
REDEVELOPMENT AGREEMENT

By and Between

**THE BOROUGH OF DUNELLEN, NEW JERSEY,
as the Redevelopment Entity**

and

**528 NORTH AVE, LLC,
as Redeveloper**

Dated as of June 23, 2020

THIS REDEVELOPMENT AGREEMENT (referred to herein as the “Agreement” or “Redevelopment Agreement”), dated as of JUNE 23, 2020 (the “Effective Date”), by and between the **BOROUGH OF DUNELLEN**, a municipal corporation of the State of New Jersey with offices at the 355 North Avenue, Dunellen, New Jersey 08812, acting in the capacity of a redevelopment entity, and its respective successors and assigns (the “Borough”), and **528 NORTH AVE, LLC**, a New Jersey urban renewal entity and limited liability company, and its permitted successors and assigns, with offices at 85 Raritan Avenue #125, Highland Park, New Jersey 08904 (the “Redeveloper”; each a “Party” and, together with the Borough, the “Parties”).

WITNESSETH

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as amended from time to time (the “Redevelopment Law”) authorizes municipalities to determine whether certain parcels of land in the municipality constitute “areas in need of redevelopment,” as defined in the Redevelopment Law; and

WHEREAS, the municipal council of the Borough (“Borough Council”) directed the Borough planning board (“Planning Board”) to investigate whether certain properties within the Borough’s downtown area (the “Study Area”) constituted as an “area in need of redevelopment” as defined in the Redevelopment Law; and

WHEREAS, the Borough Council on May 5, 2003, adopted a resolution designating certain properties within the Borough, including Site #4 of the Redevelopment Plan (as hereinafter defined), in the Borough as an area in need of redevelopment in accordance with the Redevelopment Law (“Redevelopment Area”); and

WHEREAS, the Borough Council on August 9, 2004, adopted an ordinance approving and adopting the Dunellen Downtown Redevelopment Plan Phase I, which was thereafter amended, most recently on October 2, 2018, pursuant to Ordinance #2018-09 (as amended, the “Redevelopment Plan”) in accordance with the Redevelopment Law; and

WHEREAS, Redeveloper, is the fee simple owner of certain real property within the Redevelopment Area known and identified on the official tax maps of the Borough as Block 34, Lots 31, 32, 33, and 34 (collectively, the “Property”); and

WHEREAS, Redeveloper proposes to construct a residential rental project consisting of forty (40) units, including thirty-four (34) market rate units and six (6) affordable units (the “Project”) on the Property; and

WHEREAS, pursuant to the Redevelopment Law, the Borough in its capacity as the redevelopment entity, with full authority to exercise the powers contained in the Redevelopment Law, desires to facilitate and implement the Project in accordance with the Redevelopment Plan; and

WHEREAS, Redeveloper has made application to be designated as the redeveloper for the Property, and Redeveloper has provided information consisting of documentation evidencing

financial responsibility and capability with respect to the Project, estimated total development costs, and estimated time schedule for commencement and completion of construction; and

WHEREAS, to ensure that the Project contemplated by this Agreement produces creditworthy affordable units that can be applied to the Borough's affordable housing obligations, the affordable units shall be developed in accordance with Council on Affordable Housing ("COAH") Prior Round regulations, N.J.A.C. 5:93-1.1, *et seq.*, the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 *et seq.* ("UHAC"), and all other Applicable Law (as defined herein), and said affordable units shall be deed restricted for such purposes for a period of 30 years; and

WHEREAS, in order to implement the development, financing, construction, operation and management of the Project, the Borough has determined to enter into this Agreement with Redeveloper, which specifies the rights and responsibilities of the Borough, designates Redeveloper as redeveloper of the Property and specifies the rights and responsibilities of Redeveloper with respect to the Project; and

WHEREAS, the Borough and Redeveloper also intend to negotiate a long-term tax exemption in accordance with the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.*, and may enter into a Financial Agreement with the Redeveloper that will set forth the terms and conditions of that long-term property tax exemption.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Parties, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.1 Governing Law. This Agreement shall be governed by applicable provisions of (a) the Redevelopment Law and such other statutes as may be the sources of relevant authority, and (b) all other Applicable Laws.

Section 1.2 Definitions. Words that are capitalized, and which are not the first word of a sentence, are defined terms. Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall have the following meanings:

"**Administrative Agent**" has the meaning ascribed thereto in Section 8.8.

"**Affiliate**" means with respect to any Person, any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, or by contract or otherwise.

“Affordable Housing Plan” shall mean the Housing Element and Fair Share Plan filed or to be filed with the Court by the Borough.

“Agreement” shall mean this Redevelopment Agreement.

“Applicable Law(s)” shall mean all federal, State and local laws, statutes, ordinances, approvals, rules, regulations, common law, resolutions and requirements applicable hereto including, but not limited to, the Redevelopment Law, the Land Use Law, the Fair Housing Act (“FHA”), COAH Prior Round regulations and UHAC regulations (as amended from time to time), as applicable, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary and safety ordinances, laws and such rules and regulations thereunder, including all applicable federal and State labor standards and all Environmental Laws.

“Borough” has the meaning ascribed thereto in the preamble.

“Borough Costs” has the meaning ascribed thereto in Section 4.1(b).

“Borough Council” shall mean the Council of the Borough of Dunellen.

“Borough Indemnified Parties” has the meaning ascribed thereto in Section 10.1.

“Borough Representative” has the meaning ascribed thereto in Section 2.3(a).

“Certificate of Completion” shall mean a certificate in the form attached hereto as **Exhibit A**, issued by the Borough pursuant to Section 2.2.

“Certificate Denial Statement” has the meaning ascribed thereto in Section 2.2(g).

“Certificate of No Default” has the meaning ascribed thereto in Section 2.7.

“Certificate of Occupancy” shall mean a temporary or permanent certificate of occupancy as defined in the applicable provisions of the Uniform Construction Code, issued by the Borough building department.

“Claims” shall mean any and all liabilities (statutory or otherwise), obligations, claims, damages (including condemnation damages and abandonment damages by third parties other than the Borough), causes of action, proceedings, costs and expenses (including, without limitation, reasonable attorneys’ fees, disbursements and court costs), losses and injuries.

“COAH” shall mean the Council on Affordable Housing.

“Commence” or **“Commencement”** shall mean the mobilization of a construction force and/or machinery for the remediation of non-conforming environmental conditions, demolition of existing improvements and/or for construction of the Project.

“Complete” or **“Completion”** shall mean with respect to the Project, the date that the Project may, in all material respects, be used and operated for its intended purpose and the Borough has received a written certificate from Redeveloper affirming that the Project is complete in a manner consistent with the Redevelopment Plan, all Governmental Approvals and all Applicable Laws.

“Completion Date” shall mean the date set forth on **Exhibit C** for completion of construction of the Project.

“Court” shall mean the applicable Superior Court in the Middlesex Vicinage with jurisdiction to issue a judgement of compliance and repose with respect to the Borough’s Affordable Housing Plan pursuant to *In re Adoption of N.J.A.C. 5:96 & 5:97 ex rel. New Jersey Council on Affordable Hous.*, 221 N.J. 1 (2015).

“Declaration” has the meaning ascribed thereto in Section 6.3.

“Deed Notice” shall mean a document identical in wording to the model deed notice found in *N.J.A.C. 7:26C*, Appendix D, except where such model deed notice indicates that property specific information is to be inserted.

“Deed Restriction Period” has the meaning ascribed thereto in Section 8.8.

“Default Notice” has the meaning ascribed thereto in Section 12.1(a).

“Effective Date” has the meaning ascribed thereto in the preamble.

“Environmental Claim” shall mean any claim (in whatever form) made or asserted by any Person (including enforcement notices and proceedings) in connection with or with respect to environmental matters respecting the Property, including without limitation, any non-compliance (or alleged non-compliance) with Environmental Laws.

“Environmental Laws” shall mean any and all applicable present or future laws and decisional law, statutes, rules, regulations, codes, orders, decrees, directives, policies, technical guidance, judgments and executive orders, federal, state or local related to Hazardous Substances, the protection of human health or the environment and environmental conditions, including but not limited to the Compensation Environmental Response Compensation and Liability Act, 40 U.S.C. 9601 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. §§2601-2629, the New Jersey Spill Compensation and Control Act, *N.J.S.A. 58:10-23.11 et seq.*, the Industrial Site Recovery Act, *N.J.S.A. 13:1K-6 et seq.*, the New Jersey Water Pollution Control Act, *N.J.S.A. 58:10A-1 et seq.*, the Site Remediation Reform Act, *N.J.S.A. 58:10C-1 et seq.*, and the Brownfield and Contaminated Site Remediation Act, *N.J.S.A. 58:10B-1 et seq.*, together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, and any successor legislation and regulations promulgated under any or all of the foregoing, whether now existing or hereafter enacted or promulgated.

“**Escrow Account**” has the meaning ascribed thereto in Section 4.1(b).

“**Event of Default**” has the meaning ascribed thereto in Section 12.1.

“**Financial Agreement**” shall mean a financial agreement between the Borough and Redeveloper in accordance with the Long Term Tax Exemption Law, as amended from time to time.

“**Force Majeure**” has the meaning ascribed thereto in Section 12.3.

“**Foreclosure**” has the meaning ascribed thereto in Section 4.4.

“**Governmental Applications**” shall mean the applications, including all plans, drawings, documentation and presentations necessary and appropriate in support thereof, for the purpose of obtaining any and all Governmental Approvals.

“**Governmental Approvals**” shall mean all government approvals by a Governmental Body having jurisdiction thereof issued as a result of or in reliance on Governmental Applications, including: with respect to the development of the Project, an approved site plan submitted to, and approved by, the Planning Board in accordance with the Land Use Law, as amended from time to time; approvals for all Infrastructure Improvements, Project Improvements, NJDOT approvals and Remediation required by NJDEP and/or other Governmental Bodies with jurisdiction to administer Environmental Laws; and any plans and specifications for the obtaining of building permits, for sewerage capacity approvals, and any and all other necessary governmental permits, licenses, grants, consents and approvals.

“**Governmental Body**” means any federal, State, county or local government, department, commission, authority, court or tribunal and any designee or successor thereto, exercising executive, legislative, judicial or administrative functions of or pertaining to government, including without limitation, the Borough, State and Environmental Authorities.

“**Hazardous Substance**” or “**Hazardous Materials**” means any substance, material or waste (whether liquid, gaseous or solid) and any pollutant, irritant or contaminant that is: (i) infections, toxic, hazardous, explosive, corrosive, flammable or radioactive; or (ii) regulated under, or defined, listed or referred to or included in any Environmental Laws; including, without limitation, CCPW, extractable petroleum hydrocarbons, petroleum products and petroleum-based derivatives, polychlorinated biphenyls, asbestos and asbestos-containing materials, urea formaldehyde, and contaminated historic fill material (as defined in *N.J.A.C. 7:26E-1.8*). Where an Environmental Law defines any of these terms more broadly than another, the broader definition shall apply.

“**Holder**” has the meaning ascribed thereto in Section 4.4 hereof.

“**Holder Failure**” has the meaning ascribed thereto in Section 4.4 hereof.

“**Infrastructure Improvements**” shall mean the preparation and installation on, in, under and to the Property of site work, building foundations and other on-site improvements consistent with the requirements of Governmental Approvals, this Redevelopment Agreement, the Redevelopment Plan and Applicable Laws.

“**Interim Fund**” has the meaning ascribed thereto in Section 4.1(b).

“**Interim Cost Agreement**” shall mean that certain Interim Cost Agreement dated as of October 18, 2019, by and between the Borough and Redeveloper

“**Land Use Law**” shall mean the New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 *et seq.*, as amended from time to time.

“**Licensed Site Remediation Professional**” or “**LSRP**” shall mean an individual that has been issued a license pursuant to N.J.S.A. 58:10C-1 *et seq.*

“**Long Term Tax Exemption Law**” shall mean the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.*, as amended from time to time.

“**Material Adverse Change**” shall mean any change, effect, development, or circumstance that is materially adverse to maintenance of the Project Schedule appended hereto as **Exhibit C**.

“**NJDEP**” shall mean the New Jersey Department of Environmental Protection.

“**NJDOT**” shall mean the New Jersey Department of Transportation.

“**Permitted Transfers**” has the meaning ascribed thereto in Section 11.2.

“**Person**” means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company, partnership, trust, unincorporated association, institution, public body, Governmental Body or any other entity.

“**Planning Board**” shall mean the planning board of the Borough of Dunellen.

“**Progress Report**” has the meaning ascribed thereto in Section 2.3(b).

“**Project**” has the meaning ascribed thereto in the recitals.

“**Project Costs**” has the meaning ascribed thereto in Section 4.1(a).

“**Project Improvements**” means all buildings, structures, improvements and amenities necessary for the implementation and completion of the Project as described in **Exhibit B** attached hereto and made a part hereof, and any additional work incidental thereto, all of which shall be consistent with the Redevelopment Plan and any approved site plan, including to the

extent applicable, the Infrastructure Improvements. The Project shall also include the use of LED lighting and a minimum of [two (2)] electric vehicle charging stations.

“Project Schedule” shall mean the schedule for obtaining required permits and approval for the development, construction and Completion of the Project as the same may be amended or modified from time to time by the Parties. The Project Schedule is attached hereto as **Exhibit C**.

“Property” has the meaning ascribed thereto in the recitals.

“Public Facilities Payment” shall have the meaning ascribed thereto in Section 4.3.

“Redeveloper” has the meaning ascribed thereto in the preamble.

“Redevelopment Area” shall mean the Study Area designated as an “area in need of redevelopment” in accordance with the Redevelopment Law by resolution adopted by the Borough Council on February 28, 2017.

“Redevelopment Law” shall mean the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as amended from time to time.

“Redevelopment Plan” has the meaning ascribed thereto in the recitals.

“Remedial Action Permit” shall have the meaning given to such term under Environmental Laws.

