you currently work.

Fredrick: I work at the NJEDA.

Interviewer 1: What is your current role at the EDA?

Fredrick: I'm a Senior Vice President of Operations. Essentially, business support.

Interviewer 1: How long have you held that position?

Fredrick: For about seven years.

Interviewer 1: You've been in those role since approximately 2012 or 2013?

Fredrick: Correct.

Interviewer 1: '12 or '13? [background conversations] How long have you been at the EDA?

Fredrick: For approximately 24 years.

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Interviewer 1: Have you been advised of your right to have counsel at this proceeding?

Fredrick: Yes.

Interviewer 1: Have counsel at this [00:50:00] proceeding? Is your council here today?

Fredrick: Yes.

Interviewer 1: Before I begin, I just want to make sure that you understand that you are here to tell the truth today?

Fredrick: Yes.

Interviewer 1: Is there any reason that you are unable to provide truthful and accurate testimony today?

Fredrick: No reason.

Interviewer 1: We spoke on the phone the other day, is that correct?

Fredrick: Yes.

Interviewer 1: Nice to meet you in person. Just for the record, I just also want to confirm that you met with two of my colleagues, Ms. Patel and Mr. Williams on April 12th.

Fredrick: I did.

Interviewer 1: Did you provide truthful and accurate responses during both the telephone call that we had and the meeting that you had with my colleagues?

Fredrick: Yes.

Interviewer 1: You are an SVP, a Senior Vice President of Operations at the EDA, is that right?

Fredrick: Correct.

Interviewer 1: Can you tell us a little bit about your responsibilities in this role?

Fredrick: Yes. Essentially like I said earlier it's a business support role so I'm responsible for overseeing that back up these operations of the authority functions such as IT, HR, accounting of financial reporting, internal audit, procurement, and labor standards.



Interviewer 1: In your role as a Senior Vice President do you have any role or responsibilities in connection with the EDA Tax Incentive Programs?

Fredrick: Minimal role.

Interviewer 1: But you at least have some awareness of the Tax Incentive Programs even though you didn't personally work on them?

Fredrick: Correct.

Interviewer 1: At some point at the EDA, did you also take on a role as an EEO Officer in Equal Employment Opportunity Officer?

Fredrick: Yes.

Interviewer 1: When was that?

Fredrick: I believe that concurrent with my promotion to Senior [00:52:00] Vice President in 2012.

Interviewer 1: Can you please tell us a little bit about your role and responsibilities as an EEO Officer?

Fredrick: Essentially, the role is based on responsibility with the State Civil Service Commission where I worked to ensure that the State Law against discrimination is upheld, is protected and that proper training occurs within our agency.

Interviewer 1: Was one of your responsibilities as the EEO Officer to investigate the allegations of discrimination by EDA employees?

Fredrick: Yes.

Interviewer 1: In May 2014, did you receive a complaint alleging discrimination filed by an EDA employee named Veyis 'David' Sucsuz?

Fredrick: I did.

Interviewer 1: Did you review the allegations in his complaint?

Fredrick: I did.

Interviewer 1: Is it your recollection that he had alleged that he had been discriminated against by a supervisor?

Fredrick: That's correct.

Interviewer 1: Did you investigate this claim?



Fredrick: I did.

Interviewer 1: Did you do that alone or with others?

Fredrick: Alone.

Interviewer 1: What was the result of your investigation?

Fredrick: My investigation found that there was no nexus between any of the roughly 30 allegations that were made and any violation of the State policy against discrimination.

Interviewer 1: Okay. In around September 2014, is that your recollection that Mr. Sucsuz was ultimately terminated from the EDA?

Fredrick: That's correct.

Interviewer 1: Moving forward a year, at some point later, after you issued this final finding on the discrimination claim [00:54:00] do you recall that Mr. Sucsuz filed a lawsuit in New Jersey Superior Court?

Fredrick: Yes.

Interviewer 1: That was against the EDA and other individuals at the EDA?

Fredrick: That's correct.

Interviewer 1: Did you read the complaint?

Fredrick: I did.

Interviewer 1: In fact, you are one of the named defendants as well?

Fredrick: Yes.

Interviewer 1: As part of the litigation, you were also deposed over the course of two days?

Fredrick: That's correct.

Interviewer 1: That was in late October 2017?

Fredrick: I'm sorry, I didn't hear the year.

Interviewer 1: 2017, in October of 2017?

Fredrick: Yes, that's correct.



Interviewer 1: Is it fair to say that you were pretty involved in the litigation both as a defendant and a senior official at the EDA?

Fredrick: Yes.

Interviewer 1: What, if any, reaction did you have when you read the allegations in the complaint?

Fredrick: I have to say personally, I was a little bit shocked that not only did the claim alleged that he was fired because of retaliatory measures, because of the EEO claim, but also because there were new allegations that were brought up that, prior to that time, I had never seen or heard of.

Interviewer 1: Okay. Just to be clear for the record, none of these new claims had been alleged in that discrimination claim he filed with you in 2014?

Fredrick: That's correct.

Interviewer 1: Part of the reason you're so surprised is that these new claims now implicated misconduct on behalf of both individuals of the EDA and potentially, applicants to the EDA program?

Fredrick: Yes.

Interviewer 1: Had you ever seen any other complaints like this in your 24 years at the EDA? [00:56:00] [chuckles]

Fredrick: No, I haven't.

Interviewer 1: Is it fair to say that seeing this particular complaint for the first time was very memorable?

Fredrick: Yes.

Interviewer 1: I'm going to direct you to the binder that is on the table in front of you. If you could turn to tab three, I'm going to introduce this document into the record as Task Force Exhibit 3. Do you recognize this document?

Fredrick: Yes.

Interviewer 1: Does this appear to be a cover letter attaching or enclosing the Sucsuz's complaint that was filed in 2015?

Fredrick: Yes.

Interviewer 1: Do you recognize the handwriting on this document to be yours?

Fredrick: Yes.

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Interviewer 1: Could you please read the handwritten notes that are in the corner there.

Fredrick: Okay. "Deny Sandy applicants prevailing wage, construction in [unintelligible 00:57:15], no prevailing wage. One new job for tax-exempt debt, location costs, net benefits test, phantom locations, bracketing out to Susan Margie, film less than 60% costs in New Jersey and grow nonprofits (excluded)."

Interviewer 1: Thank you. Is it your understanding that these notes reference some of the eligibility requirements under the EDA tax incentive programs?

Fredrick: Yes, some of the items do.

Interviewer 1: Is it your understanding that location costs [00:58:00] and net benefit test are potential considerations related to a company's eligibility for a tax incentive award?

Fredrick: Yes.

Interviewer 1: Is it your understanding that phantom locations could potentially be a problem related to a company's eligibility for a tax incentive award?

Fredrick: Yes.

Interviewer 1: I would like to just walk through a couple of examples that Ms. Priveti had mentioned briefly, that were alleged in Mr. Sucsuz's complaint. If you could please turn to the following tab, tab four, and I'm going to introduce this into the record as task force exhibit four. Mr. Cole, do you recognize this as the complaint that was filed by Mr. Sucsuz in May of 2015?

Fredrick: Yes.

Interviewer 1: If you turn to page 6, paragraph 21. If you could just take a moment to read that paragraph to yourself.

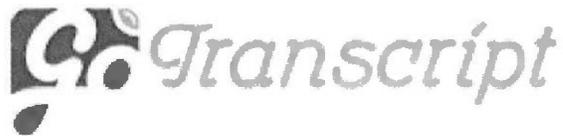
[silence]

Fredrick: Okay.

Interviewer 1: Does this refresh your recollection that Mr. Sucsuz, alleged that he was treated with hostility after he complained that applicants that did not meet program requirements were nevertheless receiving funding or tax credits?

Fredrick: Yes, that's the nature of the allegation.

Interviewer 1: Okay. If you can turn back a couple of pages to page four and take a look at paragraph 15, and just take [01:00:00] a moment to read that.



[silence]

Fredrick: Okay.

Interviewer 1: Does this refresh your recollection that Mr. Sucsuz alleged that he found some applicants were giving phantom locations for their out-of-state alternative, a requirement under some of the EDA tax incentive programs, and yet those applications were still being approved?

Fredrick: Yes, it's the nature of the allegation also.

Interviewer 1: Is it a fair conclusion that your handwritten note on the document that we previously looked at regarding the phantom locations is a reference to this allocation?

Fredrick: Yes.

Interviewer 1: If you could take a look at page 3, paragraph 14 and take a moment to read that to yourself?

[silence]

Fredrick: Okay.

Interviewer 1: Does this refresh your recollection that Mr. Sucsuz alleged that when some applications showed little or no net benefit to the state, after he refused, his manager went ahead and changed those numbers to show that the applications did, in fact, have a benefit to the state?

[silence]

Fredrick: I'm sorry, I was looking for the last part of your statement. That's correct, that's the nature of [01:02:00] the allegation.

Interviewer 1: Is it a fair conclusion that your note regarding the net benefits test on the document we looked at previously is a reference to this allegation?

Fredrick: Yes.

Interviewer 1: If you take a look at page 4, on paragraph 17, and take a moment to read that.

Fredrick: Okay.

[silence]

Fredrick: Okay.



Interviewer 1: Does this refresh your recollection that Mr. Sucsuz alleged that certain projects that should've been precluded for receiving a tax incentive award were nevertheless approved under the Grow New Jersey program?

Fredrick: Not clear. I think that's overgeneralization. If you could just rephrase the question?

Interviewer 1: Sure. Does this refresh your recollection that Mr. Sucsuz alleged that he objected to a certain program approval for a tax incentive award on the basis that it was a non-profit and non-profits were excluded from the tax incentive award?

Fredrick: Yes, that's correct.

Interviewer 1: Is it a fair conclusion that your note on the previous document we looked at regarding the grow non-profits excluded as a reference to this allegation?

Fredrick: Yes.

Interviewer 1: Would you agree, Mr. Cole, that these allegations implicate conduct related to the EDA's tax incentive programs?

Fredrick: I'm sorry. Would I agree? [01:04:00]

Interviewer 1: That these allegations implicate conduct related to the EDA tax incentive programs?

Fredrick: Yes.

Interviewer 1: Specifically, some of these allegations identified potential fraud or misinterpretations in the applications submitted to the EDA for tax incentive awards. Is that right?

Fredrick: Yes.

Interviewer 1: Some of these allegations also focus on the EDA's review and approval of projects for tax incentive awards? Tax incentive awards?

Fredrick: Yes.

Interviewer 1: Okay. Earlier you had testified that Mr. Sucsuz had filed a complaint in 2014 and you looked into those discrimination claims. Now, turning back to the 2015 time period, did you discuss with anyone at the EDA after this complaint was filed in 2015, whether the EDA should conduct an internal investigation into the allegations that Mr. Sucsuz made?

Fredrick: I did not.

Interviewer 1: Why not?

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Fredrick: Sitting here today, as I look back, probably for a few reasons. One, I had conducted what I thought was a thorough investigation of the EEO claims. As I said, I found no nexus between the claims and any violation of state policy. Lots of the actual claims themselves, the allegations themselves were baseless. Based on the timing of when the employee was put on a performance improvement plan compared to when he came to me with his EEO claim, it seemed like this was a frivolous lawsuit.

When I learned [01:06:00] of the new allegations and then I was actually somehow part of-- It was alleged that I was somehow part of firing the employee for making those allegations. I guess, I just thought they were baseless and there was no connection. He was looking for a larger lawsuit payout and then also, in my mind, at the time, the Attorney General's office was involved with the claim so I was looking for guidance as to the next steps.

Interviewer 1: Just to recap a little bit on what you just said. You testify that you found that his EEO discrimination complaints were unfounded, but you've also testified that he raised brand new allegations regarding the misconduct or potential misconduct of applicants at the EDA. Is it your testimony that you did not investigate these new claims because the discrimination claims were baseless?

Fredrick: Not directly, no. I was just setting the scene when you asked me why things weren't followed up on. I guess another example is we've never really had a situation like this where new allegations that the EDA or EDA's management was unaware of came through in a lawsuit claim. It was different, it was a different type of scenario here.

Interviewer 1: Then is it your testimony that no investigation, in fact, was ever conducted into these allegations?

Fredrick: That's correct.

Interviewer 1: [01:08:00] Would it be your belief that your colleagues took the claim seriously? The new claim?

Fredrick: Absolutely. I would say so.

Interviewer 1: Yet, they still took no effort to conduct an investigation into the claim?

Fredrick: They did not. Again, I think they were waiting to see how it played out at trial.

Interviewer 1: Okay. Based on what you know now, given that no investigation was conducted, is it possible that some or all of the allegations are true?

Fredrick: I don't know. They could be.



Interviewer 1: Do you know who within the EDA would have made the decision whether or not to initiate an investigation?

Fredrick: As I said, I think this case was different because of the way the claims had come through. It wasn't a whistleblower case where we were notified by the employee at the time. Had it been a typical-- and not that we have many of these, I can't even recall another incident. If it were a typical whistleblower case, it would probably be me who would receive that information and work with others to decide next steps including an investigation.

Interviewer 1: Would you agree that the allegations, if true, could have a very serious impact on the EDA?

Fredrick: I don't know.

Interviewer 1: If the allegations were true, would you agree that a significant amount of money that had been allocated as tax credits could have been improperly awarded?

Fredrick: I don't know. [01:10:00]

Interviewer 1: Would you agree that some amount of money would have been allocated improperly if these allegations were true?

Fredrick: Yes, it's possible.

Interviewer 1: Did the allegations, to your knowledge, cause the EDA to retrain any of its staff handling these tax incentive applications as a precautionary measure?

Fredrick: Sort of concurrent with the timing of that case, there's been lots of audits and reviews of EDA programs. I think we've learned a lot along the way and have begun to put many different other controls in place over the same time period. Whether it was directly related to these allegations in this complaint, I can't make that connection.

Interviewer 1: Do you recall the outcome of the litigation?

Fredrick: Yes, the jury found for the EDA.

Interviewer 1: Can you please turn to tab six? I'm going to introduce this into the record as task force exhibit five. Does this appear to be the jury verdict sheet from the trial that you just mentioned?

Fredrick: Yes.

Interviewer 1: Could you please read the first paragraph into the record, including the answer.

Fredrick: CEPA Count 1 is the heading, C-E-P-A. CEPA Count 1; has plaintiff proven by a preponderance of the evidence that he had a reasonable belief that the New Jersey Economic Development Authority violated a law, rule, or regulation in the processing of applications [01:12:00] or loans, grants, and tax incentives? The answer is yes.

Interviewer 1: Thank you. After the jury finding, did the EDA conduct an investigation into any of Mr. Sucsuz's claims about the EDA's administration of the tax incentive programs?

Fredrick: No.

Interviewer 1: After the verdict was issued, you had mentioned previously that during this time the EDA was improving its internal processes. As a result of this verdict, are you aware of any efforts to review whether its internal policies and procedures were sufficiently robust with respect to the tax incentive programs?

Fredrick: It seems like a broad question, robust. Among other things, the EDA looked at policy and process around the incentive programs in general.

Interviewer 1: Were there any efforts to re-evaluate those policies and procedures in the tax incentive programs to prevent the kind of fraud or misrepresentations or maybe detect the type of fraud and misrepresentations that Mr. Sucsuz alleged on the behalf of the applicant?

Fredrick: I'm not aware of all or many of the specific steps, but I would say yes in some that I can think of.

Interviewer 1: Was that as a result of this trial or just as a general matter as the EDA was evolving?

Fredrick: I would say as a general matter.

Interviewer 1: Moving forward a couple of years into 2018, [01:14:00] you're aware that Governor Murphy directed the New Jersey State Comptroller to conduct an audit of the EDA's oversight of tax incentive programs, correct?

Fredrick: Correct.

Interviewer 1: That audit began in February or March of 2018?

Fredrick: Yes.

Interviewer 1: At that time, you were still and you still are now the Senior Vice President of Operations, is that right?

Fredrick: Correct.



Interviewer 1: Were you involved with the audit from the EDA side?

Fredrick: Yes.

Interviewer 1: What was your role in the audit?

Fredrick: Generally when the audit was initiated, I met with the Comptroller's office team to ensure that they had all the resources that they needed, introductions were made, requirements regarding space and infrastructure for the audit itself took place and I was the audit liaison in terms of ensuring that the comptrollers had everything they needed to conduct the work.

Interviewer 1: This meeting that you just referred to, is this the opening conference or kickoff meeting that Comptroller Dougman had mentioned at the last hearing? You may have not actually heard what he said at the last hearing but we understand there's a sort of kickoff or opening conference of the audit. Is that the meeting you referred to?

Fredrick: Yes.

Interviewer 1: Do you recall during this kick-off meeting that the comptroller discussed a number of document production categories?

Fredrick: Yes.

Interviewer 1: One of those categories included documents related to all litigation, pending and settled claims during a 10-year period starting from 2010 through the end of the audit, is that correct?

Fredrick: Yes.

Interviewer 1: In your role as a senior vice president and as the audit liaison as you described [01:16:00] you would have been responsible for gathering, reviewing and producing documents responsive to that request, is that right?

Fredrick: To some degree, yes.

Interviewer 1: What's the degree that's not here?

Fredrick: Again, I sort of had an oversight role to make sure that documents and such that they requested were produced in a timely manner. Mine seemed to be more general in nature and way less than some of the problematic project-related requests that were made.

Interviewer 1: Understood. That 10-year period that I just mentioned, or approximately 10-year period from 2010 to the end of the audit, that period covered May 2015 when Mr. Sucsuz filed his complaint in New Jersey Superior Court?



Fredrick: That's correct.

Interviewer 1: Did you turn over or inform the comptroller's office of the Sucsuz complaint?

Fredrick: I did not.

Interviewer 1: Why not?

Fredrick: I believe my thought process was that-- It actually didn't occur to me that that particular case was related to anything that they were investigating regarding programs. It seemed to be characterized in my mind more of a appointment matter. In my mind as more of an appointment related litigation. [01:18:00]

Interviewer 1: I just want to make sure the record is clear on this. You did not report it because you thought that his complaint was employment-related? Mr. Sucsuz's complaint was employment-related, or was it your testimony that the audit was not investigating programs?

Fredrick: I guess what I'm saying is, you asked me if we turned over anything related to the case to the comptroller and the answer was no. It just was something that didn't occur to me that was something they were looking for.

Interviewer 1: Okay. Could you please turn to tab seven in your binder? I'm going to introduce this document as task force exhibit six. Do you recognize this document?

Fredrick: Yes.

Interviewer 1: There's some handwriting and mark up along the pages. Do you recognize that as your handwriting?

Fredrick: Yes.

Interviewer 1: Can you please turn to the second page. There's a paragraph nine and it says, 'lawsuits and audits'. Next to it, it says, "Management must report all known lawsuits, mediation, arbitration, and claims pending or settled," and it goes on. Next to that paragraph, there's a handwritten note that says, 'program specific'. That's your handwriting, is that right?

Fredrick: Yes.

Interviewer 1: Do you have an understanding of what that means?

Fredrick: I actually don't recall what that means.

Interviewer 1: Okay, but you understood that the comptroller's audit was about EDA tax and incentives programs, right?



Fredrick: Yes.

Interviewer 1: In fact, it says it right in the header. It says, 'economic incentive programs'.

Fredrick: Yes.

Interviewer 1: Is it a fair assumption that the term 'program-specific' refer to litigation and audits relating to the incentive programs? [01:20:00]

Fredrick: Perhaps, it could have. Again, I don't remember the specific discussions at that opening meeting.

Interviewer 1: Just to recap on your testimony from earlier, you testified that the allegations in Mr. Sucsuz's 2015 lawsuit involves EDA tax incentive programs, is that right?

Fredrick: Yes.

Interviewer 1: At the end of the audit, were you asked to sign a letter confirming certain information had been provided to the comptroller during the audit?

Fredrick: Yes.

Interviewer 1: If you please turn to the next tab, tab eight. I'm going to mark this into the record as task force exhibit seven.

Fredrick: Okay.

Interviewer 1: Do you recognize this as the management representation letter that you signed at the end of the comptroller's audit?

Fredrick: Yes.

Interviewer 1: You see that it's dated January 3rd, 2019?

Fredrick: Yes.

Interviewer 1: Did you draft this letter?

Fredrick: No.

Interviewer 1: Is it your understanding that someone from the comptroller's office drafted it?

Fredrick: Yes.

Interviewer 1: But you reviewed the contents and substance of the letter?

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Fredrick: Yes.

Interviewer 1: Do you have an understanding of what the purpose was for this letter?

Fredrick: Generally, a management representation letter that's a standard issue in many audits and reviews at the end of the process to ensure that all the representations that were made during the audit or sort of acknowledged by management.

Interviewer 1: So this is a representation of information that had already been provided to the comptroller during the course of the audit?

Fredrick: Yes.

Interviewer 1: Could you please read on the first page, [01:22:00] paragraph five, the first line, where it says, "We have no knowledge of any--" Then going on to the next page, there's a second bullet. If you could just read those two things out loud into the record.

Fredrick: We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators or others.

Interviewer 1: Could you also read paragraph eight into the record?

Fredrick: We have disclosed all details concerning any pending claims, assessments, and litigation against us of which would have a significant effect on financial operations.

Interviewer 1: Just turning back to the first page, in the first paragraph you see it says, "This is for the period of January 1, 2010, to January 3rd, 2019," is that right?

Fredrick: Correct.

Interviewer 1: Do you recall making these representations?

Fredrick: Yes.

Interviewer 1: Prior to signing this letter, did you discuss this letter with anyone else?

Fredrick: I did not.

Interviewer 1: Do you recall having discussed whether to disclosed the Sucsuz litigation to the comptroller's audit?

Fredrick: I do not.

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Interviewer 1: Are you aware of whether anyone else, in fact, turned over the information to the comptroller during his audit?

Fredrick: I honestly don't recall. I don't remember if anyone else on my team had turned that over. I recall a time when I may have turned over in hard-copy what was an inventory, if you will, of litigation [01:24:00] against the EDA that the Attorney General's Office prepares on our behalf for the annual financial statement audit, but I honestly don't recall whether that was turned over to the comptrollers.

Interviewer 1: You don't have an independent recollection of actually turning over this litigation to the comptroller's office? Sorry, you don't have an independent turning over the Sucsuz litigation materials to the comptroller during his audit?

Fredrick: That's correct.

Interviewer 1: Again, just to be clear, this would have been your responsibility given that you had signed this letter representing that all information had been turned over?

Fredrick: Yes, for the most part.

Interviewer 1: Did anyone direct you to withhold the information from the comptroller?

Fredrick: No.

Interviewer 1: In part by not turning it over, the comptroller did not know about these specific and detailed allegations of fraud?

Fredrick: Unless they learned about it in a different manner, if we didn't turn it over, they would not have been aware.

Interviewer 1: But you agree that Mr. Sucsuz's allegations directly relate to the tax incentive programs that were the subject of the comptroller's audit?

Fredrick: Yes. Actually, looking back at it now, I can see where that connection would be made.

Interviewer 1: In retrospect, should the comptroller's office have been provided with information regarding the Sucsuz litigation?

Fredrick: Yes, but I wouldn't say limited to the Sucsuz litigation, in that case, I would say, into any litigation related to the scope of their work during that time period.

Interviewer 1: Are you aware of any other litigation [01:26:00] that was within the scope of their work in that time period?



Fredrick: I can think of some project-related items, but whether they fell into the scope of their audit or if they were interested in it or not, I couldn't tell you. I would have preferred to share everything with them and let them decide what they wanted to do with it.

Interviewer 1: Just to be clear, the litigation that you're referring to that is program-specific, are you referring to the litigation involving the EDA or litigation that is involving the applicants that are applying for tax incentive programs?

Fredrick: It could be both.

Interviewer 1: We may want to follow up with you after this hearing to see if there's any other litigation that we should be aware of, but that is all I had for today. I just want to thank you for your cooperation and for coming here today. Professor Chen or anyone else?

