MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura
President and Chief Operating Officer
DATE: February 13, 2018
SUBJECT: Agenda for Board Meeting of the Authority February 13, 2018

Notice of Public Meeting
Roll Call
Approval of Previous Month’s Minutes
President’s Monthly Report to the Board
Authority Matters
Incentive Programs
Loans/Grants/Guarantees
Edison Innovation Fund
Office of Recovery
Board Memorandums
Executive Session
Public Comment
Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 9, 2018

MINUTES OF THE MEETING

Members of the Authority present: Chairman Thomas Scrivo; State Treasurer Ford M. Scudder; Commissioner Richard Badolato of the Department of Banking and Insurance; Jeffrey Stoller representing Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; William Lindner representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members Charles Sarlo, Philip Alagia, Louis Goetting, Fred Dumont, and Patrick Delle Cava, First Alternate Public Member.

Present via conference call: Public Members: Larry Downes, Vice Chairman; Massiel Medina Ferrara, William Layton, William J. Albanese, Sr., Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Member John Lutz, Third Alternate Public Member.

Also present: Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Gabriel Chacon; Tyler Yingling, Governor’s Authorities’ Unit; and staff.

Mr. Scrivo called the meeting to order at 10:00 a.m.

Pursuant to the Internal Revenue Code of 1986, Mr. Lizura announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Mr. Lizura announced that notice of this meeting has been sent to the Star Ledger and the Trenton Times at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State’s bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 12, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Alagia, and seconded by Treasurer Scudder, and was approved by the 12 voting members present.

Mr. Sarlo entered the meeting at this time.

Mr. Delle Cava entered the meeting at this time.

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

ITEM: Appointment of OPRA Custodian  
REQUEST: Designate Erin Gold as the Authority’s Records Custodian until Mr. Saldutti returns from leave.  
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Alagia AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

INCENTIVE PROGRAMS

Economic Redevelopment and Growth (ERG) Grant Program- Modification

ITEM: Parking Authority of the City of Camden  
REQUEST: Approval to modify the Project’s site location and size of the project and extend the due date.  
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Goetting AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Parking Authority of the City of Camden- Camden ERB Non- Recoverable Grant  
REQUEST: Approval to modify the Project’s site location and size of the project.  
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Stoller AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Grow New Jersey Assistance Program

ITEM: Benjamin Foods LLC  
REQUEST: To approve the application of Benjamin Foods LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ. Project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The estimated annual award is $5,246,904 for a 10-year term.  
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Alagia AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
ITEM: Comodo CA Inc.  

REQUEST: To approve the application of Comodo CA Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Roseland Borough, NJ. Project location of Roseland Borough, Essex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Target Industry (Technology). The estimated annual award is $343,486 for a 10-year term.

MOTION TO APPROVE: Comm. Badolato SECOND: Mr. Delle Cava AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Comodo CA Inc.  

REQUEST: To approve the application of Comodo CA Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Roseland Borough, NJ. Project location of Roseland Borough, Essex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Target Industry (Technology). The estimated annual award is $343,486 for a 10-year term.

MOTION TO APPROVE: Comm. Badolato SECOND: Mr. Delle Cava AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: NB Ventures, Inc.  

REQUEST: To approve the application of NB Ventures, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Clark Township, NJ. Project location of Clark Township, Union County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, Targeted Industry (Technology). The estimated annual award is $744,544 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller SECOND: Comm. Badolato AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: NB Ventures, Inc.  

REQUEST: To approve the application of NB Ventures, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Clark Township, NJ. Project location of Clark Township, Union County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, Targeted Industry (Technology). The estimated annual award is $744,544 for a 10-year term.

MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Goetting AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
ITEM: Pearl Capital Business Funding, LLC

REQUEST: To approve the application of Pearl Capital Business Funding, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Targeted Industry (Finance). The estimated annual award is $562,500 for a 10-year term.

MOTION TO APPROVE: Mr. Goetting SECOND: Mr. Delle Cava AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: SS White Burs, Inc.

REQUEST: To approve the application of SS White Burs, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Lakewood Township, NJ. Project location of Lakewood Township, Ocean County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing). The estimated annual award is $383,308 for a 10-year term.

MOTION TO APPROVE: Mr. Dumont SECOND: Comm. Badolato AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: SS White Burs, Inc.

REQUEST: To approve the application of SS White Burs, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Lakewood Township, NJ. Project location of Lakewood Township, Ocean County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing). The estimated annual award is $383,308 for a 10-year term.

MOTION TO APPROVE: Mr. Delle Cava SECOND: Treasurer Scudder AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Samuel Coraluzzo Co., Inc.

REQUEST: To approve the application of Samuel Coraluzzo Co., Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Glassboro Borough, NJ. Project location of Glassboro Borough, Gloucester County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry (Logistics), 2007 Revit. Index>465 in Gloucester County. The estimated annual award is $541,750 for a 10-year term.

MOTION TO APPROVE: Comm. Badolato SECOND: Treasurer Scudder AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12
ITEM: Samuel Coraluzzo Co., Inc.  
REQUEST: To approve the application of Samuel Coraluzzo Co., Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Glassboro Borough, NJ. Project location of Glassboro Borough, Gloucester County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry (Logistics), 2007 Revit. Index>465 in Gloucester County. The estimated annual award is $541,750 for a 10-year term.  
MOTION TO APPROVE: Mr. Delle Cava  SECOND: Mr. Lindner  AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Grow New Jersey Assistance Program- Modification

ITEM: ACTEGA North America, Inc.  
REQUEST: Consent to a second six-month extension to meet its capital investment and job requirements.  
MOTION TO APPROVE: Comm. Badolato  SECOND: Mr. Delle Cava  AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: LI 2000, dba Century 21 Department Stores  
REQUEST: Consent to a reduction of jobs, addition of an affiliate and reduction in the capital investment.  
MOTION TO APPROVE: Mr. Stoller  SECOND: Comm. Badolato  AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

BOND PROJECTS

ITEM: 2017 Carryforward Request  
REQUEST: Consent to carryforward any unused portion of the State’s 2017 Private Activity Bond allocation with the U.S. Department of Treasury.  
MOTION TO APPROVE: Mr. Delle Cava  SECOND: Treasurer Scudder  AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.  
MOTION TO APPROVE: Mr. Linder  SECOND: Treasurer Scudder  AYES: 14  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17
PROJECT: City of Trenton (Storcella Property)  APPL.#44636
LOCATION: Trenton, Mercer County
PROCEEDS FOR: Remedial Action and Investigation
FINANCING: $523,782

**Petroleum Underground Storage Tank (PUST)**

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Lindner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: Emmanuel Auto Service  APPL.#44608
LOCATION: Teaneck Township, Bergen County
PROCEEDS FOR: Remediation
FINANCING: $162,145

PROJECT: Manuel Sabino (J&A Auto)  APPL.#44609
LOCATION: Kearny, Hudson County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $401,059

PROJECT: Bernice L. Bennett  APPL.#44343
LOCATION: Jersey City, Hudson County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $183,494

PROJECT: John and Shirley Both  APPL.#44341
LOCATION: Vernon Township, Sussex County
PROCEEDS FOR: Remediation
FINANCING: $111,931

PROJECT: Luis Pacheco  APPL.#44454
LOCATION: Paterson City, Passaic County
PROCEEDS FOR: Remediation
FINANCING: $9,634
REAL ESTATE

ITEM: Chromocell Corporation Lease Modification
REQUEST: Approve the lease modification and Fifth Amendment to lease for space at The Technology Centre of New Jersey
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Delle Cava AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority
Premier Lender Program: Sampaul Contracting Inc. (44724 & 44725), Swag Holdings LLC (44577)
Small Business Fund: Castiglione Properties, LLC (44813), Townsend Machine Inc. (44727)

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund- 4th Quarter 2017 Approvals

FOR INFORMATION ONLY: Incentives Modifications- 4th Quarter 2017

FOR INFORMATION ONLY: Post Closing Credit Delegated Authority Approvals- 4th Quarter 2017

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program Approvals

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases and Right of Entry/Licenses- 4th Quarter 2017

PUBLIC COMMENT

There was no public comment.
Chairman Scrivo asked if any board members wished to speak.

Commissioner Badolato stated that it was an honor and privilege to be part of this group.

State Treasurer Scudder said it was a pleasure to work with the EDA.

Mr. Stoller stated that he gained knowledge as a board designee and likened it to attending extra years of graduate school.

Chairman Scrivo thanked the board members and staff for their hard work, stating that their presence showed their commitment. He added that he appreciated the collaboration between the Treasurer’s office and the Attorney General’s office with the EDA.

There being no further business, on a motion by Comm. Badolato, and seconded by Treasurer Scudder, the meeting was adjourned at 10:35am.

Certification:

The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Erin Gold, Director, Marketing & Public Affairs
Assistant Secretary
MEMORANDUM

TO:       Members of the Authority
FROM:    Timothy J. Lizura
DATE:   February 13, 2018
RE:       Monthly Report to the Board

COMPLIANCE AUDIT UPDATE

As you may recall, the Office of the State Auditor completed an audit of Selected Incentive Programs administered by the EDA and released its report with recommendations and observations in January 2017. As is standard practice, a follow-up review was conducted by the Office over the last few months, and I am pleased to report that the EDA was found to be in compliance.

Consistent with our commitment to the highest level of due diligence and fiduciary oversight, in May, the EDA created a new department to focus on programmatic audits and applicant compliance with the requirements of EDA administered incentive programs. This department has served to align and enhance risk, compliance and reporting functions that had been operating within other business units and provides the EDA with a dedicated team focused on continuously reviewing processes and procedures. This department is also charged with managing the external incentives auditor, Mercadien, which the EDA engaged last year. This independent group of Certified Public Accountants has been tasked with performing “spot” audits on the job and capital investment information Grow NJ applicants submit to the EDA at the certification stage as they seek to receive their approved overall tax certificate.

