

DSB
07-7-26

RESOLUTION AUTHORIZING THE CITY OF CAMDEN TO EXECUTE A SETTLEMENT AGREEMENT WITH EMR RECYCLING, LLC, EMR EASTERN, LLC, AND CAMDEN IRON AND METAL, INC. IN THE MATTER OF EMR RECYCLING LLC. ET. AL. VERSUS CITY OF CAMDEN CONSISTENT WITH THE JUDICIALLY APPROVED TERMS SHEET

WHEREAS, on February 21, 2025, a large-scale fire occurred at 1400 South Front Street, Camden, New Jersey ("EMR Property"), a property owned or leased by EMR Metal Recycling ("EMR"); and

WHEREAS, because of the fire, the City of Camden ("City") and EMR entered a Memorandum of Understanding ("MOU") on August 15th, 2025, wherein EMR agreed to reimburse the City for damages sustained to fire equipment, and implement enhanced fire prevention measures and upgrades to fire suppression systems on EMR Property; and

WHEREAS, On Friday, May 29, 2026, another significant (2-Alarm) fire occurred at the EMR Property resulting in large amounts of smoke, the airborne discharge of hazardous materials, noise, and disruption to the neighborhood; and

WHEREAS, the May 29, 2026 fire was the latest in a series of 12 fires on EMR property in the last five years; and

WHEREAS, on June 4, 2026, the City, pursuant to its statutory and inherent police power and the Camden City Code § 485-20 and § 485-28, suspended EMR's Junkyard License requiring EMR to cease all junkyard operations at the EMR Property; and

WHEREAS, on June 11, 2026, EMR requested an administrative hearing with City Officials to dispute the license suspension; and

WHEREAS, on June 15, 2026, prior to completing an administrative hearing, EMR filed an action in lieu of prerogative writs in Camden County Superior Court seeking, *inter alia*, to enjoin the City from suspending EMR's Junkyard License; and

WHEREAS, the City and EMR have entered into negotiations to explore a potential resolution of this matter, and have agreed to a Settlement Term Sheet ("Exhibit A") outlining the necessary fire prevention and fire suppression measures that EMR must implement prior to resuming Junkyard Operations at the EMR Property; and

WHEREAS, EMR has implemented the various safety measures to be taken on or by July 7, 2026, as set forth in the Settlement Term Sheet, and has further provided the City with required SOPs, plans, and records demonstrating it will complete all other requirements on or by the deadline(s) set forth in the Settlement Term Sheet, and the Superior Court Judge assigned to the aforementioned litigation has approved and affirmed the conditions listed in Exhibit A; and

WHEREAS, should EMR default, or fail to meet any one of the conditions in the Settlement Term Sheet or any other term of a settlement, City Officials shall have the right to seek immediate enforcement of the settlement terms in a Court exercising jurisdiction over this matter and/or to take further remedial measures against EMR up to and including the suspension of EMR's junkyard license and operations; and

WHEREAS, all terms of the previous MOU between the City and EMR will remain in effect; and

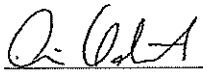
WHEREAS, the Council of the City of Camden believes it is in the best interest of the City to approve the Settlement Term Sheet and to enter into a settlement agreement consistent with the terms of the Settlement Term Sheet; now, therefore

BE IT RESOLVED by the City Council of the City of Camden that the Mayor, Business Administrator, or other proper City officials are hereby authorized to execute all documents necessary to complete a settlement agreement consistent with the Settlement Term Sheet attached hereto as "Exhibit A."

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

Date: July 7, 2026

The above has been reviewed
and approved as to form.



~~for~~ DANIEL S. BLACKBURN
City Attorney

ANGEL FUENTES
President, City Council

ATTEST:

LUIS PASTORIZA
Municipal Clerk

Communications are similarly not subject to disclosure under the New Jersey Open Public Records Act, the federal Freedom of Information Act, or common law requests for records. Except as necessary to enforce, interpret, or implement this Term Sheet or any final Settlement Agreement, no Party shall offer or seek to admit any Settlement Communication in any judicial, administrative, regulatory, or arbitral proceeding for the purpose of proving or disproving the validity of any claim, the amount of any damages, or for any other purpose prohibited by N.J.R.E. 408.