Jim: Yes. Mr. Cole, can I just ask you a couple of questions? This was a shocking complaint. It raised allegations of at least potential fraud, which you took note of in your notes. Is it fair to say that the litigation was actually ongoing during the audit?

Fredrick: That's correct.

Jim: In fact, even as the comptroller was doing his work, there were people being deposed?

Fredrick: Yes, I believe so.

Jim: During the course of the audit, the case actually went to trial?

Fredrick: Yes.

Jim: Is it fair to say that during the entire audit, this was top of mind to you? The litigation was top of mind given the fact that senior executives were getting deposed and then the case ultimately went to trial where you were a defendant?

Fredrick: Yes, it would've been top of mind.

Jim: Okay. I want to be really clear. Did anyone put pressure on you in any way, shape, or form [01:28:00] to withhold this contrary to your wishes?

Fredrick: Absolutely not.

Jim: All right. Thank you.

Interviewer 1: Thank you, Mr. Cole.



Ronald: I got something to say. I'm trying to make clear of [inaudible 01:28:19]. Are you aware of any other litigation that was alleged that was any type of misconduct or [inaudible 01:28:31]?

Fredrick: No, not that I'm aware.

Ronald: So to say that it's [inaudible 01:28:41]?

Fredrick: Depending on the timing, yes.

Ronald: So you're you acknowledge?

Fredrick: Yes, I would've been aware of it.

Ronald: Thank you, Mr. Cole. Thank you very much.

Fredrick: Thank you.

Ronald: Next, we have Carrie Ann Murray.

[silence]

Ronald: I'm going to ask you to raise your hand. Do you solemnly swear or affirm that the testimony that you're about to give is going to be the truth, the whole truth, and nothing but the truth?

Ms. Murray: Yes.

Ronald: Thank you.

Interviewer 2: Good morning, Ms. Murray.

Ms. Murray: Good morning.

Interviewer 2: I want to thank you for taking the time to be here today. Can you hear me?

Ms. Murray: Yes.

Interviewer 2: Okay. We are aware that in April, [01:30:00] 2018, you filed a complaint with the New York Division of Human Rights against your former employer. We want to speak with you about your experience at that company and your allegations relating to employee and payroll information in connection with the EDA Grow New Jersey program. We're not here to draw conclusions about your case, but we look forward to hearing your perspectives.

One further note, as Mr. Walden mentioned previously, it's still early in this investigation. We want to be especially careful to protect everyone's due process

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rights. We understand that your former employer disputes his claims. We ask that you hear with us your personal knowledge without identifying your former employer's name, without identifying your colleagues by name. Without saying what, if anything, you personally did as well. Do you understand?

Ms. Murray: I understand.

Interviewer 2: You're not represented by counsel here today, correct?

Ms. Murray: Correct.

Interviewer 2: You understand that you have a right to have counsel present?

Ms. Murray: Correct.

Interviewer 2: You've been sworn-in. Do you understand that you're required to tell the truth today?

Ms. Murray: Yes.

Interviewer 2: I'm going to ask you some questions about your background and your past employment. Again, please don't refer to any employers or any individuals by name. Is where you're currently employed?

Ms. Murray: Yes.

Interviewer 2: What do you do for a living?

Ms. Murray: I'm a payroll manager.

Interviewer 2: I'm sorry?

Ms. Murray: Payroll manager.

Interviewer 2: What does that entail?

Ms. Murray: It entails processing payroll for active employees for the company that I am employed by.

Interviewer 2: How long have you worked as a payroll manager?

Ms. Murray: Over 10 years.

Interviewer 2: Are you familiar with the New Jersey Economic Development Authority, which I'll refer to as the EDA?

Ms. Murray: Yes.



Interviewer 2: How did you become familiar with the EDA initially?

Ms. Murray: While being employed at my former employer. Once the grants was given or once the go-ahead was actually given, our staff was pulled [01:32:00] into a private meeting to explain to us what are the next step options to move the company to New Jersey. That was the first time I've heard about that.

Interviewer 2: I just want to unpack that a little bit. You referred to your former employer and you referred to a grant. Is that referring to an EDA tax incentive program?

Ms. Murray: Well, yes.

Interviewer 2: Is it your testimony that your former employer was applying for an EDA tax incentive program?

Ms. Murray: Based on the information that was given to us in the meeting, yes.

Interviewer 2: Do you know what tax incentive program it was applying for?

Ms. Murray: At the time, we were told it was the Grow New Jersey.

Interviewer 2: When did you start working for this company?

Ms. Murray: In 2015.

Interviewer 2: In 2015?

Ms. Murray: Yes.

Interviewer 2: What was your role at that company?

Ms. Murray: Payroll manager.

Interviewer 2: What kind of company was it?

Ms. Murray: Financial services.

Interviewer 2: Where was the company based when you started?

Ms. Murray: In New York City.

Interviewer 2: Did it move to New Jersey ultimately?

Ms. Murray: Yes.

Interviewer 2: Did it move to New Jersey while you were employed there?

Ms. Murray: Yes.

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Interviewer 2: Approximately when did it move to New Jersey if you recall.

Ms. Murray: July of 2016.

Interviewer 2: Why did it move to New Jersey?

Ms. Murray: It was a part of the EDA Grow New Jersey grant that we were previously told about prior and that was what the first initial meeting was about, was to get everyone together and get ourselves together for this move that was going to take place mid-summer of 2016.

Interviewer 2: Okay. I want to unpack that again a little bit. Your testimony is that your former company moved to New Jersey in connection with the EDA Grow New Jersey program, is that right?

Ms. Murray: Yes.

Interviewer 2: In connection with that program, [01:34:00] did your former employer intent to move from New York City to New Jersey?

Ms. Murray: No. I'm sorry. Can you say that again?

Interviewer 2: In connection with that program, did your company intent to move from New York City to New Jersey?

Ms. Murray: Yes.

Interviewer 2: That was in order to obtain tax incentive credit?

Ms. Murray: Correct. Yes.

Interviewer 2: You referred I think to summer of 2016, around when did you first hear that the company was going to move to New Jersey?

Ms. Murray: In mid-May of 2016.

Interviewer 2: Approximately how many employees did the company have in New York in May or June 2016 when you learned it planned to move to New Jersey?

Ms. Murray: Approximately around 80 employees at the time.

Interviewer 2: Was the company's intent to the best of your knowledge to move all of those 80-some odd employees from New York to New Jersey?

Ms. Murray: Yes.

Interviewer 2: Was the company planning to create additional jobs as part of its move?



Ms. Murray: Yes.

Interviewer 2: Do you know how many additional jobs the company was planning to create?

Ms. Murray: Approximately about 100 to 125 more additional positions.

Interviewer 2: 100 to 125 additional positions.

Ms. Murray: Yes.

Interviewer 2: Did you have any role in helping to hire for those 100-some odd additional jobs?

Ms. Murray: No.

Interviewer 2: Did you play any role at all in helping the company to find employees to fill those additional jobs?

Ms. Murray: Yes.

Interviewer 2: What was that role?

Ms. Murray: To contact the New Jersey Department of Labor?

Interviewer 2: Why were you told to contact the New Jersey Department of Labor?

Ms. Murray: Between the time that we were told that we had to move and the time, it was such a short span of time and the time that we had to move and the time that we were given [01:36:00] to create the positions. Previous, I'll say, job positions were not posted in New Jersey. At the time, I can only say that contacting the department of labor would be the easiest way to go as if they had employees who were already unemployed so it would be easier to pick from that pool than it is to post positions and then wait.

Interviewer 2: Do you have an understanding that you mentioned that your company was participating in the EDA's Grow New Jersey program? Was your company also intending to participate in any additional programs administered by the DOL?

Ms. Murray: Yes.

Interviewer 2: Do you know anything about that particular DOL program, generally?

Ms. Murray: Yes.

Interviewer 2: Can you explain just a little bit about what that was?



Ms. Murray: Subsequently, once we got to New Jersey there was an additional program from through the Department of Labor where the company was reimbursed half of the hourly salary for each hourly employee that was hired. On top of another incentive which was the Welfare to Work program tax incentive where if the company hired from a particular pool of employees who lived in certain areas in New Jersey who were on welfare, who were coming back from unemployment, who were veterans, would also receive an additional tax credit as well.

Interviewer 2: Okay. It's your understanding that separate from the EDA program, in connection with certain Department of Labor programs, your former employer was hiring employees. Through that hiring, would get some kind of reimbursement for the employee salaries.

Ms. Murray: Correct.

Interviewer 2: Just to be clear, I understand your testimony that your former employer participated in separate programs where the interval [01:38:00] administered by the EDA and administered by the DOL. I'm going to focus primarily on the Grow New Jersey EDA program.

Ms. Murray: Okay.

Interviewer 2: Did the people you were hiring generally have experience in the company's industry, in the financial services industry?

Ms. Murray: No.

Interviewer 2: Was the company ultimately able to hire the necessary number of employees to receive the tax credits under Grow New Jersey?

Ms. Murray: Yes.

Interviewer 2: That was the 100 some odd employees, it needed to hire those to receive the credit under Grow New Jersey?

Ms. Murray: Correct.

Interviewer 2: Do you know whether there was a deadline for the company to hire those employees?

Ms. Murray: I believe so, yes.

Interviewer 2: Did the company meet that deadline to your knowledge?

Ms. Murray: Yes.

Interviewer 2: The company hired 100 and some odd employees?



Ms. Murray: Yes.

Interviewer 2: Did your company ultimately move to New Jersey?

Ms. Murray: Yes.

Interviewer 2: Do you know when that was?

Ms. Murray: July of 2016.

Interviewer 2: July of 2016?

Ms. Murray: Yes.

Interviewer 2: Okay. Were the new employees that were hired, hired into pre-existing positions at the company or were new positions made for them?

Ms. Murray: New positions were created.

Interviewer 2: What was the role of these new positions, these new group? Was it a single department?

Ms. Murray: It was a single department.

Interviewer 2: What was the department?

Ms. Murray: The department name or what the?

Interviewer 2: What was the purpose of the department?

Ms. Murray: The purpose of the department was to make cold calls to potential small business loan borrowers.

Interviewer 2: Were you surprised when the company created this new group?

Ms. Murray: Yes.

Interviewer 2: Why?

Ms. Murray: Because it wasn't a role or positions that the company previously used. The company does subprime lending, if I could say that, so you would have to be very experienced in [01:40:00] sales, experienced in selling, experienced in getting borrowers to actually borrow money at the high percentage rate, big benefits.

Interviewer 2: What kind of experience generally did these new employees that were hired have?

Ms. Murray: Retail, fast-food experience, not sales.

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Interviewer 2: Were the new hires paid hourly or were they paid a salary?

Ms. Murray: Hourly.

Interviewer 2: What was their average pay?

Ms. Murray: \$10 per hour.

Interviewer 2: Some of that was re-reimbursed by the department of labor?

Ms. Murray: Correct.

Interviewer 2: You testified that the company made approximately 100 or 120 additional new hires initially. Were any additional new hires made throughout later in 2016?

Ms. Murray: Yes.

Interviewer 2: Why was that?

Ms. Murray: Hires came and left. To the best of my knowledge, staff was told that we had to maintain a average number of 225 active employees, so there was a, if I can use the word, rolling hire that kept-- keepable rolling, if that's [unintelligible 01:41:28]

Interviewer 2: You said the company had to maintain an average number of 225 employees. Was that in order to obtain the Grow New Jersey grant?

Ms. Murray: Yes.

Interviewer 2: How did you know that these new people were being hired in connection with the EDA tax credit program?

Ms. Murray: Because when staff submitted the actual Grow New Jersey grant [01:42:00] spreadsheet which that was the name at the top of the spreadsheet, that was the subsequent number that we all was told had to be there.

Interviewer 2: I just want to unpack that a little bit as well. You just referred to a spreadsheet. Can you tell me what this spreadsheet is that you're referring to?

Ms. Murray: Monthly, a Excel spreadsheet that could not be manipulated at all which contained payroll data of employees' names, their departments, their salary earned for that month, their annual salary, hours worked, had to be submitted and at the top of that spreadsheet, it always said Grow New Jersey.

Interviewer 2: Just to make that clear, on a monthly basis, the staff of this company filled out a spreadsheet, the header of which was Grow New Jersey and that spreadsheet was filled out with employee data?

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Ms. Murray: Correct.

Interviewer 2: What data did that include?

Ms. Murray: It included employees' names, employees' department, their work location, annual salaries.

Interviewer 2: Hours worked?

Ms. Murray: Hours worked, yes.

Interviewer 2: The staff submitted that internally to management, is that--?

Ms. Murray: Correct.

Interviewer 2: In terms of hours worked, to the best of your knowledge, were employees required to work a certain number of hours per period?

Ms. Murray: Correct.

Interviewer 2: Was there ever a time when a staff was filling out the EDA Grow New Jersey spreadsheet you referred to and one or more employees didn't meet the minimum hours requirement for that period?

Ms. Murray: Yes.

Interviewer 2: In those incidents, what did the staff do?

Ms. Murray: The staff was instructed to [01:44:00] reach out to the employee's manager to find out why this employee did not work the stated required amount of hours. If the manager didn't have any rhyme or actual reason as to why, staff was instructed to backfill those hours with what payroll people say. PTO time which is Paid Time Off, which is either sick or vacation or personal hours.

Interviewer 2: In other words, if the required minimum number of hours wasn't met, staff was instructed to essentially up those hours using paid time off?

Ms. Murray: Correct.

Interviewer 2: Separate from that paid time off issue, at any point, did management give staff other directives regarding current or former employees on how to document a pay or employment to meet the EDA's requirements?

Ms. Murray: Yes.

Interviewer 2: Can you tell me a little bit about that?



Ms. Murray: There was one particular case where eight employee employment was terminated while the office was still in New York City. However, to meet the Grow New Jersey headcount, that employees termination was subsequently pulled all the way across into 2016 and a severance pay was pulled all the way out until the end of 2016. Once the staff submitted the final spreadsheet for the Grow New Jersey grant, the employee was then removed from all HR function, removed from the company payroll.

Interviewer 2: Just to clarify, [01:46:00] when you say, "Pulled across 2016." Do you mean that there was a terminated employee who remained in payroll records because severance was essentially staged out? Is that what you mean by, "Pulled across."?

Ms. Murray: Yes.

Interviewer 2: Okay. Did the cold calling group, the sales group, the new group that you referred to that was created in 2016 continue to be employed at the company throughout 2017?

Ms. Murray: No.

Interviewer 2: Why not?

Ms. Murray: They were terminated in early January of 2017.

Interviewer 2: When you say, "They were terminated." All of those new hires were terminated?

Ms. Murray: Correct.

Interviewer 2: The entire new group?

Ms. Murray: Yes.

Interviewer 2: About how many people were terminated?

Ms. Murray: At the time, they were approximately maybe about 80 of them. When I say, 'them' because they were grouped into one particular department.

Interviewer 2: It was easy to see that they were there one day and gone the next essentially. They were terminated all at once, is that right?

Ms. Murray: Yes.

Interviewer 2: Do you know why they were terminated?

Ms. Murray: No.



Interviewer 2: Were any new employees hired into the group once those terminations took place in around January 2017?

Ms. Murray: No, those positions were eliminated.

Interviewer 2: Were eliminated?

Ms. Murray: Yes.

Interviewer 2: To your knowledge, did the company continue throughout the year to fill out the Grow New Jersey spreadsheets?

Ms. Murray: For maybe one or two months after that.

Interviewer 2: Then, it stopped?

Ms. Murray: Correct.

Interviewer 2: Are you aware of whether the company ultimately received a tax incentive credit through the Grow New Jersey program and what they did with it?

Ms. Murray: Staff inquired as to why we no longer needed to keep hiring employees, keep the relationship open [01:48:00] with the New Jersey Department of Labor or to complete the Grow New Jersey spreadsheet. We were told that the tax credit was sold to another company.

Interviewer 2: You don't work at this company any longer, is that correct?

Ms. Murray: No.

Interviewer 2: That's all I have for today. Thank you very much for your testimony, I'll turn it over to the--

Ronald: [inaudible 01:48:25]. You made reference to the department of labor. You're referring to the New Jersey State Department of Labor and Workforce Development.

Ms. Murray: Yes.

Ronald: Right. Not the Federal Department of Labor. Okay, thank you.

Interviewer 2: Thank you very much, Ms. Murray.

Ronald: Next we'll hear from Mr. John Boyd.

[silence]



Ronald: Do you solemnly swear or affirm that the testimony that you're about to give is going to be the truth, the whole truth, and nothing but the truth?

John: Yes.

Interviewer 3: Morning.

John: Morning.

Interviewer 2: Can you state and spell your name for the record, please.

John: John Boyd.

Interviewer 3: Mr. Boyd, we have never met before face-to-face but we have spoken before on the phone, is that right?

John: Yes.

Interviewer 3: Well, it's nice to see you now. Thank you for being here, for testifying. Just so you know, my questions will be the same questions or very similar to what I've asked you before so you shouldn't expect any surprises. Where do you work Mr. Boyd?

John: The Boyd company.

Interviewer 3: What is your title at the Boyd company?

John: Principal.

Interviewer 3: How long have you been at the Boyd Company?

John: I joined the firm in 2002 after college but I grew up in the business. **[01:50:00]** My dad founded our firm back in 1975. My earliest experiences in life were traveling different cities on behalf of our Corporate Site Selection projects. Traveling the country related to site selection projects that our firm has carried out over the years.

Interviewer 3: You said you grew up in the business. I want to make sure we understand this. What is the Boyd company's business?

John: We counsel major US and overseas corporations. We've located facilities throughout North America. Clients of ours include Boeing, Pepsico, JP Morgan Chase is a client of ours.

Interviewer 3: Is that referred to as corporate site selections?

John: Corporate site selection, yes.

Interviewer 3: Help us understand, why is corporate site selection important?

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John: Corporate site selection is the process of studying multiple locations and choosing the optimum location for a company to put a new facility. It's one of the most significant decisions that a company will make. It's a very long exhausting process.

Interviewer 3: Why do companies hire corporate site selection consultants like yourself?

John: Three major reasons. The first reason a company will hire a consultant is independence. A good consultant is not influenced by any type of downstream commission interest that is associated with a particular real estate site. They're also not influenced by any type of internal bias that may exist within a company. Another major reason is specialization.

While the site selection process is a rare process to go through for a corporation, a good consultant is constantly monitoring business climate factors that are critical to where companies have their operations. Lastly, confidentiality. Corporations and businesses want the site selection process to be confidential until a final decision's made.

Interviewer 3: Now you may have already mentioned this but in case you didn't, what kinds of companies does the Boyd Company work with?

John: Clients of ours include Boeing, Pratt & Whitney, [01:52:00] PNC Bank, TD Bank. Most of our work is with Fortune 500 to Fortune 100 companies, but we also service smaller companies as well.

Interviewer 3: Large companies and forgive the obvious observation, but I'm sure it's different to relocate a 10-person office than it is to relocate a 10,000-person office, right?

John: Yes.

Interviewer 3: I want to ask you today about the middle range if you would, offices of 200 to 400 employees. Do you have experience in relocation projects?

John: Absolutely, yes.

Interviewer 3: In corporate relocation projects of that size, and to make sure the record is clear by that size, I mean 200 to 400 employees.

John: Yes.

Interviewer 3: Approximately, how many times have you worked on projects of that size?

John: Dozens of times.



Interviewer 3: Great. Today when I ask you questions about how site selection works you'll understand that we're talking about moves of that size, several hundred employee offices, okay?

John: Yes.

Interviewer 3: All right. Is it fair to say that for companies the site selection decision picking a state, a region, a locality, and a particular building is a complex question?

John: Yes.

Interviewer 3: What kind of process do you use to help companies select the ideal relocation site.

John: Site selection is about the science in an art. The science is the quantitative analysis, measuring business costs and taxes and one market versus another. The qualitative analysis has to do with measuring things like transportation assets and specific tallying assets that a particular region has. The acronym that we use for office projects is TALIO, T-A-L-I-O. T is for tallying, companies are always good as their people. A is for access to the market. With transportation hubs, the presence of a major gateway international airport. L is for lifestyle. Companies want to be in locations that are attractive for retaining and recruiting a workforce. I is for incentives. **[01:54:00]** Incentives are an important and high-profile part of the site selection process today. Lastly, operating costs. Operating costs can vary significantly by geography. A labor costs in South Florida, for example, could be 20% less than in Manhattan.

Interviewer 3: There are a lot of factors you're looking at. Is that fair?

John: Yes.

Interviewer 3: From the beginning of the process to the end, from when a company decides it's thinking about moving to when it ultimately selects the location will move to, approximately how long does that take?

John: Typically, six months to a year.

Interviewer 3: Who with the company is typically involved?

John: The accounting department, the legal department. The HR department plays a very important role in the site selection process, and increasingly the communications department. The branding has become a big part of relocation decisions today.

Interviewer 3: If you will paint a picture for us for what the process looks like from beginning to end. Are there meetings, reports, site visits? What are you doing?



John: Every project is different, but typically the project begins with a meeting with various members of the company. Again, the HR folks will be in the room, the legal

department is typically in the room, the accounting folks are in the room. We talk about the objectives of the move, what are the key drivers? Are there any initial geographic preferences that we should take a look at?

Then we begin doing our work. We prepare a analytical document that documents operating costs and taxes and all of the markets that we're surveying. Then we begin the process of elimination. A big part of that process of elimination is developing a shortlist, and then we start doing field investigations. Field investigations really are an essential part of any competent diligence site selection process today.

Interviewer 3: You said field investigation. Is that the same as a site visit or-?

John: Site visit, yes.

Interviewer 3: Okay. How come in our site visits? Are they sometimes part of the process, [01:56:00] always a part of the process?

John: They're always part of the process.

Interviewer 3: In one project, just roundabouts figure how often would you go on a site visit?

John: Typically, the top three or five locations receive, at least three site visits from our firm, then the client will do site visits. They'll meet with many of the same individuals that we meet with. HR directors in the labor market to give a sense of real-time labor market factors, like turnover rates and prevailing wage rates.

They'll meet with leaders in the real estate community to get a sense of residential housing options for the workforce, and, of course, the commercial resident industry, to see what type of sites exist for the company. They'll also meet with academic officials and elected officials and other important people in the market to get a sense of the overall tenor of the market. Is it pro-business? Is it pro development?

Interviewer 3: I want to make sure I understand, if I got it right. It sounds like site visits are often to a region, is the site visit also to a particular piece of real estate considering whether this is the office we want?

John: That's really the last piece of the puzzle, where once a company is sold on a specific region, it becomes about finding the right site within that region. We may give special preference to an area that falls in an opportunity zone, for example. Then, of course, at this part of the process, the company's real estate folks begin to gradually take over. They look to us to make some initial recommendations based upon real estate, and we're happy to do that.



Interviewer 3: Okay. It sounds like during this process there are meetings at the company to discuss the sites.

John: Yes.

Interviewer 3: Reports are being drawn up.

John: Yes.

Interviewer 3: Thank you. Based on your testimony, it sounds like a lot of work and analysis goes into picking the best location. Is that a fair generalization?

John: Yes.

Interviewer 3: It sounds like a lot of document is [01:58:00] generated during the site selection process: memos, emails, reports. Is that fair?

John: That's accurate. I would also expect the company to be able to produce receipts related to onsite travel visits.

Interviewer 3: All right. I want to make sure this is clear. The testimony you're giving now is about office sizes of 200 to 400 employees. For moves of that sort, you would expect this sort of process?

John: Yes.

Interviewer 3: All right. The really small startup companies, of course, might do some things differently, but for a move of this size, this is what you would expect.

John: Yes.

Interviewer 3: All right. If the task force wants to know whether a company is seriously considering relocating to a site that the company says it's thinking about. It sounds like the company should be able to produce a lot of documentation of its deliberations. Do you agree with that statement?

John: I agree with that.

Interviewer 3: If we request this evidence from a company, but the company can't produce it, does that suggest that maybe the company was never seriously considering the site?

John: Yes.