In addition, based on recommendations from the Office of the State Auditor, EDA implemented new processes to ensure all files for Grow NJ projects retain more detailed documentation of support for relevant costs, and by requiring new documentation to enhance verification and monitoring of the Business Retention and Relocation Assistance Grant and Grow NJ portfolios.

The new EDA Division of Audit and Compliance will coordinate the efforts of staff to provide information to the Office of the State Comptroller as it initiates the performance audit of EDA’s incentives programs as mandated by Executive Order #3, signed by Governor Murphy on January 19, 2018.

FIRST APPROVALS ADVANCE UNDER SMALL BUSINESS PROGRAMS IN TARGETED AREAS

The first three approvals under the recently launched Business Lease Incentive (BLI) and Business Improvement Incentive (BII) programs were announced in January for street-level businesses in a variety of industries. Under the BII program, a $20,000 grant will reimburse costs associated with replacement of a sidewalk for Vidal Travel in Passaic, and a comparable grant will help SOSH Architects in Atlantic City with renovations, including new windows, doors, masonry work, and upgrades to electrical systems.

In Trenton, the New Jersey Utilities Association (NJUA) will move its headquarters to street-level space at 154 West State Street as a result of the BLI Program. NJUA’s new headquarters will occupy 1,890 square feet in a recently renovated historic brownstone, adjacent to the State House. The property is one of five in Trenton purchased and renovated in the last year by a Staten Island developer. Under the BLI Program, NJUA will receive reimbursement of 15 percent of its lease payments after making those payments for one year, paid out for two years after the applicant provides the necessary documentation.
The BLI and BII programs, which are available in all Garden State Growth Zones (GSGZs), are administered by the EDA in collaboration with the legislatively-established GSGZs, which include Atlantic City, Camden, Paterson, Passaic, and Trenton. The programs are designed to support the growth of new and expanding retail and service businesses in targeted commercial corridors, positioning them to capitalize on the economic momentum already underway in GSGZs driven by the Economic Opportunity Act.

EDA HOSTS EVENTS SUPPORTING TECHNOLOGY AND LIFE SCIENCES SECTOR

The New Jersey Biotechnology Task Force convened in mid-January for two days of testimony from academia and industry to help develop policy recommendations to retain and attract new biotechnology companies to the State and encourage greater collaboration between industry and academia.

The Task Force is comprised of six legislative members; two public members appointed by the Governor, including Debbie Hart, President and CEO of BioNJ; and Daniel O’Connor, Chief Executive Officer of OncoSec Medical Incorporated; and, I am serving in an ex-officio capacity. The EDA serves as staff to the Task Force.

The Task Force heard testimony from representatives of six major New Jersey universities, largely focused on existing efforts related to industry collaboration and technology transfer, as well as gaps and challenges. Testimony was also provided by representatives of New Jersey’s biotechnology industry, including current tenants and graduates of the EDA’s Commercialization Center for Innovative Technologies (CCIT); Jersey City-based SCYNEXIS, Inc.; Hackensack Meridian Health; and, Jones Lang LaSalle. Industry testimony focused on government and private resources and strategic partnerships that supported continued growth in New Jersey. The Task Force expects to submit recommendations to the Governor and Legislature in March 2018.

The EDA hosted and participated in several other events in January, designed to nurture the next generation of technology and life sciences entrepreneurs in the Garden State. Included were a panel hosted in partnership with Rutgers University, during which executives of EDA-supported biotech companies described their paths to spinning off from Rutgers and offered entrepreneurs guidance and recommendations on launching and funding new endeavors. Later in the month an EDA-hosted discussion featured an executive from Edge Therapeutics talking about how the company used State funding programs to grow Edge from startup to IPO.

CLOSED PROJECTS

In January 2018, EDA closed on nearly $7 million in traditional lending assistance to support 12 projects, leveraging more than $13 million in capital investment and the creation of 58 new permanent jobs. In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with one project for more than $39 million, leveraging more than $54 million in capital investment, the creation of 430 new jobs and 225 construction jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 15 events in January. These included the NJ Bankers Economic Leadership Forum in Somerset, the NAIOP Annual Meeting and CRE Update in Short Hills, and the 2018 Central NJ Real Estate Forecast in Princeton.

February 13, 2018 Board Book - President’s Report
AUTHORITY MATTERS
MEMORANDUM

TO: Members of the Authority

FROM: Chairman Thomas P. Scrivo

DATE: February 13, 2018

RE: Organizational Matters

On January 24, 2018, Governor Murphy recommended that the Board consider Timothy Sullivan as Chief Executive Officer (CEO) of the Authority. The decision to appoint Mr. Sullivan rests with the Board. A copy of Mr. Sullivan’s resume is attached to this memo.

By way of background, and as his resume indicates, Mr. Sullivan most recently served as Deputy Commissioner of the Connecticut Department of Economic and Community Development (DECD), where he oversaw State tourism and branding, brownfield redevelopment, transit-oriented development, and waterfront initiatives. He joined the DECD in January 2014 as Director of Brownfield, Waterfront, and Transit-Oriented Development, and became Deputy Commissioner in 2015.

Mr. Sullivan previously served as Chief of Staff to the New York City Deputy Mayor for Economic Development, focusing on transportation and transit-oriented development, brownfield redevelopment, waterfront and maritime/port redevelopment, public and affordable housing policy, small business support, infrastructure finance, and public/private partnerships.

Prior to joining city government in 2010, he worked at Barclays Capital as Chief of Staff to the Head of Global Investment Banking. He began his career in investment banking at Lehman Brothers in 2003 as a healthcare banker, focusing on mergers and acquisitions and capital markets transactions for leading companies in the managed care, biotechnology, and healthcare services sectors. Born and raised in Bergen County, Tim is a graduate of Georgetown University.

Due to the Board’s unfamiliarity with Mr. Sullivan, and at the request of Board members, we arranged to make him available on several days for individual meetings with members of the Board. All Board members were given the opportunity to interview him. Several Board members took advantage of this opportunity. Mr. Sullivan has not previously served as the CEO or head of an agency. He has expressed, however, that his background and experience have prepared him for this challenge.

As approved by the Board in September 2012, the Authority has an organizational structure that includes a CEO and a President/Chief Operating Officer. In accordance with this model, the
CEO provides strategic direction in partnership with the Board and the Administration; sound ethical and governance processes; selects and mentors key staff; and serves as the principal representative of the Authority throughout the State.

Recommendation

The Governor’s office has requested that Tim’s salary be the same as the prior CEO, $225,000, and that his start date be February 20, 2018.
TIM SULLIVAN

EXPERIENCE

JANUARY 2014 – PRESENT Connecticut Department of Economic & Community Development, Deputy Commissioner
- Work with the Departments of Energy and Environmental Protection, Transportation, Housing, and the Office of Policy and Management to implement key elements of Governor Dannel P. Malloy’s economic development strategy
- Oversee Office of Brownfield Remediation and Development (OBRD), which is responsible for a portfolio of more than $200m of state-funded investments in brownfield remediation made during the Malloy Administration; as well as the Office of Capital Projects, which is implementing more than $200m of state infrastructure investments
- Played key role in critical development initiatives including the $600m redevelopment of the former Norwich State Hospital by the Mohegan Tribal Gaming Authority and the $400m SoNo Collection development in Norwalk
- Oversee the Office of Tourism, including an $8.5m marketing budget and the state’s “Still Revolutionary” campaign
- Responsible for implementation of unanimously-passed 2014 legislation establishing the Connecticut Port Authority
- Serve on the boards of the Connecticut Housing Finance Authority, Connecticut Port Authority, Connecticut Economic Resource Center, Capital Region Development Authority and RecycleCT Foundation

DECEMBER 2010 – DECEMBER 2013 New York City Mayor’s Office, Chief of Staff to Deputy Mayor for Economic Development
- Chief of Staff to Robert K. Steel, Deputy Mayor for Economic Development, responsible for Mayor Michael R. Bloomberg’s job creation, land use, housing, transportation and overall economic development agendas
- Responsible for supporting the Deputy Mayor in overseeing more than 10 mayoral agencies with annual operating budgets of $5B and more than 20,000 employees
- Areas of policy focus included economic diversification, public and affordable housing, transportation, infrastructure finance, tax and pension policy, waterfront development, small business development, and tourism promotion
- Played key role in numerous high-profile mayoral initiatives and development projects, including: the $2B applied sciences campus being developed by Cornell University on Roosevelt Island; implementation and extension of the East River Ferry; expansion of Major League Soccer to NYC; restructuring of the New York City Housing Authority (NYCHA, the nation’s largest Public Housing Authority) via state legislation; implementation of CitiBike; the proposed extension of the #7 subway to New Jersey; implementation of the Taxi of Tomorrow and Five-Borough Taxi programs; development of the Staten Island Wheel; approval of Mayor Bloomberg’s proposed micro-apartments; and the redevelopment of the Domino Sugar Factory in Williamsburg
- Developed and implemented press, communications, and intergovernmental and external stakeholder outreach
- Core member of the Bloomberg Administration’s team coordinating the City’s response to and recovery from Hurricane Sandy as well as the City’s long-term $20B resiliency strategy announced in June 2013
- Previous roles in the Economic Development office: Deputy Chief of Staff, Senior Policy Advisor and Speechwriter

JUNE 2005 – DECEMBER 2010 Barclays Capital/Lehman Brothers, Chief of Staff to the Global Head of Investment Banking
- Chief of Staff to Skip McGee, Global Head of Investment Banking at Lehman Brothers and Barclays Capital and member of both the Lehman and Barclays Capital Executive Committees
- Core member of the Investment Banking Division (IBD) team charged with advising Lehman Brothers on its strategic alternatives, ultimately resulting in the sale of Lehman’s North American broker-dealer to Barclays Capital; executed a range of integration-related projects following Lehman’s acquisition by Barclays Capital
- Oversaw a range of strategic initiatives on behalf of the Global Head of IBD, including hiring and expansion planning, capital allocation and return analyses, and market share and profitability analyses