This Term Sheet is in addition to, and should be read in *pari materia* with, the Memorandum of Understanding by and between EMR and the City (the “MOU”) executed on August 15, 2025. Except as expressly modified by this Term Sheet or any final Settlement Agreement, the MOU shall remain in full force and effect and the Parties shall continue to perform their respective obligations thereunder.

Subject to the above conditions and limitations, EMR and the City hereby agree:

- 1. No Costs or Expenses to Be Incurred by the City or the County of Camden.** EMR acknowledges and understands that this Term Sheet and the final Settlement Agreement shall not result in the City or the County of Camden incurring any costs or expenses on EMR’s behalf with respect to the actions to be taken in accordance with this Term Sheet and the final Settlement Agreement including, but not limited to, costs and expenses required for establishing, monitoring, and implementing the fire prevention and fire suppression measures set forth in this Term Sheet. In addition to implementing the SOPs, EMR shall, at EMR’s sole expense, ensure that a member of the City Fire Department is onsite during all hours of operation at the EMR Facility, as further set forth and limited in Paragraph 3.

2. **Formal Notice of Suspension.** Pursuant to Paragraph 4 of the June 24, 2026 Interim Order, until and unless the Parties mutually execute the aforementioned duly approved Settlement Agreement, the June 4, 2026 Formal Notice of Suspension and Cease Operations Order issued by the City to EMR shall remain in effect and shall not be withdrawn, subject to the terms herein.
3. **Development and Implementation of Standard Operating Procedures for Fire Suppression System and Fire Response** – In preparing this Term Sheet, EMR has prepared and provided confidential drafts of the following Standard Operating Procedures (“SOPs”) for the City’s review and approval:
- SOPs for the operation and maintenance of the fire suppression system that was installed in accordance with the MOU (the “Fire Suppression System”). The SOPs shall include procedures for routine verification that the Fire Suppression System is properly maintained and is capable of performing as required in response to a fire event.
 - SOPs addressing general fire response measures to be employed in the event of a fire at the Facility, which shall include procedures to ensure that debris removal from a burning pile is performed coincident with direct water application from the fire suppression system.
 - Draft copies of the above-referenced SOPs are enclosed herein as **Exhibit A**.
 - In addition to implementing the SOPs, EMR shall, at EMR’s sole expense, ensure that a member of the City Fire Department is onsite during all hours of operation at the EMR Facility for the entirety of Phase I and Phase II as

set forth in Paragraph 11. The aforementioned member of the City Fire Department, as referenced in Paragraph 1, shall remain at the EMR Facility until the City provides written approval of EMR's Fire Watch developed in accordance with Paragraph 8.

4. **Establishment and Implementation of a 24/7/365 System to Ensure Consistent Availability and Capability of Fire Suppression System Operations and Maintenance Personnel** – EMR shall establish a protocol to ensure that personnel with required experience and training on the Fire Suppression System are available at all times to manually operate the fire suppression if necessary and to make any necessary repairs to the fire suppression system that are identified as needed through routine testing and verification or through other means. EMR shall identify the designated fire suppression operation and maintenance personnel during each shift and during non-operating hours and maintain documentation of same. **Before the start of Phase III as set forth in Paragraph 11**, EMR shall provide the City with detailed records demonstrating the protocols and procedures to be implemented in accordance with this Paragraph. Within fourteen (14) days after the start of Phase III, EMR shall provide the City with a list of employees who completed the training referenced in this Paragraph and records/certifications demonstrating each employee's satisfactory completion of the training.
5. **Establish and Implement Enhanced QA/QC Procedures With a Particular Focus on Lithium-Ion Batteries** – EMR shall establish enhanced QA/QC procedures for inspecting every incoming load of pre-processed scrap metal to identify the presence of lithium-ion batteries, combustible materials, or any other materials included within EMR's Prohibited

Materials List, a copy of which is enclosed herein as **Exhibit B**. Such enhanced QA/QC procedures shall include, but not be limited to, the use of calibrated, portable thermal imaging devices (Handheld FLIR EX Thermal Cameras) to identify lithium-ion batteries in the early stages of thermal runaway or other combustible materials. A copy of the enhanced QA/QC procedures is enclosed herein as **Exhibit C**. EMR shall conduct quarterly training of all quality assurance personnel on the enhanced QA/QC measures developed under this paragraph and shall keep records of such training that shall be available to the City upon request.