Interviewer 3: Let me ask you a few hypotheticals. Before I do, though, I want to make sure this is clear. You have not examined any of the evidence that the task force is looking at related to specific companies, right?



John: That's correct.

Interviewer 3: The questions I'm going to ask you and the answers you're going to provide, none of them are about specific companies, right?

John: Yes.

Interviewer 3: I'd like to get something else out of the way. You're not a real estate broker, but part of your work is helping companies find real estate, right?

John: Yes.

Interviewer 3: When you find a potential office location to consider for relocation, if the company is interested in that property, one option the company has is to negotiate for an extended offer period so an offer will stay open and the company has time to consider whether it wants the site. Is that correct?

John: Yes.

Interviewer 3: A company can negotiate to keep an offer open for months. Is that correct?

John: Yes.

Interviewer 3: If a company is serious about relocating to a particular site, it may well negotiate for this sort of extended offer period. Correct? **[02:00:00]**

John: Yes.

Interviewer 3: For a company only has an offer valid for, let's say, a week or two, does that create a question to your mind about whether the company is seriously considering the site?

John: Yes.

Interviewer 3: Thank you. May I ask about a different issue? You help companies find space in office towers specifically, right?

John: Yes.

Interviewer 3: Often times companies are large enough that they could spread it across multiple floors of an office building, correct?

John: Yes.

Interviewer 3: When companies do spread across multiple floors, I imagine they usually want the floors to be contiguous. For example, two, three, four, five, is that correct?

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John: They always want contiguous workspace.

Interviewer 3: Have you ever had any experience where clients have wanted non-contiguous floors, such as three, seven and 14?

John: No.

Interviewer 3: Would you ever recommend to your client that they adopt non-contiguous floors for their office configuration?

John: Barring some natural disaster response, the answer is no.

Interviewer 3: Okay. If a company said that it's seriously considered to move into floors 3, 7, and 14, would that raise an eyebrow for you?

John: Yes.

Interviewer 3: Let me ask you about a different issue. Let's say you're looking for a property for one of your clients, and a real estate broker tells you that a different company has a Right of First Refusal on the property. I want to make sure we understand what that means. What is a Right of First Refusal?

John: A Right of First Refusal is when a landlord has an agreement with a specific company to give them a first shot at taking or buying or leasing office space before they market, or try to get additional tenant for the space.

Interviewer 3: If you're looking at a property and a different company has a Right of First Refusal on it, you're behind them in line, so to speak. Is that right?

John: Yes.

Interviewer 3: You can only get the property if the other company turns it down first. Is that right?

John: Yes.

Interviewer 3: Okay, so if you're looking at a property and a different company has a Right of First Refusal on it, would you ever advice one of your clients that they should consider that property?

John: That wouldn't be an attractive option, no.

Interviewer 3: [02:02:00] A company said that it was considering a property that a different company had a Right of First Refusal on, would that strike you as questionable?

John: It would, yes.



Interviewer 3: All right. Thank you very much. Professor Chan, do you have any further questions?

Ronald: Have you ever had a client of your own confess to the recollection [inaudible 02:02:22]?

John: We requested ours, at least in New Jersey over the years. There are specific firms that handle negotiations [unintelligible 02:02:36], and we do not do that.

Interviewer 3: Mr. Boyd, thank you very much. I think your testimony is going to be really useful contexts for some other testimony I expect we'll hear today. Thank you.

John: Thank you.

Ronald: This will be a good time to have our lunch break. That was [inaudible 02:03:15]. We will resume at 1:00 PM.

[pause 02:03:45] [silence]

[02:52:00]

[silence]

Ronald: Well, possibly the epicurean delights of Newark have detained some of the morning's spectators, but I think we should proceed on time.

[02:54:00] Our witness is Mr. David Lawyer. Lawyer, can you-- Do you solemnly swear [unintelligible 02:54:09] that the testimony you are about to give is the truth, the whole truth, and nothing but the truth?

David: I swear.

Interviewer 4: Good afternoon, Mr. Lawyer. How are you?

David: Very well.

Interviewer 4: I have to apologize to you before we begin, I didn't realize that the step down means the chair doesn't move that well. Some of your testimony as you know, we're going to be doing slides, so I hope you can see it. Why don't you just say and spell your name for the record?

David: David Lawyer.

Interviewer 4: Common spelling?

David: Yes, common spelling.

Interviewer 4: I think we got it.

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David: The last name's L-A-W-Y-E-R.

Interviewer 4: Okay, and you are not a lawyer?

David: No, I'm not a lawyer.

Interviewer 4: Okay. Where do you work?

David: I work in New Jersey Economic Zone.

Interviewer 4: Are you here voluntarily?

David: Yes, I am.

Interviewer 4: Have you been fully cooperative with the task force?

David: Yes.

Interviewer 4: You and I have met before, correct?

David: Yes.

Interviewer 4: We have spoken a couple of times.

David: Yes.

Interviewer 4: Thank you very much for all your cooperation and assistance. Was there an introductory statement that you wanted to read?

David: I do, yes.

Interviewer 4: Please.

David: Thank you, Mr. Walden. Again, my name is David Lawyer and I am the EDA's managing director of underwriting. I have been in this position since May of 2017. Prior to which, I have worked as the director of credit incentives and **[unintelligible 02:55:23]**. My background is in commercial lending and credit analysis at various financial institutions, and I started working at the EDA in 2006 as a senior credit analyst.

I understand that the purpose of today's hearing is to discuss the **[unintelligible 02:55:41]** of **[inaudible 02:55:43]**. While my personal involvement of the program began with my current role in 2017. In preparation for today's hearing, I have reviewed a number of fraudulent **[ACTUAL WORD HE USED IS "PROJECT FILES"]** files from the beginning of the program to the **[unintelligible 02:55:59]**. **[02:56:00]** I have also spoken with underwriters and business development officers and community involvement officers whom I will refer to as DDOs and CIOs to better understand their involvement in **[unintelligible 02:56:13]**.

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On behalf of the EDA, I would like to thank the task force for its work and **[inaudible 02:56:20]** to improve our administration for the grow program. I would also like to note that the EDA is constantly evolving. We have in the past couple of years significantly improved our oversight of the tax incentive programs we manage. Improvements include updating the documentation and other requirements we receive from program applicants as well as reviewing and updating program files after an application has already been approved.

We understand, however, that we need to further improve to better serve the taxpayers of the State of New Jersey. To that end, we welcome comments and recommendations from the task force. I hope that my testimony today will aid in formulating such recommendations.

Interviewer 4: I'm sure it will. You've been very helpful so far Mr. Lawyer, but actually one suggestion to you which is just to hold the mic towards your mouth just so that you'll be heard-- Not that you can't be heard, but it'll be easier.

During your opening statement, which I thank you for, you used a term that I just want to make sure that all of our listeners are familiar with. The term was underwriting or underwriter. Can you please describe what that means? I know that it's used in many different contexts, but give us a general understanding of the term.

David: The most general description that I can offer is an experienced individual having a finance or accounting background and specific technical skills, who completes a detailed analysis, understands the logic and tests the validity of an application and all supporting data related to a request of financial assistance.

Interviewer 4: Okay. Thank **[02:58:00]** you. That was clear. In other words, in a sense, an underwriter scrubs, dives, and analyses to make sure whatever he or she is looking at is what it purports to be.

David: Correct.

Interviewer 4: Okay. Now, just to frame your testimony, I want to make sure everyone understands. Essentially, you're testifying here as a corporate witness in the sense that you're not testifying about what you personally did during the period of time from 2013 to 2017, correct?

David: Correct.

Interviewer 4: Okay. In preparation for your testimony today, you said before you reviewed a whole bunch of files, right?

David: Yes.

Interviewer 4: Were they files that we asked you to review?



David: Yes.

Interviewer 4: We've had discussions about your findings and the facts in our prior interactions.

David: Correct.

Interviewer 4: You understand that what I'm really asking you about today from the perspective of the EDA's witness, like an expert witness is to help us understand how the program was being administered specifically by the underwriting department in the period between 2013 and 2017.

David: Correct.

Interviewer 4: You understand that, right?

David: Yes.

Interviewer 4: Okay. Good. At a high level from the underwriter's perspective, when he or she gets a file, give us a very brief description of what's happened with an application before. We're going to use a slide that we worked on together. Note for the record that this is task force exhibit-- Somebody help me here?

Male Speaker: Six.

Interviewer 4: Six, now? If there's a six, it's 6A. All right. I want you to start with the process that begins before the underwriter and we'll go from there.

David: Absolutely. What we have behind me is what I would classify as a pretty good visual illustration of what departments within the EDA touches a grow application, the initial application, board approval and post-closing processes or post-approval processes. [03:00:00] All grow applications, they begin within our business development team. A Business Development Officer, which again, I will refer to as a BDO is the primary point of contact in the beginning of the application process.

In many instances, an officer from the State's business Action Center may have been in contact with the real applicant prior to our BDO getting involved. Should that be the case, both individuals they will work together towards the completion of a grow application. It is the BDO's responsibility to meet with the applicant and understand the project, confirm that the grow project is in fact the appropriate method to assist the business and that the scope of the project agrees with the eligibility criteria that's spelled out in a law.

The BDO's methods to understand the project prior to application includes, meeting the applicant at the New Jersey site. If within a reasonable driving distance, a site



visit to the out of state location and reviewing all available documentation that pertains to **[inaudible 03:01:09]**.

Ultimately, a complete package consisting of an executed grow application, application fee, and all required documentation is signed off by the business development department and submitted to my department underwriting to commence the analysis.

That takes us to the second item underwriting, and so the complete application package is then assigned to an underwriter and this individual will live with the application throughout the entire underwriting process. The BDO remains actively engaged and collectively we refer the two as the DO team.

Interviewer 4: I'm sorry, did you say that they get the DO team?

David: The DO team.

Interviewer 4: Okay, thank you.

David: Underwriting then completes a financial review of the project. **[03:02:00]** This includes the completion of a net benefit analysis, the award calculation, financial feasibility analysis and cost-benefit analysis. Finally, the underwriter completes what is called a project summary, which essentially pulls all the analysis together in a public document that is submitted to the EDA Board for approval. Then we have the board approval, and then the last step which is not up there, but it's well to the right of board approval is post approval.

Once the project has been approved, what we refer to as an approval letter that outlines the details of the approval is drafted by separate closing apartment at the EDA, signed off by the state's Deputy Attorney General's office, which I will refer to as a DAG or an AG, reviewed by EDA staff, signed by me, and then sent to the applicant for execution.

Our post closing department ensures the return and see of that approval letter and they live with the project to develop final certification and payment of the **[unintelligible 03:03:08]** That takes us to the bottom half of your chart there which provides a good linear illustration of the internal meetings that take place leading up to the **[inaudible 03:03:22]**

Interviewer 4: In other words that's the journey on top, and the bottom is how you get there?

David: Correct.

Interviewer 4: Okay, go ahead, please describe it for us.



David: The first meeting is our incentive pipeline, and our incentive pipeline meeting, all grow applications pre-approval are discussed. Such applications include those that are anticipated to be received by BDO, those applications that have been received and are currently being processed by BDO, and those which had been being complete and have been submitted to underwriting for analysis. [03:04:00]

Each officer assigned to their respective applications will discuss certain particulars about the project such as what it entails and ~~not~~ [AMOUNT] requested any outstanding items and any significant issue including legal matters.

Present at incentives pipeline includes various levels of EDA staff including senior management and a member from the AG's office. Should there be any questions regarding how a certain aspects of the application lines up with the law, EDA staff refers to our AG for their opinion, and this is a closed-door meeting.

The next step of the process is what we call incentive project review. The purpose of this closed-door meeting is to discuss the draft analysis and attachments that those grow applications currently in the underwriting department and we still have merit to be heard at the upcoming forward meeting. Equally as important, it's an opportunity to ensure that EDA staff and senior management, we're all in the same page and agree that the projects discussed are ready to proceed to the next board.

Materials distributed to the participants to review in advance at this meeting include drafts of the project summary, our confidential analysis, net benefit analysis, cost benefit analysis, there's a confidential CDA verification worksheet, which was a process improvement and a draw award calculator. Present at incentives project review are the same participants at our pipeline meeting including a member from the AG's office.

The next step is our incentive committee and the purpose of this meeting is to present the same analysis and related attachments discussed at the prior incentive project review to the members of the incentive committee. Present at this meeting [03:06:00] are the same participants as Project Review including a member from the AG's office and certain members of the EDA board who were selected and agreed to be part of this committee. Unlike Project Review, the underwriting analysis and attachments at this point are in substantially final form. This is a closed door meeting to which the committee members, they have the opportunity to ask any questions about any of the projects and express concerns around the incentive. .

Finally, we have the EDA board. [unintelligible 03:06:35] EDA board, all items recommended for approval by EDA staff and the incentive committee are considered by the members of the board. The board is a public setting, traditionally at EDA's [inaudible 03:06:49] All grow application materials provided to the incentive committee are also provided to the board members in advance of the meeting to review and support of their respective votes. At every EDA board meeting, a member from the state's AG office is present.



Interviewer 4: Thank you. That was a mouthful. It's quite a process. Thank you very much. I just want to ask you about three things that I think you talked about and I'd like you to just describe it as simply as you can so that even a layperson can understand. Can you just explain what a net benefit analysis means?

David: Right. The net benefit analysis, it is an estimate of the incremental tax revenues the state will receive that will result from a specific type of project located in a certain part of the state that will also result in employment activity. It takes into consideration revenues [03:08:00] that the state was not realizing before that is going to result from this new capital investment, business activity related from that capital investment as well as new employment and tax revenue generated from the employees at that location.

Interviewer 4: In other words, if I could make it even more simple, is it just a way to measure how good or not the deal is for the state?

David: That is one way to say it. Yes.

Interviewer 4: Okay. You also mentioned something called the cost benefit analysis.

David: Yes.

Interviewer 4: If I can lead you just for the interest of time, is that basically a way to determine whether or not the out of state location is more or less expensive than the Camden alternative?

David: Yes.

Interviewer 4: Or the alternative in any locality in Jersey.

David: Yes.

Interviewer 4: Okay. Also, there's one document I want to make sure that I cover with you to figure out where along that stage this is generated. Is there something a confidential memo of analysis. What is that?

David: That analysis has a lot of same information that's on the project summary, but there, we also get into the financial feasibility of the project. That involves not a deep dive, but we review certain aspects of the financial statements of the applicant. That illustrates number of years of the financial statements, certain aspects of certain financial ratios. Since we're pulling that information, which likely should be in private company we really don't want that to be on a public document.

Interviewer 4: Did you say on a public document?

David: Yes. We do not want confidential information to be on a public document.



Interviewer 4: But is that confidential memo of analysis, something that goes to the board as part of the board package?

David: I believe the board members can see that, but it's not posted on our website as the public agenda.

Interviewer 4: The information that is contained in that confidential memo of analysis based on information provided by applicants and verified by underwriters and others, is the information that's in those confidential memos of analysis, is supposed to be truthful?

David: Absolutely.

Interviewer 4: Is it fair to say that part of the job of the underwriter is to verify that the information contained in the applications is confirmed true and that there are no red flags?

David: Correct.

Interviewer 4: In circumstances where information in the application seems questionable or suspicious, what is the underwriter's role?

David: They will question it.

Interviewer 4: To what end?

David: Until they receive a satisfactory response.

Interviewer 4: If in the course of work, an underwriter, again during this period from 2013 to 2017, could not satisfy him or herself of an important piece of information, what would generally happen in those circumstances?

David: It may be begin with a phone call or an email to call out the item that the underwriter has an issue with and then an explanation may be provided, which results in the request of **[unintelligible 03:11:24]** information to review in support of the response that was provided.

Interviewer 4: I apologize. My question was probably not crisp enough. So let me try it again. Once the questions are asked, and once the applicant provides whatever the applicant has, if at that point, the underwriter still has a question or concern, it's not resolved. Internally, can you just help us understand what happens next? What's the underwriter supposed to do if actually he can't or she can't get the question resolved to their satisfaction?

David: I think it really depends on what that issue is.

[03:12:00] If it's an issue that can impair the eligibility of the project, then that can lead us down a different path to where the project is no longer eligible.

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If it's a question that we feel should be answered, that may lead to the project being held for a period of time until we get resolution. It may be a question that we feel was so important, it doesn't impact the eligibility, but really for us to understand the project and to be consistent with other similar projects that we have reviewed in the past. Again, that project may be held until we've received an acceptable response.

Interviewer 4: I'm going to ask you a little bit about your observations about the training program of the EDA, but before I do, I just want to make sure I ask this. When an underwriter gets a file, obviously, the internet is a ready source of information that **[audio cut 03:12:59- 03:13:04]** process for the underwriter to do some level of diligence using resources like the internet?

David: Yes.

Interviewer 4: Great. On the internet, is it fair to say for example, you might be able to find prior statements that the applicant made about their intent to either stay in or leave New Jersey?

David: Correct.

Interviewer 4: You might find information about prior lawsuits that might be relevant to some of the questions about litigation in the application?

David: Yes.

Interviewer 4: You might find information that bears on whether or not the company is suitable from a business integrity perspective?

David: Correct.

Interviewer 4: That you might find regulatory violations?

David: Yes.

Interviewer 4: Do underwriters, again, you're answering based on your understanding of the way the process worked from 2013 to 2017, do underwriters generally look for those?

David: Yes.

Interviewer 4: Now, again, I'm going to ask you about this same period of time from 2013 to 2017, are you aware of **[03:14:00]** whether or not in that period of time there was ever a formal training process within the EDA to help underwriters actually understand all of the program requirements?

David: Not that I'm aware of.



Interviewer 4: Was there any sort of formal class where a lawyer came in for example and said, "Here's what that statute requires."

David: Not that I'm aware of.

Interviewer 4: Is there any sort of maybe online training that happens from time to time where underwriters get updated on new areas of concern or places where people are consistently experiencing problems?

David: Not that I'm aware of.

Interviewer 4: Again, just so we're clear. No formal training at all?

David: No.

Interviewer 4: You talked about recommendations before, do you think that it would be a better process and make it easier on underwriters if there actually was a formal training program?

David: I can see value in that, yes.

Interviewer 4: Would there also be value in a yearly recertification to explain developments in the program, the new regulations and amendments and those sorts of compliance refreshers?

David: I see the value in ongoing training, but as far as a specific certification.

Interviewer 4: I'm sorry, I didn't really mean certification in that way. I meant just an ongoing training on a yearly basis, so if there've been changes in the law or the regulations, the underwriters actually get some formal process to understand that.

David: I see value.

Interviewer 4: And to ask questions, for example.

David: Yes.

Interviewer 4: Okay. Let me just ask a question, make sure that we understand. At some point when you started in May 17, you did something to help familiarize yourself, given the fact that there wasn't a formal training program even then.

David: Correct.

Interviewer 4: What did you do so that you were familiar with the Grow Program?

David: The very first thing I did was to review study and understand as best I can the act and the rules. From there, you only just need to immerse yourself [03:16:00] into the process which actually was an existing process at the EDA for our loan



programs. So, when the underwriting department took over the approval process for grow applications, it made complete logical sense to follow that same process as well.

I took it upon myself to make sure that on almost a daily basis, I would sit with an underwriter to discuss what projects they were doing, what are their observations, what works, what does not work, are there any areas that they think may be improved. That was my way to understand what was the existing process.

I made clear to everyone in May of 2017 that my intent isn't to come in and make fast changes immediately. I thought as a good leader, it's best to understand what are the current process and then once I'm able to get my arms around it, look for opportunities to improve which ultimately we did.

Interviewer 4: Now that you've talked about your experience when you got in, I'm now going to go back to the questions I was asking before about the period between 2013 and May of 2017. Before I do that, let me ask you just to make sure I understand. The grow programs, so everyone's clear, is it fair to say that it's designed to create new jobs, retain new jobs, or encourage capital investments?

David: Correct.

Interviewer 4: It gives tax incentives if companies do one or more of those things.

David: Yes.

Interviewer 4: For companies that were at the time of their application, they were already in New Jersey, as the program was administered, **[03:18:00]** does every applicant have to show the jobs were at risk of moving out of the state?

David: That is my understanding.

Interviewer 4: Is that true even where an application proposes to move jobs intrastate from a city outside of Camden to Camden?

David: That is my understanding.

Interviewer 4: Okay. Did the EDA during this period, again as part of its administration, require the submission of proof regarding the out of state location?

David: Yes.

Interviewer 4: Okay, and before I talk about the kinds of proof that you found that the EDA was accepting, let me just ask you, as a general matter, did the EDA require that the location be bonafide?

David: Yes.



Interviewer 4: Did the EDA require that the location be suitable for the business?

David: Yes.

Interviewer 4: Did the EDA require that the location be available?

David: Yes.

Interviewer 4: Okay. Now, if you would, what kinds of proof did you find that the EDA was either accepting or asking for as a proxy for those issues?

David: Primary letters of intents.

Interviewer 4: Can we refer to those generally as LOI or?

David: LOIs.

Interviewer 4: LOI. I'm sure that the LOIs come in various shapes and sizes, but could you just give the people who are listening a brief explanation of your understanding of what an LOI is?

David: Another word is a term sheet. It's someone who has the actual asset. They're making an offer on this is what they are maybe willing to provide you to meet your need in whatever project that you have.

Interviewer 4: Would it be the underwriter's expectation that the company actually did diligence to make sure that that location was suitable?

David: Yes.

Interviewer 4: That the location was available?

David: Yes.

Interviewer 4: If the location didn't seem suitable [03:20:00] or available, or bonafide fair to say that the underwriter would ask more questions and ask for more documents?

David: Correct.

Interviewer 4: In your estimation, or based on your experience, does an underwriter have the authority to ask for underlying business records? Show me the business plan for why this site is suitable, for example.

David: Generally speaking, the underwriter can ask for any additional information they deem can support that ultimate location if they question an LOI.



Interviewer 4: Okay, this is a hypothetical question, but if there was a circumstance where a company made a submission of an out of state location and the underwriter determined that it was a phantom location, for example. That it was not a bonafide location, what impact could that have on that particular application?

David: It could be declined.

Interviewer 4: All right, so I'm going to ask you to look at tab one of your binder. Now, did you fairly say that we showed you this document before your testimony today?

David: Yes.

Interviewer 4: Is this a chart that represents 31 companies?

David: Yes, it is.

Interviewer 4: Are those 31 companies all of the companies that you're aware of between the start of the growth program and presently that applied to retain or to move jobs to Camden from within the state?

David: Yes.

Interviewer 4: Based on your work, is that chart accurate and complete?

David: It is.

Interviewer 4: Of the 31 companies, is it fair to say that 30 of them, according to their application, indicated an intention [03:22:00] to either move to Camden or to move to an out of state location?

David: Yes.

Interviewer 4: Is it fair to say that the one company that doesn't fall in the 30 was going to eliminate jobs in Camden?

David: Correct.

Interviewer 4: You can shut that now. Does anyone know the exhibit numbers on this?

Female Speaker: Nine.

Interviewer 4: Nine.

Female Speaker: [unintelligible 03:22:24]



Interviewer 4: Great. [unintelligible 03:22:26] this is a pretty [unintelligible 03:22:26] We're going to call this nine. I'm going to move on to the next subject. I want to ask you a little bit about that timing of the applications. Is it fair to say that the applications were fairly complex?

David: Very.

Interviewer 4: Even at the initial stages for the BDO's work, the Business Development Officer, does it take quite some time for the business officer to gather up all the information and make sure that he or she is comfortable with the level of documentation filed ?

David: They can, yes.

Interviewer 4: Is it fair to say that the expectation that underwriters going to have once the BDO passes it off? Most of the questions are already answered in the file.

David: Most of the information is contained in the file, yes.

Interviewer 4: [unintelligible 03:23:15] I'm sorry, most of the information is contained.

David: Correct.

Interviewer 4: The underwriter's job is hopefully, if all the information is there, then you can do the deep-dive and analyze it?

David: Correct.