JULY 2003 – JUNE 2005 Lehman Brothers, Global Healthcare Group, Investment Banking, Analyst
- Developed advanced financial modeling, analytical, organizational and communications skills; executed more than 15 financing and advisory transactions including buy-side and sell-side M&A transactions, high-yield debt offerings, initial public offerings, secondary offerings and convertible debt offerings
- Transaction experience across all major healthcare sectors, with focus on biotechnology and managed care
- Noteworthy transactions include Medco Health’s $2.3B acquisition of Accredo (Feb. 2005), Mid Atlantic Medical Services’ $2.7B sale to UnitedHealth (Oct. 2003), and Esperion Therapeutics’ $1.3B sale to Pfizer (Dec. 2003)

EDUCATION

Georgetown University B.A., Government/English, cum laude, May 2003
- Editor in Chief, Chairman, Senior News Editor and Sports Columnist, THE HOYA
- George F. Baker Scholar, Co-Chair of the Senior Class Gift Committee, Chair of the Class of 2003 Alumni Committee
- Intern, White House Office of Media Affairs, Spring/Summer 2001
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: M&A Holdings Co. L.L.C.  
P44722

PROJECT LOCATION: 2500 Broadway, Building E  
Camden City  
Camden County

GOVERNOR’S INITIATIVES:
(X) NJ Urban Fund  
( ) Edison Innovation Fund  
( ) Core  
( ) Clean Energy

APPLICANT BACKGROUND:
M&A Holdings Co. L.L.C. dba Camden Yards Steel (CYS) was founded in 2001 and buys prime steel that is processed into steel sheets, plates, and coils for sale and distribution to manufacturers that produce products including lighting fixtures, truck and trailer parts, cabinets and furniture, and tools and dies. Its processing consists of cutting to length, blanking, slitting, shearing, and more before distributing metals products to manufacturers and other end-users. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
CYS currently has a 111,137 sq. ft. leased facility located in Camden’s Broadway Terminal that is owned by the South Jersey Port Corporation (SJPC) and houses headquarters, production, and distribution activities. Additionally, CYS operates a 60,000 sq. ft. production and distribution facility in West Columbia, SC. On April 5, 2017 the New Jersey Department of Community Affairs (DCA) found the fire suppression systems throughout the Broadway Terminal to be inadequate and ordered the facilities to be vacated or for a 24-hour fire watch to be utilized until the system was brought up to code. It was subsequently agreed upon by CYS and the SJPC that SJPC was in default of the lease and CYS had the right to terminate it.

To retain CYS at the Broadway Terminal the SJPC has offered to make a considerable investment in the fire suppression system ensuring that it is compliant with the findings expressed in the DCA notice of non-compliance. In exchange SJPC has requested that CYS enter into a new lease of 15 years and contribute $150,000 to the improvements made to the fire suppression system. In advance of making a long-term commitment to its Camden facility, CYS is contemplating the costs savings that would be achieved through the consolidation of its New Jersey operations into its existing West Columbia, SC facility. The New Jersey project would represent an investment of $4.7 million, including new machinery and equipment, an upgrade to its computer system, and the CYS contribution to the fire suppression system upgrade. Alternatively, if CYS consolidates its operations in South Carolina it would lease 30,000 sq. ft. of additional space and 2.2 acres of fenced yard space for bulk storage both adjacent to its current facility; making the same investment in machinery and equipment and its computer system that it proposes to alternatively make in Camden. The New
The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of M&A Holdings Co. L.L.C. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Michael J. Amato, the CEO of M&A Holdings Co. L.L.C., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $124,564 over the 35 year period required by the Statute.

**FINDING OF JOBS AT RISK:**
The applicant has certified that the 32 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 1, 2018 as that is the date the alternative non-New Jersey facility would be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$40</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

  *Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements</th>
<th>(New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and <strong>manufacturing businesses</strong></td>
<td>10 / 25</td>
</tr>
<tr>
<td>Other targeted Industries</td>
<td>25 / 35</td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

  *Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial – Rehabilitation Project, for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,481,827</td>
<td>$4,744,952</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>32</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Camden is a Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>Increase(s) Criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>2500 Broadway is located in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of GSGZ Average</td>
<td>An increase of $250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500</td>
<td>The proposed median salary of $56,944 exceeds the Garden State Growth Zone median salary by 86.6% resulting in an increase of $500 per year.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Manufacturing business.</td>
</tr>
<tr>
<td>Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min</td>
<td>An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000</td>
<td>The proposed project is in a Garden State Growth Zone. The proposed capital investment of $4,744,952 is 220.2% above the minimum capital investment resulting in an increase of $5,000 per year.</td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem</td>
<td>An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465</td>
<td>Camden City has a 2007 Revitalization Index of 566</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for Retained Full-Time Jobs. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| All other projects | The Retained Full-Time Jobs will receive the lesser of:  
- $13,500 = $6,750  
- $4,744,952 / 10 / (8 + 32) = $11,862  
In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts. |
**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**
Garden State Growth Zone $5,000

**INCREASES:**
- Deep Poverty Pocket: $1,500
- Jobs with Salary in Excess of GSGZ Average: $500
- Targeted Industry (Manufacturing): $500
- Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min: $5,000
- 2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

**INCREASE PER EMPLOYEE:** $8,500

**PER EMPLOYEE LIMIT:**
Garden State Growth Zone $15,000

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** $13,500

**AWARD:**
- New Jobs: 8 Jobs X $13,500 X 100% = $108,000
- Retained Jobs: 32 Jobs X $13,500 X 100% = $432,000

  **Total:** $540,000

**ANNUAL LIMITS:**
Garden State Growth Zone and MRERA $35,000,000

**TOTAL ANNUAL AWARD** $540,000

---

**PROJECT IS:** (X) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $4,744,952

**EXPECTED PROJECT COMPLETION:** September 30, 2019

**SIZE OF PROJECT LOCATION:** 111,137 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Industrial

**CONSTRUCTION:** (X) Yes ( ) No

**NEW FULL-TIME JOBS:** 8

**RETAINED FULL-TIME JOBS:** 32

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):** 34

**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** N/A

**MEDIAN WAGES:** $56,944
<table>
<thead>
<tr>
<th>M&amp;A Holdings Co. L.L.C.</th>
<th>Grow New Jersey</th>
<th>Page 6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET BENEFIT MODEL:</strong></td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td><strong>GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD):</strong></td>
<td>$ 5,524,564</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT OF AWARD:</strong></td>
<td>$ 5,400,000</td>
<td></td>
</tr>
<tr>
<td><strong>NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):</strong></td>
<td>$ 124,564</td>
<td></td>
</tr>
</tbody>
</table>

**ELIGIBILITY PERIOD:**
10 years

**CONDITIONS OF APPROVAL:**
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.

**APPROVAL REQUEST:**
The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage M&A Holdings Co. L.L.C. to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** C. Fuentes

**APPROVAL OFFICER:** K. DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: ProFoot, Inc. P44860

PROJECT LOCATION: 919 Fairmount Ave Elizabeth City Union County

GOVERNOR’S INITIATIVES:
(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
ProFoot, Inc. (“ProFoot”) has been delivering innovative, high-quality footcare products for over 30 years. It was founded in 1986 and is headquartered in Brooklyn, NY. ProFoot, designs, warehouses and distributes wholesale to retailers worldwide, through several 3rd party product manufacturers. The company was founded in 1986 by a chiropractor who listened to his patients’ complaints about pain solution products; inspired by their feedback, he developed a range of foot care products, like heel insoles and arch support inserts, that addressed their issues. Its products include orthotics for plantar fasciitis, insoles, foot cream, anti-fungal liquid and many more. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

The applicant is currently located in Brooklyn, NY.

MATERIAL FACTOR/NET BENEFIT:
ProFoot’s facilities in Brooklyn are comprised of two separate buildings: 1) the distribution warehouse and; 2) the administrative offices. This Grow project will relocate the distribution warehouse along with the data processing center, from Brooklyn, NY to Elizabeth, NJ. The administrative offices will remain in Brooklyn for the time being. ProFoot has exhausted the amount of space (40,000 sq. ft.) available for use in its warehousing and distribution processes. Although the area it operates out of in Brooklyn, has traditionally been used for warehousing and distribution operations, the rents for suitable facilities have been increasing steadily ($14-$15 sq. ft.) and as a result, have priced ProFoot out of the market, in that area. In its search for a new facility, it found that the farther from NYC, the company looked, the less expensive the rents were. Relocating to Pennsylvania appeared to be the least cost scenario for them over the long-term. When factoring intangibles such as labor pool and proximity to the administrative offices, the company found a suitable location in Elizabeth, NJ. Fifty-five (55) new jobs are expected to be relocated to the Elizabeth location. The premises to be leased consist of approximately 64,390 rentable square feet of office and warehouse space within a building comprising approximately 104,890 square feet, together with a parking area located at 919 Fairmount Avenue, Elizabeth, NJ. No affiliates or related entities will lease the remaining square footage and the landlord is not related to the Applicant. The alternate location is a similar sized facility in Allentown, PA which would be leased.
The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Pro Foot, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Leonard Feldman, the CEO of Pro Foot, Inc., that states that the application has been reviewed and the information submitted, and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $931,363 over the 20-year period required by the Statute.

