

Javits – Site K Request for Proposals

COST REIMBURSEMENT AND IMPREST ACCOUNT AGREEMENT

THIS AGREEMENT, dated as of _____, 2023 is entered into between the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), the Convention Center Development Corporation (“CCDC”) both having an address at 633 Third Avenue, New York, New York 10017 seeking the sale and development of the Site, as defined in ESD and CCDC’s Request For Proposals for Javits Site K dated June 26, 2023 (the “RFP”) and the undersigned Respondent to the RFP (“Respondent”), which has delivered to ESD and CCDC, a submission in response to the RFP, seeking to develop Javits Site K (the “Project”) as set forth in the submission. As used in this agreement, the term “Development” shall mean all development of the Site in connection with the RFP.

1. Respondent Obligation to Pay Costs. In the event that Respondent is designated to enter into negotiations with ESD and CCDC for potential Development, Respondent agrees to pay the reasonable out-of-pocket fees, costs, and expenses (including, without limiting the foregoing, fees, costs, and expenses of legal counsel, consultants, architects, engineers, appraisers, surveyors, and others) that may be incurred, on or after June 26, 2023, by ESD and CCDC in connection with Respondent’s submission, any negotiations and transactions that may result from such submission, and all or any portion of the Development (collectively, “Costs”), including, without limiting the foregoing, all Costs related to:

- a) Review and analysis of and due diligence with respect to Respondent’s submissions;
- b) Drafting, reviewing, and negotiating: (i) a memorandum of understanding and/or agreement and/or term sheet between ESD, CCDC and Respondent and all agreements and documents related thereto; and (ii) all agreements, documents, and instruments regarding or related to the Development, including, without limiting the foregoing, agreements, documents, financing, property rights disposition (*e.g.*, conveyances, leases, and easements), in connection with the development of Site (each such memorandum of understanding, agreement, term sheet, agreement, document, and instrument, a “Transaction Document” and collectively, the “Transaction Documents”);
- c) Any environmental review, analysis, findings, and compliance pursuant to federal and State environmental law and regulations incurred in connection with the RFP, Project and Site from the date of a Respondent’s conditional designation;

- d) Structuring, documenting, negotiating, and closing all aspects of the Development, including, without limiting the foregoing, the Transaction Documents and other matters (*e.g.*, permits, filing and recording fees, transfer taxes, *etc.*);
- e) Surveys and appraisals, including, without limiting the foregoing, surveys and appraisals for leasehold interests and development rights;
- f) Publication of notices of public hearings and public meetings, independent hearings officers, stenographers, electricians, transcripts, venues, equipment, and other costs related to noticing, conducting, and making the record of testimony at such hearings and meetings;
- g) Preparation and distribution of all environmental review documents and all legally required planning documents (*e.g.* a Modified General Project Plan (“MGPP”) and modifications to the MGPP) as necessary;
- h) Preparation of material for and attendance at Public Authorities Control Board (“PACB”) meeting(s) for PACB’s consideration of approval of the actions of ESD CCDC with respect to the Development, if necessary;
- i) Engineering and architectural review work with respect to Respondent’s RFP submission for the Development;
- j) Stakeholders’ meetings, negotiations, agreements and documentation related to the Development;
- k) Establishing and maintaining the Imprest Account (as defined below); and
- l) Any other third-party costs incurred by ESD and CCDC necessary to complete the Development.

2. ESD and CCDC Obligations. ESD and CCDC have no obligation with respect to the Development until ESD and CCDC have entered into with Respondent a mutually binding agreement in writing regarding the Development, and ESD and CCDC’s obligations shall be limited to those expressly set forth in such agreement. ESD and CCDC shall not incur any obligations to Respondent as a result of or pursuant to this agreement except for the obligations, in accordance with paragraph 3 of this agreement, to: (i) promptly return to Respondent the Respondent’s \$500,000, as described in Section 3 below, in the event that Respondent is not designated to enter into negotiations with ESD and CCDC with respect to the Development; (ii) use the Imprest Account (as defined below) funds in accordance with this agreement; (iii) provide to Respondent statements describing in reasonable detail the use of Imprest Account funds and supporting documentation, to the extent received by ESD and CCDC or provided to ESD and CCDC; and (iv)

promptly return to Respondent, in accordance with this agreement, unspent Imprest Account funds, if any.