Interviewer 4: And verify or vet it?

David: Yes.

Interviewer 4: That whole timeline that you talked about, is that something that generally can occur in a couple weeks or a month?

David: I haven't seen that.

Interviewer 4: What's the average time that you think an average application takes to go from the business development stage to the board approval stage?

David: I would say a fair assessment is anywhere between four to nine months. It could be more, it could be less.

Interviewer 4: [03:24:00] What we put an application at the back end of the time scale?



David: It could be various, sometimes if the application is not complete on the business development side and they're working on obtaining information, it's just a play on time to receive everything that they need. Or it could be a question that was either posed during the business development period or the underwriting process that prolongs the approval process waiting on additional information.

Interviewer 4: Now, is it fair to say that prior to coming here today, I asked you to review five applications?

David: Yes.

Interviewer 4: I asked you to review the project files for those five applications?

David: Yes.

Interviewer 4: I'm only going to ask you about four of the applications. Is it fair to say that that includes Conner Strong & Buckelew?

David: Yes.

Interviewer 4: The Michaels organization?

David: Yes.

Interviewer 4: NFI Industries.

David: Yes.

Interviewer 4: Cooper Health?

David: Yes.

Interviewer 4: Cooper Health. Did I also ask you whether or not you could speak to the BDO and the underwriter on those files to make sure that you were familiar with the relevant issues?

David: Yes.

Interviewer 4: As a general matter, I'll first ask you about the applications for Conner Strong, the Michaels organization and NFI. Did the BDO describe to you that she had a general process for how she went about her work?

David: Yes.

Interviewer 4: Is it fair to say that that process began with a preliminary step of diligence?

David: Yes.

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Interviewer 4: Describe what she said in terms of what that step of diligence was.

David: Part of it is [03:26:00] to complete a Google search on the applicant specifically to look for illegal items. Also, to have a conversation with the applicant to ensure that she understands the project. Then ultimately, to start gathering information to ensure that the application package is complete when they're submitted to [unintelligible 03:26:25]

Interviewer 4: Now according to the BDO, did she actually perform this preliminary set of diligence on these three applications, Conner Strong and NFI and TMO?

David: She did, yes.

Interviewer 4: I want you to just look at slide 3 for a second. Is it fair to say that each of the applications was for a grow New Jersey award?

David: Yes.

Interviewer 4: Is it fair to say that they were all filed on October 24th of 2016?

David: Yes.

Interviewer 4: Each company indicated in its application that was considering a move to Philadelphia?

David: Yes.

Interviewer 4: Each of the companies was represented by the same consultant?

David: Correct.

Interviewer 4: Who was the consultant?

David: KMG.

Interviewer 4: Okay. Now, I just want you to know, just for the sake of your reference, that if you need to refer to the applications at any time, they are Tabs Two, Three, and Four of your binder.

David: Okay.

Interviewer 4: First of all, I'm going to ask you about a specific article that was discoverable with respect to Google, understanding that the application was submitted on October 24th of 2016. In order to ask that question, can you go to Tab Five of your binder? Can you describe what is in [03:28:00] Tab Five?

David: It's an article in the Philadelphia Inquirer titled, Plans Announced for Bastion Development [unintelligible 03:28:08] Waterfront.

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Interviewer 4: I'm sorry, what is the date of the article?

David: September 24th, 2015.

Interviewer 4: A little bit more than a year before the applications were filed?

David: That's correct.

Interviewer 4: Now, did you see any indication in the file that the BDO or the underwriter found this document?

David: No.

Interviewer 4: Okay. Prior to your testimony today, did you have an opportunity to review this document?

David: Yes.

Interviewer 4: Does it raise a question or a concern for you?

David: It does.

Interviewer 4: Could you explain it to us?

David: Sure. In the article, and I can use names?

Interviewer 4: Yes.

David: In the article, it makes reference to Mr. George Norcross, Head of Cougar University Hospital Board, that his insurance firm, Conner Strong & Buckelew is considering moving its headquarters into the development. Other companies expected to join include Archer & Greiner Law Firm.

Interviewer 4: I'm sorry, I don't have this in front of me.

David: I'm sorry. Other companies expected to join the project include the Archer & Greiner, P.C. Law Firm, which has offices and headquarter in New Jersey and Philadelphia in Cherry Hill. Supply chain company, NFI Industries and the Michaels Organization in Cherry Hill Housing Company that has done work in Camden. For reading this, one can glean, have they already made a decision as far as their New Jersey location? We don't know that.

Interviewer 4: That's a question?

David: It is a question that comes up.



Interviewer 4: There might a completely [03:30:00] legitimate explanation that they're choosing another site in Philadelphia. In fairness, each of the companies actually submitted LOIs, letters of intent, for locations in Philadelphia. Correct?

David: Correct.

Interviewer 4: Okay, I'm going to ask you some questions about the proposed out of state locations for each. After I ask you the factual questions, I just want to make sure that everybody has a common understanding of the facts. Then I'm going to go and ask you some questions about the significance of those facts just from an underwriting perspective. You understand that?

David: Yes.

Interviewer 4: Okay. Each of these applicants submitted real estate proposals for commercial spaces in Philadelphia to substantiate the risk that the jobs at their companies could move out of state.

David: Yes.

Interviewer 4: Okay. What you see behind you, and again, I apologize that you don't have a chair that spins, but if it's easier for you, if you want to walk around and look at it while you point the microphone at the screen, that's fine.

David: No, I--

Interviewer 4: Okay, you're good. All right. You're familiar with this chart. We talked about it before, correct?

David: Yes.

Interviewer 4: Just tell me if I'm explaining it correctly and anything else you want to add.

David: Okay.

Interviewer 4: It's organized for each of the three companies, and each of them has a proposal one and a proposal two. There is a row for the date of the proposal, the total square footage, the floors and the basement. Correct?

David: Yes.

Interviewer 4: You've had an opportunity to review these LOIs prior to your testimony today.

David: Correct



Interviewer 4: In the interest of time, do you mind if I just lead you through the information since you've already verified that the information we're going to populate here is correct?

David: That's fine.

Interviewer 4: Okay. All right. Before I do that, let me just get the addresses down. Is it fair to [03:32:00] say that the address that Connor Strong and Buckelew was considering was at 1601 Market Street in the city of Philadelphia?

David: Yes.

Interviewer 4: Is it fair to say that the address for NFI was 1500 Spring Garden street in the city of Philadelphia?

David: Yes.

Interviewer 4: Was the address for the Michaels organization the same or different than the address that NFI had proffered them? Just drink.

Based on your discussion with the underwriter, is it fair to say that after the underwriter reviewed the first set of proposals, which we'll get to the details in a minute, he noticed a problem?

David: Yes.

Interviewer 4: What was the problem?

David: It was the length of time between proposal one and proposal two, and I believe a difference in the square footage.

Interviewer 4: Okay, I'm sorry the underwriter didn't -- Sorry if I'm, if I'm leading you a little bit on this. Is it fair to say that the underwriter noticed that the LOIs were expired?

David: Yes.

Interviewer 4: Okay. When I say expired, do you understand that to mean that the proposals are no longer available?

David: Correct. One can make an interpretation of this.

Interviewer 4: Okay, and is it fair to say that the proposals, according to what the underwriter found, the proposals for each of these companies; Conner Strong, NFI and the Michaels Organization had actually expired before the applications were even submitted?

David: That's right.

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Interviewer 4: In your experience is that unusual?

David: Yes, it's unusual.

Interviewer 4: Why?

David: Because it casts doubt on whether that slide is available.

Interviewer 4: Okay. I think I'm going to skip some questions in the interest of time. Okay, let me just ask this question. Just again to speed things up. [03:34:00] Is it fair to say that, based on your file review, when the underwriter determined that the initial LOIs had lapsed, had expired, he made a specific request of the consultant or the lawyer that would represent each of these three companies?

David: Yes.

Interviewer 4: Was the request for them to extend the LOI?

David: Yes.

Interviewer 4: Why would the underwriter use a word like that, extend the LOI that already existed?

David: To ensure that the same data points on the original LOI still exist in the future.

Interviewer 4: Is that also a recognition of the underwriter's perspective that this is an address that they vetted before, that they determined is suitable, that they've done some research on to make sure it will meet their company's needs?

David: Correct.

Interviewer 4: Okay. Is it fair to say that based on your review of the file that this individual that was handling these applications and again, just let me use his name, Mr. [unintelligible 03:35:11] actually did not get extensions for the LOIs that were originally filed but expired.

David: That's right.

Interviewer 4: Is it fair to say that he essentially got newer LOIs for similar space that had differences?

David: Yes.

Interviewer 4: Did he do that immediately or did some number of months pass?

David: It took some time.



Interviewer 4: Now, I'd like to just go through and populate the chart. Do I understand correctly that the first Conner Strong and Buckelew proposal was dated on August 29th, 2016?

David: That's correct.

Interviewer 4: It had roughly 153,345 square feet of space in the lease proposal.

David: Yes.

Interviewer 4: [03:36:00] Is that an indicator that's what Connor Strong believes it needs for its operations.

David: Right, yes.

Interviewer 4: It was on floors 3 through 7 and 11 and 12?

David: Yes.

Interviewer 4: The square footage was \$25.95 at retail square foot.

David: Yes.

Interviewer 4: Okay. Now let's go to proposal two. Proposal two was submitted on December 1, 2016?

David: Yes.

Interviewer 4: The LOIs had expired, if you remember, was it September 9, 2016?

David: Right.

Interviewer 4: There was approximately a three-month gap?

David: Yes.

Interviewer 4: The space on this one dropped from a 153,000 square feet roughly to approximately 110,000 square feet?

David: That's correct.

Interviewer 4: The floors changed slightly in the sense that it was still 3 through 7, but now instead of 11 and 12 it was floor 14?

David: Correct.

Interviewer 4: Despite the differences in space, the base rent stayed the same.

David: Correct.

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Interviewer 4: Okay. Again, we're going to come back to the significance of this at the end, but let's go to NFI. Do you have the first NFI? Fair to say that like the Connor Strong, it was submitted on August 29, 2016?

David: Yes.

Interviewer 4: It was a little bit more than a 103,000 square feet?

David: Correct.

Interviewer 4: It was all on the second floor?

David: Yes.

Interviewer 4: It was \$23 at retail square foot.

David: Yes.

Interviewer 4: Hold on one second. [03:38:00] Okay. If we can go to proposal number two, please? This one was submitted even later than the Connor Strong one. It was at the end of February, 2017?

David: Yes.

Interviewer 4: It dropped about 10,000 square feet in terms of the square footage?

David: That's correct.

Interviewer 4: It was just a little bit more than 93,000 square feet?

David: Yes.

Interviewer 4: It was still on the second floor?

David: Yes.

Interviewer 4: The price break they got for, I assume, with a bit difference was about ¢50 of square foot, correct?

David: Correct.

Interviewer 4: It was 22.50 at retail square foot.

David: Yes.

Interviewer 4: Okay. Now from the LOI, could you determine that the expiration date on this proposal was March 24, 2017?

David: Yes.

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Interviewer 4: Okay. Now, I just want to ask you a couple of questions before I move on to the Michaels Organization about what the underwriter did or didn't ask about based on your review of the file. Did you see any indication in the file that the underwriter called out the fact that the Conner Strong proposal dropped roughly 40,000 square feet in terms of the space that they were getting in the second proposal?

David: Yes.

Interviewer 4: You found indications that he asked about that change?

David: No, I'm thinking of a different question. No, there wasn't any indication.

Interviewer 4: Okay. Did you find any indication in the file that he asked about the change in configuration from the sense of 11 and 12 having been in the first proposal and floor 13 being in the second?

David: I do not.

Interviewer 4: Okay. For the NFI proposal, did you see anything that suggested [03:40:00] that the underwriter asked about the difference in space dropping from 103,000 to 93,000?

David: I do not recall that.

Interviewer 4: Do you recall that the underwriter calling out or getting an explanation for why there was a new LOI instead of an extension of the old LOI?

David: No, I don't recall this.

Interviewer 4: Was there any indication in the files that the underwriter asked questions about the gap in time? How this space could have been available if in the interviewing period they had to coverage and the original space was available the way it was configured originally?

David: No.

Interviewer 4: Okay. Let's then go to the Michaels Organization. Fair to say that the original date was just a day after the other two on August 30th of 2016.

David: Yes.

Interviewer 4: They had two different options. They had an option for 103,491 feet on floor two or they had an option for 103,710 square feet on floors one through seven. Now, just to be clear, the 103,491 feet on the second floor, that's the same space that had originally been offered to NFI with NFI's first proposal.

David: Yes.

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Interviewer 4: Okay. The base rent was \$23 a square foot?

David: Correct.

Interviewer 4: Okay. Now, were you able to determine based on the issuance of this letter and the expiration date that this proposal actually even though it was expired was only good for 11 days? [03:42:00]

David: It was only good for 11 days.

Interviewer 4: Is that unusual?

David: Yes, it is.

Interviewer 4: Is it fair to say that with NFI, it had a similar problem, it was good for 12 days?

David: Yes.

Interviewer 4: Could you find any indication in the file that the underwriter asked about the short duration of time that these LOIs were good for?

David: No, I don't recall.

Interviewer 4: You don't recall. Okay. Let's go through TMO number two, please. Again, submitted on the same day as NFI on February 28th of 2017?

David: Yes.

Interviewer 4: Again, a change in the space. It was almost 96,000 square feet?

David: Yes.

Interviewer 4: Instead of either the second floor option or the first and seventh floor option, this one was configured where some space was in the basement, some space was on the 1st floor, some space was on the 7th floor, and some space was on the 12th floor.

David: Correct.

Interviewer 4: The price break they got based on the changing configuration was the same as the price break that NFI got.

David: Yes.

Interviewer 4: For significantly less material changes to the configuration.

David: Correct.

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Interviewer 4: Okay. Now, let me just ask you a couple of questions, again, based on your review of the file. Just give me one second. With respect to the second TMO proposal, the one on the basement, the 1st floor, the 7th floor, and the 12th floor, is it fair to say that of [03:44:00] that space, not all of that square footage was actually even available?

David: Correct.

Interviewer 4: Do you know what a roffer is?

David: I'm sorry?

Interviewer 4: A roffer. [unintelligible 03:44:10]

David: Yes.

Interviewer 4: The proposal number two for the Michaels Organization made clear that one of those spaces had a tenant that existed already that had a right to first refusal on that space. Is it fair to say that that square footage was on the seventh floor and it represented approximately 30% of the 95,000 square feet?

David: Yes.

Interviewer 4: Okay. Could you find anywhere on the file that the underwriter asked about the fact that some of the space was not available?

David: No.

Interviewer 4: Could you find any evidence in the file that the underwriter asked about the significant change in configuration?

David: No.

Interviewer 4: Any evidence in the file that the underwriter asked about the the gap between September 9th and February 28th?

David: Yes.

Interviewer 4: Okay, so now that we understand the facts, let me turn then to the significance of those facts. Again, just from the perspective of your position now as the manager of a department that's supposed to be underwriting to the level of standards that you hold. That's a need to my questions. I want to be clear. This is not about the company, this is not about whether there are reasons to explain all this. We do not have all the records yet. I'm only asking you about whether or not the underwriter in your professional judgment should've done more. Do you understand that?

David: Got it.

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Interviewer 4: Does it raise a concern for you that the NFI and TMO proposals, proposal number one, were for such a short duration?

David: It does.

Interviewer 4: Okay. [03:46:00] From underwriting perspective, would that raise a potential that these out of state proposals that are the proxy for the jobs being at risk. That these proposals aren't really qualified?

David: They can.

Interviewer 4: In those circumstances, if you were the underwriter, would you ask more questions?

David: I would.

Interviewer 4: Does it raise a concern or question at least that the first three proposals expired before the applications were even submitted?

David: Yes.

Interviewer 4: Does that raise, again, the potential that the underwriter should be looking for other indicia that these places are modified, and that they're suitable, and that they are available?

David: Yes.

Interviewer 4: Does it raise a further question that there was such a large gap in all of the proposals, but more so in the NFI and TMO ones, there's such a big gap between the first proposal and the second proposal?

David: Yes.

Interviewer 4: Again, from an underwriting perspective, is that potential indicia that more questions need to be asked to assure that this location is bonafide?

David: Yes, I would ask more questions.

Interviewer 4: This one I'm really focusing on TMO. Does the fact that the configuration changed so much raises any further questions or concerns that merit additional questions?

David: It does.

Interviewer 4: Okay. Again, less so with NFI and Micheals Organization but more so with the Conner Strong one, does it raise an additional question or concern that there's such a large change in square footage between proposal one, proposal two? [03:48:00] requiring [unintelligible 03:48:01] more questions?

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David: Yes.

Interviewer 4: Again, I just want to know from an underwriting perspective, the fact that all the companies were using the same consultant, that two of the companies were intending to locate in the same exact building in Philadelphia, that they were offering the same space in one of the proposals, from an underwriting perspective, does that raise any additional questions or concerns?

David: Yes.

Interviewer 4: I take it, in your professional judgment, more questions would be [inaudible 03:48:40]?

David: Yes.

Interviewer 4: From an underwriting perspective, does it raise additional questions or concerns that, with respect to the Michaels Organization, a significant block of the space was not even available?

David: Correct.

Interviewer 4: Do you see these issues as serious issues from an underwriting perspective?

David: It depends on their responses.

Interviewer 4: I'm sorry. I should have asked you a question. Based on the totality of the circumstances and the number of Chenes in the LOIs and the various issues we've discussed, as an underwriter, would your questions in this regard be serious questions?

David: Yes, because I think there's a pattern.

Interviewer 4: I want to ask you about one more occupation. It's in tab 13. I just ask that you take a look, tell us what application this is?

David: Cooper Health Assistant.

Interviewer 4: Now, before I ask these questions-- You know this already, but I'm going to be clear. I asked you before, with respect to the other applications, whether or not the underwriters should ask more questions, [03:50:00] it's one of those questions depending on the oral information that they get, a question about obtaining business records that the company has that are contemporaneous to their evaluation of the sites to show things like they did this, they were doing site visits at the out-of-state location, they actually had a business plan, there was a spreadsheet that had been created months ago that showed what the relocation and the build-out costs should be, that's an option for the underwriter. Correct?



David: We lead with the CBA, but if additional information is needed to complete the analysis, yes, we can ask for additional items which would include some of those items that you had mentioned.

Interviewer 4: We don't have all the facts with respect to these applications so this is just a question about practice, not these applications, but if, with these applications, the underwriter had some serious questions about whether the sites were suitable, bona fide and available, the underwriter has the option of asking for some of the business records that I just outlined?

David: Yes.

Interviewer 4: Now we're going to show an example of where we actually do have business records, so you understand that. You said the application was for whom?

David: The Cooper Health System.

Interviewer 4: Just looking at the slide just to make things easy, it was filed on November 7th, of 2014?

David: Yes.

Interviewer 4: Is it fair to say that Cooper was intending to, with respect to the Camden option, move its administrative facilities from another location to Camden?

David: Yes.

Interviewer 4: Were they going to move into a building that was generally referred to as the L3 building?

David: Yes.

Interviewer 4: Is it fair to say that the company articulated that it was moving its [03:52:00] offices to Philadelphia?

David: Yes.

Interviewer 4: Or that was the potential out-of-state location?

David: Correct.

Interviewer 4: Is it fair to say they were also represented by Kevin Sheehan and Parker McCay?

David: Yes.

Interviewer 4: Now, is it fair to say that the application was approved on December 9th, of 2014?

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David: Board approval? Yes.

Interviewer 4: We talked about this a little while ago, but that's a month and two days. Before I asked you to review this application, had you ever seen that in your entire time at the EDA?

David: Not that I recall.

Interviewer 4: Is it fair to say that the amount of money awarded with respect to Cooper Health was \$40 million over 10 years?

David: Yes.

Interviewer 4: Do you know whether or not any of that money has been paid today?

David: I do.

Interviewer 4: How much has been paid?

David: \$13,082,000.

Interviewer 4: Now, in reviewing the application did you notice a problem?

David: There was a question regarding **[unintelligible 03:53:09 AT RISK JOBS]** jobs and ultimate location to be determined.

Interviewer 4: Can you just turn to-- It's in tab 13, I think it's highlighted for your convenience. It's up on the screen, but God knows does anyone has better eyes than me, I can't read it. Can people read that? All right, sorry about that. We'll read it in for the record. Go ahead. Read the highlighted section in **[unintelligible 03:53:37]**.

David: Sure. Are any jobs listed in the application at risk of being located outside of New Jersey? The response is no. List other states New Jersey is in competition with, answer is TBD, to be determined.

Interviewer 4: Now, I want to pause there for one second, I now want to turn to tab **[03:54:00]** 15 in the binder. Is it fair to say this is part of the application? Mr. Lawyer?

David: 15?

Interviewer 4: No, I'm sorry. I'm asking you a question about this first.

David: Yes.

Interviewer 4: This is on the application itself?

David: It is, yes.

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Interviewer 4: Essentially, this is what the CEO certified to?

David: Correct.

Interviewer 4: Now, turn to tab 15 of the binder if you will. Do you see that there is highlighted language there for your convenience?

David: Yes.

Interviewer 4: Before you get to the highlighted language, can you tell everyone what this is?

David: This is our confidential memorandum of analysis.

Interviewer 4: Is this something that is written by EDA staff, based on information that's provided by the applicant?

David: That is correct.

Interviewer 4: Do I understand correctly that it was the general practice that this is the information to which the CEO has certified?

David: Yes.

Interviewer 4: This is essentially information that's been sworn?

David: Correct.

Interviewer 4: Again, to be clear, the CEO certification that you reviewed was for November, not December.

David: Okay.

Interviewer 4: Did you in any way, find either an amended application or an amended CEO certification?

David: No.

Interviewer 4: Can you just read the language that's highlighted in the record, please?

David: Sure. Cooper Health System is planning a consolidation of back-office operations from several locations in Cherry Hill and Mount Laurel, New Jersey.

Speaker 3: What was the second one?

Interviewer 4: Mount Laurel.



David: Mount Laurel, New Jersey, and to one location in Camden. Specifically, 123,578 square feet in the L3 building.

Speaker 3: Say what's [unintelligible 03:55:43]?

David: L3. The alternative is to relocate these jobs to Philadelphia, PA.

Interviewer 4: Can you read the second highlighted portion?

David: Overall, when factoring in both the upfront [03:56:00] and ongoing annual cost to operate the project, it is estimated that the New Jersey location will be \$555,154 more expensive over 10 years on a net present value basis. As a result, the company has applied for [unintelligible 03:56:17] Jersey tax credits to offset these costs and make New Jersey more competitive. Management has indicated that the award is a material factor in the company's decision to locate the project in New Jersey.

Interviewer 4: Now, if you will-- Hold on one second. Let me show you then, the real estate proposal that you found in the file. If you can go to tab 16. Again, the approval was on December 9th, can you tell us the date of the LOI that Cooper Health submitted in support its application?

David: December 5th, 2014.

Interviewer 4: Is it the same or a different broker than the broker on the TMI, NFI and counter strong LOIs?

David: It's the same.

Interviewer 4: It's the same broker, okay. If you turn to the second page of the document, what is the location, the street location that they are considering a move to according to this submission?

David: 1500 Market Street, Philadelphia, PA.

Interviewer 4: Do you remember in the file whether you found that there was a cover email that submitted this document? Why don't you turn to tab 17 and see if things that you don't remember, if that refreshes your recollection.

David: Yes.

Interviewer 4: Okay. What is the date of tab 17?

David: [03:58:00] December 5th, 2014.

Interviewer 4: It was submitted to EDA on the very day of the letter being issued by the real estate broker?



David: Right.

Interviewer 4: What's the name of the individual who sent this email?

David: Andrew Bush.

Interviewer 4: Now, can you just read the highlighted language of the cover email into the record?

David: Please find attached a letter of intent from a prospective Philadelphia landlord. The terms are slightly more aggressive than those presented in the cost benefit analysis, meaning that there is more of a burden to Cooper to remain in New Jersey.