“Remediation” shall mean the performance and completion of all investigations and remediation required by a Governmental Body for all Hazardous Substances, known or unknown, on, under or migrating to or from the Property, and the construction of the remedial systems, all in compliance with Applicable Law and Governmental Approvals, and in accordance with Environmental Laws, to address any environmental contamination or environmental damage on the Property.

“Response Action Outcome” or **“RAO”** shall have the meaning given to such term under Environmental Laws.

“Special Master” shall mean the Court appointed special master Elizabeth K. McManus, P.P., A.I.C.P.

“State” shall mean the State of New Jersey.

“Third Party Approvals” shall mean those approvals granted by a third party that is a not a Governmental Body, which approvals are necessary in connection with the implementation of the Project and which includes, but is not limited, to the receipt of any consents or approvals required of any property owners.

“**Total Project Costs**” shall be as such term is defined under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-3(h).

“**Transfer**” as used in Article XI shall mean any sale, conveyance, lien, pledge, hypothecation, transfer, lease or assignment, whether by law or otherwise, of, on, in or affecting (i) all or part of the Property (including any legal or beneficial direct or indirect interest therein), or (ii) any direct or indirect interest in Redeveloper.

“**Uniform Construction Code**” shall mean the Uniform Construction Code, N.J.A.C. 5:23, *et seq.*, as same may be amended from time to time.

“**UHAC**” shall mean the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 *et seq.*

“**United States Bankruptcy Code**” means the United States Bankruptcy Code, 11 *U.S.C.* 1 *et seq.*, and the accompanying regulations.

Section 1.3 Interpretation and Construction. In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after the Effective Date, and the term “heretofore” means before the Effective Date.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Unless otherwise noted, the terms “include,” “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation.”

(d) The terms “agree,” “agreements,” “approval” and “consent” when used in this Agreement shall be deemed to be followed by the phrase “which shall not be unreasonably withheld, conditioned or unduly delayed,” except or unless the context or the express terms of this Redevelopment Agreement may otherwise provide, specify or dictate.

(e) Any headings preceding the text of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect. Any references to Articles and Sections in this Agreement shall be deemed to be references to the Articles and Sections in this Agreement except or unless the context or express terms of this Agreement may otherwise provide, specify or dictate.

(f) Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld, conditioned,

or delayed, and where withheld, a statement in reasonable detail shall be provided setting forth the reason for withholding of consent, approval or acceptance.

(g) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than thirty (30) days, unless the context dictates otherwise.

(h) All exhibits referred to in this Agreement and attached hereto are incorporated herein and made a part hereof.

(i) Each right or obligation of a Party to review or approve any actions, plans, specifications, or other obligations hereunder shall be made by a natural person with legal authority to conduct such review or grant such approvals. Any review contemplated by this Agreement shall be made in a prompt and timely manner.

(j) Unless otherwise indicated, any "costs, fees and expenses" shall be required to be actual, out of pocket, necessary, customary and reasonable.

(k) Any reference to Applicable Laws or any Applicable Law shall be read to mean as the Applicable Law is amended from time to time except where Redeveloper's obligation to comply was satisfied prior to the amendment.

(l) The recitals contain statements of fact and/or expressions of intention and are incorporated into and made part of the substance of this Agreement.

ARTICLE II IMPLEMENTATION OF THE PROJECT

Section 2.1 Description of the Project. (a) Subject to the terms and conditions in this Agreement, Redeveloper agrees, at its sole cost and expense (except to the extent financed, reimbursed by, or paid by third parties other than the Borough in the ordinary course of business in connection with the development of the Project), to implement and complete the redevelopment of the Property which shall consist of the following, as applicable: (i) forty (40) residential rental units, including thirty-four (34) market rate units and six (6) affordable units; (ii) procurement of all applicable Governmental Approvals for all Project Improvements; (iii) financing, design, construction and Completion of all Project Improvements; (iv) marketing of the Project as necessary to ensure sufficient tenants to facilitate the financing, leasing, sale and occupancy of the improvements; and (v) payment of the Borough Costs in accordance with the terms of this Agreement. All activities performed under this Agreement shall be provided in accordance with the level of skill and care ordinarily exercised by developers of first class multifamily residential developments.

(b) The Project shall in all material respects be developed consistent with this Agreement, the Redevelopment Plan and Applicable Law.

(c) Redeveloper has been designated as the exclusive redeveloper of the Property and shall have the exclusive right to redevelop the Property and implement the Project in accordance with the terms and conditions of this Agreement.

Section 2.2 Project Schedule. (a) The Project Schedule shall control the Commencement, progress and Completion of the Project. The Parties agree and acknowledge that adherence to the Project Schedule is of the essence, subject to the provisions of Section 2.4. Redeveloper shall use commercially reasonable efforts, subject to obtaining Governmental Approvals, to Commence construction no later than the date set forth in the Project Schedule.

(b) Redeveloper may modify the Project Schedule from time to time, provided that (i) any such modification shall not change the Completion Date for the Project without the prior written consent of the Borough, and (ii) any material changes to the Project Schedule shall be subject to the Borough's review and consent, provided that in the case of either clause (i) or (ii) herein, the Borough will not unreasonably withhold, condition or delay its consent.

(c) Upon Completion of the Project, Redeveloper shall apply to the appropriate Governmental Body for a Certificate of Occupancy for the Project.

(d) If, subject to the provisions in Section 2.4, Redeveloper fails to Complete the Project by the Completion Date for any reason or determines that it will fail to Complete the Project by the Completion Date for any reason, Redeveloper shall promptly provide notice to the Borough stating: (i) the reason for the failure or anticipated failure to meet the Completion Date, (ii) Redeveloper's proposed method for correcting such failure, (iii) Redeveloper's proposal for revising the applicable Completion Date, and (iv) the method or methods by which Redeveloper proposes to achieve subsequent tasks by the relevant Completion Date. In such event the Borough's consent shall be required for the modification of the Completion Date, and such consent shall not be unreasonably withheld, conditioned or delayed. If the Borough does not so consent and Redeveloper fails to Complete the Project by the Completion Date, then Redeveloper shall be in default hereunder.

(e) If Redeveloper has performed all of its duties and obligations under this Agreement and Completed the Project in its entirety, the Borough shall, as applicable, within thirty (30) days of the issuance of a Certificate of Occupancy for the Project and receipt of a written request from Redeveloper, issue a Certificate of Completion. The Certificate of Completion shall constitute a recordable, conclusive determination of the satisfaction and termination of the agreements and covenants in this Agreement, the Redevelopment Plan and Applicable Laws, with respect to the obligations of Redeveloper to construct the Project, as applicable.

(f) In the event the Borough does not issue any such Certificate of Completion, as applicable, within thirty (30) days after submission of written request by Redeveloper, the Borough shall provide Redeveloper with a written statement setting forth in detail the reasons why it believes that Redeveloper has failed to Complete the Project in accordance with the provisions of this Agreement, the Redevelopment Plan and Applicable Laws and what measures or acts the Borough deems will be necessary in its reasonable opinion in order for Redeveloper to

be entitled to the applicable Certificate of Completion (the "Certificate Denial Statement"). Redeveloper may rely on the Certificate Denial Statement in determining what action it must take in order to achieve the requested Certificate of Completion, as applicable. In the event of a dispute over issuance of a Certificate of Completion, the Parties shall cooperate in good faith to resolve such dispute and, thereafter, either Party may take such legal action as it deems appropriate.

(g) Upon the issuance of the Certificate of Completion, the conditions determined to exist at the time the Redevelopment Area was determined to be an area in need of redevelopment shall be deemed to no longer exist with respect to the Property. The Property and the Project shall no longer be subject to any covenant herein encumbering the Redevelopment Area.

Section 2.3 Project Oversight. (a) Redeveloper agrees to hold a reasonable number of regular progress meetings with designated representatives of the Borough (each a "Borough Representative," a complete list of whom are attached as **Exhibit E**) upon the Borough's reasonable request to review the progress under the Project Schedule, provided that Redeveloper need not hold more than one progress meeting per quarter. To the extent practicable, the meetings shall be held within five (5) business days of Redeveloper's receipt of the Borough's request for such a meeting, at such office as is maintained by Redeveloper in the Borough, as designated by Redeveloper, or at the Property.

(b) Redeveloper shall submit to the Borough detailed quarterly written progress reports (or more frequently, if reasonably requested by the Borough) which shall include a description of activities completed, the activities to be undertaken prior to the next Progress Report, the status of all Governmental Approvals, status of all Remediation activities, an explanation of each activity, if any, which is showing delay, a description of problem areas, current and anticipated delaying factors and their estimated impact on performance of other activities and Completion Dates in the Project Schedule, an explanation of corrective action taken or proposed and such other information as may be reasonably requested by the Borough (collectively, the "Progress Report").

(c) The Borough and the Borough Representatives reserve the right to enter upon the Property, upon reasonable notice to Redeveloper and during business hours, to visually inspect the site for informational purposes and observe Remediation, demolition and construction activities, subject to the Borough's acknowledgment that the Property will be an active construction site, and Redeveloper shall not be liable or responsible to the Borough, Borough Representatives, or their respective employees, agents or invitees for damages arising from injury to person or property sustained in connection with such inspections except to the extent that Redeveloper violates the standard of due care owed to invitees. Any persons present at the Property pursuant to the foregoing sentence will comply with all applicable reasonable health and safety rules established by the Redeveloper for personnel present on the Property. The Borough shall have the right but not the obligation to obtain duplicate samples from Redeveloper collected as part of the Remediation of the Property. Such inspections and observations shall not relieve Redeveloper from its obligation to implement the Project and Remediate the Property in accordance with this Agreement. In no event shall the Borough's inspection of the Project under this Section 2.3(c) be deemed acceptance of the work or deemed to waive any right the Borough

has under this Agreement. Representatives of any Governmental Body with permitting jurisdiction over the Project, the Property or the Remediation shall be permitted to enter the Property at any time.

Section 2.4 Tolling. Redeveloper shall diligently adhere to the Project Schedule and the provisions set forth in this Article II, provided that such obligations shall be extended on a day for day basis for each day that Redeveloper's performance hereunder is delayed by (a) an act or omission by one Party or a third party that has a material adverse effect on the Redeveloper's ability to perform any obligation, requirement, commitment, or responsibility prescribed under this Agreement; (b) the occurrence of an event of Force Majeure; (c) any extension granted by either Party to the other Party, to extend any proposed date in this Agreement; (d) the denial of any Governmental Approval by the Governmental Agency with jurisdiction thereover; (e) if an appeal is filed as to any Governmental Approval, the Project Schedule timing shall be tolled as set forth in Section 2.2(e); or (f) any reasonable request by one Party to the other to extend the time for performance of any obligation, requirement, commitment or responsibility arising pursuant to this Agreement. If a delay only affects a portion of the Project, the extension granted hereunder shall only apply to the obligations so affected and Redeveloper shall, to the extent practicable, continue to perform its obligations with respect to the balance of the Project.

Section 2.5 Infrastructure Improvements. Redeveloper will design and construct the Infrastructure Improvements in a good and workmanlike manner and in substantial accordance with all Applicable Laws. Redeveloper acknowledges the presence of certain existing utility structures, including but not limited to electric power transmission lines, sewer transmission conduits or pipes, water lines or pipes, storm sewers, telephone transmission lines, television cable lines and other utilities, and agrees to undertake the appropriate measures to negotiate with, acquire, relocate or otherwise address the existence of these utilities and easements therefor, in order to complete the Project as provided by this Agreement. Site plan approval may be conditioned upon other on-site and off-site improvements specific to the Project, consistent with the authority of the Planning Board and consistent with the Land Use Law, as amended from time to time. If site plan approval is so conditioned, Redeveloper shall exercise commercially reasonable efforts to ensure the effective coordination of such improvements and shall cooperate with the Borough in all respects to ensure that the implementation of the Project does not unreasonably interfere with the operation of the existing utilities and infrastructure. Redeveloper agrees to provide the Performance and Maintenance Bonds as required by the Planning Board, consistent with the authority of the Planning Board under the Land Use Law.

Section 2.6 Prohibition Against Suspension, Discontinuance or Termination. Redeveloper shall not suspend or discontinue its performance of its obligations under this Agreement for a period exceeding sixty (60) consecutive days or terminate this Agreement (other than in the manner provided for herein) for any reason except to the extent permitted by Section 2.4, but only to the extent and for the period of time permitted by Section 2.4.

Section 2.7 Certificate of No Default. Redeveloper shall deliver to the Borough a certificate to the effect that Redeveloper is not aware of any condition, event or act which constitutes a violation of this Agreement or which would constitute an Event of Default

hereunder and to its act and knowledge no condition, event or act exists which, with notice or lapse of time, or both, would constitute such a violation, or Event of Default, or if any such condition, event or act exists, specifying the same (the “**Certificate of No Default**”). The Certificate of No Default shall be delivered to the Borough on an annual basis within ninety (90) days after the close of each fiscal year for Redeveloper.

Section 2.8 Cooperation. The Parties shall fully cooperate with each other as necessary and desirable to accomplish the Project, including entering into additional agreements that may be required, provided, however, that such actions shall not result in a material increase in the Borough’s and Redeveloper’s respective obligations hereunder or material decrease in the Borough’s and Redeveloper’s respective rights hereunder. The Borough specifically agrees to cooperate with the Redeveloper to effect changes to the Redevelopment Plan consistent with the instructions of the Redevelopment Plan and this Agreement.

ARTICLE III PROJECT APPROVALS

Section 3.1 Governmental Approvals and Third Party Approvals. (a) Redeveloper shall use commercially reasonable effort to secure, or cause to be secured, any and all Governmental Approvals and Third Party Approvals for the Project in order to cause Commencement, Completion and Remediation of the Project and Property in accordance with the Project Schedule and the provisions of Section 2.2.

