

## **FINANCIAL AGREEMENT**

**THIS FINANCIAL AGREEMENT** (hereinafter this “**Agreement**”), made this \_\_\_ day of \_\_\_\_\_, 2018, (the “**Effective Date**”) by and between [BNE URBAN RENEWAL, LLC, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*, as amended and supplemented (the “**Long Term Tax Exemption Law**”), with offices at 16 Microlab Road, Livingston, New Jersey 07039 (the “**Entity**”) and the CITY OF SOUTH AMBOY, a municipal corporation in the County of Middlesex and the State of New Jersey (the “**City**”, and together with the Entity, the “**Parties**” or “**Party**”).

### **WITNESSETH:**

**WHEREAS**, the City is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”) to determine whether certain parcels of land within the City constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

**WHEREAS**, by resolutions duly adopted, the City Council designated certain properties within the City, including without limitation, the parcels currently identified on the tax maps of the City as Block 161.02, Lot 20, 23, 24, 24.01, 25, 90, 6.02 and a portion of Lot 20.01 (the “**Beach Club District Properties**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

**WHEREAS**, in accordance with the Redevelopment Law, and by ordinances duly adopted, the City Council adopted various redevelopment plans for the Beach Club District Properties; and

**WHEREAS**, the South Amboy Redevelopment Agency (“**SARA**”) may exercise all powers, duties and functions relating to redevelopment in the manner of a redevelopment entity under the Redevelopment Law, which powers include contracting with redevelopers for the planning, replanning, construction, or undertaking of any project or redevelopment work under N.J.S.A. 40A:12A-8.f; and

**WHEREAS**, Manhattan Beach Club Street, LLC (the “**Master Redeveloper**”) has extensive experience in real estate development, remediation, leasing, and construction, especially involving property in designated redevelopment areas as well as the financial capacity and wherewithal sufficient to support the redevelopment of the Beach Club District Properties; and

**WHEREAS**, on November 12, 2014, SARA, the City and the Master Redeveloper entered into that certain tri-party Redevelopment Agreement (the “**Original Redevelopment Agreement**”) in connection with the redevelopment of the Beach Club District Properties; and

**WHEREAS**, on December 17, 2014, by Ordinance No. 13-2014, the City Council adopted the Beach Club District Redevelopment Plan (the “**Redevelopment Plan**”), which redevelopment plan superseded and replaced the existing redevelopment plans as same related to the parcels comprising the Beach Club District Properties; and

**WHEREAS**, certain of the Beach Club District Properties now identified on the tax map of the City as Block 161.02, Lots 6.03 and 6.04 were created through the subdivision of Block 161.02, Lots 6.02, 25 and 90, as established by that certain Subdivision Deed dated December 30, 2014 between Lower Main Street Development, LLC and Amboy Aggregates and recorded on January 5, 2015 in the Office of the Middlesex County Clerk at Deed Book 06649, Page 0710 *et seq.*; and

**WHEREAS**, the Master Redeveloper and its Affiliates are the owner of the Beach Club District Properties consisting of Block 161.02, Lots 6.03, 6.04, 20 and 23 (the “**Site**”); and

**WHEREAS**, on \_\_\_\_\_, 2018, SARA, the City and the Master Redeveloper entered into that certain Amended and Restated Redevelopment Agreement with Master Redeveloper (the “**Master Redevelopment Agreement**”), pursuant to which the Master Redeveloper will be responsible for effectuating the redevelopment of the Site through the construction of: (a) a multi-phased residential complex and (b) certain on and off-site public and other infrastructure improvements, either directly or through the selection of one or more Subredevelopers (as defined in the Master Redevelopment Agreement) qualified to carry out such development; and

**WHEREAS**, the Entity is the contract purchaser of the portion of the Site identified as Block 161.02, portions of Lots 6.03 and 6.04 on the tax maps of the City, and more particularly described by the property description attached hereto as Exhibit A (the “**Property**”); and

