

## MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (“MOU” or “Agreement”), dated as of March [ ], 2021 by and among the following entities:

- **The City of Jersey City**, a municipal corporation of the State of New Jersey, hereinafter referred to as the “City” with offices at City Hall, 280 Grove Street, Jersey City, NJ 07302;
- **The County of Hudson** (hereinafter referred to as the “County”), with offices at 583 Newark Avenue, Jersey City, NJ 07306;
- **The Hudson County Improvement Authority** (hereinafter referred to as the “HCIA”), with offices at 830 Bergen Ave, Jersey City, NJ 07306;
- **The Hudson County Schools of Technology** (hereinafter referred to as the “HCST”, and collectively with the County and the HCIA, the “County Entities”) with offices at One High Tech Way, Secaucus, NJ 07094;
- **SciTech Scity, LLC** (hereinafter referred to as “SciTech”), a wholly owned subsidiary of Liberty Science Center with offices at 222 Jersey City Blvd, Jersey City, NJ 07305.

(Each, individually, a “Party”, and collectively, the “Parties”).

**Section 1. Purpose of Agreement; Material Conditions.** The purpose of this Agreement is to set forth the responsibilities of the Parties in connection with their collaboration and cooperation of the design, development, procurement, financing and construction (the “Services”) of Liberty Science Center High School (the “School”). The School will be a world-class STEM academy for science talented students in Hudson County, located on a portion of Block 21504, Lots 4.01 and 5 on the tax map of the City (the “Land”), operated under the auspices of HCST, and accommodate approximately 400 students in grades 9 through 12. The foregoing shall collectively be referred to herein as the “Project” and that portion of the Land upon which the Project is located shall be referred to herein as the “Project Site”. The Parties agree to use diligent efforts to provide their share of the services, as more particularly described below, to bring the Project to a successful completion and, subject to SciTech's obligations set forth in Section 4 D hereof, consistent with the obligations set forth in that certain redevelopment agreement by and between Liberty Science Center and the Jersey City Redevelopment Agency dated May 2, 2017 (“RDA”), pursuant to which the Land was acquired. Notwithstanding the above, the Parties acknowledge that material conditions affecting the ability and timing to proceed with the Project are State planning, programming and design approvals and State aid approvals referred to in Section 6A hereof.

**Section 2. Proposed Transaction Procurement and Financing Structure.**

- A. The Parties acknowledge that the preferred procurement process for the construction of the School is the design-build process utilized by the New Jersey Schools

Development Authority as set forth in N.J.A.C. 19: 36-1 et. seq. and available to HCST and the HCIA pursuant to P.L. 2015, c. 68, amending N.J.S.A. 18A:54-31 and supplementing P.L.2000, c.72 (C.18A:7G-1 et al.), and the county improvement authorities law N.J.S.A 40:37A-44 et. seq. The HCIA will, with input and direction from the Parties, as set forth in Section 4 below, be the Party that facilitates and undertakes the procurement process for the School. Upon execution of this MOU, SciTech will make available to HCST and HCIA any plans, drawings, specifications or other documents relating to the development and construction of the School.

- B. Further, the Parties acknowledge that the HCIA will be the Party primarily responsible for the financing of the Project through, along with others funds that are required to be contributed by the other Parties from time to time, proceeds of County-Secured Lease Revenue Bonds issued by the HCIA (the "**Bonds**") pursuant to a comprehensive leasing and bonding structure. Under this structure, SciTech will enter into a long-term (99-year) ground lease with HCST or the County for the Project Site ("**Lease 1**"). HCST or the County, as the case may be, will sublease the Project Site to the HCIA ("**Lease 2**"). The HCIA will enter into a lease and development agreement with the County pursuant to which the HCIA will issue the Bonds, design-build the School, and sublease the Project Site and lease the School to the County ("**Lease 3**" or the "**Financing Lease**"). The County will then sublease the Project Site and the School to HCST ("**Lease 4**"). The foregoing lease structure will be executed simultaneously. The lease payments paid by the County pursuant to the Financing Lease will be full faith and credit obligations of the County payable without limitation as to rate or amount.
- C. The Parties agree to take all actions necessary to accommodate the structure outlined in A and B above.