(b) The Borough agrees to reasonably cooperate with Redeveloper and use reasonable efforts to support any application for and to obtain any Governmental Approvals and Third Party Approvals that are consistent with the terms of this Agreement, the Redevelopment Plan and Applicable Laws and the approved site plan, and at the request of Redeveloper to execute any documents required to obtain such approvals, provided that, nothing in this Section shall be deemed: (i) to constitute an approval of all or any portion of the Project for which Governmental Applications have been submitted or are required; or (ii) a waiver of the ability of the Planning Board or any other Governmental Body having jurisdiction thereof from exercising its statutorily authorized responsibilities with respect to the Governmental Applications or Governmental Approvals required by Applicable Law. Redeveloper shall update the list of all Governmental Approvals as part of the Progress Reports, if and as appropriate during the Project and provide copies to the Borough. Prior to submission of any Governmental Applications, Redeveloper shall provide to the Borough a concept plan for its review and comment. All Governmental Applications shall comply with the Site Plan Approval. Redeveloper shall provide the Borough with copies of all other Governmental Applications promptly upon submission of same. Further, Redeveloper shall provide the Borough with copies of all hearing notices promptly upon receipt of same and shall promptly inform the Borough of the results of such hearings and Governmental Applications.

(c) No Governmental Approval shall be deemed “final” until (i) the time for all appeals has run without the filing of an appeal or (ii) in the event an appeal is filed, all such appeal(s) have been resolved fully in favor of the Project and/or Redeveloper and the time for filing any further appeal has expired without the filing of any such appeals.

(d) Redeveloper shall have the right but not the obligation to contest any unsatisfactory requirement or condition with respect to the Project imposed on Redeveloper as a condition to a Governmental Approval, and in such event the Project Schedule timing shall be tolled as set forth in Section 2.4. Redeveloper shall comply with any such requirement or condition if Redeveloper is unsuccessful in contesting same and the requirement or condition will not have a material adverse financial or operational impact on Redeveloper in connection with the Project, as determined by Redeveloper in the exercise of its reasonable business judgment. If Redeveloper is unsuccessful in contesting any unsatisfactory requirement or condition and the requirement or Redeveloper determines that such condition will have a material adverse financial or operational impact on Redeveloper in connection with the Project, in the exercise of Redeveloper's reasonable business judgment, Redeveloper may terminate this Redevelopment Agreement pursuant to Section 12.2(c) of this Agreement.

(e) In the event that Redeveloper's application for any Governmental Approval is denied or any Person brings an action that contests or challenges the grant of any Governmental Approval, and in such event the Project Schedule timing shall be tolled as set forth in Section 2.4, then Redeveloper shall have the right in its sole discretion to (i) modify and resubmit such application, if applicable, in order to secure such Governmental Approval, provided that such modification is consistent with this Redevelopment Agreement and the Redevelopment Plan, and does not result in a material change to the Project as contemplated herein, or (ii) appeal or defend against such action, or (iii) terminate this Agreement by providing written notice to the Borough in accordance with the provisions of Section 12.2(c) of this Agreement.

Section 3.2 Borough Approval. The Borough agrees to rely upon the Planning Board's review of all development applications, but Borough reserves the right to provide its recommendations to the Planning Board for consideration by the Planning Board in connection with Redeveloper's site plan applications. Redeveloper shall provide initial construction drawings to the Borough prior to issuance of a building permit for the Project. Upon Completion, Redeveloper shall provide as-built drawings for the Project to the Borough.

ARTICLE IV FINANCING OF THE PROJECT

Section 4.1 Redeveloper Financial Commitment. (a) Project Costs. Except with respect to the provisions of Section 3.3, all costs of implementing and Completing the Project, including but not limited to the cost of obtaining all Governmental Approvals, the cost of the acquisition of the Property, the cost of designing and constructing (including the costs of any construction observation services) all Project Improvements, all financing costs, all marketing and leasing costs for the Project Improvements, the Borough Costs, the Public Facilities Payment and the Total Project Cost (collectively, the "Project Costs") shall be borne by Redeveloper (except to the extent financed, reimbursed by, or paid by third parties in the ordinary course of business, other than the Borough).

(b) Payment of Borough Costs.

(i) Redeveloper agrees to provide funding to the Borough for all reasonable out-of-pocket costs incurred by the Borough in connection with the redevelopment of the Property (the "Borough Costs"). The Borough Costs shall include, but not be limited to, any reasonable fees and costs of any professional consultant, contractor or vendor retained by the Borough including attorneys, engineers, technical consultants, environmental consultants, planners and financial consultants, among others, and all out-of-pocket costs and expenses of the Borough, which are incidentally necessary for the Borough to meet its obligations as it pertains to the Project

(ii) Redeveloper has established an Escrow Account (also referred to as the "Interim Fund"), pursuant to the Interim Cost Agreement, having an initial balance of Twenty Thousand Dollars (\$20,000.00). The Interim Fund defined therein shall now be referred to as the "Escrow Account." If the balance of the Escrow Account drops below Five Thousand Dollars (\$5,000.00), within ten (10) days of the Borough's request, Redeveloper will replenish the Escrow Account to Twenty Thousand and 00/100 Dollars (\$20,000.00). Simultaneously with such replenishment request, the Borough shall use good faith efforts to provide Redeveloper with a reasonable estimate of the Borough's remaining costs to be paid.

(iii) Funds in the Escrow Account will be applied to the payment or reimbursement of the Borough Costs as provided in this Redevelopment Agreement. Prior to making any disbursement from the Escrow Account, written notice of the proposed disbursement shall be mailed to Redeveloper, setting forth: (i) the amount of the disbursement; (ii) the name of the person, company or entity designated to receive payment; and (iii) a description, in reasonable detail, of the particular cost to be paid or reimbursed in accordance with this Redevelopment Agreement. If Redeveloper does not object to such disbursement within fifteen (15) days of receipt of such notice, Redeveloper will be deemed to have approved same. Any dispute concerning payment of the Borough Costs shall be resolved in accordance with the procedures set forth in N.J.S.A. 40:55D-53.2a. Upon the issuance of the Certificate of Completion for Phase III of the Project, or upon termination of this Redevelopment Agreement, any money remaining in the Escrow Account shall be disbursed to Redeveloper, except that the Borough may retain an amount sufficient to cover incurred expenses.

(iv) On the Effective Date of this Agreement, the Interim Cost Agreement shall cease to be operative and effective and the terms and obligations contained therein shall be subsumed by the terms contained herein.

Section 4.2 Governmental Approval Fees. Redeveloper shall pay all fees for permits required by the Borough (in accordance with standard fees provided in the Borough's municipal code) and any other Governmental Body for the construction and development of the Project in accordance with Applicable Laws. Redeveloper shall pay all other permit fees, which include any permit fees payable by the Borough or Redeveloper to all required Governmental Bodies other than the Borough, or for which the Borough is required to reimburse other Governmental Bodies or for which the Borough pays to the County of Middlesex.

Section 4.3 Public Facilities Payment. Redeveloper shall provide a payment in the amount of Fifty Five Thousand Dollars (\$55,000.00) (the "Public Facilities Payment") to be used by the Borough for the improvement of certain public facilities in connection with the Project, including but not limited to Morecraft Park. Such Public Facilities Payment shall be paid in the

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following manner: (i) fifty percent to be paid upon execution of the Financial Agreement and (ii) the balance to be paid upon issuance of the first Certificate of Occupancy for the Project.

Section 4.4 Mortgage Financing.

(a) Mortgage Financing. Redeveloper, or its successor in interest, shall notify the Borough in advance of any financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Property and/or Project Improvements, or any part thereof (the mortgagee thereunder, a "Holder", it being hereby expressly acknowledged that under no circumstances shall an Affiliate of Redeveloper be deemed a Holder hereunder) and, in any event, Redeveloper shall promptly notify the Borough of any encumbrance or lien (other than liens for governmental impositions) that has been created on or attached to any portion of the Property and/or the Project Improvements, whether by voluntary act of Redeveloper or otherwise, upon obtaining knowledge or notice of same. Redeveloper shall provide Borough with written notice that Redeveloper has obtained financing for the Project within fifteen (15) days after Redeveloper's acceptance of the financing commitment.

(b) Forbearance. If any Holder seeks to effect a Foreclosure (as defined here) as a result of a default by Redeveloper under any agreements executed by Redeveloper, the Borough agrees to forbear from the enforcement of any remedies provided under this Redevelopment Agreement that it may have against Redeveloper in order to permit such Holder to assume the obligations of Redeveloper under this Redevelopment Agreement, provided however, that the Borough shall not be obligated to forbear from the exercise of any remedies available to it against Redeveloper or the Property or Project hereunder if such forbearance will result (or may result, in the reasonable judgment of the Borough) in a waiver of the Borough's rights under this Redevelopment Agreement or a material and adverse effect on the Borough's rights or performance obligations hereunder or any material increase in the Borough's financial obligations hereunder.

(c) No Guarantee of Construction or Completion by Holder.

i. A Holder shall in no manner be obligated by the provisions of this Redevelopment Agreement to construct or Complete the Project Improvements, or to guarantee such construction or Completion; nor shall any covenant or any other provisions be construed so as to obligate a Holder. Nothing contained in this Redevelopment Agreement shall be deemed to permit or authorize such Holder to undertake or continue the construction or Completion of the Project Improvements (beyond the extent necessary to conserve or protect the Holder's security, including the improvements or construction already made) without the Holder first having expressly assumed Redeveloper's obligations to the Borough with respect to the Project Improvements by written agreement reasonably satisfactory to the Borough.

ii. If a Holder forecloses its mortgage secured by the Property or Project Improvements, or takes title (in its name or the name of an Affiliate) to the Property or Project Improvements by deed-in-lieu of foreclosure or similar transaction (collectively a "Foreclosure"), the Holder or its Affiliate shall have the option to either (i) sell the Property or Project Improvements, as applicable, to a responsible Person reasonably acceptable to the Borough, which Person shall expressly assume the obligations of Redeveloper under this

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Redevelopment Agreement, and/or (ii) itself, or its Affiliate, expressly assume the obligations of Redeveloper under this Redevelopment Agreement. In the event of a Foreclosure and provided the Holder or the purchaser is in compliance with this Redevelopment Agreement, the Borough shall not seek to enforce against the Holder or purchaser of such parcel any of the remedies available to the Borough pursuant to the terms of this Redevelopment Agreement available in connection with the events preceding the Foreclosure. The Holder, or the entity assuming the obligations of Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to Complete the Project Improvements as per this Redevelopment Agreement, but subject to reasonable extensions, and shall submit evidence reasonably satisfactory to the Borough that it has the qualifications and financial ability to perform such obligations. Any such Holder, or other entity assuming such obligations of Redeveloper, properly Completing the Project Improvements shall be entitled, upon written request made to the Borough, to Certificates of Completion. Nothing in this Redevelopment Agreement shall be construed or deemed to permit or to authorize any Holder, or such other entity assuming such obligations of Redeveloper, to devote the Property, or any part thereof, to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Redevelopment Agreement. The Holder or such other entity that assumes the obligations of Redeveloper shall be entitled to develop the Property or Project Improvements in accordance herewith.

(d) Borough's Option to Pay Mortgage Debt or Purchase Land. In any case where, subsequent to an Event of Default by Redeveloper under this Agreement and/or Foreclosure, the Holder:

i. has, but does not exercise, the option to construct or complete the Project or part thereof covered by its mortgage or to which it has obtained title, and such failure continues for a period of ninety (90) calendar days after the Holder has been notified or informed of the Event of Default; or

ii. undertakes construction or completion of the Project but does not complete such work within a reasonable period, and such default shall not have been cured within ninety (90) calendar days after written demand by Borough to do so unless such work cannot be reasonably completed in such time frame but the Holder is diligently and continuously undertaking construction and completion then Borough will extend such time frames accordingly, ((a) and (b) each a "Holder Failure");

then Borough, or its designee, shall have the option of paying to the Holder the amount of the mortgage debt including all accrued and unpaid interest and obtaining an assignment of the mortgage and the debt secured thereby, or, in the event ownership of the Project Improvements and Property (or part thereof) has vested in such Holder by way of the Foreclosure, Borough, or its designee, shall be entitled, at its option, to a conveyance to it of the Project Improvements and Property or part thereof (as the case may be) upon payment to such Holder of an amount equal to the sum of: (a) the mortgage debt inclusive of all costs and expenses Holder was so entitled under the mortgage documents, at the time of the Foreclosure (less all appropriate credits, including those resulting from collection and application of rentals and other income received during Foreclosure proceedings); (b) all expenses with respect to the Foreclosure, including reasonable attorney's fees and expenses; (c) the net expense, if any (exclusive of general

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overhead), incurred by such Holder in and as a direct result of the subsequent management of the mortgaged property; (d) the costs incurred by such Holder in making any Project Improvements; and (e) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence. Every mortgage instrument made prior to completion of the Project with respect to any phase of development of the Project by Redeveloper shall provide for the foregoing.

(e) Cooperation with Holder. Borough shall reasonably cooperate with a Holder to modify the provisions of this Agreement if reasonably requested by Holder or a proposed Holder; provided, however, that such modifications shall not substantially reduce the rights or increase the responsibilities of Borough hereunder.

ARTICLE V GENERAL REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Redeveloper. Redeveloper hereby makes the following representations and warranties, understanding that the Borough has relied upon the same as a material element in entering into this Agreement:

(a) Redeveloper is a limited liability company, duly organized and validly existing in good standing under the laws of the State of New Jersey and is authorized to do business in the State of New Jersey.

(b) Redeveloper has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein to which Redeveloper is party, to consummate transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform the obligations hereunder.

(c) All necessary consents have been duly adopted to authorize the execution and delivery of this Agreement and to authorize and direct the persons executing this Agreement to do so for and on Redeveloper's behalf, and this Agreement constitutes a valid and legally binding obligation of Redeveloper, enforceable in accordance with its terms.

(d) No receiver, liquidator, custodian or trustee of Redeveloper shall have been appointed as of the Effective Date, and no petition to reorganize Redeveloper pursuant to the United States Bankruptcy Code or any similar statute that is applicable to Redeveloper shall have been filed as of the Effective Date.