**WHEREAS**, SARA and the City have approved the proposed conveyance of the Property to the Entity, who will redevelop same with a multi-phased project consisting of 285 market-rate and 15 affordable residential units, including parking spaces and amenity space for a clubhouse and pool (“**Phase 1**”), and 199 market-rate and 11 affordable residential units, including parking spaces and amenity space for a clubhouse and pool (“**Phase 2**” and, together with Phase 1, the “**Project**”); and

**WHEREAS**, the Entity has submitted an application to the City for the approval of a long term tax exemption for the Project pursuant to the Long Term Tax Exemption Law, which application is attached hereto as Exhibit B (the “**Application**”), in exchange for which the Entity will pay to the City an Annual Service Charge (defined below); and

**WHEREAS**, on [\_\_\_\_], 2018, the City Council adopted an ordinance, entitled, “Ordinance of the City of South Amboy, County of Middlesex, New Jersey Approving Application for a Long Term Tax Exemption and Authorizing the Execution of a Financial Agreement”, approving the application and authorizing the execution of this Agreement, a copy of which is attached hereto as Exhibit C (the “**Ordinance**”); and

**WHEREAS**, the City made the following findings with respect to the Project:

A. Relative Benefits of the Project:

- i. The Property is a former industrial site which is currently vacant and underutilized. The Project will redevelop the Property with a residential complex

consisting of approximately 484 market-rate units and approximately 26 affordable units. The Project will create approximately 500 construction jobs and 20 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

B. Assessment of the Importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

i. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charge. The relative stability and predictability of the Annual Service Charge will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be feasibly developed by reducing the expenses associated with the operation of the Project. Reduced expenses allow for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually covenanted and agreed as follows:

## ARTICLE I

### **GENERAL PROVISIONS**

#### **SECTION 1.01 Governing Law.**

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, the Ordinance, and all other Applicable Laws. It is expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

#### **SECTION 1.02 General Definitions.**

The following terms shall have the meanings assigned to such term in the preambles hereof:

Agreement

Application

Beach Club District Properties

City

City Council

Entity

Effective Date

Local Redevelopment and Housing Law

Long Term Tax Exemption Law

Master Redeveloper

Ordinance

Party/Parties

Phase 1

Phase 2

Planning Board

Project

Property

Redevelopment Agreement

Redevelopment Area

Redevelopment Law

Redevelopment Plan

SARA

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

Administrative Fee – The annual fee paid to the City by the Entity, as set forth in Section 4.06 of the Agreement.

Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to the provisions of *N.J.S.A. 40A:20-3(b)*.

Allowable Profit Rate - The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of (x) twelve percent (12%) or (y) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the interest rate per annum that the City determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

Annual Gross Revenue – Pursuant to *N.J.S.A. 40A:20-3(a)*, the annual gross revenue shall be calculated as one hundred percent (100%) of the rental charges generated from the residential units comprising the Project or Phase, as applicable, and one hundred percent (100%) of the application fees, pet fees, parking fees, floor or view premiums and any other charges that may be collected from tenants of the Project or such Phase.

Annual Service Charge - The amount the Entity has agreed to pay the City, or its designee, pursuant to Article IV for municipal services supplied to the Project or a Phase, as applicable, which sum is in lieu of any taxes on the Land and Improvements, which amount shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Annual Service Charge Start Date – The Annual Service Charge Start Date shall be the date of the issuance of the Certificate of Occupancy for the first residential unit within the Project or a Phase, as applicable.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Redevelopment Law and the Long Term Tax Exemption Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, and applicable federal and State labor standards.

Auditor's Report - A complete financial statement outlining the financial status of the Project or Phase, as applicable (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit as provided in *N.J.S.A. 40A:20-3(c)*. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - A temporary (if temporary or conditional for the limited reasons of grading, seeding, landscaping and/or surface pavement course) or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the City authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A. 52:27D-133*.

Clerk - The municipal clerk of the City.

County – The County of Middlesex.

County Share – The first five percent (5%) of the Annual Service Charge, which shall be payable to the County in accordance with the provisions of *N.J.S.A. 40A:20-12*.

Default - A breach or the failure of either Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under Applicable Law, beyond any applicable grace or cure periods after written notice of such failure.

