

**TRUSTEES OF PRINCETON UNIVERSITY – PRINCETON
VOLUNTARY CONTRIBUTION AGREEMENT**

This agreement (the “Agreement”) is entered into on this 28th day of April, 2014 between Princeton, a municipal corporation of the State of New Jersey, having its principal offices located at 400 Witherspoon Street, Princeton, New Jersey, 08540 (hereinafter referred to as “Princeton” or the “Municipality”) and the Trustees of Princeton University, having its principal offices located at Nassau Hall, Princeton, New Jersey, 08544 (hereinafter referred to as the “University”).

WITNESS

WHEREAS, the purpose of this Agreement is to memorialize the University’s agreement to provide certain voluntary financial and other contributions to Princeton during the term of this Agreement, which shall run from January 1, 2014 through December 31, 2020 (the “Term”); and

WHEREAS, this Agreement is further entered into in recognition of shared interests of Princeton and the University and in a spirit of mutual consent and it is separate and apart from any other agreement or action or request for action involving Princeton and the University.

NOW THEREFORE, in consideration of \$1.00 payable from Princeton to the University, and good and other valuable consideration and the mutual promises set forth below, Princeton and the University agree as follows:

1. Voluntary Cash Contributions 2014-2020

The University will make a cash contribution to the Municipality in 2014 of \$2,750,000, an increase of more than 10% over its 2013 contribution. The University will then increase its

contribution by 4% each calendar year during the Term. The specific cash contributions will be as follows:

2014 – \$2,750,000
2015 – \$2,860,000
2016 – \$2,970,000
2017 – \$3,090,000
2018 – \$3,220,000
2019 – \$3,350,000
2020 – \$3,480,000

These contributions are intended for the unrestricted use of the Municipality. Half of each year's payment shall be made no later than June 30 of each calendar year and the second half shall be made no later than December 15 of that same calendar year.

2. Purchase of a New Free-B Vehicle

In connection with the fact that the University assisted the Municipality in inaugurating the Free-B program, and in order to cover the cost of replacing the first Free-B vehicle, the University agrees to contribute \$90,000 to the Municipality in 2014 for the purchase of a new Free-B vehicle. The foregoing contribution is in addition to the contribution described in Section 1 of the Agreement and in addition to the \$500,000 that the University has already provided to the Municipality for the Transportation Trust Fund.

3. Contributions by the University for Municipal Projects

In addition to the contributions set forth In Sections 1 and 2 of this Agreement, the University will contribute to funding for the following Municipality projects (each, an "Identified Project"), in the amounts set forth below:

- (a) Construction of a new storage facility for Municipality Department of Public Works equipment (\$250,000)
- (b) Construction of a new Princeton First Aid and Rescue Squad facility on municipal land (\$500,000)
- (c) Expansion of the Witherspoon Fire Station (\$250,000)(For the avoidance of doubt, this is in addition to the \$300,000 already committed by the University to this project)
- (d) Purchase of replacement fire-fighting apparatus (\$500,000)
- (e) Donation as is of the University-owned lot at Franklin Street Block 21.04 Lot 27 to the Municipality for use by the Municipality (For the avoidance of doubt, this is a non-cash contribution, but the lot has been valued by Princeton University in the range of \$1 million)

It is expected that the Identified Projects will be initiated at various times during the seven-year term of the Agreement. Throughout the term of the Agreement, representatives of the University and the Municipality will meet from time-to-time to discuss, in good faith, the expected initiation of the Identified Projects, and the timing of the associated University contributions.

If the Municipality decides to (i) not go forward with, or (ii) substantially delay, any of the Identified Projects set forth in clauses (a), (b), (c) or (d) above, representatives of the University and the Municipality will meet to identify an alternative, similar-sized project of mutual interest that might be substituted for the cancelled or substantially delayed Identified Project. Following recommendations from such representatives, the University and the Municipality will seek, in good faith, to modify the list of Identified Projects, so that the Municipality will continue to receive substantially comparable value from the University on a substituted project. Alternatively, if initiation of any of the Identified Projects set forth in clauses (a), (b), (c) or (d)

above is expected to commence sometime within a three-year period after the end of the Term (*i.e.*, within three years after the Agreement expires in 2020), the University's commitment to fund such Identified Project in the amount set forth above will extend until the initiation of such Identified Project, unless the University and the Municipality agree otherwise. For the avoidance of doubt, this paragraph does not apply to the donation of the lot on Franklin Street, as set forth in clause (e) above.

4. Changes in Tax Status of University Properties

For many years the University has followed a practice of leaving certain properties on the tax rolls even though these properties could qualify for exemption from property taxes under New Jersey law. The University has indicated its intention to continue this practice during the Term. If the University modifies this practice during the Term, it has expressed its intent, for the remainder of the Term, to make annual voluntary payments to the Municipality and the Princeton Public Schools, in addition to the payments set forth in other sections of the Agreement, that would be equivalent to the amounts that the Municipality and the Princeton Public Schools would have received in connection with these properties if they had remained on the tax rolls.

5. Continuance & Renegotiation

Starting in the first half of 2019, the parties will endeavor, in good faith, to enter into a new agreement regarding University contributions to the Municipality in years following the end of the Term.

The Agreement will be subject to the laws and regulations of the State of New Jersey. There is no waiver of legal rights except as specifically set forth in the Agreement and the Agreement is for the sole benefit of the parties and their successors and assigns.

WITNESSES:

**PRINCETON, a municipal corporation of
the State of New Jersey**

Linda S. McDermott, Clerk

By: _____
Bernard Miller, Council President

Jo Butler

Lance Liverman

Jenny Crumiller

Patrick Simon

WITNESS

**TRUSTEES OF PRINCETON
UNIVERSITY**

Kristin Appelget, Director
of Community and Regional Affairs
Princeton University

By: _____
Robert Durkee, Vice President and Secretary
Princeton University