(e) No adjudication of bankruptcy of Redeveloper or a filing for voluntary bankruptcy by Redeveloper under the provisions of the United States Bankruptcy Code or any other similar statute that is applicable to Redeveloper shall have been filed.

(f) Redeveloper has received no actual notice asserting any noncompliance in any material respect by Redeveloper with any Applicable Law with respect to the transactions contemplated in and by this Agreement, which would have a material adverse effect on Redeveloper's ability to perform its obligations in connection with this Agreement. Redeveloper

is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, Borough, or other Governmental Body which is in any respect material to the transactions contemplated hereby.

(g) To the best of Redeveloper's knowledge, there is no action, proceeding or investigation now pending or threatened, nor has Redeveloper received notice of any such action, proceeding or investigation, which (i) questions the authority of Redeveloper to enter into this Agreement or any action or act taken or to be taken by Redeveloper pursuant to this Agreement; or (ii) is likely to result in a Material Adverse Change in Redeveloper's property, assets, liabilities or condition which will impair its ability to perform its obligations pursuant to the terms of this Agreement.

(h) Redeveloper's execution and delivery of this Agreement and its performance hereunder will not constitute a violation of or conflict with any of Redeveloper's organizational documents or of any agreement, mortgage, indenture, instrument or judgment, to which Redeveloper is a party or by which it is bound or affected.

(i) Redeveloper agrees that the cost and financing of the Project is the responsibility of Redeveloper, pursuant to and as set forth in this Redevelopment Agreement, the Financial Agreement and any other agreements between the Parties. The Borough shall not be responsible for any cost whatsoever in respect to same.

(j) Redeveloper is financially capable (subject to the procurement of financing) and technically capable (with the assistance of its consultants) of developing, designing, financing, constructing, operating, and maintaining the Project, as well as Remediating the Property in conformance with the requirements of this Agreement, the Redevelopment Plan, Governmental Approvals and Applicable Laws.

(k) The ownership of each member of Redeveloper owning ten percent (10%) or more of the ownership interest in Redeveloper is set forth on **Exhibit D**. Upon a transfer of an ownership interest that constitutes a transfer of 10% or greater, or annually, Redeveloper shall furnish the Borough with a complete statement subscribed and sworn to by a managing member of Redeveloper, setting forth all of the ownership interests of Redeveloper owning ten percent (10%) or more of the ownership interest in Redeveloper.

(l) Neither Redeveloper nor its members have been convicted in a criminal proceeding, and none of them are a named subject in a pending criminal proceeding, (excluding traffic violations or other similar minor offenses), and, to the best of the Redeveloper's knowledge and belief the principals and members of Redeveloper, are not a target of a criminal investigation.

(m) Neither Redeveloper nor its members directly or beneficially, is a party to or beneficiary of any contract or agreement with the Borough which has been terminated due to a default by such individual, partnership or entity or which is currently the subject of a dispute in which the Borough alleges such default, nor is such individual, partnership or entity an adverse party in any currently pending litigation involving the Borough.

(n) Neither Redeveloper nor any of its members has been found in any civil or criminal action in or by any court or Governmental Body of competent jurisdiction to have violated any federal or State law or regulation relating to the sale of securities or commodities or been enjoined from engaging in any trade or business for any reason other than the violation of a contractual non-competition provision.

Section 5.2 Representations and Warranties by the Borough. The Borough hereby makes the following representations and warranties, understanding that Redeveloper has relied thereon as a material element in entering into this Agreement:

(a) The Borough has the legal power, right, authority and means to enter into this Agreement and the instruments and documents referenced herein to which the Borough is or may be a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

(b) All requisite consents have been obtained in connection with the entering into of this Agreement and the instruments and documents referenced herein to which the Borough is party, (ii) the consummation of the transaction contemplated hereby, and to the best of the Borough's knowledge and belief, are permitted and/or authorized by all Applicable Laws, and (iii) after due inquiry, to the actual knowledge of the Borough, there are no writs, injunctions, orders or decrees of any court or governmental body that would be violated by the Borough entering into or performing its obligations under this Agreement.

(c) This Agreement is duly executed by the Borough, and is valid and legally binding upon the Borough and enforceable in accordance with its terms on the basis of laws presently in effect and the execution and delivery hereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which the Borough is a party.

(d) The Borough represents that, to its actual knowledge, there is no action, proceeding or investigation now pending or threatened in writing, nor any basis therefore, known or believed to exist which questions the validity of this Agreement or any action or act taken or to be taken by the Borough concerning the subject matter of or pursuant to this Agreement.

Section 5.3 Mutual Representations. In the event that any contractual provisions that are expressly required by Applicable Law have been omitted, then the Borough and Redeveloper agree that this Redevelopment Agreement shall be deemed to incorporate all such clauses by reference and such requirements shall become a part of this Redevelopment Agreement. If such incorporation occurs and results in a change in the obligations or benefits of one of the Parties, the Borough and Redeveloper agree to act in good faith to mitigate such changes in position in order to conform as nearly as possible to the terms of this Agreement at the time of execution. In the event, despite the efforts of the Parties to mitigate, such change results in a material adverse financial impact on either Party, either Party may terminate this Redevelopment Agreement by providing written notice to the other Party within thirty (30) days of the discovery of the deemed incorporation of any such clause.

ARTICLE VI
COVENANTS AND RESTRICTIONS

Section 6.1 Redeveloper Covenants. Redeveloper covenants and agrees that:

(a) Redeveloper shall design, construct, and complete the Project in compliance with the Redevelopment Plan, Governmental Approvals, Applicable Laws and this Redevelopment Agreement.

(b) Subject to the terms of this Agreement, including without limitation Section 12.3, Redeveloper shall undertake with due diligence (i) the financing of the Project, (ii) construction and development of the Project, (iii) to begin and complete each item in the Project Schedule on or prior to the date set forth in the Project Schedule (and for those items for which commencement dates only are given, such items shall be completed in a commercially reasonable period), and (iv) to seek tenants for the Project Improvements. All activities performed under this Redevelopment Agreement shall be performed in accordance with the level of skill and care ordinarily exercised by developers of first class developments of the same type and nature as the Project.

(c) Redeveloper shall undertake with due diligence the Remediation of the Property, if required, or, as applicable, enforce all rights it has against third parties with respect to Remediation of the Property.

(d) Redeveloper shall not seek any material changes in the number and distribution of residential units and/or any other changes that would cause the Site Plan to become nonconforming under the Redevelopment Plan, without the Borough's written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

(e) Redeveloper shall use diligent efforts to obtain all Governmental Approvals and Third Party Approvals requisite to the construction, development, use and occupancy of the Project and Remediation of the Property, if any, including evidence reasonably satisfactory to the Borough that the Project is in compliance with all Applicable Laws, including the Environmental Laws.

(f) Subject to the provisions of Sections 2.4 and 2.6 of this Agreement, Redeveloper shall not suspend or discontinue the performance of its obligations under this Redevelopment Agreement (other than in the manner provided for herein) for any reason, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, or any damage to or destruction of the Project.

(g) Redeveloper shall not use the Property, Project Improvements, or any part thereof in a manner that is inconsistent with the Redevelopment Plan and this Redevelopment Agreement.

(h) Until a Certificate of Completion has been issued for the Project, Redeveloper cannot sell, convey, lease, or otherwise transfer all or any portion of the Project without consent from the Borough, except as otherwise permitted by this Agreement (including as set forth in Article XII), provided that nothing contained in this Agreement shall prevent Redeveloper from entering into contracts of leases which are conditioned upon obtaining a Certificate of Occupancy or Certificate of Completion as applicable.

(i) Redeveloper shall comply with all Applicable Laws that prevent discrimination against any person, or group of persons, on the basis of age, race, color, religion, creed, national origin, ancestry, physical handicap, familial status, sex, or sexual orientation in the sale, lease, sublease, rental, transfer, use, or occupancy of any Property in the Redevelopment Area, or any part thereof.

(j) Redeveloper shall not knowingly employ, hire or otherwise involve in the Project any Person that has previously been disbarred, suspended or otherwise ruled unable to participate in the process of bidding for, and being awarded, public contracts.

(k) Redeveloper shall promptly notify the Borough of any material adverse change in its financial condition from the information provided to the Borough by Redeveloper indicating Redeveloper's financial capability to develop, finance and construct the Project in furtherance of the Borough's consideration in designating 528 North Ave, LLC as Redeveloper.

(l) Redeveloper shall make all payments in satisfaction of Redeveloper's financial obligations as set forth in this Redevelopment Agreement, including but not limited to payment of the Borough Costs and the Public Facilities Payment.

(m) Redeveloper shall repair and/or restore as necessary any internal roadway leading to or from the Project that is damaged or impacted during construction, subject to the inspection, before a Certificate of Completion is issued.

Section 6.2 Borough Covenants. The Borough hereby covenants and agrees that:

(a) The Borough shall cooperate with Redeveloper to ensure that all Governmental Approvals and additional financing sources, if necessary, are obtained for the Project.

(b) The Borough shall undertake and complete, with due diligence, all of its obligations under this Redevelopment Agreement.

(c) The Borough agrees that its respective officials will respond to any land use, environmental, infrastructure or building permit application filing and any related inspections requested by or on behalf of the Redeveloper within reasonable time periods so as not to cause any undue delay in the processing of such application filings and inspection requests.

Section 6.3 Declaration of Covenants and Restrictions. Within ten (10) days of the Effective Date, Redeveloper shall execute and record a Declaration of Covenants and Restrictions, approved by the Borough (the "Declaration"), imposing the Redeveloper's

covenants on the Property, together with such other matters indicated in this Redevelopment Agreement as to be included in the Declaration, and the provisions hereof relating to Transfers, all as may be limited by the rights of a Holder granted hereunder in substantially the form attached hereto as **Exhibit F**.

Section 6.4 Effect and Duration of Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the covenants and restrictions contained in this Article VI shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Borough, its successors and assigns, against Redeveloper, its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Property or any part thereof until issuance of the Certificate of Completion. However, such agreements and covenants shall be binding on Redeveloper itself, each successor in interest to Redeveloper and each party in possession or occupancy, respectively, only for such period as Redeveloper or such successor or party shall be in possession or occupancy of the Property, the buildings and structures thereon or any part thereof.

Section 6.5 Enforcement by the Borough. (a) In amplification, and not in restriction, of the provisions of this Article VI, it is intended and agreed that the Borough and its successors and assigns shall be deemed beneficiaries of the terms and covenants set forth in this Redevelopment Agreement, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Borough for the entire period during which such agreements and covenants shall be in force and effect (and the Declaration shall so state), without regard to whether the Borough has at any time been, remains, or is an owner of any land or interest therein. The Borough shall have the right, in the event of any material breach of any such agreement or covenant beyond any applicable notice and cure period, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other lawful proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

(b) Subject to Section 8.8 of this Agreement, the covenants and restrictions contained in this Article VI shall run with the land and be referenced in any deeds, leases, or other documents of conveyance for the Property, but shall cease and terminate upon issuance of a Certificate of Completion for the Project.

(c) Upon Completion of the Project, the conditions that were found and determined to exist at the time the Redevelopment Area was determined to be in need of redevelopment shall be deemed to no longer exist and the conditions and requirements of N.J.S.A. 40A:12A-9 shall be deemed to have been satisfied with respect to the Project.

ARTICLE VII ENVIRONMENTAL OBLIGATIONS

Section 7.1 Remediation of Property. The Redeveloper shall be responsible for the investigation, remediation and management (including, but not limited to, excavation,

characterization, segregation, storage, permitted reuse or off-site disposal, as applicable) of any Hazardous Substances, which shall include soils, groundwater and vapor, generated in connection with, caused by or discovered during any demolition or construction activities associated with the Project in accordance and compliance with all applicable Environmental Laws. Additionally, the Redeveloper shall not cause any release or discharge of any Hazardous Substances in connection with the Project at, on, under or upon the Property or elsewhere within the Borough and any such release or discharge shall be promptly remediated in accordance with applicable Environmental Laws. In the event that the Redeveloper or any agent, employee or contractor of the Redeveloper shall cause any release or discharge of any Hazardous Substances in connection with the Project (i) at, on, under or upon the Property or (ii) elsewhere within the Borough, Redeveloper shall promptly notify the Borough in writing and investigate and remediate same in accordance with applicable Environmental Laws. To the extent required, all costs for Remediation shall be the sole responsibility of Redeveloper, including ongoing compliance with engineering and/or institutional controls. Redeveloper shall diligently prepare and submit all applications and documentation required to comply with the requirements of all Environmental Laws. Redeveloper shall also use diligent efforts to obtain all environmental approvals for the Remediation of the Property. The Redeveloper's Remediation, if any, shall be consistent with the proposed uses of the Property and shall implement the applicable standard of remedy as deemed appropriate by a Licensed Site Remediation Professional or otherwise required by the NJDEP in accordance with applicable Environmental Laws. Redeveloper shall submit to the Borough periodic reports of its investigation and characterization of contamination on the Property and Redeveloper's plan and timeline for the Remediation thereof. The information set forth in the foregoing reports to the Borough shall be kept current, and, no less frequently than quarterly, Redeveloper shall provide Borough with information regarding the implementation of and revisions to the process set forth therein. In the event that there is contamination or a discharge of Hazardous Substances, the establishment of a Deed Notice, issuance of any Remedial Action Permit(s) and issuance of any Response Action Outcome(s) associated with or arising out of Redeveloper's Remediation shall be conditions precedent to the issuance of any Certificate of Completion to be furnished to the Redeveloper by the Borough for the Project, all as may be applicable.

Section 7.2 Indemnification of Borough. Redeveloper shall, in accordance with Section 10.1, defend, protect, indemnify and hold harmless the Borough Indemnified Parties from any Claims which may be sustained as a result of any environmental conditions on, in, under or migrating to or from the Property to the extent that any such liabilities, obligations, claims, damages, losses, proceedings or costs attached to the Borough Indemnified Parties as a result of this Agreement or the actions or omissions of Redeveloper pursuant to this Agreement, including, without limitation, Claims against the Borough Indemnified Parties by any third party.