Default Notice – As defined in Section 15.02.

Financial Plan – The financial plan prepared pursuant to *N.J.S.A. 40A:20-8(e)* attached to the Application.

Improvements - Any building, structure or fixture constituting the Project, or a portion thereof, permanently affixed to the Land and to be constructed and exempt under this Agreement.

In Rem Tax Foreclosure - A summary proceeding by which the City may enforce the lien for taxes due and owing by a tax sale in accordance with the provisions of the In Rem Tax Foreclosure Act and Tax Sale Law.

In Rem Tax Foreclosure Act – *N.J.S.A. 54:5-104.29 et seq.*, as may be amended or supplemented from time to time.

Land – The real property, but not the Improvements, commonly known as Block [\_\_\_\_], Lot [\_\_\_\_] on the tax maps of the City, as more particularly described by the property description set forth in Exhibit A of this Agreement and to be exempt hereunder.

Land Taxes - The amount of taxes assessed on the value of the Land exclusive of the value of any Improvements related thereto, in accordance with Applicable Laws.

Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods, if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

Material Conditions – As defined in Section 4.07.

Mayor - The mayor of the City.

Minimum Annual Service Charge – The total taxes levied against all real property constituting the Property in the last full tax year in which the Property was subject to taxation.

Net Profit – The Annual Gross Revenue of the Entity pertaining to the Project, or applicable Phase, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of *N.J.S.A. 40A:20-3(c)*, which includes, but is not limited to, an annual amount sufficient to amortize (utilizing the straight line

method-equal annual amounts) the Total Project Cost over the term of the abatement granted pursuant to this Agreement as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3(c)*.

Notice of Termination – As defined in Section 15.04.

Phase – Either Phase 1 or Phase 2, as the context may require.

State – The State of New Jersey.

Tax Assessor – The City tax assessor.

Tax Collector – The City tax collector.

Tax Sale Law – *N.J.S.A. 54:5-1 et seq.*, as the same may be amended or supplemented from time to time.

Termination – Expiration of the term of this Agreement in accordance with Section 3.01 or any action or omission which by operation of the terms of this Agreement shall cause the Entity to relinquish or forfeit the tax exemption granted pursuant to this Agreement.

Total Project Cost – The total cost of construction and/or rehabilitation of the Project, or applicable Phase, through the date a Certificate(s) of Occupancy is issued for the Project or Phase, as applicable, which categories of cost are as defined in *N.J.S.A. 40A:20-3(h)*. There shall be included in Total Project Cost the actual costs incurred to construct the Improvements which are specifically described in the Application.

### **SECTION 1.03 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, and the term “heretofore” means before the date of delivery of this Agreement.

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. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

D. Any headings preceding the texts 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.

E. 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.

F. 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 twenty (20) days, unless the context dictates otherwise.

G. All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

**SECTION 1.04 Reliance by City.** It is expressly understood and agreed that the City has relied upon the facts and representations contained in the Application in granting the tax exemption described in this Agreement.

**{End of Article I}**



## **ARTICLE II** **APPROVAL**

### **SECTION 2.01 Approval of Tax Exemption**

The City does hereby grant its approval for a tax exemption for the Project in accordance with the provisions of the Long Term Tax Exemption Law. Pursuant to the Ordinance, the Land and Improvements to be constructed and maintained by the Entity shall be exempt from taxation as provided for herein.

### **SECTION 2.02 Approval of the Entity**

Approval is granted to the Entity based on its representation that its Certificate of [Incorporation/Formation], attached to the Application as Exhibit 2 thereto, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, all in accordance with *N.J.S.A. 40A:20-5*.

### **SECTION 2.03 Improvements to be Constructed**

The Entity represents that it will construct or cause the Improvements to be constructed in accordance with the Redevelopment Plan, the approved site plan for the Project, the Redevelopment Agreement, and the City's Master Plan.

### **SECTION 2.04 Construction Schedule**

The Entity agrees to diligently undertake to complete construction of the Project within [ ] months of the issuance of the first building permit therefor subject only to "Force Majeure".