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

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

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

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

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

As an Warehouse - Rehabilitation Project for an other business in Union County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,287,800</td>
<td>$2,182,930</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>55</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td><strong>All other projects</strong></td>
<td><strong>The Retained Full-Time Jobs will receive the lesser of:</strong></td>
</tr>
<tr>
<td></td>
<td>1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * $5,000 = $2,500) or</td>
</tr>
<tr>
<td></td>
<td>The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($2,182,930 / 10 / (55 + 0) = $3,968)</td>
</tr>
</tbody>
</table>

In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
### Grant Calculation

**BASE GRANT PER EMPLOYEE:**
- Urban Transit HUB Municipality: $5,000

**INCREASES PER EMPLOYEE:**
- None: $0

**INCREASE PER EMPLOYEE:**
- $0

**PER EMPLOYEE LIMIT:**
- Urban Transit HUB Municipality: $12,000

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $5,000

**AWARD:**

<table>
<thead>
<tr>
<th>New Jobs</th>
<th>Retained Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 Jobs</td>
<td>0 Jobs</td>
</tr>
<tr>
<td>$5,000 X</td>
<td>$5,000 X</td>
</tr>
<tr>
<td>100%</td>
<td>50%</td>
</tr>
</tbody>
</table>

- $275,000

**Total: $275,000**

**ANNUAL LIMITS:**
- Urban Transit HUB Municipality: $10,000,000

**TOTAL ANNUAL AWARD**
- $275,000
PROJECT IS: (X) Expansion  ( ) Relocation  
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $2,182,930 
EXPECTED PROJECT COMPLETION: September 30, 2018 
SIZE OF PROJECT LOCATION: 64,390 sq. ft. 
NEW BUILDING OR EXISTING LOCATION? Existing 
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial 
CONSTRUCTION: (X) Yes  ( ) No 

NEW FULL-TIME JOBS: 55 
RETAINED FULL-TIME JOBS: 0 
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017): 0 
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A 
MEDIAN WAGES: $27,040 

NET BENEFIT MODEL: 2017 
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $3,681,363 
TOTAL AMOUNT OF AWARD: $2,750,000 
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $931,363 

ELIGIBILITY PERIOD: 10 years 

CONDITIONS OF APPROVAL: 
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey. 
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval. 
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit. 
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey. 
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility. 

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

DEVELOPMENT OFFICER: Matthew Sestrich  APPROVAL OFFICER: Mark Chierici
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
MODIFICATIONS
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: Seton Hall-Hackensack School of Medicine ("SOM") - Modification
$16,937,500 Grow New Jersey Assistance Program ("Grow NJ") – P41426

Request:
Consent to the following changes to the Grow NJ approval:

1) Change the qualified business facility ("QBF") initially approved to reduce the footprint in Building 123 by 55,422 sf and add portions of floors 1, 4 and 5 of Building 102 (69,323 sf). Building 123A will continue to remain as part of the QBF. Collectively these changes result in a net decrease to overall QBF of 10,116 sf (4%);

2) Approve the change in applicant name of SOM to Seton Hall-Hackensack Meridian School of Medicine ("SOMMeridian");

3) Add Hackensack Meridian Health ("HMH") and Seton Hall University ("SHU") as Affiliates. Once added as affiliates, consent to allow HMH and SHU to meet the requirement of working at least 80% at the QBF under the Grow statute by working within the larger complex that houses the QBF;

4) Grant a one-year certification extension from November 13, 2018 to November 13, 2019.

These changes will not change the approved Grow NJ award amount approved by the members for this project.

Background:
SOM was formed by the School of Medicine Agreement by and between SHU and Hackensack University Health Network ("HUHN"), each a 501(c)(3) and each controlling the appointment of 50% of the SOM Board of Trustees.

On November 13, 2015 EDA approved a $16,937,500 Grow award to incent the creation of 271 new jobs at the newly formed school of medicine, which will include office space, classrooms,
research and development and laboratory facilities in two buildings at the vacant former Hoffman LaRoche site, which spans across the borders of Clifton and Nutley. At approval, the proposed capital investment was $55,158,000 with a minimum requirement of $9,543,040.

While the SOM QBF was projected at approval to be 238,576 sf, the total square footage of the entire school and research complex was estimated to be 477,171 sf. The space not part of the QBF would be leased by Seton Hall University College of Nursing ("CON") and School of Health and Medical Sciences ("SHM"), which were not incented under the original Grow approval.

The original project contemplated that the use of the QBF would be shared by SOM, HMH and SHM, and that some Grow employees would be working throughout the larger complex. Because of the special relationship between the CON, SOM, and SHM, the Board determined that the requirement that full time employees must spend at least 80% of their time at the QBF could be met by any employee's presence within the entire footprint of the 477,171 complex that includes the QBF.

**Changes to QBF**

Initially, the SOM estimated that it would utilize approximately half the space of the 477,171 sf complex as the QBF, which was estimated to be 238,576 sf. After approval, the architects were able to measure the rentable space and determine that the actual space designation for SOM was 214,559 sf, a decrease of 24,017 sf (10%). At approval, estimates to construct new lab space in Building 123 were projected to be approximately $17.6MM. Subsequently, the budget was revised and increased to $44.1MM for Building 123 alone and to $81.6MM overall. The substantive increase in cost and timing to complete the project caused the applicant to re-evaluate its space.

The applicant identified Building 102 as having certified lab space that would reduce costs to $36.5MM and allow the project to be built within the maximum four years from approval of the Grow as required by statute. As a result, the applicant is requesting to reduce the space in Building 123 by 55,422 sf, to use Building 123A as was contemplated in the original approval and to add portions of the 1st, 4th and 5th floors in adjacent Building 102 (69,323 sf), which will collectively reduce the overall QBF by 10,116 sf (4%).

The proposed lease space in Building 102 includes lab and office space on the 4th and 5th floors, with an administrative suite on the 1st floor. The modest reduction in size will reduce the minimum capital investment required under the program from $9,543,040 to $9,138,400. While the overall proposed capital investment is expected to increase by 25% from $55.1MM at original approval to $74MM, the costs would have been $81.6MM if all of the space was built out in Building 123 as was originally planned. As such, this change to reduce the footprint in Building 123 and add Building 102 saves the applicant $7.6MM.

**Name Change**

In March 2017, Hackensack University Health Network merged with Meridian Health, forming Hackensack Meridian Health. As a result, the SOM changed its name to Seton Hall-Hackensack
Meridian School of Medicine to recognize the merger and is requesting that EDA consent to change the name of the applicant approved for the GrowNJ award to align with this change.

**Affiliates**
SOMMeridian is further requesting that HMH and SHU be added to the approval as affiliates. An affiliate is defined under the Grow statute as an entity that is either a member of a controlled group of corporations with the applicant as defined in a specific section of the Internal Revenue Code (“IRC”) or an organization in a group of organizations with the applicant as defined in a different section of the IRC. In the alternative, an applicant may demonstrate that an entity is an affiliate by seeking a written determination from the Division of Taxation. As evidence that the entity qualifies under either IRC provision, the EDA requires an opinion of counsel or a certification from an independent CPA. SOMMeridian has provided an opinion of counsel stating that it meets one of the IRC provisions through an IRS regulation that specifies how tax exempt organizations may satisfy the IRC provisions if the tax exempt organizations operate toward a common exempt purpose and regularly coordinate day-to-day exempt activities.

**Qualifying Employees**
At the time of approval, it was anticipated that only incented SOM, CON and SHM employees would work within the complex, and because CON and SHM were not incented under the Grow, only SOM (now SOMMeridian) employees could count working in the complex as qualifying to meet the 80% test of working at the QBF under Grow.

SOMMeridian has now indicated that HMH and SHU employees will work in both the QBF and the larger complex on a daily basis, and therefore is requesting that the determination applicable to SOM (now SOMMeridian) be extended to these affiliates as long as they spend at least 80% of their time within the entire footprint of the 477,171 complex that includes the QBF. SOMMeridian has drafted reciprocal access agreements with both HMH and SHU to evidence this unique relationship and use of space.

**Extension**
SOMMeridian was given a deadline of May 13, 2016 to provide their progress information. They were approved for four extensions until May 13, 2018 to allow SOMMeridian time to get final site plan approval and site control.

The proposed expansion will extend SOMMeridian’s construction timeline by a year to allow time to expand and fit out of the lab space and hire researchers. The members are now being asked to approve two 6-month project completion certification extensions to November 13, 2019.

**As a result of the proposed changes, there will be no change to the approved Grow NJ award amount.**

**Summary of Project Changes**

<table>
<thead>
<tr>
<th>*Original Approval</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Qualified Business Facility**

*estimated to be 238,576 sf at approval but recalculated to actual space size of 214,559 sf*

<table>
<thead>
<tr>
<th>Bldg 123-196,239 sf</th>
<th>Bldg 123-140,817 sf</th>
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</thead>
<tbody>
<tr>
<td>Bldg 123a-18,320 sf</td>
<td>Bldg 123a-18,320 sf</td>
</tr>
<tr>
<td>Bldg 102-69,323 sf</td>
<td>Bldg 102-69,323 sf</td>
</tr>
</tbody>
</table>

**Size of Project Location:**

| 214,559 sf | 228,460 sf |

**Minimum Capital Investment Eligibility Requirement:**

| $9,543,040 | $9,138,400 |

**Estimated Eligible Capital Investment:**

| $55,100,000 | $74,015,500 |

**Jobs:**

| 271 New | 271 New |

**Recommendation:**

Consent to the applicant’s request for the following changes to the project:

1) Change the qualified business facility (“QBF”) initially approved to reduce the footprint in Building 123 by 55,422 sf and add portions of floors 1, 4 and 5 of Building 102 (69,323 sf). Building 123A will continue to remain as part of the QBF. Collectively these changes result in a net decrease to overall QBF of 10,116 sf (4%);

2) Approve the change in applicant name of SOM to Seton Hall-Hackensack Meridian School of Medicine (“SOMMeridian”);

3) Add Hackensack Meridian Health (“HMH”) and Seton Hall University (“SHU”) as Affiliates. Once added as affiliates, consent to allow HMH and SHU to meet the requirement of working at least 80% at the QBF under the Grow statute by working within the larger complex that houses the QBF;

4) Grant a one-year certification extension from November 13, 2018 to November 13, 2019

There will be no change in the amount of Grow NJ award amount approved by the members in November 2015.

**Prepared by:** Tyshon Lee
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: AP&G Co., Inc. (“AP&G”) - Modification
$11,250,000 Grow NJ – P39523

Request:
Consent to a second six-month extension from January 10, 2018 to July 10, 2018 to allow AP&G sufficient time to complete the certification of cost and job requirements.