ARTICLE VIII REQUIRED UNDERTAKINGS

Section 8.1 Supervision. Redeveloper shall supervise and direct the contractors and subcontractors. Redeveloper shall use reasonable efforts to cause the contractors and subcontractors to (a) confine operations in the Property, or areas appurtenant thereto, to areas

permitted by the Governmental Approvals and Applicable Laws, and (b) not unreasonably encumber the Property or areas appurtenant thereto with materials or equipment.

Section 8.2 Neighborhood Impacts. Redeveloper shall take all commercially reasonable steps to minimize negative effects that the construction of the Project may produce to the areas immediately surrounding the Property.

Section 8.3 Traffic. Redeveloper and the Borough agree that the direction, flow and amount of traffic in and around the Property during the time of construction are an issue to be addressed during the construction of the Project. Redeveloper herein commits to exert commercially reasonable efforts to minimize the traffic effects of the Project upon the surrounding neighborhoods during construction.

Section 8.4 Rodent, Insect and Animal Control. Redeveloper will take all commercially reasonable steps necessary to minimize and control the migration of rodents, insects, or other animals from the Property during the construction of the Project. Redeveloper will undertake to provide controls in accordance with all Applicable Laws and other construction standards such that the issue of rodent, insect and animal control is reasonably addressed prior to the Commencement of Construction. Redeveloper agrees to coordinate this effort with the Borough's Department of Health.

Section 8.5 Illumination, Noise, Pollution or Damage. Redeveloper is mindful of the size of the Project and the potential effects that the construction of such an undertaking may have on the surrounding communities during construction. Therefore, Redeveloper agrees that it will take all steps reasonably necessary to minimize the passage of excessive or unwarranted illumination, noise or pollution into the surrounding communities during construction. Redeveloper shall take measures necessary to ensure that the improvements within the perimeter of the Property shall not be damaged or disturbed during construction. To the extent any damage or disturbance occurs within the perimeter of the Property as a result of Redeveloper's negligence during its construction activities, Redeveloper shall repair or replace such damage or disturbance to its original condition at its sole cost and expense. Redeveloper shall be bound by any conditions imposed by the Planning Board, which has jurisdiction with respect to illumination issues related to the Project and will address the issue in the context of review of site plan applications.

Section 8.6 Maintenance and Landscaping. During construction but not during demolition and clearing of the Property, Redeveloper shall keep the Property free from any substantial accumulation of debris or waste materials. Following completion of construction, Redeveloper will be bound by any conditions imposed by the Planning Board, which has jurisdiction with respect to maintenance and landscaping issues related to the Project and will address the issue in the context of review of site plan applications.

Section 8.7 Speculative Development. Redeveloper represents its undertakings pursuant to this Agreement are for the purpose of redevelopment of the Property and not for speculation in land holding. Redeveloper shall not use the Property, or any part thereof, as collateral for an unrelated transaction.

Section 8.8 Affordable Housing Requirement. The Redeveloper will ensure that the Project delivers an on-site fifteen percent (15%) affordable housing set-aside, which equates to six (6) rental units affordable to low and moderate income households. The six (6) rental affordable units created in this Project shall comply with UHAC, applicable COAH affordable housing regulations, any applicable order of the Court, and other applicable laws.

(a) In addition, the affordable units shall remain affordable rental units for a period of thirty (30) years (“Deed Restriction Period”) so that the Borough may count the units against its obligations to provide affordable rental housing. This obligation includes, but is not limited to, the Redeveloper’s obligation to comply with UHAC bedroom distribution requirements, income split requirements, pricing requirements, affirmative marketing requirements, candidate qualification and screening requirements, and deed restriction requirements.

(b) The distribution of the affordable housing units shall be in compliance with COAH’s Round Two substantive regulations, N.J.A.C. 5:93, 1.1. et. seq., which the Parties believe will govern the issue, or as approved by the Special Master and the Court.

(c) Redeveloper shall either contract with an experienced administrative agent or designate a qualified employee of Redeveloper or its affiliates (“Administrative Agent”) for the administration of the affordable units and shall have the obligation to pay all costs associated with properly deed restricting the affordable units in accordance with UHAC and other applicable laws for the Deed Restriction Period. Redeveloper and its Administrative Agent, shall work with the Borough and the Borough’s Administrative Agent regarding any affordable housing monitoring requirements imposed by COAH or the Court.

(d) The Parties agree that the affordability controls shall expire at the end of 30 years after the date of the initial occupancy of the affordable unit. At the end of the Deed Restriction Period, the Borough shall cooperate with the Redeveloper to facilitate the Redeveloper’s ability to exercise its right to have the Deed Restriction Period last for only thirty (30) years, unless the Parties agree in the future to extend the Project’s affordability controls.

(e) The Parties agree that the affordable units are to be included in the Borough’s Housing Element and Fair Share Plan to be approved and credited by the Court in the Borough’s declaratory judgment action, and that the credits will be applied against any affordable housing obligations assigned to the Borough by the Court.

(f) Upon written notice, Redeveloper shall provide detailed affordable housing information requested by the Borough, or the Borough’s Administrative Agent, within thirty (30) days concerning the Redeveloper’s compliance with UHAC and other applicable laws.

(g) Subject to the Project Schedule and Section 2.2 of this Agreement, the Borough may seek Court approval to ensure that this Agreement is deemed to be fair and reasonable to low and moderate income households by way of a properly noticed Fairness Hearing and/or a Compliance Hearing. The inability of the Borough to obtain a judgment of compliance and

repose or other form of Court approval shall not invalidate this Agreement, delay the Project Schedule or the Parties' implementation of this Agreement.

ARTICLE IX INSURANCE

Section 9.1 Insurance Required.

(a) At all times during the construction of the Project, Redeveloper shall maintain commercial general liability insurance, naming the Borough as an additional insured, insuring the Borough against losses, costs, liabilities, claims, causes of action and damages for bodily injury and property damage on all property in the Property or related to the construction thereon, in the amount of at least One Million Dollars (\$1,000,000.00) primary and Five Million Dollars (\$5,000,000.00) excess combined single limit coverage. Such insurance shall include blanket contractual liability coverage. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss, including, but not limited to, claims of subcontractors, however occasioned, occurring during the policy term, shall be endorsed to add the Borough as an additional insured, and to provide that such coverage shall be primary and that any insurance maintained by the Borough shall be excess insurance only. Such coverage shall be endorsed to waive the insurer's rights of subrogation against the Borough.

(b) At all times during the construction of the Project, Redeveloper shall maintain Comprehensive Automobile Liability Insurance covering all owned, hired and non-owned vehicles with at least the following limits of liability: Bodily Injury Liability and Property Damage Liability in the amount of at least One Million Dollars (\$1,000,000.00) primary and Two Million Dollars (\$2,000,000.00) excess combined single limit coverage.

(c) Prior to the Commencement of the construction of the Project Improvements, Redeveloper shall furnish or cause to be furnished to the Borough duplicate originals of Builder's Risk Insurance for the benefit of Redeveloper (subject to the interests of any Holder), during the term of construction, sufficient to protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, vandalism, and malicious mischief. The limits of liability will be equal to one hundred percent (100%) of the replacement cost (to current building code) of the applicable Project Improvements, including items of labor and materials connected therewith, whether in or adjacent to the structure(s) insured, and materials in place or to be used as part of the permanent construction.

(d) Upon request, Redeveloper shall also furnish or cause to be furnished to the Borough evidence satisfactory to the Borough that Redeveloper and any contractor with whom it has contracted for the construction of the Project Improvements carries workers' compensation insurance as required by law, and an employer's liability insurance endorsement with customary limits, and shall be endorsed with a waiver of subrogation clause for the Borough.

(e) All insurance policies required by this Section shall be obtained from insurance companies licensed in the State of New Jersey and rated at least A in Best's Insurance Guide or such lesser rated provider that is proposed by Redeveloper and is reasonably acceptable to the Borough.

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(f) All insurance policies required by this Section shall be non-assignable and shall contain language to the effect that (i) the policies are primary and noncontributing with any insurance that may be carried by the Borough, (ii) the policies cannot be canceled or materially changed except after thirty (30) days prior written notice by the insurer to the Borough, and (iii) the Borough shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the Borough and shall contain cross liability endorsements. Satisfactory evidence of such insurance shall be provided to Borough prior to the Commencement of Construction.

(g) Redeveloper's obligation to maintain insurance pursuant to, and in accordance with, this Section 9.1 shall terminate upon issuance of a Certificate of Completion with respect to the Project.

ARTICLE X INDEMNIFICATION

Section 10.1 Redeveloper's Indemnity. (a) Redeveloper covenants and agrees, at its sole expense, to pay and to indemnify, protect, defend and hold the Borough and its employees, officers and agents (the "Borough Indemnified Parties") harmless from and against all Claims resulting from or in any way connected with the acquisition, condemnation, condition, use, possession, conduct, management, planning, design, construction, or installation, of the Project on the Property, or other cause of action arising from the nexus of the Borough to Redeveloper as a result of this Redevelopment Agreement or the Financial Agreement, including but not limited to, the death of any person or any accident, injury, loss, and damage whatsoever caused to any person or to the property of any person that shall occur on the Property and that, with respect to any of the foregoing, are directly related to or resulting from any negligence or willful misconduct of Redeveloper, its agents, servants, employees, or contractors.

(b) In any situation in which the Borough Indemnified Parties are entitled to receive and desire defense and/or indemnification by Redeveloper, the Borough Indemnified Parties shall give prompt notice of such situation to Redeveloper. Failure to give prompt notice to Redeveloper shall not relieve Redeveloper of any liability to indemnify the Borough Indemnified Parties, unless such failure to give prompt notice materially impairs Redeveloper's ability to defend. Upon receipt of such notice, Redeveloper shall resist and defend any action or proceeding on behalf of the Borough Indemnified Parties, including the employment of counsel reasonably acceptable to the Borough Indemnified Parties, the payment of all expenses and the right to negotiate and consent to settlement. All of the Borough Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of the indemnified party unless the employment of such counsel is specifically authorized in advance by Redeveloper, provided, however, that if the defense of such action is assumed by Redeveloper's insurance carrier, employment of such separate counsel by the Borough Indemnified Parties shall be at the sole discretion of such carrier, as provided in its endorsement of insurance. Redeveloper shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of Redeveloper or if there is a final judgment against Redeveloper in any such action, Redeveloper shall indemnify and hold harmless the Borough Indemnified

Parties from and against any loss or liability by reason of such settlement or judgment for which the Borough Indemnified Parties are entitled to indemnification hereunder.

(c) Notwithstanding anything to the contrary in this Article X, Redeveloper's indemnity shall not extend to any claims if caused by or as a result of the gross negligence, unlawful conduct or willful misconduct of the Borough, Borough Representatives, or their respective employees, officers or agents.

Section 10.2 Survival of Indemnity. The provisions of this Article X shall survive the termination of this Redevelopment Agreement due to an Event of Default by the indemnifying Party and shall exist until such time as Redeveloper's covenants under the Declaration are discharged as a result of the recording of a Certificate of Completion; provided, however, that until such time, such indemnity shall be binding on Redeveloper itself, each successor in interest to the Project, the Property, or any part thereof, and each party in possession or occupancy, only for such period as Redeveloper or such successor or party shall have title to the Property, the Project Improvements or any part thereof.

ARTICLE XI RESTRICTIONS ON TRANSFER

Section 11.1 Prohibition Against Transfers. Redeveloper recognizes the importance of the Project to the general welfare of the community and that the identity of Redeveloper and its qualifications are critical to the Borough in entering into this Redevelopment Agreement. The Parties acknowledge and agree that a change in ownership of Redeveloper from that which is noted in **Exhibit D** attached hereto that results in a change with respect to control of Redeveloper is, for practical purposes, a transfer or disposition of the Project then owned by Redeveloper.

Except for Permitted Transfers, prior to the issuance of the Certificate of Completion, Redeveloper shall not make any Transfers without the prior written consent of the Borough, which consent shall not be unreasonably withheld, conditioned or delayed, provided, however, that these restrictions shall not apply following the issuance of the Certificate of Completion.

Section 11.2 Permitted Transfers. Redeveloper, without violating the provisions of Section 11.1 hereof, may effect the following Transfers ("Permitted Transfers"), without the necessity of further action by the Borough, provided that the requirements set forth in Section 11.3 have been satisfied:

(a) security for, and only for, the financing necessary to enable Redeveloper to perform its obligations under this Redevelopment Agreement with respect to the Completion of the Project Improvements and any other purpose authorized by this Redevelopment Agreement;

(b) a mortgage or mortgages and other liens and encumbrances (including mechanic's liens) for the purposes of financing the acquisition, development, construction and marketing of the Project;

(c) utility and other development easements;

(d) environmental covenants and restrictions imposed by a regulatory agency as a condition of any permit or approval;

(e) the Transfer, in the aggregate, of less than ten percent (10%) of the ownership interest of Redeveloper;

(f) any leasing or sale of a unit within the Project, in the ordinary course of business, provided that the occupancy under such lease or closing on such sale occurs following the issuance of a Certificate of Occupancy as to the unit;

(g) any contract or agreement with respect to any of the foregoing exceptions.