Interviewer 4: Can I ask you a question?

David: Yes.

Interviewer 4: My colleagues have told me that there's a live feed. Meaning, it's being streamed by someone, I'm not sure who, and they can't hear you, so can you just pull the mic a little bit closer or get closer to it? Thank you. I'm sorry, did you read the highlighted language into the record? [silence] -because you've explained it to me before and I'm still not sure that I understand it. CEO signs a certification on day one. On day whatever, one through five months from now, other things are happening. There may be Chenes. It's not uncommon at all for, in that process, for things to Chene. Right?

David: Right.

Interviewer 4: Spaces might be different on different locations. A lot of different things happen. Is it usually the case where there are material Chenes in an application, that there's an amended application or an amended CEO certification saying, "At the end of the process, I've now familiarized myself with everything [04:00:00] and it's accurate."

David: I don't recall specific events where that took place, but I would imagine that if there were really material Chenes to an application and the materials that were provided, yes, there was a revised CEO certification that was provided and even a revised application.

Interviewer 4: Is it fair to say that for small Chenes that don't really affect anything, would EDA generally go through that trouble?

David: Yes.

Interviewer 4: If there were, again, if you know because you're talking about a period of time that you didn't have the underwriting pen, you didn't have the department as its leader. Do you know whether or not as a general matter
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underwriters were told the CEO certification is backward and forward looking, it's certifying that it's in the process and if there are Chenes that the CEO is aware of it and they've got to call out if the CEO is exempted somehow from the certification?

David: I'm not familiar with that kind of thing.

Interviewer 4: Do you know of cases where there was a Chene that was material enough that the CEO actually did another certification? Do you know of a circumstance where that happened sitting here today?

David: No, I don't know if there's specific circumstance, but I can imagine that it likely has happened.

Interviewer 4: Remember when we were talking about reforms?

David: Yes.

Interviewer 4: Would this be another kind of policy that would make sense to tie down, that when there were material Chenes to an application that might actually affect whether they qualify for their award at all, that the CEO recertifies to whatever the new state of facts is?

David: One would probably need to define what is meant by a significant Chene. Any Chene because that's your interpretation, but yes, I think that there's value in that.

Interviewer 4: Hold on one second. **[04:02:00]** I just want to unpack this a little bit. We get from November to the approval in December. Is it fair to say that with respect to this issue and the Philadelphia location that was eventually **[unintelligible 04:02:24]** four days before the approval, there were some relevant emails that talked about the back and forth?

David: Yes.

Interviewer 4: Turn to tab 18 if you will. **[inaudible 04:02:38]** emails from **[inaudible 04:02:49]**. You see that?

David: Yes.

Interviewer 4: You see that there's a difference in the color of the writing between the black and the blue?

David: Yes.

Interviewer 4: Do you see in **[unintelligible 04:03:00]** saying **[unintelligible 04:03:07]** below.

David: Yes.

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Interviewer 4: Based on that you understand that she asked questions and then he provided the answers.

David: Correct.

Interviewer 4: [unintelligible 04:03:17].

David: December first, 2015.

Interviewer 4: Can you then go down to the body of her email that has her question and his answers and read both of them into the record for us, please.

David: Number one?

Interviewer 4: Correct.

David: Please provide the back up on the proposed terms for each of the locations, [audio cuts] term sheets, letters of intent and/or draft [unintelligible 04:03:44], the response I am touring [unintelligible 04:03:49] locations in PA, on Wednesday and hope to have term sheets by the end of the week.

Interviewer 4: [04:04:00] In your experience is it unusual that an applicant would be looking for locations after an application is already filed?

David: In this context, yes.

Interviewer 4: Again, you don't know the back--

Ronald: May I just ask, Teresa Wells, have we identified who she is?

Interviewer 4: I'm sorry, who is Teresa Wells?

David: I wasn't sure you've actually meant to say the name.

Interviewer 4: I didn't mean to say the name, I was was going to repeat it, but sorry. Do you mind, chairman, if we just skip over that question?

Ronald: Okay, sure.

Interviewer 4: Okay, thanks. Now, did you see any indication in the file that the underwriter, in this case, asked any questions about the fact that the application was submitted saying, "No jobs were at risk?"

David: No.

Interviewer 4: Did you see any indication in the file underwriter asked any questions concerning what the company meant when it said, "The competitor state location is TBD or to be determined?"

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David: No.

Interviewer 4: Did you find any indications in the file that the underwriter asked any questions about why Andrew Bush of Cooper Health, was doing a sight tour after the application had already been filed?

David: No.

Interviewer 4: All right. If there was an explanation for this, what the underwriter could have done as we talked about before is to ask for some underlying documents and ask the company to explain these things, and if the explanations weren't enough to provide documents to back it up, correct?

David: Yes, or a phone call.

Interviewer 4: Or a phone call, meaning for example, the company may have had a location in Philadelphia that was subject to a natural disaster and suddenly found itself without a place to [04:06:00] stay, right?

David: Right.

Interviewer 4: There are a million other explanations that might answer some of these questions, correct?

David: Correct.

Interviewer 4: The point of this exercise is not, again, what happened with the company, but what the underwriter did. Would you say that the underwriter in this circumstance should've asked more questions than the ones you found in the file?

David: In writing, what I found on the file, yes. I don't know if any phone calls were made.

Interviewer 4: Fair point. Fair point. You know now as you sit there that we actually have obtained documents from Cooper Health, right?

David: Yes.

Interviewer 4: All right. Again, I just want to remind you that this building that they're talking about in Camden, was a building called L3, right?

David: Yes.

Interviewer 4: I'd like you to look first, if you will, at tab 19. I know that these aren't your documents, but again, I just want to explore the point of the kinds of things that an underwriter could find if they asked. Do you understand that tab 19 is an email between John Sheridan and Doug Shirley?



David: Yes.

Interviewer 4: It's forwarding, Shirley is forwarding to John Sheridan an email from Dave Foster?

David: Yes.

Interviewer 4: Was Dave Foster at the time an individual that worked at an organization called Cooper's Ferry?

David: Yes.

Interviewer 4: Was Doug Shirley at the time the CFO of Cooper Health?

David: You mean John Shirley?

Interviewer 4: I'm sorry. Unless I have it confused. I thought Doug Shirley was the CFO--

David: Doug Shirley, I'm sorry, yes.

Interviewer 4: Doug Shirley was the CFO, and John Sheridan was the CEO.

David: Yes, that's correct.

Interviewer 4: To summarize, the earliest chain, which I know you've read, is this essentially an offer from Dave Foster to lease space in the L3 building to [04:08:00] Cooper's Health?

David: Correct.

Interviewer 4: What's the date of that offer?

David: March 28th, 2014.

Interviewer 4: No, the one below.

David: March 27th, 2014.

Interviewer 4: We're talking roughly seven months before the grow application.

David: Right.

Interviewer 4: Do you see that in the top email, Shirley is reacting to the terms of the proposal that Foster made?

David: Correct.



Interviewer 4: Again, maybe other people's eyes are better than mine, I can't read that. Can you just read the language that Shirley used into the record?

David: Sure. "I have the proposal from [unintelligible 04:08:42] and it is very rich! From a cash flow and balance sheet, the L3 is the best deal by a long shot. No other option can touch it, so you need to be okay with this option before we go out with it."

Interviewer 4: Again, in fairness, we don't know what the CEO said, based on the documents I put in front of you. The CEO may have said, "No way, we're not going there," for whatever reason. Fair to say that CFO's focused on the money. Other business people are focusing on other things as well.

David: Correct.

Interviewer 4: Is it also fair to say that we showed you a document that was dated a little bit less than a month later where Cooper Health was laying out the options that it was considering?

David: Yes.

Interviewer 4: Turn to tab 20. Again, for people that have bad eyes like me, what is the top text say above the black bar?

David: Potential Cooper office options.

Interviewer 4: Whats the date of the document?

David: April first, 2014.

Interviewer 4: The other email that we just saw was on March 27th, just a couple of days earlier?

David: Correct.

Interviewer 4: You reviewed this document before [04:10:00] today?

David: Yes.

Interviewer 4: Is it fair to say each of the three options that are listed are options in Camden?

David: Yes.

Interviewer 4: None of them are 1500 Market Street in Philadelphia?

David: No.



Interviewer 4: Is it fair to say that this document reflects in each instance, that at this time Cooper Health was hoping for tax incentives in each of the instances for each of these buildings?

David: Yes.

Interviewer 4: Now, [unintelligible 04:10:36]. Focusing on the this application, again, from the perspective of an underwriter, based on the totality of circumstances, do you think these documents impact your assessment of whether or not the Philadelphia location was bona fide, suitable and available?

David: It does.

Interviewer 4: As an underwriter, if you could have concerns on a scale from one to ten, ten being the worst, based on the totality of the circumstances, where is your concern as an underwriter as you look at this file?

David: I was looking at between a seven and eight [inaudible 04:11:20].

Interviewer 4: Is it fair to say that if you were the underwriter-- Again, the company may have had plenty of explanations for all this stuff, but a lot more questions should be asked about this particular file?

David: Yes, I would have asked more questions, but I wouldn't anticipate to receive the email that we just discussed.

Interviewer 4: Right. You wouldn't expect that email to be volunteered?

David: No.

Interviewer 4: Well, can I ask you this? If the company actually had a document that showed that they need a decision before they ever applied for grow to stay in Camden, what would that do to their application? I'm not saying that occurred in this circumstance, [04:12:00] but what significance would that be for that application?

David: That would be a problem.

Interviewer 4: Professor Chen, do you have any other questions for Mr. Lawyer?

Ronald: I just want to understand how EDA, the process might work. It was noted that in the original LOIs by NFI and the Michaels Organization, the LOIs specified the same space, part of the same space, 1500 Market Street, which [inaudible 04:12:32] presents an issue. Is it possible that was notarized because those two applications were assigned to different underwriters?

David: I believe they were signed by the same underwriter.

Ronald: Thanks.

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Interviewer 4: That's actually a great question, chairman. Was the same BDO in both cases?

David: I'm not sure about the BDO, but it was the same underwriter.

Ronald: Thanks.

Interviewer 4: Thank you. Can we have a short break for few minutes?

Ronald: I think that would fine. In class when I say five-minute it's like, "Quick, getting back in 10." Is 10 minutes--

Interviewer 4: 5 minutes.

Ronald: 5 minutes? 5-minute break.

[silence 04:13:13-04:21:04]

Chairman: Are we ready to resume?

Jim: Yes.

Chairman: Give everyone a second to on their seats. Next, we have the testimony of Mr. Tim Lizura, welcome.

Timothy: Sorry.

Chairman: Do you solemnly swear or affirm that the testimony you're about to give is the truth, the whole truth, and nothing but the truth?

Timothy: I do.

Chairman: Thank you.

Jim: I think my colleague told you that this is being live streamed and the acoustics on the live stream are apparently challenging, and do in order to accommodate the people that couldn't physically be here-- At the last hearing there were people all over the state they were listening. [04:22:00] You got to keep your mouth a little bit close to the microphone. I know that some of the time you may be looking at documents, sometimes you may be looking at the screen, but if you could try to, and I'll remind you if I think of it to return and give your answer to the microphone, that will be great. Thank you very much. Can you please say and spell your name for the record.

Timothy: Sure. My name is Timothy Lizura, L-I-Z-U-R-A.

Jim: In preparation for your testimony today, Mr. Lizura, is it fair to say that we've met before?

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Timothy: We have.

Jim: We had a nice couple of hours together to explore scenarios.

Timothy: We did.

Jim: Do you understand that today I'm going to ask you about a subset of those areas?

Timothy: Yes.

Jim: Do you know you have a right to an attorney here?

Timothy: I do.

Jim: Your attorney is with you in the room?

Timothy: He's here.

Jim: You're appearing here voluntarily.

Timothy: Voluntary.

Jim: Then we appreciate that. Thank you very much and thank you for all the information that you gave us when we were together.

Timothy: Happy to.

Jim: First of all, why don't you start us off by telling us a little bit about your career?

Timothy: I have a short opening statement.

Jim: I apologize.

Timothy: That's okay.

Jim: Actually, she told me that and I totally forgot. I apologize. Go ahead, please.

Timothy: Some of it might be covered in that, but you feel free to ask again.

Jim: I'll shorten my questions perhaps.

Timothy: Prof. Chen and task force, thank you for having me here today. My name is Timothy Lizura. For 22 years I devoted my work to the New Jersey Economic Development Authority because I believed in and I still believe in its mission to create, retain jobs for the people of New Jersey and to support positive economic development in our state. I joined the EDA in 1995 as an analyst in the real estate



development department and I worked my way up to the position of president and chief operating officer. The EDA is a non-partisan organization.

Our work [04:24:00] was not to benefit any one governor, any one individual or one entity. Our priority and purpose always was to best serve and benefit the people of the State of New Jersey in accordance with the existing laws enacted by the legislature. I served at the EDA under every governor from Christie Todd Whitman to the first few months of Governor Murphy's term. Three of these governors were Republicans and four were Democrats. Since 1974, the EDA's grants and financing have benefited communities throughout New Jersey and the laws that have evolved over those 45 years address the changing needs and priorities.

My 22 years at the EDA spanned from 1995 till 2018, with a brief time away post 9/11 when I was leading the World Trade Center's redevelopment efforts. During that tenure, regardless of who was at the helm of the state government our purpose and mission at the EDA did not change. The laws that the EDA was tasked to administer have included special focus on and incentives for the development of some of the poorest cities in our state. For example, Governor McGreevey signed the municipal rehabilitation and Economic Recovery Act of 2012 to help the city of Camden.

Governor Corzine signed the urban transit hub tax credit law in 2007, and Governor Christie signed the Economic Opportunity Act of 2013, targeting cities such as Camden, Passaic Paterson, Trenton, and Atlantic City for redevelopment. As recently in October and 2018, Governor Murphy expanded the Economic Opportunity Act to benefit [04:26:00] the city of Paterson and to areas around the Atlantic City airport. Although the EDA was consulted on proposed legislation, the laws were approved and enacted by the legislature and signed by the governor. These laws were highly complex and constantly in flux. The EDA was tasked with the day-to-day implementation of these laws.

Here's how the grant approval process worked. Applicant businesses were required to submit a detailed application, the EDA staff verified certain information and the CEOs of those applicants were required to certify to the truthfulness of the application, which was a formal certification modeled after that required by Sarbanes-Oxley for public companies. Applications were reviewed and revised to ensure compliance with laws and regulations, and if ultimately they did not comply, the applications were not advanced and were not submitted for approval by the EDA's board. Throughout this entire process, we were guided by the attorney general's office to ensure that each individual project conformed with the law and policy.

At the EDA we work within the parameters of the laws enacted by the legislature to get to a yes in order to encourage new jobs and businesses investment and growth into areas of our state that sometimes face the greatest challenges. Every project was vetted by the EDA staff, committee members, the attorney general's office, before it reached the board's level for approval. To ensure adequate oversight,

members of the attorney general's office were specifically designated to the EDA working closely with us to review and approve projects and transactions. The attorney general's office was included in all board [04:28:00] committee meetings where we discussed in detail all the projects and all the policies and was present at every EDA board meeting where projects were approved.

Were we successful? The numbers show that yes, we were. According to the controls report, as of February of 2018, the \$11 billion in approved tax credits were based on 1000 approved projects that the EDA expects will generate more than \$33 billion in new capital investments and result in a total of approximately 240,000 new and retained jobs. Those tax credits are only provided if the employers complete the projects as approved and maintain the jobs throughout the grantor.

Jim: Grant term.

Timothy: Throughout the grant term, excuse me. There are different ways to count these numbers and discuss these numbers, but the simple and accurate conclusion is the same. EDA expected these projects will generate far more revenue to the state of New Jersey than the total cost of the credits. These programs were especially helpful for New Jersey distressed communities. While New Jersey is one of the wealthiest states in the country, we were also home to a number of struggling communities which face an infrastructure of urban blight.

We're not a large state, but our economic disparity is enormous. Over time, the legislature has tried to address that disparity. Camden has long been one of the poorest, if not the poorest city in the entire nation. To bring businesses and jobs to Camden and other depressed communities, policymakers determined that significant investments were needed to attract large scale meaningful investments in these regions, these regions that lacked [04:30:00] viable commercial buildings and infrastructure.

We ran the EDA in a responsible and professional manner to bring together the interests of New Jersey and business. I am proud of the work that we did. During my tenure, we worked hard to bring jobs and investments throughout New Jersey within the parameters of an ever-Chening and complicated legal landscape. We were successful in our efforts to strengthen our state's economy and to help improve the lives and communities throughout New Jersey. I thank you, Professor Chen, for the opportunity to come here today and I welcome whatever questions you might have. Thank you.

Jim: Thank you very much, Mr. Lizura. Again, if you could just speak into the microphone, I'd appreciate it. I'll try to remind you if it seems like one of my colleagues raises their hand. I just want to ask you about a couple of things. You're right, your opening statement did resolve some of my questions, and just as a point of amusement, I refer to you as the CEO so I gave you a promotion.

Timothy: Thank you. You seem to be the only one who has, so thank you.

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[laughter]

Jim: In any event, let me just first ask you, again, this was not a question I asked you before, but when you were at the EDA, was there a woman there named Erin Gold?

Timothy: Surely.

Jim: What position was she in?

Timothy: Prior to my departure, she was the director, I believe, of governance and communications or director of communications.

Jim: She served under you?

Timothy: She reported generally to either the CEO directly or to a senior vice president.

Jim: While you were there, how many different CEOs were there?

Timothy: In my tenure, we had three CEOs, Caren Franzini, Michele Brown and Melissa Orsen. Orsen. O-R-S-E-N.

Jim: Are you still in touch with Ms. Gold today?

Timothy: Not recently.

Jim: In the [04:32:00] last six months or so, have you text messaged with her at all?

Timothy: The last six months, I don't recall that I did, really. Certainly not on a frequent basis. If it was a "Merry Christmas," or "Happy holidays," that would be social, or "Crazy times," something like that.

Jim: Okay, thank you. I just need to ask this for a different reason. I appreciated the fact that you started with an explanation of this, but I wanted just first kind of help for listeners and people in the audience that may not be policy wonks, do you consider yourself a policy wonk?

Timothy: I consider myself a good government guy.

Jim: Okay, all right. For those people that may not be so steeped in the drivers of different kinds of incentive programs, can you just help us understand at a very high level why tax incentives? What are tax incentives intended to do?

Timothy: It's a great question and there is a couple of things I'd like to say generally about tax incentives. Tax incentives are a tool that municipalities and instrumentalities, whether the states, counties, governments, local and national, use in order to try to influence behavior of corporations. What's interesting is in the field

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of competing for these jobs, every state does this a little different. States like Texas have no corporate business tax at all. That's a way to do tax incentives, not charge taxes. [chuckles] The State of Florida charges no gross income tax to its employees, to people who work in that state.

There's a couple of levels of taxes and how it interplays with the success or [04:34:00] lack of success your community will have. Then on top, or after the large 10,000-foot level of tax policy and tax tax incentives, is how does it shape a decision to make an investment in a particular location? If you're a company, all things being equal, would you have an inclination to invest in a stable, well-run, thriving community, or would you want to invest in a community with blight, poorly managed, and lack of infrastructure? Your choice would be obvious, you'd rather invest in the former.

The way you get a company to think about investing in the latter, is you say, "Well, if you do this, we will incent that decision through a tax incentive. There's macro tax policy which is embedded in the code, and not to go too far astray, but the code has all kinds of tax credits in it. New higher tax credits, investment tax credits, energy efficiency tax credits, all of which people file on their tax returns, and check the box, and they submit it in, they get the benefit of the tax credit. Then there's tax credit laws that we manage at a program level. There's tax credits in the code, there's tax credits that are a particular program, and there's tax policy. All those things affect and shape how a company might choose to locate someplace.

Jim: The opening line, which sounds familiar to me because I've heard it many times, but the point of the tax incentives at a very high level is just to Chene corporate behavior and to Chene corporate decisions. It's not in the short-term, it's in the long-term, there's a sustainable economy.

Timothy: [04:36:00] [inaudible 04:36:02].

Jim: He's got the hardest job in the room, so be kind to him.

Timothy: [inaudible 04:36:18] that particular project [inaudible 04:36:39] a local economy rather than a systemic Chene over time. I think regular tax policy is a little bit more [unintelligible 04:36:51].

Speaker 3: [unintelligible 04:36:54].

Timothy: [inaudible 04:36:56].

Jim: Try to keep your voice up, if you don't mind. With the Grow Program in particular, is it fair to say that the Grow Program is, given its focus on job retention, job creation, a long-term vision and that's why the incentives are spread out over a long time?



Timothy: Yes. The incentives being spread over a long time is both in order to ensure that people maintain their jobs at the location that [inaudible 04:37:30]. That is an important piece to this, because if you [inaudible 04:37:34] those jobs in an ordinary or [inaudible 04:37:36] a higher compensation for the program than [inaudible 04:37:40] you can't get it approved [inaudible 04:37:44] and then move [inaudible 04:37:46] jobs in the state to acknowledge right there and expect that you still have the same economic impact that we are expecting.

It is a long-term commitment, but it also [04:38:00] aligns the risk of state appropriately in that sense you're not writing a check up front. Some states can do this. Some states will write you a check at approval, and then try to get it back if you don't do [inaudible 04:38:15] that way with the programs. Our program, I think, [inaudible 04:38:22] marries the risk and reward appropriately because it allows the cost of the program to be spread over 10 years and to make sure that we're not paying for jobs having [inaudible 04:38:36].

Jim: It's a very long answer. [chuckles]

Timothy: I'm sorry. [chuckles]

Jim: We're going to be here for a long time, but that's fine. Let's give everyone an example of the kind of thing that tax incentive could do immediately. If there was a specific problem in a specific area, a tax incentive could, if designed appropriately, have the potential to solve that problem, right?

Timothy: I suppose. [inaudible 04:39:11] problems. If it works well, it does that well.

Jim: Well, let's unpack it a little bit. One of the things that you mentioned in your opening [inaudible 04:39:20], which I certainly appreciate and I'm sure everyone does, is that Camden is one of the poorest cities, if it's not the poorest city in the nation. Correct?

Timothy: Yes.

Jim: Camden, as I've heard from many, many, many people, was a food desert, right?

Timothy: That's right.

Jim: When I say a food desert, I mean that for many years, one of the problems that Camden residents faced is that they don't have a grocery store that they can get to, that is anywhere close.

Timothy: That's right.



Jim: Is it fair to say that that is a particularly acute problem in the poorest communities in Camden?

Timothy: Yes.

Jim: A well-designed tax incentive program [00:40:00] could give incentives to companies to swoop in and open that grocery store.

Timothy: That's true.

Jim: Okay. We're going to talk about that today. I assume that from a policy perspective now-- We're going to talk policy, policy, policy, today, right? I'm not talking about what the legislature intended. You know I'm going to ask you about the act and the bill, the Chenes to the bill, but one thing that from a policy perspective tax incentives are not a prescription for-- they're not supposed to simply be a boon to developers, is that fair?

Timothy: A boon, I would say [inaudible 04:40:40 boon] suggests [inaudible 04:40:41 overt prescription??]?

Jim: Yes.

Timothy: I would say yes.

Jim: The first thing I want to do just to set the stage is, I want people to understand the way that the Economic Opportunity Act was marketed, because I think that a lot of people in the broader states don't really understand that there was marketing around it. That was not EDA. The document I'm going to show you is not an EDA document, correct?

Timothy: Yes.

Jim: Is it fair that it's a document that was created by a developer?

Timothy: Yes.

Jim: Is it fair that we say it was created by a developer called Brandywine?

Timothy: Yes.

Jim: Okay. Why don't we look at tab one of the binder. Can people actually read that?

Speaker 3: No.

Jim: No? Okay, so I'm not wrong. It's not just me. I want you to see that-- I think it's on slide six. I think we highlighted some language for you. It does say 2013



Economic Opportunity Act, and just for everyone's context, whether it highlighted or not, that little box there--

Timothy: [inaudible 04:41:52]?