The members are asked to approve this second six-month extension because staff delegations to approve these actions is limited to the first six-month extension which was provided to the applicant in August 2017 to extend the time to certify from July 10, 2017 to January 10, 2018.

Background:
Founded in the early 1950s as a specialty adhesives business, today AP&G Co., Inc. is a manufacturer and distributor of pest management solutions. In 1977, AP&G introduced the Catchmaster brand and began to focus on developing adhesives and glues for pest management applications.

On July 10, 2014 the members approved a ten (10) year Grow NJ tax credit not to exceed $11,250,000 to incent the creation of 150 new jobs in Bayonne, associated with the company’s expansion and relocation of its office and manufacturing facility from Brooklyn, NY. The estimated capital investment to complete the project is $17,000,000.

On December 9, 2014 the members approved a $2,000,000 direct loan to SCF Realty III, AP&G’s real estate holding company to supplement a $10,000,000 stand-alone Bond purchased by TD Bank to acquire the subject property. Additionally, the Authority provided a $750,000 guarantee of a $2 million TD Bank term loan to AP&G for equipment. On January 19, 2018 staff approved a consent of additional debt from a new 3-year $1,500,000 term loan with TD Bank. All financing agreements are in compliance.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority’s approval, however the Authority may grant two six-month extensions of the deadline provided that the tax credit issuance date occur within four years of the date of Board approval.

The first of these six-month extensions was provided in August 2017 to extend the timeline from July 10, 2017 to January 10, 2018 to complete the project and certify costs and jobs.

AP&G submitted its request for a second six-month extension on December 14, 2017 to provide more time to certify costs and jobs. As staff has already provided the first six-month extension to January 10, 2018, the members are asked to approve the second six-month extension to July 10, 2018 to allow the
applicant extended time to satisfy all program requirements necessary to certify costs and jobs. The company is currently at 150 new jobs and the capital investment expended to date is $19,940,079.

**Recommendation:**
Consent to a second six-month extension from January 10, 2018 to July 10, 2018 to allow AP&G sufficient time to complete the certification of cost and job requirements.

Prepared by: Charlene M. Craddock
PREMIER LENDER PROGRAM (PLP)
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: ConnectOne Bank

Request:
The Members are asked to approve the addition of ConnectOne Bank as a Premier Lender.

Background:
ConnectOne Bank ("Connect1") is a community-based, full-service New Jersey-chartered commercial bank. ConnectOne Bancorp, Inc. ("ConnectBanc") is the parent company of Connect1 incorporated under the laws of the State of New Jersey and is a registered bank holding company.

ConnectBanc’s business includes its wholly owned subsidiary, Connect1. Connect1’s subsidiaries include an advertising subsidiary, an insurance subsidiary (offering annuity products, property and casualty, life and health insurance), various investment subsidiaries (which hold, maintain and manage investment assets of ConnectBanc) and a real estate investment trust (which holds a portion of ConnectBanc’s real estate loan portfolio). The subsidiaries include: Union Investment Co., Twin Bridge Investment Co., ConnectOnePreferred Funding Corp., Center Financial Group, LLC, Center Advertising, Inc., Morris Property Company, LLC, Volison Holdings LLC, and NJCB Spec-1, LLC. All subsidiaries are directly or indirectly wholly owned by ConnectBanc, except the REIT (as ownership is less than 100% of the preferred shares of this entity).

Connect1 operates from its headquarters located at 301 Sylvan Avenue in the Borough of Englewood Cliffs, Bergen County, NJ and through its twenty other banking offices across New Jersey and midtown Manhattan. Substantially all loans are secured with various types of collateral, including business assets, consumer assets and commercial/residential real estate. Each borrower’s ability to repay its loans is dependent on the conversion of assets, cash flows generated from the borrowers’ business, real estate rental and consumer wages.
Connect Banc reported assets of $4.7 Billion as of 9/30/17 and as an FDIC insured institution, its acquisitions require the approval of the New Jersey Department of Banking and Insurance and the FDIC, an agency of the Federal Government. Connect Banc is publicly traded on the NASDAQ under ticker “CNOB” with a total market capitalization of $912 million (as of 1/12/18).

Connect Banc, a one-bank holding company, was incorporated in the state of New Jersey on November 12, 1982 as Center Bancorp, Inc. and commenced operations on May 1, 1983 upon the acquisition of all outstanding shares of capital stock of Union Center National Bank (founded in 1923), its then principal subsidiary. On January 20, 2014, the Connect Banc entered into an agreement and plan of merger with ConnectOne Bancorp, Inc., a New Jersey corporation (“Legacy ConnectOne”). Effective July 1, 2014, the merger was completed with Legacy ConnectOne merging with and into the Connect Banc, with the Connect Banc as the surviving corporation. Also, at closing, the surviving entity changed its name to Connect Banc and changed its NASDAQ trading symbol to “CNOB”. Immediately following the consummation of the merger, Union Center National Bank merged with and into Connect1, a New Jersey-chartered commercial bank and a wholly-owned subsidiary of Legacy ConnectOne, with Connect1 continuing as the surviving bank. Subject to the terms and conditions of the merger, each share of common stock, no par value per share, of Legacy ConnectOne was converted into 2.6 shares of the Connect Banc’s common stock. The primary activity of the Connect Banc is to act as a holding company for Connect1 and its other subsidiaries.

Connect Banc operates on a founding principle of being “a better place to be” by offering high tech banking solutions coupled with the highest level of personal service and expert talent to offer a unique banking experience. With a full range of consumer and business products and services, Connect Banc serves individuals and businesses in the New Jersey/New York metro area. Product offerings include a broad range of deposit and loan products and services to the public and to small and mid-sized businesses, local professionals and individuals residing, working and conducting business in the defined trade area. Connect Banc’s goal is to open new offices in the counties contained in its trade area. However, Connect Banc’s belief is that establishing a physical location in each market served is not necessary. Advances in technology have created new delivery channels which allow the organization to service customers and maintain business relationships without a physical presence, and that these customers can also be serviced through a regional office. Connect Banc believes the key to customer acquisition and retention is establishing quality teams of lenders and business relationship officers who will frequently go to the customer, rather than having the customer come into the branch. Emphasis is placed on superior customer service and relationship banking. Connect1 offers high-quality service by minimizing personnel turnover and by providing more direct, personal attention than what is offered by competing financial institutions, the majority of which are branch offices of banks headquartered outside Connect1’s primary trade area. By emphasizing the need for a professional, responsive and knowledgeable staff, Connect1 can offer and deliver, a superior level of service to the customer base. Because of senior management’s availability for consultation daily, Connect1 believes in offering customers a quicker response on loan applications and other banking transactions than competitors, whose decisions may be made in distant headquarters. This response time results in an advantage, in that Connect1 frequently may exceed competitors’ loan pricing yet are still able to win customers. Connect1 also provides state-of-the-art banking technology, including remote deposit capture, internet banking and mobile banking, to provide customers with the most choices and maximum
flexibility. Connect1 believes this combination of quick, responsive and personal service and advanced technology provides customers with a superior banking experience. Banking offices are in Bergen, Union, Morris, Essex, Hudson, Mercer and Monmouth Counties in New Jersey and in the borough of Manhattan, in New York City, which include some of the most affluent markets in the United States. ConnectBanc also attracts business and customers from broader regions, including northern New Jersey, the five boroughs of New York City, and Westchester and Nassau counties in New York State.

Executive Management Team

Frank Sorrentino III, *Chairman and Chief Executive Officer*
- Founding Chairman, CEO since 2007
- Recognized industry thought leader, ABA Board Member

William S. Burns, *EVP/Chief Financial Officer*
- 35 years of experience in the financial services industry including Dime, Bank of NY & Summit Bank
- Former CFO of Trust Company of New Jersey and Somerset Hills Bancorp

Elizabeth Magennis, *EVP/Chief Lending Officer*
- 25 years of experience in the banking industry including Bank of New York & Sovereign Bank

Michael McGrover, *FSVP/Chief Credit Officer*
- 32 years of commercial lending and credit experience in the Banking industry, including Summit Bank, PNC, and Spencer Savings Bank

Chris Ewing, *EVP/Chief Operations Officer*
- 20+ years of experience in banking operations at companies including CapitalOne Bank, TD Bank and Fiserv

Laura Criscione, *EVP/Chief Compliance Officer*
- 29 years of experience in the banking operations, information technology, compliance, and corporate governance

The Authority has met with Connect1 management and lenders to learn about each other’s organization and the prospects of developing a mutually beneficial partnership. Over the past few months Connect1 has discussed several financing transactions with the Authority as well as indicated the desire to become a premier lender. Several of Connect1 lenders (from TD Bank, Wells Fargo and Sovereign Bank) have been hired and these individuals have prior business experience/knowledge of the EDA products and services. EDA is confident that the lending team established in New Jersey will be successful in conducting business with our organization. Connect1’s team of eleven commercial and industrial, New Jersey-based lenders seek loan opportunities in the $500,000 to $20 million range. Connect1 has an internal lending limit per client of $35 million. Most transactions involve owner occupied real estate with receivable and equipment financing a minor segment of the commercial and industrial portfolio. The bank has an appetite for purchasing EDA issued tax exempt bonds (and in October of 2016 closed on a $10 million, direct purchase for Kent Place School, P 43095). Connect1 is not involved in any transactions with the US Small Business Administration. From a volume standpoint, there is an expectation that up to six transactions per year with the EDA could be achieved.
ConnectBanc reported total assets of $4.4 billion at FYE16 and $4.8 billion at 9/30/17 (based upon the filings with the Securities and Exchange Commission form 10-K and 10-Q for the year ending 12/31/16 and nine months ending 9/30/17, respectively). Main categories at 9/30/17 include; $141 million in cash and equivalents, $400 million in securities for sale, $146 million in goodwill and $3.9 billion in net loans. Total loan portfolio rose 12% from 12/31/16 to 9/30/17 following the 16% growth achieved year over year from FYE 15 to FYE 16. It is noteworthy that loans totaled a modest $961 million in FYE 13 prior to the merger discussed previously. Loan portfolio composition at 9/30/17 is in five categories: commercial (16%), commercial real estate (66%), commercial construction (10%), residential real estate (7%) and consumer (0.5%). Loans on nonaccrual status (non-accrual loans and loans over 90 days past due still accruing interest) climbed $8 million to $13.8 million representing 0.36% of total loans at 9/30/16. In terms of risk rating classifications of the loan portfolio, 98% was rated pass with 1% special mention and 1% substandard (the latter two categories aggregating $66.8 million) at 9/30/17. Commercial real estate loans accounted for 75% of the loans rated less than pass as of 9/30/17.