6. **Immediate Notification to Camden Fire Department of Any Fire Event** – EMR shall establish and implement procedures to ensure immediate and automatic notification to the Camden Fire Department of any “Fire Event” (to be defined more specifically in the above-referenced Settlement Agreement) that occurs at the Facility. EMR and the City shall work together to ensure that such procedures are adequate and compatible with the City’s emergency notification infrastructure and in place prior to the commencement of Phase III as set forth in Paragraph 11.
7. **Implement Enhanced Material Acceptance and Management Protocols to Reduce Risk of Fire and Facilitate Fire Response Activities** – Beginning upon the acceptance of material at the EMR Facility, EMR will implement the following new material acceptance, storage, and management protocols:
 - a. **Receiving and Storage Plan** – Implement New Receiving and Storage Plan for pre-processed material that will be staged at the shredder: (1) segregate material by type (*i.e.* loose light iron, shreddable logs, non-flammable scrap, and auto hulks), (2) establish minimum 20-foot fire breaks between all scrap metal piles, (3)

strategically arrange material piles to align with placement of fire suppression system, and (4) establish a 20-foot height limitation for any storage pile containing flammable scrap prior to processing in the shredder. A site plan depicting the new configuration is enclosed herein as **Appendix D**.

- b. Updated Processing Procedures to Reduce Material Volume – To reduce the amount of pre-processed material that is stored at the EMR Facility on a day-to-day basis, EMR will begin processing scrap metal through the shredder during the shredder facility's first shift to commence prior to 4pm, instead of the third shift, thereby providing EMR with the ability to effectively manage the accumulation of scrap metal.

8. **Establish and Implement 24/7/365 Fire Watch at EMR Facility** – EMR will establish a permanent 24/7/365 fire watch that is consistent with the Camden Fire Department's fire watch guidelines and N.J.A.C. 5:70-3.2. **No later than June 24, 2026**, EMR shall provide the City with records containing the details of the fire watch.
9. **Quarterly Training and Annual Review of SOPs** – EMR shall conduct quarterly training on all relevant personnel on the SOPs to be developed under this Term Sheet and shall keep records of such training that shall be available to the City upon request. On an annual basis, EMR shall review the SOPs to be developed under this Term Sheet and make any updates as warranted.
10. **City Access to EMR Facility and Designated Contact(s) at EMR.**
 - EMR acknowledges and understands its obligation to provide representatives of the City Fire Department, the City Fire Marshall's Office, and the City License & Inspection Office with immediate access to the EMR Facility in accordance with

applicable provisions of the City Municipal Code, the International Fire Code, and State and/or Federal law. In non-emergency situations, the City shall make reasonable efforts to provide EMR with advance notice of such required access.

- To ensure direct and prompt communications between the Parties, EMR shall further provide the City Fire Department with the name(s) and direct contact information of two (2) designated EMR employees. EMR shall provide this information **no later than July 6, 2026**.

11. **Phased Resumption of Recycling Activities** – Subject to its receipt of the required City written approvals as set forth below, EMR shall be permitted to resume operations in accordance with the following schedule and in coordination with the Camden Fire Department.

- a. **Phase I: To Be Completed prior to July 8, 2026** – EMR shall engage in testing of the fire suppression system and will participate in a full-scale fire drill to be directed by the Camden Fire Department and the Office of Emergency Management as contemplated by Section 3 of the MOU. During this time, EMR shall be prohibited from accepting any scrap metal materials and shall further be prohibited from engaging in any shredding operations. EMR's authorization and permission to commence Phase I shall be subject to the following:

- (i) the City's written approval of the SOPs referenced in Paragraph 3 of this Term Sheet, which shall not be unreasonably withheld;
- (ii) the City Fire Department's receipt of the names and contact information of at least two (2) EMR employees to ensure direct and prompt communications between the Parties.

b. **Phase II: July 8, 2026 through July 17, 2026** – For purposes of training EMR's operational staff on the policy and procedures outlined herein, EMR shall be permitted to process in the shredder material that was accepted at the site prior to the May 29, 2026 Fire and to begin accepting and processing in the shredder material deriving only from feeder yards that are owned or leased and operated by EMR. Such training and operations shall be performed in coordination with the Camden Fire Department and the Bureau of License & Inspection, who shall have the opportunity to observe EMR's implementation of the enhanced fire suppression and material acceptance and management protocols outlined herein. EMR's authorization and permission to commence Phase II shall be subject to the City's review and written approval of the following, which shall not be unreasonably withheld:

