

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (referred to herein as the “Amendment”), dated as of January 18, 2024, by and between the **BOROUGH OF DUNELLEN**, a municipal corporation of the State of New Jersey with offices at 355 North Avenue, Dunellen, New Jersey 08812, and its permitted successors and assigns (the “Borough”), acting in the capacity of a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as amended and supplemented (the “Redevelopment Law”), and **1879 MORRIS ASSOCIATES, LLC**, a New Jersey limited liability company, and its permitted successors and assigns, with offices at c/o Villani Builders, 376 North Avenue, Suite A, Dunellen, New Jersey 08812 (the “Redeveloper”; each a “Party” and, together with the Borough, the “Parties”).

RECITALS:

WHEREAS, the Borough and 150 North Urban Renewal, LLC, an affiliate of Redeveloper (the “Affiliate Redeveloper”) are parties to that certain Redevelopment Agreement dated as of June 8, 2021 (as amended, modified, supplemented or restated from time to time, the “Affiliate Redevelopment Agreement”) in connection with that certain real property known and identified on the official tax maps of the Borough as Block 1, Lot 14 (the “Affiliate Property”); and

WHEREAS, pursuant to the Affiliate Redevelopment Agreement, Affiliate Redeveloper proposed to construct a three-story, mixed-used rental project consisting of approximately 1,578 square feet of ground floor commercial space, fourteen (14) residential units (two (2) of which shall be Affordable Units) and related improvements (collectively, the “Affiliate Project”) on the Affiliate Property;

WHEREAS, pursuant to UHAC and the Affiliate Redevelopment Agreement, the Affiliate Redeveloper is obligated to construct one (1) two-bedroom Affordable Unit and one (1) three-bedroom Affordable Unit for the Affiliate Project;

WHEREAS, the Affiliate Redeveloper instead constructed one (1) one-bedroom Affordable Unit and one (1) two-bedroom Affordable Unit for the Affiliate Project and, therefore, the Affiliate Project, as constructed, does not comply with the required bedroom distribution for Affordable Units as set forth in UHAC;

WHEREAS, pursuant to that certain Redevelopment Agreement by and between the Borough and the Redeveloper dated as of July 13, 2023 (the “Redevelopment Agreement”), Redeveloper was designated as redeveloper of certain real property designated on the Borough’s tax map as Block 66, Lots 17 and 17.01, more commonly known as 435 North Avenue and 441 North Avenue, respectively (collectively, the “Property”);

WHEREAS, pursuant to the Redevelopment Agreement, Redeveloper proposes to construct a mixed-use building including, but not limited to, sixty-two (62) residential units, which shall include nine (9) residential Affordable Units on the Property;

WHEREAS, pursuant to UHAC, Redeveloper is obligated to construct on the Property at most one (1) one-bedroom/studio Affordable Unit, at least three (3) two-bedroom Affordable Units and at least two (2) three-bedroom Affordable Units, with the remaining Affordable Units being three-bedroom or two-bedroom;

WHEREAS, to make up for the deficiency of the three-bedroom Affordable Unit required to be constructed for the Affiliate Project, Redeveloper has instead agreed to construct a total of at least three (3) three-bedroom Affordable Units in the Project;

WHEREAS, the Borough and the Redeveloper agree, with the proposed three (3) three-bedroom Affordable Units to be constructed by Redeveloper in the Project, the total number of Affordable Units constructed and to be constructed pursuant to the Affiliate Redevelopment Agreement and the Redevelopment Agreement will be compliant with the required bedroom distribution as set forth in UHAC for Affordable Units in the Project and Affiliate Project;

WHEREAS, the Borough and the Redeveloper agree that the Redevelopment Agreement should be amended for the reasons set forth above;

WHEREAS, in accordance with the Redevelopment Law, the Parties wish to amend the Redevelopment Agreement to set forth in their agreement with respect to the above.

NOW, THEREFORE, for and in consideration of the mutual promises, representations, covenants and agreements contained herein and the undertakings of each Party to the other and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby and to bind their successors and assigns, do mutually promise, covenant and agree as follows:

1. All defined terms not defined herein shall have the meaning as set forth in the Redevelopment Agreement.

2. Notwithstanding anything to the contrary set forth in the Redevelopment Agreement, the Redeveloper shall be obligated to construct on the Property nine (9) residential Affordable Units (which shall include at most one (1) one-bedroom/studio Affordable Unit, at least three (3) two-bedroom Affordable Units and at least three (3) three-bedroom Affordable Units with the remaining Affordable Units being three-bedroom or two-bedroom).

3. Section 8.8 of the Original Redevelopment Agreement is hereby amended to include the following:

“(j) The two (2) rental Affordable Units created for the redevelopment project (the “Affiliate Project”) that is the subject of the Redevelopment Agreement by and between the Borough and 150 North Urban Renewal, LLC, an affiliate of Redeveloper, dated as of June 8, 2021 (as amended, modified, supplemented or restated from time to time, the “Affiliate Redevelopment”

Agreement”) shall be comprised of one (1) one-bedroom Affordable Unit and one (1) two-bedroom Affordable Unit. In order to remedy this noncompliance, the Borough and the Redeveloper agree that the total number of Affordable Units for the Project shall be at most one (1) one-bedroom/studio Affordable Unit, at least three (3) two-bedroom Affordable Units and at least three (3) three-bedroom Affordable Units, with the remaining Affordable Units being three-bedroom or two. For the avoidance of doubt, the eleven (11) Affordable Units to be constructed between this Project and the Affiliate Project shall include at most two (2) one-bedroom/studio Affordable Units, at least four (4) two-bedroom Affordable Units and at least three (3) three-bedroom Affordable Units with the remaining Affordable Units being three-bedroom or two-bedroom.”

4. The Parties acknowledge and agree that the Redevelopment Agreement is in full force and effect and enforceable in accordance with its terms and that there are no uncured defaults, breaches, or events of default by the Redeveloper in the Redevelopment Agreement in the observance or performance of any of its obligations, and no facts or circumstances known to the Parties which would, with the passage of time or the delivery of notice, or both, constitute a default, breach, or event of default thereunder.

5. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed, all as of the date first above written.

ATTEST:

BOROUGH OF DUNELLEN

By: Lauren Staats

By: Jason F. Ciento

Lauren Staats, Borough Clerk

Jason F. Ciento, Mayor

REDEVELOPER:

WITNESS:

1879 MORRIS ASSOCIATES, LLC,
a New Jersey limited liability company

By: _____

Name:

Title:

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed, all as of the date first above written.

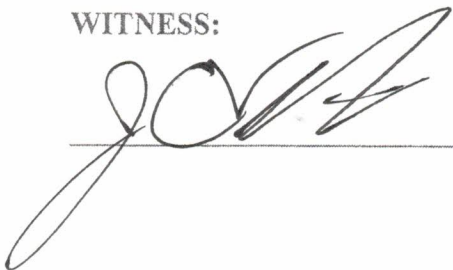
ATTEST:

BOROUGH OF DUNELLEN

By: _____
Lauren Staats, Borough Clerk

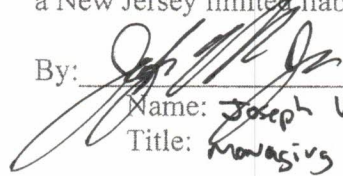
By: _____
Jason F. Cilento, Mayor

WITNESS:



REDEVELOPER:

1879 MORRIS ASSOCIATES, LLC,
a New Jersey limited liability company

By: 
Name: Joseph Villari Jr
Title: Managing Member