Total past due and nonaccrual loans rose from $20.6 million at 12/31/16 to $28.6 million at 9/30/17 and are comprised of nonaccrual loans $13.8 million, loans 90 days or greater past due and still accruing $4.2 million, loans 60-89 days past due $8.9 million and loans 30-59 days past due $1.7 million.

At 9/30/17 and 12/31/16, ConnectBanc had allowances for loan losses of $29.9 million and $25.7 million, respectively. Allowances for loan losses as a percentage of the gross loan portfolio amounted to 0.77% at 9/30/17 and 0.74% at 12/31/16. 56% of the allowance for losses resides in the commercial real estate portfolio at 9/30/17. Charge offs were $83,000 in the first nine months of 2017 ($71,000 in the commercial real estate portfolio and $12,000 in the consumer loan portfolio) with $209,000 in recoveries ($158,000 in commercial, $50,000 in commercial real estate and $1,000 in consumer) and a provision of $4 million. Nonaccrual loans to total loans were 0.35% at 9/30/17 and non-performing assets, performing troubled debt restructurings and loans 90 days or greater past due and still accruing to total loans was 1.96% at 9/30/17.

Loans held for sale climbed $11 million to $89 million at 9/30/17 (net of valuation allowance of $15 million) and include the entire taxi medallion portfolio with a carrying value of $47.4 million.

Nonperforming loans include nonaccrual loans and accruing loans which are contractually past due 90 days or greater. Nonaccrual loans represent loans on which interest accruals have been suspended. ConnectBanc considers charging off loans, or a portion thereof, when they become contractually past due ninety days or more as to interest or principal payments or when other internal or external factors indicate that collection of principal or interest is doubtful. Troubled debt restructurings represent loans on which a concession was granted to a borrower, such as a reduction in interest rate to a rate lower than the current market rate for new debt with similar risks, and which are currently performing in accordance with the modified terms. ConnectBanc previously reported performing troubled debt restructured loans as a component of nonperforming assets.

Loans are considered to have been modified in a troubled debt restructuring (“TDRs”) when due to a borrower’s financial difficulties, ConnectBanc makes certain concessions to the borrower that
it would not otherwise consider. Modifications may include interest rate reductions, principal or interest forgiveness, forbearance, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral. Generally, a nonaccrual loan that has been modified in a troubled debt restructuring remains on nonaccrual status for a period of six months to demonstrate that the borrower is able to meet the terms of the modified loan. However, performance prior to the modification, or significant events that coincide with the modification, are included in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual status at the time of loan modification or after a shorter performance period. If the borrower’s ability to meet the revised payment schedule is uncertain, the loan remains on nonaccrual status. TDR’s rose from $13.8 million at 12/31/16 to $17.6 million at 9/30/17. $4.8 million were on nonaccrual status and $12.8 million were performing under restructured terms. TDR’s did not increase the allowance for loan losses, there were no charge-offs in connection with a loan modification at the time of modification and there were no TDR’s for which there was a payment default within 12 months following the modification during the 9 months ending 9/30/17.

ConnectBanc reported $4.3 billion of total liabilities at 9/30/17 as compared to $3.9 billion at FYE 16. Deposits totaled $3.6 billion at 9/30/17 as compared to $3.3 billion in FYE 16. Borrowings rose $109 million from FYE 16 to 9/30/17 standing at $585 million (owed to FHLB of New York). Based on qualified collateral as of 9/30/17, Connect1 can borrow up to $1.4 billion from FHLB (plus direct discount window borrowings from the Federal Reserve Bank of NY) and an additional $25 million from correspondent banks. Unused available borrowings total $796 million at 9/30/17 (with outstanding commitments to extend credit of $635 million). Stockholder equity and tangible stockholder equity at 9/30/17 was $558 million and $409 million, respectively as compared to $531 million and $382 million, respectively at 12/31/16. In June of 2015, ConnectBanc issued $50 million in subordinated notes with a ten-year maturity at 5.75% (callable after five years).

For the first nine months of 2017, ConnectBanc generated interest income of $131 million (as compared to $120 million for the same period one-year prior), interest expense of $25.9 million, non-interest income of $6.2 million, and pre-tax net income of $45 million. Provision for loan losses dropped from $13.5 million during the first nine months of 2016 to $4 million for the first nine months of 2017. Net income for the year for the first nine months ending September 30, 2017 was $32.6 million compared to $33 million for the same period one year ago. The current year reflects $15.3 million allowance for loans held for sale (versus zero one year ago) which more than offset the $9.5 million decline in provision for loan losses.

ConnectBanc and Connect1’s capital levels continue to remain strong as Tier 1 leverage capital ratios were 9.13% and 10.11%, respectively at 9/30/17 (with 4% being the minimum for capital adequacy purposes). Total risk-based capital was 11.34% and 11.22%, respectively at 9/30/17 (with 8% being the minimum for capital adequacy purposes). To be considered well capitalized under prompt corrective action provisions Connect1 must have at least 10% risk-based capital which has been achieved. Basel III rules require a capital conservation buffer (being phased in annually commencing 1/1/16 until reaching 2.5% above the current regulations on 1/1/19 for both ConnectBanc and Connect1. ConnectBanc and Connect1 are approximately 50 basis points from meeting these buffer ratio requirements as of 9/30/17.
On November 2, 2017 all Connect1’s loans secured by New York Medallions (which had been classified as held for sale since December 31, 2016) were returned to loans held for investment portfolio. As of 9/30/17 the total was $47.4 million, net of the $15.3 million valuation allowance. The transfer will be recorded at the fair value of the loans held for sale with any difference between the fair value as of the transfer date and the carrying value as of 9/30/17 to be recognized in noninterest expense during the 4th quarter of 2017. A pretax charge of $0.5 million is estimated by management. Work out through cash flow of borrower’s operations is now superior than sale to third party in view of management primarily due to institutional investors lack of purchasing medallion loans (especially such a small amount) and Collect1’s ability to successfully restructure loans supported by borrower’s operations.

ConnectBanc has 32 million outstanding shares of common stock with a market capitalization of $912 million as of 1/12/18.

Connect1 provided their full credit policy manual for review and was consistent with the Authority’s policies and procedures expectations. The policy manual addressed loan approval authorities, collateral, portfolio management, problem loan management, and risk rating guidelines. Connect1 provided three underwriting samples of projects involving credit facilities for the purchase of real estate, perform renovations, acquire equipment, the purchase of an existing business (to be combined with a customer in similar business) and working capital.

The structure and risk profile of the underwriting samples provided were reasonable and representative of what the Authority would consider in loan participation and/or guarantee or issuance of tax exempt bonds. The underwriting samples contained an analysis of the income statement, balance sheet, loan terms and conditions, collateral evaluation, covenant/policy compliance review, industry analysis, business description, management discussion and guarantor analysis.

**Recommendation**

Approval of ConnectOne Bank as a Premier Lender is recommended.

Prepared by: Michael A. Conte, Senior Credit and Real Estate Underwriter
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 13, 2018

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following loan project has been approved by the Department of Environmental Protection to perform Remedial Investigation and Site Investigation activities. The scope of work is described on the attached project summary.

**HDSRF Commercial Loan:**
P44529  Nagi Botros Sidham Botros (SAS Auto Repair Center) $ 191,077

**Total HDSRF Funding – February 2018** $ 191,077

Prepared by: Wendy Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT’N PROG PROGRAM

APPLICANT: Nagi Botros Sidham Botros (SAS Auto Repair Center) P44529

PROJECT USER(S): M and S Fuel, Inc. * - indicates relation to applicant

PROJECT LOCATION: 465 Coit Street Irvington Township (T/UA) Essex

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

APPLICANT BACKGROUND:
Approval of a $191,077 HDSRF term loan is recommended.

APPROVAL REQUEST:
Mr. Nagi Botros Sidham Botros (hereinafter referred to as "Nagi Botros") was the owner of the SAS Auto Repair, Inc., an automobile repair and gasoline service station located in Irvington, NJ. In 2013, Nagi Botros closed SAS and leased the property to M and S Fuel, Inc. operating as Delta Gas of Irvington.

The $191,077 Project as proposed by the Licensed Site Remediation Professional will involve remediation activities including monitoring well installations, slug testing, computer modeling, enhanced fluid recovery, groundwater sampling & analysis, vapor intrusion investigation, public notification, preparation and submission of the Remedial Investigation Report, Remedial Action Report, Remedial Action Permit, and Response Action Outcome.

FINANCING SUMMARY:
LENDER: Hazardous Discharge Site Remediation Fund
AMOUNT OF LOAN: $191,077
TERMS OF LOAN: 5 Year Term, 10 Year Amortization. The interest rate will be based on the Federal Discount Rate set at time of approval or closing, whichever is lower, with a floor of 5.00%. Principal plus Interest Payments.

PROJECT COSTS:

<table>
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<th>Description</th>
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<tr>
<td>Remedial investigation</td>
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<tr>
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<td>EDA administrative cost</td>
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<td>TOTAL COSTS</td>
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APPROVAL OFFICER: T. Bossert
PETROLEUM UNDERGROUND STORAGE TANK (PUST)
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: Estate of Lawrence Borek

Request:
Refer this legal matter to the Office of Administrative Law (OAL) for an evidentiary hearing in accordance with the order issued by the New Jersey Appellate Division.