**Section 3. Responsibilities Regarding the Land and Project Site.**

- A. SciTech or other responsible parties (but not the County Entities) will fulfill its obligations under the Beneficial Use Determination (BUD) and other actions necessary to prepare the Project Site for construction of the School, including but not limited to: (i) delineating the Project Site (by subdivision, condominium line, meets and bounds description, area of concern or other appropriate delineation methodology) as a separately identifiable portion of the Land upon which the remediation activities contemplated herein shall be undertaken; (ii) demolition of the sedimentation tanks; (iii) filling voids that remain following demolition of the sedimentation tanks; and (iv) bringing the sedimentation tanks area of the Project Site to an agreed upon pre-construction grade elevation as provided in the project development agreement executed by and among the Parties (the "**Project Development Agreement**"). SciTech agrees to use good faith efforts to complete its remediation activities with respect to the Project Site in this Section 3A consistent with an agreed upon Project milestone schedule.

- B. The County Entities will take responsibility for the management (excavation and placement) of historic fill on that portion of the Project Site where historic fill is the predominant material, provided that if in the process of excavating that portion of the Project Site, the County Entities' contractors encounter any undisclosed spills, discharges, underground storage tanks or other adverse environmental conditions that are not indicative of historic fill, then the Parties shall in good faith determine the appropriate course of action, which shall include: (i) SciTech undertaking responsibility to remediate those conditions, (ii) relocating the Project Site to a site on the Land that is known to consist predominantly of historic fill, provided that SciTech shall continue to be responsible for any undisclosed adverse environmental conditions in connection with excavation of the alternate site; or (iii) if the Project Site cannot feasibly be relocated as contemplated by clause (ii), at the option of SciTech, terminating the Project. If SciTech determines to relocate the School to an alternate site on the Land or terminate the Project, SciTech will reimburse or cause other responsible parties (but not the County Entities) to reimburse the County Entities up to a maximum dollar amount agreed to in the Project Development Agreement for all verifiable costs and expenses incurred by the County Entities for all work relating to the construction of the School on the Project Site to the date that such activities cease as a result of SciTech's decision to relocate or terminate the Project. Not in limitation of Section 3D below, but without adverse financial consequences to the County Entities the County Entities will coordinate with SciTech and the LSRP to sequence their site work and construction activities at the Project Site, in an effort to mitigate SciTech's financial exposure relating to the Project, including with respect to any adverse or unforeseen environmental conditions. The Parties (other than SciTech) agree to use good faith efforts to work with and assist SciTech in its efforts to identify public and/ or private funding for the environmental investigation and remediation activities reference herein.
- C. SciTech or its designee will be responsible for and shall undertake all environmental compliance activities relating to the Project Site through and including the date of issuance by the Project Site LSRP of a Response Action Outcome (RAO) for the Project Site, including but not limited to the issuance of: (i) the Remedial Action Report; (ii) the Deed Notice; (iii) the Remedial Action Permit; and (iv) the RAO. The County Entities will be responsible for post-construction environmental monitoring of the Project Site and permitting compliance, including the preparation and submission of required biennial certifications required by the Remedial Action Permit. SciTech shall retain such environmental responsibilities on areas of the Land outside the area of the Project Site.
- D. SciTech and the County Entities shall and shall cause their respective professionals, consultants and contractors, as applicable, to use diligent efforts to coordinate all development activities concerning the Project and Project Site with the applicable Parties and the LSRP, as applicable. Prior to the County Entities gaining Project Site control in accordance with the lease financing structure set forth in Section 2B hereof, upon the HCIA's request, SciTech shall grant to the County Entities and its professionals, consultants and contractors access to the Project Site under a customary

site access agreement. Following the County Entities gaining Project Site Control, the County Entities shall notify and consult with SciTech and the LSRP, prior to taking any action with respect to the Project Site or the School that could have an impact on the RDA, the BUD, the Remedial Action Permit, or any other environmental requirements in respect of the Project Site and the School. The County Entities will at all times conduct their activities with respect to the Project Site and the School in accordance with the foregoing environmental requirements.

