

Fort Monmouth Economic Revitalization Authority (FMERA)
Board Meeting
June 15, 2016
FMERA Office, Oceanport, New Jersey

EXECUTIVE SESSION MINUTES

Members of the Authority present:

- James V. Gorman, Chairman, Fort Monmouth Economic Revitalization Authority (FMERA) – V
- Michael Co Assistant Counsel, Authorities Unit, Office of the Governor – V
- Lillian Burry – Monmouth County Freeholder – V
- Dr. Robert Lucky – Public Member – V
- Gary Baldwin, Tinton Falls Borough Council President – V
- Jay Coffey, Mayor of Oceanport – V
- Dennis Connelly, Mayor of Eatontown – V
- Tim Lizura, President & Chief Operation Officer, NJ Economic Development Authority – V
- Kenneth J. Kloo, Directory, Site Remediation Program, NJ Department of Environmental Protection
- Gina Fischetti, Chief Counsel, Local Planning Services, NJ Department of Community Affairs
- Helene Rubin, Section Chief, Division of Statewide Planning, NJ Department of Transportation (DOT)
- John Raue, Senior Policy Advisor to the Commissioner, NJ Department of Labor & Workforce Development

V- Denotes Voting Member

Also present:

- Bruce Steadman, Executive Director, FMERA
- Ed Pillsbury, Deputy Attorney General
- FMERA staff

Executive Session – OPMA EXEMPTION N.J.S.A 10:4-12(b)(7): Update on Financing Negotiations with the County of Monmouth

James V. Gorman, Chairman of the Board, began the Executive Session at 8:31 P.M. Bruce Steadman, Executive Director of FMERA, stated that FMERA held two productive meetings with the County of Monmouth at the beginning of June. The first meeting included continued negotiations with the County financial staff, the Monmouth County Improvement Authority legal staff and FMERA's bond counsel and Deputy Attorney General Ed Pillsbury. The second meeting included a presentation to the Board of Chosen Freeholders in their working session.

Mr. Steadman noted that the general terms of the financing structure remain the same as previously discussed with the Members. FMERA responded to concerns from the County as to the timeline for paying off the notes by including an additional payment of 50% of the amount by which the aggregate cash flow at year-end exceeds \$3 million. FMERA must maintain this level of cash flow in order to cover expenses in a proceeding year should land sales not occur in any given year. Mr. Steadman also noted several items that the County indicated should be incorporated into a side agreement related to the guaranty. This includes the transfer of Avenue of Memories, the conveyance of the Motor Pool in Eatontown and the conveyance of the emergency homeless shelter in Oceanport.

The Members discussed the change in terms related to repayment. Chairman Gorman noted that this change increases FMERA's risk, as the need to repay from excess cash flow reduces the cash available for potential infrastructure or other improvement projects on the Fort. Mayor Jay Coffey asked what repayment is required if no sales are made. Mr. Steadman noted interest payments continue, and the County must agree to rollover the

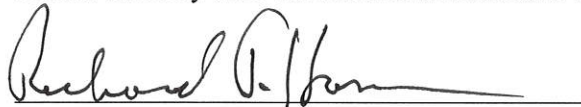
notes every year. The Members discussed the initial \$10 million principal payment based on three sales of Phase 2 properties currently under contract. Mr. Steadman noted that he feels the risk to FMERA is minimal, as the level of interest in the Fort remains high and the timeline for infrastructure improvements becomes clearer.

Freeholder Lillian Burry noted that these discussions were based on the County's need to identify their risks in this arrangement as well. The County is supportive of the project and eager to see the Fort's redevelopment.

The Members discussed the next steps needed to secure the financing, the bond counsel working with FMERA and the documents under preparation by the County.

On a motion by Freeholder Lillian Burry, seconded by Mayor Jay Coffey, and unanimously approved by all voting members present, the Board adjourned the Executive Session at 8:50 P.M. and opened the Public Session.

Certification: The foregoing and any attachments represent a true and complete summary of the actions taken by the Fort Monmouth Economic Revitalization Authority at its meeting.

A handwritten signature in black ink, appearing to read "Richard P. Harrison", is written over a horizontal line.

Richard P. Harrison, Assistant Secretary