Background:
Lawrence Borek operated a gas station, hardware store and storage facility in Maurice River Township, New Jersey. From May 1999 to October 2003, the New Jersey Economic Development Authority (the Authority) in conjunction with the technical review and recommendation of the New Jersey Department of Environmental Protection (NJDEP), provided Lawrence Borek three Petroleum Underground Storage Tank (PUST) conditional hardship grants totaling $239,933 to remediate the project location. Pursuant to the PUST law then in effect, the business was required to operate in substantially the same manner as at the time of award for a period totaling 15 years. A notice of lien for each grant was recorded against the property pursuant to the PUST law in effect, which liens were to be released after the 15-year grant compliance term was completed for each award of financial assistance.

NJDEP advised that the PUSTs were reported as inactive on March 24, 2011 after a Compliance Evaluation and Assistance Inspection of the facility was conducted on the same date by the Health Departments of Salem and Cumberland Counties (HDSCC). HDSCC notified the operator of record of its findings by letter on March 25, 2011, and the Authority, as required by statute, tolled (i.e. suspended the compliance period of) the 15-year period of operation until the business would resume operating in same manner.

In 2014, Lawrence Borek passed, and in January 2017, Steven Borek, the executor of his estate (the “Estate”), requested a release of the Authority’s liens against the project site. In support of the request, Steven Borek provided a certification based on documents in his possession and his own personal observations that the project site had been operated throughout the 15-year period in the same manner as when the grants were made. Specifically, the certification stated Steven Borek’s familiarity with the facts was based upon records he had obtained and personal observations he made when visiting the project site with his late uncle, Lawrence Borek. Steven Borek certified that from “time to time in the year or two prior to [Lawrence Borek’s] death,” he would take Lawrence Borek to the project site and during these trips observed that it was open
for business, and that Lawrence Borek told him he had filled the tank of his truck with gasoline from the project site. Steven Borek also certified a portion of the project site had been leased by Hartley’s Fuel LLC for “a number of years” prior to Lawrence Borek and Nicholas Davyyvow entering into a lease with option to purchase concerning the entire property, but the documents attached in support of these certifications did not indicate the nature of the project site’s use during these times. Steven Borek also attached an Underground Storage Tank Facility Certification Questionnaire completed by Victor A. Hartley, III on February 15, 2008, which stated five tanks were in operation at that time.

Staff reviewed Steven Borek’s certification and informed Steven Borek that the certification did not provide sufficient evidence to substantiate that the project site was operating past the tolling date. In consultation with the Attorney General’s office, staff requested Steven Borek submit business records to support his certification, as he was not the owner or operator at all relevant times stated in his certification.

Steven Borek then inquired about an appeal regarding the 15-year grant compliance term. He asserted that the revisions to the PUST law in 2006 retroactively reduced the required period of operation to five years. After consulting with the Attorney General’s office, staff advised that the period of operation was a statutory and contractual requirement that could not be waived and that the statutory revisions were not retroactive, and again invited Steven Borek to submit new information that might demonstrate the 15-year period of operation had been satisfied.

Instead of providing additional information, the Estate requested a hearing in the OAL. While staff, in consultation with the Attorney General’s office, was processing the request, the Estate filed an appeal with the Appellate Division challenging the statutory requirement that the liens could not be released until the 15-year period of operation is satisfied. The Appellate Division entered an order dismissing the appeal and remanding the matter to the Authority for referral to the OAL. As OAL regulations require the head of an agency (in EDA’s case, the Board) to refer matters for an OAL hearing, the Members’ approval to refer this matter to OAL is needed.

Recommendation:
Staff recommends the Members’ approval to refer this matter to the OAL in accordance with the Appellate Division’s order.

Prepared by: J. Matick
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 13, 2018

Subject: Petroleum Underground Storage Tank Program Legal Review

Estate of Winifred Skorski
Project Site: 113 Roosevelt Ave. Dumont, NJ 07628
P44514 - $70,525 Grant

Request:

The Members of the EDA Board are asked to decline the Estate of Winifred Skorski’s ("Applicant" or the "Estate") application for Petroleum Underground Storage Tank (PUST) conditional hardship grant funding.

Background:

On August 17, 2017, the EDA received the Estate’s application to review for eligibility for a grant from the Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund ("PUST") to remove a 550-gallon residential #2 heating underground storage tank ("UST") and perform the required remediation on property located at 113 Roosevelt Avenue in Dumont Boro, NJ.

Under the PUST program, funding is available as grants, loans, or a combination to eligible owners and operators, including a residential estate application, for the closure and remediation of petroleum underground storage tanks. To be eligible, the application must meet certain technical eligibility requirements reviewed by the New Jersey Department of Environmental Protection ("NJDEP") and then the EDA reviews for determination of eligibility for a loan or grant. In this case, the NJDEP determined that the application met the technical eligibility criteria.

To be eligible for a conditional hardship grant, the EDA must determine that the applicant has a financial hardship. The PUST regulations in NJAC 19:31-11.6(b) describe three eligibility requirements for a conditional hardship grant and the basis for EDA’s review and determination of financial hardship. First, the applicant cannot have a taxable income of more than $250,000. Second, the applicant cannot have a net worth, excluding the applicant's primary residence and IRS recognized pension, of over $500,000. Finally, the applicant cannot reasonably repay all or a
portion of the eligible project costs if the financial assistance were a loan. As stated in the
regulations, financial hardship is to be determined based on the applicant’s financial condition.

The first two eligibility requirements for a conditional hardship grant were satisfied.

The Applicant, however, does not meet the third financial hardship. In order to satisfy the financial
hardship test, the administration of the estate must not yet be settled and estate liabilities must
exceed the estate assets. EDA staff’s review of information provided by the Applicant, illustrated
that the Estate’s assets exceed its liabilities. As such, the Estate did not present a financial hardship
under the EDA’s policy and requirements for the PUST program.

Staff informed the Executor of staff’s review of the application. By letter dated December 11,
2017 from the Applicant’s attorney, the Applicant requested that its application be re-assessed,
arguing the financial hardship test was not applicable to estates. Specifically, the letter states that
the hardship test as applied to estates is not valid because the test is not expressed in the PUST
statute or regulations.

As explained earlier, the regulations describe the eligibility requirements for a conditional hardship
grant and the basis for EDA’s determination of financial hardship. The regulations, however, do
not speak to the specific hardship requirements of an estate. An explanation of the specific
documentation required from estates and the method in which the third hardship requirement
applies to estates is set forth in the EDA’s application documents and FAQs for the PUST program.
This documentation was provided to the Applicant. This documentation is also provided to all
prospective applicants. Accordingly, staff applies the hardship test in the regulations in all cases,
including any estate applicant. In re-assessing this application, staff reached the same conclusion
that the Estate’s assets exceeded its liabilities, and therefore did not present a financial hardship
that would make it eligible for PUST grant funding.

However, staff informed the Executor that staff could review the application for a loan if the
Executor had the authority to incur debt on behalf of the Estate. In the December 11, 2017 letter,
the Applicant stated that it did not intend to pursue a loan.

**Recommendation:**

Staff recommends the Board deny the Estate’s application for PUST hardship grant funding as it
did not meet the program requirements.

Prepared by: Kathy Junghans and Wendy Wisniewski
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President/Chief Operating Officer

DATE: February 13, 2018

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

The following commercial, residential and not-for-profit grant projects have been approved by the Department of Environmental Protection to perform site remediation activities. The scope of work is described on the attached project summaries:

**UST Commercial Grant:**
P44754 M&M Auto Mechanic Inc. $45,541

**UST Residential Grants:**
P44667 Rose Alvarez $68,376
P44845 Gloria Dixon $224,151
Total $292,527

**UST Not-for-Profit Grant:**
P44668 Saint James Church $525,390

**Total UST Funding – February 2018** $863,458

Prepared by: Kathy Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: M&M Auto Mechanic Inc
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 410 State Street Perth Amboy City (T/UA) Middlesex
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Between May 1999 and February 2011, Diogenes Mata and Silfredo Mora, owners of M&M Auto Mechanic, Inc., an automotive repair shop, received an initial grant in the amount of $175,990 under P10755 and supplemental grants totaling $552,289 under P12383, P12383s, P19326 and P33093 to remove soil and conduct groundwater remediation. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrate that the applicant’s financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $45,541 to perform the approved scope of work at the project site. Because this aggregate supplemental funding request exceeds delegated staff approval of $100,000, it requires EDA’s board approval. Total grant funding including this approval is $773,820. The project site is located in a Metropolitan Planning Area and is eligible for up to $1 million in grant funding.

The NJDEP oversight fee of $4,554 is the customary 10% of the grant amount. This estimate assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $45,541
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$45,541</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$4,554</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$50,595</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Rose Alvarez

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 1404 Central Avenue Union City (T/UA) Hudson

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

APPLICANT BACKGROUND:
Between November 2009 and November 2011, Rose Alvarez received an initial grant in the amount of $76,166 under P26946 and a supplemental grant in the amount of $32,250 under P36864 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $68,376 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $100,626, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $176,792.

The NJDEP oversight fee of $6,837 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $68,376
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$68,376</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$6,838</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$75,464</td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Gloria Dixon

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 28 Port Reading Avenue Woodbridge Township (T/UA/Middlesex)

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

APPLICANT BACKGROUND:
In March 2017, Gloria Dixon received a grant in the amount of $15,183 under P43258 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $224,151 to perform the approved scope of work at the project site. Total grant funding including this approval is $239,334.

The NJDEP oversight fee of $22,415 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $224,151

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$224,151</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$22,415</td>
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<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$246,816</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: W. Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Saint James Church
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 143 Madison Street Newark City (T/UA) Essex
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In May 2011, Saint James Church, which is a 501(c)(3) not-for-profit organization, received a grant in the amount of $52,361 under P34278 to remove a leaking underground storage tank (UST) and perform the required remediation outside the building. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Certifications provided by the 501(c)(3) not-for-profit applicant meets the requirements for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $525,390 to perform the approved scope of work at the project site. Total grant funding including this approval is $577,751. The project site is located in a metropolitan planning area and is eligible for up to $1 million in grant funding.