Jim: Yes, just read. I'm going back to the microphone, sorry. Just read that language [04:42:00] into the record, please. Wait, I'm sorry, Tim, can you hold for a second until - I'm sorry, your name is?

Edgar: Edgar.

Jim: Edgar, until Edgar has done his work? Thank you, Edgar.

Timothy: Do you want me to start over?

Jim: Just from tab one of your binder, can you just read that whole bubble into the record where it says 2013 Economic Opportunity Act.

Timothy: The Economic Opportunity Act of 2013 provides tax incentives for companies relocating to Camden. The amount of the incentives are based on the greater of the tax credit per new job or a credit against the capital investment made by an owner. The result is that the occupants may be able to obtain tax credits: one, greater than their least cost or two, equal to or greater than the cost of newly constructed building over 10 years.

Jim: Can I ask you a couple of questions about that?

Timothy: Sure.

Jim: First of all, did you know if that is true? Is it actually true that the way the program works, a developer could basically get a free building or even [04:44:00] make money above the construction process?

Timothy: The tenant could. The credit didn't go to the developer, the tenant always went to the business, so under the right circumstances, the tenant could pay less in rent than they received in tax credit.

Jim: I'm sorry, you may not understand this because we all know this is not your document, but could you just help me understand what this [inaudible 04:44:30] over 10

days. I take it that that is a situation where its an occupant constructed building?

Timothy: Yes.

Jim: Okay, so in the circumstance of an occupant constructed building, is it accurate that that individual or that company could make



an amount in tax credits that exceeds the cost of the building?

Timothy: I would think it's unlikely. I would say I guess it would depend on how you're defining the cost of the building. Is it just the construction cost or the full development cost? Is it land cost? What I believe they're speaking to there is what's called the Camden alternative, which is really a legacy of the Urban Transit Hub Tax Credit program which used to be marketed as the free building program across those eight cities. The tax credit award could be sized to the total eligible cost of the construction project when you're building it for a single tenant. Even a multi-tenant building potentially, but generally speaking, a single occupied building.

Jim: I'm sorry, I'm not sure I understand the question. [04:46:00] Do you see the header that says the 2013 Economic Opportunity Act?

Timothy: Yes.

Jim: Were you saying that you thought that this was in reference to another?

Timothy: No, I'm sorry. As the Economic Opportunity Act folded five legacy programs into its bones, if you will, one of those programs was the Urban Transit Hub Tax Credit program. The remnants of that program were embedded in this law only for the City of Camden. We for a show of hand, we called it the Camden alternative because every place else in the state there was a fairly straightforward, I say fairly straight forward in the context of a 70-page law, a base award, depending on where you were, and bonuses depending on the characters of the project, and it came out to a per job award based on those characteristics.

In Camden, an applicant could self select and apply for a award per job that was based on the amount of capital investment their project had rather than the calculated base and bonus structure. I think we had both in Camden, the greater awards were often and I'd say almost exclusively the Camden alternative award, and you would get very high per job award calculation using that model. A company would build an entire building and the cost of that building would be allocated over 10 years, and it would be divided by the number of employees.

The company was still obligated to keep those employees there every year for 10 years, so if a calculation came out to be \$200,000 per employee as an award and there was a hundred jobs at approval, they would have to keep a hundred jobs throughout the year [04:48:00] to enjoy the full benefit of the full capital allocation. If they had 190 jobs in any year, the award would be reduced for that year. It was a capital award program that was then reduced to a per head rent.

Jim: My question I think that you've clarified it is, although you find it unlikely, it is possible, under the Economic Opportunity Act of 2013, at least in a city of Camden that a tax incentive award could exceed the cost of a building.



Timothy: I would say that would equal the cost of the building. Equal the cost. They say exceed, I don't know how they come to exceed the cost of the building. It might be how they're defining the cost of the building. We would have an eligible cost and we wouldn't exceed that amount.

Jim: Okay, fair enough.

Ronald: Can I just ask one quick question just to clarify something on my mind?

Jim: You're the boss.

Ronald: [chuckles] No. Mr. Lazzara, are you saying that that program, the Urban Transit Hub-

Timothy: Tax Credit.

Ronald: - Tax Credit literally applied to Camden only or not just Camden because it was part of what I think as known as the Garden Estate Growth Cell?

Timothy: Camden alone. The remnants of that program found its way into the Economic Opportunity Act was solely for the city of Camden.

Ronald: Okay, thanks.

Timothy: You had to be an ER in Garden State Growth Zone and ER bay. Garden Growth Zone, which is a municipal economic recovery for the city.

Jim: Now, this is no surprise you, you realize that today I'm going to ask you questions about a version of the Economic Opportunity Act 2013 that was emailed to you.

Timothy: Yes.

Jim: We're going to have a discussion about that, but before we do it, I just want to ask you some questions. Are you familiar with a firm Parker McCay?

Timothy: I am.

Jim: Did they represent the EDA in any capacity as far as you know at any time for any purpose? [04:50:00]

Timothy: Since '74 is a long time, so I would say I don't recall them doing that. Bon Council and other transactional councils along the way, I wasn't aware of every council that the authority would handle.

Jim: Can I make a suggestion? I would get really close like this.

Timothy: Okay.

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Jim: I know it sounds like Darth Vader, but I think it would just be easier even for people on the live stream as awkward as I'm sure it is. To be clear, the EDA didn't retain Parker McCay for the purpose of helping advise it in connection with any changes or policy that it was implementing or advising on when it came to modifications to the draft of the bill.

Timothy: We did not.

Jim: When I say the draft of the bill, just to try to save some time, is it fair that we both agree that the draft that we're going to be looking at is a draft that that was sent to you after the version had already passed the House and wallet was under consideration by the Senate?

Timothy: I understand that's the one we're looking at.

Ronald: I'm sorry, I assume you mean the General Assembly?

Jim: I'm sorry, the Assembly. Leave it to the federal guy, right?

Timothy: That's right.

Jim: I'm sorry about that. Mr. Lazzara, again, this should be super, super clear because there's lots of different reason that this is important. We are not going to talk about any people that are in the legislature. We're not going to talk about their staff, we're not asking questions about any of that. All we're doing is focusing on the bill and the language, and then some changes that were made by an individual named Kevin Sheehan. Do you know who Kevin Sheehan is?

Timothy: I do.

Jim: Who is he?

Timothy: He is a lawyer for the firm at Parker McCay.

Jim: As you sit there today, I know I asked this question in the interview, it's fair to say you didn't remember that he was editing the bill?

Timothy: I did not remember that.

Jim: You've now seen a document [04:52:00] where we showed you the metadata?

Timothy: That's right.

Jim: Now I ask you the question because I haven't spoken to you since then, did the metadata refresh your recollection that Sheehan was making edits to the bill?

Timothy: The metadata reflected him making changes to the bill.



Jim: Yes, I'm sorry, but my question is different, so lawyers questions, sorry. When you saw it, did you say, "Yes, I remembered now"?

Timothy: I don't recall whether or not I knew at the time he was making changes to the bill.

Jim: Okay, fair enough. Listen, we're going to go through some changes and we're going to try to keep this as high level as possible. Just in the interest of time, if you could try to really focus on the specific questions I'm asking. We're going to take a pause for a second.

Timothy: You're wearing out the batteries is what you're doing.

Ronald: Let me take this opportunity to thank all my colleagues at Rutgers Law School for helping in arranging this hearing today. You are my colleagues and have been for many years. I'm just very, very grateful. Edgar, starting with Edgar and others in the room.

Jim: Again, I just want to clarify to the record, when you say that you don't have a recollection of Sheehan editing the bill, I just want to ask you just a couple of follow-up questions. Do you have any recollection, for example, of attending telephone conferences on which Mr. Sheehan was a participant?

Timothy: I don't in regard to that.

Jim: I'm sorry, it's a very fair qualification that I meant. In the context of any work you did on EOA 2013, do you have any recollections of phone calls that involved Mr. Sheehan talking about changes to the bill?

Timothy: I don't recall that.

Jim: As you sit here today, do you have any recollection of [04:54:00] having phone calls or meetings about the content of EOA 2013 with anyone that you knew to be a lawyer at Parker Mackay?

Timothy: I don't recall that.

Jim: No telephone calls or meetings?

Timothy: I don't recall that.

Jim: All right. Okay, no problem. I first want to ask you to look at tab two of the binder. Do you see that that is a cover email to you and someone else at EDA from another individual?

Timothy: I do.

Jim: Who is the other individual?

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Timothy: Colin Newman.

Jim: Can you tell us who Colin Newman was?

Timothy: Was.

Jim: Was.

Timothy: He was senior counsel in the governor's councils office.

Jim: Just to be clear to set the stage, is this the only draft of EOA 2013 that you received or did you receive several drafts throughout the process?

Timothy: I don't recall that. I didn't recall receiving this one until we saw it, so I don't know that I didn't. I wouldn't be surprised if we did work with Colin along the way, but I don't know that.

Jim: What was Colin's role in this process as you understood it?

Timothy: Colin was charged with negotiating with the legislature to arrive at a piece of legislation that, as I understand it, would be passable by both chambers and that was

satisfactory to the governor for signature. He effectively was negotiating [04:56:00] the lease for the governor's office. A legislation, sorry.

Jim: Now, you know based on our prior conversation that I'm going to ask you about a number of changes that were made to this.

Timothy: Yes.

Jim: Okay, and just so you understand, behind you on the screen what we have is a version of what you're looking at but an electronic version. On some of these depending on where the change exists, you can't see the metadata showing who made the change unless you put your mouse over, literally put the mouse over it, and so we've got a screenshot of who made the change. You may not remember who made certain changes. If you said, "I don't remember," I'm just going to say, "Let the record reflect as displayed on the screen it is whoever made the change," okay?

Timothy: Yes.

Jim: I'm going to try to keep this high level to try not to get too granular on the policy aspects, but I think that some of these changes are important for people to understand. You see that in the binder we've now flagged a bunch of changes in order. There's number one, number two, number three are right there.

Timothy: I do.



Jim: I'm going to go through those in order, so can you first look at what's marked as number one.

Timothy: Yes.

Jim: First of all, people probably can't see on the screen if they're like me, so why don't we first give some background and context to what is being added here?

Timothy: Sure.

Jim: I'm just going to read the provision in the record, so you don't have to. In addition to the foregoing, in a Garden State Growth Zone, all of the following may qualify as capital investment.

Any and all redevelopment and relocation cost including but not limiting to engineering, legal accounting or professional services. That's the change to this version, correct?

Timothy: Yes.

Jim: Then it goes on to say, we require. [04:58:00] I'm sorry, to finish that, and other professional services required. Then it goes on to say, relocation, environmental remediation, and infrastructure improvements for the project area, including but not limited to on and offsite utility road, peer work bulkhead or side-walk construction or repair. Do you see that?

Timothy: Yes.

Jim: In this version, the part that's changed, the second part that's changed in this provision is the addition of the words peer, work, and bulkhead. Do you see that?

Timothy: I do.

Jim: First of all, in as high level as you can, can you just help people understand why this provision matters in the context of the bill?

Timothy: Sure. Actually, we can build off of some of what we just talked about, which is helpful. We can build off of some of the stuff we just talked about. What's going on in this provision is an expansion of eligible capital investments. When a company or an applicant is utilizing the Camden alternative method of calculating the award, an expansion of the capital investments would allow them to claim a higher basis of eligible costs.

Jim: Thank you for the remedy, but let's just make sure that we understand that people understand a higher basis of capital cost, that means more money.

Timothy: It does. Prior to this, a qualified capital investment would be cost that were directly attributable to the project that we approved, reeks, sticks, design, cost and

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things to that nature. We would allow companies to put up to 20% of their hard costs. Hard costs are defined or an industry term that would suggest direct [05:00:00] construction costs. 20% costs we would allow as soft cost, soft cost being things like architects, engineers, permit fees, things that are not directly hard costs as an eligible capital investment for the purposes of our previous definitions.

This particular provision gives some specificity to what costs are actually eligible so we don't catch what's in soft costs and would allow us to include those in direct eligible, not soft cost.

Jim: Okay, but, again, my question was just to be clear, so that one makes sense.

Timothy: It would increase the basis.

Jim: I'm sorry, it means more money for the applicant if they qualify and-

Timothy: That's true.

Jim: - they do what they're supposed to do for the requirements.

Timothy: That's what this provision would do.

Jim: Okay, good. I just want to ask you, I see that there's provisions for lawyers fees, but this one provision that's added says professional services. What kinds of things would be captured by professional services?

Timothy: That's a great question. Off the top of my head, we have legal, and accounting and engineering already defined, right?

Jim: Yes.

Timothy: It would be other consulting services that are not otherwise enumerated. It would be kind of a catch off.

Jim: Based on your experience, what are the common examples that you can think of?

Timothy: Traffic study potentially, I don't know, but you're right, it's pretty broad.

Jim: Would it include, for example, insurance?

Timothy: It could include insurance for the construction, so not ongoing insurance costs. A project has to have a start and a finish, when it gets completed, the costs stop [05:02:00] counting and a CPA will certify to us through EDA what costs were eligible. The CPA would line up the project's costs, they would line up the definition, and the costs for insurance could be a professional service in that category.

Jim: If, for example, related to the construction of a building.

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Timothy: Yes.

Jim: All right, fair enough. Do you remember who added this provision?

Timothy: I don't. Until recently you showed it. Is this--

Jim: Okay, go ahead. Speak to me. Hold on a second. Is it okay to you?

Ronald: It's fine.

Jim: Pretty quick.

Ronald: Yes. Okay, go ahead.

[background conversation]

Jim: Mr. Lazzara, just to clarify based on your lawyer's concern. Apparently, I don't know the answer to this, but apparently, what's up on the screen, the line numbers are different in the book.

Timothy: Okay.

Jim: Regardless of the line numbers, are the changes the same?

Timothy: They're not highlighted and they're not bubbled. Do you want to take a look at it?

Speaker:[inaudible 05:03:52]

Timothy: [05:04:00] Yes, 354. The pure wall works in bulkhead is clearly a different color. Their professional services, it looks just like the other one, to me at least. I'm color blind, but it looks the same together.

Jim: I think that's just a printing error. I'll represent to you that I looked at the document in electronic format and they were the same, but do you have a recollection that these changes were made?

Timothy: What do you mean made? Enacted into law or put into a document like this?

Jim: I mean that during the drafting process, someone, you can't remember who, but someone added professional services to soft costs and someone added your work in bulkhead to the hard cost.

Timothy: With the documents, you showed me earlier?

Jim: Yes.



Timothy: Sure, but I wouldn't have known that without seeing the documents.

Jim: Yes, understood. All right, so can we just now just talk about the policy implications a little bit. I know this may require a little bit more explanation, but what I'm really interested in is, did you agree with the policy implications of these changes?

Timothy: When you say me, you mean EDA or me personally? What we would have done is we would have taken this document, and when we got it, we would have huddled as our senior leadership team, members of the senior staff, and maybe portfolio staff, and we would have looked at all the things and we would've come to some sort of agency opinion, which would have been communicated back to Collin. I do not remember what our communication was on this particular item, whether we [05:06:00] said it was fine, whether we had a problem with it. Or if it made into the bill, clearly Colin kept it in and it became law.

Jim: Again, I'm not asking whether it's good law or bad law, I'm talking about the policy implications. Knowing human memory as I do, I'm really asking you for, based on your professional experience and your incredible legacy with tax incentive programs whether you remember thinking anything about the policy behind these, so I'll break them down. At the point in time that you saw that someone added professional services into the draft, did you agree or disagree with the policy, if you remember?

Timothy: I don't remember.

Jim: You don't remember, okay. When somebody added pure work and bulkhead to the hard cost, do you remember whether or not you agreed or disagreed with the policy implications of that provision?

Timothy: I don't remember.

Jim: Do you know whether or not either of those provisions were added to benefit a specific client of Parker McCay?

Timothy: I do not.

Jim: I'm not saying that they were. Obviously, I don't know yet, but if that was happening here, does that cause you any concern from a policy perspective in terms of your good government guide?

Timothy: I don't know that that's what happened, so I don't have a particular opinion on if.

Jim: I'll come back to that later with one that you do remember. Why do we go to a different provision and it's to do with Protective Act and that is earlier in the paragraph? Again, I'm going to read the change into the record, I'm going to do the



exact same thing that I did before, which is have you help our audience understand why the provision [05:08:00] is relevant or important if you think that it is, and then talk to you about your perspectives on the policy behind it.

Timothy: Okay.

Jim: Hold on one second. This changes the definition of a capital investment to include site acquisition if purchased within 24 months prior to the project application. Do you see that?

Timothy: I do.

Jim: Did I read the language accurately?

Timothy: You missed site. You missed the last site, site preparation. It was added back I guess.

Jim: Okay, thank you for that clarification.

Timothy: Is it true?

Jim: You read it from a document.

Speaker: [inaudible 05:08:41]

Jim: Right, it's already there.

Speaker: [inaudible 05:08:57]

Jim: In addition to the word site to preparation, okay?

Timothy: Yes.

Jim: First of all, help us understand why this change in capital investments is relevant.

Timothy: My recollection prior to this change, acquisition costs were not eligible. This increased the defined term of capital investment. Again, similar to the previous provision, it would allow the applicant to ask for a greater level of award.

Jim: My colleague said you have to keep your voice up, so can you put it even closer? Sorry. I want to just unpack this a little bit because, again, is it fair to say that this provision, the real impact of it is that there was this thing that didn't use to be added to capital investments that now could be under [05:10:00] certain conditions?

Timothy: Yes.



Jim: That would have the potential of increasing the size of the award for the applicant in this circumstance.

Timothy: Yes.

Jim: The circumstance here is site acquisition, do you understand that to mean buying or obtaining a property or a building or a qualified facility for your project?

Timothy: Yes.

Jim: Would you agree that that's a fairly significant increase in an award?

Timothy: It could be, yes.

Jim: Now, there's a limitation on here. I want to talk to you a little bit about the policy implications of this limitation in two different ways. First of all, it says site acquisition if purchased within 24 months prior to project application, but isn't the whole, and you said this before, isn't the whole purpose of the tax incentive program to change behavior?

Timothy: Yes.

Jim: If this allows someone to significantly increase an award when they are already in Camden or wherever they are, they've already gotten a site, they've acquired it prior to their application, does that make sense from a policy perspective?

Timothy: You're asking about material factor, does it affect material factor? Is that what you're basically asking? I think there's two things. One, if you are aware of the program and you have good advice, somebody might advise you that you can acquire the site and still count it as an eligible cost when you file your application 24 months later. It's not 24 months before the law was enacted, it's 24 months perspective from the law. Somebody might see this law, acquire a site, and think that they can still count that acquisition or can then count that acquisition in an application that they [05:12:00] would send to us.

Jim: I'm sorry, let me ask you a crisper question because everyone has just heard from another person at EDA that really explains the issue with respect to the significance of the decision. Is it fair to say that under any program for any city, it doesn't matter if it's Jersey City, Marlton or Camden that if someone's already decided to locate their project in a place, that decision is a disqualifying decision, correct?

Timothy: Yes.

Jim: Because under either certification, whether it's material factor part four, they have to have been choosing between alternatives at the time.



Timothy: I agree. As I said to you last week, this was always a challenge to administer to because it doesn't seem likely that we would be able to find somebody having material factor or part four, however you want to describe it, after they've acquired the site.

Jim: Again, I don't want to misquote you, but my recollection of what you said about this provision is you never really understood the policy behind it.

Timothy: That's right.

Jim: Okay.

Timothy: I don't think we've ever used it. I don't think we've ever approved anybody under it.

Jim: Are you sure about that?

Timothy: I don't know. Maybe I'm not.

Jim: Maybe we can revisit that another day.

Timothy: Sure.

Jim: I want to unpack the other side of this. There's a policy that says, "Okay, we know that you acquired this property two years before this application, so at some level, you initiated an actual business decision to locate here." Let's not figure out how that impacts their qualification. What I'm trying to figure out is if I acquired the site, let's say, [05:14:00] I was a long term Camden property owner. I've owned property for 20 years and I look at this Economic Opportunity Act of 2013, then I say to myself, "Wow, I want to double down in Camden.

I want to tear down my warehouse that I've had for 20 years and I now want build a beautiful structure that is a multi-use facility, et cetera." Can I count my site acquisition costs in my grow application?

Timothy: I believe no.

Jim: Again, we all understand these were not your changes. I'm not asking you to defend them or to disagree with them, I'm just trying to figure out, understand, unpack the policy. From a policy perspective, is there a reason that you can think of to essentially discriminate between newer owners of property and older owners of property if in either case there's a question about material factor? Do you understand my question?

Timothy: The second part confused me a bit.

Jim: I think everybody understands that for any business that wanted to avail themselves of these tax incentive programs, they have to be evaluating a business
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decision, but if they already made the business decision, then they couldn't qualify for the tax credits. If someone already decided I'm going to be Camden, then they couldn't qualify, right?

Timothy: Correct.

Jim: The same thing for Jersey City, the same thing for Atlantic City.

Timothy: Correct.

Jim: In this circumstance, this provision adds, for me, it's unclear how it intersects with that because before the application, this envisions that two years prior if they [05:16:00] acquired the site two years ago. They literally closed the transaction 24 months ago that they can include those costs despite the fact that they obviously already made a decision, right?

Timothy: Right.

Jim: That's what I'm trying to ask about. Let's take two hypothetical applicants. One person closed their transaction on their building two years ago, one closed five years ago, what is the policy reason to discriminate between those two owners in terms of their site acquisition cost being allowed to increase their work?

Timothy: I don't know of one.

Jim: I didn't know where I put my glasses, but now I do, so why don't we then move on? Hold on, let me just make sure I see this. Do you have any reason to believe as you sit here today that this was added to benefit a specific company?

Timothy: I don't.

Jim: As you said before, you can't say for sure whether it did or didn't?

Timothy: Correct.

Jim: Why don't we now go to the third change?

Speaker: I believe it's on page 52 section 7.

Jim: I'm going to describe it to save time. The definition of a full-time employee is modified to provide that in Camden and Atlantic City, any project that will include a retail facility of at least 150,000 square feet of which at least 50% is occupied by either a whole service supermarket or a grocery store, those jobs count toward the net benefit, correct?

Timothy: No, towards I think eligible. They can be an eligible [05:18:00]

full-time employee.

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Jim: They can qualify as a full-time employee.

Timothy: Yes.

Jim: Let's try to set the stage in a simple way, is it generally true that in most prior versions of this retail employees are not within the kinds of jobs that will count for purposes of the tax incentive award?

Timothy: Yes, I was just looking for it, but there's a restriction on point of sale retail jobs as not being eligible.

Jim: Just to help us from a policy perspective. In your experience, why, generally, do tax incentive provision dis-weighted or prohibit counting of retail jobs as full-time jobs within the meaning of the statute?

Timothy: The way I've described that in the past is that, generally speaking, retailers don't make decisions the same way corporate headquarters or business do, they make decisions on the viability of the retail opportunity. Meaning is there a market to sell their goods and wares to at that location. Tax policy and tax incentives don't shape that decision in a material way, in the way that these laws support it. That was your question?

Jim: You did answer my question, thank you very much. In other words, because retail locations are more driven by market forces than tax incentives, that's why they're excluded.

Timothy: Correct.

Jim: Okay, and is it fair to understand this as an exception to the rule for a certain kind of project?

Timothy: Given as an exception and an expansion of the program.

Jim: An expansion of the program, okay, but with all expansions of the program, there are choices to be made, right?

Timothy: Yes.

Jim: Now, one choice that could have been made that's not reflected in this change, and by the way, do you recall who it was that made this change?

Timothy: I don't.

Jim: All right. Just note for the record that, again, it was Kevin Sheehan at Parker McKay. One version of this change could be, for Camden, [05:20:00] any grocery store counts even one that's smaller than 75,000 square feet, right?