Section 11.3 Notice of Permitted Transfers. Except as further set forth below, with respect to any Permitted Transfers, Redeveloper shall provide to the Borough written notice thereof not later than twenty (20) days following such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the transferee and any parties, individuals and/or entities comprising such transferee. In connection with a Permitted Transfer involving a ground lease, purchase option agreement, contract of sale or conveyance to an urban renewal entity, at closing thereon, Redeveloper shall cause the transferee to execute such documentation as is reasonably requested by the Borough in order to assure that the transferee has assumed all of Redeveloper's obligations under this Redevelopment Agreement as to the Property and/or Project Improvements, or any portion thereof (if Redeveloper's right, title and interest in the Property and/or Project Improvements is being transferred). Redeveloper shall exercise diligent efforts with respect to the provisions of any documentation relating to the Permitted Transfer as the Borough may reasonably request. With respect to Permitted Transfers involving a ground lease, purchase option agreement, contract of sale or conveyance to an urban renewal entity, Redeveloper shall provide to the Borough written notice thereof no less than twenty (20) days prior to such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the transferee and any parties, individuals and/or entities comprising such transferee. Further, with respect to those Permitted Transfers listed in Section 11.2, the above 20-day notice shall not be required; however, a report on status of leasing and sales shall be provided to the Borough at least every sixty (60) days until a Certificate of Completion for the entire Project has been issued. Redeveloper shall not have the right to carry out a Permitted Transfer if an Event of Default has occurred or if there is a breach by Redeveloper hereunder that, if uncured, would give rise to an Event of Default.

Section 11.4 Transfers Void. Any transfer by Redeveloper in violation of this Redevelopment Agreement shall be a Redeveloper Event of Default and shall be null and void ab initio. Such default shall entitle the Borough to seek all remedies available under the terms hereof, including termination of this Redevelopment Agreement, and Borough may also seek equitable relief to cause the reversal of the transfer. The Declaration shall contain a restriction against Transfers as set forth in Section 11.1 and, in addition, shall provide that in the event of any attempted transfer in violation of the restriction in Section 11.1, the Borough shall be entitled to the ex parte issuance of an injunction restraining such Transfer, and the recovery of reasonable legal fees and related expenses of the Borough in connection with any such legal action. Upon

the recording of the Declaration in the Office of the Middlesex County Clerk, the provision affording such injunctive relief shall have the same force and effect as a Notice of Lis Pendens.

ARTICLE XII EVENT OF DEFAULT; REMEDIES

Section 12.1 Events of Default. Either of the Parties shall have the right to declare the other Party in default of this Agreement if any of the following events (each an “Event of Default”) occur:

(a) Subject to the tolling and other provisions provided by Section 2.4, a material failure of either Party to substantially observe and perform any covenant, condition, representation, warranty or agreement hereunder and continuance of such failure for thirty (30) days after receipt by the defaulting party of a written notice of default (the “Default Notice”) from the non-defaulting party specifying in sufficient detail, accompanied by any relevant documentation therefore, of (i) the nature and extent of such failure, (ii) what action is required to remedy such default and (iii) requesting that such failure be remedied; provided, however, if the breach of any such covenant, condition, representation, warranty or agreement is one which cannot be completely remedied within thirty (30) days after such written notice has been given, it shall not be an Event of Default as long as the defaulting Party has commenced the cure within the thirty (30) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (x) one hundred twenty (120) days after such written notice, or (y) a date agreed to by the Parties to reach compliance; or

(b) Subject to the tolling and other provisions provided by Section 2.4, Redeveloper materially defaults in or materially violates obligations with respect to design, development and construction of the Project in accordance with this Redevelopment Agreement, the Redevelopment Plan, Governmental Approvals or Applicable Law, and any such default, or violation shall not be cured, ended or remedied within sixty (60) days after written demand by the Borough to do so, provided, however, if the default or violation is one which cannot be completely remedied within sixty (60) days after such written notice has been given, it shall not be an Event of Default as long as Redeveloper has commenced the cure within the sixty (60) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (x) one hundred twenty (120) days after such written notice, or (y) a date agreed to by the Parties, to reach compliance; or

(c) Subject to the tolling and other provisions provided by Section 2.4, Redeveloper’s default results in an unauthorized Material Adverse Change of the Project Schedule, as the same may be modified or extended from time to time in accordance with this Agreement, or shall abandon or substantially suspend construction work for a period of sixty (60) consecutive days and any such default, or violation shall not be cured, ended, or remedied within sixty (60) days after written demand by the Borough to do so, provided, however, if the default or violation is one which cannot be completely remedied within ninety (90) days after such written notice has been given, it shall not be an Event of Default as long as Redeveloper has commenced the cure within the sixty (60) day period after receipt of a Default Notice and is proceeding with due

diligence to remedy the same as soon as practicable but in no event later than the later of: (x) one hundred twenty (120) days after such written notice, or (y) a date agreed to by the Parties, to reach compliance; or

(d) Redeveloper causes a Transfer or assignment prohibited under this Agreement and any such default, or violation shall not be cured, ended, or remedied within forty-five (45) days after written demand by the Borough to do so; or

(e) Redeveloper or its successor in interest (except for third parties, if any, to which a portion of the Project has been conveyed in the ordinary course of business) fails to pay any real estate taxes, assessments, payments in lieu of taxes on the Property or any part thereof prior to the imposition of any penalty therefore, or shall place on the Property any encumbrance or lien unauthorized by this Agreement and such real estate taxes payments in lieu of taxes, encumbrance or lien have not been paid, removed or discharged or provision satisfactory to the Borough made for such payment, removal or discharge within sixty (60) days after written demand by the Borough to do so; or

(f) (i) Subject in all cases to Applicable Law, Redeveloper shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; (ii) a custodian shall have been legally appointed with or without consent of Redeveloper; (iii) Redeveloper (1) has made a general assignment for the benefit of creditors, or (2) has filed a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or has taken advantage of any insolvency law; (iv) Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; (v) Redeveloper shall take any action for the purpose of effecting any of the foregoing; (vi) a petition in bankruptcy shall have been filed against Redeveloper and shall not have been dismissed or stayed for a period of one hundred twenty (120) consecutive days from the date of filing; (vii) an order for relief materially affecting the rights of the Borough under this Redevelopment Agreement shall have been entered with respect to or for the benefit of Redeveloper, under the United States Bankruptcy Code; (viii) an order, judgment or decree shall have been entered, without the application, approval or consent of Redeveloper, by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of Redeveloper, or a substantial part of its assets and such order, judgment or decree shall have continued unstayed and in effect for any period of ninety (90) consecutive days; or (ix) Redeveloper shall have suspended the transaction of its ordinary business activities for more than ninety (90) consecutive days.

(g) A representation made by Redeveloper in Article V was false on the Effective Date.

(h) Redeveloper violates a covenant set forth in Article VI, subject to the notice and cure periods set forth above, to the extent applicable.

Section 12.2 Remedies Upon Default; Termination. (a) Upon an Event of Default by the Borough which is continuing and remains uncured beyond any applicable notice and cure dates, Redeveloper may take whatever action at law or in equity, as may appear necessary or

desirable to enforce the performance or observance of any rights under this Agreement, including an action for specific performance or damages. Further, Redeveloper shall have the right to terminate this Agreement upon sixty (60) days' written notice to the Borough, in which event the Declaration shall be null and void and the Borough shall discharge same of record.

(b) Upon an Event of Default by Redeveloper which is continuing and remains uncured beyond applicable notice and cure dates, the Borough may terminate this Agreement and/or take whatever action at law or in equity, as may appear necessary or desirable to enforce the performance or observance of any rights under this Agreement, including an action for specific performance or damages. Further, the Borough shall have the right to terminate this Agreement upon sixty (60) days' written notice to Redeveloper, provided, however, that upon issuance of any Certificate of Completion, the Borough shall no longer hold any right to terminate this Agreement for an Event of Default or otherwise with regard to the portion(s) of the Project for which a Certificate of Completion has been issued.

(c) In the event that either Party exercises its right to termination pursuant to Section 3.1(d) and (e) and Section 5.3, the terminating Party shall provide the other Party with not less than thirty (30) days prior written notice of such election. Within thirty (30) days of such termination: (i) Redeveloper shall pay to the Borough all outstanding Borough Costs; and (ii) upon full payment of all Borough Costs, the Borough shall return the balance of the amounts, if any, in the Escrow Account. In such case neither Party shall have any further rights, claims or obligations against the other Party arising out of this Redevelopment Agreement.

Section 12.3 Force Majeure. Performance by either Party hereunder shall not be deemed to be in default where delays or failure to perform are the result of the following acts, events or conditions or any combination thereof that has had or may be reasonably expected to have a direct, material, adverse effect on the rights or obligations of the Parties to this Redevelopment Agreement; provided, however, that such act, event or condition shall be beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Redevelopment Agreement ("Force Majeure"):

(a) An act of God, lightning, blizzards, hurricane, tornado, earthquake, acts of public enemy, war (whether or not declared), terrorism, blockade, insurrection, riot or civil disturbance, sabotage or similar occurrence, but not including reasonably anticipated weather conditions for the geographic area of the Project, other than those set forth above;

(b) A landslide, fire, explosion, flood or release of nuclear radiation not created by an act or omission of either Party;

(c) The order, judgment, action or inaction and/or determination of any Governmental Body (other than the Borough when acting in conformance with this Redevelopment Agreement) with jurisdiction within the Borough, excepting decisions interpreting federal, State and local tax laws generally applicable to all business taxpayers, adversely affecting the construction of the Project; provided, however, such order, judgment, action and/or determination shall not be the result of the willful, intentional or negligent action or

inaction of the Party relying thereon and that neither the contesting of any such order, judgments, action and/or determination, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such party;

(d) The suspension, termination, interruption, denial or failure of or delay in renewal or issuance of any other Governmental Approval, provided, however, such suspension, termination, interruption, denial or failure of or delay in renewal or issuance shall not be the result of the willful, intentional or negligent action or inaction of the Party relying thereon and that neither the contesting of any such suspension, termination, interruption, denial or failure of renewal or issuance, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such Party; provided further that delay in issuance of a Governmental Approval resulting from Redeveloper's failure to make an administratively complete submission for a Governmental Approval shall not be an event of Force Majeure;

(e) Strikes, lockouts, slowdowns, labor unrest, or similar labor action by trade unions or any of their members, equipment manufacturers, suppliers of material and/or transporters of same; or

(f) Delays of subcontractors due to any of the foregoing such causes, and actions or inactions by any federal, State or local governmental or quasi-governmental authority, including, but not limited to, utility providers, with respect to Governmental Approvals or the development of the Project, affecting the rights or obligations of the Redeveloper or the Borough hereunder, court orders, laws, rules, regulations, moratoria or orders of governmental or public agencies, bodies and authorities.

Section 12.4 Remedies Cumulative. No remedy conferred by any of the provisions of this Redevelopment Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

Section 12.5 Litigation Costs. In the event that a Party successfully pursues an action to enforce any remedy provided in this Article XII that Party shall be entitled to seek payment by the other Party of all reasonable costs and expenses incurred in connection with such action.

Section 12.6 Mitigation. The Parties shall act reasonably to mitigate any damages that may be incurred as the result of an Event of Default hereunder.

Section 12.7 Survival of Termination. The provisions of this Article XII shall survive the termination of this Redevelopment Agreement as a result of an Event of Default by Redeveloper.

Section 12.8 Use of Documents. Redeveloper hereby agrees that it shall provide to the Borough copies of all documents, reports, studies and analyses prepared by it or on its behalf in

connection with the Project. Upon termination of this Agreement, Redeveloper hereby agrees that the Borough has the right to all such documents, including but not limited to the Governmental Applications and Governmental Approvals, without cost to the Borough.

**ARTICLE XIII
MISCELLANEOUS**

Section 13.1 Notices and Demands. A notice, demand or other communication under this Agreement by any Party to the other shall be in writing and shall be hand delivered by messenger (with receipt acknowledged in writing), delivered by overnight delivery service (guaranteeing overnight delivery, with receipt acknowledged in writing), or delivered personally, to the Parties at their respective addresses set forth herein:

If to the Borough:

Borough of Dunellen
355 North Avenue
Dunellen, New Jersey 08812
Attn: Borough Clerk

with copies to:

John E. Bruder, Esq.
2 West Union Ave
Bound Brook, NJ 08805

Isabel Chou, Esq.
Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza, Sixth Floor
New Brunswick, New Jersey 08901

If to Redeveloper:

528 North Ave, LLC
85 Raritan Avenue, #125
Highland Park, New Jersey 08904
Attn: Brian Katz

with copy to:

Francis Regan, Esq.
Decotiis, Fitzpatrick, Cole & Giblin, LLP
61 South Paramus Road, Suite 250
Paramus, New Jersey 07652

Either Party may, from time to time (upon not less than seven (7) days' prior written notice given to the other Party pursuant to the terms of this Article XIII) change the address to which notices shall be sent or designate one or more additional or substitute persons to whom notices are to be sent.

Section 13.2 Conflict of Interest. No member, official or employee of the Borough shall have any direct or indirect interest in Redeveloper or this Agreement, nor participate in any decision relating to this Agreement that is prohibited by law.

Section 13.3 No Improper Consideration For Agreement. Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. Redeveloper and the Borough warrant that redeveloper has not paid or incurred any obligation to pay any officer or official of the Borough, any money or other consideration for or in connection with this Agreement, nor has the Borough or any officer or official of the Borough has not received any such payment or accepted any such obligation.

Section 13.4 Non-Liability of Officials and Employees of the Borough. No member, official, or employee of the Borough shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by the Borough, or for any amount which may become due to Redeveloper or its successor, or on any obligation under the terms of this Agreement, unless such member, official, or employee shall have willfully acted unlawfully, in bad faith or in gross negligence.

Section 13.5 Non-Liability of Officials, Members and Employees of Redeveloper. No member, officer, shareholders, director, partner, or employee of Redeveloper, and no member, officer, shareholders, director, partner or employee of the members of Redeveloper or the members of Redeveloper shall be personally liable to the Borough, or any successor in interest, in the event of any default or breach by Redeveloper or for any amount which may become due to the Borough, or their successors, on any obligation under the terms of this Agreement, unless such member, officer, shareholder, director, partner, or employee shall have willfully acted in bad faith or in gross negligence.

Section 13.6 Inspection of Books and Records. The Borough shall have the right during normal business hours and subject to reasonable advance notice (but not less than fifteen (15) business days and not more frequently than once every quarter), and following execution of a confidentiality agreement reasonably satisfactory to Redeveloper, to inspect at Redeveloper's place of business, the books and records of Redeveloper pertinent to the purposes of this Agreement, including but not limited to construction contracts, books and records, leases, insurance policies, and agreements.