The NJDEP oversight fee of $52,539 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $525,390
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$525,390</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$52,539</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$578,429</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
NJ CoVEST FUND PROGRAM
APPLICANT: Apprentice FS, Inc.  
PROJECT USER(S): Apprentice FS, Inc.  
PROJECT LOCATION: 190 Christopher Columbus Dr. Jersey City (T/UA)   
GOVERNOR'S INITIATIVES: (X) Urban    (X) Edison    ( ) Core    ( ) Clean Energy

APPLICANT BACKGROUND: 
Apprentice FS Inc. has built a software platform - Affinity - that converts Smart Glasses, into an augmented reality solution for complex manufacturing processes as well as R & D.

APPROVAL REQUEST: 
Approval is recommended for a loan of $250,000 from the NJ CoVest Fund as proposed.

FINANCING SUMMARY:
LENDER: NJEDA  
AMOUNT OF LOAN: $250,000  
TERMS OF LOAN: 10-Year Term. The proposed loan will have a rate of 3% with no payments for the first 84 months. Interest during this period will accrue and will be capitalized. Beginning month 85 principal plus interest payments will begin for the remaining three-year term to fully amortize the loan.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>$250,000</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

JOBS:  
At Application 9  
Within 2 years 28  
Maintained 0  
Construction 0

DEVELOPMENT OFFICER: C. Smith  
APPROVAL OFFICER: M. Bhatia
STRONGER NJ BUSINESS LOAN MODIFICATION
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: Thomas Tweer & Robert Tweer dba Hobby Lobby Marine - MODIFICATION $1,274,816 Stronger NJ Business Loan ("SBL") P39045

Request: Consent to a principal and interest moratorium for 12 months with principal payments to resume on December 1, 2018.

Background: Founded in 1965, Thomas Tweer & Robert Tweer, a general partnership dba Hobby Lobby Marine ("Hobby Lobby") is a family-owned boat dealer and marina that has been operating in Toms River, NJ for over 50 years. The Company also provides boat slips and services boats. The company is owned by Thomas Tweer (50%) and his brother Robert Tweer (50%).

In January 2015, EDA approved a $1,408,786 30-year SBL term loan, of which $1,266,209 was disbursed, to fund working capital expenses incurred from January 1, 2013 to December 31, 2013. The loan had 24 months of no payments, followed by 336 months of principal and interest payments which were scheduled to begin June 1, 2017. The company also received a $50,000 grant under the Stronger NJ Grant Program to further assist the business recover from Hurricane Sandy.

In July 2017, pursuant to delegated authority, staff consented to a 6-month principal and interest moratorium to allow payment relief to borrower while a decision was made on whether to continue operations or sell the business. Interest of $8,607 was capitalized, increasing the loan balance to $1,274,816.

An additional 12-month principal and interest moratorium is now being requested to offer debt service relief for the borrower as the borrower either refinances its mortgage debt, or sells the business, at which point our loan will be repaid in full.

Recommendation: Approval of the extension of the principal and interest moratorium of the $1,274,816 SBL loan for an additional 12 months is recommended.

Prepared by: Heather M. O’Connell
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: February 13, 2018
SUBJECT: Projects Approved Under Delegated Authority – For Informational Purposes Only

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

Premier Lender Program:

1) 100 Mt Holly Bypass, LLC (P44843), located in Lumberton, is a newly formed real estate holding entity formed to purchase the project property. This location will be the new headquarters of related operating company, Miles Technologies, Inc., a provider of technology-based business solutions. The Company was formed in 1997 to provide IT services support, software development and digital marketing website design to enhance the small to mid-size business needs. TD Bank approved a $5,500,000 loan with a 27.3% ($1,500,000) Authority participation. Currently, the Company has 205 employees and plans to create 50 new positions within the next two years. SSBCI funds will be utilized for this project.

2) Britton Realty of Lawrenceville, LLC (P44787), located in Lawrence Township, Mercer County, is the real estate holding company that purchased property in Marlton, NJ and multiple properties in Lawrenceville, NJ. The operating company, Britton Industries, Inc., was founded in 1990 as a landscaping business. Today the Company’s three main lines of business are: mulch manufacturing, land clearing and ready-mixed concrete. PNC Bank, NA approved a $7,200,000 bank loan with a 27.7% ($2,000,000) Authority participation to be used to refinance existing debt. The Company currently has 60 employees and plans to create eight new jobs over the next two years.

Prepared by: G. Robins
/gvr
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: Post Closing Credit Delegated Authority Approvals for 4Q Quarter 2017

For Informational Purposes Only

The loans listed below were written off during the fourth quarter 2017 pursuant to delegated authority:

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management officers conduct a quarterly portfolio review, and with concurrence from management, recommend loans to be written off with recourse pursuant to delegated authority. EDA retains legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Credit Exposure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2820 Mt. Ephraim Ave., LLC/Haddon Farmers Market</td>
<td>$294,227</td>
<td>2820 Mr. Ephraim Avenue, LLC was a real estate holding company formed to operate the Haddon Farmers Market in Camden. EDA provided a $1,250,000 participation in Parke Bank’s $3.5 million loan to acquire and renovate the property. Payments of $80,761 were made, but due to opening delays and lower than expected rent, the business closed and the loan went into severe payment default. Agent Parke Bank foreclosed and liquidated the collateral from which EDA received $884,760. Agent bank is pursing judgements against the personal guarantors.</td>
</tr>
</tbody>
</table>

Prepared by: Mansi Naik
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the Members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Staff has reported to the Board quarterly on the status of the funds.

Below is the funding availability as of the fourth quarter ending on December 31, 2017:

**PUST:**
As of December 31st, remaining cash and unfunded appropriations net of commitments was $3.5 million available to support an estimated $16.7 million pipeline of projects, of which approximately $4.2 million are under review at EDA.

**HDSRF:**
As of December 31st, remaining cash and unfunded appropriations net of commitments was $15.4 million available to support an estimated $34 million pipeline of projects, of which approximately $1.1 million are under review at EDA.

Prepared by: Wendy Wisniewski
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: February 13, 2018

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 2017

For Informational Purposes, Only

Angel Investor Tax Credit Program – 2017 Review

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses.

In 2017, the EDA approved 256 Angel Tax Credit applications; a slight increase from the 251 applications approved in the prior year. In 2017, these approvals represented the investment of more than $111 million of private capital, for a total tax credit amount of $11,178,735 under the $25 million program allocation. During 2017, the ATC program underwent two major changes including the reduction in timeframe for investors to submit an application from 12 months to 6 months and a legislative change allowing EDA to process applications for investments in to holding companies. As a result, staff processed and approved 39 holding company applications spread across three companies with a total investment of approximately $7 million.

The total investment amount of approved 2017 applications including investment transactions dating back to 2013, rose by 24% year over year, with investments increasing from over $89 million in 2016 to over $111 million in 2017. The investment results which were exclusive to 2017 only were for approximately $44.5 million into 20 companies. Approved applications in 2017, were for investments made into 39 unique New Jersey emerging technology and life science companies vs. 31 in the prior year and can be seen in more detail below. Included in the 2017 program statistics were approvals for investments in 15 companies which were new to the program in the year. For all 2017 approvals, the average investment amount was approximately $436,668 and the average tax credit was approximately $43,667.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investment amount</th>
<th>Number of Unique Companies</th>
<th>Applications</th>
<th>% of total investments</th>
<th>% of total applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Technology</td>
<td>$24,348,176</td>
<td>2</td>
<td>44</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>Life Sciences/Biotech</td>
<td>$65,951,275</td>
<td>19</td>
<td>100</td>
<td>59%</td>
<td>39%</td>
</tr>
<tr>
<td>Technology</td>
<td>$21,487,905</td>
<td>18</td>
<td>112</td>
<td>19%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$111,787,356</strong></td>
<td><strong>39</strong></td>
<td><strong>256</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
Since program inception in 2013, the authority has approved 929 applications for investments totaling more than $332 million invested in 65 New Jersey based technology businesses.

In addition to angel investors approved under the ATC program, applicants included Private Investors, Venture Capital Funds, Angel Funds, Partnerships, Trusts, Corporations, and Investment LLC’s. In 2017, approximately, 51% of ATC applicants were New Jersey based investors, while the remainder came from investors throughout the United States and abroad.

Q4 2017/Quarter Results
Attached please find a list of all ATC applications that were approved under delegated authority during the fourth quarter of 2017. Please note, there were five withdrawn applications and no declinations during this quarter.

In summary for the fourth quarter of 2017, 136 applications totaling $7,687,832 in tax credits were approved. These approvals represent $76,878,327 in private investments in 29 unique technology & life science companies of which 13 were new to the program in the quarter.

Prepared by:
Kathleen Coviello
Edward Atiyeh
<table>
<thead>
<tr>
<th>Investor</th>
<th>Company</th>
<th>Investment amount</th>
<th>tax credit amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>David S Washburn</td>
<td>Acuitive Technologies, Inc.</td>
<td>$100,000</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Douglas Gabel</td>
<td>Acuitive Technologies, Inc.</td>
<td>$95,000</td>
<td>$9,500.00</td>
</tr>
<tr>
<td>Michael McCarthy</td>
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</tr>
<tr>
<td></td>
<td>Acuitive Technologies, Inc.</td>
<td>$445,000</td>
<td>$44,500.00</td>
</tr>
<tr>
<td>3</td>
<td>DEVA US INC</td>
<td>AeroFarms</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>1</td>
<td>Shanghai Aucta Pharmaceuticals Co., Ltd</td>
<td>Aucta Pharmaceuticals, LLC</td>
<td>$2,500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>$250,000.00</td>
</tr>
<tr>
<td></td>
<td>Jonathan Kliment</td>
<td>BackEnd3.com LLC</td>
<td>$10,000</td>
</tr>
<tr>
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