- (i) EMR's updated Receiving and Storage Plan including, but not limited to, the reconfigured piles of materials and reduced pile heights, as set forth in Paragraph 7 of this Term Sheet;
- (ii) EMR's enhanced QA/QC procedures, as referenced in Paragraph 5 and attached hereto.

c. **Phase III: July 18, 2026 and Thereafter** – Beginning as early as July 18 and following EMR's satisfaction of all obligations set forth herein including, but not limited to, the implementation of the enhanced fire suppression and material acceptance and management protocols, EMR shall be permitted to resume regular operations. EMR's authorization and permission to commence Phase III shall be subject to the following:

- (i) the City's written approval of EMR's SOPs to be implemented for the 24/7/365 System to ensure consistent availability and capability of the Fire Suppression System, as set forth in Paragraph 4 of this Term Sheet;
- (ii) EMR and the City working together to identify and adopt written procedures to ensure immediate notification to the Camden Fire Department of any "Fire Event," as set forth in Paragraph 6 of this Term Sheet;
- (iii) commencing the first day of Phase III, EMR implementing the Updated Processing Procedures to Reduce Material Volume, as set forth in Paragraph 7(b) of this Term Sheet;
- (iv) the City's written approval of EMR's written procedures and protocols for the 24/7/365 "Fire Watch," as set forth in Paragraph 8 of this Term Sheet.

The City's written approvals referenced in the above sub-paragraphs (i) – (iv) shall not be unreasonably withheld.

12. Backup Power Supply – EMR agrees to pursue an adequate source of backup power supply to the Fire Suppression System and to install such backup power supply within six (6) months of the City Council's approval and execution of this Term Sheet, subject to receiving any required approvals from the City and/or the New Jersey Department of Environmental Protection.

13. No Admission of Liability or Wrongdoing – Unless otherwise stated in this Term Sheet and/or the above-referenced Settlement Agreement, nothing in this Term Sheet, the

Settlement Agreement, or the negotiations or communications leading thereto shall constitute, or be construed as, an admission by either EMR or the City of any liability, fault, wrongdoing, or violation of any law, regulation, ordinance, permit, or license condition. The enhanced operational protocols and procedures described herein are undertaken solely to facilitate a resolution of the above-captioned litigation and shall not be deemed an acknowledgment that any prior practice or condition at the EMR Facility was inadequate, unsafe, or non-compliant.

14. **Mutual Reservation of Claims; No Waiver** – Unless otherwise stated in this Term Sheet and/or the above-referenced Settlement Agreement, nothing in this Term Sheet or the Settlement Agreement shall be deemed a waiver, release, or abandonment of any claim, right, or cause of action that the City may have against EMR and/or that EMR may have against the City, whether presently known or unknown, including without limitation EMR's claims asserted in the above-captioned litigation. The City and EMR's participation in the negotiation or execution of this Term Sheet or any Settlement Agreement shall not constitute a waiver of any future claims or defenses, and the City and EMR expressly reserves all rights, claims, and remedies available at law or in equity.

15. **Pending Litigation: Davenport, et al v. EMR Advanced Recycling, LLC, et al., CAM-C-000006-26**. The Parties acknowledge that EMR is a Defendant and the City has moved to be an Intervening Party in the above-referenced litigation (the "NJDEP Litigation"). The Parties further acknowledge that this Term Sheet and the Settlement Agreement reflect their negotiated resolution of the matters addressed herein and are intended to govern the rights and obligations between EMR and the City with respect to such matters. The Parties further acknowledge that the NJDEP Litigation may result, whether by

settlement or Court Order, in additional terms, rights, and obligations that are not contemplated in this Term Sheet and/or that may not be contemplated in the above-referenced Settlement Agreement. Accordingly, any such terms, rights, and obligations shall be in addition to the terms set forth in this Term Sheet and the Settlement Agreement and shall be fully enforceable in accordance with their terms. Moreover, any terms, rights, and/or obligations arising from the NJDEP Litigation shall not supersede or replace the terms, rights, and/or obligations in this Term Sheet and/or the Settlement Agreement, unless expressly agreed to and acknowledged by the Parties.

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