Such inspections shall be performed at the offices of the Party whose records are being examined and at a time and in a manner as to not unreasonably interfere with the business

operations of the Party whose books and records are being inspected and be for a legitimate business purpose affecting the material interest of the Party seeking the inspection.

Section 13.7 Modification of Agreement. No modification, waiver, discharge, or amendment of this Agreement shall be valid unless the same is in writing, duly authorized, and signed by Redeveloper and the Borough.

Section 13.8 Severability. To the extent that any article, section, subsection, clause, provision, or term of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of any such article, section, subsection, clause, provision, or term of this Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining article, section, subsection, clause, provision, or term of this Agreement shall be valid and enforceable to the fullest extent permitted by law, provided that no such severance shall serve to deprive either of the Parties of the enjoyment of its substantial benefits under this Agreement.

Section 13.9 Successors Bound. This Agreement shall be binding upon the respective Parties hereto and their successors and assigns.

Section 13.10 Governing Law. This Agreement shall be governed by and construed by the laws of the State. Any legal action filed in this matter shall be heard in the Superior Court of New Jersey, Middlesex County Vicinage.

Section 13.11 Borough Approvals. All approvals or disapprovals required by the Borough shall, unless otherwise stated herein, be valid if given in writing by the Borough Representative or her authorized designee.

Section 13.12 Counterparts. This Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute one and the same instrument.

Section 13.13 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof.

Section 13.14 Waiver. No waiver made by any Party with respect to any obligation of any other Party under this Agreement shall be considered a waiver of any other rights of the Party making the waiver beyond those expressly waived in writing and to the extent thereof.

Section 13.15 Counting of Days; Saturday, Sunday, or Holiday. The word "days" as used in this Agreement shall mean calendar days unless a contrary intention is stated, provided that if the final date of any period provided herein for the performance of an obligation or for the taking of any action falls on a day other than a Business Day, then the time of such period shall be deemed extended to the next Business Day. The term "Business Day" as used herein means

any day other than a Saturday, Sunday, or a day on which banks and public offices are not open under the laws of the State.

Section 13.16 Review by Counsel. This Agreement shall be construed and enforced in accordance with the laws of the State without regard to or any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both Redeveloper and the Borough have collectively reviewed same.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Redevelopment Agreement to be properly executed and their corporate seals affixed and attested as of the date first written above.

WITNESS:


FRANCIS X. REGAN, Esq.


REDEVELOPER:

528 North Ave, LLC,
a New Jersey limited liability company

By: 

By: BRIAN KATZ
MANAGING MEMBER

ATTEST:


William M. Robins, RMC,
Borough Clerk

BOROUGH OF DUNELLEN

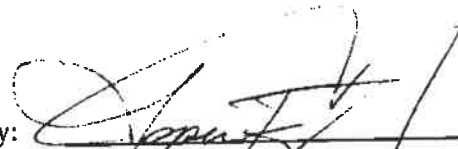
By: 
Jason Cilento, Mayor

EXHIBIT A

Certificate of Completion

Record and Return to:

Isabel Chou, Esq.
Windels Marx Lane & Mittendorf, LLP
120 Albany Street, 6th Floor
New Brunswick, New Jersey 08901

CERTIFICATE OF COMPLETION

Date: _____, 20__

Project: Construction of Forty (40) Residential Rental Units (the "Project").

Location: Block 34, Lots 31, 32, 33, and 34 in the Borough of Dunellen, County of Middlesex (collectively, the "Property")

Pursuant to Section 2.2(d) of the Redevelopment Agreement by and between the Borough of Dunellen (the "Borough") and 528 North Ave, LLC (the "Redeveloper"), dated as of _____, 2019 (the "Redevelopment Agreement"), the undersigned, an authorized representative of the Borough, certifies as of the date hereof that (all undefined terms used herein shall have the same meaning ascribed to them in the Redevelopment Agreement):

(i) the Project in its entirety has been completed as of _____, in accordance with the Redevelopment Agreement and in compliance with Applicable Laws so that the Facility in its entirety may, in all material respects, be used and operated under the applicable provisions of the Redevelopment Agreement;

(ii) all permits, licenses and approvals that are required in order for the Redeveloper to Complete the Project or such other work or action to which such term is applied are, to the extent so required, in full force and effect;

(iii) such Completion has been further evidenced by a written certificate of the Redeveloper and a certificate of the Redeveloper's engineer evidencing completion of the Project Improvements, which certificate is attached hereto as **Exhibit 1**:

(iv) the Project Improvements are being operated in accordance with the terms and provisions of the Redevelopment Agreement, the Redevelopment Plan and Applicable Laws; and

(v) a copy of the Certificate of Occupancy issued with respect to the Project Improvements is attached hereto as **Exhibit 2**.

The conditions determined to exist at the time the Redevelopment Area was determined to be an area in need of redevelopment no longer exist with respect to the Property. The Property shall no longer be subject to (i) any covenant running with the land covered by this Certificate of Completion for the benefit of the Borough, and (ii) eminent domain for purposes of redevelopment as a result of those determinations.

The Declaration recorded in the office of the Middlesex County Clerk on _____ in deed book _____, page _____ is hereby discharged of record and is void and of no further force and effect.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

[signatures appear on successive page]

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Completion of Project to be executed as of the ____ day of _____.

ATTEST:

BOROUGH OF DUNELLEN

William M. Robins, RMC,
Borough Clerk

By:

Jason Cilento, Mayor

Acknowledgment

STATE OF NEW JERSEY :

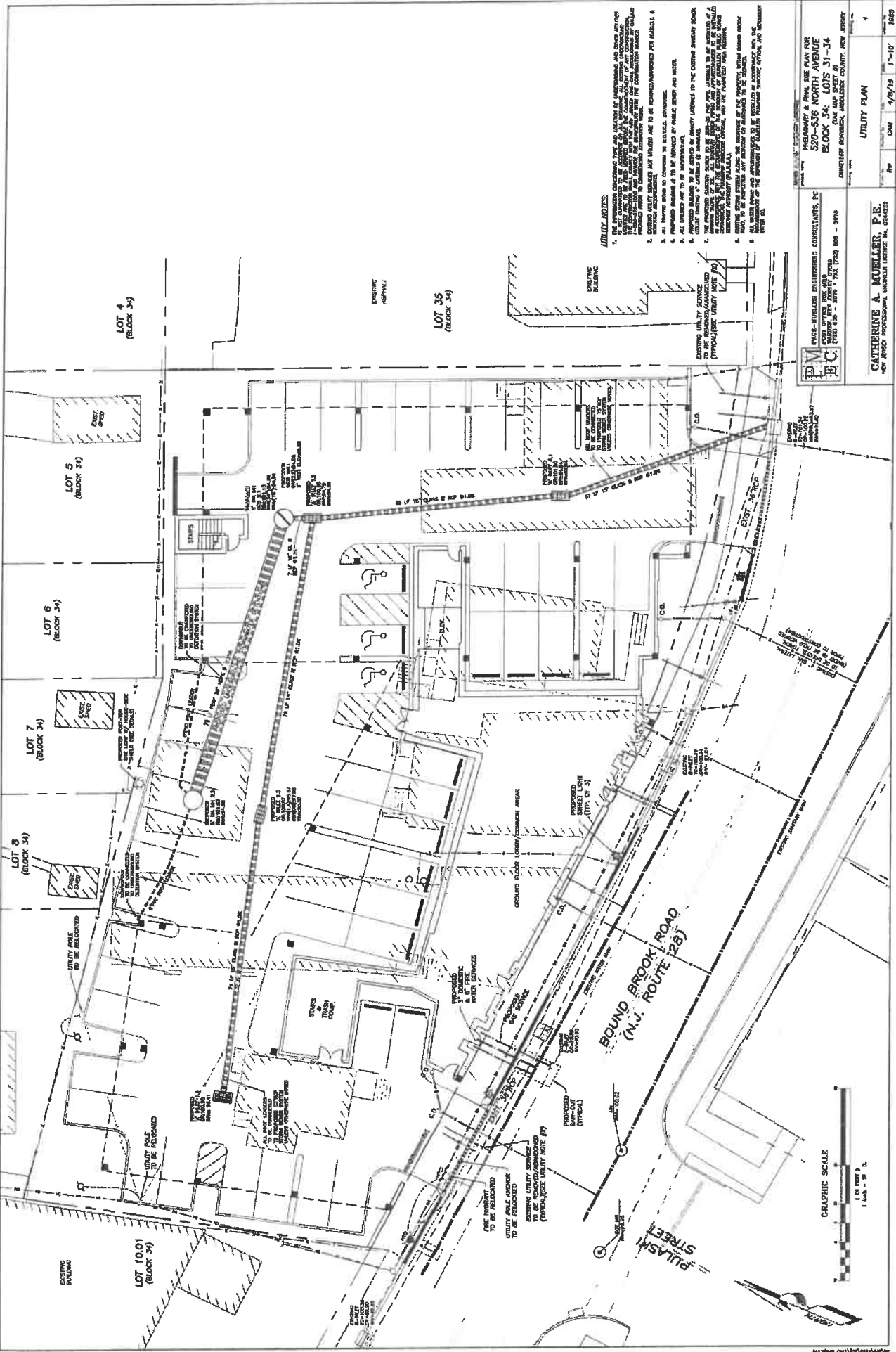
:SS

COUNTY OF MIDDLESEX :

On this ____ day of _____ before me, personally appeared Jason Cilento, the Mayor of the Borough of Dunellen, a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, who I am satisfied is the person who executed the foregoing instrument; and he acknowledged that he executed the foregoing instrument as the act of the corporation and that she was authorized to execute the foregoing instrument on behalf of the Borough of Dunellen.

EXHIBIT B

Redeveloper's Site Plan and Architectural Elevations



- UTILITY NOTES:**
1. THE PROFESSIONAL ENGINEER HAS CONDUCTED VISUAL SURVEYS AND CHECKS AND HAS FOUND THAT THE EXISTING UTILITIES ARE AS SHOWN ON THIS PLAN. THE EXISTING UTILITIES ARE NOT TO BE RECONSTRUCTED OR RELOCATED UNLESS SHOWN OTHERWISE ON THIS PLAN.
 2. EXISTING UTILITIES NOT SHOWN ARE TO BE RECONSTRUCTED PER PARAGRAPHS 4 & 5.
 3. ALL UTILITIES ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 4. ALL UTILITIES ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 5. ALL UTILITIES ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 6. PROPOSED UTILITIES TO BE SHOWN BY DASHED LINES TO THE EXISTING UTILITY MAINS. EXISTING UTILITY MAINS TO BE SHOWN BY SOLID LINES.
 7. ALL UTILITIES ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 8. EXISTING UTILITY MAINS ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 9. EXISTING UTILITY MAINS ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.
 10. EXISTING UTILITY MAINS ARE TO BE RECONSTRUCTED TO 12" DEPTH UNLESS NOTED OTHERWISE.

PRELIMINARY & FINAL SIZE PLAN FOR
520-536 NORTH AVENUE
BLOCK 34; LOTS 31-34
(CON MAP SHEET 0)
 QUANTICO COUNTY, NEW JERSEY