- E. In recognition of its environmental responsibilities referenced in 3(A) above, SciTech shall provide the Parties (other than SciTech) with sufficient financial assurances (relating to, among other things, SciTech's ability to carry out its obligations hereunder including compliance requirements under the Remedial Action Permit) and indemnities that protect such Parties (other than SciTech) from any undisclosed environmental liability with respect to the Land (other than with respect to the environmental responsibilities assumed by a Party (other than SciTech) with respect to the Project Site or any alternate site on the Land).
- F. The details of the matters set forth in this Section 3 will be clarified and ratified in a future separate binding agreement.
- G. Upon execution of this MOU, SciTech agrees to make available to the HCIA, all environmental reports, assessments, investigations, communications with regulators and other relevant documents relating to or in connection with the environmental condition of the Land to the extent not made available prior to the execution hereof.

**Section 4. Construction of the School and State Aid Funding.**

- A. The County Entities and SciTech and their respective professionals, consultants and contractors will work collaboratively and cooperatively in connection with the design, construction and programming of the School. These activities will include, but not be limited to, the design phases necessary to develop and undertake the procurement process referred to in Section 2A hereof, and the development of that procurement process, including the development of request for qualifications and request for proposal documents, the evaluation of responses and the selection of the preferred contractor for the construction of the School.
- B. The HCST, the County and the City will have responsibility to engage with the State Department of Education and other appropriate State agencies to determine the level of State aid that will be contributed toward the construction and/or operating costs of the Project. HCST currently anticipates debt service State aid at fifty-nine (59%) percent of Bond debt service. The Parties acknowledge that State aid funding is a material inducement for the County Entities' participation in the Project, and without such State aid at the percentage specified herein, the economic viability of the Project is in jeopardy.

- C. The HCIA will, in cooperation with the HCST and the County, have the primary responsibility for securing approval of the procurement documents, including any approvals required from the Office of the State Comptroller and the New Jersey Schools Development Agency, as applicable;
- D. The HCIA, in cooperation with the Parties will have responsibility for securing all land use approvals for the Project, provided that, to the extent that the Project is inconsistent with the RDA or the land use regulations governing the Project Site, SciTech shall have the responsibility to obtain revisions, consents or waivers such that any such inconsistencies no longer exist, provided further however, that the Parties agree to work cooperatively with SciTech to obtain such revisions, consents or waivers to the Land use approvals and/or the RDA in the manner provided in the Project Development Agreement.
- E. The HCIA will require in its procurement documents that the selected contractor will construct the School under a Project Labor Agreement, the substance of which shall be approved by the HCST and the County.

**Section 5. Financing Activities.**

- A. As described in Section 2B above, the HCIA will have lead responsibility in connection with the issuance of the Bonds for the Project with a term of 30 years at market interest rates determined at the time of the issuance of the Bonds. In connection with this responsibility, the HCIA will use diligent efforts to obtain all State, County and local approvals necessary for the financing.
- B. The County agrees to use good faith efforts to make its full faith and credit available in the form of a full faith and credit lease and development agreement to secure the Bonds. The County's lease payments (inclusive of debt service State aid) will be pledged to pay the debt service on the Bonds.

**Section 6. Other Parties' Financial Commitments.**

- A. SciTech agrees to fund the following:
  - (i) Promptly following the execution of this MOU, SciTech will deposit into an escrow account ("**Escrow Account**"), pursuant to an escrow agreement executed by SciTech and the HCST ("**Escrow Agreement**"), a \$300,000 ("**Escrow Deposit**") that will be used to pay or reimburse HCST for all out of pocket costs and expenses relating to the preparation and submission of the educational plans including architectural fees and State aid applications to the Department of Education or other applicable department or agencies within the State. Upon deposit of the Escrow Deposit into the Escrow Account, such Escrow Deposit shall no longer be an asset of SciTech, but shall be an asset of the HCST for the purpose set forth in this subsection(i) or an asset of the HCIA or the County for the purposes set forth in subsection (ii) hereof; and,