Timothy: True.

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Jim: Based on the needs of the low-income population in Camden, would it have been sensible tax policy to include a provision that allowed a stand-alone grocery store of 5,000 square feet or 20,000 square feet or 60,000 square feet to enjoy benefits from the tax incentives?

Timothy: You could make an argument for that.

Jim: Let me just make sure I impact this. First of all, again, just in terms of what you remember, do you remember that this change was made to the bill as you were reviewing it?

Timothy: I do.

Jim: Did you agree with it or disagree with it?

Timothy: We thought it was fine. We thought it was a fine idea. My recollection was. We thought it was an okay idea. An okay policy.

Jim: Okay, but it's really specific. You have to have a retail, it's not just supermarkets, right? I want to make sure that I read this correctly. A retail facility of at least 150,000 square feet, of which 50% is a full-service supermarket or grocery.

Timothy: That's right.

Jim: In an area because this is applied to Camden, right?

Timothy: And Atlantic City.

Jim: And Atlantic City. Why is there a policy incentive to limit, in a place where it needs food, to limit it to a retail facility [05:22:00] where only 50% of it is grocery store as opposed to something else? What's the policy reason for that?

Timothy: I don't know necessarily when whoever put it in what their policy was, but when I looked at it, and when we look at it now, a full-service grocery store is in that range of a size. Anywhere from a 60,000 to 100,000 square feet is the size of a full-service grocery store. I think we wanted a full-service grocery store in Camden and Atlantic City, so it didn't offend us that that was the provision at these areas. We weren't necessarily negotiating this provision, so my recollection is we didn't take umbrage to it. We didn't take exception to it.

Jim: Do you remember, Mr. Lazzara, whether there was a discussion in the EDA when this provision was added, where anyone took the view that maybe we should just be allowing a grocery store for Camden and Atlantic City regardless of whether it was 50% of a larger retail project?

Timothy: I don't recall that.



Jim: You don't recall, okay. I'm sorry if I asked you this before, did you know whether or not this provision was intended to benefit a specific project that you were aware of?

Timothy: Not that I recall.

Jim: For this one, do you recall that there had been a proposal by another company in an earlier program that had sunset that was still in the works at the time of this change, where they were proposing a 75,000 foot stand-alone ShopRite? Were you aware of that at the time?

Timothy: I don't recall being aware of that. This is the Randy Chuckers project you were mentioning to me last week?

Jim: I wasn't going to mention his name, but that's fine.

Timothy: I'm sorry. [05:24:00]

Jim: At the time that this provision came in, did you know that Mr. Chuckers was still working on a proposal for a standalone grocery store in Camden?

Timothy: I don't recall that. I'm not aware.

Jim: Okay, but if that grocery store was not part of a retail facility of 150,000 square feet, this provision would effectively kill that deal.

Timothy: This provision wouldn't apply to that deal. This provision wouldn't take it at each other.

Jim: Again, from a tax incentive perspective, that sort of project, a 75,000-foot standalone grocery store, which is all you're getting from this plus the retail, but that sort of project would not be allowed to count its jobs as full-time employees within the meaning of the act.

Timothy: Correct.

Jim: If tax incentives were a material part of the incentive to go with that project, the 75,000-foot standalone grocery store, this provision would kill that project.

Timothy: We would not be able to advance that project for approval.

Jim: Okay, why don't we go to number four? Again, this edge language [inaudible 05:25:36]. Hold on one second. This is also a modification to full-time employee?

Timothy: In this the automobile headquarters?

Jim: Yes.



Timothy: No, it's called mega project. I think it's a mega project definition. **[05:26:00]**
Mega, a mega.

Ronald: Mega?

Jim: Megaproject.

Ronald: Okay.

Timothy: Mega. Not my terminology.

Ronald: I apologize.

Jim: I'm going to ask you this in a second, but what we're about to read modifies the definition of something that's called the mega project. Is it fair to say that the Economic Opportunity Act of 2013 provided additional incentives to what was a mega project?

Timothy: It provided a different set, an increase set of incentives to projects that were not otherwise in a Garden State Growth Zone or another eligible community that would make it look like that same level of benefit.

Jim: Do you need him to repeat the answer?

Speaker: **[inaudible 05:26:52]**

Jim: That you repeat your answers real quick.

Timothy: I think we'll just lead with that it would make it like a Garden State Growth Zone.

Ronald: A Garden State Growth Zone?

Jim: Okay, so the language that's added here is, "We are a qualified business facility located in a priority area housing the United States headquarters and related facilities of an automobile manufacturer."

Timothy: Yes.

Jim: Do you remember that this change was made?

Timothy: Yes.

Jim: Do you recall who made it?

Timothy: I do not.



Jim: For the record, according to the metadata, it was Kevin Sheehan at Parker McCay. What is your understanding of this change? Why was it added?

Timothy: It would provide a business that meets the standard of a US headquarters [05:28:00] of an automobile manufacturer to get a treatment like a Garden State Growth Zone if it was going to apply to a priority zone. Priority zones had caps, had different levels of benefits and a mega-project increased those so that a company would be able to get a bigger award if they were still in a priority area and a meta-definition.

Jim: At the time that you saw this provision, were you aware of the fact that there was a specific company that some folks were trying to get to relocate to New Jersey?

Timothy: I don't know that I aware of that.

Jim: You don't remember that.

Timothy: I don't recall that I was aware of that

Jim: Do you recall that there was an opportunity to attract a company called Subaru?

Timothy: To retain Subaru, yes, I just don't know when that process started.

Jim: Do you know whether or not this provision was added for a specific company?

Timothy: I do not.

Jim: During the course of the time that you were discussing this, was there any discussion within EDA about the propriety of what I'm going to call special purpose legislation? Do you know what I mean by special purpose legislation?

Timothy: I do.

Jim: Explain for us what it is.

Timothy: It's a colloquial term that's used from time to time, that lawyers would use, as you know I'm not a lawyer. It's a colloquial term that lawyers would use that would describe a certain kind of legislation.

Jim: Is it the kind of legislation that benefits a single person or a company?

Timothy: That's what I'm to understand.

Jim: Do you know whether or not that is constitutionally permissible or not?

Timothy: I believe it's not.



Jim: It's not, okay. All right, so I'm going to go to number five. [05:30:00] Again, just for the sake of time, the definition of transit-oriented development was modified to include for projects located in the Garden State Growth Zone qualified business facilities "Located within a one mile radius surrounding the meet point of a New Jersey transit cooperation, port authority transit cooperation where port authority trans-Hudson Corporation railbus or ferry station platform area including all light rail stations.

Timothy: Yes.

Jim: That's quite a specific change.

Timothy: This mimic what was in the Urban Transit Hub.

Jim: It did, okay. Do you remember who it was that added this?

Timothy: I do not.

Jim: Just for the record, it was Kelvin. Hold on. It was Colin Newman. Sorry, my apologies. Did you agree with this from Colin Newman's perspective?

Timothy: Yes.

Jim: Why? You can explain to us, and if you don't mind, try to break it down simply because the language, even for a lawyer like me, is a bit impenetrable. It's basically if you're located in a particular area that has certain transit.

Timothy: Train stations. As a good policy, we were try to incent development in and around train stations to build walkable communities, get cars off the road, use our mass trans airlines, and this would support that, train stations.

Jim: This would support that. Are you aware of whether or not there was a specific company that needed this change?

Timothy: I was not.

Jim: I wanted to just call out the change because in the prior version of the bill, [05:32:00] the other language about the transit-oriented hub, et cetera was there. The only change in this bill, I'll put out the bill if you give me one second. Prior to this addition, do you agree that the language said transit-oriented development means a qualified business facility located within a half-mile radius surrounding train stations?

Timothy: Yes.

Jim: This provision changed that because it said transit-oriented development means a qualified business facility located within a half-mile radius, new language, or one-mile radius for projects located in a Garden State Growth Zone.



Timothy: Yes.

Jim: Again, what would be the policy reasons for expanding from a half mile to a mile for Garden State Growth Zones?

Timothy: What I would say is that the Garden State Growth Zone being the most depressed cities in those categories, throughout this bill, things were targeted to expand the eligibility and expand the qualifications and requirements for those locations and this would be a benefit to a Garden State Growth Zone. More sites would become developable.

Jim: In other words, there is a bigger area where a locale that's struggling economically, even if it's a mile away, you want to incent that development.

Timothy: Well said.

Jim: Okay, thanks. Can we go to number six? This provision, if you look at number six, added an increase in tax credits. If the number of new [05:34:00] full-time jobs is in excess of 1,000, it increases their award to \$1,500 per year.

Timothy: Correct.

Jim: That's \$1,500 per year, per job.

Timothy: Correct.

Jim: Can you just please explain for us the policy implications behind this change.

Timothy: There is a belief, as you can see through this whole thing that larger job projects have more economic impact to the region, so it's better to attract the company with a thousand and one jobs that 500 jobs. The bill allowed for bonuses on top of the base award that would increase the total award based on the number of new jobs in them.

Jim: Now, were there provisions, as far as you knew, in the Economic Opportunity Act of 2013 that allowed, for example, companies moving into the same building or companies that were all part of the same building project? Were they allowed to aggregate their jobs for the purposes of achieving the a thousand dollar threshold?

Timothy: I don't believe so.

Jim: I think I said this already, just for the record, Kevin Sheehan made this change. Let's go to number seven. Actually, you know what, I'm sorry. Yes, okay, so the language was added. [05:36:00] [inaudible 05:36:00] the modification of the definition of qualified projects?

Timothy: It's bonuses. I think it's additional bonuses.



Jim: Okay, so the bonuses added here if I can just read it. "For a project located within a half mile of any light rail station constructed after the effective date of this act an increase of \$2,000 per year. Is that correct?"

Timothy: That is correct.

Jim: Is that a bonus of \$2,000.00 per year per job?

Timothy: Correct.

Jim: Okay, so would you agree with me that this is one of the biggest bonuses in the Economic Opportunity Act of 2013?

Timothy: It's a big one.

Jim: Okay, what is the policy behind only including companies that are located-- I'm sorry, within a half mile of any light rail station to be constructed in the future?

Timothy: I'm not sure.

Jim: Okay. Did you understand the policy behind this change when you read it?

Timothy: I don't recall.

Jim: Okay, do you remember who added this?

Timothy: I do not.

Jim: The record reflect it was Kevin Sheehan. Now, let me just ask you this, as you sit there now, do you know whether or not any company was able to take advantage of this provision?

Timothy: I don't recall one.

Jim: You don't recall one?

Timothy: I don't recall one.

Jim: Do you recall whether Holtec was able to take advantage of this provision?

Timothy: They were not.

Jim: They were not?

Timothy: They were not. Holtec used the capital investment alternative. Holtec used the capital investment alternative, so none of the bonuses would apply to a company like Holtec or any company using-- [05:38:00] Holtec used the capital investment alternative. Which meant no bonuses applied.



Jim: Okay, so we may have to revisit that with you, but I know we're not prepared for Holtec for another day.

Timothy: Sure.

Jim: Could you go to eight now, please?

Timothy: Yes.

Jim: This is also another modification of bonus and it says, "For a marine terminal project with a municipality located outside the Garden State growth zone, but within the geographical boundaries of the port-- I'm sorry, the South Jersey Port District, an increase of \$1,500 per year.

Timothy: Correct.

Jim: That's \$1,500 per year per job?

Timothy: Correct.

Jim: Do you recall what the policy was behind this project?

Timothy: I do not.

Jim: Do you agree with it?

Timothy: I don't have a feeling about it one way another.

Jim: Doesn't it seem like an oddly specific thing to add to a tax incentive though? In your experience?

Timothy: Not necessarily. It's clearly targeted geographically so there is targeted just like what it said at the beginning that took incent people to invest in a particular location. I don't know where that is per se. It doesn't surprise me.

Jim: All right. Listen I'm going to ask you about another change that is reflected in a different document. If you can you just go to tab three of your binder? Do you see the document?

Timothy: I do.

Jim: Do you see that this is a back and forth between among other people you and Colin Newman?

Timothy: Yes.

Jim: Does that refresh your [05:40:00] recollection that there was lots of correspondence around this time concerning different provisions?

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Timothy: Sure.

Jim: Okay. Now, I'm going to read the language into the record because I'm not really sure that you can see it on the screen. Is it on the screen?

Timothy: No.

Jim: Okay, it doesn't matter. Let me just read it in the record. This particular email is from an individual EDA to Colin Newman and you copied to another person on September 9th of 2014. The language says, "No, I believe it follows the intent of the Act to include the quote phantom tax notion for the NBT that Phil and another person that I won't name laid out in the original bill draft." Do you see that?

Timothy: I do.

Jim: As you sit there now do you know who Phil is?

Timothy: I assume that it's Phil Norcross but I don't know that for sure. Norcross.

Jim: In any event. Do you remember whether or not Phil Norcross was having input into the bill draft that we were just reviewing a couple of minutes ago?

Timothy: I don't recall that.

Jim: You don't recall?

Timothy: I didn't. No.

Jim: Okay. Do you know as you sit there today what role if any Phil Norcross played in, "The original bill draft"?

Timothy: No.

Jim: Can you do me a favor and explain to us. I don't want to go through the documents. It's going to take too long and I'd love to get you off stand by 4:15. Can you explain to us, do you have a recollection of this whole phantom tax issue?

Timothy: I do.

Jim: Can you explain it to us?

Timothy: I can and I apologize to my court reporter because it's not the easiest thing to explain. [05:42:00]

NBT stands for Net Benefit Test. Net Benefit Test is an economic input-output model which we designed in conjunction with Jones Lang LaSalle and it was the test that we used to satisfy the provision in the law that every project must have at least 110% net benefit test except in the city of Camden where it's 100%. What it does, it's

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designed to project the economic activity from a particular investment in a project and that will be different depending on the location in the state, the industry, the types of jobs, the salaries and a bunch of different inputs.

We use a federally produced system called rims, R-I-M-S, to calculate economic output.

Jim: I'm sorry, I completely understand everything you're saying but will it be okay just if I asked you some leading questions and if I'm wrong, correct me just so that I can try in the interest of time.

Timothy: Getting close.

Jim: Okay, no problem. It's not that you're taking too long. It's that it's really complicated. There's a simpler way to explain it but if you want to keep going, I don't want to cut you off.

Timothy: With that output, we would project the amount of revenue the state would get in a form of taxes. At the end of the day, that model was used to try to line up the benefits of a project versus the cost of the tax **[unintelligible 05:43:36]**.

Jim: NBT is just a way to determine whether the state is getting a good deal.

Timothy: Correct.

Jim: Good deal in Camden is defined as paying for itself?

Timothy: Yes.

Jim: A good deal everywhere else in the state is defined as a 10% profit.

Timothy: At least.

Jim: How do you phantom taxes, well first of all what is a phantom tax?

Timothy: It's a made-up term **[05:44:00]** that we used to describe any economic opportunity act. There was a provision that exempted projects from property taxes and other taxes and other laws in **[unintelligible 05:44:16]** and other laws that exempted projects from paying taxes. The connection was working closely with the attorney generals office which is a reference here is that the law allowed that we could tilt back those taxes that were otherwise exempted in the calculation of the net benefit test so that companies could get the benefit from the program to send their investment in the city.

Jim: Okay, can I explain-- I asked you earlier a question. Is it therefore-- Again, what I'm concerned about or curious about is tax policy.



That's what I care about. My question to you from a tax policy perspective is, do I understand this, that this essentially allows the program applicant to count cost that they really don't pay?

Timothy: That they can count in the benefit of the project that they don't pay.

Jim: In other words, it is a way in a sense, to artificially inflate the benefit to the states so that they pass or surpass the net benefit that's required depending on where you are?

Timothy: Yes.

Jim: Who's idea was that?

Timothy: I don't recall.

Jim: Do you remember whether or not that was proposed by someone from [unintelligible 05:45:45] ?

Timothy: I don't recall that.

Jim: I understand that the Attorney General signed off-- The Attorney General is the lawyer for the EDA, right?

Timothy: Yes, that's right.

Jim: I'm not asking you and I didn't [05:46:00] mean to elicit that you sort legal advice on this. I'm asking you a different question. Did this one concern you that enough that you wanted to seek legal advice on it?

Timothy: We did seek legal advice. I don't know whether that was a concern. We sought legal advice on lot's of things, it was certainly not standard fair, it isn't standard fair to do that, because we wanted to make sure we ware in legal footing, we asked the Attorney General.

Jim: I'm going to ask you the question again, just because I'm not sure that you answered it, I'm sure you are trying. I'm talking about you, Tim Lizura, reading this provision, you remember this provision, right?

Timothy: I do.

Jim: Okay. My question is when you read it, did it seem to you that this stepped over a line?

Timothy: No, I understand the underpinning behind it. The intent of the law was to get people to invest in the city of Camden. If you have a provision of the law which undercuts the ability to get people to do that by inadvertently having this disconnect,



that why you could get to a place where phantom tax makes sense. I understand the notion of it, I understand why in the context of Camden, you would do that.

Jim: In the context of Camden essentially, do I understand is to be an exception to the net benefit test. This essentially allowed projects to get through even though they weren't paying for themselves.

Timothy: I would say that's a pretty accurate statement.

Jim: Do you know how many different companies advantaged themselves by the phantom tax provisions of the law?

Timothy: I don't know how many.

Jim: Do you of any as you sit there now?

Timothy: I recall that we have some for sure. [05:48:00]

Jim: You remember any of them?

Timothy: I recall that we had projects that took advantage of it.

Jim: Do you recall any of the projects as you sit there now?

Timothy: I would expect that the projects that use the capital investment alternative would be the ones that would have used that because were the larger awards.

Jim: Do you remember any of those as you sit here?

Timothy: Yes, sure.

Jim: Who?

Timothy: Altec, the Sixers, Subaru. Altec, the Sixers, the basketball team. The Sixers.

Jim: The basketball team.

Timothy: Headquarters project. American Water, Subaru, Conner Strong, Michaels. Conner Strong, Michaels, NFI. I might be missing a couple.

Jim: Okay. I'm going to ask you a different question. Do you know whether or not Parker McKay represents all those companies?

Timothy: I recall they had some role in most of those.

Jim: Some role in most of those?



Timothy: Yes.

Jim: Okay. What does it say to you about-- Again, we're talking about this material factor requirement, meaning, I'm actually making a choice. I'm making a choice to either go to Camden or go somewhere else. We're going to get to this in a minute, but what does it say to you about material factor if in fact, a law firm-- I'm not saying this happened, but a law firm was putting in changes for specific companies into the bill. Would that be an indicator? You're a very experienced guy, you supervise the underwriting department. If you knew that information when you were venting an application, like, "By the way, I just want to be honest with you. Our lawyer put this provision in for us." Would that have an impact on your view of whether or not the business decision [05:50:00] had been made by the time the act was passed by the legislature?

Timothy: No.

Jim: All right. I have two more subjects to talk to you about and I'm going to do you a huge favor, which is, you know that there's one issue with respect to material factor where your perspective is different than what we've heard from other people. I want to try and tease that out in a nonleading way if you don't mind. I will be faithful to what you told me, just we have one more witness and I don't want to keep people past five o'clock if we can get around it. I do have one other subject. We heard testimony today that as the EDA was administering the program for businesses relocating in state to Camden. They're going from Jersey City or wherever they're going to Camden. We heard testimony

today that the EDA required that they show that the jobs were at risk and that they submit proof that an out-of-state location was bonafide, suitable, and available. I think that's, Chairman, a fair summary of the testimony? Okay. We looked back at every Camden application since this bill came into law till today. There were 32, no sorry, 31. Sorry, thanks. Correct me. I'm sometimes wrong, believe it or not.

Timothy: Hard to believe.

Jim: There were 31 applications, and of those 31 applications there were 30 of them, I'm talking about applications where there was an in-state move to Camden, so Marlton to wherever, 30 of them, they actually said [05:52:00] that their jobs were at risk and they were considering an out-of-state location. One of them said that it was going to eliminate jobs in Camden, which is a completely different thing. It qualifies under a different part of the statute, right?

Timothy: That is correct.

Jim: Okay. The testimony that we heard today aligns with the reality that all projects moving to Camden actually did say jobs are at risk. Now, you have a perspective on why that happened, is that true?



Timothy: I do.

Jim: Okay. Am I correct in saying that in your interpretation, the statute itself does not require for those kinds of projects that they actually show an out-of-state location?

Timothy: Mine and guidance from the attorney general's office, yes. My interpretation, and guidance from the attorney general's office.

Jim: Okay. Again, you're not at the EDA anymore, so you can't waive the privilege. Please stop saying what the attorney general advised on. We'll talk to the EDA about whether or not they will waive the privilege and allow us some fact-finding around that.

Timothy: Okay.

Jim: Put that aside. I'm talking about your interpretation. I'm going to try to figure out why there seems to be two different interpretations of this within the EDA. Even though it was not a requirement, in your view of the statute, whether the attorney general agreed or not, you offered a practical reason why companies would have a motivation to consider out-of-state alternatives and include that in the application anyway.

Timothy: Yes.

Jim: Now, I've done my leading. Can you explain that to us?

Timothy: I can.

Jim: Thank you.

Timothy: My recollection of the way we read the net benefit test is that the net benefit test was a statewide test, and that would then require that the jobs [05:54:00]

will be at Risk of leaving New Jersey in order to include the economic impact of those jobs at a net benefit test. If they were not at risk of the state, we would include all the other drivers of a net benefit test except the economic activity from the employees, which is the largest driver of the net benefit test with the largest driver of the economic output.

Jim: I just want to pause there for a second. You just said something that's important. I'll tell you why in a second. From your experience, the job credit that one gets is the largest part of an award on the net benefit test. Go ahead and continue.

Timothy: From a practical purpose, if you needed to maximize the award in order to make a decision to move into the city of Camden, you would have to show the out-of-state location and that would then allow you to satisfy the net benefit test provision.

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Jim: Is this another way of saying, in your view? If you're moving jobs in state to Camden, you get no credit on the net benefit test for the jobs [crosstalk].

Timothy: Without an at-risk finding.

Jim: When you say at-risk finding meaning the jobs are at risk of leaving the state.

Timothy: Right.

Jim: Regardless of the motivation that caused these applicants to put on the application, that there was an at-risk finding, and they were considering location. What are the consequences if there was a company that was making it up? They really did not evaluate another location. **[05:56:00]** They just found another place to put it on the application. They did no diligence to determine whether it was bonafide, whether suitable, whether it was available in reality. What's the consequences of that?

Timothy: My impression of that would be that they were filing false documentation with a government entity, which is a bad thing.

Jim: I appreciate your perspective. I guess I asked a poor question. I'm sorry. I'll rephrase it. From the perspective of the award, right. If someone was applying for tax instead of an award and an underwriter uncovered this in the context of vetting the application. What are the consequences for the applicant in the hypothetical that I described?

Timothy: If we in the board couldn't make a finding of that risk. Then the net benefit test would be dramatically reduced and the award that will be qualified will be dramatically reduced

and the award that it would qualify would be dramatically reduced. Would be dramatically reduced and the award would be dramatically reduced. I think that's the question you're asking.

Jim: Yes. Again, I apologize if it's getting late and my questions are getting less crisp, but what I think I was asking was if an underwriter actually discovered evidence of fraud, would that just reduce the award? Or would that disqualify the applicant?

Timothy: It would disqualify the applicant and we would refer that to the appropriate channels.

Jim: All right, and from your recollection during your time there, did that ever happen?

Timothy: It did.



Jim: Okay. That was a new question that I didn't ask you before so I may follow up with you afterwards on that hypothetical.

Timothy: Sure.

Jim: Just for the last question on this I'm going to ask you the unfair question. You don't even know who it was that probably testified. Can you help us understand why there appears to be two different interpretations within the [05:58:00] EDA? One that suggests that an at-risk designation is required for every single applicant no matter where in the state they are. Your interpretation, which is, the net benefit test requires it or at least strongly motivates it but it's not a requirement?

