

TERM SHEET

Restated Memorandum of Understanding

Between
CITY OF NEW ROCHELLE, NY
and
FOREST CITY RESIDENTIAL GROUP, INC.

- Project:** Mixed use new construction consisting of a minimum of 4.5 acres of publicly accessible waterfront open space, amenities, and use areas approximately; 200 to 300 residential units; approximately 25,000 to 50,000 s.f. of retail space, and associated parking. It is understood that the project description within the MOU constitutes a framework for the SEQRA process, and that the project may evolve as a consequence of the environmental review.
- LDA:** As a result of the decisions reached during the MOU process, including those reflecting the SEQRA review, a Land Disposition Agreement (LDA) shall be prepared for consideration by the City Council. The LDA shall establish the market value for land sales, development phases and their timing, performance thresholds, specific construction actions and rights of each party for the duration of the project, including a resolution for the Armory property.
- Location:** Project parcels include Block 84, Lot 5 (the Public Works Yard) and a portion of Block 84, Lot 22 (the Armory). The Project shall extend to parcels located at Block 84, Lot 120 (the former Nelstad) and possibly Block 84, Lot 110 (the former Mancuso Marina) for a total area of approximately 11 acres.
- Exclusivity:** City agrees to deal exclusively with Forest City Residential in connection with the development of the sites during the term of the MOU.
- Term:** Not to exceed 18 months.
- Developer:** Shall produce within 180 days after City adopts the Amended Scope (as defined below), a preliminary Draft Environmental Impact Statement (DEIS) that includes a traffic, parking and circulation study, preliminary plans for utility placement and public improvements and a design program sufficient to undertake reviews as required by New York State Environmental Quality Review Act (SEQRA). The DEIS shall, without limitation, include a socioeconomic/fiscal analysis and shall address sequencing, land use and zoning matters, and consistency with the Comprehensive Plan.

Shall prepare a site plan that facilitates and does not impede additional future waterfront development on Echo Bay.

Shall, within 60 days of the successful completion of the environmental review, adoption of a Findings Statement, and approval of all other necessary municipal actions, enter into a Land Disposition Agreement (LDA) with the City for the parcels at a fair market value, as determined by an independent appraisal.

City: Shall work with the Developer in good faith to advance the environmental review process and provide timely consideration of project approvals.

Shall issue a Request for Proposals (RFP) for the adaptive reuse of the Armory property within 30 days after the execution of the MOU.

Shall adopt an amended scope for the DEIS (the "Amended Scope") within 60 days after the execution of the MOU and shall then conduct the environmental review under SEQRA.

Shall complete the design of a new Public Works Yard within 120 days of the execution of the MOU, and, following the completion of such design shall present within 60 days for the City Council's consideration, a financing plan for the construction of a new Public Works Yard, as well as legislation to authorize the financing for such construction.

Shall complete its evaluation of options for the Armory and determine a re-use strategy for the Armory property prior to entering an LDA and in a manner necessary to complete the SEQRA review.

Infrastructure: Developer shall demolish the Public Works Yard presently located on East Main Street, undertake any environmental remediation necessary to accomplish the project, and construct project infrastructure including public areas, parking and open space in accordance with an approved site plan. Developer shall provide continuous public access to the shoreline, including an esplanade, shoreline stabilization and creation of additional public amenities or attractions to be determined in consultation with the City. Developer shall be responsible for necessary utility lines, sanitary and storm systems, water, gas, electric, phone, cable and other public utility lines and associated permits. Developer shall be responsible for traffic improvements as necessary. The cost of public infrastructure, improvements and amenities borne by the Developer shall be credited to the acquisition cost of the land to be conveyed by the City to the Developer.

Land

Assembly: Developer shall seek to assemble privately held land at Block 84, Lot 120 in order to link the municipal parcels and create a continuum along the water's edge. If the Developer is unable, after a good faith effort, to consensually acquire this parcel, the City, subject to all applicable state, local and federal laws shall consider the use of eminent domain to acquire such parcel to achieve public benefits. The costs for such land assembly shall be borne by Forest City Residential and shall not be credited to the acquisition cost of any other public land to be conveyed by the City to the Developer.

Misc.

The MOU shall have a right of access granted to Forest City Residential for purposes of testing, engineering and design.

An escrow agreement shall be replenished whereby Forest City Residential shall fund the City's third-party expenses associated with any necessary consultants to review the project on behalf of the City. Such fund shall initially be established at \$75,000, replenished should it drop below \$25,000 with the option to expand the fund through mutual agreement. The City shall provide Forest City Residential with an annual budget of the expected expenditures.

The Developer expects to need a payment in lieu of taxes for the project and shall explore such incentive with the New Rochelle IDA. For the purposes of the MOU, the amount of such incentive is not quantified as financial information has yet to be fully resolved, but the estimated total cost of providing public services to the project during the PILOT period shall not exceed the estimated total public revenue generated by the project during the PILOT period. In the MOU, the City is agreeing only to represent to the IDA general support for the overall project as proposed. The terms of the Developer's application to the New Rochelle IDA shall be disclosed to the City Council prior to the City Council's approval of an LDA.

The Developer and the City shall jointly and cooperatively pursue financial assistance for the project from federal, state and other funding sources.

The MOU cannot be assigned and shall contain default, termination and remedy provisions.