- (ii) A \$3,450,000 payment to the HCIA or the County, as the case may be, on or before the HCIA's issuance of the Bonds, which amounts shall be used by the HCIA or the County as a capital contribution and / or capital reserve in connection with the construction of the Project; provided however that any amounts from time to time remaining in the Escrow Account that the County Entities determine will not be used to pay the costs and expenses set forth in the Escrow Agreement, may, in the County Entities' sole discretion, be used for the purposes set forth in this subsection (ii). The details of this clause will be clarified and ratified in the Project Development Agreement.
- B. The City agrees to pay to the HCST on an annual basis, \$2M (escalated as provided herein and hereinafter referred to as the "**City Contribution**") toward the HCST annual operating budget. The City Contribution shall commence to be paid on a date beginning in the first year that the School commences operation as determined in the Project Development Agreement (the "**Commencement Date**") and shall be payable each year thereafter on the anniversary date of the Commencement Date for thirty (30) years following the Commencement Date. The City Contribution shall escalate on an annual basis at the rate of two percent (2%) per annum.
- C. HCST will enter into an escrow and funding agreement with the HCIA on or before thirty (30) days after the execution of this MOU to reimburse the HCIA for its professional and consultant fees and expenses incurred as of November 1, 2020.

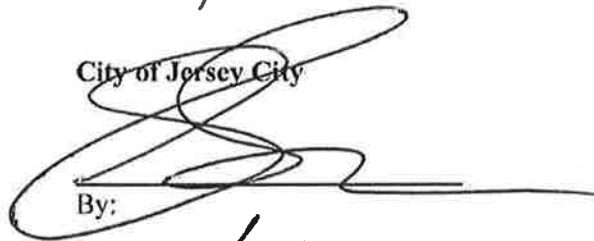
**Section 7. Other Matters.**

- A. The school will be operated under the authority of HCST. To the extent permitted by law, however, major decisions about personnel, curriculum and programming will be made collaboratively with SciTech in the spirit of creating a world-class STEM academy for science-talented high school students. Selection of the Principal or school leader shall be done through a mutually formed committee between HCST and SciTech, with an equal number of members from both parties. No nominee shall be advanced for final approval by HCST unless approved by a majority of the nominating committee. In the event of a leadership change, SciTech shall be included in the recruitment or appointment of a new Principal or school leader, which shall follow the same mutually formed committee process as stated above. The details of this clause will be clarified and ratified in a future separate binding agreement.
- B. The Parties agree that on or before sixty (60) days after the execution of this MOU, the Parties will use diligent efforts to develop a Project milestone schedule reflecting the timeline for major events necessary to move the Project forward.
- C. The Parties agree that the matters set forth herein will be set forth in the Project Development Agreement that will specify the rights and obligation of the Parties with respect to the Project.

This MOU constitutes a statement of purpose and intent and shall not be legally binding on the Parties.

STEVEN M. FULOP  
Mayor

City of Jersey City



By: \_\_\_\_\_

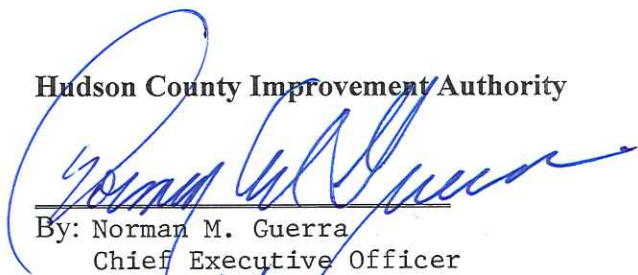
Dated: 3/11, 2021

**County of Hudson**

\_\_\_\_\_  
By:

Dated: \_\_\_\_\_, 2021

**Hudson County Improvement Authority**



By: Norman M. Guerra  
Chief Executive Officer

Dated: 3/11/2021, 2021



RECEIVED  
MAR 10 2021

Joseph M. Muniz  
Board Secretary

**Hudson County Schools of Technology**

Amy Lin Rodriguez  
By: AMY LIN-RODRIGUEZ

Dated: March 10, 2021

**SciTech Scity, LLC**

*Paul Hoffman*

By: Paul Hoffman

Dated: March 8, 2021