Timothy: Sure. My assessment of that is it's an extraordinarily complicated program and there are a lot of shorthand shortcuts to describe how things work. Whether they be colloquialisms to describe big things or practical answers to questions. From a staff level, I mean if I was a staff person working in the field, I would not get into that level of detail. Because why make it more complicated? Why make an extraordinarily complicated program more difficult to understand?

Jim: As the prior COO, let me just ask you this question from an administrative perspective. The EDA had authority to administer the program, correct?

Timothy: Sure.

Jim: If the EDA was telling people it's required, you have to show that the jobs are at risk, you have to show that you're considering an ultimate location. That's important, right? Whether or not the statute required it or not, my question is did the EDA have authority in order to interpret the statute to make this a requirement?

Timothy: No, we could not change the law to do that. I think you're aware that there was one company that we did approve, not in Camden, that availed themselves of that provision for a different Garden State growth zone that didn't make that assertion. In the world of 1,000 approvals, 30 for Camden, one for Atlantic City. This

[06:00:00] topic doesn't come up that much and I would not take Umbridge to my colleagues taking a shortcut in the way describing that.

Jim: Okay, thank you. That was very clear, thank you very much, I appreciate it. I just have one more topic for you and then we'll see if the chairman has any questions for you. Again I'm going to try to streamline this if I can. While you were there do you recall that there was an employee who [inaudible 06:00:27] who filed an EEOC complaint?

Timothy: I do.

Jim: Do you recall that that complaint alleged discrimination?



Timothy: I do.

Jim: Is it fair to say that [unintelligible 06:00:39] was eventually terminated?

Timothy: Yes, fair to say.

Jim: Okay and fair to say that the person that investigated the discrimination allegations found that there was no nexus between the conduct that he was alleging and his termination.

Timothy: I believe it too.

Jim: Okay. Did you also become aware while you were there that subsequent to his termination Mr. [unintelligible 06:01:04] filed a complaint that made new allegations.

Timothy: I was.

Jim: Did you read his complaint?

Timothy: I don't recall reading his complaint.

Jim: Okay. Do you recall whether or not the complaint made new allegations about specific instances of potential fraud and misconduct at the EDA?

Timothy: I'm aware of that now.

Jim: You weren't aware of that at the time?

Timothy: I don't recall, I suspect that I was like I don't recall.

Jim: During the time that you were there, were you aware that your boss Michelle Brown was deposed?

Timothy: Yes.

Jim: Were you aware that others at the EDA were deposed?

Timothy: Yes.

Jim: It was an active litigation that was going on including the trial-- No you [unintelligible 06:01:54] time but during the controllers--

Timothy: I was there the whole time.

Jim: I'm sorry then. During an audit that the controller was doing. [06:02:00]

Timothy: Ask the question again.

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Jim: The litigation was active and ongoing even during 2018 when the controller was doing an audit?

Timothy: At the beginning of the audit, yes.

Jim: Now, my question to you is this. Do you recall a conversation among anyone in the senior leadership team with red call about whether or not Mr. Cole should disclose the existence of this litigation to the controller during the audit?

Timothy: I don't recall a conversation.

Jim: You don't recall a conversation at all?

Jim: Yes.

Timothy: Do you recall knowing that the controller asked during a kick-off meeting whether or not there was any pending or settled litigation that involved the former employee making allegations of fraud.

Timothy: I remember the kick-off meeting. I don't necessarily remember that specific request.

Jim: Okay, just I don't usually

pick at your answers but what do you mean when you say you don't necessarily?

Timothy: I don't recall that specific request.

Jim: Do you remember a question like it?

Timothy: No, I don't recall the particulars of the litany of the things that may have been asked for in that meeting at this time.

Jim: Are you aware as you sit here now that that complaint was never disclosed to the Comptroller during the audit? Do you know that to be true?

Timothy: I know that now. I've heard that. I've heard that reported, I don't know that from staff.

Jim: I'm going to ask you again the unfair question. Do you know how that happened? Do you have any insight having been there in a senior-level position with a litigation that is unique that executives are getting literally deposed? There's a trial going on and somehow that information is requested by the Comptroller and not disclosed.

Timothy: I'm not sure the beginning the question anymore, but I do not know how it happened. I think the question is how that happened. To be very specific, while I was



there at the beginning of the audit, I was not there when the audit kicked into full gear or when it ended.

Jim: I'm sorry. That was my understanding before, but you said you were there the whole time.

Timothy: I'm sorry, for the Cisco's lawsuit, I was there for the whole time. Cisco's lawsuit was settled-- What's the term? Verdict? There was a verdict on the Cisco's lawsuit while I was there. The lawsuit was ended and the judge ruled in our favor, I don't know if the judge or jury ruled in our favor. That was the end of that lawsuit.

Jim: Just slow down a little bit you may be having trouble.

Timothy: My last day was in the middle of July. I announced my retirement in June. I had become less [06:04:00] engaged in those sorts of things. The audit kicked in further and I was not there through the most of that audit.

Jim: Then I wouldn't even ask you that if I couldn't remember your termination day, so I apologize for that but I thought you were saying that you were there the whole time. Let me change the subject then and then to be done unless the chairman has any questions. Here's my question. You were there for the whole verdict. Do you remember that the jury actually returned a verdict, saying that Suck Sue's had a reasonable basis to believe that EDA personnel had violated the law? Were you aware of that?

Timothy: I was not aware of that.

Jim: Help us understand this. We heard testimony earlier today from someone who does remember the allegations, reviewed the complaint, took notes of it all, and his statement was that to this day, there's never been an investigation

[06:06:00] within EDA to determine whether or not those specific allegations are true or not.

Timothy: I believe that to be true.

Jim: Why?

Timothy: My assessment of why, maybe that's bad on me having been the COO but there was no, through the entire student leadership team top to bottom, we gave no credibility to the representations that Mr. [unintelligible 06:06:28] made. Our opinion was that it was allowed complete merit and that we didn't feel like there was a need to investigate.

Jim: Here's the part, I understood that in your interview but here's the part that I don't understand, if you take that perspective and you say, this guy is a liar, everything he says is untrue, knowing that the case is going to have to be tried,



wouldn't you want to do an internal investigation so that you could show that all of the specific, because he mentioned specific companies and very specific issues, but to demonstrate that the specific allegations were untrue and then you could impeach him when you testified?

Timothy: We clearly didn't think that was important to do, we didn't do it.

Jim: I hope I was understanding this. Was there actually a decision where this issue was considered? Like senior leadership team said, "Hey, listen, we've got a crisis on our hand, we got this lawsuit that's now accusing us of fraud, we need a crisis manager, we need to figure out if we're going to do an internal investigation." I don't want to go on too long. Is this the only time in your 22-year career anything like this ever happened?

Timothy: It is.

Jim: Was there a crisis management meeting after it was filed and it was reported in the press?

Timothy: I don't want to completely minimize this, but we talked about it at senior leadership team [06:08:00] meetings the status of the lawsuit, we considered his various proposals for payment options and we discounted any of those options. We discussed the lawsuit and that was to the extent of my recollection. I say that with the fact that I know our senior vice president of operations, Brad Cole, he was charged with running point on this lawsuit. I don't know what he did necessarily outside of the conversation that we had.

Jim: In the conversation that you had, do you remember anyone raising the issue of maybe we should investigate this so that we can prove that it's not true?

Timothy: No, we did not. I don't recall that conversation.

Jim: You don't have a recollection of a specific person saying, no, don't do an investigation?

Timothy: Correct.

Ronald: I just have a question of more of terminology in my mind that I want to clarify.

You referred to several pipes of the programs that are Camden specific. There are other parts of the program, such as Grow New Jersey. Parts of the Grow New Jersey program that applies special rules and requirements to any of the cities that are within the Garden State Grow cell.

Timothy: Correct.



Ronald: Then that, correct me if I'm wrong, would include Camden, Trinton, Paterson and [crosstalk] I think for another reason, Atlantic city is also including another piece of legislation.

Timothy: Correct.

Ronald: When you were talking about the urban transit hub tax credit, and when you were talking a moment ago with Mr. Walden about what you've termed the Phantom Tax issue, those were Camden specific.

Timothy: It was, yes. Correct.

Ronald: The other cities who are part of [06:10:00] Garden Growth zone would not be eligible for load-- Okay.

Timothy: Chairman, I don't want to say that I don't know. I can't particularly sure it was all that Camden that have an impact, because the property tax exemption portion of the bill was all the Garden Growth zone were eligible for and they could opt into and I'm not sure that the Phantom tax provision were embedded in that section of the law. I don't want a mistake, that's all.

Ronald: I'm looking at part of the statute, that limits a program. The one that I'm looking at is the material factor requirement, which you were talking with Mr. Walden before earlier, that refers to projects in the Garden State Growth Zone that qualified in as MRERA That's an acronym they initialed, M-R-E-R-A.

Timothy: Correct.

Ronald: Do you know what MRERA with that--

Timothy: I do.

Ronald: What is that?

Timothy: I mentioned it in my opening remarks, it's the Municipal Economic Recovery Act.

Ronald: It's a specific act passed by the legislature. Do you have an understanding of to which city or cities that act applies?

Timothy: The only city that I'm aware that implied to was the city Camden.

Ronald: Would it be fair to say that when the legislation uses the term Garden State Growth Zone that qualifies as MRERA that that is generally understood only to refer to the city of Camden?

Timothy: Yes.



Ronald: That would be the end of the standing with an EDA that that sort of a terminal art were shorthand term for Camden?

Timothy: That's true.

Ronald: Thank you.

Jim: First of all, thank you very much for all the time we spent beforehand and for today. Judy, thank you too.

Ronald: Thank you very much, Mr. Lizur.

[06:12:00]

[background conversation]

Ronald: We have one more witness who's been waiting very patiently and I thanked him very much. If we could have Brandon McCoy.

[background noise]

We can wrap around and you eventually get off where you just come out from the **[inaudible 06:13:02]**

[background conversation]

Can you solemnly swear or affirm that the testimony you are about to give include the whole truth, nothing but the truth?

Brandon McCoy: Yes.

Ronald: Thank you very much. Ms. Batel.

Ms. Batel: Thank you, Mr. Chairman. Good afternoon, Mr. McCoy.

Brandon: How are you?

Ms. Batel: Like Mr. Chairman, I thank you for your patience and also for being here with us today. As Professor Chen and Mr. Walden explained before, one of the things that we're trying to better understand is the influence and the involvement of the many stakeholders and policy experts that were involved in the design passage of the Economic Opportunity Act of 2013. We're hoping that your policy background and your experience at New Jersey Policy Perspective can help **[06:14:00]** and witness a little bit about that process. Can you please describe your educational and policy background for us?

Brandon: Sure. I have a bachelors degree from Nichilson, New Jersey in sociology. A masters degree from Edward J. Bloustein School of Planning and Public Policy at

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Rutgers in Urban Planning and Public policy. I've worked as a public policy. I've worked as a public policy analyst at New Jersey Policy Perspective for almost five years now.

Ms. Batel: In what capacity do you work at New Jersey Policy Perspective?

Brandon: I started as an economic security policy analyst focusing on things like minimum wage. Sorry, yes. Yes, I know. I feel sorry [inaudible 06:14:44] I started as a economic policy analyst focusing on economic security issues. Things like minimum wage and [unintelligible 06:14:55] Then I became the director of government and public affairs. As of March 1st, I'm now the president

Ms. Batel: Mr. McCoy what exactly is New Jersey policy perspective? More specifically, what kinds of research project do you and your team conduct?

Brandon: We are a public policy big tank and we do policy analysis issues in a variety of policy areas including economic security, tax and budget policy, health care and immigration, sometimes education as well.

Ms. Batel: Are you familiar with the Economic Opportunity Act of 2013?

Brandon: Yes.

Ms. Batel: Does New Jersey policy perspective conduct policy research or analysis on that end?

Brandon: Yes.

Ms. Batel: I'm going to refer to that act as EOA 13. What kinds of research have you conducted on the EOA 13?

Brandon: A lot of the research from our organization has focused on the ways that EOA 2013 removed some of the protections that we believe were important for the states EDA Economic Development Authority programs, co per subsidy programs and keeping track and monitoring the amount of corporate tax subsidies that the state has awarded over the years which have increased significantly in size and scale.

Ms. Batel: I want to talk specifically about- picking up from what Mr. Walden lefty off - about exactly from your perspective, the policy perspective, the impact of having certain stakeholders involved in the draft language of the bill. To add a little bit of context to the timing, are you familiar with the timing of the passage of the Economic Opportunity Act?

Brandon: Yes I've seen the base of which the Legislation moved through legislators.

Ms. Batel: Just to confirm is it correct that on May 20th, 2013 the EOA 13 was passed by the assembly and passed to the Senate.

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Brandon: I believe yes.

Ms. Batel: On June 27th, 2013 the EOA 13 was passed by the Senate and confirmed by the assembly.

Brandon: Yes.

Ms. Batel: Some of the changes to the draft bill that Mr. Walden had just walked Mr. Bezorus through, I don't know if you have accepted the testimony but the dates on those changes that were made by the person that was making those changes were on June 14th, June 19 and June 21st, 2013. They felt within that period between the assembly passing and the Senate passing the bill. From a policy perspective, I wanted to ask for your reaction of, what is your reaction of a private law firm having access to the actual draft language of the bill right before it's passed and the impact that that would have on the resulting legislation.

Brandon: I don't think it's uncommon for legislators to ask for outside expertise in help when crafting bills. Legislators are not experts in everything, seeking that assistance and input is

[06:18:00] perfectly normal and improper for an individual or entity to directly edit, and write a bill particularly when that individual or entity has significant or sufficient opportunity to benefit financially. Otherwise, the edits that they made, I would consider that improper.

Ms. Batel: Do you believe that having interested parties and subject matter experts is generally important in creating a bill that meets the policy goals?

Brandon: Yes, we definitely want subject matter experts weighing in. You want to have a variety of experts, particularly on something as broad reaching as the EOA 2013 which is dealing with economic development which requires a whole host of experts from urban planners, to housing experts, to environmental experts, transportation experts, to finance development and welding experts. That's a very large undertaking. You want to have input from a variety of those sorts of people.

Ms. Batel: Going back to what Mr. Lizura had testified to previously, would you consider it bad policy to allow a individual law firm to make those changes right before it was passed without broader access to any stakeholders, to have access to amend that language?

Brandon: Yes, to have those changes made in a manner-- If I remember correctly the size of the bill grew from about 40-something pages to 83 pages if I remember correctly. To add that much content to the bill, and to not get sufficient input from other experts and other stakeholders in due time is just not proper practice. I would say that it's not typically normal. I would say it's probably more normal than people are comfortable with, but it's not [06:20:00] a normal process.



Ms. Batel: What is the timing in that? You just mentioned that if you recall correctly the bill went from 40 to 83 pages. From when to when did the bill expand?

Brandon: If I remember properly looking at the state website, I believe the Senate voted on the changes. The changes were implemented June 24th. Then the Senate actually voted on those changes June 27th.

Ms. Batel: Within the span of three days?

Brandon: Yes. I was not in, jury perspective at the time. I happen to be familiar with this issue and looking back at journalistic reports and articles, you could see several legislators and stakeholders commenting on the fact that they didn't really have the time necessary to really look through the changes that were made.

Ms. Batel: What are some of the policy concerns of having this specific type of involvement alleged?

Brandon: The concerns would be that it was privatization

of legislative process. When you look at the changes that were implemented they really opened up the amount of spending that the state could pursue with regards to corporate tax subsidies it would award. Previously there have been caps on spending. This removes those caps completely so it's technically an unlimited amount of spending that could occur in these programs. It did not include important stipulations around reports or opportunities to review spending that had occurred and didn't have a bunch of best practices that are commonly understood across the country and at the national level.

Ms. Batel: You had mentioned that you have a background in economic development policy. Some of the requirements under the tax incentive programs are requiring companies to prove that but for the Tax Incentive they would move outside of New Jersey. It begs the question how seriously could a company have been considering leaving New [06:22:00] Jersey but for the Tax Incentives if they directly are or have counsel on their behalf adding direct language or provisions into the Tax Incentive. In your expert opinion, how seriously could companies such as the ones that were potentially benefiting from the provisions we saw earlier have been considering leaving New Jersey?

Brandon: If a company has knowledge and awareness that the stipulations and language of the bill have been structured in such a way that they would benefit, I would find it hard to believe that they would forgo those benefits unless the deal that they would get from other states were significantly better by considering the size and the scale New Jersey's corporate tax subsidy program we pay out on average are significantly more than other states do. I would find that unlikely.



Ms. Batel: Historically and generally, does the New Jersey Policy Perspective kick all the time to offer an expert opinion or policy research during bill drafting in various bills that have to deal with the research that you do?

Brandon: Yes. We've provided comments and helped legislators think through the structuring of bills with regards to the minimum wage, progressive health care, immigration like I mentioned and tax and budget policy. Also whenever we do research on these issues and publish that research we make sure that we are making legislators and stakeholders aware of what our findings have been and make sure that we are saying that these are the things that we think are proper and proper for you to pursue and construction of your bill.

Ms. Batel: Is the substance of the EOA 13 the bill in substance that your team in New Jersey policy perspective would have the expert knowledge to be able to offer substantial information and assistance in the bill drafting?

Brandon: Yes. My predecessor John Weigh is largely considered by many to be one [06:24:00] of the foremost experts on this topic in the State of New Jersey.

Ms. Batel: Understanding that you weren't at New Jersey Policy Perspective in 2013 when the bill was passed, do you know New Jersey Policy Perspective was called upon to assist in that process of contributing information and opinions as to the EOA 13 and making it a good bill to reach its broad incentives?

Brandon: I'd say again I was not employed at the [unintelligible 06:24:24] at the time but in asking my predecessors had our expertise been sorts, the answer was no.

Ms. Batel: There's been a lot of statements that of the contributions to the EOA 13 made it a better bill and it was a step up from what existed before. Based on your expertise in your experience in New Jersey Policy Perspective and your study into this subject matter can you open and whether you believe that the bill that was actually passed. Is it good policy to reach its goals?

Brandon: I think there are many portions of the bill that are considerably poor policy and in the sort of journey that the bill took, the legislature and then adding Governor Christy at the time, he actually conditionally vetoed the bill. I remember reading my predecessor General White in saying he removed one good part about that bill which was workforce protections.

That was a negative and as I said previously there are many things that could be in that bill that would lead to better oversight, better opportunities for review by both the State Government and outside stakeholders and more chances to reign in and be more targeted with the goals of the programs themselves that were not included but stakeholders were making those points at that time in the media. [06:26:00] He conditionally vetoed it.



Ms. Batel: Mr. McCoy, I have no further questions for you. It was very important for us to [unintelligible 06:26:07] today to get a policy perspective on exactly the meaning of that influence and the frustration of the stakeholders but I'll open it up to Mr. Chairman or other members of the task force, I have no other questions.

Ronald: [unintelligible 06:26:20] one thing that [unintelligible 06:26:23] whether that was a [unintelligible 06:26:35]

Brandon: Considering the State of New Jersey's fiscal standing and the main challenges that we have as a State with regards to the obligations that we continue to underfund and sort of not meet, no I don't believe that that was a proper decision to make to have a program where the State is unable to determine what it's spending on their program will be familiar to your basis is not to squeeze sound or this week is over.

Ronald: I don't have [unintelligible 06:27:09] further, thank you very much. That is I'm sure you will now be relieved [unintelligible 06:27:15] and therefore [unintelligible 06:27:21] you've had a long day. A transcript of today will be available and I promise but a section of the last year and I will repeat we are still determined to explore ways in which will be are very conveniently available hopefully through the use of technology. [inaudible 06:27:48]

We do plan a conventionally one more hearing before the beginning of June so that we may have as much information to the issue in our first report. In the later hearing [06:28:00] we will have members of the public to offer any relevant testimony about the [unintelligible 06:28:06] we gathered to further inform us about the direct impact in these programs taxpayers and companies around the state. We will make public announcements about this hearing using the same process we've used this one. Thank you very much for attending, we wish you a good evening and this hearing is adjourned.

[06:28:36] [END OF AUDIO]

Exhibit “Q”



U.S. Department of Justice

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September 27, 2018

Michael Critchley, Esq.
Michael Critchley, Jr., Esq.
Critchley, Kinum & DeNoia, LLC
75 Livingston Avenue, Suite 303
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Re: *George Norcross*

Dear Sirs:

You have inquired about your client George Norcross's status in connection with an investigation conducted in the District of New Jersey pertaining to the procurement of tax credits. Based on a review of the applicable law and evidence obtained during the investigation, we have concluded that no further action is warranted. Accordingly, this matter has been closed.

Very Truly Yours,

RACHAEL A. HONIG
Attorney for the United States
Acting Under Authority Conferred
By 28 U.S.C. § 515

By: 
Lee M. Cortes, Jr.
Rahul Agarwal
Assistant U.S. Attorneys

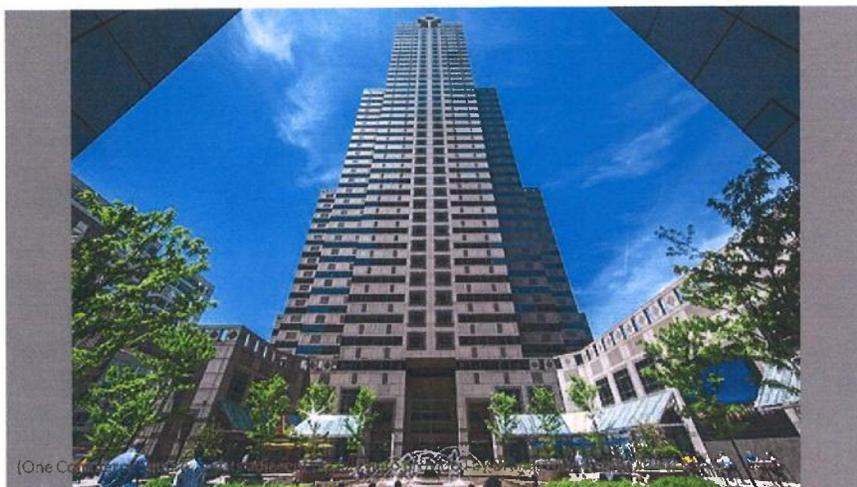
Exhibit “R”



Hill International To Relocate Its Headquarters From NJ To Center City Philadelphia

By **Mike Dunn** September 22, 2014 at 1:29 pm

Filed Under: [Center City Philadelphia](#), [City of Philadelphia](#), [David Richter](#), [Hill International](#), [KYW Newsradio 1060](#), [Market Street](#), [Mike Dunn](#), [One Commerce Square](#)



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PHILADELPHIA (CBS) — One of the nation's largest management consulting companies is pulling up stakes from South Jersey and,

next year, will move its corporate headquarters into center city Philadelphia.

Hill International, a global construction management firm, has been based in Willingboro and, later, Marlton since its founding by Irv Richter in 1976.

But now Irv's son David, the COO and soon-to-be CEO, says the company has decided to move into a center city skyscraper.

"Part of the attraction for being downtown is you're close to decisionmakers, you're close to your clients," David Richter tells *KYW Newsradio*. "You're really part of the political and business community right there in center city. And we wanted to be part of that."

So, come next May, 120 employees in the Marlton headquarters will move into **One Commerce Square**, at 20th and Market Streets. Seventy employees in Hill's current Philadelphia office will also move there.

The move is also being helped by a \$1-million state grant and more than \$600,000 in job creation tax credits.

Richter says there are other advantages:

"You're looking at having access to a better labor pool in center city. You're certainly in an area with tremendous access to transportation. We have a lot of employees here (in Marlton) that commute from Pennsylvania. Their commute will get a lot easier."

Richter says employees will come out okay from a tax standpoint, since New Jersey's income tax is more onerous than Pennsylvania's, even with the city wage tax factored in.

"While there's a city wage tax, the tax ramifications to our employees are relatively neutral, because taxes are higher here in New Jersey," he notes.

Hill International has 4,400 employees in a hundred offices around the world.

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