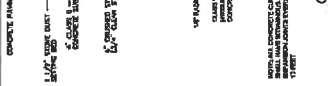
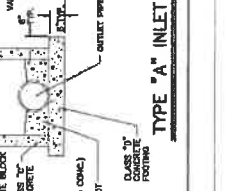
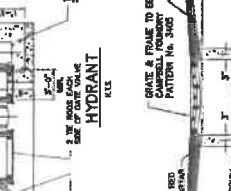
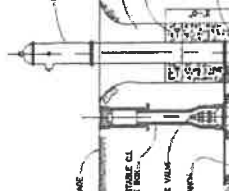
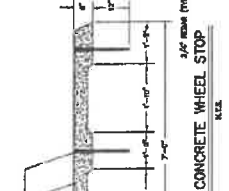
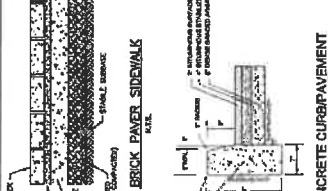
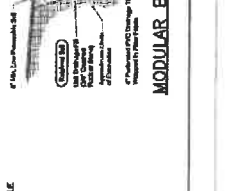
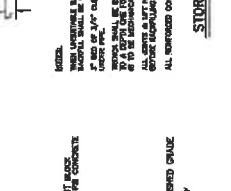
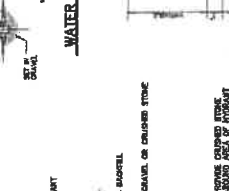
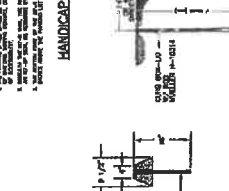
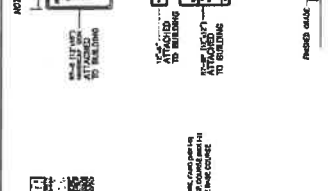
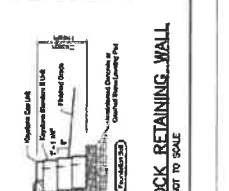
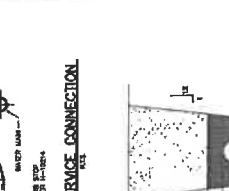
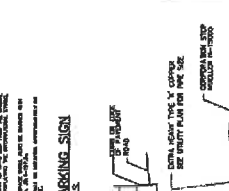
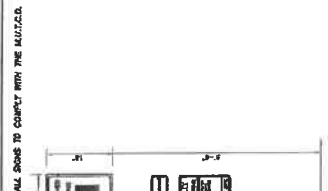
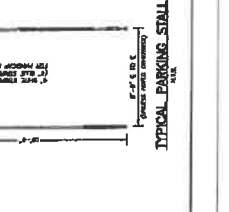
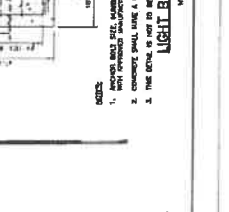
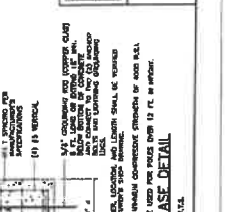
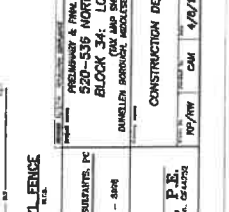
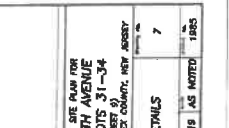
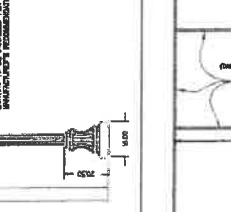
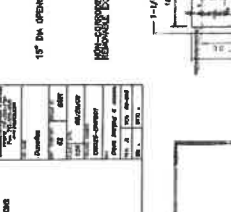
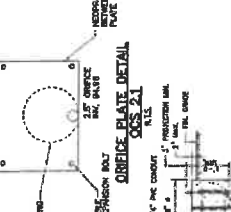
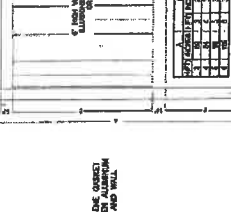
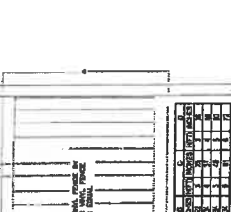
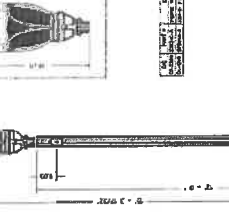
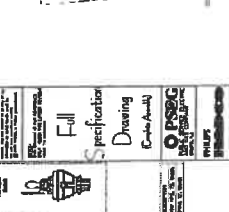
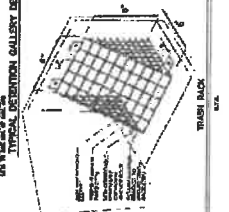
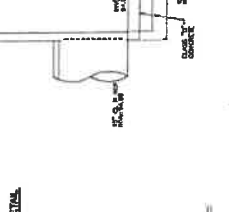
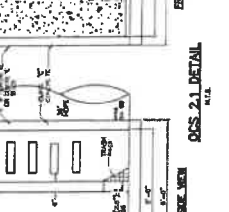
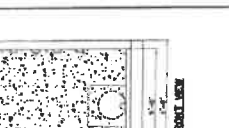
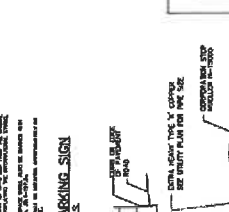
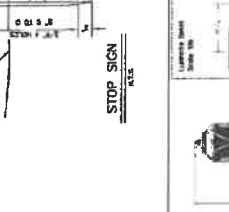
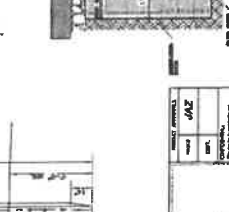
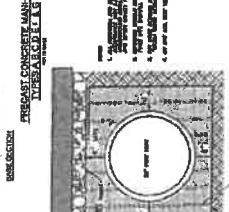
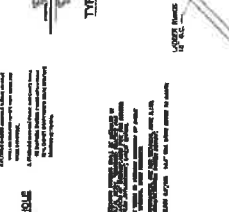
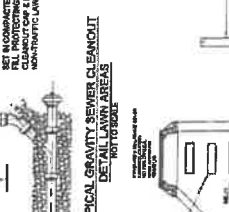
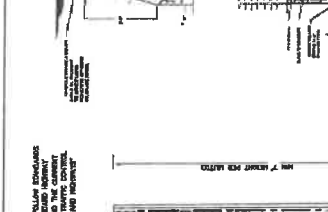
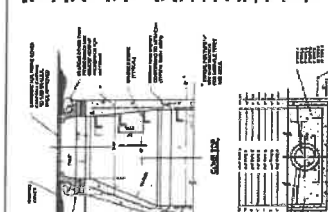
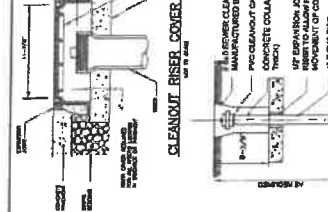
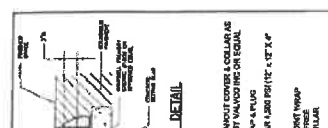
UTILITY PLAN

CATHERINE A. MUELLER, P.E.
 NEW JERSEY PROFESSIONAL ENGINEER LICENSE NO. 30000

DATE: 4/9/19 **SCALE:** 1" = 10'

PROJECT NO.: 4





NOTES:

1. ALL DIMENSIONS TO CENTER UNLESS OTHERWISE NOTED.
2. ALL DIMENSIONS TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS TO CENTER UNLESS OTHERWISE NOTED.
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9. ALL DIMENSIONS TO CENTER UNLESS OTHERWISE NOTED.
10. ALL DIMENSIONS TO FACE UNLESS OTHERWISE NOTED.

EXHIBIT C

Project Schedule

REDEVELOPMENT PROJECT SCHEDULE

| | <i>Task</i> | <i>Completion Date</i> |
|---|---|--|
| 1 | Redeveloper and Borough execute Redevelopment Agreement. | Effective Date |
| 2 | Redeveloper Received Site Plan Approval for Project | August 26, 2019 |
| 3 | Redeveloper Submits for all Governmental Approvals Necessary to Build the Project Including all Outside Governmental Agencies (the "Approval Date") | No later than twelve (12) months from the Effective Date |
| 4 | Submission of Application for Building Permits | Six (6) months from receipt of all Governmental Approvals. |
| 5 | Commencement of Construction | Three (3) months from Issuance of Building Permits and acceptance of construction financing. |
| 6 | Completion of Construction | Twenty-four (24) months from Commencement of Construction |

Ownership Disclosure
528 North Ave Urban Renewal, LLC

Brian Katz is managing member and owns 100% of 528 North Ave Urban Renewal, LLC, whose address is 85 Raritan Avenue, #125, Highland Park, New Jersey 08904

EXHIBIT E

List of Borough Representatives

1. Mayor
2. Borough Administrator
3. Construction/Zoning/Code Officials

EXHIBIT F

Form of Declaration of Covenants

Record and Return to:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza, 6th Floor
New Brunswick, NJ 08901
Attn: Isabel Chou, Esq.

**DECLARATION OF COVENANTS AND RESTRICTIONS
(as to Block 34, Lots 31, 32, 33, and 34 of the Borough of
Dunellen, County of Middlesex (collectively, the “Property”))**

This Declaration of Covenants and Restrictions (this “**Declaration**”) is made this __ day of _____, 2020, by and between the **BOROUGH OF DUNELLEN**, a municipal corporation of the State of New Jersey with offices at the 355 North Avenue, Dunellen, New Jersey 08812, acting in the capacity of a redevelopment entity, together with its successors and assigns (the “**Borough**”), and

and

528 NORTH AVE, LLC, a limited liability company of the State of New Jersey authorized to do business in the State of New Jersey, having offices at c/o _____ (together with its permitted successors or assigns, the “**Redeveloper**” or “**Owner**”).

WITNESSETH

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as amended from time to time (the “Redevelopment Law”) authorizes municipalities to determine whether certain parcels of land in the municipality constitute “areas in need of redevelopment,” as defined in the Redevelopment Law; and

WHEREAS, the municipal council of the Borough (“Borough Council”) directed the Borough planning board (“Planning Board”) to investigate whether certain properties within the Borough’s downtown area (the “Study Area”) constituted as an “area in need of redevelopment” as defined in the Redevelopment Law; and

WHEREAS, the Borough Council on May 5, 2003, adopted a resolution designating certain properties within the Borough, including Site #4 of the Redevelopment Plan, in the Borough as an area in need of redevelopment in accordance with the Redevelopment Law (“Redevelopment Area”); and

WHEREAS, the Borough Council on August 9, 2004, adopted an ordinance approving and adopting the Dunellen Downtown Redevelopment Plan Phase I, which was thereafter

amended, most recently on October 2, 2018 pursuant to Ordinance #2018-09 (as amended, the “Redevelopment Plan”) in accordance with the Redevelopment Law; and

WHEREAS, Redeveloper’s Affiliate, 528 North Ave, LLC, is the fee simple owner of certain real property within the Redevelopment Area known and identified on the official tax maps of the Borough as Block 34, Lots 31, 32, 33, and 34 (collectively, the “Property”) and Redeveloper is under contract to acquire the Property; and

WHEREAS, Redeveloper proposes to construct a residential rental project consisting of thirty (34) market rate units and six (6) affordable units (the “Project”) on the Property; and

WHEREAS, the Redevelopment Law requires that all agreements, leases, deeds and other instruments between a municipality and a redeveloper shall contain a covenant running with the land requiring, among other things, that “. . . the owner shall construct only the uses established in the current redevelopment plan . . .”; and

WHEREAS, the Redevelopment Agreement contains such a covenant by the Redeveloper and its successor or assigns for as long as the Redevelopment Agreement remains in effect, as well as perpetual covenants by the Redeveloper and its successor or assigns not to unlawfully discriminate upon the basis of age, race color creed, religion, ancestry, national origin, sex or familial status in the sale, lease, rental, use or occupancy of the Redevelopment Area or any building or structures erected thereon, to comply with Applicable Laws, Governmental Approvals, the Redevelopment Agreement and the Redevelopment Plan and to maintain in good condition any improvements made on the Property in accordance with the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement also provides that the Property, the Redevelopment Agreement, and Redeveloper’s interest therein shall not be transferable, subject to certain conditions, prior to the issuance of a Certificate of Completion and further provides certain remedies to the Borough for violations of the covenants and defaults under the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement requires that such covenants be memorialized in a Declaration of Covenants and Restrictions and said declaration be recorded in the office of the Clerk of Middlesex County.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Defined terms not otherwise defined herein shall have the meaning assigned to such terms in that certain Redevelopment Agreement dated as of _____, 2020 by and between Borough and Redeveloper.

Section 2. Redeveloper covenants and agrees that:

(A) Redeveloper shall construct on the Property the Project in accordance with the Redevelopment Plan.

(B) Until a Certificate of Completion has been issued for the Property in accordance with the Redevelopment Plan, Redeveloper shall not sell, lease or otherwise transfer all or any portion of the Property without the written consent of the Borough, provided however that nothing contained in the Redevelopment Agreement shall prevent Redeveloper from entering into contracts or leases that are conditioned upon obtaining a Certificate of Occupancy or Certificate of Completion as applicable.

(C) Redeveloper shall, in connection with its use or occupancy of the Project, not effect or execute any covenant, agreement, lease, conveyance or other instrument whereby the Property are restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sexual orientation, sex or familial status, and Redeveloper, its successors and assigns, shall comply with all Applicable Laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sexual orientation, sex or familial status.

(D) Redeveloper shall, upon Completion of Construction, obtain all Government Approvals required authorizing the occupancy and uses of the Property for the purposes contemplated hereby.

(E) Redeveloper shall cause the Project to be developed, financed, constructed, operated and maintained at its sole cost and expense.

(F) Redeveloper shall develop, finance, construct, operate and maintain the Project consistent with Applicable Laws, Government Approvals, the Redevelopment Plan, and this Redeveloper Agreement including the obligation to use commercially reasonable efforts to meet all deadlines and timeframes set forth in this Redeveloper Agreement.

(G) Redeveloper shall not encumber, hypothecate or otherwise use the Property, or any part thereof as collateral for any transaction unrelated to the Project.

(H) Redeveloper will promptly pay all outstanding Borough Costs, and any and all taxes, service charges or similar obligations when owed to the Borough with respect to any property situated in the Borough.

(I) Redeveloper shall, during construction of the Project, take commercially reasonable steps to minimize or mitigate impacts on the surrounding neighborhood (such as, for example, noise and dust controls), and keep debris and/or waste materials containerized and/or stored and disposed of, all within normal industry standards.

Section 3. It is intended and agreed that the covenants and restrictions set forth in Section 2 of this Declaration shall run with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Redevelopment Agreement and this Declaration, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Borough, its successors and assigns, and any successor in interest to the Property, or any part thereof, against Redeveloper, its successors and assigns and every successor in interest therein,

and any person in possession or occupancy of the Property or any part thereof. The covenants and restrictions herein shall be binding on Redeveloper itself, each successor in interest to Redeveloper and each party in possession or occupancy, respectively, only for such period as Redeveloper or such successor or party shall be in possession or occupancy of the Property, the Project or any part thereof.

Section 4. In amplification, and not in restriction, of the provisions of Section 2 of this Declaration, it is intended and agreed that the Borough and its successors and assigns shall be deemed beneficiaries of the covenants and restrictions set forth in the Redevelopment Agreement and this Declaration, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such covenants and restrictions have been provided. Such covenants and restrictions shall run in favor the Borough for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the Borough has at any time been, remains, or is an owner of any land or interest therein. The Borough shall have the right, in the event of any material breach of any such covenant or restriction, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of covenant or restrictions, to which it or any other beneficiaries of such agreement or covenant may be entitled.

Section 5. Upon redevelopment of the Property and completion of the Project, the covenants contained herein shall terminate and this Declaration will be discharged of record upon Redeveloper's receipt of a Certificate of Completion and termination of the Redevelopment Agreement pursuant to Section 2.2 thereof for the Project, provided however, that the covenants in Section 2(C) shall remain in effect without limitation as to time.

[signatures appear on successive page]

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be properly executed and their corporate seals affixed and attested as of the date first written above.

WITNESS:

REDEVELOPER:

528 North Ave, LLC,
a New Jersey limited liability company

By: _____

By: _____

ATTEST:

BOROUGH OF DUNELLEN

William M. Robins, RMC,
Borough Clerk

By: _____
Jason Cilento, Mayor