### **SECTION 2.05 Ownership, Management and Control**

The Entity represents that it is the contract purchaser of the Property and that it will be the owner of same prior to the commencement of construction of the Project. The Entity expressly covenants, warrants and represents that upon completion, the Project, including all Land and Improvements, shall be used, managed and operated for the purposes set forth in the Application and in accordance with the Redevelopment Plan and all Applicable Laws.

### **SECTION 2.06 Financial Plan**

The Entity represents that the Improvements shall be financed substantially in accordance with the representations set forth in the Financial Plan. The Application and Financial Plan, made a part hereof, set forth the estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedules and lease terms, as applicable, in accordance with the Long Term Tax Exemption Law.

**{End of Article II}**

## **ARTICLE III**

### **DURATION OF AGREEMENT**

#### **SECTION 3.01 Term**

This Agreement is effective on the Effective Date. So long as there is compliance with the Applicable Laws and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay Annual Service Charge under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) thirty-five (35) years from the date of the Effective Date or (ii) thirty (30) years from the Annual Service Charge Start Date for the Project, or applicable Phase. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law. Upon Termination, the tax exemption for the Project or applicable Phase shall expire, and the Land and Improvements shall thereafter be assessed and taxed according to the general laws applicable to other non-exempt property in the City. Upon Termination all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the City's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-12*. Notwithstanding the above, if the Entity fails to commence construction within the timeframe set forth in Section 2.04, above, then the City may terminate the Agreement upon ten (10) days prior written notice to the Entity.

#### **SECTION 3.02 Date of Termination**

Upon any Termination of the tax exemption, as described in Section 3.01, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity.

#### **SECTION 3.03 Voluntary Termination by Entity**

The Entity may at any time after the expiration of one year from the completion of the Project, or applicable Phase, notify the City that as of a certain date designated in the notice, it relinquishes its status under the Long Term Tax Exemption Law and that the Entity has obtained the consent of the Commissioner of the Department of Community Affairs. Upon Termination of the Agreement, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the City's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-12*.

**{End of Article III}**

## ARTICLE IV

### **ANNUAL SERVICE CHARGE**

#### **SECTION 4.01 Annual Service Charge Consent**

The Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens described in this Agreement, and the Entity shall not contest the validity or amount of any such lawfully imposed lien. Notwithstanding anything herein to the contrary, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim under any circumstances, including without limitation any loss of the status of the Entity as an urban renewal entity qualified under and as defined in the Long Term Tax Exemption Law, or any violation by the City of any provisions of this Agreement. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by Applicable Law.

#### **SECTION 4.02 Payment of Annual Service Charge**

A. In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge commencing on the Annual Service Charge Start Date.

B. Payment of the Annual Service Charge shall be made to the City on a quarterly basis on February 1, May 1, August 1, and November 1 after the Annual Service Charge Start Date in accordance with the City's tax collection schedule, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. The obligation to pay the Annual Service Charge shall continue until the Termination of the Agreement.

C. In the event that the Entity fails to timely pay the Annual Service Charge or any installment thereof, the amount past due shall bear interest at the highest rate of interest permitted under the State law in the case of unpaid taxes or tax liens on the Property and Land until paid.

D. In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-12*, in the event of any change in the tax-exemption status as provided herein during any tax year, including but not limited to any Termination, the procedure for the apportionment of any taxes and/or Annual Service Charge, as the case may be, shall be the same as in the case of other changes in tax exemption status to any other property located within the City during the tax year, in accordance with Applicable Law.

#### **SECTION 4.03 Annual Service Charge Amount**

Pursuant to *N.J.S.A. 40A:20-12*, the Annual Service Charge shall be an amount equal to the greater of: (a) (i) 10.5% of the Annual Gross Revenue for the first ten years after the Annual Service Charge Start Date; (ii) 12% of the Annual Gross Revenue for years 11-20 after the Annual Service Charge Start Date; and (iii) 13% of the Annual Gross Revenue for the years 21-25 after the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge.

Subject to the Minimum Annual Service Charge the first year of the Annual Service Charge shall be billed based on the Entity's actual Annual Gross Revenue for the first full year of operation.

Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of the Agreement to the contrary, including Section 4.04 herein, the Annual Service Charge shall never be reduced below the Minimum Annual Service Charge through any tax appeal on the Land and/or Improvements or any other legal proceeding regarding the Project during the period that this Agreement is in force and effect.

#### **SECTION 4.04 Land Taxes and Credits, Reformation of Annual Service Charge**

A. In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated by a court of competent jurisdiction, the Parties agree that this Agreement shall remain valid and in full force and effect, and shall be reformed to provide that Land Taxes are assessed on the Property. In such case, the payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Annual Service Charge.

B. In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated as described in Section 4.04(A), all Land Taxes, shall be separately assessed for the Project Site, and shall be computed according to the general laws applicable to all other tax ratables and shall be separately assessed for the Property, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements. The payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. The Entity's failure in any tax year to make any Land Tax Payments when due and owing shall render the Entity ineligible for any land tax credits against the Annual Service Charge during that period, subject to a right to cure any such delinquency prior to the end of the applicable tax year. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if applicable. The Entity is required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The City shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

#### **SECTION 4.05 Schedule of Stage Adjustments to Annual Service Charge**

Pursuant to *N.J.S.A. 40A:20-12(b)*, the Annual Service Charge shall be adjusted as follows:

A. Stage One. Commencing on the Annual Service Charge Start Date through the 8<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 of the Agreement.

B. Stage Two. From the 9<sup>th</sup> year through the 14<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 20% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

C. Stage Three. From the 15<sup>th</sup> year through the 20<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 40% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

D. Stage Four. From the 21<sup>st</sup> year through the 24<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 60% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

E. Stage Five. For the 25<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 80% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

#### **SECTION 4.06 Administrative Fee**

The Entity shall pay annually an administrative fee to the City in addition to the Annual Service Charge. The Administrative Fee shall be computed as two percent (2%) of the Annual Service Charge required pursuant to Section 4.03. This fee shall be payable and due on or before February 1<sup>st</sup> of each year for the Administrative Fee accrued in the prior calendar year, and collected in the same manner as the Annual Service Charge. In the event the Entity fails to pay the Administrative Fee when due and owing, the amount unpaid shall bear the highest rate of interest permitted under applicable New Jersey law in the case of unpaid taxes or tax liens until paid.

#### **SECTION 4.07 Material Conditions**

It is expressly agreed and understood that all payments of Annual Service Charge and any interest payments, penalties or costs of collection due thereon, Land Taxes and the Administrative Fee are material conditions of this Agreement (the “**Material Conditions**”). If any other term, covenant or condition of this Agreement, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

#### **SECTION 4.08 No Reduction in Payment of the Annual Service Charge**

Neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Sections 4.02 and 4.03 hereof shall be reduced, amended or otherwise modified during the term of this Agreement.

**SECTION 4.09 Annual Service Charges as Municipal Lien**

In accordance with the provisions of the Long Term Tax Exemption Law, the Annual Service Charge shall be and constitutes a continuous municipal lien on the Property and the Improvements.

**SECTION 4.10 Security for Payment of Annual Service Charges**

In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

**SECTION 4.11 County Portion Paid to the County**

In accordance with the provisions of *N.J.S.A. 40A:20-12*, upon the payment of the Annual Service Charge, the City shall remit the County Share to the County.

**{End of Article IV}**

## **ARTICLE V**

### **REMEDIES**

#### **SECTION 5.01 Dispute Resolution**

In the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. Each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination, and produce a reasoned decision, regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law. Costs for said arbitration shall be borne equally by both Parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the City, in addition to their other remedies, reserves the right to proceed against the Property and the Project, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof.

Notwithstanding anything herein to the contrary, no arbitrator shall have any power or authority to amend, alter, or modify any part of this Agreement, in any way.

#### **SECTION 5.02 Remedies**

In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV, the City in addition to its other remedies, reserves the right to proceed against the Project, in the manner provided by Applicable Law, including the Tax Sale Law and the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word “Taxes” appears, or is applied, directly or implied, to mean real estate taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge constitutes taxes or a municipal lien on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the City to proceed in the above-mentioned manner.

**{End of Article V}**



## **ARTICLE VI**

### **CERTIFICATE OF OCCUPANCY**

#### **SECTION 6.01 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a reasonably timely manner.

#### **SECTION 6.02 Filing of Certificate of Occupancy**

It shall be the responsibility of the Entity to promptly file with both the Tax Assessor and the Tax Collector a copy of any Certificate of Occupancy issued for the Project.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

**{End of Article VI}**

## ARTICLE VII

### ANNUAL AUDITS

#### **SECTION 7.01 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed by Applicable Law.

#### **SECTION 7.02 Periodic Reports**

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, for the duration of this Agreement, the Entity shall submit to the Mayor, City Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year pursuant to *N.J.S.A. 40A:20-3(c)*. The Report shall clearly identify and calculate all items comprising the Annual Gross Revenue and the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the periodic reports.

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project, the Entity shall, unless this Agreement is terminated, submit to the Mayor, City Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by the Entity's architect.

C. Disclosure Statement: On each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Mayor, City Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

#### **SECTION 7.03 Inspection**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, by representatives duly authorized by the City and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. The Entity shall also permit, upon written request, examination and audit of its books, contracts, records, documents and papers relating to the Project by representatives duly authorized by the City and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. Such inspection shall be made upon ten (10) days' written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

#### **SECTION 7.04 Limitation on Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits and dividends pursuant to the provisions of *N.J.S.A. 40A:20-15*. Pursuant to *N.J.S.A. 40A:20-3(b)* and (c), this calculation shall be completed in accordance with generally accepted accounting principles.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A. 40A:20-15*. The reserve shall be noncumulative.

There is expressly excluded from calculation of Annual Gross Revenue and from Net Profit as set forth in *N.J.S.A. 40A:20-3* for the purpose of determining compliance with *N.J.S.A. 40A:20-15* or *N.J.S.A. 40A:20-16*, any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law.

#### **SECTION 7.05 Payment of Dividend and Excess Profit Charge**

In the event the Net Profits of the Entity in any fiscal year shall exceed the Allowable Net Profits for such period, then the Entity, within ninety (90) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned Section 7.04. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to *N.J.S.A. 40A:20-3(c)* and *40A:20-15*.

The Parties agree that any excess Net Profit will be paid to the City as additional Annual Service Charge.

**{End of Article VII}**

## ARTICLE VIII

### ASSIGNMENT AND/OR ASSUMPTION

#### **SECTION 8.01** Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law

The Entity shall not voluntarily transfer more than ten percent (10%) of the Project, until it has removed itself and the Project from all restrictions under this Agreement. The Entity shall, however, be permitted to transfer all or any portion of the Project to another urban renewal entity approved by the City as follows:

A. As permitted by *N.J.S.A. 40A:20-10(a)*, it is understood and agreed that the City, on written application by the Entity after completion of the Project, may consent to a sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (iii) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; (v) the transferee entity agrees to abide by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to *N.J.S.A. 40A:20-8*, and any other terms and conditions of the City in regard to the Project; and (vi) the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage and complete the Project. In the event that the transfer contemplated in this Section 8.01(A) is for less than the whole of the Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the land area being transferred compared to the total land area for the Project.

B. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity of ten percent (10%) or less, provided that any such transfer shall be disclosed to the City Council in the next Auditor's Report or in correspondence sent to the City Clerk in advance of the next Auditor's Report.

C. If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to *N.J.S.A. 40A:20-6*, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the Long Term Tax Exemption Law. The date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that date of the transfer of title, the Entity shall pay to the City the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to *N.J.S.A. 40A:20-15*.

#### **SECTION 8.02** Severability

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the City Council by ordinance, convey, mortgage or

transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Land which are basic to, embraced in, or underlying the exempt Improvements.

**SECTION 8.03 Subordination of Fee Title**

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charge, and to the rights of the City hereunder to encumber and/or lease the Land and/or Improvements, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

**{End of Article VIII}**

## ARTICLE IX

### **CITY DETERMINATIONS AND OBLIGATIONS**

#### **SECTION 9.01 Relative Benefits**

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(a)*, the City hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the City and its citizens despite the tax exemption granted hereunder. The Property is a former industrial site that is currently vacant and underutilized. The Project will redevelop the Property with a residential complex consisting of approximately 484 market-rate units and approximately 26 affordable units. The Project will create approximately 500 construction jobs and 20 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

#### **SECTION 9.02 Importance of Tax Exemption**

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(b)*, the City hereby finds and determines that it has reviewed the Application and accompanying financial information and it has determined that this Agreement is a critical incentive for the Entity to undertake the Project in the City due to the extraordinary costs associated with the development of the Property. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be feasibly developed by reducing the expenses associated with the operation of the Project. Reduced expenses allow for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

**{End of Article IX}**

## **ARTICLE X**

### **WAIVER**

#### **SECTION 10.01 Waiver**

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Entity of any rights and remedies provided by the Applicable Law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the City or the Entity has under law, in equity, or under any provision of this Agreement.

**{End of Article X}**

## ARTICLE XI

### NOTICE

#### SECTION 11.01 Notice

Any notice required hereunder to be sent by any Party to another Party shall be sent to all other Parties hereto simultaneously by certified or registered mail, return receipt requested or by commercial overnight delivery service with package tracking capabilities and for which proof of delivery is available, as follows:

A. When sent to the Entity it shall be addressed as follows:

[BNE Urban Renewal, LLC]  
16 Microlab Road  
Livingston, NJ 07039

**with copies to:**

Charles B. Liebling, Esq.  
Windels Marx Lane & Mittendorf, LLP  
120 Albany Street Plaza, 6<sup>th</sup> Floor  
New Brunswicks, NJ 08901

B. When sent to the City, it shall be addressed as follows:

City Clerk  
City of South Amboy  
140 North Broadway  
South Amboy, New Jersey 08879

**with copies to:**

Kevin P. McManimon, Esqq.  
McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue, 2<sup>nd</sup> Floor  
Roseland, NJ 07068

The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

**{End of Article XI}**



## **ARTICLE XII**

### **COMPLIANCE**

#### **SECTION 12.01 Statutes and Ordinances**

The Entity hereby agrees at all times prior to the expiration or Termination of this Agreement to remain bound by the provisions of Applicable Law and any lawful ordinances and resolutions of the City, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Agreement.

**{End of Article XII}**

## **ARTICLE XIII**

### **CONSTRUCTION**

#### **SECTION 13.01 Construction**

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid or any presumption or other rule requiring construction against the Party drawing or causing this Agreement to be drawn, since counsel for both the Entity and the City have combined in their review and approval of same.

**{End of Article XIII}**

## **ARTICLE XIV**

### **INDEMNIFICATION**

#### **SECTION 14.01 Indemnification**

It is understood and agreed that in the event the City shall be named as a party defendant in any action respecting the Property brought against the City or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or any other Applicable Law, the Entity shall indemnify and hold the City harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of *N.J.S.A. 40A:20-1 et seq.*, and/or any other Applicable Law except for any misconduct by the City or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity.

**{End of Article XIV}**

## ARTICLE XV

### **DEFAULT**

#### **SECTION 15.01 Default**

Default shall be failure of either Party to conform to the terms of this Agreement and/or perform any obligation imposed by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

#### **SECTION 15.02 Cure Upon Default**

Should a Party be in Default of any obligation under this Agreement, the non-defaulting Party shall notify the defaulting Party and any mortgagee, if applicable, of the Entity in writing of said Default (the “**Default Notice**”). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the defaulting Party shall have sixty (60) days to cure any Default (other than a Default in payment of any installment of the Annual Service Charge which default must be cured within ten (10) days from the date of its receipt of the Default Notice) provided such cure can reasonably be effected within such sixty (60) day period in which case Entity shall have such additional time to cure as reasonably necessary to effect same. In the event of any uncured Default by the Entity, the City shall have the right to proceed against the Property pursuant to Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge, the City shall have the right to proceed with an In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Act.

#### **SECTION 15.03 Remedies Upon Default Cumulative; No Waiver**

Subject to the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of Entity's failure to pay Land Taxes, the Annual Service Charge, and/or the Administrative Fee and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges, Administrative Fee or other charges, or for breach of covenant. The resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges, Administrative Fee or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

#### **SECTION 15.04 Termination Upon Default of the Entity**

In the event the Entity fails to cure or remedy any Default within the time period provided in Section 15.02, the City has the right to terminate this Agreement upon thirty (30) days written notice to the Entity (the “**Notice of Termination**”).

**SECTION 15.05 Final Accounting**

Within ninety (90) days after the date of Termination, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of *N.J.S.A.* 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the Termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**SECTION 15.06 Conventional Taxes**

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

**{End of Article XV}**

## **ARTICLE XVI**

### **MISCELLANEOUS**

#### **SECTION 16.01 Conflict**

The Parties agree that in the event of a conflict between the Application and this Agreement, the language in this Agreement shall govern and prevail.

#### **SECTION 16.02 Oral Representations**

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement, the Ordinance of the City authorizing this Agreement, and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

#### **SECTION 16.03 Entire Document**

All conditions in the Ordinance of the City Council approving this Agreement are incorporated in this Agreement and made a part hereof. This Agreement, the Ordinance and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

#### **SECTION 16.04 Good Faith**

In their dealings with each other, the Parties agree that they shall act in good faith.

#### **SECTION 16.05 Recording**

This entire Agreement will be filed and recorded with the Middlesex County Clerk by the Entity at the Entity's expense.

#### **SECTION 16.06 Municipal Services**

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for Land Taxes, if applicable, and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

#### **SECTION 16.07 Annual Service Charge Paid to County**

Pursuant to *N.J.S.A. 40A:20-12*, the City shall remit five percent (5%) of the Annual Service Charge to Middlesex County.

**SECTION 16.08 Financing Matters**

The financial information required by the final paragraph of *N.J.S.A. 40A:20-9* is set forth in the Application.

**SECTION 16.09 Counterparts**

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

**SECTION 16.10 Amendments**

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

**SECTION 16.11 Certification**

The Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A. 40A:20-12*, that an agreement with an urban renewal entity, i.e., the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by *N.J.S.A. 40A:20-1, et seq.* Delivery by the Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the City Council approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated.

Further, within 10 calendar days following the later of the effective date of the Ordinance or the execution of this Agreement by the Entity, the City Clerk shall transmit a certified copy of the Ordinance and this Agreement to the chief financial officer of Middlesex County and to the Middlesex County counsel for informational purposes.

**SECTION 16.12 Severability**

If any one or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

**SECTION 16.13 Effect of Amendment and Restatement**

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

**{End of Article XVI}**



**IN WITNESS WHEREOF**, the parties have caused these presents to be executed as of the day and year first above written.

**[BNE URBAN RENEWAL, LLC]**

By: \_\_\_\_\_  
Jonathan Schwartz, Manager

**CITY OF SOUTH AMBOY**

By: \_\_\_\_\_  
Fred A. Henry, Mayor

STATE OF NEW JERSEY       :  
  : ss  
COUNTY OF \_\_\_\_\_       :

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the \_\_\_\_\_ of BNE Urban Renewal, LLC, a New Jersey urban renewal entity, on behalf of the company.

\_\_\_\_\_  
Notary Public

STATE OF NEW JERSEY :  
 : ss  
COUNTY OF MIDDLESEX :

The foregoing instrument was acknowledged before me this \_\_ day of \_\_\_\_\_, 2018, by Fred A. Henry, the Mayor of the CITY OF SOUTH AMBOY, a municipal corporation of the County of Middlesex and State of New Jersey, on behalf of the City.

---

Notary Public

### **LIST OF EXHIBITS**

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

- Exhibit A.     Property Description
- Exhibit B.     Exemption Application with Exhibits
- Exhibit C.     Ordinance

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**EXHIBIT B**

**EXEMPTION APPLICATION WITH EXHIBITS**

**EXHIBIT C**  
**ORDINANCE**