3. Imprest Account. In order to fund the obligation of Respondent to pay Costs, Respondent has delivered to ESD and CCDC Respondent's check in the amount of \$500,000. Upon ESD and CCDC signing and transmitting to Respondent a counterpart of this agreement signed by ESD and CCDC, ESD and CCDC may deposit such check in an interest-bearing account (the "Imprest Account"). In the event that Respondent is not designated to enter into negotiations with respect to the Development, ESD and CCDC will promptly return to Respondent the \$500,000 and any accrued interest. If the Respondent is designated to enter into negotiations with respect to the Development, then the Imprest Account may be drawn on by ESD and CCDC and used (both principal and interest) for payment of the Costs of ESD and CCDC including Costs incurred prior to the date of designation. ESD, and CCDC shall inform Respondent of the Costs so paid by written report within twenty (20) business days after written request from Respondent, but not more often than quarterly, and ESD and CCDC shall provide to Respondent supporting documentation, to the extent that such supporting documentation is provided to ESD and CCDC. However, in the case of legal services, only the number of hours and amount of the invoice shall be disclosed to preserve attorney-client privilege and/or to avoid making the contents subject to the New York Freedom of Information Law or U.S. Freedom of Information Act (FOIL/FOIA).

ESD and CCDC shall notify Respondent each time that the balance of the Imprest Account is \$100,000 or less. Promptly after receipt of such notice, Respondent shall replenish the Imprest Account by depositing into that account the amount of funds that is necessary in order to increase the Imprest Account balance to \$500,000. All such payments to the Imprest Account shall be made by wire transfer pursuant to the instructions to be set forth in a written notice of ESD and CCDC provided to Respondent. Promptly after (i) termination by ESD and CCDC of Development transaction negotiations with Respondent and payment of all incurred Costs or (ii) completion of the Development by Respondent such that (x) ESD and CCDC shall incur no further Costs and (y) all incurred Costs have paid in full, ESD and CCDC shall return to Respondent all funds remaining in the Imprest Account (inclusive of any unspent interest) and provide to Respondent, to the extent received by ESD and CCDC and not previously provided to Respondent, supporting documentation of Costs incurred.

4. Indemnity. Respondent hereby indemnifies and holds ESD and CCDC and the State of New York and any of its instrumentalities, individually and collectively, including each of their Commissioners, directors, officers, employees and/or agents, harmless from any and all suits, claims, and other liabilities (including fees, costs, and expenses of legal counsel) arising from the Development (except and unless arising primarily from willful and wanton misconduct or grossly negligent acts by ESD and CCDC or the State), and any amounts due to ESD and CCDC individually and/or collectively, as a result of such indemnification also shall be deemed "Costs" pursuant to this agreement. This section and, with respect to such Costs, sections 2 and 3 above, shall survive the expiration or earlier termination of this agreement.

5. Term. The term of this agreement shall commence as of the date first above written and shall continue until all Costs incurred or to be incurred have been paid in full.

6. Miscellaneous. This agreement constitutes the entire agreement among the parties concerning the subject matter hereof and all prior or contemporaneous understandings or oral agreements among the parties with respect to the subject matter hereof are hereby merged in this agreement. This agreement may be amended only by a written agreement signed by ESD, PANYNJ, LMDC and Respondent. This agreement shall be governed and construed in accordance with the laws of the State of New York.

If the foregoing accurately sets forth our understandings, please sign each counterpart of this agreement in the space set forth below and return to us one fully executed counterpart.

AGREED AND ACCEPTED AS OF THE DATE FIRST ABOVE WRITTEN

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT

By: _____
Name:
Title:

CONVENTION CENTER DEVELOPMENT CORPORATION

By: _____
Name:
Title:

[RESPONDENT]
[Address]

By: _____
Name:
Title: