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SOUTH AMBOY REDEVELOPMENT AGENCY

June 3, 2021

6:30 p.m.

140 North Broadway

South Amboy, N.J.

1. Call to Order by Legal Counsel

2. Chairperson's Statement of Compliance with Open Public Meetings Act (R.S.10:4-6, et seq.)

The Notice requirements provided in the Open Public Meetings Act have been satisfied. Notice of this meeting was published in The Home News & Tribune on **December 9, 2020**, provided to the Star Ledger, filed with the City Clerk and posted in the City Municipal Building on December 9, 2020.

3. Salute to the Flag and Prayer

4. ROLL CALL:

A. CONRAD _____
Z. DATO _____
T. GONSALVES _____
D. KALES _____
K. F. MESZAROS _____
F. MILATTA _____
C. TOOKER _____

E. CHUBENKO* _____
* Executive Director

C. J. COUGHLIN, ESQ.* _____
* General Counsel

Legal Counsel calls for a motion to appoint Agency Chairman. (M: 06-03-21 :01)

Agency Chairman call for a motion to appoint Agency Vice Chairman. (M: 06-03-21 :02)

5. Correspondence:

6. Grant Activity:
7. Consent Agenda:
 - A. Professional Appointments/Agency Resolutions:
(Resolution to be distributed at meeting.)
 1. Resolution Of The South Amboy Redevelopment Agency Regarding The Delayed Introduction Of The 2022 Budget (M: 06-03-21 :03)
 2. South Amboy Redevelopment Agency 2021 Temporary Budget Resolution (M: 06-03-21 :04)
 3. 2021 South Amboy Redevelopment Agency Authority Budget (M: 06-03-21 :05)
 4. South Amboy Redevelopment Agency Resolution Designating Official Bank (M: 06-03-21 :06)
 5. South Amboy Redevelopment Agency Resolution Designating Official Newspapers (M: 06-03-21 :07)
 6. Authorizing Salaries for The Redevelopment Agency (M: 06-03-21 :08)
 7. Cash Management Plan (M: 06-03-21 :09)
 8. South Amboy Redevelopment Agency Resolution Awarding Of A Professional Services Contract for Legal Services Pursuant To A Fair And Open Process (M: 06-03-21 :10)
 9. South Amboy Redevelopment Agency Resolution Awarding Of A Professional Services – Auditing Contract Pursuant To A Fair And Open Process (M: 06-03-21 :11)
 10. South Amboy Redevelopment Agency Resolution Awarding Of A Professional Services – Redevelopment Consultants Pursuant To A Fair And Open Process (M: 06-03-21 :12)
 11. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Professional Services – Environmental Engineering Pursuant To A Fair And Open Process (M: 06-03-21 :13)
 12. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Services As A Financial Advisor – Pursuant To A Fair And Open Process (M: 06-03-21 :14)
 13. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Professional Services – Special Legal Counsel Pursuant To A Fair And Open Process (M: 06-03-21 :15)
 14. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Planning Services – Pursuant To A Fair And Open Process (M: 06-03-21 :16)
 15. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Valuation Consulting Services – Pursuant To A Fair And Open Process (M: 06-03-21 :17)
 16. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Special Services Engineering Services– Pursuant To A Fair And Open Process (M: 06-03-21 :18)

17. South Amboy Redevelopment Agency Resolution Approving Qualified Respondents To Perform Architectural Services – Pursuant To A Fair and Open Process (M: 06-03-21 :19)
18. South Amboy Agency Resolution Certification of the Annual Audit (M: 06-03-21 :20)
19. South Amboy Agency Resolution Authorizing Execution of an Interim Cost Agreement with Ashling Development, LLC (M: 06-03-21 :21)
20. RESOLUTION OF THE SOUTH AMBOY REDEVELOPMENT AGENCY, IN THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY DESIGNATING MANHATTAN BEACH PHASE 1 URBAN RENEWAL LLC AS A REDEVELOPER OF CERTAIN PROPERTY WITHIN THE CITY OF SOUTH AMBOY AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH MANHATTAN BEACH PHASE 1 URBAN RENEWAL LLC IN CONNECTION THEREWITH (M: 06-03-21 :22)
21. RESOLUTION OF THE SOUTH AMBOY REDEVELOPMENT AGENCY, IN THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY DESIGNATING SA 101 MAIN STREET URBAN RENEWAL LLC AS A REDEVELOPER OF CERTAIN PROPERTY WITHIN THE CITY OF SOUTH AMBOY AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH SA 101 MAIN STREET URBAN RENEWAL LLC IN CONNECTION THEREWITH (M: 06-03-21 :23)

B. Payment of Invoices:
(Bill lists to be distributed at meeting.)

1. Bill List payable 06/03/2021 – SARA Accounts
2. Bill List payable 06/03/2021 – ESCROW Accounts

8. Executive Director's Report:

9. Planning Report:

10. Legal Report:

11. Old Business:

12. New Business:
(Minutes to be distributed at meeting.)

A. Approval of May 6, 2021 Agency Meeting Minutes

13. Project updates:

14. Discussion:

15. Executive Session:

16. General Comments by Commissioners:
17. General Comments by Public:
18. Adjournment

12:59 PM

05/26/21

Accrual Basis

South Amboy Redevelopment Agency

BILL LIST

May 7 through June 3, 2021

Date	Num	Name	Memo	Account	Amount
May 7 - Jun 3, 21					
05/27/2021	2604	PSEG CO	Natural Gas for period 4/2/21 to 5/3/21 Inv dated 5/5/2021	560 - Utilities	34.21
05/27/2021	2605	Lerch, VincI and Higgins	Inv #36518 Annual Audit for Year Ended 6/30/2020	403 - Audit	9,200.00
05/27/2021	2606	City of South Amboy	Phone/Internet reimbursement for May at 141 North Broadway	432 - Telepho...	75.39
05/27/2021	2607	City of South Amboy	Reimburse City for Salaries, FICA/SS for January to June 2021	501 - Salaries...	22,744.92
05/27/2021	2608	JCP&L	Electric for Period 4/20/21 to 5/19/21 AC#100 132 007 376	560 - Utilities	139.70
May 7 - Jun 3, 21					32,194.22

South Amboy Redevelopment Agency

ESCROW BILL LIST

June 3, 2021

<u>Invoice Date</u>	<u>Check #</u>	<u>Name</u>	<u>Memo</u>	<u>Escrow Account</u>	<u>Amount</u>
05/11/21	1562	Beacon Planning & Consulting S	Professional Svcs - thru 04/30/2021 Inv# 25-05-21	5045-March'21 PILOT review/Claremont Re	\$ 1,531.25
04/29/21	1563	TRC	Professional Svcs - thru 04/23/2021 Inv# 471535	5045-March/Claremont Redevelopment	1,049.40
04/30/21	1564	McManion,Scotland&Baumann	Professional Svcs - thru 03/31/21 Inv# 181087	5045-March/Claremont Redevelopment	276.00
TOTAL					\$ 2,856.65

SOUTH AMBOY REDEVELOPMENT AGENCY

MINUTES OF THE MARCH 06, 2021 MEETING (the meeting can be viewed on the City website <http://www.southamboynj.gov/gallery#videos-redevelopment>)

Public Session

Eric Chubenko called the meeting to order and led the Agency Commissioners, professionals and attending public in the Salute to the Flag. He then certified that this meeting had been advertised as prescribed by law.

ROLL CALL: Zusette Dato, Tony Gonsalves, Dave Kales, Camille Tooker, Anthony Conrad

ABSENT: Kevin Meszaros, Frank Milatta

Also, in attendance: Eric Chubenko, Executive Director
Dan Balka, CFO
Glenn Skarzynski, BA
Craig Coughlin, Esq.
Mayor Henry

Eric Chubenko introduced the evening's bill list and said the general bill list contained fees for monthly legal services, rent and utilities. (*Agenda Items no. 7.B.1.*)

Anthony Conrad made a motion to approve the Bill List. The motion was seconded by Zusette Dato.

ROLL CALL: Conrad – Yes, Dato – Yes, Gonsalves – Yes, Kales – Yes, Tooker – Yes

Eric Chubenko called for a motion to approve the April 1, 2021, Agency Meeting Minutes (*Agenda item no. 12. A.*)

A motion to approve the April 1, 2021 Agency Meeting Minutes as presented was made by Anthony Conrad. The motion was seconded by Dave Kales.

ROLL CALL: Conrad – Yes, Dato – Yes, Gonsalves – Yes, Kales – Yes, Tooker – Yes

Eric Chubenko updated on various projects. They are still meeting with developers.

Eric Chubenko opened the meeting to the public.

Eric Chubenko closed the public portion of the meeting.

Eric Chubenko then requested a Motion to adjourn.

A Motion to adjourn was made by Dave Kales. Camille Tooker seconded the Motion.

Voice vote taken: all in favor.

Meeting adjourned.

Submitted by:

Kelly Wolff

M: 06-04-20 :01

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPOINTING A CHAIRMAN

BE IT RESOLVED by the South Amboy Redevelopment Agency that _____ is hereby appointed as the Chairman for the year July 1, 2021 through June 30, 2022.

BE IT FURTHER RESOLVED, that the Chairman shall have all the responsibility and authority set forth in the Agency By-Laws and New Jersey statutes.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :02

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPOINTING A VICE-CHAIRMAN

BE IT RESOLVED by the South Amboy Redevelopment Agency that _____ is hereby appointed as the Vice-Chairman for the year July 1, 2021 to June 30, 2022.

BE IT FURTHER RESOLVED, that the Vice-Chairman shall have all the responsibility and authority set forth in the Agency By-Laws and New Jersey statutes.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :03

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION OF THE SOUTH AMBOY REDEVELOPMENT AGENCY REGARDING THE DELAYED INTRODUCTION OF THE 2022 BUDGET

WHEREAS, the South Amboy Redevelopment Agency is required to approve its annual budget at least 60 days prior to the end of its current fiscal year; and

WHEREAS, in order to accurately prepare its budget for the fiscal year ended June 30, 2022, the Agency was required to delay the introduction of the budget for the purpose of verifying its available revenue sources; and

WHEREAS, the Agency will subsequently approve and adopt the budget for the fiscal year ended June 30, 2022 on or before September 30, 2021.

NOW, THEREFORE, BE IT RESOLVED in accordance with the requirements of the Division that the record show that the Agency delayed the introduction of the fiscal year 2022 budget.

BE IT FURTHER RESOLVED, that this resolution be forwarded to the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

(Secretary's signature)

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :04

SOUTH AMBOY REDEVELOPMENT AGENCY

RE: 2022 Temporary Budget

WHEREAS, N.J.A.C. 5:31-2.5 provides that where any contracts, commitments or payments are required to be made prior to the adoption of the budget, temporary appropriations should be made to provide for the period between the beginning of the fiscal year and the adoption of the budget; and

WHEREAS, it is anticipated that the budget will be approved by the Division of Local Government Services; and adopted no later than September 30, 2021; and

WHEREAS, the temporary appropriations adopted pursuant to this chapter do not exceed the total of appropriations made for all purposes in the budget for the 2021 fiscal year exclusive of all interest and debt redemption charges maturing subsequent to the end of the fiscal year and prior to the date of adoption of the budget; and

WHEREAS, the temporary appropriation in this resolution is less than the total appropriation for the preceding fiscal year,

NOW, THEREFORE, BE IT RESOLVED, that the following temporary appropriations be made for the 2022 fiscal year:

Administration:

Other Expenses	<u>\$30,000</u>
Total Administration	<u>30,000</u>

Cost of Providing Services:

Other Expenses	<u>110,000</u>
Total Cost of Providing Services	<u>110,000</u>

Total Operating Appropriations \$140,000

Debt Service:

Bond Principal	\$90,000
Bond Interest	<u>46,813</u>
Total Debt Service	<u>\$136,813</u>

Total Appropriations \$276,813

Approved _____
(Date)

ATTEST:

Eric Chubenko, Executive Director

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

2021-2022 AUTHORITY BUDGET RESOLUTION

South Amboy Redevelopment Agency

(Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

WHEREAS, the Annual Budget and Capital Budget for the South Amboy Redevelopment Agency for the fiscal year beginning, July 1, 2021 and ending, June 30, 2022 has been presented before the governing body of the South Amboy Redevelopment Agency at its open public meeting of June 3, 2021; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 730,781, Total Appropriations, including any Accumulated Deficit if any, of \$ 730,781 and Total Unrestricted Net Position utilized of \$ -0-; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$-0- and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$-0-; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the South Amboy Redevelopment Agency, at an open public meeting held on June 3, 2021 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the South Amboy Redevelopment Agency for the fiscal year beginning, July 1, 2021 and ending, June 30, 2022 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the South Amboy Redevelopment Agency will consider the Annual Budget and Capital Budget/Program for adoption on July 1, 2021.

(Secretary's Signature)

June 3, 2021
(Date)

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

Authority Budget of:

South Amboy Redevelopment Agency

State Filing Year **2021**

For the Period:

July 1, 2021 *to* *June 30, 2022*

www.southamboynj.gov/departments/redevelopment-agency-sara
Authority Web Address



Division of Local Government Services

2021-2022 AUTHORITY BUDGET

Certification Section

2021-2022

South Amboy Redevelopment Agency
(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM July 1, 2021 TO June 30, 2022

For Division Use Only

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the approved Budget made a part hereof complies with the requirements of law and the rules and regulations of the Local Finance Board, and approval is given pursuant to N.J.S.A. 40A:5A-11.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By: _____ Date: _____

CERTIFICATION OF ADOPTED BUDGET

It is hereby certified that the adopted Budget made a part hereof has been compared with the approved Budget previously certified by the Division, and any amendments made thereto. This adopted Budget is certified with respect to such amendments and comparisons only.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By: _____ Date: _____

2021-2022 PREPARER'S CERTIFICATION

South Amboy Redevelopment Agency (Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

It is hereby certified that the Authority Budget, including both the Annual Budget and the Capital Budget/Program annexed hereto, represents the members of the governing body's resolve with respect to statute in that: all estimates of revenue are reasonable, accurate and correctly stated; all items of appropriation are properly set forth; and in itemization, form and content, the budget will permit the exercise of the comptroller function within the Authority.

It is further certified that all proposed budgeted amounts and totals are correct. Also, I hereby provide reasonable assurance that all assertions contained herein are accurate and all required schedules are completed and attached.

Preparer's Signature:			
Name:	Gary W. Higgins		
Title:	Auditor		
Address:	Lerch, Vinci & Higgins, LLP 17 - 17 Route 208 Fair Lawn, NJ 07410		
Phone Number:	201-791-7100	Fax Number:	201-791-3035
E-mail address	ghiggins@lvhcpa.com		

2021-2022 APPROVAL CERTIFICATION

South Amboy Redevelopment Agency (Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

It is hereby certified that the Authority Budget, including all schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of the South Amboy Redevelopment Agency, at an open public meeting held pursuant to N.J.A.C. 5:31-2.3, on the 3rd day of June, 2021.

It is further certified that the recorded vote appearing in the resolution represents not less than a majority of the full membership of the governing body thereof.

Officer's Signature:			
Name:	Kelly Wolff		
Title:	Secretary		
Address:	South Amboy Redevelopment Agency 140 North Broadway South Amboy, NJ 08879		
Phone Number:	732-525-5932	Fax Number:	732-727-2430
E-mail address	Wolffk@southamboynj.gov		

INTERNET WEBSITE CERTIFICATION

Authority's Web Address:	https://www.southamboynj.gov/departments/redevelopment-agency-sara
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All authorities shall maintain either an Internet website or a webpage on the municipality's or county's Internet website. The purpose of the website or webpage shall be to provide increased public access to the authority's operations and activities. N.J.S.A. 40A:5A-17.1 requires the following items to be included on the Authority's website at a minimum for public disclosure. Check the boxes below to certify the Authority's compliance with N.J.S.A. 40A:5A-17.1.

- A description of the Authority's mission and responsibilities
- Budgets for the current fiscal year and immediately preceding two prior years
- The most recent Comprehensive Annual Financial Report (Unaudited) or similar financial information (**Similar Information is such as PIE Charts, Bar Graphs etc. for such items as Revenues, Expenditures, and other information the Authority deems relevant to inform the public**)
- The complete (**All Pages**) annual audits (**Not the Audit Synopsis**) of the most recent fiscal year and immediately two prior years
- The Authority's rules, regulations and official policy statements deemed relevant by the governing body of the authority to the interests of the residents within the authority's service area or jurisdiction
- Notice posted pursuant to the "Open Public Meetings Act" for each meeting of the Authority, setting forth the time, date, location and agenda of each meeting
- The approved minutes of each meeting of the Authority including all resolutions of the board and their committees; for at least three consecutive fiscal years
- The name, mailing address, electronic mail address and phone number of every person who exercises day-to-day supervision or management over some or all of the operations of the Authority
- A list of attorneys, advisors, consultants and any other person, firm, business, partnership, corporation or other organization which received any remuneration of \$17,500 or more during the preceding fiscal year for any service whatsoever rendered to the Authority.

It is hereby certified by the below authorized representative of the Authority that the Authority's website or webpage as identified above complies with the minimum statutory requirements of N.J.S.A. 40A:5A-17.1 as listed above. A check in each of the above boxes signifies compliance.

Name of Officer Certifying compliance

Title of Officer Certifying compliance

Signature

2021-2022 AUTHORITY BUDGET RESOLUTION

South Amboy Redevelopment Agency

(Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

WHEREAS, the Annual Budget and Capital Budget for the South Amboy Redevelopment Agency for the fiscal year beginning, July 1, 2021 and ending, June 30, 2022 has been presented before the governing body of the South Amboy Redevelopment Agency at its open public meeting of June 3, 2021; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 730,781, Total Appropriations, including any Accumulated Deficit if any, of \$ 730,781 and Total Unrestricted Net Position utilized of \$ -0-; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$-0- and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$-0-; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the South Amboy Redevelopment Agency, at an open public meeting held on June 3, 2021 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the South Amboy Redevelopment Agency for the fiscal year beginning, July 1, 2021 and ending, June 30, 2022 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the South Amboy Redevelopment Agency will consider the Annual Budget and Capital Budget/Program for adoption on July 1, 2021.

(Secretary's Signature)

June 3, 2021

(Date)

Governing Body	Member:	Recorded Vote			
		Aye	Nay	Abstain	Absent
	Kevin Meszaros				
	Camille Tooker				
	Zusette Dato				
	Anthony Conrad				
	Dave Kales				
	Tony Gonsalves				
	Frank Milatta				

2021-2022 AUTHORITY BUDGET

Narrative and Information Section

2021-2022 AUTHORITY BUDGET MESSAGE & ANALYSIS
South Amboy Redevelopment Agency
(Name)

AUTHORIT-Y BUDGET

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

Answer all questions below. Attach additional pages and schedules as needed.

1. Complete a brief statement on the 2021/2021-2022 proposed Annual Budget and make comparison to the 2020/2020-2021 adopted budget for each Revenues and Appropriations. Explain any variances over +/-10% (As shown on budget pages F-2 and F-4 explain the reason for changes for each revenue and appropriation changing more than 10%) for each individual revenue and appropriation line item. Explanations of variances should include a description of the reason for the increase/decrease in the budgeted line item, not just an indication of the amount and percent of the change. Attach any supporting documentation that will help to explain the reason for the increase/decrease in the budgeted line item.
2. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Budget/Program. (Example Consider New Development projects such as Housing /Commercial projects impact on the Authorities expenses or revenues)
3. Describe the reasons for utilizing Unrestricted Net Position in the proposed Annual Budget and or Capital Budget, i.e. rate stabilization, debt service reduction, to balance the budget, etc. If the Authority's budget anticipates a use of Unrestricted Net Position, this question must be answered.
4. Identify any sources of funds transferred to the County/Municipality as a budget subsidy or a shared service payments, pilot payments, or other types of contracts or agreements (Example to provide police services to the Authority etc. and explain the reason for the transfer (i.e.: to balance the County/Municipality budget, etc.).
5. The proposed budget must not reflect an anticipated deficit from 2021/2021-2022 operations. If there exists an accumulated deficit from prior years' budgets (and funding is included in the proposed budget as a result of a prior deficit) explain the funding plan to eliminate said deficit (N.J.S.A. 40A:5A-12). If the Authority has a net deficit reported in its most recent audit, it must provide a deficit reduction plan in response to this question.

(Prepare a response to deficits in most recent audit report pertaining to Deficits to Unrestricted Net Position caused by recording Pension and Post-Employment Benefits liabilities as required by GASB 68 and GASB 75) and similar types of deficits in the audit report. How would these deficits be funded?

6. Attach a schedule of the Authority's existing rate structure (connection fees, parking fees, service charges, etc.) if it has been changed since the prior year budget submission and a schedule of the proposed rate structure for the upcoming fiscal year. Explain any proposed changes in the rate structure and attach the resolution approving the change in the rate structure, if applicable. (If no changes to fees or rates indicate (Answer as "Rates Are Staying the Same")

SOUTH AMBOY REDEVELOPMENT AGENCY
2021-2022 BUDGET
Page N-1 addendum

1. (a) The proposed 2021-2022 Other Operating Revenues YMCA Lease Rental shows a decrease in the amount of \$98,679 (or 48.5%) when compared to the 2020-2021 budget. The Agency anticipates collecting 50% of the amount owed under its lease agreement from the YMCA due to the economic impact of COVID-19.

(b) The proposed 2021-2022 Other Operating Revenues Manhattan Beach Club shows an increase in the amount of \$505,000 (or 420.8%) when compared to the 2020-2021 budget. This is based on the existing lease agreement from 2017 for the anticipated completion of Building #1 in 2021.

(c) The proposed 2021-2022 operating budget appropriations increased \$406,321 (or 125.2%) when compared to the 2020-2021 budget.

(d) The proposed 2021-2022 Interlocal Agreement - Administrative budget increased \$12,035 (or 25.0%) when compared to the 2020-2021 budget, due to anticipated increases in reimbursable personnel expenses due under the agreement.

(e) The Agency desires to increase the 2021-2022 budget for Interlocal Agreement – Prof. Services by \$100,000 (or 100%) when compared to the 2020-2021 budget.

(f) The South Amboy Redevelopment Agency intends on awarding a grant to the South Amboy Board of Education for the purchase of Chrome Books. This is a new appropriation for 2021-2022 that was not budgeted in the prior year.

(g) The 2021-2022 net increase in Total Principal and Interest Payments on Debt Service of \$7,025 (or 4.0%) is based on actual principal and interest due for existing debt.
2. The impact of COVID-19 has affected the local economy. As such, the Agency has reduced the anticipated revenue from the YMCA lease in the 2021-2022 budget.
3. No unrestricted Net Position was anticipated in the proposed 2021-2022 budget.
4. The South Amboy Redevelopment Agency has appropriated \$60,112 in its 2021-2022 budget for administrative services to be provided by the City of South Amboy as a shared service. An additional \$200,000 has been appropriated in the 2021-2022 budget for professional services to be provided by the City of South Amboy as a shared service.
5. There is no deficit in the proposed 2021-2022 budget.
6. Not Applicable

AUTHORITY CONTACT INFORMATION 2021-2022

Please complete the following information regarding this Authority. All information requested below must be completed.

Name of Authority:	South Amboy Redevelopment Agency		
Federal ID Number:	22-0090261		
Address:	South Amboy Redevelopment Agency 140 North Broadway		
City, State, Zip:	South Amboy	NJ	08879
Phone: (ext.)	732-525-5932	Fax Number:	732-727-2430

Preparer's Name:	Gary W. Higgins		
Preparer's Address:	Lerch, Vinci & Higgins, LLP 17-17 Route 208		
City, State, Zip:	Fair Lawn	NJ	07410
Phone: (ext.)	201-791-7100	Fax:	201-791-3035
E-mail:	ghiggins@lvhcpa.com		

Chief Executive Officer:(1)	Eric Chubenko		
(1) Or person who performs these functions under another Title			
Phone: (ext.)	732-221-9064	Fax:	
E-mail:	eric@chubenko.us		

Chief Financial Officer(1)	Dan Balka		
(1) Or person who performs these functions under another Title			
Phone: (ext.)	732-525-5922	Fax:	732-727-6139
E-mail:	balkad@southamboynj.gov		

Name of Auditor:	Gary W. Higgins		
Name of Firm:	Lerch, Vinci & Higgins, LLP		
Address:	17-17 Route 208 North		
City, State, Zip:	Fair Lawn	NJ	07410
Phone: (ext.)	201-791-7100	Fax:	201-791-3035
E-mail:	ghiggins@lvhcpa.com		

AUTHORITY INFORMATIONAL QUESTIONNAIRE

South Amboy Redevelopment Agency

(Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

Answer all questions below completely and attach additional information as required.

- 1) Provide the number of individuals employed in (Use Most Recent W-3 Available 2019 or 2020) as reported on the Authority's Form W-3, Transmittal of Wage and Tax Statements: 0
- 2) Provide the amount of total salaries and wages as reported on the Authority's Form W-3, (Use Most Recent W-3 Available 2019 or 2020) Transmittal of Wage and Tax Statements: 0
- 3) Provide the number of regular voting members of the governing body: 7 (Even if not all commissioners have been appointed (Total Commissioners are either 5 or 7 (*Regional Authorities may have more than 7 members*)) s per statute for your Authority)
- 4) Provide the number of alternate voting members of the governing body: 0 (Maximum is 2)
- 5) Did any person listed on Page N-4 have a family or business relationship with any other person listed on Page N-4 during the current fiscal year? No If "yes," attach a description of the relationship including the names of the individuals involved and their positions at the Authority.
- 6) Did all individuals that were required to file a Financial Disclosure Statement for the current fiscal year (Most Recent Filing that March 31, 2020 or 2021 deadline has passed 2020 or 2021) because of their relationship with the Authority file the form as required? (Checked to see if individuals actually filed at <http://www.state.nj.us/dca/divisions/dlgs/resources/fds.html> before answering) Yes If "no," provide a list of those individuals who failed to file a Financial Disclosure Statement and an explanation as to the reason for their failure to file.
- 7) Does the Authority have any amounts receivable from current or former commissioners, officers, key employees or highest compensated employees? No If "yes," attach a list of those individuals, their position, the amount receivable, and a description of the amount due to the Authority.
- 8) Was the Authority a party to a business transaction with one of the following parties:
 - a. A current or former commissioner, officer, key employee, or highest compensated employee? No
 - b. A family member of a current or former commissioner, officer, key employee, or highest compensated employee? No
 - c. An entity of which a current or former commissioner, officer, key employee, or highest compensated employee (or family member thereof) was an officer or direct or indirect owner? NoIf the answer to any of the above is "yes," attach a description of the transaction including the name of the commissioner, officer, key employee, or highest compensated employee (or family member thereof) of the Authority; the name of the entity and relationship to the individual or family member; the amount paid; and whether the transaction was subject to a competitive bid process.
- 9) Did the Authority during the most recent fiscal year pay premiums, directly or indirectly, on a personal benefit contract? A personal benefit contract is generally any life insurance, annuity, or endowment contract that benefits, directly or indirectly, the transferor, a member of the transferor's family, or any other person designated by the transferor. No If "yes," attach a description of the arrangement, the premiums paid, and indicate the beneficiary of the contract.
- 10) Explain the Authority's process for determining compensation for all persons listed on Page N-4. Include whether the Authority's process includes any of the following: 1) review and approval by the commissioners or a committee thereof; 2) study or survey of compensation data for comparable positions in similarly sized entities; 3) annual or periodic performance evaluation; 4) independent compensation consultant; and/or 5) written employment contract. *Attach a narrative of your Authorities procedures for all individuals listed on Page N-4 (2 of 2).*

- 11) Did the Authority pay for meals or catering during the current fiscal year? No If "yes," attach a detailed list of all meals and/or catering invoices for the current fiscal year and provide an explanation for each expenditure listed.
- 12) Did the Authority pay for travel expenses for any employee or individual listed on Page N-4? No If "yes," **attach a detailed list of all travel expenses** for the current fiscal year and provide an explanation for each expenditure listed.
- 13) Did the Authority provide any of the following to or for a person listed on Page N-4 or any other employee of the Authority?
- First class or charter travel No
 - Travel for companions No
 - Tax indemnification and gross-up payments No
 - Discretionary spending account No
 - Housing allowance or residence for personal use No
 - Payments for business use of personal residence No
 - Vehicle/auto allowance or vehicle for personal use No
 - Health or social club dues or initiation fees No
 - Personal services (i.e.: maid, chauffeur, chef) No
- If the answer to any of the above is "yes," attach a description of the transaction including the name and position of the individual and the amount expended.
- 14) Did the Authority follow a written policy regarding payment or reimbursement for expenses incurred by employees and/or commissioners during the course of Authority business and does that policy require substantiation of expenses through receipts or invoices prior to reimbursement? **Not Applicable, the Agency has not reimbursed employees or commissioners for expenses incurred during the normal course of Agency business** If "no," attach an explanation of the Authority's process for reimbursing employees and commissioners for expenses. (If your authority does not allow for reimbursements indicate that in answer)
- 15) Did the Authority make any payments to current or former commissioners or employees for severance or termination? No If "yes," attach explanation including amount paid.
- 16) Did the Authority make any payments to current or former commissioners or employees that were contingent upon the performance of the Authority or that were considered discretionary bonuses? No If "yes," attach explanation including amount paid.
- 17) Did the Authority comply with its Continuing Disclosure Agreements for all debt issuances outstanding by submitting its audited annual financial statements, annual operating data, and notice of material events to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access (EMMA) as required? **Not Applicable – The Agency does not have any Continuing Disclosure Agreements.** If "no," attach a description of the Authority's plan to ensure compliance with its Continuing Disclosure Agreements in the future. (If no bonded Debt answer is Not Applicable). (New Jersey Infrastructure Trust Loans are not bonded debt of an Authority)
- 18) Did the Authority receive any notices from the Department of Environmental Protection or any other entity regarding maintenance or repairs required to the Authority's systems to bring them into compliance with current regulations and standards that it has not yet taken action to remediate? No If "yes," attach explanation as to why the Authority has not yet undertaken the required maintenance or repairs and describe the Authority's plan to address the conditions identified.
- 19) Did the Authority receive any notices of fines or assessments from the Department of Environmental Protection or any other entity due to noncompliance with current regulations (i.e.: sewer overflow, etc.)? No If "yes," attach a description of the event or condition that resulted in the fine or assessment and indicate the amount of the fine or assessment.

(This page is directions for filling in page (N-4 (2-of 2) (No answers should be entered on this page)

**AUTHORITY SCHEDULE OF COMMISSIONERS, OFFICERS, KEY EMPLOYEES,
HIGHEST COMPENSATED EMPLOYEES AND INDEPENDENT CONTRACTORS**

South Amboy Redevelopment Agency

(Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

Complete the attached table for all persons required to be listed per #1-4 below.

- 1) List all of the Authority's current commissioners and officers and amount of compensation from the Authority and any other public entities as defined below. Enter zero if no compensation was paid.
- 2) List all of the Authority's key employees and highest compensated employees other than a commissioner or officer as defined below and amount of compensation from the Authority and any other public entities.
- 3) List all of the Authority's former officers, key employees and highest compensated employees who received more than \$100,000 in reportable compensation from the Authority and any other public entities during the most recent fiscal year completed.
- 4) List all of the Authority's former commissioners who received more than \$10,000 in reportable compensation from the Authority and any other public entities during the most recent fiscal year completed.

Commissioner: A member of the governing body of the authority with voting rights. Include alternates for purposes of this schedule.

Officer: A person elected or appointed to manage the authority's daily operations at any time during the year, such as the chairperson, vice-chairperson, secretary, or treasurer. For the purposes of this schedule, treat the authority's top management official and top financial official as officers. A member of the governing body may be both a commissioner and an officer for the purposes of this schedule.

Key employee: An employee or independent contractor of the authority (other than a commissioner or officer) who meets both of the following criteria:

- a) The individual received reportable compensation from the authority and other public entities in excess of \$150,000 for the most recent fiscal year completed; and
- b) The individual has responsibilities or influence over the authority as a whole or has power to control or determine 10% or more of the authority's capital expenditures or operating budget.

Highest compensated employee: One of the five highest compensated employees or independent contractors of the authority other than current commissioners, officers, or key employees whose aggregate reportable compensation from the authority and other public entities is greater than \$100,000 for the most recent fiscal year completed.

Compensation: All forms of cash and non-cash payments or benefits provided in exchange for services, including salaries and wages, bonuses, severance payments, deferred payments, retirement benefits, fringe benefits, and other financial arrangements or transactions such as personal vehicles, meals, housing, personal and family education benefits, below-market loans, payment of personal or family travel, entertainment, and personal use of the Authority's property. Compensation includes payments and other benefits provided to both employees and independent contractors in exchange for services.

Reportable compensation: Use the Most Recent W-2 available 2019 or 2020. The aggregate compensation that is reported (or is required to be reported) on Form W-2, box 1 or 5, whichever amount is greater, and/or Form 1099-MISC, box 7, for the most recent calendar year ended 60 days before the start of the proposed budget year. For example, for fiscal years ending December 31, 2021, the most recent W-2 and 1099 should be used 2020 or 2019 (60 days prior to start of budget year is November 1, 2020, with 2019 being the most recent calendar year ended), and for fiscal years ending June 30, 2021, the calendar year 2020 W-2 and 1099 should be used (60 days prior to start of budget year is May 1, 2021, with 2020 being the most recent calendar year ended).

Other Public Entity: Any municipality, county, local authority, fire district, or other government unit, regardless of whether it is related in any way to the Authority either by function or by physical location.

Schedule of Health Benefits - Detailed Cost Analysis

South Amboy Redevelopment Agency
 For the Period July 1, 2021 to June 30, 2022

If Not Applicable X this box Below
 X

	Annual Cost		# of Covered Members (Medical & Rx) Proposed Budget	Total Cost Estimate Proposed Budget	# of Covered Members (Medical & Rx) Current Year	Annual Cost per Employee Current Year	Total Prior year Year Cost	\$ Increase (Decrease)	% Increase (Decrease)
	# of Covered Members (Medical & Rx) Proposed Budget	Estimate Proposed Budget							
Active Employees - Health Benefits - Annual Cost									
Single Coverage									#DIV/0!
Parent & Child									#DIV/0!
Employee & Spouse (or Partner)									#DIV/0!
Family									#DIV/0!
Employee Cost Sharing Contribution (enter as negative -)									#DIV/0!
Subtotal	0				0				#DIV/0!
Commissioners - Health Benefits - Annual Cost									
Single Coverage									#DIV/0!
Parent & Child									#DIV/0!
Employee & Spouse (or Partner)									#DIV/0!
Family									#DIV/0!
Employee Cost Sharing Contribution (enter as negative -)									#DIV/0!
Subtotal	0				0				#DIV/0!
Retirees - Health Benefits - Annual Cost									
Single Coverage									#DIV/0!
Parent & Child									#DIV/0!
Employee & Spouse (or Partner)									#DIV/0!
Family									#DIV/0!
Employee Cost Sharing Contribution (enter as negative -)									#DIV/0!
Subtotal	0				0				#DIV/0!
GRAND TOTAL									#DIV/0!

Is medical coverage provided by the SHBP (Yes or No)? (Place Answer in Box)
 Is prescription drug coverage provided by the SHBP (Yes or No)? (Place Answer in Box)

No	Yes or No
No	Yes or No

Note: Remember to Enter an amount in rows for Employee Cost Sharing

2021-2022 AUTHORITY BUDGET

Financial Schedules Section

SUMMARY

For the Period South Amboy Redevelopment Agency
July 1, 2021 to June 30, 2022

REVENUES	FY 2022 Proposed Budget				FY 2021 Adopted Budget	All Operations	All Operations	% Increase (Decrease) Proposed vs. Adopted
	Redevelopment Agency	N/A	N/A	N/A	Total All Operations			
Total Operating Revenues	\$ 729,781	\$ -	\$ -	\$ -	\$ 729,781	\$ 323,460	\$ 406,321	125.6%
Total Non-Operating Revenues	1,000	-	-	-	1,000	-	-	0.0%
Total Anticipated Revenues	730,781	-	-	-	730,781	324,460	406,321	125.2%
APPROPRIATIONS								
Total Administration	118,612	-	-	-	118,612	105,877	12,735	12.0%
Total Cost of Providing Services	430,119	-	-	-	430,119	223,076	207,043	92.8%
Total Principal Payments on Debt Service in Lieu of Depreciation	90,000	-	-	-	90,000	80,000	10,000	12.5%
Total Operating Appropriations	638,731	-	-	-	638,731	408,953	229,778	56.2%
Total Interest Payments on Debt	92,050	-	-	-	92,050	95,025	(2,975)	-3.1%
Total Other Non-Operating Appropriations	92,050	-	-	-	92,050	95,025	(2,975)	#DIV/0!
Accumulated Deficit	-	-	-	-	-	-	-	-3.1%
Total Appropriations and Accumulated Deficit	730,781	-	-	-	730,781	503,978	226,803	45.0%
Less: Total Unrestricted Net Position Utilized	-	-	-	-	-	179,518	(179,518)	-100.0%
Net Total Appropriations	730,781	-	-	-	730,781	324,460	406,321	125.2%
ANTICIPATED SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Revenue Schedule

South Amboy Redevelopment Agency
For the Period July 1, 2021 to June 30, 2022

	FY 2022 Proposed Budget					Total All Operations	FY 2021 Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Redevelopment Agency	N/A	N/A	N/A	N/A		Total All Operations	All Operations	All Operations
OPERATING REVENUES									
<i>Service Charges</i>									
Residential						\$ -	\$ -	\$ -	#DIV/0!
Business/Commercial						-	-	-	#DIV/0!
Industrial						-	-	-	#DIV/0!
Intergovernmental						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Service Charges						-	-	-	#DIV/0!
<i>Connection Fees</i>									
Residential						-	-	-	#DIV/0!
Business/Commercial						-	-	-	#DIV/0!
Industrial						-	-	-	#DIV/0!
Intergovernmental						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Connection Fees						-	-	-	#DIV/0!
<i>Parking Fees</i>									
Meters						-	-	-	#DIV/0!
Permits						-	-	-	#DIV/0!
Fines/Penalties						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Parking Fees						-	-	-	#DIV/0!
<i>Other Operating Revenues (List)</i>									
YMCA Lease Rental	104,781					104,781	203,460	(98,679)	-48.5%
Manhattan Beach Club Redevelopment F	625,000					625,000	120,000	505,000	420.8%
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Type in (Grant, Other Rev)						-	-	-	#DIV/0!
Total Other Revenue	729,781					729,781	323,460	406,321	125.6%
Total Operating Revenues	729,781					729,781	323,460	406,321	125.6%
NON-OPERATING REVENUES									
<i>Other Non-Operating Revenues (List)</i>									
Type in						-	-	-	#DIV/0!
Type in						-	-	-	#DIV/0!
Type in						-	-	-	#DIV/0!
Type in						-	-	-	#DIV/0!
Type in						-	-	-	#DIV/0!
Type in						-	-	-	#DIV/0!
Total Other Non-Operating Revenue						-	-	-	#DIV/0!
<i>Interest on Investments & Deposits (List)</i>									
Interest Earned						1,000	1,000	-	0.0%
Penalties						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Interest						1,000	1,000	-	#DIV/0!
Total Non-Operating Revenues						1,000	1,000	-	0.0%
TOTAL ANTICIPATED REVENUES	\$ 730,781	\$ -	\$ -	\$ -	\$ -	\$ 730,781	\$ 324,460	\$ 406,321	125.2%

Prior Year Adopted Revenue Schedule

South Amboy Redevelopment Agency

	FY 2021 Adopted Budget						Total All Operations
	Redevelopment Agency	N/A	N/A	N/A	N/A	N/A	
OPERATING REVENUES							
<i>Service Charges</i>							
Residential							\$ -
Business/Commercial							-
Industrial							-
Intergovernmental							-
Other							-
Total Service Charges	-	-	-	-	-	-	
<i>Connection Fees</i>							
Residential							-
Business/Commercial							-
Industrial							-
Intergovernmental							-
Other							-
Total Connection Fees	-	-	-	-	-	-	
<i>Parking Fees</i>							
Meters							-
Permits							-
Fines/Penalties							-
Other							-
Total Parking Fees	-	-	-	-	-	-	
<i>Other Operating Revenues (List)</i>							
YMCA Lease Rental	203,460	-	-	-	-	-	203,460
Manhattan Beach Club Redevelopment Fee	120,000	-	-	-	-	-	120,000
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Total Other Revenue	323,460	-	-	-	-	-	323,460
Total Operating Revenues	323,460	-	-	-	-	-	323,460
NON-OPERATING REVENUES							
<i>Other Non-Operating Revenues (List)</i>							
Type in							-
Type in							-
Type in							-
Type in							-
Type in							-
Total Other Non-Operating Revenues	-	-	-	-	-	-	-
<i>Interest on Investments & Deposits</i>							
Interest Earned							1,000
Penalties							-
Other							-
Total Interest	1,000	-	-	-	-	-	1,000
Total Non-Operating Revenues	1,000	-	-	-	-	-	1,000
TOTAL ANTICIPATED REVENUES	\$ 324,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,460

Appropriations Schedule

South Amboy Redevelopment Agency
For the Period July 1, 2021 to June 30, 2022

	FY 2022 Proposed Budget						FY 2021 Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted	
	Redevelopment Agency	N/A	N/A	N/A	N/A	N/A	Total All Operations	Total All Operations	All Operations	
	Agency	N/A	N/A	N/A	N/A	N/A	Total All Operations	Total All Operations	All Operations	
OPERATING APPROPRIATIONS										
<i>Administration - Personnel</i>										
Salary & Wages							\$ -	\$ -	\$ -	#DIV/0!
Fringe Benefits							-	-	-	#DIV/0!
Total Administration - Personnel							-	-	-	#DIV/0!
<i>Administration - Other (List)</i>										
Professionals	55,000						55,000	54,300	700	1.3%
Interlocal Agreement - Administrative	60,112						60,112	48,077	12,035	25.0%
Type in Description							-	-	-	#DIV/0!
Type in Description							-	-	-	#DIV/0!
Miscellaneous Administration*	3,500						3,500	-	-	0.0%
Total Administration - Other	118,612						118,612	105,877	12,735	12.0%
Total Administration	118,612						118,612	105,877	12,735	12.0%
<i>Cost of Providing Services - Personnel</i>										
Salary & Wages							-	-	-	#DIV/0!
Fringe Benefits							-	-	-	#DIV/0!
Total COPS - Personnel							-	-	-	#DIV/0!
<i>Cost of Providing Services - Other (List)</i>										
Office Space - Rent	43,408						43,408	42,076	1,332	3.2%
Interlocal Agreement - Prof. Services	200,000						200,000	100,000	100,000	100.0%
Building Maintenance	75,000						75,000	70,000	5,000	7.1%
Interlocal Grant	100,000						100,000	-	100,000	#DIV/0!
Miscellaneous COPS*	11,711						11,711	11,000	711	6.5%
Total COPS - Other	430,119						430,119	223,076	207,043	92.8%
Total Cost of Providing Services	430,119						430,119	223,076	207,043	92.8%
Total Principal Payments on Debt Service in Lieu of Depreciation	90,000						90,000	80,000	10,000	12.5%
Total Operating Appropriations	638,731						638,731	408,953	229,778	56.2%
NON-OPERATING APPROPRIATIONS										
Total Interest Payments on Debt	92,050						92,050	95,025	(2,975)	-3.1%
Operations & Maintenance Reserve							-	-	-	#DIV/0!
Renewal & Replacement Reserve							-	-	-	#DIV/0!
Municipality/County Appropriation							-	-	-	#DIV/0!
Other Reserves							-	-	-	#DIV/0!
Total Non-Operating Appropriations	92,050						92,050	95,025	(2,975)	-3.1%
TOTAL APPROPRIATIONS	730,781						730,781	503,978	226,803	45.0%
ACCUMULATED DEFICIT							-	-	-	#DIV/0!
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	730,781						730,781	503,978	226,803	45.0%
UNRESTRICTED NET POSITION UTILIZED										
Municipality/County Appropriation							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
Total Unrestricted Net Position Utilized							-	179,518	(179,518)	-100.0%
TOTAL NET APPROPRIATIONS	\$ 730,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 730,781	\$ 324,460	\$ 406,321	125.2%

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 31,936.55 \$ - \$ - \$ - \$ - \$ - \$ 31,936.55

Prior Year Adopted Appropriations Schedule

South Amboy Redevelopment Agency

	FY 2021 Adopted Budget						Total All Operations	
	Redevelopment Agency	N/A	N/A	N/A	N/A	N/A		
OPERATING APPROPRIATIONS								
<i>Administration - Personnel</i>								
Salary & Wages							\$	-
Fringe Benefits								-
Total Administration - Personnel	-	-	-	-	-	-	-	
<i>Administration - Other (List)</i>								
Professionals	54,300							54,300
Interlocal Agreement - Administrative	48,077							48,077
Type In Description								-
Type In Description								-
Miscellaneous Administration*	3,500							3,500
Total Administration - Other	105,877	-	-	-	-	-	105,877	
Total Administration	105,877	-	-	-	-	-	105,877	
<i>Cost of Providing Services - Personnel</i>								
Salary & Wages								-
Fringe Benefits								-
Total COPS - Personnel	-	-	-	-	-	-	-	
<i>Cost of Providing Services - Other (List)</i>								
Office Space - Rent	42,076							42,076
Interlocal Agreement - Prof. Services	100,000							100,000
Building Maintenance	70,000							70,000
Type In Description								-
Miscellaneous COPS*	11,000							11,000
Total COPS - Other	223,076	-	-	-	-	-	223,076	
Total Cost of Providing Services	223,076	-	-	-	-	-	223,076	
Total Principal Payments on Debt Service in Lieu of Depreciation	80,000	-	-	-	-	-	80,000	
Total Operating Appropriations	408,953	-	-	-	-	-	408,953	
NON-OPERATING APPROPRIATIONS								
Total Interest Payments on Debt	95,025	-	-	-	-	-	95,025	
Operations & Maintenance Reserve								-
Renewal & Replacement Reserve								-
Municipality/County Appropriation								-
Other Reserves								-
Total Non-Operating Appropriations	95,025	-	-	-	-	-	95,025	
TOTAL APPROPRIATIONS	503,978	-	-	-	-	-	503,978	
ACCUMULATED DEFICIT								-
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	503,978	-	-	-	-	-	503,978	
UNRESTRICTED NET POSITION UTILIZED								
Municipality/County Appropriation								-
Other	179,518							179,518
Total Unrestricted Net Position Utilized	179,518	-	-	-	-	-	179,518	
TOTAL NET APPROPRIATIONS	\$ 324,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,460	

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 20,447.65 \$ - \$ - \$ - \$ - \$ - \$ 20,447.65

Debt Service Schedule - Principal

South Amboy Redevelopment Agency

If Authority has no debt X this box

	Fiscal Year Ending in							Total Principal Outstanding	
	Adopted Budget Year 2021	Proposed Budget Year 2022	2023	2024	2025	2026	2027		Thereafter
Redevelopment Agency									
2016 Refunding Bonds	\$ 80,000	\$ 90,000	\$ 100,000	\$ 105,000	\$ 115,000	\$ 125,000	\$ 135,000	\$ 2,005,000	\$ 2,675,000
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Total Principal	80,000	90,000	100,000	105,000	115,000	125,000	135,000	2,005,000	2,675,000
N/A									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Total Principal									
N/A									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Total Principal									
N/A									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Total Principal									
N/A									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Type in Issue Name									
Total Principal									
TOTAL PRINCIPAL ALL OPERATIONS	\$ 80,000	\$ 90,000	\$ 100,000	\$ 105,000	\$ 115,000	\$ 125,000	\$ 135,000	\$ 2,005,000	\$ 2,675,000

Indicate the Authority's most recent bond rating and the year of the rating by ratings service.

Bond Rating	Moody's	Fitch	Standard & Poors
Year of Last Rating	None	None	None

Net Position Reconciliation

South Amboy Redevelopment Agency

For the Period

July 1, 2021

to

June 30, 2022

FY 2022 Proposed Budget

Redevelopment Agency	N/A	N/A	N/A	N/A	N/A	Total All Operations
\$ 10,699,901						\$ 10,699,901
9,255,438						9,255,438
1,444,463						1,444,463
(160,000)						(160,000)

TOTAL NET POSITION BEGINNING OF LATEST AUDIT REPORT YEAR(1)

- Less: Invested in Capital Assets, Net of Related Debt (1)
- Less: Restricted for Debt Service Reserve (1)
- Less: Other Restricted Net Position (1)
- Total Unrestricted Net Position (1)
- Less: Designated for Non-Operating Improvements & Repairs
- Less: Designated for Rate Stabilization
- Less: Other Designated by Resolution
- Plus: Accrued Unfunded Pension Liability (1)
- Plus: Accrued Unfunded Other Post-Employment Benefit Liability (1)
- Plus: Estimated Income (Loss) on Current Year Operations (2)
- Plus: Other Adjustments (attach schedule)

UNRESTRICTED NET POSITION AVAILABLE FOR USE IN PROPOSED BUDGET

- Unrestricted Net Position Utilized to Balance Proposed Budget
- Unrestricted Net Position Utilized in Proposed Capital Budget
- Appropriation to Municipality/County (3)
- Total Unrestricted Net Position Utilized in Proposed Budget

PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR

Last issued Audit Report (4)

\$ 1,284,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,284,463
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 1,284,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,284,463

- (1) Total of all operations for this line item must agree to audited financial statements.
- (2) Include budgeted and unbudgeted use of unrestricted net position in the current year's operations.
- (3) Amount may not exceed 5% of total operating appropriations. See calculation below.
 - Maximum Allowable Appropriation to Municipality/County \$ 31,937
- (4) If Authority is projecting a deficit for any operation at the end of the budget period, the Authority must attach a statement explaining its plan to reduce the deficit, including the timeline for elimination of the deficit, if not already detailed in the budget narrative section.

2021-2022
South Amboy
Redevelopment Agency
(Name)

AUTHORITY
CAPITAL
BUDGET/
PROGRAM

2021 CERTIFICATION OF AUTHORITY CAPITAL BUDGET/PROGRAM

South Amboy Redevelopment Agency
(Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

enter X to the left if this paragraph is applicable

It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the governing body of the South Amboy Redevelopment Agency, on the _____ day of _____, _____.

OR

enter X to the left if this paragraph is applicable

It is hereby certified that the governing body of the South Amboy Redevelopment Agency have elected **NOT** to adopt a Capital Budget /Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2 for the following reason(s): **The Agency has no capital projects planned at this time**

Officer's Signature:			
Name:	Kelly Wolff		
Title:	Secretary		
Address:	South Amboy Redevelopment Agency 140 North Broadway South Amboy, NJ 08879		
Phone Number:	732-525-5932	Fax Number:	732-727-2430
E-mail address	Wolffk@southamboynj.gov		

2021-2022 CAPITAL BUDGET/PROGRAM MESSAGE

South Amboy Redevelopment Agency (Name)

FISCAL YEAR: FROM: July 1, 2021 TO: June 30, 2022

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget/Program (This may include the governing body or certain officials such as planning boards, Construction Code Officials) as to these Projects?

N/A

2. Has each capital project/project financing been developed from a specific capital improvement plan or report; does it include full lifecycle costs; and is it consistent with appropriate elements of Master Plans or other plans in the jurisdiction(s) served by the authority?

N/A

3. Has a long-term (5 years or more) infrastructure needs and other capital items (Vehicles, Equipment) needs assessment been prepared?

N/A

4. If amounts are on Page CB-3 in the column Debt Authorizations. Indicate the primary source of funding the debt service for the Debt Authorizations (Example Rate Increases Funding or Other sources)

N/A

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

N/A

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan.

N/A

Add additional sheets if necessary.

Proposed Capital Budget

South Amboy Redevelopment Agency
For the Period July 1, 2021 to June 30, 2022

	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Other Capital Grants Sources
<i>Redevelopment Agency</i>					
Type in Description	\$ -				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
<i>N/A</i>					
Type in Description	-	NONE			
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-				
TOTAL PROPOSED CAPITAL BUDGET	\$ -	\$ -	\$ -	\$ -	\$ -

Enter brief description of up to four projects for each operation above. For operations with more than four budgeted projects, please attach additional schedules. Input total amount of all projects for the operation on single line and enter "See Attached Schedule" instead of project description.

5 Year Capital Improvement Plan

South Amboy Redevelopment Agency

For the Period July 1, 2021 to June 30, 2022

Fiscal Year Beginning in

	Estimated Total Cost	Current Budget Year 2022	2023	2024	2025	2026	2027
<i>Redevelopment Agency</i>							
Type in Description	\$ -	\$ -					
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
<i>N/A</i>							
Type in Description	-	-	NONE				
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
<i>N/A</i>							
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
<i>N/A</i>							
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
<i>N/A</i>							
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
<i>N/A</i>							
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Type in Description	-	-					
Total	-	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

5 Year Capital Improvement Plan Funding Sources

South Amboy Redevelopment Agency
 For the Period July 1, 2021 to June 30, 2022

	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants Other Sources
<i>Redevelopment Agency</i>					
Type in Description	\$ -				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
<i>N/A</i>					
Type in Description	-	NONE			
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
<i>N/A</i>					
Type in Description	-				
Type in Description	-				
Type in Description	-				
Type in Description	-				
Total	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
Total 5 Year Plan per CB-4	\$ -				
Balance check					

- If amount is other than zero, verify that projects listed above match projects listed on CB-4.

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

DESIGNATING OFFICIAL BANK

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") pursuant to N.J.S.A. 40A: 12A- 1 *et seq.* is a validly created municipal entity in the State of New Jersey; and

WHEREAS, the Agency has been charged by the South Amboy City Council with the responsibility of redeveloping the City's waterfront and related properties; and

NOW, THEREFORE, IT IS RESOLVED, by the South Amboy Redevelopment Agency that the following banks are designated as the Agency's official depositories of funds for the fiscal year July 1, 2021-June 30, 2022:

- 1) Amboy National Bank
- 2) The Provident Bank

BE IT FURTHER RESOLVED, that this resolution shall be effective immediately.

BE IT FURTHER RESOLVED, that an executed copy of this Resolution shall be filed with the minutes of the meeting at which this Resolution was approved and a separate copy shall be placed on file by the Secretary as evidence of the Agency's action in this regard.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :07

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

DESIGNATING OFFICIAL NEWSPAPERS

BE IT RESOLVED by the South Amboy Redevelopment Agency that the following newspapers are hereby designated the official newspapers of the Agency for the fiscal year July 1, 2021-June 30, 2022:

- (1) The Home News and Tribune
- (2) The Star Ledger

BE, IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

AUTHORIZING SALARIES FOR THE REDEVELOPMENT AGENCY

**EMPLOYEES TO BE REIMBURSED BY THE AGENCY
TO THE CITY OF SOUTH AMBOY**

WHEREAS, the City of South Amboy utilizes its payroll system to advance payment of the salaries of certain employees of the South Amboy Redevelopment Agency (the "Agency"), with the understanding that the Agency will reimburse said salaries.

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED by the South Amboy Redevelopment Agency, that the Agency authorizes the reimbursement to the City of the following employees' salaries plus fringe (i.e., applicable federal taxes):

- 1) Eric Chubenko \$27,873.00
- 2) Kelly Wolff \$ 7,487.00
- 3) Daniel Balka \$ 5,575.00
- 4) Kristal Manion \$ 4,450.00

Kevin F. Meszaros, Chairman

Attested to:

Kelly Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

ADOPTING CASH MANAGEMENT AND CHECK WRITING POLICY

WHEREAS, the South Amboy Redevelopment Agency desires to adopt a formal cash management and check writing policy;

NOW THEREFORE BE AND IT HEREBY IS RESOLVED, by the South Amboy Redevelopment Agency that the following CASH MANAGEMENT AND CHECK WRITING POLICY is hereby adopted:

Policy:

The South Amboy Redevelopment Agency hereby establishes a cash management and check writing policy that outlines internal controls over our financial matters, specifically for receipts and deposits, and identifies the individuals who are authorized to sign checks on its behalf. This will be utilized to maintain appropriate internal controls as well as to offer instructions to depositories so that there is a clear understanding regarding this matter.

An approved Corporate Authorization Resolution shall be maintained at each designated financial institution bearing authorized check writing signatures and the number of signatures required. All deposits are required to be 100% secured and collateralized regardless of type (i.e. checking, savings, CD, etc.) as required by State and Federal Law. The Agency adheres to the practice of maintaining its deposits in only permitted investments, with the highest possible yield and the greatest liquidity.

Check Writing:

A check register shall be maintained at all times indicating the date, payee and amount of each check issued as well as a copy of each check voucher accompanied by full back up documentation such as authorized purchase orders, invoices, receipts, etc.

All checks shall bear two signatures, which may be the Executive Director, Treasurer, Chairman or Vice Chairman. The supporting data for each check shall be available for the signer to review at the time of signing.

The Board of Commissioners shall review the bill list each month and shall approve by verbal resolution their concurrence with the payment of such bills.

The South Amboy Redevelopment Agency may establish procedures for automated signatures.

Receipts and Deposits:

The South Amboy Redevelopment Agency will receive all payments pertaining to the Agency both over the counter and through the mail. No cash is allowed to be received without authorization of the Executive Director. The Agency bookkeeping staff will then endorse all checks and money orders with the Authority's designated bank deposit account number and deposit as soon as possible thereafter. The Agency bookkeeping staff will apply the receipts to the receipts ledger. A copy of the deposit tickets and payments are then filed in the Agency bookkeeping staff office and maintained in the receipts ledger. The bookkeeper will reconcile the receipts ledger against the bank statement.

This policy rescinds all previous authorization policies and shall become effective upon its adoption.

BE IT FURTHER RESOLVED, this Resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**AWARDING OF A PROFESSIONAL SERVICES
CONTRACT PURSUANT TO A FAIR AND OPEN PROCESS**

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of certain legal services to assist the Agency in connection with various legal matters; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidate(s), and determined in accordance with established criteria that Rainone Coughlin Minchello ("RCM") is the best qualified candidate for the position; and

WHEREAS, RCM has proposed to provide the services, described in the attached proposal for a sum not to exceed \$30,600.00 (exclusive of separate specific engagements for special matters as determined by the Agency from time to time); and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to retain RCM to provide the services set forth in the proposal annexed hereto and incorporated herein; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, the Agency Treasurer shall certify in writing the availability of the sum of \$ 30,600.00 therefore and a copy of said certification shall be attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that Rainone Coughlin Minchello shall be and is hereby retained to represent the Agency in the capacity of General Counsel for the period July 1, 2021 through June 30, 2022, and to perform the duties set forth in the attached proposal, at the rate of \$2,500.00 per month and limited in aggregate to an amount not to exceed \$ 30,600.00, (exclusive of separate specific engagements for special matters as determined by the Agency from time to time); SUBJECT TO the attachment to this Resolution of the certification of the Agency Treasurer as to the availability and source of the funds as required by N.J.A.C. 5:34-5.5 et seq.

BE IT FURTHER RESOLVED, that. subject to the attachment of the certifications referred to above, the Chairman and the Agency Secretary are hereby authorized to execute the attached Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

_____ Chairman

Attested to:

_____ Kelly Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**AWARDING OF A PROFESSIONAL SERVICES-AUDITING
CONTRACT PURSUANT TO A FAIR AND OPEN PROCESS**

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of auditing; and accounting services to the Agency in connection with the annual budget and various matters; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidate, and determined in accordance with established criteria that Lerch, Vinci and Higgins is the best qualified candidate for the position; and

WHEREAS, Lerch, Vinci and Higgins has proposed to provide the auditing services, described in the attached agreement for a sum not to exceed \$ 9,200.00; and accounting support services on an individual engagement basis, in accordance with the rate schedule included in the proposal

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to retain Lerch, Vinci and Higgins to provide the services set forth in the proposal annexed hereto and incorporated herein; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, the Agency Treasurer shall certify in writing the availability of the sum of \$ 9,200.00 therefore and a copy of said certification shall be attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that Lerch, Vinci and Higgins shall be and is hereby retained to perform auditing services, and accounting support services, for the Agency for the period July 1, 2021 through June 30, 2022, and to perform the duties set forth in the attached engagement letter and limited in aggregate to an amount not to exceed \$ 9,200.00, SUBJECT TO the attachment to this Resolution of the certification of the Agency Treasurer as to the availability and source of the funds as required by N.J.A.C. 5:34-5.5 et seq.

BE IT FURTHER RESOLVED, that Lerch, Vinci and Higgins shall perform budget preparation services in accordance with the attached proposal.

BE IT FURTHER RESOLVED, that subject to the attachment of the certifications referred to above, the Chairman and the Agency Secretary are hereby authorized to execute the attached Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :12

SOUTH AMBOY REDEVELOPMENT AGENCY

**RESOLUTION
AWARDING A CONSULTING AGREEMENT**

WHEREAS, the South Amboy Redevelopment Agency (the "AGENCY") has the need for consulting services to assist the Agency in various aspects of the redevelopment process and in the negotiations, management and oversight of the Agency's various redevelopment agreements; and

WHEREAS, the consulting to be provided by Beacon Planning and Consulting Services, LLC, Colts Neck, New Jersey; NW Financial Group LLC, Hoboken, New Jersey; CME Associates, Parlin, New Jersey; Heyer Gruel, Red Bank, New Jersey; Topology NJ, LLC, Newark, New Jersey ("The FIRM") are being obtained through a fair and open process; and

WHEREAS, the Qualified Firms have each proposed to provide the services, described in the attached proposals, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to appoint the Qualified Firms as consultants to provide special services set forth in the proposal annexed hereto and incorporated herein; and

BE IT FURTHER RESOLVED, that the Agency Executive Director and Agency Secretary on behalf of the Agency are authorized to execute the agreement with the Firm.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

<i>Member:</i>	<i>Moved</i>	<i>Seconded</i>	<i>Ayes</i>	<i>Nays</i>	<i>Abstain</i>	<i>Absent</i>
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPROVING QUALIFIED RESPONDANTS TO PERFORM PROFESSIONAL SERVICES-ENVIRONMENTAL ENGINEERING PURSUANT TO A FAIR AND OPEN PROCESS

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of environmental engineering services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firms of Potomac Hudson Environmental, Inc., South Amboy, New Jersey, French and Parrello Associates Inc., Wall, New Jersey, TRC Environmental Corporation, New Providence, New Jersey, Prestige Environmental, Somerset, New Jersey, Paulus Sokowski and Sartor LLC, Warren New Jersey and CME Associates, Monmouth Junction, New Jersey are qualified candidate for the position of environmental engineer, (the "Qualified Firms"); and

WHEREAS, the Qualified Firms have each proposed to provide the services, described in the attached proposals, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to approve the Qualified

Firms as environmental engineers to provide the services set forth in their respective proposals annexed hereto and incorporated herein; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that Potomac Hudson Environmental, Inc; French and Parrello Associates Inc.; Paulus Sokowski and Sartor LLC; Acadia Financial Group, Inc.; Whitman; Suburban Engineers; and CME Associates shall be and are hereby approved to represent the Agency in the capacity of Environmental Engineer for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**APPROVING QUALIFIED RESPONDANTS TO PERFORM SERVICES AS A
FINANCIAL ADVISOR-PURSUANT TO A FAIR AND OPEN PROCESS**

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of financial advisory services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firm of Acacia Financial Group, Inc, Marlton, New Jersey and NW Financial Group LLC, Hoboken, New Jersey are qualified for the position, (the "Qualified Firm"); and

WHEREAS, the Qualified Firm has proposed to provide the services, described in the attached proposals, at the rate set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to designate the Qualified Firm to provide the services set forth in their proposal annexed hereto and incorporated herein from time to time, as required; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any

services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that, Acacia Financial Group, Inc and N W Financial Group shall be and are hereby approved to represent the Agency in the capacity of financial advisors for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPROVING QUALIFIED RESPONDANTS TO PERFORM PROFESSIONAL SERVICES-SPECIAL LEGAL COUNSEL PURSUANT TO A FAIR AND OPEN PROCESS

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of certain Special Legal Counsel services to assist the Agency in connection with specialized areas of the law including but not limited to financing in connection with redevelopment projects, litigation, and bonding; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the Firm of McManimon, Scotland, and Baumann Roseland, New Jersey is a qualified candidate for the position, (the "Qualified Firm"); and

WHEREAS, the Qualified Firm has proposed to provide the services, described in the attached proposals, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to approve the Qualified Firm as special counsel to provide the services set forth in the proposal annexed hereto and incorporated herein; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any

services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that the Firm of McManimon, Scotland and Baumann is hereby retained to represent the Agency in the capacity of Special Counsel for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency from time to time, at separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

_____ Chairman

Attested to:

_____ Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPROVING QUALIFIED RESPONDANTS TO PERFORM PLANNING SERVICES-PURSUANT TO A FAIR AND OPEN PROCESS

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of planning services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firms of CME Associates, Howell, New Jersey; Center State Engineering, Monroe, New Jersey; Heyer Gruel, Red Bank, New Jersey and Beacon Planning and Consulting services, L.L.C., Colts Neck, New Jersey; (the "Qualified Firms"); are qualified to provide the services; and

WHEREAS, the Qualified Firms has proposed to provide the services, described in the attached proposals, schedule 1, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to designate the Qualified Firms as planners to provide the services set forth in the proposal annexed hereto and incorporated herein from time to time, as required; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that CME Associates, Center State Engineering, Heyer Gruel and Beacon Planning and Consulting Services shall be and are hereby approved to represent the Agency in the capacity of Planner for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**APPROVING QUALIFIED RESPONDANTS TO PERFORM VALUATION
AND CONSULTING SERVICES-PURSUANT TO A FAIR AND OPEN PROCESS**

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of valuation and assessing services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firms of Sterling, DiSanto & Associates, LLC., Somerville, New Jersey and New Jersey Realty Advisory Group, LLC, Woodbridge, New Jersey are qualified for the position, (the "Qualified Firms"); and

WHEREAS, the Qualified Firms have proposed to provide the services, described in the attached proposals, at the rate set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to designate the Qualified Firms to provide the services set forth in their proposals annexed hereto and incorporated herein from time to time, as required; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that Sterling, DiSanto & Associates, LLC and New Jersey Realty Advisory Group, LLC shall be and is hereby approved to represent the Agency in the capacity of assessor and valuation consultants for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

APPROVING QUALIFIED RESPONDANTS TO PERFORM PROFESSIONAL SERVICES- SPECIAL ENGINEERING SERVICES PURSUANT TO A FAIR AND OPEN PROCESS

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of special engineering services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firms of French and Parrello Associates, Wall, New Jersey, Center State Engineering Associates, Monroe Township, New Jersey, CME Associates, Parlin, New Jersey are qualified candidate for the position, together (the "Qualified Firms"); and

WHEREAS, the Qualified Firms have each proposed to provide the services, described in the attached proposals, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to appoint the Qualified Firms as engineers to provide special services engineering services set forth in the proposal annexed hereto and incorporated herein; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any

services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that French and Parrello Associates, Center State Engineering Associates and CME Associates are hereby qualified to represent the Agency in the capacity of Special Services Engineer for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency from time to time, in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

_____ Chairman

Attested to:

_____ Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**APPROVING QUALIFIED RESPONDANTS TO PERFORM ARCHITECTURAL
ARCHITECTURAL SERVICES-PURSUANT TO A FAIR AND OPEN PROCESS**

WHEREAS, N.J.S.A. 19-44a-20.4 et seq., The "New Jersey Local Pay-to Play" Law (the "Statute") establishes certain requirements for retaining professional services; and

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") is in need of architectural services from time to time to assist the Agency in connection with various redevelopment and other projects; and

WHEREAS, the Agency has undertaken a fair and open process as defined in the Statute to obtain candidates to provide said services; and

WHEREAS, the Agency has reviewed the submission of the candidates, and determined in accordance with established criteria that the firm of USA Architects, Somerville, New Jersey, Paulus Sokowski and Sartor Engineering LLC, Warren, New Jersey and The Musial Group, Warren, New Jersey are qualified for the position, (the "Qualified Firms"); and

WHEREAS, the Qualified Firms has proposed to provide the services, described in the attached proposals, Schedule 1, at the rates set forth therein; and

WHEREAS, in accordance with the Local Public Contracts Law and the Regulations promulgated thereunder, N.J.A.C. 5:34-1 et seq., the Agency desires to designate the Qualified Firms as architects to provide the services set forth in the proposal annexed hereto and incorporated herein from time to time, as required; and

WHEREAS, as required by N.J.A.C. 5:34-5.5 et seq., prior to the undertaking of any services specified herein, a letter of engagement specifying the exact services and the not to exceed amount shall be authorized by the Agency, and the Agency Treasurer shall certify in writing the availability of the funds.

NOW, THEREFORE, BE IT RESOLVED by the SOUTH AMBOY REDEVELOPMENT AGENCY that USA Architects, Paulus Sokowski and Sartor Engineering LLC and The Musial Group; shall be and are hereby approved to represent the Agency in the capacity of Architect for the period July 1, 2021 through June 30, 2022, and to perform the duties as determined by the Agency in separately determined amounts.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Chairman

Attested to:

Kelly Wolff, Secretary

Meeting Date: June 3, 2021

Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

M: 06-03-21 :20

**GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT
FORM OF RESOLUTION**

WHEREAS, N.J.S.A. 40A: 5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year (*insert fiscal year*) has been filed by a Registered Municipal Accountant with the (*insert "Clerk of the Board of Freeholders" or "Municipal Clerk"*) pursuant to N.J.S.A. 40A: 5-6, and a copy has been received by each member of the governing body; and

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations; and

WHEREAS, the members of the governing body have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, That the (*name of governing body*) of the (*name of local unit*), hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON June 3, 2021



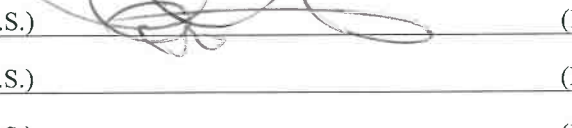
Member:	Moved	Seconded	Ayes	Nays	Abstain	Absent
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

NO PHOTO COPIES OF SIGNATURES

STATE OF NEW JERSEY
COUNTY OF *Middlesex*

We, members of the governing body of the *South Amboy Redevelopment Agency*, in the County of *Middlesex*, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected (or appointed) members of the *South Amboy Redevelopment Agency* of the *South Amboy* in the county of Middlesex;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2020;
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)



Clerk

Sworn to and subscribed before me this
_____ Day of _____

Notary Public of New Jersey

The Municipal Clerk (or Clerk of the Board of Chosen Freeholders as the case may be) shall set forth the reason for the absence of signature of any members of the governing body.

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance, Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.

STATE OF NEW JERSEY
MIDDLESEX COUNTY

SS.

I, Kelly Wolff, being of full
age, being duly sworn upon her oath, certifies:
that a notice of which the annexed is a true copy, was
published in the Home News Tribune which is a newspaper
published in Middlesex County, New Jersey;
on the 15th of May, 2021.
in said newspaper.

Sworn and subscribed before me this
May 15, 2021.



Notary Public of New Jersey

DEBORAH BROOKS
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES JAN. 15, 2025

Home News Tribune



Publication Name:
Home News Tribune

Publication URL:

Publication City and State:
Somerville , NJ

Publication County:
Somerset

Notice Popular Keyword Category:

Notice Keywords:

Notice Authentication Number:
202105190833408582103
1677824954

Notice URL:

[◀ Back \(/Search.aspx#searchResults\)](/Search.aspx#searchResults)

Notice Publish Date:
Saturday, May 15, 2021

Notice Content

SOUTH AMBOY REDEVELOPMENT AGENCY COMPARATIVE STATEMENTS OF NET POSITION AS OF JUNE 30, 2020 AND 2019

2020	2019	ASSETS
Unrestricted Current Assets		
Cash and Cash Equivalents	\$1,483,420	\$1,556,268
Accounts Receivable	21,874	-
Prepaid Items	-	342
NJEDA Grants Receivable	83,228	83,228
Total Unrestricted Current Assets	1,588,522	1,639,838
Restricted Current Assets		
Redevelopers Escrow Account Cash and Cash Equivalents	230,002	204,616
Cost of Issuance Account Cash and Cash Equivalents	-	6,681
Total Restricted Current Assets	230,002	211,297
Total Current Assets	1,818,524	1,851,135
Noncurrent Assets		
Capital Assets		
Buildings	11,605,505	11,605,505
Land	290,400	290,400
Property Held for Redevelopment	943,120	572,082
Construction In Progress	1,927,720	1,927,720
Accumulated Depreciation	(2,756,307)	(2,466,171)
Total Noncurrent Assets	12,010,438	11,929,536
Total Assets	13,828,962	13,780,671

SOUTH AMBOY REDEVELOPMENT AGENCY COMPARATIVE STATEMENTS OF NET POSITION AS OF JUNE 30, 2020 AND 2019

2020	2019	LIABILITIES
Current Liabilities		
Payable from Unrestricted Assets		
Accounts Payable	\$25,685	\$11,616
Accrued Interest on Bonds	35,146	37,144
Unearned Revenue	83,228	83,228
Total Current Liabilities Payable from Unrestricted Assets	144,059	131,988
Current Liabilities Payable from Restricted Assets		
Revenue Bonds Payable	80,000	75,000
Escrow Deposits Payable	230,002	204,616
Total Current Liabilities Payable from Restricted Assets	310,002	279,616
Total Current Liabilities	454,061	411,604
Non-Current Liabilities		
Revenue Bonds Payable	2,675,000	2,755,000
Total Non-Current Liabilities	2,675,000	2,755,000
Contingencies	-	-
Total Liabilities	3,129,061	3,166,604

NET POSITION

Net Investment in Capital Assets	9,255,438	9,106,217
Unrestricted	1,444,463	1,507,850
Total Net Position	\$10,699,901	\$10,614,067

SOUTH AMBOY REDEVELOPMENT AGENCY COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

2020	2019	OPERATING REVENUES
Contributions of Property Held for Redevelopment		
\$371,038	Redeveloper Fees and Contributions	140,312
\$186,883	Rent	173,592
173,592	Total Operating Revenues	684,942
360,475	OPERATING EXPENSES	
City of South Amboy - Interlocal Agreement	75,553	45,696
Other Expenses	156,774	146,035
Depreciation	290,136	290,138
Total Operating Expenses	522,463	481,869
OPERATING GAIN / (LOSS)	162,479	(121,394)
NON-OPERATING INCOME (EXPENSES)		
Interest Income	19,095	22,470
Interest Expense	(95,740)	(99,357)
Total Non-Operating Income (Expenses)	(76,645)	(76,887)
CHANGE IN NET POSITION	85,834	(198,281)
Total Net Position, Beginning of year	10,614,067	10,812,348
Total Net Position, End of year	\$10,699,901	\$10,614,067
		(\$144.48)

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Select Language 

Powered by [Google Translate \(https://translate.google.com\)](https://translate.google.com)

Classified Ad Receipt (For Info Only - NOT A BILL)

Customer: CITY OF SOUTH AMBOY
Address: 140 N BROADWAY
SOUTH AMBOY NJ 08879
USA

Ad No.: 0004735450
Pymt Method: Invoice
Net Amt: \$144.48

Run Times: 1
Run Dates: 05/15/21

No. of Affidavits: 0

Text of Ad:

SOUTH AMBOY REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$1,483,420	\$1,556,268
Accounts Receivable	21,874	-
Prepaid Items	-	342
NJEDA Grants Receivable	83,228	83,228
Total Unrestricted Current Assets	1,588,522	1,639,838
Restricted Current Assets		
Redevelopers Escrow Account		
Cash and Cash Equivalents	230,002	204,616
Cost of Issuance Account		
Cash and Cash Equivalents	-	6,681
Total Restricted Current Assets	230,002	211,297
Total Current Assets	1,818,524	1,851,135
Noncurrent Assets		
Capital Assets		
Buildings	11,605,505	11,605,505
Land	290,400	290,400
Property Held for Redevelopment	943,120	572,082
Construction In Progress	1,927,720	1,927,720
Accumulated Depreciation	(2,756,307)	(2,466,171)
Total Noncurrent Assets	12,010,438	11,929,536
Total Assets	13,828,962	13,780,671

SOUTH AMBOY REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

	2020	2019
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets		
Accounts Payable	\$25,685	\$11,616
Accrued Interest on Bonds	35,146	37,144
Unearned Revenue	83,228	83,228
Total Current Liabilities Payable from Unrestricted Assets	144,059	131,988
Current Liabilities Payable from Restricted Assets		
Revenue Bonds Payable	80,000	75,000
Escrow Deposits Payable	230,002	204,616
Total Current Liabilities Payable from Restricted Assets	310,002	279,616
Total Current Liabilities	454,061	411,604
Non-Current Liabilities		
Revenue Bonds Payable	2,675,000	2,755,000
Total Non-Current Liabilities	2,675,000	2,755,000
Contingencies	-	-
Total Liabilities	3,129,061	3,166,604
NET POSITION		
Net Investment in Capital Assets	9,255,438	9,106,217
Unrestricted	1,444,463	1,507,850
Total Net Position	\$10,699,901	\$10,614,067

SOUTH AMBOY REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING REVENUES		
Contributions of Property Held for Redevelopment	\$371,038	
Redeveloper Fees and Contributions	140,312	\$186,883
Rent	173,592	173,592
Total Operating Revenues	684,942	360,475
OPERATING EXPENSES		
City of South Amboy - Interlocal Agreement	75,553	45,696
Other Expenses	156,774	146,035
Depreciation	290,136	290,138
Total Operating Expenses	522,463	481,869
OPERATING GAIN / (LOSS)	162,479	(121,394)
NON-OPERATING INCOME (EXPENSES)		
Interest Income	19,095	22,470
Interest Expense	(95,740)	(99,357)
Total Non-Operating Income (Expenses)	(76,645)	(76,887)
CHANGE IN NET POSITION	85,834	(198,281)
Total Net Position, Beginning of year	10,614,067	10,812,348
Total Net Position, End of year	\$10,699,901	\$10,614,067
(\$144.48)		

0004735450-01

M: 06-03-21 :21

SOUTH AMBOY REDEVELOPMENT AGENCY

RESOLUTION

**AUTHORIZING EXECUTION
OF AN INTERIM COST AGREEMENT WITH
ASHLING DEVELOPMENT, L.L.C.**

WHEREAS, the South Amboy Redevelopment Agency (the "Agency") has been contacted by Ashling Development, L.L.C. ("Ashling Development") about the possibility of developing certain properties within the City of South Amboy, (the "Property"); and

WHEREAS, the Agency is eager to discuss the possibility of developing the Property, and to negotiate a redevelopment agreement; and

WHEREAS, Ashling Development has agreed to enter into an interim cost agreement to cover the Agency's costs in connection with the negotiation.

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED by the South Amboy Redevelopment Agency, as follows:

1. The Agency hereby approve the Interim Cost Agreement in the form of the attached hereto as Schedule 1.
2. The Chairman and the Agency secretary be and are hereby authorized to execute the Interim Cost Agreement, attached hereto as Schedule 1, on behalf of the Agency.

Kevin F. Meszaros, Chairman

Attested to:

Kelly A. Wolff, Secretary

Meeting Date: June 3, 2021

<i>Member:</i>	<i>Moved</i>	<i>Seconded</i>	<i>Ayes</i>	<i>Nays</i>	<i>Abstain</i>	<i>Absent</i>
Anthony Conrad						
Zusette Dato						
Tony Gonsalves						
Dave Kales						
Kevin Meszaros						
Frank Milatta						
Camille Tooker						

INTERIM COSTS AGREEMENT

THIS INTERIM COSTS AGREEMENT (the “Interim Cost Agreement”) is entered into this ____ day of _____, 2021, by and between:

THE SOUTH AMBOY REDEVELOPMENT AGENCY, a redevelopment agency of the City of South Amboy located at 140 North Broadway, South Amboy, New Jersey, acting in the capacity of a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law. *N.J.S.A. 40A:12A-1, et seq.* (the “Act”) and its respective successors and assigns (the “Agency” or “SARA”),

and

ASHLING DEVELOPMENT, L.L.C., a New Jersey limited liability company with offices at 494 Sycamore Avenue, Shrewsbury, New Jersey 07702 (together with its successors and assigns, the “Redeveloper”). The Agency and Redeveloper each may individually be referred to herein as a “Party,” and collectively as, the “Parties.”

1. Definitions.

- A. Interim Costs. Interim Costs shall include, to the extent applicable, the Agency’s reasonably incurred out-of-pocket fees, costs, and expenses related to the negotiation of the terms and conditions of a redevelopment agreement, financial agreement and other documents related to the redevelopment of certain property within the City by the Redeveloper, including, but not limited to fees for legal, accounting, engineering, planning and financial advisory services, including such fees, costs and expenses incurred prior to the execution of this Interim Costs Agreement.
- B. Administrative Costs. Administrative Costs shall mean costs incurred by the Agency in connection with the day-to-day operations of the Agency, not directly related to the Redeveloper’s project; included but not limited to consulting, legal, secretarial, administrative, accounting, utility and banking costs and fees.

2. Escrow Account.

Immediately upon the execution of this Interim Costs Agreement, the Redeveloper shall pay \$25,000.00 to the South Amboy Redevelopment Agency which the Agency shall deposit into an interest-bearing escrow account established by it for the payment of its Administrative and Interim Costs. Said funds shall be dispersed as follows:

- (a) in connection with Interim Costs, prior to the Agency’s withdrawal of funds from the escrow for the payment of its Interim Costs, the Agency shall provide the Redeveloper with a copy of each invoice reflecting Interim Costs to be paid. Unless the Redeveloper within 15 days of sending of any such copy, provides a written objection that any invoice item is not an Interim Costs, the Agency shall be free to withdrawn funds from the escrow for the payment of such invoiced services; and

(b) in connection with Administrative Costs the Agency shall be authorized to deduct \$1,000.00 per month, on or after the 15th day of the month, without prior approval of the Redeveloper.

If, when and as often as may occur the escrow account is drawn down to or below \$5,000.00, the Redeveloper, upon the Agency's request shall immediately replenish the account with an amount equal to the difference between the initial escrow amount and the balance at the time of the notice for use in accordance with these terms. In the event that this Interim Costs Agreement either expires or is cancelled by the Agency: then all escrow monies shall be returned to the Redeveloper following the payment from the fund of the Agency's Interim Costs incurred up to the time of said expiration or cancellation.

3. Interest Distribution.

Interest earned on the escrowed funds shall be distributed as follows:

1. Any interest less than \$5,000.00 shall be paid to the Agency.
2. Interest over \$5,000.00 shall be paid (i) one-third (1/3) to the Agency for administrative costs and (ii) the balance to the Redeveloper.

IN WITNESS WHEREOF, the Parties hereto have caused this Interim Costs Agreement to be executed as of the date first above written.

ATTEST:

**THE SOUTH AMBOY
REDEVELOPMENT AGENCY**

By: _____
Kelly A. Wolff, Secretary

By: _____
Kevin Meszaros, Chairman

ATTEST:

ASHLING DEVELOPMENT, L.L.C.

By: _____

By: _____
Michael Tennyson

RESOLUTION OF THE SOUTH AMBOY REDEVELOPMENT AGENCY, IN THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY DESIGNATING MANHATTAN BEACH PHASE 1 URBAN RENEWAL LLC AS A REDEVELOPER OF CERTAIN PROPERTY WITHIN THE CITY OF SOUTH AMBOY AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH MANHATTAN BEACH PHASE 1 URBAN RENEWAL LLC IN CONNECTION THEREWITH

WHEREAS, the City of South Amboy (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 redevelopment; and

WHEREAS, the Municipal Council of the City (the “**City Council**”) previously designated certain properties within the City, including without limitation, the parcels identified on the tax map of the City as Block 161.02, Lot 20, 23, 24, 24.01, 25, 90, 90.01, 6.02 and a portion of Lot 20.01 (the “**Redevelopment Area**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, on December 17, 2014, by Ordinance No. 13-2014, the City Council adopted the Beach Club District Redevelopment Plan (the “**Original Redevelopment Plan**”), which Original Redevelopment Plan superseded and replaced the existing redevelopment plans as same related to the parcels comprising the Beach Club District Properties, and on December 19, 2018, by Ordinance No. 18-2018, the City Council amended the Original Redevelopment Plan (collectively, the “**Redevelopment Plan**”), containing development standards for, among others, that portion of the Redevelopment Area comprised of Block 161.02, Lots 20, 23, 24 and 24.01 (the “**Project Site**”); and

WHEREAS, pursuant to the provisions of the Redevelopment Law, specifically N.J.S.A. 40A:12A-4, the South Amboy Redevelopment Agency (“**SARA**”) was established as an instrumentality of the City with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, to provide for the implementation of the Redevelopment Plans, SARA wishes to contract with an entity capable of engaging in site acquisition, remediation, planning, and end-use development thereof; and

WHEREAS, SARA has previously designated Manhattan Beach Club Street, LLC (the “**Master Redeveloper**”) as master redeveloper of the Redevelopment Area, and the City and SARA have entered into that certain tri-party Amended and Restated Redevelopment Agreement with Master Redeveloper (the “**Master Redevelopment Agreement**”) relating thereto; and

WHEREAS, Manhattan Beach Phase 1 Urban Renewal LLC (the “**Redeveloper**”), through its affiliates, has contracted through purchase and sale agreements with: (i) affiliates of

the Master Redeveloper to acquire Lots 20 and 23 of the Project Site; and (ii) Jarmel South Amboy Realty LLC to acquire Lots 24 and 24.01 of the Project Site; and

WHEREAS, the Redeveloper proposes to redevelop the Project Site by constructing a residential project, consisting of approximately 486 residential units thereon, along with the undertaking of certain residential units affordable to households of low and moderate income (the “**Project**”); and

WHEREAS, the Redevelopment Law authorizes a redevelopment entity to arrange or contract for the planning, construction or undertaking of any redevelopment work in an area designated as “an area in need of redevelopment” pursuant to *N.J.S.A. 40A:12A-8*; and

WHEREAS, SARA and the Redeveloper have determined to enter into a Redevelopment Agreement (the “**Redevelopment Agreement**”), pursuant to which the Redeveloper, subject to its acquisition of the Project Site, will be responsible for effectuating the redevelopment of the Project Site through the construction of the Project; and

WHEREAS, SARA has determined that the Redeveloper possesses the proper qualifications, financial resources and capacity to implement and complete the Project in accordance with the Redevelopment Plan; and

WHEREAS, SARA desires to authorize the execution of the Redevelopment Agreement with the Redeveloper, which shall set forth the rights and obligations of the respective parties, as well as the anticipated time frame for the completion of certain tasks; and

WHEREAS, SARA further desires to designate the Redeveloper as the “redeveloper” of the Project, as that term is defined in the Redevelopment Law, subject to the conditions set forth in the Redevelopment Agreement.

NOW THEREFORE BE IT RESOLVED by the Commissioners of the Agency that:

Section 1. The recitals hereof are incorporated herein as if set forth at length.

Section 2. SARA hereby approves the Redevelopment Agreement and the Chairperson and/or the Executive Director are hereby authorized to execute said agreement in substantially the form as that on file with SARA, subject to such additions, deletions, modifications or amendments deemed necessary by such officer in his discretion in consultation with counsel, which additions, deletions, modifications or amendments do not alter the substantive rights and obligations of the parties thereto, and to take all other necessary and appropriate actions to effectuate the foregoing agreement.

Section 3. Upon execution of the Redevelopment Agreement and the acquisition, by the Redeveloper, of the Site, and so long as the Redevelopment Agreement remains in full force and effect, the Redeveloper, is hereby designated as the “redeveloper” of the Site in accordance with the Redevelopment Law.

Section 4. This resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly Wolff, Secretary

Meeting Date:

ROLL CALL:

Anthony Conrad _____
Zusette Dato _____
Tony Gonsalves _____
David Kales _____
Kevin Meszaros _____
Frank Milatta _____
Camille Tooker _____

REDEVELOPMENT AGREEMENT

BY AND BETWEEN

SOUTH AMBOY REDEVELOPMENT AGENCY,

as the Redevelopment Entity

and

SA 101 MAIN STREET URBAN RENEWAL LLC,

as the Redeveloper

Dated as of _____, 2021

REDEVELOPMENT AGREEMENT (the “**Redevelopment Agreement**”), dated as of _____, 2021 (the “**Effective Date**”), by and between:

THE SOUTH AMBOY REDEVELOPMENT AGENCY, a public body corporate and politic of the State of New Jersey with offices at 140 North Broadway, South Amboy, New Jersey 08879 (the “**Agency**”), acting in the capacity of a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* as amended and supplemented (the “**Redevelopment Law**”),

and

SA 101 MAIN STREET URBAN RENEWAL LLC, a limited liability company formed under the laws of the State of New Jersey with offices at **32 Mount Kemble Ave, Morristown, New Jersey 07960** (the “**Redeveloper**” and, together with the Agency, each a “**Party**” and collectively, the “**Parties**”).

W-I-T-N-E-S-S-E-T-H:

WHEREAS, the City of South Amboy in the County of Middlesex, New Jersey (the “**City**”) is authorized under 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 redevelopment and to adopt redevelopment plans therefor; and

WHEREAS, the City previously designated certain properties within the City, including parcel identified as Block 160, Lot 1 on the City’s tax maps and commonly known as 101 Main Street (the “**Project Site**”), as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, on July 5, 1995, by Ordinance No. 20-95, the City adopted a redevelopment plan known as the “Northern Waterfront Redevelopment Plan” (the “**Original Redevelopment Plan**”) for certain property in the City including the Project Site; and

WHEREAS, on July 15, 2020, the City adopted Ordinance No. 08-2020 to, among other things, amend the Redevelopment Plan to permit light industrial uses, and to provide associated bulk standards therefor, applicable to the Project Site (the “**Redevelopment Plan**”); and

WHEREAS, the Agency is acting as the redevelopment entity for the purpose of implementing the Redevelopment Plan; and

WHEREAS, the Redeveloper is the contract purchaser of the Project Site; and

WHEREAS, the Redeveloper proposes to purchase the Project Site from South Amboy Land Development LLC and construct thereon a project consisting of: (a) an approximately 300,000 square foot warehouse and light industrial facility with approximately [insert] loading positions and space to store approximately [insert] trailers, and (b) certain on and off-site public and other infrastructure improvements (the “**Project**”), as more particularly described in the Concept Plan attached hereto as **Exhibit 1** (the “**Concept Plan**”); and

WHEREAS, in order to set forth the terms and conditions under which the Parties will carry out their respective obligations with respect to the construction of the Project on the Project Site in accordance with the Redevelopment Plan, the Parties have determined to execute this Redevelopment Agreement; and

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

ARTICLE I DEFINITIONS AND INTERPRETATIONS

SECTION 1.01. Definitions. In this Redevelopment Agreement, words that are capitalized, and which are not the first word of a sentence, are defined terms. The terms defined in the preambles hereto shall have the meanings assigned to such terms. Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Redevelopment Agreement shall mean:

“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") 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.

“Appeal Period” shall mean the period of time specified by statute or court rule within which an appeal may be taken by any party from the grant of any Governmental Approval, and includes the period for filing an appeal to an appellate court after entry of a judgment or decision by a lower court or administrative agency.

“Applicable Law” means any statute, law, constitution, charter, ordinance, resolution, judgment, order, decree, rule, regulation, directive, interpretation, standard or similarly binding authority which, in any case, shall be enacted, adopted, promulgated, issued or enforced by any Governmental Authority, and/or court of competent jurisdiction that relates to or affects the Parties or either of them, the Redevelopment Area, the Project Improvements, or any portion thereof, the performance by the Parties of their respective obligations or the exercise by the Parties of their respective rights under this Redevelopment Agreement, including without limitation, the Municipal Land Use Law, the Redevelopment Law and the Long Term Tax Exemption Law.

“Agency Costs” is defined in Section 3.03.

“Agency Event of Default” means, with respect to the Agency, an Event of Default, as such term is defined in Section 15.01 hereof.

“**Agency Indemnified Parties**” means the Agency and its officers, elected officials, agents, employees, contractors and consultants.

“**Certificate of Completion**” means a certificate issued by the Agency upon Completion of the Project pursuant to Section 11.02 hereof in the form attached as **Exhibit 4**.

“**Certificate of Occupancy**” means a Certificate of Occupancy (temporary or permanent), as such term is defined in the New Jersey Administrative Code, issued with respect to the Project or any portion thereof.

“**Commence[ment of] Construction**” means the undertaking by Redeveloper of any actual physical construction of any portion of the Project on the Project Site, including construction of new structures or construction or upgrading of infrastructure, including work conducted with cranes, earth movers, rollers and similar equipment.

“**Comple[t]e, [ed] or [ion]**” means with respect to the Project, or any portion thereof, that (a) all work related to the Project, or a portion thereof, or any other work or actions to which such term is applied has been completed, acquired and/or installed in accordance with this Redevelopment Agreement and in compliance with Applicable Laws so that (i) the Project, or any portion thereof that has been completed, as the case may be, may, in all respects, be used and operated under the applicable provisions of this Redevelopment Agreement, or (ii) with respect to any other work or action to which such term is applied, that the intended purpose of such work or action has been completed, (b) all permits, licenses and approvals that are required in order that a Certificate of Completion can be issued for the Project, or any portion thereof that have been completed, or such other work or action to which such term is applied are in full force and effect, and (c) such “Completion” has been evidenced by a written notice provided by the Redeveloper (with respect to the Project, or any portion thereof) in the form of Exhibit 1 to the form of Certificate of Completion attached hereto as **Exhibit 4**.

“**Completion Date**” means the date that the Certificate of Completion is issued.

“**Concept Plan**” is defined in the Recitals.

“**Construction**” for purposes of Section 5.04 hereof, means all work commencing with the excavation for the foundations of the building through the issuance of the final Certificate of Occupancy for the Project.

“**Control**” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to the Redeveloper, the power, directly or indirectly, to direct or cause the direction of the management policies of the Redeveloper, whether through the ownership of an interest in the Redeveloper, or by contract or otherwise. The entity or individual(s) with the right to direct or cause the direction of the management and operation of the managing member of Redeveloper shall be deemed to have Control of Redeveloper.

“**Declaration**” is defined in Section 9.06 hereof and the form of which is attached hereto as **Exhibit 3**.

“**Effective Date**” is defined in the Preamble.

“**Engineering Controls**” means any mechanism to contain or stabilize contamination or to ensure the effectiveness of a Remediation. Engineering Controls may include, without limitation, caps, covers, dikes, trenches, leachate control systems, signs, fences and physical access barriers.

“**Environmental Laws**” means all federal, state, regional, and local laws, statutes, ordinances, regulations, rules, codes and administrative orders or decrees, directives or judgments relating to environmental contamination or damage to or protection of the environment, including, but not limited to, the *Comprehensive Environmental Response, Compensation and Liability Act* (“*CERCLA*”) (42 U.S.C. §§ 9601-9675); the *Resource Conservation and Recovery Act of 1976* (“*RCRA*”) (42 U.S.C. §§ 6901, et seq.); the *Clean Water Act* (33 U.S.C. §§ 1251, et seq.); the *New Jersey Spill Compensation and Control Act* (the “*Spill Act*”) (N.J.S.A. 58:10-23.11, et seq.); *ISRA*; the *New Jersey Underground Storage of Hazardous Substances Act* (N.J.S.A. 58:10A-21, et seq.); the *New Jersey Water Pollution Control Act* (N.J.S.A. 58:10A-1 et seq.); the *New Jersey Environmental Rights Act* (N.J.S.A. 2A:35A-1, et seq.); and the rules and regulations promulgated thereunder.

“**Escrow Account**” is defined in Section 3.04.

“**Estoppel Certificate**” is defined in Section 5.08.

“**Event of Default**” means the occurrence of any Redeveloper Event of Default or Agency Event of Default, as the case may be, and as further defined in Section 15.01 hereof.

“**Exhibit(s)**” means any exhibit attached hereto which shall be deemed to be a part of this Redevelopment Agreement as if set forth in full in the text hereof.

“**Financial Agreement**” means an agreement to be executed by the City and the Redeveloper pursuant to the Long Term Tax Exemption Law, in substantially the same form as that attached hereto as **Exhibit 6** setting forth, among other things, the obligation of the Redeveloper (or an Urban Renewal Entity created thereby) to pay an Annual Service Charge (as that term is defined and used in the Long Term Tax Exemption Law) to the City.

“**Force Majeure**” is defined in Section 15.02.

“**Foreclosure**” is defined in Section 14.03(b).

“**Governmental Approvals**” means all necessary reviews, consents, permits or other approvals of any kind legally required by any local, county, state or federal governmental or quasi-governmental entity required to be obtained in order to construct the Project.

“**Governmental Authority**” means the federal government, the State, any state or other political subdivision thereof, including the Agency and the City, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any other governmental entity with authority or jurisdiction over any part of the

permitting, Remediation, construction or operation of the Project or the Project Site, or pursuant to Environmental Laws including without limitation, the Planning Board and the NJDEP.

“**Hazardous Substance**” means any element, compound, material, mixture, substance, chemical or waste that is listed as hazardous or toxic, or a pollutant or contaminant, in any Environmental Law.

“**Holder(s)**” is defined in Section 14.01(a).

“**Institutional Controls**” means a mechanism used to limit human activities at or near a contaminated site, or to ensure the effectiveness of a Remediation over time, when contaminants remain at the contaminated site in levels or concentrations above the applicable remediation standard that would allow unrestricted use of the site. Institutional Controls may include, without limitation, structure, land and natural resource use restrictions, classification exception areas, well restrictions areas and deed notices.

“**ISRA**” means the Industrial Site Recovery Act, as amended (*N.J.S.A. 13:1K-6 et seq.*).

“**Long Term Tax Exemption Law**” means *N.J.S.A. 40A:20-1 et seq.*, as amended and supplemented.

“**Municipal Land Use Law**” means *N.J.S.A. 40:55D-1 et seq.*, as amended and supplemented.

“**Natural Resource Damages**” means the loss, liability or damages owed to any natural resource trustee, including, without limitation, a state, the federal government or Indian tribe, to compensate for the loss or injury to natural resources.

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

“**Off-Site Improvements**” means any improvements outside the Project Site, made necessary by the On-Site Improvements, that are to be constructed and maintained by the Agency (on behalf of, and paid for by, the Redeveloper) and/or by the Redeveloper in order that the Redeveloper may satisfy the requirements of any applicable Governmental Approvals, as more particularly shown on the Site Plans.

“**On-Site Improvements**” means all buildings, structures, improvements, site preparation work and amenities comprising the Project and located within the Project Site, as more specifically shown on the Concept Plan.

“**Original Redevelopment Plan**” is defined in the Preamble.

“**Party**” or “**Parties**” is defined in the Preamble.

“**Permitted Transfers**” is defined in Section 12.03.

“**Person**” means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, Urban Renewal Entity, institution, or any other entity.

“**Planning Board**” means the Planning Board of the City of South Amboy.

“**Progress Meetings**” is defined in Section 6.01.

“**Progress Report**” is defined in Section 6.02.

“**Project**” is defined in the Recitals and is depicted in **Exhibit 1**.

“**Project Costs**” means the costs of designing, permitting and constructing the Project, including, without limitation, the cost of acquiring the Project Site.

“**Project Improvements**” means, collectively, the Off-site Improvements and the On-site Improvements as shown on the Site Plans. This term is used interchangeably herein with the term “Project”.

“**Project Schedule**” means the schedule for the design, permitting, financing, construction and completion of the Project by the Redeveloper, as set forth in **Exhibit 2** hereto.

“**Project Site**” is defined in the Recitals.

“**Redeveloper**” is defined in the Preamble.

“**Redeveloper Covenants**” is defined in Section 9.05.

“**Redeveloper Event of Default**” means, with respect to the Redeveloper, an Event of Default as defined in Section 15.01.

“**Redevelopment Agreement**” or “**Agreement**” means this agreement.

“**Redevelopment Area**” is defined in the Recitals.

“**Redevelopment Fee**” is defined in Section 3.06.

“**Redevelopment Law**” is defined in the Preamble.

“**Redevelopment Plan**” is defined in the Recitals.

“**Remediat[e], [ed], [ing] or [ion]**” means the investigation, study, planning, design, clean-up, removal, containment, disposal, dispersal, treatment (including, but not limited to, in-situ and ex-situ treatment), management, remediation (including, but not limited to, the use of Engineering Controls and Institutional Controls, stabilization, neutralization of Hazardous Substances required by Governmental Authority and/or pursuant to Environmental Laws which allows for the Project, including, but not limited to any operations, maintenance, and monitoring activities that may be required after completion of the foregoing.

“**Section**” means a section or subsection of this Redevelopment Agreement.

“**Scheduled Completion Date**” means the anticipated Completion Date as set forth in the Project Schedule attached hereto as **Exhibit 2**, subject to any extensions granted in accordance with this Redevelopment Agreement.

“**Site Plan**” means the plan to be submitted to, and approved by, the Planning Board in accordance with the Municipal Land Use Law.

“**State**” means the State of New Jersey.

“**Substantial Completion**” or “**Substantially Completed**” means that the requirements set forth in clauses (a) through (c), inclusive, of the definition of “Completion” have been satisfied with respect to the Project, with the exception of certain immaterial portions of the work relating to the Project that remain to be Completed, as long as (a) the Redeveloper, with respect to the Project, has prepared and delivered to the Agency a “punch list” of items requiring completion or correction in order for the Redeveloper to fully comply with the terms of this Redevelopment Agreement, (b) “punch list” items have been reasonably agreed to by the Agency, and (c) such “punch list” items are capable of being Completed within ninety (90) days of the date that Completion of the Project is certified, as set forth in the written notice provided under (c) of the definition of Completion, or such later date as is mutually acceptable to the Parties, as long as the public health, welfare or safety is not impaired by such additional time for Completion; and provided further however, that all such “punch list” items shall be Completed, under all circumstances, but subject to Force Majeure events, within (i) one hundred eighty (180) days following the date that Completion is certified, as provided above, with respect to the exterior of any buildings and (ii) three hundred sixty-five (365) days following the date that Completion is certified, as provided above, with respect to the interiors of any buildings. “Substantial Completion” shall be evidenced by issuance of a temporary Certificate of Occupancy for the Project, or any portion thereof that has been Substantially Completed.

“**Term**” means that period of time from the Effective Date of this Redevelopment Agreement until the earlier of (i) the Agency’s issuance of a Certificate of Completion for the Project or (ii) this Redevelopment Agreement is terminated in accordance with the terms of this Agreement or pursuant to Applicable Law.

“**Transfer**” is defined in Section 12.02.

“**Urban Renewal Entity**” shall have the meaning defined in *N.J.S.A. 40A:20-3* of the Long Term Tax Exemption Law.

“**Utilities**” means municipal water, sanitary sewer and storm water facilities and natural gas, electricity, and voice and data transmission facilities.

SECTION 1.02. Interpretation and Construction. In this Redevelopment Agreement, unless the context otherwise requires:

(a) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Redevelopment Agreement, refer to this Redevelopment Agreement, and

the term "hereafter" means after, and the term "heretofore" means before the date of delivery of this Redevelopment 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 Redevelopment 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 Redevelopment 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) Each right of the Agency to review or approve any actions, plans, specifications, or other obligations of the Redeveloper hereunder shall be made by the Agency official(s) with legal authority to conduct such review or grant such approvals. Any review contemplated by this Redevelopment Agreement shall be made in a timely manner. Upon request of the Redeveloper, the Agency shall inform the Redeveloper of all officials with the required authority.

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

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

[END OF ARTICLE I]

**ARTICLE II
DESCRIPTION OF PROJECT SITE
AND THE PROJECT**

SECTION 2.01. Project Site. The Project Site consists of the surface, subsurface and airspace above the real property described in the definition thereof and upon which the Project Improvements will be constructed.

SECTION 2.02. Proposed Development; Project. The overall development of the Project Site will include the Project to be constructed by the Redeveloper as further described in the Site Plan to be approved by the Planning Board, pursuant to this Redevelopment Agreement, the Redevelopment Plan, the Redevelopment Law and the Municipal Land Use Law.

SECTION 2.03. Green Technology. Redeveloper shall use commercially reasonable efforts to incorporate green design features within the Project, which will conserve the natural environment.

[END OF ARTICLE II]

**ARTICLE III
FINANCIAL OBLIGATIONS**

SECTION 3.01. The Redeveloper's Financial Commitment. The Redeveloper represents and warrants that to the best of its knowledge and belief, and subject to the terms of Section 14.01(d), it has obtained or can obtain and intends to commit the requisite equity and debt financing in an amount necessary to implement and complete the Project.

SECTION 3.02. Project Costs. All costs of implementing this Redevelopment Agreement and completing the Project, including Agency Costs as specified in Section 3.03 hereof, and the costs incurred by the Redeveloper will be borne by the Redeveloper.

SECTION 3.03. Agency Costs. In addition to the Redeveloper's estimated costs for the Project, the Redeveloper agrees to provide funding to the Agency for all reasonable out-of-pocket costs incurred by the Agency and/or the City in connection with the redevelopment of the Project Site ("**Agency Costs**"). Agency Costs shall include, but not be limited to, any fees and costs of any professional consultant, contractor or vendor retained by the Agency in connection with the Project, including attorneys, technical consultants, planners, financial consultants and appraisers, among others, and all out-of-pocket costs and expenses of the Agency.

SECTION 3.04. Payment of Agency Costs. The Redeveloper shall reimburse the Agency or the City, as applicable, for all Agency Costs in accordance with the terms hereof. The Redeveloper has established a non-interest bearing escrow account (the "**Escrow Account**"), having an initial balance of Twenty Thousand Dollars (\$20,000.00). The Redeveloper agrees that it will replenish the Escrow Account in the event that the balance drops below Five Thousand Dollars (\$5,000.00). Funds in the Escrow Account will be applied to the payment or reimbursement of the Agency Costs as provided in this Redevelopment Agreement, including costs that were incurred prior to the date hereof in accordance with the terms of this Section 3.04. At least ten (10) days prior to making any disbursement from the Escrow Account, written notice of the proposed disbursement shall be mailed or emailed to the Redeveloper, setting forth: (a) the amount of the disbursement; (b) the name of the person, company or entity designated to receive payment; and (c) a description, in reasonable detail, of the particular cost to be paid or reimbursed in accordance with this Redevelopment Agreement (including hours worked and billing rates). If the Redeveloper does not object to such disbursement within ten (10) days of receipt of such notice, the Redeveloper will be deemed to have acquiesced to the same. As of the Completion Date, as evidenced by the issuance of the Certificate of Completion, or upon termination of this Redevelopment Agreement, except in the event of a termination caused by an Event of Default by the Redeveloper, any money remaining in the Escrow Account shall be disbursed to the Redeveloper within sixty (60) days after issuance of the Certificate of Completion or the termination of this Redevelopment Agreement and the terms of this Section 3.04 shall survive the issuance of the Certificate of Completion or termination of this Redevelopment Agreement for such sixty (60) day period. The Agency shall prepare and send to Redeveloper a statement, on a quarterly basis, which shall include an accounting of funds listing all deposits, interest earnings, disbursements, and the cumulative balance of the escrow account.

SECTION 3.05. Governmental Approval Fees. The Redeveloper will pay all fees for all Governmental Approvals required by any Governmental Authority for the construction and development of the Project.

SECTION 3.06. Redevelopment Fee. In addition to Agency Costs and the Governmental Approval Fees set forth in Section 3.05, above, the Redeveloper agrees to pay to the Agency a non-refundable redevelopment fee for the Project in the amount equal to \$2.25 per square foot of space constructed, which amount is currently estimated to be Six Hundred Seventy-Five Thousand Dollars (\$675,000.00) (the "Redevelopment Fee") (\$2.25 x 300,000 sq. ft). The Redevelopment Fee is due and payable as follows: (i) Fifty Thousand Dollars (\$50,000.00) upon the adoption, by the City Council, of an ordinance approving the execution of the Financial Agreement; (ii) fifty percent (50%) of the remainder of the Redevelopment Fee, currently estimated to be Three Hundred Twelve Thousand Five Hundred Dollars (\$312,500.00), due immediately upon the issuance, by the City, of a building permit for construction on Project Site; and (iii) the remainder of the Redevelopment Fee, currently estimated to be Three Hundred Twelve Thousand Five Hundred Dollars (\$312,500.00), due upon the issuance, by the City, of a Certificate of Occupancy in connection with the Project.

SECTION 3.07. Application for Tax Exemption. Following the Effective Date, the Redeveloper may submit to the City an application for a tax exemption in accordance with the Long Term Tax Exemption Law and the terms of the Financial Agreement, which shall provide, *inter alia*, that the Redeveloper shall construct the Project and shall make annual payments to the City in lieu of taxes. The Redeveloper shall have the right to terminate this Agreement upon written notice to the Agency if the City and the Redeveloper have not duly executed and delivered the Financial Agreement within one hundred and twenty (120) days after the Effective Date. If this Agreement is terminated pursuant to the terms of this Section 3.07 then, except as expressly set forth herein to the contrary and upon full payment of all Agency Costs accruing until the date of such termination, this Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

[END OF ARTICLE III]

**ARTICLE IV
ENVIRONMENTAL MATTERS**

SECTION 4.01. Environmental Compliance in General. The Parties acknowledge that there may be present Hazardous Substances on, under or migrating to or from the Project Site that may require Remediation. The Redeveloper agrees and specifically assumes any and all responsibility, liability and costs for any such Remediation of the Project Site or anything affected off-site, as required by applicable Environmental Laws and Governmental Authorities, except to the extent that the prior owner(s) of the Project Site retain such responsibility or liability. The Redeveloper, as principal responsible party for the Project Site, will prepare and submit all applications and documentation necessary to comply with the requirements of all Environmental Laws, including but not limited to ISRA if such is applicable. The Redeveloper also agrees that it shall obtain all requisite approvals from the appropriate Governmental Authority (or Licensed Site Remediation Professional) for the Remediation of the Project Site. The Parties acknowledge and agree that, subject to compliance with Environmental Laws, the Project Site may be Remediated, in Redeveloper's sole discretion, for industrial use, including, but not limited to the use of Engineering Controls and Institutional Controls.

SECTION 4.02. Redeveloper Indemnification of Agency. In conjunction with the Indemnification provisions of Article XIII hereof, the Redeveloper covenants and agrees, at its expense, to pay and to indemnify, protect, defend and hold the Agency Indemnified Parties harmless from and against all liability, losses, damages (including, without limitation, Natural Resource Damages), demands, costs, claims, lawsuits, administrative proceedings, fines, penalties and expenses (including attorneys' fees and court costs) of every kind, character and nature arising from or associated with (i) the performance or any failure or delay of performance by the Redeveloper of its responsibilities and obligations to Remediate the Project Site or anything affected off-site, as required by applicable Environmental Laws and Governmental Authorities; and (ii) the presence of Hazardous Substances, whether known or unknown, on, under or migrating from the Project Site, but excluding damage, liability, costs and expenses to the extent that same result from the negligence or willful misconduct of the Agency or Agency Indemnified Parties. Notwithstanding the foregoing and for avoidance of doubt, Redeveloper's indemnity obligations hereunder shall not extend to any action brought against any Agency Indemnified Parties, the City, or any instrumentality thereof in connection with the prior operation of the municipal landfill on the Project Site.

SECTION 4.03. Agency Cooperation and Environmental Reports. Should off-site disposal of either Hazardous Substances or non-Hazardous Substances be required as part of the Remediation of the Project Site or the construction of the Project, the Agency will not be required to sign any manifests relating to such disposal. The Agency will provide to the Redeveloper and its engineering consultants any and all copies of environmental reports that the Agency obtains or has possession of in connection with the Project Site. The Redeveloper will provide to the Agency and its engineering consultants copies of any and all environmental reports that Redeveloper submits to NJDEP.

[END OF ARTICLE IV]

**ARTICLE V
CONSTRUCTION OF PROJECT**

SECTION 5.01. Construction of Project.

(a) Project. Subject to the terms of this Agreement including any Force Majeure event, (i) the Project shall be implemented in accordance with the Project Schedule, including obtaining all Governmental Approvals, and (ii) Redeveloper shall commence physical work on the Project in accordance with the Project Schedule, and Complete the Project on or prior to the Scheduled Completion Date for the Project, as set forth on **Exhibit 2** hereto. The Redeveloper will construct, or cause to be constructed, the Project Improvements at its sole cost and expense.

(b) Modification of Project Schedule. In the event that the Redeveloper is unable, for reasonable cause, to comply with any time frame set forth on the Project Schedule, the Redeveloper shall provide written notice to the Agency, setting forth in reasonable detail (a) the reason for the failure to satisfy the required tasks necessary to comply with the Project Schedule, (b) the Redeveloper's proposed actions to remedy any delay, and (c) the Redeveloper's proposal for revising the Project Schedule. In such event the Project Schedule shall be modified accordingly, subject to the consent of the Executive Director of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed. The Executive Director's approval of any such extension shall not limit in any manner the rights of the Agency or diminish the obligations of the Redeveloper with respect to the Project under this Redevelopment Agreement.

SECTION 5.02. Construction of Project in Compliance with Redevelopment Plan and Municipal Land Use Law Approvals; Government Approvals.

(a) The Project shall be designed and constructed by the Redeveloper in accordance with the terms of this Agreement, the Redevelopment Plan, the Concept Plan, all Governmental Approvals, and Applicable Law. Any applications made for Governmental Approvals shall be in accordance with the Redevelopment Plan and the Concept Plan.

(b) At least thirty (30) days prior to the date that the Redeveloper reasonably expects to Commence Construction on the Project, the Redeveloper shall provide the Agency with written notice setting forth, at a minimum, (i) the current status of the submittal, review and/or issuance of the Governmental Approvals and (ii) an estimate of the date on which each Governmental Approval is expected to be received (which shall be prior to the date on which the Redeveloper expects to Commence Construction, to the extent that such Governmental Approvals are required to be obtained prior to, or as a condition precedent, to the Commencement of Construction). The Redeveloper shall also provide such supporting documentation as the Redeveloper reasonably believes will be necessary or beneficial to the Agency for the Agency's review of such notice. Notwithstanding the provisions of this subsection, the Agency may waive such notice requirement for purposes of groundbreaking ceremonies, or for other reasons including, but not limited to early commencement of earth activities prior to actual construction. No notice shall be required in connection with the Remediation of the Project Site.

SECTION 5.03. Relocation of Utilities. The Redeveloper acknowledges that providers of Utilities may have certain rights with respect to the Project Site and may own certain facilities located therein. The Redeveloper agrees that it is its sole responsibility to undertake the appropriate measures to negotiate with, acquire, relocate or otherwise address the existence of these Utilities and improvements and easements therefore, in order to complete construction of the Project, as provided by this Redevelopment Agreement. To the extent reasonably requested by the Redeveloper, the Agency shall cooperate in facilitating the installation and/or relocation of any such affected Utilities.

SECTION 5.04. Union Labor. The Redeveloper agrees to utilize 100% union labor for the Construction of the Project.

SECTION 5.05. Nondiscrimination During Construction; Equal Opportunity. The Redeveloper for itself and its successors and assigns agrees that in the construction of the Project:

(a) The Redeveloper will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender. The Redeveloper will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Redeveloper agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

(b) The Redeveloper will, in all solicitations or advertisements for employees placed by or on behalf of the Redeveloper state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, national origin, ancestry, physical handicap age, marital status, affectional preference or gender.

(c) The Redeveloper will cause the foregoing provisions to be inserted in all contracts for any work covered by this Redevelopment Agreement so that such provisions will be binding upon each contractor and subcontractor.

SECTION 5.06. Maintenance of Project Site. Following commencement of physical construction of the Project, the Redeveloper will maintain all areas of the Project Site including the buildings, parking areas, landscaping, streetscaping, sidewalks including curbing and traffic calming devices (but not the paved roadway, unless disturbed by the Redeveloper), trash collection and receptacles, and all such issues identified in Chapters 115 (Property Maintenance Code), 145 (Streets and Sidewalks), Chapter 41 (Brush, Grass and Weeds) of the City Code.

SECTION 5.07. No Warranty. The Redeveloper specifically acknowledges that, except as otherwise specifically set forth herein, the Agency makes no representation or warranty, expressed, implied or otherwise, as to the fitness of the Project or the Project Site for use for any particular purpose, condition or durability thereof, or that it will be suitable for the

Redeveloper's purposes. No representations are made herein as to the requirements of any other agency or governmental entity other than the Agency.

SECTION 5.08. Estoppel Certificates. Within fourteen (14) days following written request therefore by a Party hereto, or of any Holder, purchaser, tenant or other party having an interest in the Project Site, the other Party shall issue a signed certificate ("**Estoppel Certificate**") stating that (i) this Redevelopment Agreement is in full force and effect, (ii) there is no default or breach under this Redevelopment Agreement (nor any event which, with the passage of time and the giving of notice would result in a default or breach under this Redevelopment Agreement), or stating the nature of the default or breach or event, if any, and (iii) any other matter reasonably requested. In the event the Estoppel Certificate discloses such a default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. No more than two (2) Estoppel Certificates may be requested per year unless requested in connection with the financing of the Project.

SECTION 5.09. Cooperation. The Parties shall fully cooperate with each other as necessary to effectuate the Project, including entering into additional agreements that may be required; provided however, that such actions and/or agreements shall not result in a material increase or decrease in the Agency's and the Redeveloper's respective rights, obligations and liabilities hereunder.

[END OF ARTICLE V]

ARTICLE VI PROJECT OVERSIGHT

SECTION 6.01. Progress Meetings. The Parties agree to participate in progress meetings (“**Progress Meetings**”), at the request of the Agency, to report on the status of the Project and review the progress under the Project Schedule. The Agency shall give the Redeveloper ten (10) days advance written notice of any meetings. The Progress Meetings shall be held at the offices of the Agency.

The agenda for the Progress Meetings shall include a status report regarding (a) Governmental Approval submissions and approvals, (b) financial commitments, (c) construction of the Project, and (d) compliance with the Redevelopment Plan. The Agency will evaluate this information to determine compliance with the terms of this Redevelopment Agreement and the Project Schedule. The Agency shall have the right at reasonable times to inspect the construction contracts, financing commitments and agreements, books and records pertinent to the construction contracts, insurance policies, and such other Redeveloper agreements that are pertinent to this Redevelopment Agreement to ensure Completion of the Project in accordance with the Project Schedule, provided, however, Redeveloper shall have the right to withhold from the Agency’s review materials that Redeveloper deems confidential and proprietary in nature.

SECTION 6.02. Progress Reports. At the Agency’s request, the Redeveloper shall submit to the Agency a written progress report (“**Progress Report**”) which shall include a description of activities completed, activities to be undertaken, the status of Governmental Approvals, an explanation of any activity causing delay or anticipated to cause delay, a description of problem areas, and an explanation of corrective action taken or proposed. The written progress report shall also contain the most current Estoppel Certificate, if requested by either Party.

SECTION 6.03. Access to Property. The Agency and its authorized representatives shall have the right to enter the Project Site in accordance with Applicable Law to inspect the Project and any and all work in progress for the purpose of furthering its interest in this Redevelopment Agreement. In no event shall the Agency’s inspection of the Project (or any construction activities related thereto) be deemed acceptance of the work or be deemed to waive any right the Agency has under this Redevelopment Agreement. The Agency acknowledges hereby that the Project Site will be an active construction site and that the Redeveloper shall not be liable or responsible to the Agency, its employees or agents for injury to person or property sustained in connection with any such inspection, except to the extent that the Redeveloper willfully or negligently violates its standard of due care owed to invitees.

SECTION 6.04. Submissions. The Redeveloper shall be required to provide the Agency with an electronic copy of each and every application for Governmental Approvals submitted to Governmental Authorities at the same time the Redeveloper submits those applications to such Governmental Authorities.

[END OF ARTICLE VI]

ARTICLE VII
GENERAL DEVELOPMENT REQUIREMENTS

SECTION 7.01. Scope of Undertaking. Except as expressly provided herein, the services and responsibilities undertaken by the Redeveloper hereunder include all aspects of the design, development, and construction of the Project, including without limitation, all design, engineering, permitting and administrative aspects, the performance of or contracting for and administration and supervision of all physical work required in connection with the Project, arrangement for interim and final inspections and any other actions required to satisfy the requirements of any applicable Governmental Approvals, the administration, operation and management, or contracting for the administration, operation and management of the Project and all aspects of the funding of the Project, including equity funding and construction, interim and permanent financing, all at the sole cost and liability of the Redeveloper.

SECTION 7.02. Standards of Construction. Without limitation, all work on the Project shall be performed in a good and workmanlike manner, with the materials called for under the Governmental Approvals being of such quality as is required by such approvals.

SECTION 7.03. Compliance With Applicable Law. The Project and all materials, fixtures and equipment used or installed in connection therewith shall be in full compliance with all Applicable Laws, subject to any waivers, variances, deviations, exceptions or similar approval granted in accordance with Applicable Law.

SECTION 7.04. Payment of Project Costs. The Redeveloper shall pay (or cause to be paid) when due, all costs and expenses, including, without limitation, all contractors' requisitions and the cost of materials and equipment incurred in connection with work on the Project and all fees and expenses of any consultants and professionals and like providers acting for (or on behalf of) the Redeveloper; provided, however, nothing herein shall be construed to prohibit Redeveloper from withholding any payments if, for any reason, in Redeveloper's reasonable business judgment, Redeveloper disputes the amount alleged to be owed.

[END OF ARTICLE VII]

ARTICLE VIII
APPROVAL OF APPLICATIONS FOR GOVERNMENTAL APPROVALS

SECTION 8.01. Applications for Governmental Approvals. (a) The Redeveloper (at its sole cost and expense) shall apply for and obtain all Governmental Approvals necessary to construct and use the Project. The Redeveloper shall provide the Agency with an electronic copy of each application for Governmental Approvals at such time as such applications are submitted.

To the extent that application is made to the Agency, acting in its capacity as a Governmental Authority, the Agency agrees to process such applications in a timely and expeditious manner, in light of the circumstances related to such application.

The Redeveloper shall provide the Agency with an electronic copy of each Governmental Approval received by the Redeveloper with respect to the Project.

(b) To the extent reasonably requested by the Redeveloper, and to the extent applicable, the Agency shall provide assistance and support to the Redeveloper in connection with any applications for any Governmental Approvals required to be obtained for or with respect to the Project.

(c) In the event that all necessary Governmental Approvals for the Project are not obtained from the required Governmental Authorities prior to the one hundred eightieth (180th) day after the Effective Date, on terms and conditions acceptable to Redeveloper in its sole discretion, or if Redeveloper determines that the Governmental Approvals for the Project cannot be obtained on terms and conditions reasonably acceptable to Redeveloper, then Redeveloper shall have the right to terminate this Agreement upon written notice to the Agency. No Governmental Approval shall be deemed to have been obtained (i) until the Appeal Period relating thereto has expired and no appeal has been taken, or (ii) if an appeal is filed within the applicable Appeal Period, until such appeal shall have been finally resolved in a manner sustaining the challenged Governmental Approval. If this Agreement is terminated pursuant to the terms of this Section 8.01(c), then, except as expressly set forth herein to the contrary, this Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

SECTION 8.02. Agency Cooperation. To the extent reasonably requested by the Redeveloper and, to the extent permitted by Applicable Law (and without violating its obligations as a governmental entity or regulatory body having competent jurisdiction over the Project), the Agency shall provide its support and assistance to the Redeveloper in facilitating the review of all plans, issuance of all permits, request for inspections and the conduct of such inspections through the appropriate City board, body or department, as applicable.

[END OF ARTICLE VIII]

ARTICLE IX
REPRESENTATIONS AND WARRANTIES; REDEVELOPER COVENANTS

SECTION 9.01. Representations and Warranties by the Redeveloper. The Redeveloper hereby represents and warrants the following to the Agency for the purpose of inducing the Agency to enter into this Redevelopment Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof:

(a) The Redeveloper is a limited liability company organized under the laws of the State is in good standing under the laws of the State, and has all requisite power and authority to carry on its business as now and whenever conducted, and to enter into and perform its obligations under this Redevelopment Agreement.

(b) The Redeveloper will own the Project Site.

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

(d) This Redevelopment Agreement has been duly authorized, executed and delivered by the Redeveloper; and is valid and legally binding upon the Redeveloper and enforceable in accordance with its terms. The execution and delivery thereof shall not constitute a default under or violate the terms of any indenture, agreement or other instrument to which the Redeveloper is a party.

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

(f) No adjudication of bankruptcy of the Redeveloper or a filing for voluntary bankruptcy by the Redeveloper under the provisions of the United States Bankruptcy Code or any other similar statute that is applicable to the Redeveloper has been filed as of the Effective Date.

(g) No indictment has been returned against any member of the Redeveloper with respect to any transaction related to the transactions contemplated by the terms of this Redevelopment Agreement or otherwise.

(h) There are no suits, other proceedings or investigations pending or, to the best of the Redeveloper's knowledge, threatened against the Redeveloper that would have a material adverse effect on the financial condition of the Redeveloper.

(i) All materials and documentation submitted by the Redeveloper and its agents to the Agency and its agents were, to the best of Redeveloper's knowledge, at the time of such submission, and as of the Effective Date, materially accurate, and the Redeveloper shall continue to inform the Agency of any material and adverse changes in the documentation submitted. The

Redeveloper acknowledges that the facts and representations contained in the information submitted by the Redeveloper are a material factor in the decision of the Agency to enter into this Redevelopment Agreement.

(j) Subject to obtaining construction financing, the Redeveloper is financially and technically capable of developing, designing, financing and constructing the Project.

(k) The cost and financing of the Project is the responsibility of the Redeveloper, pursuant to the Redevelopment Plan and this Redevelopment Agreement. The Agency shall not be responsible for any cost whatsoever in respect to same.

(l) The ownership structure of the Redeveloper is set forth in **Exhibit 5**. The Redeveloper shall, at such times as the Agency may reasonably request, furnish the Agency with a complete statement subscribed and sworn to by the managing member of the Redeveloper, setting forth all ownership interests in the Redeveloper greater than ten percent (10%), or other owners of equity interests of the Redeveloper greater than ten percent (10%) and the extent of their respective holdings, and in the event any other parties have a beneficial interest in the Redeveloper greater than ten percent (10%), their names and the extent of such interest.

If reasonably requested by the Agency, the Redeveloper shall, from time to time, reaffirm the representations and warranties set forth in this Section 9.01.

SECTION 9.02. Representations and Warranties by the Agency. The Agency hereby represents and warrants the following to the Redeveloper for the purpose of inducing the Redeveloper to enter into this Redevelopment Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof:

(a) The Agency has the legal power, right and authority to enter into this Redevelopment Agreement and the instruments and documents referenced herein to which the Agency is a party, to consummate the transactions contemplated hereby, and to perform its obligations hereunder.

(b) This Redevelopment Agreement has been duly authorized, executed and delivered by the Agency and is valid and legally binding upon the Agency and enforceable in accordance with its terms on the basis of laws presently in effect and the execution and delivery thereof 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 Agency is a party.

(c) There is no pending or, to the best of the Agency's knowledge, threatened litigation that would in any way (i) contest or seek to invalidate the Redeveloper's ability to commence performance of its obligations under the Redevelopment Agreement, or (ii) prevent the Agency from performing its duties and obligations hereunder.

(d) There are no suits, other proceedings or investigations pending or, to the best of the Agency's knowledge, threatened against the Agency that would have a material adverse effect on the Agency's financial condition.

SECTION 9.03. INTENTIONALLY OMITTED.

SECTION 9.04. Mutual Representations. (a) The Agency and the Redeveloper agree that the Project will be governed by this Redevelopment Agreement, the Redevelopment Plan, the Concept Plan and all Applicable Law.

(b) In the event that any contractual provisions that are required by Applicable Law have been omitted, then the Agency and the 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.

SECTION 9.05. Redeveloper Covenants. Redeveloper covenants and agrees that, subject to the terms hereof, and except as explicitly provided herein, including Section 9.07 below (collectively, "**Redeveloper Covenants**"):

(a) The Redeveloper shall use diligent efforts to obtain all Government Approvals necessary for the construction and development of the Project. The Redeveloper shall construct, improve, operate and maintain the Project in compliance with all Governmental Approvals, and other laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder as shall be binding upon the Redeveloper under applicable laws.

(b) The Redeveloper shall use commercially reasonable efforts to (i) obtain financing for the Project, (ii) construct and develop the Project with due diligence and (iii) commence and Complete each item in the Project Schedule on or prior to the applicable 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. All activities performed under this Redevelopment Agreement shall be performed in accordance with the level of skill and care ordinarily exercised by reputable developers of similar developments of the character, scope and composition of the Project.

(c) The Redeveloper shall construct the Project in accordance with this Redevelopment Agreement, the Redevelopment Law, the Redevelopment Plan, the Concept Plan and all other Applicable Law and, in the event that the Redeveloper wishes to materially change or modify the Project, notwithstanding the fact that such material change or modification is authorized by the Redevelopment Plan, the Agency's written approval (which shall not be unreasonably withheld, conditioned or delayed) must be secured prior to proceeding with any activities relating to such proposed material modifications. The Redeveloper acknowledges that the Agency has relied on the Project Schedule in entering into its obligations under this Redevelopment Agreement.

(d) The Redeveloper shall fulfill its material obligations under any and all agreements it enters into with third parties with respect to the acquisition, construction, leasing, financing and other matters relating to the Project; provided, however, that this covenant is not intended to prevent the Redeveloper from contesting the scope or nature of such obligations as and to the extent provided in such agreements.

(e) The Redeveloper shall use commercially reasonable efforts to complete the Project or cause same to be completed, on or prior to the date set forth in the Project Schedule at its sole cost and expense; provided, however, that the Parties acknowledge that moneys may be made available towards the completion of same from other outside sources. In the event that moneys made available pursuant to any outside source are not sufficient to pay the costs necessary to complete the Project, the Redeveloper shall not be entitled to any funds from the Agency.

(f) Upon completion of the development and construction of the Project or a portion thereof, the Redeveloper shall use diligent efforts to obtain all Governmental Approvals authorizing the occupancy and uses of the Project for the purposes contemplated hereby.

(g) The Redeveloper shall not discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall the Redeveloper itself, or any Person claiming under or through the Redeveloper, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Project.

(h) The Redeveloper shall not restrict the sale, lease, sublease, rental, transfer, use, occupancy, tenure, or enjoyment of the Project on the basis of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender of any person.

(i) The Redeveloper shall immediately notify the Agency of any material change in its financial condition from the information provided to the Agency by the Redeveloper indicating the Redeveloper's financial capability to develop, finance and construct the Project in furtherance of the Agency's consideration in designating the Redeveloper as the redeveloper of the Project Site.

(j) The Redeveloper shall not use the Project Site, Project Improvements, or any part thereof, for which a Certificate of Completion has not been issued, in a manner that is inconsistent with the Redevelopment Plan and this Redevelopment Agreement.

(k) The Redeveloper shall not use the Project Site, Project Improvements or any part thereof for which a Certificate of Completion has not been issued, as collateral for an unrelated transaction.

SECTION 9.06. Declaration of Redeveloper Covenants and Restrictions. The Redeveloper shall execute and record one or more declaration(s) of project covenant(s) in form of **Exhibit 3** attached hereto (the "**Declaration**") imposing on the Redeveloper's interest in the Project and the Project Site, the Redeveloper Covenants set forth in Section 9.05 (as may be limited by the terms of this Agreement, including Section 9.07 hereof), and those other matters indicated in this Redevelopment Agreement to be included in the Declaration.

SECTION 9.07. Effect and Duration of the Redeveloper Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the agreements and covenants set

forth in Section 9.05 hereof and those elsewhere in this Redevelopment Agreement designated for inclusion in the Declaration shall be covenants running with the land until the Project is Completed, and such covenants shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Redevelopment Agreement, be binding, to the fullest extent permitted by Applicable Law and equity, for the benefit and in favor of, and enforceable by, the Agency, its successors and assigns, and any successor in interest to the Project, or any part thereof, the Redeveloper, its successors and assigns and every successor in interest therein, and any Party in possession or occupancy of the Project, or any part thereof provided, however, that such covenants shall not be binding on any Mortgagee except in accordance with the terms of Article XIV hereof. Such agreements and covenants, however, shall be binding on the Redeveloper itself, each successor in interest to the Redeveloper and each party in possession or occupancy, respectively, only for such period as the Redeveloper or such successor or party shall be in possession or occupancy of the Project Site, the buildings and structures thereon, or any part thereof. For purposes of this section, "Completed" shall mean the issuance of a Certificate of Occupancy or a Temporary Certificate of Occupancy by the municipality.

SECTION 9.08. Enforcement of Redeveloper Covenants by the Agency. In amplification, and not in restriction of the provisions of this Article IX, it is intended and agreed that the Agency and its successors and assigns shall be deemed beneficiaries of the agreements 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 Agency for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Agency has at any time been, remains, or is an owner of any land or interest therein, or in favor of which such agreements and covenants relate. The Agency shall have the right, in the event of any breach of any such agreement or covenant, to terminate this Agreement in accordance with the terms of Section 15.03 hereof. This Section is not intended to confer standing to sue on any party other than the Agency. Upon redevelopment of the Project Site and Completion of the Project (as evidenced by the Agency's issuance of a Certificate of Completion), the conditions that were found and determined to exist at the time the Project Site was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result 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.

SECTION 9.09. Agency Covenants. The Agency hereby covenants and agrees that:

(a) The Agency shall fully cooperate with the Redeveloper to ensure that all Governmental Approvals are obtained for the Project at no additional cost and expense to the Agency. Furthermore, the Agency agrees to support any applications for Governmental Approvals (including Redeveloper's Application for a Long Term Tax Exemption) that are consistent with the terms of the Redevelopment Plan and this Agreement, and to otherwise cooperate with the Redeveloper with respect to the Governmental Approvals; provided that nothing contained in this Section 9.09(a) shall be deemed: (i) to constitute an approval of all or any portion of the Project for which applications have been submitted or are required or (ii) a waiver of the ability of any Governmental Authority, to exercise its statutorily authorized

responsibilities with respect to such applications or Governmental Approvals. Without limiting the generality of the foregoing, the Agency shall (A) request that all agencies of the Agency having jurisdiction over any of the Governmental Approvals expedite the processing of all applications for Governmental Approvals, (B) schedule, convene and conclude all required public hearings in an expeditious manner consistent with Applicable Laws, and (C) cause all of the planners, engineers and other consultants engaged by the Agency to review and comment on all submittals by Redeveloper in an expeditious manner and request that all planners, engineers and other consultants engaged by the Agency or any of its agencies review and comment on all submittals by Redeveloper in an expeditious manner.

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

(c) The Agency shall not amend the Redevelopment Plan with respect to the Project Site, without the prior written consent of the Redeveloper, which consent shall not be unreasonably delayed or conditioned.

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

(e) The Agency shall not exercise its power of eminent domain to condemn the Project Site during the Term.

[END OF ARTICLE IX]

ARTICLE X
INTENTIONALLY OMITTED

[END OF ARTICLE X]

ARTICLE XI
CERTIFICATES OF OCCUPANCY AND COMPLETION

SECTION 11.01. Certificate of Occupancy. The Redeveloper shall apply to the appropriate governmental officer or body for a Certificate of Occupancy for any building constructed as part of the Project. The Redeveloper shall take all actions required for issuance of a Certificate of Occupancy.

SECTION 11.02. Certificate of Completion. The Agency shall, within thirty (30) days after Completion or Substantial Completion of the Project as evidenced by the issuance of a Certificate of Occupancy or a Temporary Certificate of Occupancy as the case may be, and receipt of a written request from the Redeveloper, issue a Certificate of Completion, provided there is not then an existing Redeveloper Event of Default. The Certificate of Completion shall constitute a recordable, conclusive determination of the satisfaction (in accordance with the terms of this Agreement, the Redevelopment Plan and Applicable Law) and termination of this Agreement, and of all of Redeveloper's agreements and covenants in this Agreement and shall discharge and release the lien of this Redevelopment Agreement and the Declaration from the Project Site or portion thereof, as the case may be. If the Agency determines that the Redeveloper is not entitled to a Certificate of Completion, the Agency shall, at the written request of the Redeveloper, within thirty (30) days of receipt of the written request, provide the Redeveloper with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion. Notwithstanding the foregoing, if the Project is Substantially Complete, the Agency will issue its Certificate of Completion upon the posting of a bond (or other reasonably satisfactory security) by the Redeveloper with the Agency in an amount representing one hundred twenty-five percent (125%) of the value of the work not yet completed less the amount of any completion guaranty posted for such work in accordance with the Municipal Land Use Law.

[END OF ARTICLE XI]

ARTICLE XII TRANSFERS

SECTION 12.01. Prohibition Against Speculative Development. The Redeveloper covenants that its undertakings pursuant to this Redevelopment Agreement shall be for the purpose of redevelopment of the Project Site and not for speculation in land holding.

SECTION 12.02. Prohibition Against Transfers. The Redeveloper recognizes the importance of the redevelopment to the general welfare of the community and the public assistance to be made available by law and by the Agency on the conditions stated herein for the purpose of making such redevelopment possible. The Parties acknowledge and agree that a change in Control of the Redeveloper is for practical purposes a transfer or disposition of the property interest then owned by the Redeveloper, and that, therefore, the qualifications and identity of the Redeveloper and its principals are of particular concern to the Agency.

In light of the foregoing, except for Permitted Transfers, during the Term of this Redevelopment Agreement, the Redeveloper shall not, without the prior written consent of the Agency, which shall not be unreasonably withheld, conditioned or delayed: (a) effect or permit any change, directly or indirectly, in the Control of the Redeveloper prior to the issuance of the final Certificate of Completion for the Project or any portion thereof, (b) assign or attempt to assign this Redevelopment Agreement or any rights herein, or (c) make any total or partial sale, transfer or conveyance of the whole or any part of the Project Site or Project Improvements (individually and collectively, a “**Transfer**”).

SECTION 12.03. Permitted Transfers. (a) The Redeveloper, without violating the provisions of Section 12.02 or Section 12.03 hereof, may effectuate the following Transfers during the Term of this Redevelopment Agreement, to which the Agency hereby consents upon receipt of notice thereof, without the necessity of further action by the Agency (“**Permitted Transfers**”):

- (i) security for, and only for, the purpose of obtaining the financing necessary to enable the Redeveloper to perform its obligations under this Redevelopment Agreement with respect to completing the Project and any other purpose authorized by this Redevelopment Agreement;
- (ii) the Declaration;
- (iii) a mortgage or mortgages and other liens and encumbrances (but not including mechanic’s liens) for the purposes of financing costs associated with the acquisition, development, construction and marketing of the Project;
- (iv) utility and other development easements;
- (v) environmental covenants and restrictions imposed by a regulatory agency as a condition of any permit or approval;
- (vi) a lease, rental agreement or other similar agreement with any end user of the Project;

(vii) an assignment, in whole or in part, of the Redeveloper's interest in the Project Site to an Affiliate, or a Transfer among partners of the Redeveloper and/or trustees for their benefit and/or to family members;

(viii) an assignment of this Redevelopment Agreement to an Affiliate of the Redeveloper;

(ix) a Transfer to a new limited partnership or limited liability company as long as (i) Redeveloper or an Affiliate or a partner as of the date hereof has an economic interest in such entity, or Redeveloper or an Affiliate or any partner as of the date hereof is engaged as manager of the Project; and (ii) Redeveloper or an Affiliate or any partner as of the date hereof is either (x) a general partner or co-general partner of such entity, or (y) a managing member or co-managing member of such entity, or (z) otherwise responsible for the day to day affairs of such entity (other than typical "major decisions" requiring the consent of other parties), even if a third party is the sole general partner or managing member of such entity;

(x) a Transfer pursuant to a foreclosure or deed in lieu of foreclosure and any Transfer by any Holder or any Holder's successor and/or assigns after foreclosure; and

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

SECTION 12.04. Notice of Permitted Transfers. With respect to any Permitted Transfers (except for a Permitted Transfer pursuant to Section 12.03 (v) or (vi)), the Redeveloper shall provide to the Agency written notice at least ten (10) days prior to such 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. The Redeveloper shall cause the transferee to execute such documentation as is reasonably requested by the Agency in order to assure that the transferee has assumed all of the Redeveloper's obligations under this Redevelopment Agreement and the Declaration as to the Project (if the Redeveloper's right, title and interest in the Project is being transferred) or any portion thereof (if the Redeveloper's right, title and interest in a portion of the Project is being transferred).

SECTION 12.05. Transfers Void. Any transfer of the Redeveloper's interest 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 Agency to seek all remedies available under the terms hereof, and those available pursuant to law or equity, including termination of this Redevelopment Agreement. In the absence of specific written consent by the Agency, or a deemed approval in accordance with the terms hereof, no such sale, transfer, conveyance or assignment or approval thereof by the Agency, shall be deemed to relieve the Redeveloper from any obligations under this Redevelopment Agreement. The Declaration shall contain a restriction against transfers as set forth in this Article and, in addition, shall provide that in the event of any attempted transfer in violation of the restrictions in this Article, the Agency shall be entitled to the *ex parte* issuance of an injunction restraining such transfer, and the award of legal fees and related expenses of the Agency in connection with any such legal action. Upon recording of the final Certificate of Completion, the provisions of the Declaration set forth in this Article as to the Project shall be deemed terminated, and the Declaration shall so state.

SECTION 12.06. Approval of Transfer. Notwithstanding anything to the contrary contained herein, with respect to any Transfer that requires the Agency's consent pursuant to the terms of this Article XII, the Agency shall not unreasonably withhold, condition or delay its consent to such Transfer. The Agency shall notify the Redeveloper in writing whether the Agency consents to a Transfer within thirty (30) days after the Redeveloper's written request to the Agency for such consent. If the Agency does not deliver a written response to the Redeveloper's request within said thirty (30) day period, then the Redeveloper may deliver a second written request to the Agency for consent to the Transfer and the Agency shall be deemed to have consented to such requested Transfer if the Agency does not deliver a written response to the Redeveloper within ten (10) days after the Redeveloper's second request to the Agency for such consent.

[END OF ARTICLE XII]

**ARTICLE XIII
INDEMNIFICATION; INSURANCE**

SECTION 13.01. Redeveloper Indemnification.

(a) To the fullest extent permitted by law, the Redeveloper covenants and agrees, at its expense, to pay and to indemnify, protect, defend and hold the Agency Indemnified Parties harmless from and against all liability, losses, damages, demands, costs, claims, lawsuits, administrative proceedings, fines, penalties, and expenses (including attorneys' fees and court costs) of every kind, character and nature resulting, wholly or partially, from the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing, leasing or sale of the Project, including but not limited to any lawsuit or proceeding relating to the death of any person or any accident, injury, loss, and damage whatsoever to any person or to the property of any person which shall occur on or adjacent to the Project Site and which results from any negligence or willful misconduct of Redeveloper, its agents, servants, employees, or contractors, but excluding damage, liability, costs and expenses to the extent that same may result from the negligence or willful misconduct of the Agency, its employees, representatives or agents. Notwithstanding the foregoing and for avoidance of doubt, Redeveloper's indemnity obligations hereunder shall not extend to any action brought against any Agency Indemnified Parties, the City, or any instrumentality thereof in connection with the prior operation of the municipal landfill on the Project Site.

(b) To the fullest extent permitted by law, the Redeveloper shall defend, indemnify and hold harmless the Agency Indemnified Parties and its officers, agents, employees, contractors, and consultants from any claims, investigations, liability, loss, injury, damage, remediation costs, lawsuits, civil proceedings, fines, penalties, and expenses including reasonable attorney's fees and disbursements which result, wholly or partially, from (i) the performance or any failure or delay of performance by the Redeveloper of its obligations under the Redevelopment Agreement; or (ii) any bodily injury or property damage that may occur in the Project Site during the term of the Redevelopment Agreement; provided, however, that such indemnity shall not include the actions or inactions of third-parties over whom the Redeveloper does not exercise control, as long as the Redeveloper maintains and enforces commercially reasonable security measures and commercial liability insurance to protect against such actions or inactions.

(c) In any situation in which an Agency Indemnified Party is entitled to receive and desires indemnification by the Redeveloper, the Agency Indemnified Party shall give prompt notice of such situation to the Redeveloper. Failure to give prompt notice to the Redeveloper shall not relieve the Redeveloper of any liability to indemnify the Agency Indemnified Party, unless such failure to give prompt notice materially impairs the Redeveloper's ability to defend such party or impairs Redeveloper's ability to have any claim covered by an applicable policy of insurance. Upon receipt of such notice, the Redeveloper shall resist and defend any action or proceeding on behalf of the Agency Indemnified Party, including the employment of counsel reasonably acceptable to the Agency Indemnified Party, the payment of all expenses and the right to negotiate and consent to settlement. All of the Agency 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 such Agency

Indemnified Party. The Redeveloper shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Redeveloper or if there is a final judgment against the Agency Indemnified Party in any such action, the Redeveloper agrees to indemnify and hold harmless the Agency Indemnified Party from and against any loss or liability by reason of such settlement or judgment for which the Agency Indemnified Party is entitled to indemnification hereunder. The Redeveloper shall have the right to settle any such action on terms it deems appropriate provided that a full release of the Agency Indemnified Party is obtained and no admission of liability by the Agency Indemnified Party is required. In the event the Agency refuses to provide a release of such action, and a final judgment is rendered against the Redeveloper, the Agency shall be responsible for the Redeveloper's counsel fees and costs incurred subsequent to the Agency's refusal to release the action and for that amount of the judgment which is in excess of the sum for which the Redeveloper would have otherwise settled the action.

(d) The Redeveloper's indemnity provided under this Section 13.01 shall survive the termination of this Redevelopment Agreement and shall run with the land and be referenced in the Declaration.

SECTION 13.02. Insurance Required. (a) Prior to the Commencement of Construction of the Project, the Redeveloper shall furnish or shall cause to be furnished, to the Agency, a certificate of insurance evidencing a policy of commercial general liability insurance, insuring the Agency against losses, costs, liabilities, claims, causes of action and damages for bodily injury and property damage on all property in the Project Site or related to the construction thereon, in the amount of at least Five Million Dollars (\$5,000,000) combined single limit coverage. Such insurance shall include blanket contractual liability coverage. Redeveloper may carry any of its insurance under "umbrella policies", "blanket policies", and or "excess policies" covering the Project Site and other locations it or any affiliate of Redeveloper owns or leases. All such policies shall be endorsed to add the Agency as an additional insured, and to provide that such coverage shall be primary and that any insurance maintained by the Agency shall be excess insurance only. Such coverage shall be endorsed to waive the insurer's rights of subrogation against the Agency if such a waiver is available.

(b) Redeveloper shall also provide a certificate of insurance evidencing a policy of Builder's Risk Insurance for the benefit of the 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 Project, 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.

(c) The Redeveloper shall also furnish or cause to be furnished to the Agency evidence reasonably satisfactory to the Agency that any contractor with whom it has contracted for the construction of the Project carries (i) workers' compensation insurance as required by law, (ii) employer's liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000.00) bodily injury each accident, Five Hundred Thousand Dollars (\$500,000.00) bodily injury each employee and Five Hundred Thousand Dollars (\$500,000.00) bodily injury policy

limit, and (iii) commercial general liability insurance in the amount One Million Dollars (\$1,000,000.00) each occurrence, Two Million Dollars (\$2,000,000.00) general aggregate.

(d) All insurance policies required by this Section shall be obtained from insurance companies licensed in the State and rated at least A VII in Best's Insurance Guide or such lesser rated provider that is proposed by the Redeveloper and is reasonably acceptable to the Agency. All insurance policies required hereunder shall be kept in force until a Certificate of Completion is issued.

(e) All insurance policies required by this Section shall be nonassessable and shall contain language to the effect that (a) the policies are primary and noncontributing with any insurance that may be carried by the Agency, (b) the policies cannot be canceled or materially changed except after thirty (30) days written notice by the insurer to the Agency, and (c) the Agency shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the Agency and shall contain cross liability endorsements.

(f) The Redeveloper's obligation to maintain insurance in this Section 13.02 shall terminate upon issuance of the final Certificate of Completion with respect to the Project.

[END OF ARTICLE XIII]

ARTICLE XIV
MORTGAGE FINANCING; NOTICE OF DEFAULT
TO MORTGAGEE; RIGHT TO CURE

SECTION 14.01. Mortgage Financing. (a) Neither the Redeveloper nor any successor in interest to the Project, or any part thereof, shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Project, whether by express agreement or operation of law, or suffer any encumbrance or lien (other than liens for governmental impositions) to be made or attach to the Project, in excess of ninety percent (90%) of Project Costs, except as may be approved by the Agency (which approval shall not be unreasonably withheld, conditioned or delayed) for the purpose of obtaining funds in connection with the construction of the Project; provided, however, that upon the issuance of a Certificate of Completion for the Project, or any portion thereof, such prohibition shall no longer apply with respect to the corresponding parcel of land and improvements. The Redeveloper, or its successor in interest, shall notify the Agency in advance of any such financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Project, or any part thereof (the mortgagee thereunder, a “**Holder**”) and, in any event, the Redeveloper shall promptly notify the Agency of any encumbrance or lien (other than liens for governmental impositions) that has been created on or attached to any portion of the Project, whether by voluntary act of the Redeveloper or otherwise, upon obtaining knowledge or notice of same.

(b) If the Holder reasonably requires any change(s) or modification(s) to the terms of this Redevelopment Agreement, the Agency shall reasonably cooperate with the Holder and the Redeveloper in reviewing and approving such proposed change(s) or modification(s); provided, however, that any such proposed change or modification shall not materially and adversely alter or modify the rights and obligations of the Redeveloper or the Agency, as provided in this Redevelopment Agreement.

(c) To the extent reasonably requested by the Redeveloper, the Agency shall execute such other agreements and/or documents (to the extent same are in form and content reasonably acceptable to the Agency) as may be requested or required by any Holder (or any equity participant of the Redeveloper); provided, however, that any such agreement or document shall not materially and adversely alter any of the rights, liabilities or obligations of the Redeveloper or the Agency under this Redevelopment Agreement.

(d) In the event that the Redeveloper is unable to obtain financing for the Project on terms and conditions acceptable to Redeveloper in its sole discretion, or if Redeveloper determines that financing for the Project cannot be obtained on terms and conditions acceptable to Redeveloper in its sole discretion, then Redeveloper shall have the right to terminate this Agreement upon written notice to the Agency. If requested by Redeveloper, the Agency shall reasonably cooperate with Redeveloper, at no out of pocket cost to the Agency, in connection with Redeveloper obtaining financing for the Project, including, without limitation, with respect to any Redeveloper applications for State or other subsidy programs.

(e) If this Agreement is terminated pursuant to the terms of this Section 14.01 then, except as expressly set forth herein to the contrary and upon full payment of all Agency Costs

accruing until the date of such termination, this Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

SECTION 14.02. Notice of Default to the Redeveloper and Right to Cure. (a) Whenever the Agency shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper under this Redevelopment Agreement, the Agency shall at the same time deliver to each Holder a copy of such notice or demand; provided that the Redeveloper has delivered to the Agency a written notice of the name and address of such Holder. Each such Holder shall (insofar as the rights of the Agency are concerned) have the right at its option within ninety (90) days after the receipt of such notice (and the expiration of all applicable cure periods), to cure or remedy, or to commence to cure or remedy, any such default which is subject to being cured and to add the cost thereof to the debt and the lien which it holds. The Agency shall not seek to enforce any of its remedies under this Agreement during the period in which any such Holder is proceeding diligently and in good faith to cure a Redeveloper Event of Default. If possession of the Project Site is necessary to cure any default or breach, any Holder will be allowed to complete any proceedings required to obtain possession of the Project Site.

SECTION 14.03. No Guarantee of Construction or Completion by Holder. (a) A Holder shall in no manner be obligated by the provisions of this Redevelopment Agreement to construct or complete the Project, or to guarantee such construction or completion; nor shall any covenant or any other provisions be construed so 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 (beyond the extent necessary to conserve or protect the Holder's security, including the improvements or construction already made) without the Holder or an Affiliate of Holder first having expressly assumed the Redeveloper's obligations to the Agency with respect to the Project by written agreement reasonably satisfactory to the Agency.

(b) If a Holder forecloses its mortgage secured by the Project Site, or takes title (in its name or the name of an Affiliate) to the Project Site 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 Project Site, as applicable, to a responsible Person reasonably acceptable to the Agency, which Person shall assume the obligations of the Redeveloper under this Redevelopment Agreement in accordance with Applicable Law, and/or (ii) itself, or its Affiliate, assume the obligations of the Redeveloper under this Redevelopment Agreement in accordance with Applicable Law. In the event of a Foreclosure and provided the Holder or the purchaser is in compliance with this Redevelopment Agreement, the Agency shall not seek to enforce against the Holder or such purchaser any of the remedies available to the Agency 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 the Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to complete the Project in accordance with the terms of this Redevelopment Agreement, but subject to reasonable extensions of the Project Schedule, and shall submit evidence reasonably satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such Holder, or other entity assuming such obligations of the Redeveloper,

properly completing the Project shall be entitled, upon written request made to the Agency, 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 the Redeveloper, to devote the Project Site, 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 and the Redevelopment Plan. The Holder or such other entity that assumes the obligations of the Redeveloper shall be entitled to develop the Project Site or Project in accordance herewith.

[END OF ARTICLE XIV]

ARTICLE XV
EVENTS OF DEFAULT AND REMEDIES

SECTION 15.01. Events of Default. Any one or more of the following shall constitute an event of default hereunder (“**Event of Default**”), subject to the occurrence of an event of Force Majeure (with none of the following to be construed as a limitation on any other):

(a) Failure of the Redeveloper or the Agency to observe and perform any covenant, condition or agreement under this Redevelopment Agreement, and continuance of such failure for a period of thirty (30) days, after receipt by the defaulting party of written notice from the non-defaulting party specifying the nature of such failure and requesting that such failure be remedied; provided, however, if the failure is one which cannot be remedied within the thirty (30) days after such written notice has been given, it shall not be an Event of Default as long as the defaulting party is proceeding with due diligence to remedy the same as soon as practicable but in no event later than one hundred twenty (120) days after such written notice.

(b) (i) The 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 the consent of the Redeveloper; (iii) the Redeveloper (A) has made a general assignment for the benefit of creditors, or (B) 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) the Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; (v) the Redeveloper shall take any action for the purpose of effecting any of the foregoing; (vi) a petition in bankruptcy shall have been filed against the Redeveloper and shall not have been dismissed for a period of ninety (90) consecutive days; (vii) an order for relief shall have been entered with respect to or for the benefit of the Redeveloper under the Bankruptcy Code; (viii) an order, judgment or decree shall have been entered, without the application, approval or consent of the Redeveloper by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of the Redeveloper or a substantial part of its assets and such order, judgment or decree shall have continued unstated and in effect for any period of ninety (90) consecutive days; or (ix) the Redeveloper shall have suspended the transaction of its usual business.

(c) The Redeveloper shall materially default in or violate its obligations with respect to the design, development and/or construction of the Project in accordance with this Redevelopment Agreement (including, but not limited to, the Project Schedule) and the Site Plan approved by the Planning Board, or shall abandon or substantially suspend construction work (unless such suspension arises out of an event of Force Majeure), and any such default, violation, abandonment or suspension shall not be cured, ended, or remedied within ninety (90) days after written demand by the Agency to do so; provided however, that if the default or violation is one which cannot be completely remedied within the ninety (90) days after such written notice has been given, it shall not be an Event of Default as long as the Redeveloper is proceeding with due diligence to remedy the same as soon as practicable, but in no event later than one hundred twenty (120) days after such written notice.

(d) The Redeveloper or its successor in interest (except for third parties to which a portion of the Project has been conveyed, assigned or subleased in the ordinary course of

business) shall fail to pay any real estate taxes or assessments on any real property or any part thereof owned by it in the Agency when due, or shall place thereon any encumbrance or lien unauthorized by this Redevelopment Agreement, or shall suffer any levy or attachment to be made, or any materialman's, mechanics' or construction lien, or any other unauthorized encumbrance or lien to attach and such real estate taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Agency made for such payment, removal, or discharge, within sixty (60) days after written demand by the Agency to do so.

(e) There is, in violation of this Redevelopment Agreement, any Transfer.

(f) Should the City modify or alter in such a way as to have a material adverse effect on the Project, the permitted interim and long term uses or bulk standards in any amendment or supplement to the Redevelopment Plan, it being expressly understood and acknowledged by the Parties that because the permitted interim and long term uses and bulk standards under the Redevelopment Plan constitute a fundamental and integral underlying basis for the terms of this Agreement, should the Redevelopment Plan's interim and long term uses or bulk standards be rescinded or otherwise limited, modified, or altered in such a way as to have a material adverse effect on the Project, such action shall result in an Event of Default caused by the Agency.

SECTION 15.02. 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 events or conditions 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, including, without limitation, the following (a "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, pandemic or epidemic (not including Covid-19, unless Covid-19 related restrictions that impair Project development are imposed after the Effective Date, including, but not limited to, restrictions on non-essential construction), sabotage or similar occurrence, but not including reasonably anticipated weather conditions for the geographic area of the Project Site, other than those set forth above (such events being required to physically affect a Party's ability to fulfill its obligations hereunder; and the consequential effect of such events (e.g., impact on market conditions) shall not be considered a Force Majeure event);

(b) A landslide, fire, explosion, flood, release of nuclear radiation, damage to or theft of any part of the Project Improvements, or any casualty not created by the willful misconduct or grossly negligent act or omission of the Party claiming Force Majeure;

(c) The order, judgment, action or inaction and/or determination of any Governmental Authority (other than the Agency when acting in conformance with this Redevelopment Agreement) excepting decisions interpreting federal, State and local tax laws generally applicable to all business taxpayers; provided, however, that such order, judgment, action or inaction and/or determination shall not be the result of the willful misconduct or grossly negligent action or inaction of the Party relying thereon. Neither the contesting of any such order, judgments, action or inaction and/or determination, in good faith, nor the reasonable

failure to so contest, shall constitute or be construed as willful misconduct or grossly negligent action or inaction by such Party;

(d) The suspension, termination, interruption, denial, or failure of or delay in renewal or issuance of any Governmental Approval (including due to any appeal), provided, however, that such suspension, termination, interruption, denial, or failure of or delay in renewal or issuance shall not be the result of the willful misconduct or grossly negligent action or inaction of the Party relying thereon. 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 willful misconduct or grossly negligent action or inaction by such Party. Delay in issuance of a Governmental Approval resulting from the Redeveloper's failure to timely make an administratively complete submission for a Governmental Approval in accordance with Applicable Law shall not be an event of Force Majeure;

(e) An inability to procure goods or services for any reason not caused by the willful misconduct or grossly negligent act or omission of the Party claiming Force Majeure, including, without limitation, the limited manufacturing capacity of any suppliers; a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market; failure of transportation, strikes, lockouts, slowdowns or similar labor action by trade unions or any of their members, equipment manufacturers, suppliers of material and/or transporters of same; or any other economic condition that may adversely affect the Project, the Redevelopment Area or the real estate markets; or

(f) Acts or omissions of the other Party, except in conformance with this Redevelopment agreement or Applicable Law, or as to the Redeveloper, acts or omissions of the Agency.

Any event of Force Majeure affecting any counterparty to an agreement with either or both of the Parties hereto shall be considered an event of Force Majeure hereunder. Notice by the Party claiming such extension shall be sent to the other Party within thirty (30) calendar days of the commencement of the cause. During any Force Majeure event that affects part of the Project, to the extent reasonably practicable, the Redeveloper shall continue to perform its obligations for the rest of the Project. The existence of an event of Force Majeure shall not prevent a Party from declaring the occurrence of an Event of Default by the Party relying on such Force Majeure event; provided that the event that is the basis of the Event of Default is not a result of the Force Majeure event. Except for an event or events of Force Majeure resulting from acts or omissions of the Agency, any event or events of Force Majeure will be deemed to have ceased to exist as of a date twenty four (24) months from its initial occurrence.

SECTION 15.03. Remedies Upon Events of Default by the Redeveloper. In the event that an Event of Default by the Redeveloper occurs and the Redeveloper fails to cure such Event of Default within the applicable cure period, the Agency may take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreements, or covenants of the Redeveloper, as applicable, under this Redevelopment Agreement or the Agency may, in its sole and absolute discretion,

terminate this Redevelopment Agreement and the Redeveloper's designation as the Redeveloper of the Project.

SECTION 15.04. Remedies Upon Events of Default by the Agency. In the event that an Event of Default by the Agency occurs, then the 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, remedies, obligations, agreements, or covenants of the Agency, as applicable, under this Redevelopment Agreement, including an action for specific performance and/or damages. Further, but subject to any cure provisions afforded the Agency hereunder, the Redeveloper shall have the right, in its sole and absolute discretion, to terminate this Redevelopment Agreement.

SECTION 15.05. Failure or Delay. Except as otherwise expressly provided in this Redevelopment Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default, or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

SECTION 15.06. Remedies Cumulative. No remedy in favor of Redeveloper 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 by Redeveloper shall not constitute a waiver of the right to pursue other available remedies.

SECTION 15.07. Continuance of Obligations. The occurrence of an Event of Default shall not relieve the defaulting Party of its obligations under this Redevelopment Agreement unless this Redevelopment Agreement is terminated as a result of such Event of Default, as and to the extent permitted hereunder.

SECTION 15.08. Mitigation. The Parties shall act reasonably to mitigate any damages that may be incurred as a result of an Event of Default hereunder; provided, however, that the costs of any mitigation efforts shall be at the sole cost of the defaulting Party.

SECTION 15.09. Documents to be Delivered Upon Termination. In the event this Redevelopment Agreement is terminated for any reason, except as a result of the default of the Agency, the Redeveloper shall deliver to the Agency, within ten (10) days after such termination, copies of all reports, studies, data, plans, surveys, title reports, subdivision maps and specifications prepared by the Redeveloper and third parties with respect to the Project Site and all documents, reports, permits and approvals obtained by the Redeveloper relating to the Project provided, however, Redeveloper shall not be obligated to deliver any materials to the Agency that Redeveloper deems to be confidential and proprietary in nature.

SECTION 15.10. Agreement Not to Develop Upon Termination. Subject to the rights of any Holders, in the event this Redevelopment Agreement is terminated as a result of a Redeveloper Event of Default, then the Redeveloper agrees that, for a period of six (6) months following such termination, in the event that the Redeveloper still owns or controls the Project

Site (or any part thereof), it shall take no further steps to construct the Project or to develop the Project Site, except as may be agreed to by the Agency, in its sole discretion, notwithstanding the fact that the Redeveloper may be in possession of Governmental Approvals required for such development.

[END OF ARTICLE XV]

**ARTICLE XVIII
MISCELLANEOUS**

SECTION 16.01. Notices. Formal notices, demands and communications between the Agency and the Redeveloper shall be deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available. In this case such notice is deemed effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by written notice.

Copies of all notices, demands and communications shall be sent as follows:

If to the Agency:

South Amboy Redevelopment Agency
140 North Broadway
South Amboy, New Jersey 08879
Attn: Executive Director

with copies to:

Craig J. Coughlin, Esq.
Rainone, Coughlin, Minchello
550 Route One South, Suite 440
Iselin, New Jersey 08830

and

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

If to the Redeveloper:

SA 101 Main Street Urban Renewal LLC
32 Mount Kemble Ave
Morristown, New Jersey 07960

with a copy to:

Adam L. Peterson, Esq.
Pearlman & Miranda, LLC
Ironside Newark
110 Edison Place, Suite 301
Newark, New Jersey 07102

From time to time, Redeveloper may also add notice parties for mortgagees and other Holders by providing written notice to the Agency, including all pertinent contact information related to such notice parties.

SECTION 16.02. Conflict of Interest. No member, official or employee of the Agency shall have any direct or indirect interest in this Redevelopment Agreement, nor participate in any decision relating to this Redevelopment Agreement which is prohibited by law.

SECTION 16.03. No Consideration For Redevelopment Agreement. The Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration in connection with obtaining this Redevelopment Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. The Redeveloper further warrants it has not paid or incurred any obligation to pay any officer or official of the Agency, any money or other consideration for or in connection with this Redevelopment Agreement.

SECTION 16.04. Lender Changes. If the Redeveloper's lender requires a change in the terms of this Redevelopment Agreement, the Agency shall reasonably cooperate with the Redeveloper in approving such change, so long as such change, if any, does not modify or change the substantial rights or obligations of the Parties as set forth in this Redevelopment Agreement. In addition, the Agency agrees to enter into such agreements as the Redeveloper's lender (or its equity participants) may reasonably require provided that such agreement shall not be inconsistent with the terms of this Redevelopment Agreement (i.e. shall not increase the Agency's responsibilities or decrease its benefits hereunder).

SECTION 16.05. Non-Liability of Officials and Employees of the Agency. No member, official or employee of the Agency shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to the Redeveloper or its successor, or on any obligation under the terms of this Redevelopment Agreement.

SECTION 16.06. Non-Liability of Officials and Employee of Redeveloper. No member, officer, shareholder, director, partner or employee of the Redeveloper shall be personally liable to the Agency, or any successor in interest, in the event of any default or breach by the Redeveloper, or for any amount which may become due to the Agency, or their successors, or on any obligation under the terms of this Redevelopment Agreement.

SECTION 16.07. Time for Performance. If the date for performance of an obligation is on a Saturday, Sunday or federal holiday, the date for performance shall be extended to the next business day.

SECTION 16.08. No Brokerage Commissions. The Agency and the Redeveloper each represent one to the other that no real estate broker initiated, assisted, negotiated or consummated this Redevelopment Agreement as broker, agent, or otherwise acting on behalf of either the Agency or the Redeveloper, and the Agency and the Redeveloper shall indemnify each other with respect to any claims made by any person, firm or organization claiming to have been so employed by the indemnifying Party.

SECTION 16.09. Provisions Not Merged With Deeds. To the extent that the provisions of this Redevelopment Agreement are intended to bind the Redeveloper's assigns and successors, its provisions shall not be merged by reason of any deeds transferring title to any

portion of the Project Site from the Redeveloper or any successor in interest, and any such deeds shall not be deemed to affect or impair the provisions and covenants of this Redevelopment Agreement.

SECTION 16.10. Successors and Assigns. This Redevelopment Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties hereto, and their heirs, executors, and administrators.

SECTION 16.11. Severability. If any term or provision of this Redevelopment Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Redevelopment Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Redevelopment Agreement shall be valid and shall be enforced to the extent permitted by law.

SECTION 16.12. Modification of Redevelopment Agreement. No modification, waiver, amendment, discharge, or change of this Redevelopment Agreement shall be valid unless the same is in writing, duly authorized, and signed by the Party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

SECTION 16.13. Execution of Counterparts. This Redevelopment Agreement may be executed in one or more counterparts (which may be copies delivered electronically or by facsimile) and when each Party has executed and delivered at least one counterpart, this Redevelopment Agreement shall become binding on the Parties and such counterparts shall constitute one and the same instrument.

SECTION 16.14. Prior Agreements Superseded. This Redevelopment Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes any prior agreement and all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

SECTION 16.15. Waivers and Amendments in Writing. All waivers of the provisions of this Redevelopment Agreement must be in writing and signed by the appropriate authorities of the Agency and the Redeveloper and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Redeveloper.

SECTION 16.16. Governing Law. This Redevelopment Agreement shall be governed by and construed in accordance with the Applicable Laws of the State, and any disputes arising hereunder shall be resolved in the Superior Court, State of New Jersey, Middlesex County Vicinage.

[END OF ARTICLE XVI]

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.
SIGNATURES APPEAR ON THE FOLLOWING PAGE].

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

ATTEST:

REDEVELOPER:
SA 101 MAIN STREET URBAN
RENEWAL LLC

By: _____
Name:
Title: Manager

ATTEST:

SOUTH AMBOY REDEVELOPMENT
AGENCY

By: _____
Kevin Meszaros, Chairman

**EXHIBIT 1
CONCEPT PLAN**

**EXHIBIT 2
PROJECT SCHEDULE**

1	The Agency and the Redeveloper Execute and Deliver the Redevelopment Agreement	Effective Date
2	Redeveloper Files Application for Long Term Tax Exemption with City	Within 90 days after the Effective Date
5	Commencement of Construction	Within six (6) months of receipt of all Governmental Approvals
6	Completion of Construction	Within 24 months after Commencement of Construction

EXHIBIT 3
FORM OF DECLARATION OF PROJECT COVENANTS
REDEVELOPMENT PROJECT COVENANT

Record and Return to:

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

THIS REDEVELOPMENT PROJECT COVENANT (the “**Project Covenant**”) is made this [____] day of [_____, _____], by SA 101 Main Street Urban Renewal LLC, a limited liability company formed under the laws of the State of New Jersey with offices at 32 Mount Kemble Ave, Morristown, New Jersey 07960 and its successors and assigns (the “**Redeveloper**”).

W-I-T-N-E-S-S-E-T-H:

WHEREAS, the City of South Amboy in the County of Middlesex, New Jersey (the “**City**”) is authorized under 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 redevelopment and to adopt redevelopment plans therefor; and

WHEREAS, the City previously designated the property identified as Block 160, Lot 1 on the City’s tax maps and commonly known as 101 Main Street (the “**Project Site**”) as an area in need of redevelopment under the Redevelopment Law and is subject to a redevelopment plan known as the Northern Waterfront Redevelopment Plan (the “**Redevelopment Plan**”); and

WHEREAS, on July 15, 2020, the City adopted Ordinance No. 08-2020 to, among other things, amend the Redevelopment Plan to permit light industrial uses, and to provide associated bulk standards therefor, applicable to the Project Site; and

WHEREAS, the South Amboy Redevelopment Agency (the “**Agency**”) is acting as the redevelopment entity for the purpose of implementing the Redevelopment Plan; and

WHEREAS, the Redeveloper proposes to redevelop the Project Site by constructing thereon an approximately 300,000 square foot warehouse and light industrial facility with approximately [insert] loading positions and space to store approximately [insert] trailers (the “**Project Improvements**”); and

WHEREAS, on [_____, _____], 2021, the Agency and the Redeveloper executed that certain Redevelopment Agreement (the “**Redevelopment Agreement**”) setting forth the terms and conditions under which the Redeveloper will construct the Project Improvements on the Project Site; and

WHEREAS, at such time as the Project Improvements are completed in accordance with the terms of the Redevelopment Plan and the Redevelopment Agreement, this Project Covenant and the existing conditions which rendered the Project Site an area in need of redevelopment, will no longer exist.

NOW, THEREFORE, the Redeveloper, intending to be legally bound hereby and to bind its successors and assigns, does promise, covenant and declare as follows:

The Redeveloper hereby declares and covenants that the Project Site shall be used only for the uses allowed under the Redevelopment Plan, and subject to and in accordance with the covenants and restrictions herein, which covenants and restrictions shall, subject to the terms hereof, run with the Project Site and shall be binding upon the Redeveloper, and its successors and assigns and, to the extent applicable, to all future lessees and occupants of all or any portion of the Project Site including, without limitation, the rights or easements appurtenant thereto.

1. **Terms and Definitions.** Capitalized terms used but not defined herein shall be afforded the meanings provided in the Redevelopment Agreement.

2. **Applicable Laws.** The Redeveloper's development, construction, use, operation and maintenance of the Project Site and all improvements thereon and thereto, as provided in the Redevelopment Plan and the Redevelopment Agreement shall be undertaken and carried out in accordance with all Applicable Laws, including without limitation, the Redevelopment Plan, as it may be amended from time to time by the agreement of the Redeveloper and the Agency.

3. **Redeveloper Covenants.**

3.1. The Redeveloper covenants and agrees as follows, provided, however that all such covenants and agreements shall be subject to the terms of the Redevelopment Agreement and that in case of a conflict between the Redevelopment Agreement and this Project Covenant, the terms of the Redevelopment Agreement shall control:

(a) The Redeveloper shall use diligent efforts to obtain all Government Approvals necessary for the construction and development of the Project Improvements. The Redeveloper shall construct, improve, operate and maintain the Project Improvements in compliance with all Governmental Approvals, and other laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder as shall be binding upon the Redeveloper under applicable laws.

(b) The Redeveloper shall use commercially reasonable efforts to (i) obtain financing for the Project Improvements, (ii) construct and develop the Project Improvements with due diligence and (iii) commence and Complete each item in the Project Schedule on or prior to the applicable 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. All activities performed under the Redevelopment Agreement shall be

performed in accordance with the level of skill and care ordinarily exercised by reputable developers of similar developments of the character, scope and composition of the Project.

(c) The Redeveloper shall construct the Project Improvements in accordance with the Redevelopment Agreement, the Redevelopment Law, the Redevelopment Plan, and all other Applicable Law and, in the event that the Redeveloper wishes to materially change or modify the Project Improvements, notwithstanding the fact that such material change or modification is authorized by the Redevelopment Plan, the Agency's written approval (which shall not be unreasonably withheld, conditioned or delayed) must be secured prior to proceeding with any activities relating to such proposed material modifications. The Redeveloper acknowledges that the Agency has relied on the proposed Project Schedule in entering into its obligations under the Redevelopment Agreement.

(d) The Redeveloper shall fulfill its material obligations under any and all agreements it enters into with third parties with respect to the acquisition, construction, leasing, financing and other matters relating to the Project Improvements; provided, however, that this covenant is not intended to prevent the Redeveloper from contesting the scope or nature of such obligations as and to the extent provided in such agreements.

(e) The Redeveloper shall use commercially reasonable efforts to complete the Project Improvements or cause same to be completed, on or prior to the date set forth in the Project Schedule at its sole cost and expense; provided, however, that the Parties acknowledge that moneys may be made available towards the completion of same from other outside sources. In the event that moneys made available pursuant to any outside source are not sufficient to pay the costs necessary to complete the Project Improvements, the Redeveloper shall not be entitled to any funds from the Agency.

(f) Upon completion of the development and construction of the Project Improvements, the Redeveloper shall use diligent efforts to obtain all Governmental Approvals authorizing the occupancy and uses of the Project Improvements for the purposes contemplated hereby.

(g) The Redeveloper shall not discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender in the sale, assignment, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project Improvements, nor shall the Redeveloper itself, or any Person claiming under or through the Redeveloper, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Project Improvements.

(h) The Redeveloper shall not restrict the sale, assignment, lease, sublease, rental, transfer, use, occupancy, tenure, or enjoyment of the Project Improvements on the basis of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or gender of any person.

(i) The Redeveloper shall immediately notify the Agency of any material change in its financial condition from the information provided to the Agency by the Redeveloper indicating the Redeveloper's financial capability to develop, finance and construct the Project in furtherance of the Agency's consideration in designating the Redeveloper as the redeveloper of the Project Site.

(j) The Redeveloper shall not use the Project Site, Project Improvements or any part thereof for which a Certificate of Completion has not been issued, in a manner that is inconsistent with the Redevelopment Plan and this Redevelopment Agreement.

(k) The Redeveloper shall not use the Project Site, Project Improvements or any part thereof for which a Certificate of Completion has not been issued, as collateral for an unrelated transaction.

3.2. **Effect and Duration of the Redeveloper Covenants.** The covenants set forth in Section 3.1 hereof shall be covenants running with the Project Site until the Project Improvements are Completed, all in accordance with the Redevelopment Agreement, and they shall, and except only as otherwise specifically provided in the Redevelopment Agreement, be binding to the fullest extent permitted by Applicable Law and equity, for the benefit and in favor of, and enforceable by, the Agency, its successors and assigns, and any successor in interest to the Project Improvements, or any part thereof, against the Redeveloper, its successors and assigns and every successor in interest therein; provided, however, that such covenants shall not be binding on any Mortgagee except in accordance with the terms of Article XIV of the Redevelopment Agreement. Such agreements and covenants, however, shall be binding on the Redeveloper itself, and each successor in interest to the Redeveloper, respectively, only for such period as the Redeveloper or such successor shall be in possession or occupancy of the Project Site, the buildings and structures thereon, or any part thereof.

3.3. **Enforcement of the Covenants.** The Agency and its successors and assigns shall be deemed beneficiaries of the agreements and covenants contained in this Project Covenant, both for and in their own right, and 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 Agency for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Agency has at any time been, remains, or is an owner of any land or interest therein, or in favor of which such agreements and covenants relate. The Agency shall have the right, in the event of any breach of any such agreement or covenant, to terminate the Redevelopment Agreement in accordance with Section 15.03 thereof.

3.4. **Completion of Project Improvements.** Upon redevelopment of the Project Site and completion of the Project Improvements, the conditions that were found and determined to exist at the time the Project Site was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result 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 Improvements or any applicable portion thereof. The covenants contained herein shall terminate and this Project Covenant will

be discharged of record upon Redeveloper's receipt of a Certificate of Completion and termination of the Redevelopment Agreement pursuant to Section 11.02 thereof for the Project Improvements; provided, however, that the Redeveloper's indemnity provided under Section 13.01 of the Redevelopment Agreement shall survive the termination of the Redevelopment Agreement.

[Signature page follows.]

Exhibit 1 to Declaration
LEGAL DESCRIPTION

EXHIBIT 4
FORM OF CERTIFICATE OF COMPLETION

Record and Return to:

NAME

ADDRESS

CERTIFICATE OF COMPLETION

Pursuant to Section 11.02 of the Redevelopment Agreement by and between the South Amboy Redevelopment Agency (the “**Agency**”) and SA 101 Main Street Urban Renewal LLC (the “**Redeveloper**”), dated as of _____, 202__, (the “**Redevelopment Agreement**”), the undersigned, as of the date hereof, certifies that (all undefined capitalized 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 _____, 202__, in accordance with the Redevelopment Agreement and in compliance with Applicable Laws so that the Project 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, which certificates are attached hereto as **Exhibit 1**:

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

(v) a copy of any Certificate of Occupancy issued with respect to any portion or portions of the Project for which a Certificate of Occupancy is required 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 Project Site. The Project Site shall no longer be subject to (i) any covenant running with the land covered by this

Certificate of Completion for the benefit of the Agency, 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.

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

WITNESS OR ATTEST:

SOUTH AMBOY REDEVELOPMENT AGENCY

By: _____

By: _____

Acknowledgment

STATE OF NEW JERSEY :

:SS

COUNTY OF MIDDLESEX :

On this [] day of [] before me, personally appeared _____, the _____ of the South Amboy Redevelopment Agency, 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 s/he acknowledged that s/he executed the foregoing instrument as the act of the corporation and that s/he was authorized to execute the foregoing instrument on behalf of the corporation.

Exhibit 1
REDEVELOPER'S CERTIFICATE

Pursuant to Section 11.02 of the Redevelopment Agreement by and between the South Amboy Redevelopment Agency (the “Agency”) and SA 101 Main Street Urban Renewal LLC (the “Redeveloper”), dated as of _____, 2021, (the “Redevelopment Agreement”), the Redeveloper certifies as follows to the best of its knowledge information and belief (capitalized terms used herein and not otherwise defined shall have the same meanings ascribed to them in the Redevelopment Agreement):

(i) the Project in its entirety has been completed as of [_____], in accordance with the City of South Amboy building and construction code, the Redevelopment Agreement, the Redevelopment Plan and in compliance with Applicable Laws so that the Project 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 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) Redeveloper has performed or has caused to be performed all of its duties and obligations under the Redevelopment Agreement with respect to the Project;

(iv) attached hereto is a certificate of [_____], Redeveloper’s engineer, evidencing completion and certification of the Project; and

(v) the Project is being operated in accordance with the terms and provisions of the Redevelopment Agreement, the Redevelopment Plan and Applicable Laws.

**SA 101 MAIN STREET URBAN RENEWAL
LLC**

By: _____
Name:
Title:

Exhibit 2
CERTIFICATE OF OCCUPANCY

**EXHIBIT 5
REDEVELOPER OWNERSHIP STRUCTURE**

Current owners of Redeveloper:

Name	Address	Ownership Interest
CP South Amboy LLC	32 Mount Kemble Ave Morristown, New Jersey 07960	55%
March Development LLC	31 Springbrook Road Morristown, New Jersey 07960	45%

Current owners of CP South Amboy LLC with greater than ten percent (10%) ownership interest:

Name	Address	Ownership Interest
Crimson King Holdings II, LLC	32 Mount Kemble Ave Morristown, New Jersey 07960	42.5%
Green Hill Holdings II, LLC	32 Mount Kemble Ave Morristown, New Jersey 07960	42.5%

Current owner of Crimson King Holdings II, LLC:

Name	Address	Ownership Interest
Steve Sciaretta	32 Mount Kemble Ave Morristown, New Jersey 07960	100%

Current owner of Green Hill Holdings II, LLC:

Name	Address	Ownership Interest
Don Sciaretta	32 Mount Kemble Ave Morristown, New Jersey 07960	100%

Current owners of March Development LLC:

Name	Address	Ownership Interest
Anthony L. Marchigiano	25 Edgehill Ave Chatham, New Jersey 07928	50%
Justin Marchigiano	31 Springbrook Road Morristown, New Jersey 07960	50%

EXHIBIT 6
FORM OF FINANCIAL AGREEMENT

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter “**Agreement**” or “**Financial Agreement**”), made this ____ day of _____, 2021, by and between **SA 101 MAIN STREET URBAN RENEWAL LLC** (the “**Entity**”), a New Jersey limited liability company and an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, *N.J.S.A. 40A:20-1, et seq.* (the “**Long Term Tax Exemption Law**”), with offices at 32 Mount Kemble Ave, Morristown, New Jersey 07960 and the **CITY OF SOUTH AMBOY**, a municipal corporation of the State of New Jersey in the County of Middlesex with offices located at 140 North Broadway, South Amboy, New Jersey 08879 (the “**City**”, and together with the Entity, the “**Parties**”).

W I T N E S S E T H:

WHEREAS, the City of South Amboy in the County of Middlesex, New Jersey (the “**City**”) is authorized under 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 redevelopment and to adopt redevelopment plans therefor; and

WHEREAS, the City previously designated certain properties within the City, including the parcel identified as Block 160, Lot 1 on the City’s tax maps and commonly known as 101 Main Street (the “**Land**” or “**Project Area**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the laws which preceded it; and

WHEREAS, on July 5, 1995, by Ordinance No. 20-95, the City adopted a redevelopment plan known as the “Northern Waterfront Redevelopment Plan” (the “**Original Redevelopment Plan**”) for certain property in the City including the Project Site; and

WHEREAS, on July 15, 2020, the City adopted Ordinance No. 08-2020 to, among other things, amend the Original Redevelopment Plan to permit light industrial uses, and to provide associated bulk standards therefor, applicable to the Project Site (the “**Redevelopment Plan**”); and

WHEREAS, the Entity is the contract purchaser of the Project Site; and

WHEREAS, the South Amboy Redevelopment Agency (the “**Agency**”) and the Entity entered into that Redevelopment Agreement, dated _____, 2021 (the “**Redevelopment Agreement**”), pursuant to which, among other things, the Entity agreed to redevelop the Project Site by constructing thereon a project consisting of: (a) an approximately 300,000 square foot warehouse and light industrial facility with approximately forty-seven (47) loading positions and space to store approximately seventy-two (72) trailers, and (b) certain on and off-site public and other infrastructure improvements (the “**Project**”); and

WHEREAS, pursuant to, and in accordance with, the provisions of the Redevelopment Law and the Long Term Tax Exemption Law, the City is authorized to provide for a tax exemption within a redevelopment area and for payments in lieu of taxes; and

WHEREAS, in order to enhance the economic viability of, and opportunity for, a successful project, the City will enter into this Agreement with the Entity governing the payments made to the City in lieu of taxes on the Project pursuant to the Long Term Tax Exemption Law and the Redevelopment Law; and

WHEREAS, in accordance with the Long Term Tax Exemption Law, the Entity filed an application, which is incorporated herein by reference (the “**Application**”), with the City for approval of a long term tax exemption for the Improvements (as defined herein); and

WHEREAS, upon review of the Application, the City has made the following findings:

A. Relative Benefits of the Project:

The Project will provide the region with a new state-of-the-art light industrial/warehouse building. The Project Area is currently underutilized and could benefit from a facility upgrade that generates revenues and creates jobs. The Project is expected to produce approximately 500 construction jobs and approximately 150-200 permanent jobs.

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

The Entity is making a significant equity contribution toward the cost of the Project. In order to improve the economic viability of the development of the Project, the City has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the Annual Service Charge (as defined herein) will make the Project more competitive and assist the Entity to undertake the Project in the City.

WHEREAS, the City Council on _____, 2021 adopted an ordinance approving the Application and authorizing the execution of this Agreement (the “**Ordinance**”), a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the City shall carry out their respective obligations with respect to the payment of the Annual Service Charge by the Entity, in lieu of real property taxes on improvements to the Project Area, the Parties have determined to execute this Financial Agreement.

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

ARTICLE I
GENERAL PROVISIONS

Section 1.01 Governing Law. This Financial Agreement shall be governed by the provisions of (a) the Long Term Tax Exemption Law, the Redevelopment Law and such other statutes as may be the sources of relevant authority, and (b) the Ordinance. It is expressly understood and agreed that the City 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 meaning assigned to such term in the preambles hereof:

<u>Agency</u>	<u>Ordinance</u>
<u>Agreement/Financial Agreement</u>	<u>Original Redevelopment Plan</u>
<u>Application</u>	<u>Parties</u>
<u>City</u>	<u>Project</u>
<u>City Council</u>	<u>Project Area</u>
<u>Entity</u>	<u>Redevelopment Agreement</u>
<u>Land</u>	<u>Redevelopment Law</u>
<u>Long Term Tax Exemption Law</u>	<u>Redevelopment Plan</u>

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

Administrative Fee: As defined in Section 4.10.

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

Allowable Profit Rate: The greater of twelve percent (12%) per annum or the percentage per annum arrived at by adding one and one quarter percent (1.25%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing for the Project. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge 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 twelve percent (12%) per annum or the percentage per annum arrived at by adding one and one quarter percent (1.25%) per annum to the

interest rate per annum that the City determines to be the prevailing rate of mortgage financing on comparable improvements within Middlesex County. The provisions of *N.J.S.A.* 40A:20-3(b) are incorporated herein by reference.

Annual Gross Revenue: Annual gross rents and other income received by the Entity and derived from or generated by the leasing of the Land and any revenue or other amounts received by the Entity and derived from or generated by the Project, specifically excluding, without limitation, the proceeds of any condemnation or casualty awards, insurance proceeds, any gain realized by the Entity on the sale, transfer or other assignment or assumption of the Project or portion thereof, reimbursement of expenses by any tenant under any lease or rental agreement, proceeds of any financing or refinancing, or proceeds from any disposition of a partner or a partner's interest in the Entity or any successor entity.

Annual Service Charge: The amount the Entity has agreed to pay the City pursuant to Article IV herein with respect to the Improvements (but not the Land), which: (a) Entity has agreed to pay in part for municipal services supplied to the Project, (b) is in lieu of any taxes on the Improvements pursuant to *N.J.S.A.* 40A:20-12, and (c) shall be paid on the Annual Service Charge Payment Dates.

Annual Service Charge Payment Dates: February 1, May 1, August 1 and November 1 of each year commencing on the first such date after the Completion Date and ending on the Termination Date.

Annual Service Charge Start Date: The first Annual Service Charge Payment Date, which shall be the first Annual Service Charge Payment Date following Substantial Completion (as defined in the Redevelopment Agreement) of the Project .

Applicable Law: All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable to the Project including, but not limited to, the Redevelopment Law, the Long Term Tax Exemption Law, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, applicable federal and State labor standards and all applicable laws or regulations with respect to the payment of prevailing wages.

Auditor's Report: An annual audited statement which clearly identifies the calculation of Net Profit as provided in *N.J.S.A.* 40A:20-3(c)(2). The contents of the Auditor's Report shall be prepared by a certified public accountant licensed to practice in the State in conformity with the Long Term Tax Exemption Law and generally accepted accounting principles.

Certificate of Occupancy: A Certificate of Occupancy (temporary or permanent), as such term is defined in the New Jersey Administrative Code, issued with respect to the Project or any portion thereof.

Completion Date: shall mean the date that a Certificate of Occupancy is issued authorizing occupancy of the buildings comprising the Project pursuant to *N.J.S.A.* 52:27D-133.

Default: A breach or the failure to perform any obligation imposed by the terms of this Agreement, or under Applicable Law.

Effective Date: The date of this Agreement.

Excess Profits Accounting Period: Any period, but not less than one fiscal year of the Entity, in which the aggregate Net Profits of the Entity exceed aggregate Allowable Net Profits on a cumulative basis. The first Excess Profits Accounting Period shall commence upon the issuance of a Certificate of Occupancy for the Project and terminate at the end of the fiscal year in which such aggregate Net Profits of the Entity exceed the aggregate Allowable Net Profits for the entire period, taken as one accounting period. Each subsequent Excess Profits Accounting Period shall commence on the first day of the next fiscal year of the Entity after the end of the last Excess Profits Accounting Period and shall terminate at the end of the fiscal year in which such aggregate Net Profits of the Entity exceed the aggregate Allowable Net Profits for the entire period, taken as one accounting period.

Improvements: All improvements on the Land comprising the Project.

In Rem Tax Foreclosure: A summary proceeding by which the City may enforce the lien for taxes or Annual Service Charge due and owing by a tax sale in accordance with the Tax Sale Law.

Land Taxes: The amount of taxes assessed on the value of the Land on which the Project is located.

Land Tax Payments: Payments due on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector in accordance with Applicable Law.

Minimum Annual Service Charge: As defined in Section 4.10.

Net Profit: The Annual Gross Revenue of the Entity 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)*. Without limiting the foregoing, included in expenses shall be an amount sufficient to amortize the Total Project Cost in accordance with generally accepted accounting principles as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3(c)*.

Notice: As defined in Section 15.01.

Property: The Land and the Improvements.

Security Arrangements: As defined in Section 8.02(b).

Secured Parties: As defined in Section 8.02(b).

Secured Party: As defined in Section 8.02(b).

State: The State of New Jersey.

Tax Assessor: The City Tax Assessor.

Tax Collector: The City Tax Collector.

Tax Sale Law: The 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 Date: The earlier to occur of: (i) the thirty-fifth (35th) anniversary of the Effective Date; (ii) the thirtieth (30th) anniversary date of the Annual Service Charge Start Date; or (iii) such other date as this Financial Agreement may terminate pursuant to the terms hereof or pursuant to Applicable Law.

Total Project Cost: The total cost of developing the Project as determined in accordance with *N.J.S.A. 40A:20-3(h)*, as certified by a qualified architect or engineer and as permitted pursuant to *N.J.S.A. 40A:20-3(h)*.

Section 1.02 Interpretation and Construction. In this Financial Agreement, unless the context otherwise requires:

(a) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Financial Agreement, refer to this Financial Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Financial 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 Financial 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 Financial 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) This Financial Agreement shall become effective upon its execution and delivery by the Parties.

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

ARTICLE II **APPROVAL**

Section 2.01 Approval of Tax Exemption. The City hereby grants its approval for a tax exemption for the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of Applicable Law, which Improvements shall be constructed on the Land.

Section 2.02 Approval of Entity. The Entity represents that its Certificate of Formation and Certificate of Authority as attached as *Exhibit 2* to the Application contain all the requisite provisions of law, have been reviewed and approved by the Commissioner of the Department of Community Affairs, and have been filed with, as appropriate, the Secretary of Treasury, 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 the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan and Applicable Law, the use of which is more specifically described in the Application.

Section 2.04 Management and Control. The Entity represents that it will be the owner of the Land upon which the Improvements are to be constructed and which is the subject of this Agreement.

Section 2.05 Financial Plan. The Entity represents that it currently anticipates that the Improvements shall be financed in accordance with the financial plan attached as *Exhibit 14* to the Application; provided, however, that the Entity may ultimately finance the Project in any commercially reasonable manner it determines to be necessary or convenient for the successful implementation of the Project. If requested by the Entity, the City shall reasonably cooperate with the Entity, at no out of pocket cost to the City, in connection with the Entity obtaining financing for the Project, including, without limitation, with respect to any Entity applications for State or other subsidy programs.

Section 2.06 Statement of Projected Revenues. The Entity represents that projected Annual Gross Revenue is set forth in *Exhibit 13* attached to the Application.

Section 2.07 Representations and Covenants Regarding Use, Management and Operations of the Project by the Entity. 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, in accordance with the Redevelopment Agreement, Redevelopment Plan and all Applicable Laws. The Entity represents that the representations and covenants required under *N.J.S.A. 40A:20-9* are set forth in the Application.

ARTICLE III **DURATION OF AGREEMENT**

Section 3.01 Term. It is understood and agreed by the Parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in effect until the Termination Date. The tax exemption shall only be effective during the period of usefulness of

the Project and shall continue in force only while the Land is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law, except for permitted conveyances as stated in Article VIII of this Financial Agreement. Upon the Termination Date, the tax exemption for the Improvements shall expire and same shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the City. Upon the Termination Date, 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:20-13*.

Section 3.02 Date of Termination. The Termination Date shall be deemed to be the fiscal year end of the Entity.

Section 3.03 Voluntary Termination of the Financial Agreement by Entity. Pursuant to the Long Term Tax Exemption Law, the Entity or any transferee, pursuant to Article VIII, may at any time after the expiration of one (1) year from the Annual Service Charge Start Date, notify the City in writing that, as of a certain date designated in the notice, it relinquishes its status as an urban renewal entity under the Long Term Tax Exemption Law and that the Entity, or such transferee, has obtained the consent of the Commissioner of the Department of Community Affairs, if required by Applicable Law. As of that date, all of the obligations and requirements contained in this Financial Agreement shall terminate. Notwithstanding the foregoing, such relinquishment shall not impact the obligation of the Entity or such transferee, as applicable, to make payment of any Land Taxes (during any period in which Land Taxes are not exempt hereunder) or Annual Service Charge that has accrued up to and including the Termination Date, or the obligation of the Entity or such transferee, as applicable, to perform the final accounting required by the Long Term Tax Exemption Law and Section 13.03 below.

ARTICLE IV **ANNUAL SERVICE CHARGE**

Section 4.01 Annual Service Charge. In consideration for the tax exemption provided for herein, the Entity shall make payment to the City, in lieu of real property taxes on the Improvements, of an Annual Service Charge in an amount, prior to the application of the Land Tax Credit against the Annual Service Charge pursuant to Section 4.08 hereof, calculated as follows:

(a) For the first (1) year from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) eighteen percent (18%) of the Annual Gross Revenue or (ii) \$1.25 per gross leasable square foot of the Project (currently anticipated to be approximately \$375,000.00);

(b) For each of the years two (2) through ten (10) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) eighteen percent (18%) of the Annual Gross Revenue, (ii) \$2.00 per gross leasable square foot of the Project (currently anticipated to be approximately \$600,000) or (iii) twenty percent (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(c) For each of the years eleven (11) through fifteen (15) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i)

eighteen and one-half percent (18.5%) of the Annual Gross Revenue, (ii) \$2.25 per gross leasable square foot of the Project (currently anticipated to be approximately \$675,000) or (iii) twenty percent (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(d) For each of the years sixteen (16) through twenty (20) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) nineteen percent (19%) of the Annual Gross Revenue, (ii) \$2.50 per gross leasable square foot of the Project (currently anticipated to be approximately \$750,000) or (iii) forty percent (40%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(e) For each of the years twenty-one (21) through twenty-five (25) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) nineteen and one-half percent (19.5%) of the Annual Gross Revenue, (ii) \$2.75 per gross leasable square foot of the Project (currently anticipated to be approximately \$825,000) or (iii) sixty percent (60%) of the real property taxes otherwise due on the value of the Land and the Improvements; and

(f) For each of the years twenty-six (26) from the Annual Service Charge Start Date through the end of the term of this Financial Agreement, the Annual Service Charge for the Project shall be equal to the greater of (i) eighty percent (80%) of the real property taxes otherwise due on the value of the Land and the Improvements and (ii) \$3.00 per gross leasable square foot of the Project (currently anticipated to be approximately \$900,000).

If necessary, in any year where the greatest amount set forth in subsections (a) through (f) above does not comply with applicable law, the aforesaid amount shall be calculated by applying such percentage to the Annual Gross Revenue as is necessary in order to result in such greatest amount complying with applicable law.

Section 4.02 Consent of Entity to Annual Service Charge. The Entity hereby consents and agrees to the amount of the Annual Service Charge and to the liens established in this Financial Agreement, and the Entity shall not contest the validity or amount of any such lien. Subject to the terms of this Agreement, 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 status of Entity as an "urban renewal entity" qualified under and as defined in the Long Term Tax Exemption Law. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by law.

Section 4.03 Quarterly Installments. Beginning on the Annual Service Charge Start Date, the Entity shall pay the Annual Service Charge to the City on a quarterly basis on each Annual Service Charge Payment Date, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. In the event that Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable State law and then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens until paid. The City shall issue the Entity bills for the Annual Service Charge in a manner generally consistent with the manner of its billing of ad valorem real estate tax payments on other property in the City.

Section 4.04 Material Conditions. It is expressly agreed and understood that all payments of Land Taxes, Annual Service Charges and any interest payments, penalties or costs of collection due thereon, are material conditions of this Financial Agreement. If any other term, covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 4.05 No Reduction in Payment of the Annual Service Charge. The Parties agree that neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Section 4.01 hereof shall be reduced or amended or otherwise modified through any tax appeal on the Improvements or any other legal proceeding regarding the Project during the term of this Agreement. The foregoing notwithstanding, in the event the amounts due the City hereunder are based upon "taxes otherwise due" under Section 4.01 above, the Entity may, in an appropriate proceeding, challenge the assessment applicable to the Project.

Section 4.06 Service Charges as Municipal Lien. In accordance with the provisions of the Long Term Tax Exemption Law, upon recordation of this Financial Agreement and the Ordinance, any amount due and owing hereunder, including the Annual Service Charge shall be and constitute a continuous municipal lien on the Project.

Section 4.07 Security for Payment of Annual Service Charges. In order to secure the full and timely payment of the Annual Service Charges, the City reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

Section 4.08 Land Taxes. From and after the Effective Date, Land Taxes shall be assessed only on the Land portion of the Property without regard to any Improvements or increase in value to the Land because of the Improvements or approvals related thereto.

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity shall be entitled to a credit for the amount, without interest, of the Land Taxes paid on the Property in the last four preceding quarterly installments against the Annual Service Charge.

The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In any year that the Entity fails to make any Land Tax Payments, beyond any notice and cure period, such delinquency shall render the Entity ineligible for any Land Tax credits against the Annual Service Charge for that year and such failure shall constitute a Default under this Agreement. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the Property pursuant to the Tax Sale Law and/or may terminate this Agreement in a manner consistent with the Default provisions set forth in Article XIII hereof.

Section 4.09 Administrative Fee. In addition to the Annual Service Charge, the Entity shall pay to the City an annual fee of two percent (2%) of the Annual Service Charge (the “**Administrative Fee**”). The Administrative Fee shall be payable and due on or before February 1st 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 paid shall bear the highest rate of interest permitted under applicable State law and then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens until paid.

Section 4.10 Minimum Annual Service Charge. In no event shall the Annual Service Charge be less than the amount of the total taxes levied against the Project Area in the last full year in which it was subject to conventional taxation (the “**Minimum Annual Service Charge**”). Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of this Agreement to the contrary, 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. The Minimum Annual Service Charge shall be pro-rated on a monthly basis in the year in which the Annual Service Charge Start Date occurs and the year in which the Termination Date occurs.

ARTICLE V **CERTIFICATE OF OCCUPANCY**

Section 5.01 Filing of Certificate of Occupancy. It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of the Certificate of Occupancy.

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.

ARTICLE VI **ANNUAL AUDITS**

Section 6.01 Accounting System. The Entity agrees to calculate its Net Profit pursuant to *N.J.S.A. 40A:20-3(c)*. As stated in *N.J.S.A. 40A:20-3(c)*, this calculation shall be made in accordance with generally accepted accounting principles.

Section 6.02 Periodic Reports.

(a) **Auditor’s Report:** Within ninety (90) days after the close of each fiscal year during the term of the exemption pursuant to this Agreement, commencing for the year in which the Annual Service Charge Start Date occurs, 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 State Division of Local Government Services in the Department of Community

Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall clearly identify and calculate the Net Profit for the Entity during the previous year and shall include, but not be limited to, itemizations of operating and non-operating expenses, mortgage interest and terms, amortization of Improvements and such other computations of income, expense and other details as may relate to the financial status of the Entity. The Entity assumes all costs associated with preparation of the periodic reports. All such periodic reports shall remain confidential except as otherwise required by law.

(b) Disclosure Statement: Along with the Auditor's Report due under Section 6.02(a) hereof, the Entity shall submit to the City Council, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each.

(c) Total Project Cost Audit: Within one hundred twenty (120) days after the Completion Date, the Entity shall submit to the Mayor, City Council, Tax Collector and 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.

Section 6.03 Inspection. The Entity shall, upon request, permit the inspection of its property, equipment, buildings and other facilities of the Project and also permit, upon request, examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by the City, and State 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 seven (7) business days' advance 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.

ARTICLE VII

LIMITATION ON PROFITS AND RESERVES

Section 7.01 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 pursuant to the provisions of *N.J.S.A. 40A:20-15*. Pursuant to *N.J.S.A. 40A:20-3(c)*, this calculation is 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 of up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal 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*. In no event shall any portion of the excess Net Profits be retained or contributed to such reserve if the amount of the reserve as of the end of such fiscal year equals or exceeds ten percent (10%) of the preceding year's Annual Gross Revenues. The reserve is to be noncumulative.

Section 7.02 Payment of Dividend and Excess Profit Charge. In accordance with *N.J.S.A. 40A:20-15*, if the Net Profits of the Entity shall exceed the Allowable Net Profits in any Excess Profits Accounting Period, then the Entity, within one hundred and twenty (120) days after the end of the Excess Profits Accounting Period, shall pay such excess Net Profits to the

City as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to Section 7.01.

Section 7.03 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale. The Termination Date of this Agreement, or the date of sale or transfer of the Improvements shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to Section 7.01 and the excess Net Profits, if any.

ARTICLE VIII

ASSIGNMENT AND/OR ASSUMPTION

SECTION 7.01. Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law. (a) Prior to the Completion Date, the Entity shall be permitted to transfer the Project, its ownership interest in the Land or any ownership interest in the Entity in accordance with the Redevelopment Agreement. After the Completion Date, the Entity shall not voluntarily transfer more than ten percent (10%) of the Project or any portion thereof, until it has first removed both itself and the Project from all restrictions imposed by this Agreement and the Long Term Tax Exemption Law in the manner provided by the Long Term Tax Exemption Law, except as provided in the following subsections.

(b) 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, will consent to a sale of the Land or transfer of interest in the Project, and the transfer of this Agreement, provided that: (i) the transferee entity does not own or lease any other Project subject to Long Term Tax Exemption Law 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; and (vi) in the City's reasonable determination, the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage the Project. In the event that the transfer contemplated in this Section 8.01(b) 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 square footage of the building within the portion of the Project being transferred compared to the total square footage of all buildings comprising the Project.

(c) The Entity shall be permitted to transfer any ownership interest in the Entity, provided that, if the transfer is for an interest greater than 10 percent (10%), 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.

(d) 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 7.02. Collateral Assignment. (a) Notwithstanding the foregoing, it is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to the Land and/or Improvements for purposes of (i) financing the design, development and construction of the Project, and (ii) permanent mortgage financing.

(b) The City acknowledges that the Entity and/or its affiliates intend to obtain secured financing in connection with the acquisition, development and construction of the Project. The City agrees that the Entity and or its affiliates may assign, pledge, hypothecate or otherwise transfer its rights under this Agreement and/or its interest in the Project to one or more secured parties or any agents therefore (each, a “**Secured Party**” and collectively, the “**Secured Parties**”) as security for obligations of the Entity, and/or its affiliates, incurred in connection with such secured financing (collectively, the “**Security Arrangements**”). The Entity shall give the City written Notice of any such Security Arrangements, together with the name and address of the Secured Party or Secured Parties. Failure to provide such Notice waives any requirement of the City hereunder to provide any Notice of Default or Notice of intent to enforce its remedies under this Agreement to the Secured Parties.

(c) Without limiting the generality of Article XIII hereof, if the Entity shall Default in any of its obligations hereunder, the City shall give Notice of such Default to the Secured Parties and the City agrees that, in the event such Default is not waived by the City or cured by the Entity, its assignee, designee or successor, within the period provided for herein, before exercising any remedy against the Entity hereunder, the City will provide the Secured Parties a reasonable period of time to cure such Default, but in any event not more than fifteen (15) days from the date of such notice to the Secured Parties with regard to a failure of the Entity to pay the Annual Service Charge or Land Taxes and ninety (90) days from the date the Entity was required to cure any other Default.

(d) In the absence of a Default by the Entity, the City agrees to consent to any collateral assignment by the Entity to any Secured Party or Secured Parties of its interests in this Agreement and to permit each Secured Party to enforce its rights hereunder and under the applicable Security Arrangement and shall, upon request of the Secured Party, execute such documents as are typically requested by secured parties to acknowledge such consent. This provision shall not be construed to limit the City’s right to payment from the Entity, nor shall the priority of such payments be affected by the Secured Party exercising its rights under any applicable Security Arrangement.

(e) Notwithstanding anything to the contrary contained herein, and in addition to all other rights and remedies of Secured Parties set forth in this Agreement, the provisions of *N.J.S.A. 55:17-1 to -11* shall apply to this Agreement to protect the interests of any Secured Party.

ARTICLE IX
WAIVER

Section 9.01. Waiver. Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City or Entity of any rights and remedies provided by Applicable Law. Nothing herein shall be deemed to limit any right of recovery that the City or Entity has under law, in equity, or under any provision of this Financial Agreement.

ARTICLE X
COMPLIANCE

Section 10.01 Statutes and Ordinances. The Entity hereby agrees at all times prior to the Termination Date to remain bound by the provisions of the Application and Applicable Law, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such applicable statutes or ordinances shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate this Agreement, subject to the Default procedure provisions of Article XIII herein.

ARTICLE XI
CONSTRUCTION

Section 11.01 Construction. This Financial Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to, or aid of, 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.

ARTICLE XII
INDEMNIFICATION

Section 12.01 Indemnification. It is understood and agreed that in the event the City shall be named as party defendant in any action brought against the City or Entity by allegation of any breach, Default or a violation by the Entity of any of the provisions of this Agreement and/or the provisions of Applicable Law, the Entity shall indemnify, defend (at its own expense) 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 Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, including without limitation, the Long Term Tax Exemption Law, except for such liability or other loss that results from any misconduct by the City or any of its officers, officials, employees or agents. Notwithstanding the foregoing, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, with the expense thereof to be borne by the Entity. To the extent practical and ethically permissible, the Entity's attorneys shall jointly defend and represent the interest of the City and the Entity as to all claims indemnified in connection with this Agreement. Notwithstanding the foregoing and for avoidance of doubt, the Entity's indemnity obligations hereunder shall not extend to any action brought against the City or any instrumentality thereof in connection with the prior operation of the municipal landfill within the Project Area.

ARTICLE XIII
DEFAULT AND REMEDIES

Section 13.01 Cure Upon Default. Should the Entity be in Default, the City shall notify the Entity and any Secured Party in writing of said Default. Said notice shall set forth with particularity the basis of said Default. Except as provided in Section 8.02(b) hereof or otherwise limited by law, the Entity shall have sixty (60) days after it receives Notice 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 after the Entity receives Notice). Curing the Default shall be the sole and exclusive remedy available to the Entity or the Secured Party, as applicable; provided, however, that if, in the reasonable opinion of the City, the Default cannot be cured within the applicable cure period using reasonable diligence, the time to cure may be extended upon written Notice for an additional ninety (90) day period of time.

Upon the expiration of the cure period, or any approved extension thereof, and providing that the Default is not cured, the City shall have the right to terminate this Agreement in accordance with Section 13.02 of this Agreement.

Section 13.02 Remedies Upon Default.

(a) In the event the Entity or a Secured Party fails to cure or remedy the Default within the time period provided in Sections 13.01 or 8.02(b), respectively, the City may terminate this Agreement upon written Notice to the Entity and the Secured Party.

(b) Upon any Default in payment of any installment of the Annual Service Charge not cured within ten (10) days, the City in its sole discretion shall have the right to immediately exercise the following remedies: (1) terminate this Agreement, at which time: the Improvements on the Land shall be subject to conventional taxation; or (2) exercise any other remedy available to the City in law or equity. The City as a courtesy will give Entity and any Secured Party Notice of the intention to exercise its remedies.

(c) No Default hereunder by the Entity shall terminate the tax exemption (except as described herein and after Notice and cure as provided for herein) and its obligation to pay the Annual Service Charge, which shall continue in effect for the duration of the term hereof and subject to Section 13.03 hereinafter.

(d) All of the remedies provided in this Agreement to the City, and all rights and remedies granted 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 the Entity's failure to pay Land Taxes, the Annual Service Charge and/or any applicable water and sewer charges 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 or other charges, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges 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 13.03 Final Accounting. Within ninety (90) days after the Termination Date, 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 Date of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 13.04 Conventional Taxes. Upon the Termination Date, 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.

ARTICLE XIV DISPUTE RESOLUTION

Section 14.01 Arbitration. 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 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 its other remedies, and subject to Article XIII of this Agreement, reserves the right to proceed against the Land, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean 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 were taxes or municipal liens 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.

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.

ARTICLE XV NOTICE

Section 15.01 Notice. Formal notices, demands and communications between the City and Entity shall be deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available ("**Notice**"). In that case such Notice is deemed effective upon delivery. Such written Notices may be sent in the same manner to such other addresses as either party may from time to time designate by written notice. Notice given by counsel to a party in accordance with this Section 15.01 shall be effective for all purposes hereunder. Copies of all notices, demands and communications shall be sent as follows:

If to the City:

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

with copies to:

City of South Amboy
140 North Broadway
South Amboy, New Jersey 08879
Attn: Business Administrator

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

If to Entity:

SA 101 Main Street Urban Renewal LLC
32 Mount Kemble Ave
Morristown, New Jersey 07960

With a copy to:

Adam L. Peterson, Esq.
Pearlman & Miranda, LLC
Ironside Newark
110 Edison Place, Suite 301
Newark, New Jersey 07102

In addition, if the Entity delivers formal written notice to the City of the name and address of any Secured Party, then the City shall provide such Secured Party with a copy of any notice required to be sent to the Entity.

ARTICLE XVI
MISCELLANEOUS

Section 16.01 Conflict. The Parties agree that in the event of a conflict between the Application and this Financial Agreement, the language in this Financial Agreement shall govern and prevail.

Section 16.02 Oral Representations. There have been no oral representations made by either of the Parties which are not contained in this Financial Agreement. This Financial 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 and delivered to each of them.

Section 16.03 Entire Document. All conditions in the Ordinance are incorporated in this Agreement and made a part hereof. This Agreement, with all attachments and exhibits, the Ordinance and the Application shall constitute the entire agreement between the Parties, shall be incorporated herein by reference thereto and there shall be no modifications thereto other than by a written instrument approved and executed by and delivered to each Party. All prior agreements and understandings, if any, are superseded.

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. Upon Termination of this Agreement, the parties shall execute and record an instrument discharging this Agreement of record in form reasonably satisfactory to the parties.

Section 16.06 Municipal Services. The Entity and/or its successors (including without limitation any owner's or similar association) will be responsible to provide and/or pay for the following services:

(a) **Water & Sewer** – The Entity shall make payments for water and sewer charges and any other services that create a lien on the Property superior to the lien for the Land Taxes and the Annual Service Charge, as required by law.

(b) **Waste and Refuse Disposal** – Collection and disposition of all solid waste, refuse and recyclables emanating from the Project, shall be the responsibility of the Entity to have picked up and disposed of by a licensed collector, hauler or scavenger, at the Entity's cost and expense. The City may establish regulations for the collection and for the storage and recycling of solid waste, discarded or old newspaper and/or other recyclables; compliance therewith shall be by and at the sole expense of the Entity.

Section 16.07 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 16.08 Estoppel Certificate. Within thirty (30) days following written request therefor by the Entity, or any mortgagee or other party having an interest in the Project, the City shall issue a signed estoppel certificate in reasonable form stating that (i) this Agreement is in full force and effect, (ii) to the best of the City's knowledge, no Default has occurred under this Agreement (nor any event which, with the passage of time and/or the giving of notice would result in the occurrence of a Default) or stating the nature of any Default, and (iii) stating any such other reasonable information as may be requested.

Section 16.09 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 16.10 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 City Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A. 40A:20-12*, that a Financial Agreement with an urban renewal entity, i.e., the Entity, for the development of the Project, has been entered into and is in effect as required by the Long Term Tax Exemption Law. Delivery by the City Clerk to the Tax Assessor of a certified copy of the Ordinance and this Financial 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 Financial Agreement or until the Tax Assessor has been duly notified by the City Clerk that the exemption has been terminated.

Section 16.11 Conditions Precedent.

This Agreement is expressly subject to the satisfaction by the Entity or the City of the following conditions precedent:

- (a) Receipt by the Entity of all federal, State, county, municipal or other approvals required for the construction of the Project.
- (b) Enactment by the City of all ordinances and other official action necessary under the Long Term Tax Exemption Law to enter into and effectuate the terms of this Agreement.

EXHIBITS

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

Exhibits

- A. Metes and Bounds description of the Land
- B. Ordinance

IN WITNESS WHEREOF, the Parties have caused this Financial Agreement to be executed as of the day and year first above written.

ATTEST:

CITY OF SOUTH AMBOY

Deborah Brooks
City Clerk

By: _____
Fred Henry
Mayor

SA 101 MAIN STREET URBAN RENEWAL LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE LAND

EXHIBIT B
ORDINANCE

RESOLUTION OF THE SOUTH AMBOY REDEVELOPMENT AGENCY, IN THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY DESIGNATING SA 101 MAIN STREET URBAN RENEWAL LLC AS A REDEVELOPER OF CERTAIN PROPERTY WITHIN THE CITY OF SOUTH AMBOY AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH SA 101 MAIN STREET URBAN RENEWAL LLC IN CONNECTION THEREWITH

WHEREAS, the City of South Amboy (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 redevelopment; and

WHEREAS, the Municipal Council of the City (the “**City Council**”) previously designated certain properties within the City, including the parcel identified on the tax map of the City as Block 160 and Lot 1 and commonly known as 101 Main Street (the “**Project Site**”), as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, on July 5, 1995, by Ordinance No. 20-95, the City Council adopted a redevelopment plan known as the “Northern Waterfront Redevelopment Plan” (the “**Original Redevelopment Plan**”) for certain properties within the City including the Project Site; and

WHEREAS, on July 15, 2020, the City adopted Ordinance No. 08-2020 to, among other things, amend the Original Redevelopment Plan to permit light industrial uses, and to provide associated bulk standards therefor, applicable to the Project Site (the “**Redevelopment Plan**”); and

WHEREAS, pursuant to the provisions of the Redevelopment Law, specifically N.J.S.A. 40A:12A-4, the South Amboy Redevelopment Agency (“**SARA**”) was established as an instrumentality of the City with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, to provide for the implementation of the Redevelopment Plan, SARA wishes to contract with an entity capable of engaging in site acquisition, remediation, planning, and end-use development thereof; and

WHEREAS, an affiliate of SA 101 Main Street Urban Renewal LLC (“**Redeveloper**”) is the contract purchaser of the Project Site; and

WHEREAS, the Redeveloper proposes to purchase the Project Site from South Amboy Land Development LLC and construct thereon a project consisting of: (a) an approximately 300,000 square foot warehouse and light industrial facility with approximately forty-seven (47) loading positions and space to store approximately seventy-two (72) trailers, and (b) certain on and off-site public and other infrastructure improvements (the “**Project**”); and

WHEREAS, the Redevelopment Law authorizes a redevelopment entity to arrange or contract for the planning, construction or undertaking of any redevelopment work in an area designated as “an area in need of redevelopment” pursuant to *N.J.S.A. 40A:12A-8*; and

WHEREAS, SARA and the Redeveloper have determined to enter into a Redevelopment Agreement (the "**Redevelopment Agreement**"), pursuant to which the Redeveloper, subject to its acquisition of the Project Site, will be responsible for effectuating the redevelopment of the Project Site through the construction of the Project; and

WHEREAS, SARA has determined that the Redeveloper possesses the proper qualifications, financial resources and capacity to implement and complete the Project in accordance with the Redevelopment Plan; and

WHEREAS, SARA desires to authorize the execution of the Redevelopment Agreement with the Redeveloper, which shall set forth the rights and obligations of the respective parties, as well as the anticipated time frame for the completion of certain tasks; and

WHEREAS, SARA further desires to designate the Redeveloper as the “redeveloper” of the Project, as that term is defined in the Redevelopment Law, subject to the conditions set forth in the Redevelopment Agreement.

NOW THEREFORE BE IT RESOLVED by the Commissioners of the Agency (the “**Board**”) that:

Section 1. The recitals hereof are incorporated herein as if set forth at length.

Section 2. SARA hereby approves the Redevelopment Agreement and the Chairperson and/or the Executive Director are hereby authorized to execute said agreement in substantially the form as that on file with SARA, subject to such additions, deletions, modifications or amendments deemed necessary by the Chairperson in his discretion in consultation with counsel, which additions, deletions, modifications or amendments do not alter the substantive rights and obligations of the parties thereto, and to take all other necessary and appropriate actions to effectuate the foregoing agreement.

Section 3. Upon execution of the Redevelopment Agreement and the acquisition, by the Redeveloper, of the Site, and so long as the Redevelopment Agreement remains in full force and effect, the Redeveloper, is hereby designated as the “redeveloper” of the Project Site in accordance with the Redevelopment Law.

Section 4. This resolution shall take effect immediately.

Kevin F. Meszaros, Chairman

Attested to:

Kelly Wolff, Secretary

Meeting Date:

ROLL CALL:

Anthony Conrad	_____
Zusette Dato	_____
Tony Gonsalves	_____
David Kales	_____
Kevin Meszaros	_____
Frank Milatta	_____
Camille Tooker	_____

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this “**Agreement**”), made this ____ day of _____, 2021, (the “**Effective Date**”) by and between Manhattan Beach Phase I 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 32 Mount Kemble Ave, Morristown, New Jersey 07960 (the “**Entity**” or “**Urban Renewal 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 Urban Renewal 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, 90.01, 6.02 and a portion of Lot 20.01 (the “**Redevelopment Area**”) 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 Redevelopment Area; 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, affiliates of the Urban Renewal Entity have 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 Redevelopment Area; and

WHEREAS, on December 17, 2014, by Ordinance No. 13-2014, the City Council adopted the Beach Club District Redevelopment Plan (the “**Original Redevelopment Plan**”), which Original Redevelopment Plan superseded and replaced the existing redevelopment plans as same related to the parcels comprising the Beach Club District Properties, and on December 19, 2018, by Ordinance No. 18-2018, the City Council amended the Original Redevelopment Plan (collectively, the “**Redevelopment Plan**”), containing development standards for, among others, that portion of the Redevelopment Area comprised of Block 161.02, Lots 20, 23, 24, and 24.01 (the “**Property**,” as more particularly described in Exhibit A hereto); and

WHEREAS, SARA has previously duly designated Manhattan Beach Club Street, LLC (the “**Master Redeveloper**”) as master redeveloper of the Redevelopment Area, and the City and SARA have entered into that certain tri-party Amended and Restated Redevelopment Agreement with Master Redeveloper (the “**Master Redevelopment Agreement**”) relating thereto; and

WHEREAS, the Urban Renewal Entity, through its affiliates, has contracted with affiliates of the Master Redeveloper for the acquisition of Block 161.02, Lots 20 and 23, and with the current owner of Block 161.02, Lots 24 and 24.01, to acquire the Property; and

WHEREAS, on the date hereof, SARA and the Entity entered into that certain Redevelopment Agreement (the “**Redevelopment Agreement**”) to redevelop the Property by constructing thereon a multi-phased project totaling approximately 486 residential rental units, including: approximately 223 residential rental units in Phase 1 (“**Phase 1**”); approximately 167 residential rental units in Phase 2 (“**Phase 2**”); and approximately 96 residential rental units in Phase 3 (“**Phase 3**” and, together with the Phase 1 and Phase 2, the “**Project**”); and

WHEREAS, the Urban Renewal Entity submitted an application to the City for 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 Urban Renewal Entity will pay to the City an Annual Service Charge (defined below); and

WHEREAS, on [INSERT], 2021, 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 with Manhattan Beach Phase I Urban Renewal LLC”, 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:

The Property is a **former industrial site**, formerly owned by SARA, which is currently vacant and underutilized. The Project will redevelop the Property with approximately 486 residential units and supporting amenities. The Project will create approximately 750-1,000 construction jobs and approximately 6 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees.

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 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. 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. In other words, 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.

- (ii) 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 ongoing operation of the completed Project. Reduced expenses allow for more competitive rents. 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 Redevelopment Law, the Ordinance, and all other Applicable Law. 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
City
City Council
Entity/Urban Renewal Entity
Effective Date
Long Term Tax Exemption Law
Master Redeveloper
Master Redevelopment Agreement
Ordinance
Original Redevelopment Plan
Phase 1
Phase 2
Phase 3
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.

Affiliate – With respect to any person or entity, any other person or entity directly or indirectly Controlling or Controlled by, or under direct common Control with, such person or entity.

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 Gross Revenue shall exclude, without limitation, any gain realized by the Entity on the sale of the Project or Phase therein, the proceeds of any condemnation or casualty awards, insurance proceeds, proceeds of any financing or refinancing, any reimbursement to the Entity or any Affiliate of the Entity for site development costs allocable to an Affiliate, and proceeds from any disposition of a partner or partner's equity interest in the Entity.

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 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 for a given Phase shall be the date of the issuance of the Certificate of Occupancy for the first residential unit within the Phase.

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 safety 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 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.

Control - As used with respect to any person or entity, shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and operation of such person or entity, whether through the ownership of voting securities or by contract or other written agreement. The entity or individual(s) with the right to direct or cause the direction of the management and operation of the managing member of the Entity shall be deemed to have Control of the Entity.

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 any Phase or 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 portions of Block 161.02, Lots 20, 23 and 24 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 Law, to the extent applicable.

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, or with respect to any Phase, the portion of the Property located within such Phase, in the last full tax year in which the Property, or applicable portion, was subject to taxation. The Minimum Annual Service Charge shall be pro-rated on a monthly basis in the year in which the Annual Service Charge Start Date occurs and the year in which the Termination occurs.

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, Phase 2 or Phase 3, as the context may require.

Phase 1 URE – As defined in Section 8.01(B).

Phase 2 URE – As defined in Section 8.01(B).

Secured Party – As defined in Section 8.03(B).

Security Arrangements – As defined in Section 8.03(B).

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 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.

Unit - Any one of the residential units that is a part of the Project or Phase, as applicable.

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 hereby grants 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 Formation, attached to the Application as Exhibit 2 thereto, contains all requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with 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 each of Phase 1, Phase 2 and Phase 3 in accordance with the Redevelopment Agreement.

SECTION 2.05 Ownership, Management and Control

The Entity represents that it, or an Affiliate, 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 Law.

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, anticipated amortization rate on Total Project Cost, the anticipated source of funds, the anticipated interest rates to be paid on construction financing, the anticipated source and amount of paid-in capital, the anticipated terms of any mortgage amortization, and anticipated 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 Law and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay the 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) (A) with respect to Phase 1, thirty-five (35) years from the Effective Date, (B) with respect to Phase 2, forty (40) years from the Effective Date or (C) with respect to Phase 3, forty-five (45) years from the Effective Date or (ii) for each Phase, thirty (30) years from its respective Annual Service Charge Start Date. The tax exemption shall only be effective 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 Redevelopment Agreement is terminated, this Agreement shall automatically, without the need for any further action, terminate with respect to any portion of the Project, or Phase thereof, not already completed.

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. The City shall issue the Entity bills for the Annual Service Charge in a manner generally consistent with the manner of its billing of ad valorem real estate tax payments on other property in the City.

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:

A. In connection with Phase 1, 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 21-30 after the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge.

B. In connection with Phase 2, the greater of: (a) (i) 11% of the Annual Gross Revenue for the first ten years after the Annual Service Charge Start Date; (ii) 12.5% of the Annual Gross Revenue for years 11-20 after the Annual Service Charge Start Date; and (iii) 13.5% of the Annual Gross Revenue for the years 21-30 after the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge.

C. In connection with Phase 3, the greater of: (a) (i) 11.5% of the Annual Gross Revenue for the first ten years after the Annual Service Charge Start Date; (ii) 13% of the Annual Gross Revenue for years 11-20 after the Annual Service Charge Start Date; and (iii) 14% of the Annual Gross Revenue for the years 21-30 after the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge.

D. 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 event, the Entity will be required to make payment of both the Annual Service Charge and the Land Tax Payments, and the payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. 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 applicable cure period.

B. For all time periods during which this Agreement is in effect, the Land shall be assessed without regard to any improvements or increase in value to the Land because of the Improvements or any approvals relating thereto.

C. The Entity's failure to make the requisite Annual Service Charge payment and/or 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 Staged 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 8th 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 9th year through the 14th 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 15th year through the 20th 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 21st year through the 24th 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. From the 25th year through the 30th 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 1st 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 4.03 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.

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 and/or the Property, 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, commencing for the year in which the Annual Service Charge Start Date occurs, 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. Any delay in submitting the Auditor's Report, which is the result of causes beyond the reasonable control of the Entity, shall not constitute a Default hereunder.

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project or Phase, as applicable, 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 or Phase, as applicable, 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 the 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. In accordance with *N.J.S.A.* 40A:20-15, excess Net Profits shall be calculated on an annual but cumulative basis.

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, shall consent to a sale of the Project or Phase thereof, 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; 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. Any assignment of the Entity's interest in this Agreement in whole or in part shall terminate any obligation of Entity hereunder with respect to the corresponding portion of the Project, and the assignee shall be deemed the Entity hereunder with respect to such portion of the Project. All rights and remedies of the City following an assignment shall be enforceable only against the assignee and the corresponding portion of the Project. The City agrees to countersign the assignment document for purposes of acknowledging such assignment, the ongoing validity of this Agreement with respect thereto, and the provisions of Sections 2.01 and 8.01(A) hereof. 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 based on the Annual Gross Revenue for that portion of the Project being transferred, calculated pursuant to Section 4.03 hereof.

B. Nothing herein shall prohibit, following prior notice thereof to the City and execution of an appropriate assignment and assumption agreement between the transferor and transferee, the transfer of Entity's interest herein (i) to a new urban renewal entity that is an Affiliate of the Entity, as to any Phase or (ii) to the Master Redeveloper. In the case of a transfer pursuant to 8.01(B)(i) hereof, the Parties hereby acknowledge and agree that, without any further action of the City Council, following the Effective Date hereof: (1) the rights and obligations with respect to Phase 2 may be assigned to and assumed by Manhattan Beach Phase II Urban Renewal LLC (the "**Phase 2 URE**"), an Affiliate of the Entity, and that the City and the Phase 2 URE shall enter into an agreement with respect to same substantially in the form of Exhibit 19-C to the Application; (2) the rights and obligations with respect to Phase 3 may be assigned to and assumed by Manhattan Beach Phase III Urban Renewal LLC (the "**Phase 3 URE**"), an Affiliate of the Entity, and that the City and the Phase 3 URE shall enter into an agreement with respect to same substantially in the form of Exhibit 19-D to the Application; and (3) following the assignment and

assumption of the rights and obligations with respect to Phase 2 and Phase 3 as set forth in paragraphs (1) and (2) immediately above, the City and the Entity shall enter into a new agreement, substantially in the form of Exhibit 19-B to the Application, which agreement shall govern the rights and obligations of the Parties solely with respect to Phase 1. Following the execution of the agreements referenced in paragraphs (1), (2), and (3) immediately above, this Agreement shall no longer be of any force or effect.

C. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity provided that the transfer, if ten percent (10%) or greater, 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.

D. 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 Collateral Assignment

A. It is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to portions of the Property and/or Improvements for purposes of (i) financing the design, development, and construction of the Project or Phase and/or (ii) obtaining permanent mortgage financing relating to the Project or Phase, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

B. The City acknowledges that the Entity and/or its Affiliates intend to obtain secured financing in connection with the acquisition, development, and construction of the Project or applicable Phase. The City agrees that the Entity and/or its Affiliates may assign, pledge, hypothecate, or otherwise transfer its applicable rights under this Agreement and/or its interest in the Project or applicable Phase to one or more secured parties or any agents therefor (each, a "**Secured Party**" and collectively, the "**Secured Parties**") as security for obligations of the Entity and/or its Affiliates, incurred in connection with such secured financing (collectively, the "**Security Arrangements**"). The Entity shall give the City written notice of any such Security Arrangements, together with the name and address of the Secured Party or Secured Parties. Failure to provide such notice waives any requirement of the City hereunder to provide any notice of Default or notice of intent to enforce its remedies under this Agreement.

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 FINDINGS

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, was formerly owned by SARA and is currently vacant and underutilized. The Project or applicable Phase, will redevelop the Property with a residential complex consisting of approximately 486 market-rate rental units. The Project will create approximately 750-1,000 construction jobs and approximately 6 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 provides, 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 than would otherwise be possible in light of the extraordinary development costs. 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:

Manhattan Beach Phase I Urban Renewal LLC
32 Mount Kemble Ave
Morristown, New Jersey 07960

with copy to:

Patricia J. Ryou, Esq.
Pearlman & Miranda LLC
110 Edison Place, Suite 301
Newark, New Jersey 07102

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 copy to:

Kevin P. McManimon, Esqq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

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

In addition, if the Entity delivers formal written notice to the City of the name and address of any Secured Party, then the City shall provide such Secured Party with a copy of any notice required to be sent to the Entity.

{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 the Long Term Tax Exemption Law, 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. A Default by the Entity as to one Phase shall not constitute a Default as to another Phase.

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 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 and/or the Redevelopment Agreement, the language in this Agreement and/or the Redevelopment Agreement, as the case may be, 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 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 the Entity from its obligation to make such payments.

SECTION 16.07 Estoppel Certificate

Within thirty (30) days following written request therefor by the Entity, or any mortgagee or other party having an interest in the Project or applicable Phase, the City shall issue a signed estoppel certificate in reasonable form stating that (i) this Agreement is in full force and effect, (ii) to the best of the City's knowledge, no Default has occurred under this Agreement (nor any event

which, with the passage of time and/or the giving of notice would result in the occurrence of a Default) or stating the nature of any Default, and (iii) stating any such other reasonable information as may be requested.

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.

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 the Long Term Tax Exemption Law. 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.

MANHATTAN BEACH PHASE I URBAN RENEWAL LLC

By: _____
Name: _____
Title: _____

CITY OF SOUTH AMBOY

By: _____
Fred A. Henry, Mayor

STATE OF NEW JERSEY :
 : ss
COUNTY OF MIDDLESEX :

The foregoing instrument was acknowledged before me this ____ day of ____ 2021, by Fred A. Henry, and this person acknowledged under oath, to my satisfaction that:

- (a) he is the Mayor of the CITY OF SOUTH AMBOY, a municipal corporation of the County of Middlesex and State of New Jersey, named in the within document;
- (b) he is authorized to execute the attached document on behalf of the City of South Amboy;
- (c) he executed the attached document on behalf of the City of South Amboy; and
- (d) the attached document was signed and made by the City of South Amboy as its duly authorized and voluntary act.

Notary Public

SEAL

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 19-A, 19-B, 19-C, and 19-D to Application Intentionally Omitted as they are on file with the City)

EXHIBIT C
ORDINANCE

REDEVELOPMENT AGREEMENT
by and between
THE SOUTH AMBOY REDEVELOPMENT AGENCY,
and
MANHATTAN BEACH PHASE I
URBAN RENEWAL, LLC

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REDEVELOPMENT AGREEMENT

This **REDEVELOPMENT AGREEMENT** (the “**Agreement**” or “**Redevelopment Agreement**”) is made and entered into as of this ____ day of _____, 2021 (the “**Contract Date**”) by and between the **SOUTH AMBOY REDEVELOPMENT AGENCY**, a redevelopment agency organized under the laws of the State of New Jersey (the “**State**”), having an address at 140 North Broadway, South Amboy, New Jersey, 08879 (“**SARA**”), and **MANHATTAN BEACH PHASE I URBAN RENEWAL, LLC**, a New Jersey limited liability company, having an address at c/o Claremont Development, 32 Mount Kembal Avenue, Morristown, New Jersey 07960 (as further defined herein, the “**Redeveloper**” and together with SARA, each a “**Party**” and, together, the “**Parties**”).

W I T N E S S E T H:

WHEREAS, the City of South Amboy (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 identified on the tax map of the City as Block 161.02, Lot 20, 23, 24, 24.01, 25, 90, 90.01, 6.02 and a portion of Lot 20.01 (the “**Redevelopment Area**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, the Redevelopment Law, at N.J.S.A. 40A:12A-39.e and .f permits the City to enter into agreements and do all things necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of a redevelopment project; and

WHEREAS, SARA was established as an instrumentality of the City pursuant to the provisions of Redevelopment Law with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

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

Properties, and on December 19, 2018, by Ordinance No. 18-2018, the City Council amended the Original Redevelopment Plan (collectively, the "**Redevelopment Plan**"), containing development standards for, among others, that portion of the Redevelopment Area comprised of Block 161.02, Lots 20, 23, 24 and 24.01 (the "**Site**"); and

WHEREAS, SARA has previously duly designated Manhattan Beach Club Street, LLC (the "**Master Redeveloper**") as master redeveloper of the Redevelopment Area, and the City and SARA have entered into that certain tri-party Amended and Restated Redevelopment Agreement with Master Redeveloper (the "**Master Redevelopment Agreement**") relating thereto; and

WHEREAS, the Redeveloper, through its affiliates, has contracted through purchase and sale agreements (as same have been and may be amended, the "**Site Purchase Agreements**") with: (i) affiliates of the Master Redeveloper to acquire Lots 20 and 23 of the Site; and (ii) Jarmel South Amboy Realty LLC to acquire Lots 24 and 24.01 of the Site; and

WHEREAS, SARA finds the Redeveloper's proposed project to be implemented on the Site, as set forth and further defined in the Concept Plan, attached hereto as **Exhibit A** (the "**Project**"), is consistent with the Redevelopment Plan and the Master Redevelopment Agreement; and

WHEREAS, the Redeveloper is a developer with resources and a team of experts in planning, redevelopment, law, engineering, environmental issues, architecture, design, finance, and real estate development with experience suitable for the proposed redevelopment of the Site; and

WHEREAS, pursuant to the Redevelopment Plan, the Parties desire to enter into this Redevelopment Agreement in order to designate the Redeveloper as the "redeveloper", as that term is used in the Redevelopment Law, to redevelop the Site and to set forth the terms and conditions with respect to such development; and

WHEREAS, subject to the terms of this Agreement, the Parties have determined that Redeveloper shall be responsible for effecting the redevelopment of the Site through the: (a) construction of the Project thereon, and (b) through construction of Public Improvements and Off-Site Improvements (as hereinafter defined); and

WHEREAS, SARA has determined that the Redeveloper possesses the proper qualifications and expertise to implement and complete the Project in accordance with the Redevelopment Plan, Concept Plan, Redevelopment Law and all other Applicable Laws, ordinances and regulations; and

WHEREAS, in order to effectuate the Redevelopment Plan, the Project and the Redevelopment of the Site, on [INSERT], 2021, SARA adopted Resolution No. [INSERT] designating Redeveloper as the "redeveloper" of the Site as that term is defined in the Redevelopment Law, and authorizing execution of this Redevelopment Agreement, which specifies the respective rights and responsibilities of the Parties with respect to the Project.

NOW, THEREFORE, in consideration of the foregoing, the truth and accuracy of which is hereby acknowledged, and of the promises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties hereto do hereby covenant and agree each with the other as set forth herein.

ARTICLE I DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. The Parties agree that the following terms shall have the meanings specified below and shall be applicable equally to the singular and plural forms of such terms:

“Accessory Commercial Uses” shall have the meaning set forth in the Redevelopment Plan.

“Affiliate” shall mean, 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.

“Affordable Housing Component” shall have the meaning set forth in Section 5.1(a).

“Affordable Housing Requirement” shall have the meaning set forth in Section 5.1.

“Affordable Housing Site” shall have the meaning set forth in Section 5.1(b)(i).

“Agreement” shall have the meaning set forth in the Recitals.

“Applicable Law” shall mean any statute, law, case law, constitution, charter, ordinance, resolution, judgment, order, decree, rule, regulation, directive, interpretation, standard or similarly binding action which, in any case, shall be enacted, adopted, promulgated, issued or enforced by any Governmental Body and/or court of competent jurisdiction that relates to or affects the Parties or either of them, the Site, the Project, the performance of the Parties of the respective obligations or the exercise by the Parties of their respective rights under this Agreement. “Applicable Law” shall specifically include, without limitation, the Redevelopment Law, the MLUL, the ERGG Law, the Long Term Tax Exemption Law, and Environmental Laws.

“Approval(s)” shall mean any one or more approvals, authorizations, permits, licenses or certificates required and issued or granted by any Governmental Body having jurisdiction, whether Federal, State, County or City, with all conditions thereof being acceptable to Redeveloper, to the extent necessary to implement the Project, or any Phase or portion thereof. Unless otherwise provided in this Agreement or by law, Approvals shall be unconditional (or subject to conditions acceptable to Redeveloper in its discretion), with all applicable appeal periods having expired without any appeal having been taken by a third party therefrom or, if an appeal has been taken, such appeal has been disposed of to the reasonable satisfaction of the Redeveloper without the right to further appeal, or if there is a right to further appeal, the time period therefore has expired without further appeal. Subsequently, as requested by Redeveloper, or if Approvals are subject to conditions, SARA shall diligently work with Redeveloper to modify the description of the Project to be undertaken as necessary and appropriate.

“Business Day” shall mean any Day other than a Saturday, a Sunday, or a Day on which banks and public offices generally are not open under the laws of the State.

“Certificate of Completion” shall mean written acknowledgement by SARA, in recordable form, that Redeveloper has Completed Construction of the Project, or any Phase of the Project, as applicable, in accordance with the requirements of the Redevelopment Plan and the Redevelopment Agreement.

“Certificate of Occupancy” shall mean the temporary or final certificate as defined in Chapter 23 of Title 5 of the New Jersey Administrative Code in connection with construction projects or other improvements.

“City” shall have the meaning set forth in the Recitals.

“COAH Units” shall mean residential units restricted to low and moderate-income households, as such terms are defined and used in the Fair Housing Act.

“Commencement of Construction” or **“Commence** shall mean the start of any undertaking by Redeveloper of any physical construction at the Site, or any Phase of the Site, as applicable, including utility improvements and site work.

“Completion,” “Complete” or **“Completed”** shall mean with respect to the Project or any Phase, as the case may be, that (a) all work related to the Project or applicable Phase has been completed, acquired, or installed in accordance with this Agreement, the Redevelopment Plan and all Applicable Law so that the Project or applicable Phase that has been completed may be used and operated for its intended use; (b) all Approvals, including a Certificate of Occupancy, has been issued; and (c) such “completion” has been evidenced by SARA issuing a Certificate of Completion.

“Concept Plan” shall mean the concept plan shown in **Exhibit A**, as it may be revised with SARA’s consent, outlining, respectively, a detailed plan for development on the Site, including the Redeveloper’s proposed uses and densities.

“Contract Date” shall have the meaning in the preamble of this Agreement.

“Control,” “Controlling,” “Controlled by” and **“under common Control with”** shall mean with respect to any Person, 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.

“County” shall mean the County of Middlesex, State of New Jersey.

“Creditors’ Rights Limitations” shall include any and all bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors’ rights generally.

“Day” shall mean a calendar day.

“Declaration” shall have the meaning set forth in Section 8.2.

“Effective Date” shall be the date on which Redeveloper takes title to the Site pursuant to the Site Purchase Agreements.

“Environmental Laws” shall mean each and every Federal, State, County or local statutes, ordinances, rules, regulation and common law concerning the protection of the environment, human health or safety, presently in effect, including, without limitation, the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq.; Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq.; New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq.; New Jersey Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq.; Brownfield and Contaminated Site Remediation Act, N.J.S.A. 58:10B-1 et seq.; Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq.; Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; Solid Waste Disposal Act, 42 U.S.C. §6901 et seq.; Clean Air Act, 42 U.S.C. §7401 et seq.; Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §1100 et seq.; Safe Drinking Water Act, 42 U.S.C. §300 et seq.; Pollution Prevention Act of 1990, 42 U.S.C. §13101 et seq.; Clean Water Act, 33 U.S.C. §1251, et seq.; Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; and the Hazardous Materials Transportation Uniform Safety Act of 1990 49 U.S.C. §5101 et seq.

“Escrow Account” shall have the meaning set forth in Section 4.3.1.

“Event of Default” shall have the meaning set forth in Section 9.1.

“Exhibit(s)” shall mean any exhibit, schedule, document or other material attached hereto, which shall be deemed to be a part of this Agreement as if set forth in full in the text hereof.

“Fair Housing Act” shall have the meaning set forth in Section 5.1.

“Final and Unappealable” an approval or other governmental action shall be final and unappealable after the expiration of all relevant appeal periods, without an appeal having been filed, or if an appeal has been filed with the appeal being resolved in favor of the City and/or Redeveloper with no further right to appeal remaining.

“Force Majeure” shall have the meaning set forth in Section 9.2.

“Foreclosure” shall have the meaning set forth in Section 13.4.

“Governmental Body” shall mean any Federal, State, County or City agency, department, commission, authority, court, or tribunal and any successor thereto, exercising executive, legislative, judicial or administrative functions of or pertaining to government.

“Holder” shall have the meaning set forth in Section 13.1.

“Holder Failure” shall have the meaning set forth in Section 13.5.

“Improvements” shall mean all modifications and additions to the Site (or as otherwise described herein) made as part of, or in connection with, the Project, and including without limitation, all buildings and structures, fixtures and equipment, infrastructure, Public Improvements, Off-Site Improvements, landscaping, plantings, and all materials, structures and equipment related thereto, as constructed, created or added by (or on behalf of) Redeveloper, and all substitutions, replacements, renovations, additions and accretions thereto.

“JCP&L” shall have the meaning set forth in Section 2.3(f).

“JCP&L Transmission Lines” shall have the meaning set forth in Section 2.3(f).

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

“LSRP” shall have the meaning set forth in Section 3.7(a).

“Master Redeveloper” shall have the meaning set forth in the Recitals.

“Master Redevelopment Agreement” shall have the mean set forth in the Recitals.

“MLUL” shall mean the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., as the same may be amended or supplemented from time to time.

“NJHMFA” shall have the meaning set forth in Section 5.1(b)(ii).

“NJHMFA Law” shall have the meaning set forth in Section 5.1(b)(iii).

“Off-Site Improvements” shall mean any Improvement or utility necessitated or required by the Planning Board for the implementation of the Project, which is not located on the Site, including those specific Improvements identified on the Concept Plans.

“Party” or **“Parties”** shall have the meaning set forth in the Recitals.

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

“Phase” shall have the meaning set forth in Section 3.1(c).

“PILOT” shall mean a payment in lieu of taxes pursuant to the Long Term Tax Exemption Law or other authority.

“Planning Board” shall mean the Planning Board of the City of South Amboy.

“Project” shall mean the development and construction to be undertaken on the Site in accordance with the provisions of this Agreement (including but not limited to the Concept Plan attached hereto as **Exhibit A**), the Redevelopment Plan and Applicable Law.

“Public Improvements” shall mean those Improvements to be constructed by the Redeveloper and dedicated to the City, or other Governmental Body or made available to the public pursuant to an easement, as applicable, all as depicted on the Concept Plan.

“Qualified Entity” shall mean (a) Redeveloper (at the time of execution of this Agreement, and thereafter so long as it remains in compliance with the terms of this Agreement), (b) any Affiliate of Redeveloper, (c) any Person of which Redeveloper and/or an Affiliate of Redeveloper is the sole beneficial owner, (d) any Person of which Redeveloper and/or an Affiliate of Redeveloper together with one or more Qualified Entity(ies) are collectively the sole beneficial owners, or (e) such other Person that SARA in its reasonable discretion determines complies with the provisions of Section 10.4.

“Redeveloper” shall have the meaning set forth in the Recitals.

“Redeveloper Covenants” shall have the meaning set forth in Section 8.1.6.

“Redeveloper Executive” shall have the meaning set forth in Section 11.1.

“Redevelopment Law” shall have the meaning set forth in the Recitals.

“Redevelopment Plan” shall have the meaning set forth in the Recitals and shall encompass any amendment of the Redevelopment Plan necessary to permit the Project as contemplated in this Agreement.

“SARA” shall have the meaning set forth in the Recitals.

“SARA/City Costs” shall have the meaning set forth in Section 4.3.

“SARA Representative” shall mean the individual designated in writing to act on behalf of SARA pursuant to Section 11.2.

“Schedule” shall mean the schedule for the Commencement and Completion of the Project, including, but not limited to the Off-Site Improvements and Public Improvements all as set forth in **Exhibit B**.

“Site” shall have the meaning set forth in the Recitals.

“Site Due Diligence Activities” shall mean the analyses and investigations elected by Redeveloper to be conducted by (or on behalf of) Redeveloper with respect to any portion of the Site. Site Due Diligence Activities may include, without limitation, environmental assessments and investigations, wetlands delineations, geotechnical

analysis, analysis of remediation and infrastructure requirements, and analysis, and traffic studies.

“**Site Purchase Agreements**” shall have the meaning set forth in the Recitals.

“**State**” shall have the meaning set forth in the Recitals.

“**Transfer**” shall mean the sale, exchange, conveyance or other disposition of any or all of the interest of Redeveloper in the Project or Redevelopment Area, whether by operation of law or otherwise.

Section 1.2 Interpretation and Construction. In this Agreement, unless the context expressly 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” shall mean after, and the term “heretofore” shall mean before the Effective Date.

(b) 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.

(c) 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. The words “consent” or “approve” or words of similar import, shall mean the prior written consent or approval of SARA or Redeveloper, as the case may be, unless expressly stated to the contrary herein.

(d) Each right of SARA or Redeveloper to review or approve any actions, plans, specifications, or other obligations hereunder shall be exercised by SARA official(s) or Redeveloper official(s) with the legal authority to conduct such review or grant such approvals. Any review contemplated by this Agreement shall be made in a timely manner. Upon request of the either Party, the applicable Person shall inform the Person requesting such information of all applicable officials having requisite approval powers to review or grant such requests for approval.

(e) All references to Recitals, Articles, Sections or Exhibits shall, unless otherwise indicated, refer to the Recitals, Articles, Sections or Exhibits in this Agreement.

(f) Words importing a particular gender mean and include correlative words of every other gender.

(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 twenty (20) Days, or as otherwise expressly provided in the Agreement, or unless context dictates otherwise.

(h) Unless otherwise indicated, any “fees and expenses” shall be required to be customary and reasonable.

(i) The use of the phrases “consult with”, “in consultation with”, “in collaboration with”, “provide an opportunity to comment”, and/or “working collaboratively” and similar phrases used anywhere in this Agreement with respect to the Parties shall, in each instance, be construed as imposing a reciprocal duty of good faith and best efforts upon each Party with respect to resolution of each and every issue, obligation and/or action that is the subject of such consultation or collaboration.

(j) The phrase “sole and absolute discretion” shall, in each instance, be construed as permitting the applicable Party the right to exercise its judgment without limitation and make a determination for no reason or any reason whatsoever.

ARTICLE II

DESIGNATION OF REDEVELOPER; TERM OF AGREEMENT

Section 2.1 Appointment of Redeveloper. (a) SARA hereby affirms and agrees that, as of the Effective Date, Redeveloper is designated and appointed as the exclusive redeveloper of the Site. In connection with such designation and appointment, Redeveloper has the exclusive right to perform any and all development and redevelopment activities on and about the Site under the framework and in accordance with the terms of this Agreement, the Redevelopment Plan and Applicable Law. SARA agrees that, while this Agreement remains in effect, it shall not negotiate or consider proposals from any other Person for the Site, except as otherwise permitted pursuant to the terms of this Agreement or at the request of Redeveloper. Default by the Master Redeveloper under the Master Redevelopment Agreement shall not prevent this Agreement from becoming effective for the Site.

(b) Subject to the occurrence of the Effective Date for the Site, this Agreement is entered into between SARA and Redeveloper as the designated redeveloper solely for the Site, and Redeveloper will, accordingly, be solely responsible for the redevelopment of the building(s) and improvements on the Site in accordance with the provisions of this Agreement. Upon the Effective Date, this Agreement shall replace and supersede the Master Redevelopment Agreement solely with respect to the Site, it being acknowledged by the parties hereto that Redeveloper will have no liability under the Master Redevelopment Agreement, and Master Redeveloper shall have no further liability under the Master Redevelopment Agreement with respect to Site.

Section 2.2 Term.

(a) Unless terminated prior thereto, the term of this Agreement shall extend until the issuance of the final Certificate of Completion for the entire Project.

(b) Upon any termination hereunder, Redeveloper shall no longer be the "redeveloper" for purposes of the Redevelopment Law with respect to the Site, and SARA shall be free to elect a new redeveloper for the Site.

Section 2.3 Conditions Precedent; Redeveloper's Right to Early Termination. This Agreement may terminate as to all or part of the Site, at the sole and absolute discretion of Redeveloper, upon the occurrence of an uncured Event of Default by SARA (subject to SARA's right to contest such termination in an appropriate forum) or if the following material conditions, which are conditions precedent to Redeveloper's obligation to perform under this Agreement with respect to each parcel included in the Site are not fulfilled so as to resolve the condition precedent on the relevant parcel:

(a) All Approvals for the Project have been: (i) obtained in the form and content reasonably satisfactory to Redeveloper, (ii) are in full force and effect, and (iii) are Final and Unappealable;

(b) All administrative proceedings required to carry out the Project, as contemplated by the Approvals, this Agreement, and any decisions by the Planning Board, shall have been completed, and all other actions, hearings, proceedings or determinations required to be taken, held and/or rendered, as the case may be, by the City, the Planning Board, SARA, the New Jersey Department of Environmental Protection and/or any other agency or authority in the form and content reasonably satisfactory to Redeveloper in order for the Project to be constructed and operated in a manner contemplated by the Approvals and this Agreement; and such determinations are Final and Unappealable;

(c) Redeveloper has acquired title to the Site;

(d) Redeveloper has obtained financing on terms reasonably acceptable to Redeveloper, consistent with the reasonable exercise of sound business judgment as would be appropriate for a similarly situated redeveloper;

(e) All Site Due Diligence Activities have been completed and the condition of the Site has been found acceptable to Redeveloper, in Redeveloper's sole and absolute discretion provided that once any portion of the Site has been acquired by Redeveloper this condition shall be satisfied as to that portion of the Site; and

(f) Redeveloper has acquired or otherwise obtained all easements, licenses and rights of way necessary for the Project on terms reasonably acceptable to the Redeveloper; provided however, that the location and procurement of all relocation easements required to relocate the Jersey Central Power & Light ("JCP&L") transmission lines running through or adjacent to the Site (the "**JCP&L Transmission Lines**") shall be completed by SARA, or SARA shall cause the City to complete same, with such replacement easements to be located on or through City-owned property; and provided, further, however, that any and all costs associated with such relocation shall be paid by Redeveloper, it being expressly understood that no payment or nominal consideration shall be payable to the City for such replacement easements through City-owned property.

(g) Redeveloper has entered into a financial agreement pursuant to the Long Term Tax Exemption Law on terms satisfactory to Redeveloper and City and has obtained additional financial support satisfactory to Redeveloper and City, including but not limited to a PILOT or ERGG programs as described in greater detail in Section 4.2 provided that nothing herein shall obligate the City to enter into a financial agreement or otherwise provide financial support.

The issuance of a building permit for any portion of the Project shall constitute proof that all of the conditions precedent set forth in Section 2.3 have been satisfied, as to the parcel of property for which the building permit has been issued, except to the extent that such conditions impose an ongoing and continuing obligation so as to resolve the condition precedent on the relevant parcel.

Upon any termination by the Redeveloper hereunder, Redeveloper shall no

longer be the designated “redeveloper” for purposes of the Redevelopment Law with respect to the Site and the Site may no longer be developed by Redeveloper unless a new redevelopment agreement is executed by a designated redeveloper and SARA.

Section 2.4 Acquisition of Site as Condition Precedent. In the event that the Site Purchase Agreements have been duly terminated in accordance with the terms thereof prior to Redeveloper’s acquisition of the Site and the Master Redeveloper sends written notice of such event to SARA, then this Agreement shall terminate.

ARTICLE III

IMPLEMENTATION OF THE PROJECT

Section 3.1 Implementation of the Project.

(a) Redeveloper agrees, at its sole cost and expense, to implement the Project consistent with the Redevelopment Plan and in accordance with this Agreement including, but not limited to, the Concept Plan and the Schedule subject to the conditions precedent set forth in Section 2.3, and the last sentence of Section 3.5. The development to be constructed as part of the Project and the related Concept Plan may be amended from time to time with SARA's approval, which may be granted in SARA's sole discretion, upon a showing from the Redeveloper that the request for amendment is driven by forces, factors, or circumstances that occur subsequent to the Effective Date and affect the development or marketability of the Project or Phase thereof, including but not limited to a general decline in market demand for the development product envisioned in the Concept Plan, technological advances rendering the Concept Plan obsolete or less than optimal for the market, and other long-term trends that may be expected to require adjustment of the Concept Plan over the build-out period. The Project shall only contain those uses permitted in the Redevelopment Plan, which may be amended from time to time. Notwithstanding the above or anything herein to the contrary, in no event shall there be: (i) any retail or commercial uses on the Site or (ii) more than 486 residential units on the Site; provided, however, that if necessary, all or a portion of the Affordable Housing Component may be constructed on the Site. Moreover, notwithstanding anything herein to the contrary, in no event shall any portion of the Project contain three (3) bedroom market-rate units, nor shall any building exceed sixty feet (60') in height measured to the middle point of the roof.

(b) All activities performed under this Agreement shall be performed in accordance with the level of skill and care ordinarily exercised by developers of first-class residential developments and the Project shall materially comply with the Design Standards.

(c) The Project may be divided, at the Redeveloper's discretion, into separate phases (each a "Phase").

Section 3.1.1 Role of Redeveloper. Pursuant to the terms of this Agreement, and any subsequent agreements, Redeveloper shall act as redeveloper of the Site and shall have the exclusive right and responsibility to (a) acquire, as applicable, assemble, and remediate the Site, (b) design, permit, construct and operate the Project, as authorized by the Redevelopment Plan and this Agreement.

Section 3.2 Rights and Obligations of Redeveloper.

Section 3.2.1 General Rights and Obligations of Redeveloper. Redeveloper shall supply all services reasonably required to undertake the Project in an efficient manner consistent with reasonable and prudent real estate practice under the prevailing

economic and real estate market conditions, as well as the reasonable policies, goals, and objectives of SARA. Such services shall include, but shall not be limited to, the following:

(a) Undertaking Site Due Diligence Activities at the Redeveloper's discretion in the manner and on the schedule that the Redeveloper determines in conjunction with SARA.

(b) Administering the day-to-day operations at the Site during the development and construction of the Project, including performing and supervising such administrative, operational and management functions as may be necessary. Redeveloper shall retain such personnel and consultants as may be reasonably required, from time to time. All persons employed on the Site shall be employees of, consultants to, or subcontractors of Redeveloper or its Affiliate, or of an entity under contract with the Redeveloper for a Phase or portion of the Project.

(c) Paying such fees and expenses of the Project as may be required pursuant to this Agreement;

(d) Bearing responsibility, as to the Site, for all matters necessary to undertake the Project and the budget therefore, including the following:

(i) Implementation of the environmental remediation of affected portions of the Site pursuant to Environmental Laws;

(ii) Preparation of the plans to develop the Site, including proposed land uses, timing of Phases, installation of infrastructure, direction and coordination of all professionals, and implementation of site plans;

(iii) Supervision and management, through on-site or off-site personnel, of all construction and engineering, including, but not limited to, site improvement construction, landscaping, purchasing, contracting and contract administration, and on-site modifications thereof in a good and workmanlike manner in accordance with all Applicable Laws;

(iv) Coordination of development plans with respect to public utilities and services;

(v) Negotiation of and acquisition of easements that Redeveloper, in its sole and absolute discretion, believes to be necessary to facilitate the undertaking of the Project; provided however, that the replacement easements required to relocate the JCP&L Transmission Lines shall be a SARA obligation, as described in Section 2.3(f) and Section 3.3.1(f) hereof; and provided, further, however, that any and all costs associated with such relocation shall be a Redeveloper obligation, it being expressly understood that no payment or nominal consideration shall be payable to the City for such replacement easements through City-owned property. Such easements may be located within or outside of the Site and may include, without limitation, easements for road access, utilities, or construction including access to

perform work in or around the areas covered by water to the extent required to perform work on the Improvements for the waterfront.

(vi) Determination of whether subdivision, lot consolidation, or creation of a condominium would further the Project and implementation of same in Redeveloper's sole and absolute discretion. The Parties acknowledge that this Agreement constitutes SARA's consent thereto and that no additional consent by SARA to consolidate, subdivide or condominiumize or apportion the Site, or any combination thereof, is required.

(vii) Submission of applications to the Planning Board for any approvals, including site plan approval, subdivision approval, or any other approval by the Planning Board necessary to undertake the Project in accordance herewith;

(viii) Coordination and submission of applications for all Approvals required to undertake the Project.

Section 3.2.2 Insurance. Upon acquiring title to the Site, Redeveloper shall take such actions as may be required to see that the relevant portion of the Site is appropriately insured, with insurers licensed to do business or authorized to issue policies in the State, against such insurable hazards and risks as is customary and appropriate in the circumstances. Such insurance shall comply with the following requirements, including, without limitation, the following kinds and minimum amounts of insurance, with such variations as may reasonably be required to conform to customary insurance practice:

(a) Builder's risk property Insurance (completed value, non-reporting form) during the term of construction of any Improvements that will protect against loss or damage on an "all-risk" or "special form" policy form (including vandalism and malicious mischief). The limits of liability shall be equal to one hundred (100%) percent of the insurable value of the Improvement being constructed, including labor and materials connected therewith, whether in or adjacent to any structure insured, and materials in place or to be used as part of the permanent construction; and

(b) Upon commencement of remediation or construction related to the any portion of the Project and until such construction has been Completed, Redeveloper shall obtain commercial general liability and property damage insurance with combined single limits of not less than Five Million Dollars (\$5,000,000.00) per occurrence with respect to bodily/personal injury and property damage and shall include special-form contractual coverage and indemnification and hold harmless provisions; and

(c) Worker's Compensation Insurance in accordance with all requirements of law.

(d) Redeveloper shall provide proof of all required insurance coverage within thirty (30) Days of the necessity therefor, and with respect to 3.2.2(a), prior to Commencement of Construction of any Improvements. All liability policies shall name Redeveloper, SARA, and the City as additional insureds, as their interests may appear.

Builder's risk policies shall provide coverage for Redeveloper, SARA, the City and all contractors and subcontractors, as their interests may appear.

Section 3.2.3 SARA Oversight. Redeveloper shall attend and participate in quarterly progress meetings with representatives of SARA to report on the status of the Project. Such presentation and information shall not include financial statements related to the Redeveloper or any of its Affiliates. SARA shall have the right to enter the Site, upon reasonable notice to Redeveloper if Redeveloper owns same, to inspect the Site and any and all work in progress, subject to SARA's acknowledgment that the Site will be an active construction site, and Redeveloper shall not be liable or responsible to SARA, its 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 Site pursuant to the foregoing sentence will comply with all applicable reasonable health and safety rules established by the Redeveloper and/or general contractors for personnel present on the Site.

Section 3.2.4 Compliance with Laws. Redeveloper shall implement the Concept Plan in conformity with all Applicable Laws and any other requirements made applicable solely by reason of the source or manner of financing all of a portion of the Project.

Section 3.2.5 Compliance with Redevelopment Plan and Applicable Law. Redeveloper shall take all necessary steps so that the development of the Site shall be in accordance with the provisions of this Agreement, the Redevelopment Plan, as they may be amended at Redeveloper's request, and Applicable Law.

Section 3.2.6 First Source Employment. Redeveloper covenants it shall make good faith efforts to employ, and shall provide in its contracts with its contractors and subcontractors that they must make good faith efforts to employ qualified residents of the City in the construction of the Project. In addition, consistent with market wages and to the greatest extent feasible, the Redeveloper shall make good faith efforts that qualified residents of the City are employed in the operation of the Project. The Redeveloper shall cooperate with SARA: (i) in developing a plan to coordinate training programs and employment recruitment efforts for qualified City residents, (ii) to recruit qualified City residents for all employment opportunities in connection with the Project, and (iii) to cause its contractors and subcontractors, when first engaged for the Project to provide an initial hire report concerning its training, recruitment and employment efforts. Inclusion of this requirement in Redeveloper's contract and subcontract agreements shall fully satisfy this obligation of the Redeveloper under this Section 3.2.6.

Section 3.2.7 Compliance with this Agreement. Redeveloper shall ensure that all consultants, professionals, employees, agents, or contractors engaged by Redeveloper, or by Redeveloper's subcontractors, shall have the skill and judgment necessary to implement the Project in compliance with the terms and conditions of this Agreement.

Section 3.3 Obligations and Duties of SARA.

Section 3.3.1 Cooperation. SARA shall cooperate with Redeveloper so as to enable Redeveloper to carry out its obligations and responsibilities under this Agreement. Such cooperation shall include, but shall not be limited to, the following:

(a) Providing all plans and documentation currently and previously affecting the Site and within the control of SARA, including, but not limited to: (i) the Redevelopment Plan and all amendments thereto; (ii) documents related to the designation of the Site; (iii) documents previously provided to SARA during prior attempts to develop the Site; (iv) documents relating to any prior or ongoing litigation involving the Site, including without limitation pleadings and orders; (v) environmental reports concerning the Site (vi) title searches; and (vii) any other relevant documents. SARA shall have a continuing obligation to provide, upon request, such materials and disclose all relevant information.

(b) Expedient review of all plans and materials and consent to any applications for Approvals, if required. If SARA's consent is required for the submission of any plans or materials to the Planning Board or any other Governmental Body, SARA shall review the plans and materials and use its best efforts to approve or provide reasonable explanations for denial of approval as quickly as possible, but no later than thirty (30) Days from the date of receipt of the submission materials. SARA shall have thirty (30) Days to review and comment on any resubmitted submission plans or materials, but shall use its best efforts to review and comment in less than thirty (30) Days. In any event, SARA's failure to approve or deny consent for any Redeveloper submittal within thirty (30) Days of Redeveloper's initial submittal shall constitute approval of such submission plans and materials.

(c) Assistance in filing for, or at Redeveloper's election, applying on behalf of SARA for tax incentives, tax credits, grants, and other financial programs offered by any Governmental Body, with the proceeds being contributed to Developer further the Project.

(d) Assistance in seeking financial assistance (consisting of grants and other public funds) for the Project, including financial assistance for remediation of the Site. Such funding shall be applied for by SARA as soon as possible after written notification from Redeveloper. SARA shall, to the extent permitted by law, allow Redeveloper to perform and proceed with remediation as funding is secured and received.

(e) Serving, at Redeveloper's request and at SARA's sole discretion, as the co-applicant for any applications for Approvals.

(f) Acquire, at Redeveloper's expense, all relocation easements on City-owned property for the JCP&L Transmission Lines (it being expressly understood that no payment or nominal consideration shall be payable to the City for such replacement easements through City-owned property).

(g) Diligent defense, at Redeveloper's expense and request, but SARA's sole

discretion, of any legal challenge or appeal related to the Project. If SARA determines, in its sole judgment, that a motion for intervention on behalf of Redeveloper is legally sound, SARA shall support such a motion and must provide prompt updates to Redeveloper as to the status of the litigation. Redeveloper agrees to promptly reimburse SARA for any expenses it incurs arising out of this Section 3.3.1(g).

(h) The exercise of such other actions pursuant to the Applicable Law as may be necessary or convenient to carry out the purpose and intent of this Agreement, and in response to other reasonable Redeveloper requests.

Section 3.4 Schedule. Redeveloper shall adhere to all deadlines in the Schedule subject only to relief resulting from the occurrence of an event of Force Majeure, an Event of Default by SARA and such other relief as may be provided for in Article IX. In addition, Redeveloper's obligation to adhere to deadlines for the development and construction of Public Improvements is limited to the availability of public funding, as set forth in Section 3.5. If Redeveloper fails to meet any deadline or determines that it will fail to meet any deadline, Redeveloper shall promptly provide written notice to SARA stating (a) the reason for the failure to complete the applicable task in accordance with the Schedule, (b) Redeveloper's proposed method for correcting such failure, (c) Redeveloper's schedule for completing such task, (d) the method or methods by which Redeveloper proposes to achieve subsequent tasks by the relevant deadlines, and (e) a revised Schedule. Following receipt of such written notice, SARA may approve such revised Schedule, such approval not to be unreasonably withheld.

Section 3.5 Infrastructure, Public Improvements and Off-Site Improvements. Redeveloper shall design and construct the infrastructure, Public Improvements and Off-Site Improvements required herein, by the Planning Board or by any other Governmental Body as a condition to any Approval in a good and workmanlike manner and in accordance with all Applicable Law. Redeveloper acknowledges that the infrastructure Improvements may include, but are not limited to, roads, electric power transmission lines, sewer transmission conduits or pipes, pumping station, water lines or pipes, storm sewers, telephone transmission lines, television cable lines and other utilities. Except for the replacement easements for the JCP&L Transmission Lines, which shall be a SARA obligation to acquire (at Redeveloper's expense, provided that no payment or nominal consideration shall be payable to the City for such replacement easements through City-owned property), as further described in Section 2.3(f) and Section 3.3.1(f) hereof, Redeveloper agrees that it is its sole responsibility to undertake and pay for the appropriate measures to negotiate with, acquire, relocate or otherwise address the existence of these utilities and Improvements and easements therefor, in order to Complete the Project as provided by this Agreement. Nothing contained herein shall be construed as a waiver by Redeveloper of any rights which it may have under Applicable Law to request and obtain from the applicable utility authorities (other than the City) fair share contributions and/or credits as a result of Redeveloper bearing the cost of such infrastructure Improvements. Redeveloper shall retain ownership of the Public Improvements comprised of roads and sidewalks internal to the Site; provided, however, that Redeveloper shall grant an

easement over such Public Improvements for the benefit of the general public Redeveloper shall maintain same and keep the same free of all snow and other debris so as to give access to fire and other emergency and police vehicles with respect to those Public Improvements to be dedicated to the City, and Redeveloper shall maintain same until such dedication occurs. Any lands to be dedicated shall be deeded to the City by Redeveloper free and clear of all liens, easements, and deed restrictions. The City and Redeveloper shall enter into an agreement in connection with any dedication of such Public Improvements or land; which agreement shall address the responsibilities for the maintenance of such Public Improvements or land following such dedication.

Section 3.5.1 Intentionally Omitted.

Section 3.5.2. Enhancement of City Business District. The Redeveloper agrees not to permit any commercial or retail uses on the Site (other than Accessory Commercial Uses). The Redeveloper and the City shall develop a plan for the integration (connection) of the Project with/to the Broadway business district. Such plan shall address among other things, infrastructure improvements to enhance safe pedestrian access to/from the Project and Broadway, marketing of Broadway businesses to the residents of the Project and Improvements to Broadway to enhance and improve such business district.

Section 3.5.3 Intentionally Omitted.

Section 3.5.4 Ferry Terminal. The Parties acknowledge that the success of the Project will be significantly enhanced by the construction of a ferry terminal as set forth on the Concept Plans. The Parties shall work cooperatively to develop such a ferry terminal, provided however, that Redeveloper shall only be obligated to provide access for the City to sewer and water mains as mutually agreed to by the Parties no later than thirty (30) days after the Contract Date.

Section 3.5.5 Intentionally Omitted.

Section 3.5.6 Intentionally Omitted.

Section 3.5.7 Intentionally Omitted.

Section 3.5.8 Intentionally Omitted.

Section 3.6 Traffic and Traffic Improvements. Redeveloper shall comply with the conditions of all Approvals with regard to traffic both during construction and thereafter, provided that Redeveloper retains the right to contest or appeal such conditions in an appropriate forum. Without limiting the foregoing, Redeveloper agrees to work closely with the City and to comply with all City ordinances to mitigate the impact of construction vehicles, traffic around the Site during construction and related concerns, and to use commercially reasonable efforts to minimize the traffic effects of the Project upon the surrounding neighborhood.

Section 3.7 Environmental.

(a) Redeveloper shall retain a Licensed Site Remediation Professional ("LSRP") to prepare a remedial action work plan for the Site. Redeveloper shall provide SARA with a draft of the remedial action work plan and allow SARA thirty (30) Business Days for the opportunity to review and provide its comment on the draft remedial action work plan prior to finalization. The Parties acknowledge that the LSRP retains sole discretion on accepting comments and finalizing the remedial action work plan.

(b) Redeveloper shall be responsible to ensure that the Site is in compliance with Environmental Laws.

Section 3.8 Inspection Fees. Redeveloper shall pay all inspection fee deposits in accordance with the MLUL and Applicable Law.

Section 3.9 Work Site Safety. Redeveloper shall take all reasonable precautions for the safety of all persons on the work site to prevent accidents or injuries.

Section 3.10 Neighborhood Impacts. Redeveloper acknowledges that the construction of the Project may have certain impacts on the neighborhoods in the vicinity of the Project. Although it is anticipated that the Project will provide many positive effects on the community, it is also recognized that it may result in some temporary inconveniences during the time that construction takes place and for a short time thereafter. Therefore, Redeveloper shall take reasonable steps in order to minimize any material negative effects that the construction of the Project may produce. As a result, SARA and Redeveloper agree herein to address the reasonable concerns of the surrounding neighborhoods in order to assure the citizens of the City that reside in those neighborhoods that the Project will be undertaken with minimum inconvenience as is practicable.

Section 3.11 Construction Traffic, Illumination, Noise and Pollution. Redeveloper shall take reasonable steps to minimize the construction traffic and the passage of excessive or unwarranted illumination, noise or pollution into the surrounding community. Redeveloper shall take reasonable measures to ensure that the Improvements on the perimeter of the Site shall not be damaged or materially disturbed. Redeveloper commits to follow all applicable construction laws, regulations and standards in the industry to address these concerns and furthermore commits to having a program in place, prior to the Commencement of Construction, to reasonably address such concerns.

Section 3.12 Parking During Construction. Redeveloper acknowledges that sufficient on-site parking may not be available for construction workers during construction of the Project and agrees that Redeveloper and its subcontractors will be responsible, at their own cost, for making arrangements for off-site parking to the extent required. Notwithstanding the foregoing, SARA shall cooperate with Redeveloper in its efforts to provide parking for construction workers during construction of the Project including, if available, off Site.

Section 3.13 Rodent, Insect and Animal Control. Redeveloper shall take reasonable steps to minimize and control the migration of rodents, insects, or other animals from the portion of the Site during the construction of the Project. Redeveloper shall undertake to provide controls in accordance with all Applicable Law and other construction standards such that the issue of rodent, insect and animal control is reasonably addressed. Redeveloper shall coordinate this effort with the City's Department of Health.

Section 3.14 Project Employment. In constructing the Project, Redeveloper agrees to make best efforts to maintain an "open shop" by accepting bids from all types of qualified subcontractors for all aspects of work.

Section 3.15 Certificates of Completion.

(a) The Completion of the Project, or any part or Phase thereof, shall be evidenced, at Redeveloper's request, by a Certificate of Completion in recordable form, issued by SARA. The Certificate of Completion for the Project or Phase shall state that SARA accepts the terms of a written certification of a duly authorized officer of Redeveloper stating that (a) the Project or applicable Phase has been Completed and all labor, services, materials and supplies used in connection therewith have been paid for (or, if disputed, bonded for), and (b) Redeveloper has materially performed all of its applicable duties and obligations under this Agreement with respect to the Project or Phase to which the Certificate of Completion pertains.

(b) The Certificate of Completion shall constitute a conclusive determination of the satisfaction and termination of the agreements and covenants in this Agreement and in the Redevelopment Plan with respect to Redeveloper's obligation to construct the Project or applicable Phase. Upon issuance of the Certificate of Completion, the conditions determined to exist at the time the Site, or applicable portion thereof, was determined to be an area in need of redevelopment shall be deemed to no longer exist and the land and improvements within the Site, or applicable portion thereof, shall no longer be subject to eminent domain as a result of those determinations.

(c) If SARA determines that Redeveloper is not entitled to a requested Certificate of Completion, SARA shall, within twenty (20) Business Days of receiving Redeveloper's request for the Certificate, provide Redeveloper with a written statement of the reasons SARA refused or failed to furnish a Certificate of Completion. Upon resolution of the open issues to the reasonable satisfaction of SARA, Redeveloper shall be entitled to receive the Certificate of Completion.

ARTICLE IV

REDEVELOPER OBLIGATION TO PAY SARA/CITY FEES AND COSTS

Section 4.1 Payments to SARA: One-Time Payment to City. (a) Redeveloper shall pay to SARA a monthly fee in the amount of Two Thousand Five Hundred Dollars (\$2,500) per month, commencing on the first day of the first month following the Contract Date and ending with the monthly payment made on the first day of the month that the final certificate of occupancy for the Project is issued.

(b) In addition, Redeveloper shall pay to SARA one-time fees of (A) Five Thousand Dollars (\$5,000) for each for-sale market-rate residential unit at the time of the issuance of a Certificate of Occupancy for each such unit, and (B) Two Thousand Five Hundred Dollars (\$2,500) for each rental market-rate residential unit at the time of the issuance of a Certificate of Occupancy for each such unit. In the event Redeveloper converts any rental units to for-sale, Redeveloper shall pay to SARA, at the time of sale of such units, Two Thousand Five Hundred Dollars (\$2,500) (representing the difference between the Five Thousand Dollars (\$5,000) per unit fee for for-sale units and the Two Thousand Five Hundred Dollars (\$2,500) per unit fee for rental units).

(c) Redeveloper shall make a one-time payment to the City in the amount of Seventy-Five Thousand Dollars (\$75,000) upon the issuance of the building permit for "Phase 1" of the Project, as described on **Exhibit A** hereto, to be utilized by the City in its sole discretion.

Section 4.2 PILOTS. Notwithstanding Redeveloper's substantial private investment and effort as set forth in this Agreement, the Site may not be developable pursuant hereto by the instrumentality of private capital alone, and, therefore, a PILOT and/or other funding support may be necessary in order to influence the locational decisions of the probable occupants of the Project. Redeveloper may apply to the City and/or such other Governmental Bodies as applicable for financial assistance via Long Term Tax Exemptions or the Economic Redevelopment and Growth Grants ("**ERGGs**"), as codified by the Long Term Tax Exemption Law, the New Jersey Economic Recovery Act of 2020 (signed into law on January 7, 2021) ("**ERGG Law**"), and any other Applicable Law, or via similar mechanisms under Applicable Law. If appropriate and necessary, SARA shall work with Redeveloper to support its requests for PILOTS if SARA determines, in its sole and absolute discretion, that such requests are reasonable and necessary. Nothing herein shall obligate SARA to assist Redeveloper in requesting or acquiring any financial assistance from the City.

Section 4.3 Payment of SARA/City Fees and Expenses. Generally, the feasibility of development of real property is innately speculative in nature, thus giving rise to both economic risk and the potential for reward. SARA and the City have deemed it advisable for themselves and the community to avoid economic risk by transferring same to Redeveloper. As an incentive to SARA to enter into this Agreement, Redeveloper hereby acknowledges and agrees that neither SARA nor the City shall be obligated to incur any fees and expenses in connection with the

implementation of this Agreement, other than that there shall be no obligation to reimburse SARA or the City directly for costs incurred for either entity's in house employees, which costs are intended to be reimbursed through the payment of the SARA Fees provided for pursuant to Section 4.1. Redeveloper agrees that it shall make timely payment or reimbursement to SARA and/or the City for all reasonable fees and expenses incurred for outside professionals engaged by SARA and/or the City in connection with the Project and this Agreement including costs of the Planning Board Planner to review the Redevelopment Plan ("**SARA/City Costs**"). Such reasonable fees and expenses shall include, but are not limited to, engineer, planner, financial advisor, consultant, and attorney fees and expenses. Neither SARA nor the City shall be required to expend any of its own funds for any purpose or to meet any obligation under this Agreement.

Section 4.3.1 Escrow for SARA/City Costs. The Redeveloper agrees that it will establish a non-interest bearing escrow account (the "**Escrow Account**"), having an initial balance of Thirty-Five Thousand dollars (\$35,000) for the SARA/City Costs. Funds in the Escrow Account shall be held in escrow and drawn down by SARA, on behalf of itself or the City, to be applied to the payment or reimbursement of the SARA/City Costs as provided in this Agreement. SARA shall provide a monthly statement of account with regard to the Escrow Account with copies of applicable invoices. Within ten (10) Days of notice that the balance in the Escrow Account has been diminished to Ten Thousand Dollars (\$10,000), Redeveloper shall immediately provide to SARA for deposit such additional funds as are necessary to increase the balance in the Escrow Account to Thirty-Five Thousand Dollars (\$35,000). Any remaining balance in the Escrow Account shall be returned to Redeveloper after the Completion of the Project. All billings shall be submitted to Redeveloper, for approval, prior to payment. Redeveloper shall have ten (10) Days to object to any invoice. Invoices shall be deemed approved ten (10) Days after receipt of the same by Redeveloper unless Redeveloper objects. If Redeveloper objects to any invoice, payment from the Escrow Account shall be stayed until the dispute is resolved. As of the Completion Date, as evidenced by the issuance of the Certificate of Completion, or upon termination of this Redevelopment Agreement, except in the event of a termination caused by an Event of Default by the Redeveloper, any money remaining in the Escrow Account shall be disbursed to the Redeveloper within sixty (60) days after issuance of the Certificate of Completion or the termination of this Redevelopment Agreement and the terms of this Section 4.3.1 shall survive the issuance of the Certificate of Completion or termination of this Redevelopment Agreement for such sixty (60) day period.

ARTICLE V

AFFORDABLE HOUSING

Section 5.1 Affordable Housing Requirement. The Redeveloper agrees to cooperate with the City in endeavoring to meet the affordable housing requirement that will be generated by the Project in accordance with the Fair Housing Act, N.J.S.A. 52:27D-301 to 329, as amended and supplemented (the "**Fair Housing Act**") and the prevailing regulations promulgated thereunder as follows (the "**Affordable Housing Requirement**") by undertaking to accomplish the tasks and objectives in this Article V, subject to and in accordance with the conditions contained herein.

(a) Separate and apart from the Project, the Redeveloper shall entitle, finance, and construct forty-eight (48) additional residential units that shall be restricted to low and moderate income households, as such terms are defined and used in the Fair Housing Act (the "**COAH Units**", and such 48-unit project, the "**Affordable Housing Component**"), subject to the conditions described in Section 5.1(b) hereinbelow.

(b) The Redeveloper's obligations to undertake the Affordable Housing Component shall be subject to the following conditions precedent:

(i) The City (or the South Amboy Housing Authority) shall have transferred good and marketable fee title, free from liens and encumbrances, to an appropriate site acceptable to the Redeveloper (the "**Affordable Housing Site**") for nominal consideration. In the event the City or the South Amboy Housing Authority cannot transfer an acceptable parcel to the Redeveloper for the construction of the Affordable Housing Component, the Redeveloper shall be required to identify and acquire, at its expense, a parcel that can support the Affordable Housing Component, and such parcel shall constitute the Affordable Housing Site.

(ii) The Redeveloper shall have secured financing upon commercially reasonable terms, including without limitation, an allocation of 4% tax credits from the New Jersey Housing and Mortgage Finance Agency ("**NJHMFA**") for the Affordable Housing Component.

(iii) The City shall have finally adopted legislation granting a tax abatement for the Affordable Housing Component, pursuant to N.J.S.A. 55:14K-1 et seq. (the "**NJHMFA Law**"), upon such terms as Redeveloper determines to be reasonably necessary to undertake the Affordable Housing Component on commercially reasonable terms.

(iv) The Redeveloper shall have obtained all other governmental approvals in connection with the Affordable Housing Component.

(c) To the extent required by applicable law, Redeveloper shall provide that all workers on the Affordable Housing Component shall be paid in accordance the New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.25, et seq.

(d) Notwithstanding anything herein to the contrary, if the Redeveloper has not acquired title to the separate property on which it will construct the Affordable Housing Component prior to the issuance of the final Certificate of Occupancy for Phase 2 of the Project, Redeveloper shall incorporate 100% of the Affordable Housing Component into Phase 3 of the Project. In any event, it shall construct the Affordable Housing Component in accordance with the Project Schedule.

(e) The Redeveloper shall have no further affordable housing obligations except as set forth above in this Redevelopment Agreement.

ARTICLE VI
INTENTIONALLY OMITTED

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

Section 7.1 Redeveloper's Representations and Warranties. Redeveloper hereby represents and warrants the following to SARA for the purpose of inducing SARA to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the Effective Date:

Section 7.1.1 Organization. Redeveloper is a limited liability company, duly formed, validly existing and in good standing under the laws of the State and has all requisite power and authority to carry on its business as now and whenever conducted, and to enter into and perform its obligations under this Agreement.

Section 7.1.2 Authority. Redeveloper has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which Redeveloper is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

Section 7.1.3 Authorization; No Violation. The execution, delivery and performance by Redeveloper of this Agreement have been duly authorized by all necessary action and will not violate the certificate of formation, operating agreement or any other formation or operating document of Redeveloper or result in the breach of or constitute a default under any loan or credit agreement, or other material agreement to which Redeveloper is a party or by which Redeveloper may be bound or affected.

Section 7.1.4 Enforceability. This Agreement is duly executed by Redeveloper, and is valid and legally binding upon Redeveloper and enforceable in accordance with its terms. The execution and delivery hereof shall not constitute a default under or violate the terms of any indenture, agreement or other instrument to which Redeveloper is a party.

Section 7.1.5 Ownership Structure. The ownership and management structure of Redeveloper is set forth in **Exhibit C** and is true as of the Effective Date. Redeveloper shall, upon any change in the ownership and management structure set forth in **Exhibit C**, furnish SARA with notice of such change. Such notice will amend **Exhibit C** accordingly and any provision of this Agreement relating to such **Exhibit C** shall apply to **Exhibit C** as amended.

Section 7.1.6 No Conflicts. This Agreement is not prohibited by and does not conflict with any other agreements, instruments, judgments or decrees to which Redeveloper is a party or is otherwise subject.

Section 7.1.7 Appointment of Receiver. 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.

Section 7.1.8 Adjudication of Bankruptcy. 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.

Section 7.1.9 No Litigation. There is no action, proceeding or investigation now pending, nor any basis therefore, known or believed to exist which (a) 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 (b) is likely to result in a material adverse change in Redeveloper's property, assets, liabilities or condition which will materially and substantially impair its ability to perform its obligations pursuant to the terms of this Agreement.

Section 7.1.10 Accuracy of Submissions. To the best of Redeveloper's knowledge, information and statements included in any information submitted by Redeveloper to SARA and its agents, including but not limited to McManimon, Scotland & Baumann, LLC, are true and correct in all material respects. Redeveloper acknowledges that the facts and representations contained in the information submitted by Redeveloper are a material factor in the decision of SARA to enter into this Agreement.

Section 7.1.11 No Violation of Laws. Redeveloper has received no notice as of the Effective Date asserting any noncompliance in any material respect by Redeveloper with applicable statutes, rules and regulations of the United States, the State or of any agency having jurisdiction over and 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, or other Governmental Body which is in any respect material to the transactions contemplated hereby.

Section 7.1.12 Absence of Criminal Background. Neither Redeveloper, nor any owner of Redeveloper (a) has been convicted in a criminal proceeding or is a named subject in a pending criminal proceeding (excluding traffic violations or other minor offenses), or (b) to the best of Redeveloper's knowledge and belief is a target of a criminal investigation.

Section 7.1.13 Certificate of Formation; Certificate of Good Standing. Redeveloper's certificate of formation and certificate of good standing, duly certified by the Secretary of State of the state of Redeveloper's formation, are in full force and effect.

Section 7.2 SARA Representations and Warranties. SARA hereby represents and warrants the following to Redeveloper for the purpose of inducing

Redeveloper to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the Effective Date:

Section 7.2.1 Organization. SARA is a public body corporate and politic and a political subdivision of the State. SARA has all requisite power and authority to enter into this Agreement.

Section 7.2.2 Authority. SARA has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which SARA is a party, to consummate the transactions contemplated hereby, and to perform its obligations hereunder.

Section 7.2.3 No Conflict. This Agreement is not prohibited by and does not conflict with any other agreements, instruments, judgments or decrees to which SARA is a party or is otherwise subject.

Section 7.2.4 Enforceability. This Agreement is duly executed by SARA and is valid and legally binding upon SARA and enforceable in accordance with its terms on the basis of Applicable Law presently in effect and the execution and delivery thereof 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 SARA is a party.

Section 7.2.5 Valid and Binding Obligations. The Person executing this Agreement on behalf of SARA has been duly authorized and empowered and this Agreement has been duly executed and delivered by SARA and constitutes the valid and binding obligation of SARA except to the extent that the enforcement thereof may be limited by the Creditors' Rights Limitations.

Section 7.2.6 Litigation. No suit is pending against or affects SARA which could have a material adverse effect upon SARA's performance under this Agreement or the financial condition or business of SARA. There are no outstanding judgments against SARA that would have a material adverse effect upon SARA or which would materially impair or limit the ability of SARA to enter into or carry out the transactions contemplated by this Agreement.

Section 7.2.7 No Violation of Laws. SARA has received no notice as of the date of this Agreement asserting any noncompliance in any material respect by SARA with applicable statutes, rules and regulations of the United States of America, the State or any agency having jurisdiction over and with respect to the transactions contemplated in and by this Agreement which would have a material adverse effect on SARA's ability to perform its obligations in connection with this Agreement. SARA is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other Governmental Body which is in any respect material to the transactions contemplated hereby.

Section 7.2.8 Cooperation. SARA shall act with diligence and in a cooperative manner to assist in the redevelopment of the Site.

ARTICLE VIII

REDEVELOPER AND SARA COVENANTS; DECLARATION OF COVENANTS AND RESTRICTIONS

Section 8.1 Redeveloper Covenants. Redeveloper covenants and agrees that:

Section 8.1.1 Compliance with Uses in Redevelopment Plan. Pursuant to N.J.S.A. 40A:12A-9, Redeveloper shall construct only the uses established in the Redevelopment Plan.

Section 8.1.2 Commencement. Pursuant to N.J.S.A. 40A:12A-9, Redeveloper shall Commence and Complete the Project in accordance with the terms of this Agreement.

Section 8.1.3 Conditions Deemed to No Longer Exist. Pursuant to N.J.S.A. 40A:12A-9, upon completion of the Project, or any part thereof for which a Certificate of Completion is issued, the conditions determined to have existed at the time the relevant portion of the Site was determined to be in need of redevelopment shall be deemed to no longer exist.

Section 8.1.4 Prohibition Against Transfer. Pursuant to N.J.S.A. 40A:12A-9, except as permitted under Article 10 of this Agreement, until such time as a Certificate of Completion is issued for a particular Phase, at which time any prohibitions against Transfer shall no longer apply, Redeveloper shall not sell, lease or otherwise Transfer the Site, the Project, any Phase, or any part thereof, without the consent of SARA.

Section 8.1.5 Non-Discrimination. Redeveloper shall not discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or sex in the sale, lease, sublease, Transfer, use, occupancy, tenure or enjoyment of the portion of the Site it Controls nor shall Redeveloper itself, or any Affiliate claiming under or through Redeveloper, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sublessees, or vendees in the portion of the Site it Controls.

Section 8.1.6 Redeveloper Covenants. The covenants and undertakings set forth in Section 8.1.1 through Section 8.1.5, as well as the Transfer provisions of Article 10, shall be referred to herein as the "Redeveloper Covenants."

Section 8.2 Declaration of Covenants and Restrictions. Redeveloper agrees to record a Declaration of Covenants and Restrictions in substantially the same form as that attached hereto as **Exhibit D** (the "**Declaration**"), with respect to all lands included in the portion of the Site it Controls, and which is subject to this Redevelopment Agreement as and when it establishes such Control, imposing upon

said lands, the Redeveloper Covenants.

Section 8.3 Effect and Duration of Redeveloper Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the Redeveloper Covenants shall be covenants running 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 this Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, SARA, its successors and assigns and any successor in interest to the Site, or any part thereof, against Redeveloper, its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Site or any part thereof. Notwithstanding the foregoing, it is further intended and agreed that the Redeveloper Covenants shall terminate upon Completion of the Project. After Completion of the Project, the Site and the Project shall cease to be governed by the terms of this Agreement and the Redeveloper Covenants, and a Certificate of Completion shall be issued by SARA and recorded on the records maintained by the Recorder of Deeds in the Office of the Middlesex County Clerk. The Redeveloper Covenants shall be binding on Redeveloper itself, each owner and successor in interest to the Site, or any part thereof, and each party in possession or occupancy, respectively, only for such period as Redeveloper or such successor or party shall have title to, or an interest in, or possession or occupancy of the Site, the buildings and structures thereon or any part thereof.

Section 8.4 SARA's Covenants. SARA covenants and agrees that it shall act with diligence and cooperate with the Redeveloper in facilitating the Project, including but not limited to the cooperation required by Section 3.3.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default. Any one or more of the following events shall constitute an “**Event of Default**” hereunder, after expiration of any applicable cure period as set forth below, unless such event results from the occurrence of a Force Majeure event:

Section 9.1.1 Redeveloper’s Non-Performance. Provided that the conditions precedent to the obligation to perform set forth in Section 2.3 above have been satisfied or waived by Redeveloper, failure of: (a) Redeveloper to make substantial progress on all or a portion of its obligations with respect to development or construction of the Project, as the case may be and except as permitted in this Agreement, for any period of two (2) consecutive years and continuance of such failure for a period of ninety (90) Days after Redeveloper’s receipt of written notice from SARA or the City, as applicable, specifying the nature of the default and requesting that the default be remedied; (b) Failure of Redeveloper to make any payment required by this Agreement within thirty (30) Days after written notice from SARA or the City, as applicable, that same is past due; or (c) Failure of the Redeveloper to abide by the covenants in Sections 8.1.1 through 8.1.6. If the failure is with respect to a Phase of the Project, the Redeveloper shall not be in default with respect to any other Phases of the Project; provided, however, if the breach of any such obligation is one which cannot be completely remedied within the ninety (90) Days after such written notice has been received, Redeveloper shall have such additional time as is reasonably necessary for Redeveloper to finalize such cure and it shall not be an Event of Default as long as the Redeveloper is proceeding with reasonable diligence to remedy the same as soon as practicable.

Section 9.1.2. SARA’s Non-Performance. A material and substantial failure of SARA to observe and perform any covenant, condition or agreement in this Agreement and continuance of such failure for a period of ninety (90) Days, after receipt of written notice from the Redeveloper specifying the nature of such failure and requesting that such failure be remedied; provided, however, if the breach of any such covenant, condition or agreement is one which cannot be completely remedied within the ninety (90) Days after such written notice has been received, SARA shall have such additional time as is reasonably necessary for SARA to finalize such cure and it shall not be an Event of Default as long as SARA is proceeding with reasonable diligence to remedy the same as soon as practicable.

Section 9.2 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 acts, events or conditions or any combination thereof described in Sections 9.2.1, 9.2.2, 9.2.3, 9.2.4, 9.2.5, 9.2.6 and 9.2.7 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 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 Agreement (“**Force Majeure**”):

Section 9.2.1 Force Majeure Events. An act or acts of God, acts of the public enemy, acts or omissions of other parties (including litigation by third parties), flood, fire, epidemics or pandemics causing quarantine restrictions, embargoes, earthquake, explosion, the elements, unusually severe weather, or other casualty, war, terrorism, blockade, security problems, insurrections, riots, mob violence or civil disturbance, acts of the Federal government, acts of other parties, inability to procure or a general shortage of labor, equipment or facilities, energy, freight, materials or supplies in the open market, failure of transportation, strikes, walkouts, boycotts, picketing, slow-downs, work stoppages or other labor actions, or delays of subcontractors due to any of the foregoing such causes, and actions or inactions by any Federal, State or Governmental Body with respect to Approvals or the development of the Project, affecting the rights or obligations of Redeveloper or SARA hereunder, court orders, laws, rules, regulations or orders of Governmental Bodies, or any other similar cause not within the control of Redeveloper. Notwithstanding anything to the contrary herein, a delay caused by, arising from, or related to COVID-19 is not a Force Majeure Event.

Section 9.2.2 Government Action. The order, judgment, action or inaction and/or determination of any Governmental Body (other than SARA when acting in conformance with this Agreement) with jurisdiction over SARA or the Site, excepting decisions interpreting Federal, State and local tax laws generally applicable to all business taxpayers, adversely affecting the construction of any portion of the Project or Redeveloper's performance under this Agreement; provided, however, that such order, judgment, action and/or determination shall not be the result of the willful, intentional or negligent action or inaction of the Party to this Agreement relying thereon and that neither the contesting of any such order, judgment, 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;

Section 9.2.3 Change in Law. The enactment, adoption, promulgation, modification, reinterpretation, or repeal or with respect to any Applicable Law adopted, enacted or amended or repealed subsequent to the Contract Date, which change materially adversely affects the Redeveloper's ability to build the Project; provided, however, that the Redeveloper shall diligently contest and/or take appropriate action to appeal the change within ninety (90) days following the date on which the Redeveloper becomes aware of it.

Section 9.2.4 Contamination. The presence of unforeseen contamination or pollution, or the discharge of Hazardous Materials on the Site, except to the extent caused by the actions or inactions of Redeveloper outside of the course of normal remediation activities.

Section 9.2.5 Economic Downturn. Prolonged economic downturn or recession that make the Project economically or financially unfeasible, result in a interrupted cessation of construction activities of at least six (6) months or lead to a

failure of performance by a construction or permanent lender, including but not limited to a downturn or recession evidenced by a legislative or executive finding or recognition by a Governmental Body that there exists a drying up of liquidity, rising/falling prices, such as due to inflation/deflation or other financial crises.

Section 9.2.6 Failure of Approval. The suspension, termination, interruption, denial, failure of, or delay in renewal or issuance of any Approval; provided, however, that such suspension, termination, interruption, denial, 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, failure of, or delay in 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. Delay in issuance of an Approval resulting from Redeveloper's failure to make an administratively complete submission for an Approval shall not be an event of Force Majeure;

Section 9.2.7 Lawsuits. Lawsuits or other legal actions taken by any Person challenging the transactions contemplated by this Agreement, or any other regulatory or administrative delay, except that any lawsuit or other legal action initiated by Redeveloper, an Affiliate of Redeveloper and any Person with an equity interest therein shall not be an event of Force Majeure.

Section 9.3 Procedure. The Parties acknowledge that the acts, events or conditions set forth in Section 9.2.1 through Section 9.2.7 are intended to be the only acts, events or conditions that may (upon satisfaction of the conditions specified above) constitute Force Majeure. Notice by the Party claiming Force Majeure, or any extension of the Schedule necessitated thereby, shall be sent to the other Party within thirty (30) Days of the commencement of the Force Majeure event. During any Force Majeure that affects part of the Project or performance under this Agreement, Redeveloper shall continue to perform its obligations for the remainder of the term of the Project or the remainder of the term of this Agreement to the extent such obligations are not materially, adversely impacted as a result of such Force Majeure event. The existence of an event of Force Majeure shall not prevent a Party from declaring the occurrence of an Event of Default by the Party relying on such Force Majeure; provided that the event that is the basis of the Event of Default is not a result of the Force Majeure. Notwithstanding anything contained herein to the contrary, in the event of a Force Majeure event described in Section 9.2.1, the Party claiming such extension shall have an ongoing obligation to contest such lawsuit or other legal action, regulatory or administrative delay, to the extent applicable, and shall perform all acts necessary to terminate such Force Majeure event.

Section 9.4 Remedies. If an Event of Default occurs and SARA is the defaulting party, after giving effect to notice and cure rights, Redeveloper may, in its sole and absolute discretion, exercise its rights to terminate this Agreement and/or take whatever action, at law or in equity, it may deem desirable, including the seeking of actual damages, or institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default, excluding specific performance and

consequential or punitive damages. If an Event of Default occurs and Redeveloper is the defaulting party, then SARA may terminate this Agreement and Redeveloper's designation as the "redeveloper," but only with respect to any properties to which Redeveloper has not acquired title. In furtherance of the foregoing, Redeveloper and SARA shall each be entitled to a written release evidencing such party's release of responsibility for any and all claims for consequential or punitive damages.

Section 9.5 Master Redeveloper Rights Upon Event of Default. SARA shall provide notice to Master Redeveloper in accordance with Article XII hereof simultaneous with any notice SARA provides to Redeveloper pursuant to Section 9.1.1 hereof. In the event that Redeveloper fails to cure any non-performance for which it has received notice pursuant to Section 9.1.1 hereof within the permitted period for cure, (a) Master Redeveloper shall have the right, but not the obligation, to cure Redeveloper's non-performance within a reasonable period thereafter and (b) if this Agreement is terminated as the result of an Event of Default by Redeveloper or otherwise, Master Redeveloper may, in its sole discretion and without any obligation to do so, take over the role of Redeveloper hereunder or deem the corresponding real property to be re-incorporated into the Master Redevelopment Agreement as part of the "Site", as defined in the Master Redevelopment Agreement, but unless and until Master Redeveloper elects to do so in writing Master Redeveloper shall have no obligations hereunder. The occurrence of an Event of Default hereunder shall not constitute a default under the Master Redevelopment Agreement. In the event that Master Redeveloper delivers an irrevocable notice to SARA, prior to the transfer of title to Redeveloper of the Site, that the Master Redeveloper has rescinded its designation, made pursuant to Section 2.4(g) of the Master Redevelopment Agreement, of Redeveloper as its Subredeveloper, SARA shall be entitled to rely on such notice, and this Agreement and the redeveloper designation set forth in Article II hereof shall be of no further force and effect. Master Redeveloper shall be deemed a third party beneficiary of this Agreement.

Section 9.6 No Waiver Due to Failure or Delay. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default, or rights or remedies, or deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any of its rights or remedies.

Section 9.7 Remedies Cumulative. No remedy conferred by any of the provisions of this 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, except as limited above. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

Section 9.8 Continuance of Obligations. The occurrence of an Event of Default shall not relieve the defaulting Party of its obligations under this Agreement.

Section 9.9 Mitigation. The Parties shall act reasonably to mitigate any damages incurred as the result of an Event of Default.

Section 9.10 Survival of Termination. The provisions of this Article shall survive the termination of this Agreement as a result of an Event of Default by Redeveloper.

Section 9.11 No Consequential Damages. Neither SARA, Redeveloper, nor any of their respective Affiliates, partners, shareholders, members or commissioners, directors, officers, managers, agents, employees, consultants or representatives shall be liable in any action at law or in equity, arising from an event constituting breach in connection with this Agreement, in contract, tort, strict liability or otherwise, to the other Person, including Affiliates, partners, shareholders, members or commissioners, directors, officers, managers, agents, employees or representatives of the other Party, for loss of profits, revenues or expectancies, loss of use or loss of business opportunities or for any special, consequential, indirect or incidental damages, punitive, exemplary or multiplier damages; provided however, that subject to the foregoing, each Party (a) may pursue any equitable remedy available to it to compel the other Party and its Affiliates, partners, shareholders, members or commissioners, directors, officers, managers, agents, employees or representatives to perform or cause to be performed any act which such Party is required to perform in connection with this Agreement and to enjoin such Party and Persons from performing or causing to be performed any act which constitutes or would constitute an Event of Default by such Party or is inconsistent with the obligations of such Party under this Agreement, and (b) may pursue any remedy available to it at law or in equity to recover its actual, direct, out of pocket, damages resulting from a default by the other Party, and any payment obligation of such Party hereunder

ARTICLE X

CONTROL OF REDEVELOPER; TRANSFERS OF INTERESTS; QUALIFIED ENTITY

Section 10.1 Control of Redeveloper and Management of Redevelopment; Transfers of Ownership Interests and Management Control.

Section 10.1.1 Prohibition Against Transfers. Pursuant to N.J.S.A. 40A:12A-9, Redeveloper acknowledges that except as permitted by the provisions of this Agreement, including but not limited to mortgage financing pursuant to Section 13.1, and except for sales of residential units and the rental of residential units and non-residential space in the ordinary course of its business, neither Redeveloper nor any Affiliate of Redeveloper shall be permitted to Transfer the Site or the Project, or any portion thereof, or a controlling interest in the Redeveloper, without the written consent of SARA.

Section 10.2 Permitted Transfers.

(a) The following transfers of the Project or any Phase thereof are exceptions to the prohibition set forth in Section 10.1 and shall not require further approval by SARA because SARA hereby grants its approval to permit:

- i. Conveyance to any end user (tenant or buyer) of residential or commercial space in the Project;
- ii. Conveyance to any operator of a business to be operated within the Site, such as an agreement with a hotel management or franchise company;
- iii. Conveyance of utility, access and other development easements;
- iv. Conveyance to SARA, the City or Redeveloper's Affiliate of any portion of the Project under the terms of this Agreement;
- v. Conveyance to an urban renewal entity, as that term is defined in the Long Term Tax Exemption Law, Controlled by the Redeveloper;
- vi. Conveyance by Redeveloper or its members to effect a Transfer of interests in Redeveloper directly, or in trust, to family members, an entity owned by family members, or charities; provided that after such Transfer(s), the Controlling Parties retain voting control of all interests Transferred;
- vii. a transfer of title to a Holder upon a foreclosure or a transfer in lieu of foreclosure; and
- viii. Any contract or agreement with respect to any of the foregoing exceptions.

Section 10.3 Conveyance of Site, or Portion(s) Thereof to a Qualified Entity. SARA hereby consents to a conveyance of the Project or any Phase thereof to a Qualified Entity, as defined in Section 10.5.

Section 10.4 Permitted Transfer of Ownership Interests in Redeveloper and/or Management Control

Section 10.4.1 Permitted Transfer of Ownership Interests in Redeveloper and/or Management Control to a Related Entity. SARA hereby consents to the Transfer of direct or indirect ownership interest in the Redeveloper provided that the following criteria are satisfied: the Controlling Parties, individually or in the aggregate, (a) retain the right, directly or indirectly, to exercise direct legal Control of the management decisions and policies of Redeveloper (i.e. Control at least fifty-one percent (51%) of the voting rights of Redeveloper), and (b) retain full management Control over the day to day operations of Redeveloper.

Section 10.4.2 Permitted Transfer of Ownership Interests in Redeveloper and/or Management Control to a Qualified Entity. SARA hereby consents to the Transfer of direct or indirect ownership interest in the Redeveloper to a Qualified Entity, as defined in Section 10.5.

Section 10.5 Qualified Entities. A potential transferee which has demonstrated, to the reasonable satisfaction of SARA, that it satisfies the requirements of this Section 10.5 shall be a Qualified Entity; provided, however, that SARA may waive any one or more of the requirements in Section 10.5 at any time in its sole and absolute discretion.

Section 10.5.1 Financial Capacity. The transferee has the financial capacity to Commence, Complete and operate the Project, including, without limitation, the capacity and good credit to provide equity, obtain financing, to provide appropriate security (such as performance and completion bonds) and to otherwise satisfy its obligations with respect to the development of the Project;

Section 10.5.2 Expertise. The transferee possesses or has the ability to bring to bear the requisite expertise in planning, redevelopment, law, engineering, environmental issues, architecture, design, finance and real estate development necessary to Complete the Project, including comparable development experience with developments that are similar in size, scope and complexity to the Project.

Section 10.5.3 Insolvency. No petition under Federal bankruptcy laws or any state insolvency law has been filed by or against the transferee, nor has a receiver, fiscal agent or similar officer been appointed by a court for the business or property of such Person, or any partnership in which such Person was or is a general partner or any Person in which such Person was or is an officer or principal manager and the holder, directly or indirectly of an ownership interest in excess of ten percent (10%) (and, in the case of an involuntary proceeding, such proceeding has not been terminated within 60 Days of its commencement) within the ten (10) full years

preceding the date of submission of such Person's application for consideration as a Qualified Entity;

Section 10.5.4 Criminal Investigation. The transferee and its principals, directors, officers, partners, shareholders, and members, individually, have not 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 knowledge and belief of the principals, directors, officers, partners, shareholders, and members of such Person, is not a target of a criminal investigation

Section 10.5.5 Default. The transferee and its principals, directors, officers, partners, shareholders, and members, individually, have not been, directly or beneficially, a party to or beneficiary of any contract or agreement with SARA or other Governmental Body which has been terminated due to a default by such Person or which is currently the subject of a dispute in which SARA or other Governmental Body alleges such default;

Section 10.5.6 Securities Violations. The transferee and its principals, directors, officers, partners, shareholders, and members, individually, have not been found in any civil or criminal action in or by a court or agency 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 10.5.7 Ethics Violations. The transferee and its principals, directors, officers, partners, shareholders, and members, individually, have not violated any City, State or Federal ethics law, and entering into the proposed transaction with Redeveloper and/or SARA shall not cause any such violation or result in a conflict of interest.

Section 10.6 Redeveloper Certification. On or before each anniversary of the Effective Date, Redeveloper shall provide SARA with a certificate (a) indicating that Redeveloper continues to be in compliance with the requirements of Section 10.4 as of the date of such certificate and (b) affirming the Redeveloper Covenants.

ARTICLE XI
REPRESENTATIVES

Section 11.1 Redeveloper Executive. Following the execution of this Agreement, Redeveloper shall designate in writing to SARA the name of an individual who is the “**Redeveloper Executive**” with full authority to execute any and all instruments, documents or notices requiring Redeveloper's signature and to act on behalf of Redeveloper with respect to all matters arising out of this Agreement. SARA shall be entitled to rely and shall be fully protected in relying upon any instrument, document or notice signed or action taken by a Redeveloper Executive, unless and until it receives notice in writing from Redeveloper of the termination of the Redeveloper Executive's authority. Notwithstanding the foregoing, Redeveloper shall provide to SARA from time to time upon request, evidence, such as, without limitation, clerk's or manager's certificates, members and stockholders resolutions attesting to the authority of each Redeveloper Executive generally or with respect to any particular signature or action. The Redeveloper Executive shall respond to and make themselves available for consultation with SARA with respect to all questions, requests or comments arising out of this Agreement.

Section 11.2 SARA Representative. Following the execution of this Agreement, SARA shall designate in writing to Redeveloper the name of an individual who is the “**SARA Representative**,” who shall act as liaison and contact between Redeveloper and SARA in administering and implementing the terms of this Agreement. Redeveloper shall submit all requests for consent or review of matters which require consent or review by SARA, and all materials to be submitted in connection therewith to SARA Representative, who shall either consent or obtain SARA's consent (as to matters requiring consent) or review or cause to be reviewed and respond to any matter requiring SARA's review and response. Redeveloper and any person dealing with SARA in connection with any consent or review required under this Agreement may rely and shall be fully protected in relying upon the authority of SARA Representative to act for SARA in connection with any such consent or review.

Section 11.3 Change of Representative. From time to time following the execution hereof, SARA or Redeveloper may change or replace its respective representative, upon five (5) Business Days' written notice, delivered to such Party in the manner and at the address indicated in Section 12.1.

ARTICLE XII

NOTICES AND DEMANDS; TRANSFER OF FUNDS

Section 12.1 Notice. A notice, demand or other communication under this Agreement by any Party to the other shall be sufficiently given or delivered if dispatched by United States Registered or Certified Mail, postage prepaid and return receipt requested, or delivered by national overnight courier with delivery confirmation, or delivered personally (with written acknowledgment of receipt) to the Parties at the respective addresses listed below. A copy of all notices sent to any Party shall be also sent to the Master Redeveloper.

If to SARA, to:

South Amboy Redevelopment Agency
Attn: Executive Director
140 North Broadway
South Amboy, New Jersey 08879

with a copy to:

Rainone, Coughlin, Minchello, LLC
Attn: Craig Coughlin, Esq.
550 U.S. Highway One South, Suite 440
Iselin, New Jersey 08830

McManimon, Scotland & Baumann, LLC
Attn: Kevin P. McManimon, Esq.
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

If to Redeveloper, to:

Manhattan Beach Phase I Urban Renewal, LLC
c/o Claremont Development
32 Mount Kembal Avenue
Morristown, New Jersey 07960

with a copy to:

Pearlman & Miranda, LLC
Attn: Patricia J. Ryou, Esq.
110 Edison Place, Suite 301
Newark, New Jersey 07102

and a copy to Master Redeveloper:

Manhattan Beach Club Street, LLC
c/o Sherman Capital Markets, LLC
200 Meeting Street, Suite 206
Charleston, South Carolina 29401
Attention: Todd Kuhl

with a copy to:

Gibbons P.C.
Attn: Andrew J. Camelotto
One Gateway Center
Newark, NJ 07102

Section 12.2 Notice Amendments. Either Party may from time to time by written notice given to the other pursuant to the terms of this Article XII change the address, facsimile number or persons to which notices shall be sent or designate additional or replacement persons to whom notices are sent.

Section 12.3 Transfer of Funds. All funds to be transmitted by Redeveloper to SARA or by SARA to Redeveloper under this Agreement shall be transmitted by wiring immediately available Federal funds in accordance with wire instructions provided by each Party to the other at or immediately following execution of this Agreement. Such wire instructions may be changed from time to time upon 10 Business Days' prior written notice to the other Party, given in accordance with this Article XII.

ARTICLE XIII

MORTGAGE FINANCING; RIGHTS OF MORTGAGEE

Section 13.1 Mortgage Financing. Redeveloper shall not engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon any portion of the Site whether by express agreement or operation of law, or suffer any encumbrance or lien (other than liens for governmental impositions) to be made or attach to any portion of the Site, except as may be specifically required for the purpose of obtaining funds in connection with the acquisition and development of any portion of the Site, including but not limited to architecture, design, engineering, entitlements, legal costs and marketing and construction of the Project, or any Phase; provided, however, that upon the issuance of the Certificate of Completion for the Project or any Phase, such prohibition shall no longer apply to such the Project or applicable Phase. The Redeveloper shall arrange for all construction and permanent financing for the Project upon such terms and conditions as the Redeveloper shall determine, in the Redeveloper's sole and absolute discretion. Redeveloper shall take no action in conjunction with construction and financing of the Project that would preclude, obstruct or otherwise compromise the ability of the Redeveloper to ensure that the Project is developed consistent with the Redevelopment Plan. Redeveloper shall notify SARA in advance of any such financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Project or any part thereof (the mortgagee thereunder or its Affiliate, a "**Holder**") and, in any event, Redeveloper shall promptly notify SARA of any encumbrance or lien (other than liens for governmental impositions) that has been created on or attached to any portion of the Site, whether by voluntary act of Redeveloper or otherwise, upon obtaining knowledge or notice of same. The provisions of this Agreement shall not be deemed to grant to SARA the right to approve or review the terms of any such proposed financing. In connection with any such proposed financing, Redeveloper may also collaterally assign to the Holder, Redeveloper's right under this Agreement with respect to the Site.

Section 13.2 Notice of Default to Redeveloper and Right to Cure. Whenever SARA shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper under this Agreement, SARA shall at the same time deliver to each Holder a copy of such notice or demand; provided that Redeveloper has delivered to SARA a written notice of the name and address of such Holder. In the event that Redeveloper fails to make any payment required under this Agreement (a "**Monetary Default**"), each such Holder shall (insofar as the rights of SARA are concerned) have the right at its option within ninety (90) Days after the receipt of such notice of such Monetary Default, to cure or remedy, or to commence to cure or remedy, any such Monetary Default which is subject to being cured and to add the cost thereof to the debt and the lien which it holds. *(By way of clarification, this provision does not acknowledge the validity of any such notice of default, nor does it give rise to any remedies for the Lender in the event of a default, such as a right to cure. The Holders rights as they relate to the Redeveloper shall be controlled by the relevant agreements between Holder and Redeveloper.)*

Section 13.3 Guarantee of Construction or Completion. A Holder shall in no manner be obligated by the provisions of this Agreement to construct or Complete the Project, or to guarantee such construction or Completion; nor shall any covenant or any other provisions be construed so to obligate a Holder. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to permit or authorize such Holder to undertake or continue the construction or Completion of the Project (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 SARA with respect to the Project, or any part thereof that is subject to the Holder's mortgage. Any Holder who shall properly complete the Project or applicable part thereof shall be entitled, upon written request to SARA, to receive a Certificate of Completion as set forth in Section 3.14, notwithstanding any breach or default on the part of Redeveloper that may be in effect or in dispute at the time of the Holder's request.

Section 13.4 Foreclosure. If a Holder forecloses its mortgage secured by the Site, or takes title to the Site by deed-in-lieu of foreclosure or similar transaction (collectively a "**Foreclosure**"), the Holder shall have the option to either (a) sell the Site to a responsible Person reasonably acceptable to SARA, which Person shall assume the obligations of Redeveloper under this Agreement in accordance with law, and/or (b) itself assume the obligations of Redeveloper under this Agreement and in accordance with Applicable Law. In the event of a Foreclosure and provided the Holder or the purchaser is in compliance with this Agreement, SARA shall not seek to enforce against the Holder or purchaser of such parcel any of the remedies available to SARA pursuant to the terms of this Agreement available in connection with the events preceding the Foreclosure. The Holder, or the Person assuming the obligations of Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to Complete the Project in the manner provided in this Agreement and undertake Redeveloper's obligations under this Agreement, but subject to reasonable extensions of the Commencement Date and Completion Date, and shall submit evidence reasonably satisfactory to SARA that it has the qualifications and financial responsibility necessary to perform such obligations. Any such Holder, or Person assuming such obligations of Redeveloper, properly Completing the Project shall be entitled to a Certificate of Completion in accordance herewith. Nothing in this Agreement shall be construed or deemed to permit or to authorize any Holder, or such other Person assuming such obligations of Redeveloper, to devote the Site, 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 Agreement and the Redevelopment Plans.

Section 13.5 SARA'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:

(a) has, but does not exercise, the option to construct or Complete the Project and such failure continues for a period of sixty (60) Days after the Holder has been notified or informed of the Event of Default; or

(b) 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 sixty (60) Days after written demand by SARA so to do (Section 13.5(a) and (b) each a "**Holder Failure**"); then SARA shall have the option of paying to the Holder the amount of the mortgage debt and obtaining an assignment of the mortgage and the debt secured thereby, or, in the event ownership of the Site has vested in such Holder by way of foreclosure or action in lieu thereof, SARA shall be entitled, at its option, to a conveyance to it of the Site or part thereof (as the case may be) upon payment to such Holder of an amount equal to the sum of: (i) the mortgage debt at the time of foreclosure or action in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings); (ii) all fees and expenses with respect to the foreclosure, including reasonable attorney's fees and expenses; (iii) the net expense, if any (exclusive of general overhead), incurred by such Holder in and as a direct result of the subsequent management of the mortgaged property; (iv) the costs incurred by such Holder in making any improvements to the Project; and (v) 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 shall provide for the foregoing.

(c) Notwithstanding the foregoing, SARA agrees that it will not exercise such right under this Section 13.5 without first giving the Master Redeveloper the option to resume its designation as the "redeveloper" for the BNE Site and to undertake the redevelopment of the BNE Project.

(d) If the Holder requires a change in the terms of this Agreement, SARA and the City shall reasonably cooperate with the Redeveloper in approving and implementing such change, so long as such change does not materially change SARA's and/or the City's obligations or rights as set forth in the Agreement, or materially change the Project. Such changes may be approved by the Mayor and the Executive Director of SARA.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Procurement of Public Funds. SARA and Redeveloper shall cooperate and act together to identify, apply for, and take steps necessary to procure any funding deemed appropriate by SARA, and available from Federal, State, County or local sources to be used to advance the redevelopment of the Site.

Section 14.2 Provisions Not Merged. None of the provisions of this Agreement are intended to or shall be merged by reason of any prior agreement, lease or other contract before SARA and Redeveloper.

Section 14.3 Non-Liability of Officials, Employees, Agents and Consultants of SARA and the City. No member, official, employee, agent or consultant of SARA shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by SARA for any amount which may become due to Redeveloper or its successor, or on any obligation under the terms of this Agreement.

Section 14.4 Non-Liability of Officials and Employees of Redeveloper. No member, officer, shareholder, director, partner or employee of Redeveloper or its Affiliates shall be personally liable to SARA, or any successor in interest, in the event of any default or breach by Redeveloper or for any amount which may become due to SARA, or its successor, on any obligation under the terms of this Agreement.

Section 14.5 No Brokerage Commissions. SARA and Redeveloper each represent one to the other that no real estate broker initiated, assisted, negotiated or consummated this Agreement as broker, agent, or otherwise acting on behalf of either SARA or Redeveloper, and SARA and Redeveloper shall indemnify each other with respect to any claims made by any person, firm or organization claiming to have been so employed by the indemnifying Party.

Section 14.6 Successors and Assigns. This Agreement may not be assigned by Redeveloper except as otherwise provided in this Agreement. This Agreement may be assigned by SARA to the City provided that the Redeveloper agrees consistent with the requirements of N.J.S.A. 40A:12A-4, and upon such assignment shall be binding upon and inure to the benefit of the successors and assigns of SARA.

Section 14.7 Enforcement by SARA. It is intended and agreed that SARA, and its successors and assigns shall be deemed beneficiaries of this Agreement and the Redeveloper Covenants. This Agreement and the Redeveloper Covenants shall run in favor of SARA for the entire period during which this Agreement and the Redeveloper Covenants shall be in force and effect, without regard to whether SARA has at any time, been or remains an owner of any land or interest therein to or in favor of which this Agreement or the Redeveloper Covenants relate. SARA shall have the

right, in the event of any breach of this Agreement or the Redeveloper Covenants, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings, subject to the limitations set forth herein, to enforce the curing of such breaches to which SARA and its successors and assigns, may be entitled.

Section 14.8 Enforcement by Redeveloper. It is intended and agreed that Redeveloper is a beneficiary of the agreements and covenants set forth in this Agreement. Such agreements and covenants shall run in favor of Redeveloper for the entire period during which such agreements and covenants shall be in force and effect. Redeveloper shall have the right, in the event of any breach of any such agreement or covenant, 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 agreement or covenant, to which they or any other beneficiary(ies) of such agreement or covenant may be entitled.

Section 14.9 Drafting Ambiguities; Interpretation; Review by Counsel. In interpreting any provision of this Agreement, no weight shall be given to, nor shall any construction or interpretation be influenced by, the fact that counsel for one of the Parties drafted this Agreement, each Party acknowledging that it and its counsel has had an opportunity to review this Agreement and has contributed to the form of same.

Section 14.10 Conflict of Interest. No member, official or employee of SARA shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

Section 14.11 No Consideration for Agreement. Redeveloper warrants it has not paid or given, and shall 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 further warrants it has not paid or incurred any obligation to pay any officer or official of SARA or the City, any money or other consideration for or in connection with this Agreement.

Section 14.12 Third-Party Beneficiaries. Except for the third-party beneficiary rights conferred upon the Master Redeveloper pursuant to Section 9.5 and 13.5(c) hereof, this Agreement is for the exclusive benefit of the Parties and not for the benefit of any third person, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third Person.

Section 14.13 Alterations, Amendments and Modifications to Agreement. Except as provided in the next sentence, no alteration, amendment or modification of this Agreement shall be valid unless executed by an instrument in writing by the Parties with the same formality as this Agreement. In the event that any contractual provisions that are required by Applicable Law have been omitted, then SARA and Redeveloper agree that this Agreement shall be deemed to incorporate all such clauses by reference and such requirements shall become a part of this Agreement. If

such incorporation occurs and results in a change in the obligations or benefits of one of the Parties, the Parties agree to act in good faith to mitigate such changes in position.

Section 14.14 Counterparts. This Agreement may be executed by facsimile and in one or more counterparts each of which shall be deemed an original and all of which together shall constitute one and the same instrument, provided that all parties hereto have each executed one such counterpart.

Section 14.15 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the respective Parties hereto, their legal representatives, successors, heirs and permitted assigns.

Section 14.16 Construction. This Agreement shall be construed in accordance with the laws of the State. Any controversy between the Parties having to do with this Agreement or the Exhibits annexed hereto involving the construction or application of this Agreement or said Exhibits, shall be resolved by submission to a court of competent jurisdiction.

Section 14.17 No Recordation of Agreement. Except for the Declaration, which shall be recorded pursuant to Section 8.2 hereof, this Agreement or any part hereof shall not be recorded by Redeveloper without the prior consent of SARA attached to such instrument prepared for recording. Any recording in violation of this provision shall be void ab initio and the party who records this Agreement, or any part hereof, shall, be liable for attorney's fees and costs resulting to clear said recorded instruments from the records.

Section 14.18 Waivers. The failure of SARA or Redeveloper to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election contained in this Agreement shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by SARA or Redeveloper of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of Redeveloper or SARA.

Section 14.19 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to choice of laws principles.

Section 14.20 Severability. If any article, section, subsection, term or provision of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the section, subsection, term or provision of this Agreement or the application of 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, term or provision of

this Agreement shall be valid and enforceable to the fullest extent permitted by law; provided that no such severance shall serve to deprive any Party of the enjoyment of its substantial benefits under this Agreement.

Section 14.21 Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the Parties or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Redeveloper and SARA, their relationship being solely as contracting Parties under this Agreement.

Section 14.22 Entire Agreement; Prior Agreements Superseded. This Agreement supersedes any prior understanding or written or oral agreements (express or implied) between the Parties. This Agreement, together with any other documents executed by the Parties contemporaneously herewith, contains the entire understanding between the Parties with respect hereto.

Section 14.23 Release of Liability. It is expressly and irrevocably agreed by each of the Parties that the execution of this Agreement constitutes a waiver of all right(s), claim(s), benefit(s) and/or cause(s) of action that either Party may have against any other Party or Person at law and/or in equity (specifically including, without limitation, pursuant to any prior agreements entered into between the Parties or any Affiliates of the Parties) resulting from any and all acts of the Parties in connection with the negotiation of a redevelopment agreement and this Agreement, except for fraud, material misrepresentations, or other bad acts.

Section 14.24 Counting of Days; Saturday, Sunday or Holiday. If the final date of any period provided in this Agreement 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.

Section 14.25 Cooperation. The Parties shall cooperate with each other in all matters deemed necessary or of assistance in achieving the objectives of this Agreement and the Redevelopment Plan.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and their corporate seals affixed (if applicable) and attested as of the date first above written.

WITNESS:

**SOUTH AMBOY REDEVELOPMENT
AGENCY**

Name:
Title:

By: _____
Name:
Title: Chairman

WITNESS:

**MANHATTAN BEACH PHASE I URBAN
RENEWAL, LLC**

Name:
Title:

By:
Name:
Title:

Solely with respect to acknowledging its third-party beneficiary rights under Sections 9.5 and 13.5(c) hereof,

WITNESS:

**MANHATTAN BEACH CLUB
STREET, LLC**

Name:
Title:

**By: Wharf Street, LLC
It's Manager**

By: _____
Name:
Title:

EXHIBIT A

Concept Plan

[attached]

Project Description:

Three (3) Phases of Market Rate Residential Rental Units:

A. "Phase 1": 223 Market Rate Residential Rental Units

B. "Phase 2": 167 Market Rate Residential Units

C. "Phase 3": 96 Market Rate Residential Rental Units

EXHIBIT B

Schedule

Submit Site Plan Application for Phase 1	Completed
Commence Construction on Phase 1	6 months following receipt of all final and unappealable local, State, and Federal approvals
Complete Construction on Phase 1	30 months after Commencement
Submit Site Plan Application for Phase 2	Completed
Commence Construction on Phase 2	12 months following Completion of Phase 1
Complete Construction on Phase 2	24 months after Commencement of Phase 2
Submit Site Plan Application for Phase 3	Completed
Submit Site Plan Application for Affordable Housing Component	3 months after Completion of Phase 2
Commence Construction on Phase 3 and Affordable Housing Component	12 months after Completion of Phase 2
Complete Construction on Phase 3 and Affordable Housing Component	24 months after Commencement of Phase 3

EXHIBIT C
Ownership Structure

EXHIBIT D

Declaration

Record and Return to:
Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

THIS REDEVELOPMENT PROJECT COVENANT (the “**Declaration**”) is made this ____ day of _____, 202____, by MANHATTAN BEACH PHASE I URBAN RENEWAL, LLC, a New Jersey limited liability company, having an address at c/o Claremont Development, 32 Mount Kemble Avenue, Morristown, New Jersey 07960, and its successors and assigns (the “**Redeveloper**”).

W-I-T-N-E-S-S-E-T-H:

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 Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (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, by resolutions duly adopted, the City Council (the “**City Council**”) of the City of South Amboy (the “**City**”) designated the properties identified on the City’s official tax maps as Block 161.02, Lot 20, 23, 24, 24.01, 25, 90, 90.01, 6.02 and a portion of Lot 20.01 (the “**Redevelopment Area**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

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

WHEREAS, on December 19, 2018, by Ordinance No. 18-2018, the City Council amended the Original Redevelopment Plan (collectively, the “**Redevelopment Plan**”), containing development standards for, among others, that portion of the Redevelopment Area identified on the City’s official tax maps as Block 161.02, Lots 20, 23, 24 and 24.01 (the “**Site**”), which properties are more particularly described in **Schedule A** annexed hereto; and

WHEREAS, the City designated SARA as the redevelopment entity responsible for implementing and carrying out the Redevelopment Plan, pursuant to the Redevelopment Law, N.J.S.A. 40A:12A-4;

WHEREAS, SARA has previously duly designated Manhattan Beach Club Street, LLC (the “**Master Redeveloper**”) as master redeveloper of the Redevelopment Area, and the City and

SARA have entered into that certain tri-party Amended and Restated Redevelopment Agreement with Master Redeveloper (the "**Master Redevelopment Agreement**") relating thereto; and

WHEREAS, the Redeveloper, through its affiliates, has contracted through purchase and sale agreements with: (i) affiliates of the Master Redeveloper to acquire Lots 20 and 23 of the Site; and (ii) Jarmel South Amboy Realty LLC to acquire Lots 24 and 24.01 of the Site; and

WHEREAS, the Redeveloper proposes to redevelop the Site by constructing thereon a residential project consisting of approximately 486 residential units, along with the undertaking of certain residential units affordable to households of low and moderate income in accordance with the Redevelopment Plan and the Redevelopment Agreement (as defined below); and

WHEREAS, on _____, 202__, SARA designated the Redeveloper as the redeveloper of the Site; and

WHEREAS, on _____, 202__, SARA, the City and the Redeveloper executed a Redevelopment Agreement (the "**Redevelopment Agreement**") setting forth the terms and conditions under which the Redeveloper will construct the Project (as defined in the Redevelopment Agreement) on the Site; and

WHEREAS, at such time as the Project is Completed in accordance with the terms of the Redevelopment Plan and the Redevelopment Agreement, this Declaration will be discharged of record and the existing conditions which rendered the Site an area in need of redevelopment, will no longer exist; and

NOW, THEREFORE, the Redeveloper, intending to be legally bound hereby and to bind its successors and assigns, promises, covenants and declares as follows:

1. **Terms and Definitions.** Capitalized terms used but not defined herein shall have the meanings provided in the Redevelopment Agreement.

2. **Applicable Laws.** The Redeveloper's development, construction, use, operation and maintenance of the Site and all improvements thereon and thereto, as provided in the Redevelopment Plan and the Redevelopment Agreement shall be undertaken and carried out in accordance with all Applicable Laws, including without limitation, the Redevelopment Plan, as it may be amended from time to time by the agreement of the Redeveloper and SARA.

3. **Redeveloper Covenants.**

3.1. With respect to the property that the Redeveloper owns, the Redeveloper covenants and agrees as follows (collectively, the "**Redeveloper Covenants**"), provided, however that all such covenants and agreements shall be subject to the terms of the Redevelopment Agreement and that in case of a conflict between the Redevelopment Agreement and this Declaration, the terms of the Redevelopment Agreement shall control:

(a) Pursuant to N.J.S.A. 40A:12A-9, Redeveloper shall construct only the uses established in the Redevelopment Plan, as amended.

(b) Pursuant to N.J.S.A. 40A:12A-9, Redeveloper shall Commence the Project in accordance with the terms of the Redevelopment Agreement.

(c) Pursuant to N.J.S.A. 40A:12A-9, upon completion of the Project, or any part thereof for which a Certificate of Completion is issued, the conditions determined to have existed at the time the relevant portion of the Site was determined to be in need of redevelopment shall be deemed to no longer exist, and that portion of the Site and the Project or applicable Phase shall no longer be subject to eminent domain based on those determinations.

(d) Pursuant to N.J.S.A. 40A:12A-9, except as permitted under the Redevelopment Agreement, including without limitation Article 10 and Article 13, Redeveloper shall not sell, lease or otherwise Transfer the Site, the Project, or any part thereof, without the consent of SARA.

(e) Redeveloper shall not discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, affectional preference or sex in the sale, lease, sublease, Transfer, use, occupancy, tenure or enjoyment of the portion of the Site it Controls nor shall Redeveloper itself, or any Affiliate claiming an interest under or through Redeveloper, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sublessees, or vendees in the portion of the Site it Controls.

3.2. Effect and Duration of the Redeveloper Covenants. The Redeveloper Covenants shall be covenants running with the land for those portions of the Site with respect to which the Redeveloper owns or acquires title thereto 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, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, SARA, its successors and assigns and any successor in interest to the Site, or any part thereof, against Redeveloper, its successors and assigns and every successor in interest therein; provided, however, that in connection with portions of the Site which the Redeveloper does not yet own, the Redeveloper Covenants shall not become effective until such time as the Redeveloper, or its successors or assigns, takes title thereto. Notwithstanding the foregoing, it is further intended and agreed that the Redeveloper Covenants shall terminate upon Completion of the Project or any Phase, as applicable.

3.3. Enforcement of the Covenants. SARA and its successors and assigns shall be deemed beneficiaries of the Redeveloper Covenants, both for and in their own right, and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit the Redeveloper Covenants have been provided. The Redeveloper Covenants shall run in favor of SARA for the entire period during which same shall be in force and effect, without regard to whether SARA has at any time been, remains, or is an owner of any land or interest therein, or in favor of which the Redeveloper Covenants relate.

SARA shall have the right, in the event of any breach of any Redeveloper Covenants, to terminate the Redevelopment Agreement in accordance with Section 9.4 thereof.

3.4. Completion of Redevelopment Project. Upon redevelopment of the Site and completion of the Project, the conditions that were found and determined to exist at the time the Site was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result 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 or any applicable portion thereof. 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 3.15 thereof for the Project.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Redeveloper has caused this Declaration to be executed on the date first above written.

ATTEST:

**MANHATTAN BEACH PHASE I URBAN
RENEWAL, LLC, as Redeveloper**

By: _____
Name:
Title:

Schedule A
Description of Site