

**Application for  
Long Term Tax Exemption  
City of Lambertville, New Jersey**

Lambertville Urban Renewal LLC

Name of Applicant

2 Hennessey Blvd. Atlantic Highlands NJ Suite 101

Address of Applicant

BLOCK 1003, LOT 3, IN THE POLICE STATION REDEVELOPMENT ZONE Lambertville, NJ

349 N Main St, Lambertville, NJ 08530

## **OVERVIEW OF APPLICATION CONTENTS**

- Section I – General Instructions
- Section II – Applicant Identification
- Section III – Project Description & Details
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- Representations and certifications required by statute
- Applicant Signature
- Exhibits

### **I. INSTRUCTIONS**

Please complete this application **in its entirety** and attach all required supporting documentation. The municipality reserves the right to return incomplete applications, which may significantly delay the tax exemption authorization process or cause the application to be denied. Submission of all documents requested herein is a material condition of this application.

#### **Important notes:**

(1) Certain documents required in this application must be prepared by qualified professionals other than the applicant. In particular, survey documents must be signed and sealed by a licensed surveyor, site plan documents must be signed and sealed by a professional engineer and detailed cost estimates must be certified by a licensed engineer or architect.

(2) Under New Jersey law, applicants for long-term exemption must be organized as an Urban Renewal Entity as certified by the New Jersey Department of Community Affairs. (Low- and moderate-income housing projects located in particular areas may be exempt from this requirement in certain cases.)

(3) The application must be accompanied by a proposed form of financial agreement. Please ensure that the financial agreement attached to this application is appropriate to the type of project for which you are seeking an exemption.

#### **Completed applications should be submitted to:**

Cynthia L. Ege, CMR, RMC, City Clerk  
City of Lambertville  
City Hall  
18 York Street  
Lambertville, New Jersey 08530

#### **If you have any questions regarding the application or the tax exemption process, please contact:**

William P. Opel, Esq.  
McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue, 2<sup>nd</sup> Floor  
Roseland, New Jersey 07068  
(973) 622-2766  
[wopel@msbnj.com](mailto:wopel@msbnj.com)

**THE UNDERSIGNED ON BEHALF OF APPLICATION HEREBY CERTIFIES TO THE CITY OF LAMBERTVILLE RESPECTING A SUBMISSION FOR LONG TERM TAX EXEMPTION (N.J.S.A. 40A:20-1 ET SEQ.) AS FOLLOWS:**

**II. DEVELOPER IDENTIFICATION**

**A. Name of Applicant:**

Lambertville Urban Renewal LLC

**B. Principal Address:**

2 Hennessey Blvd. Atlantic Highlands NJ Suite 101

**C. Type of Entity (check one)**

Corporation      LLC      LLP      Partnership

Other (please specify): \_\_\_\_\_

**D. Contact Information**

(1) Name of Primary Contact: Tyler Kalian

(2) Contact Numbers:

a. Phone: (732)741-0054

b. Fax: \_\_\_\_\_

c. Email: tkalian@kalian.com

**E. Name and Address of Statutory Agent:**

List the name and address of the entity upon whom a legal process can be served:

Mazin Kalian

2 Hennessey Blvd. Atlantic Highlands NJ

\_\_\_\_\_

**F. Disclosure of Ownership:**

New Jersey law (*N.J.S.A. 52:25-24.2*) requires that all corporations and partnerships seeking a public contract submit a list of the names and addresses of all principals who own more than 10% of any class of stock, or 10% or more of the total stock (if a corporation), or 10% or more of the partnership. In addition, if the developer has, as one or more of its owners, a corporation or partnership, the ownership of those entities must be similarly disclosed, and that process shall continue down the entire chain of ownership until the names and addresses of every unincorporated stockholder and/or individual partner is disclosed.

Provide the necessary information utilizing the form provided with Exhibit 1 of this application.

**G. Certificates of Incorporation and Approval:**

Provide a copy of the approved certificate of incorporation or formation by the State of New Jersey for the entity applying for the exemption. Attach the certificate as Exhibit 2.

Also include a copy of the certificate of approval of the urban renewal entity issued by the State of New Jersey Department of Community Affairs. Attach that certificate as Exhibit 3. (The only projects exempt from this requirement are low- and moderate-income housing projects located outside a designated redevelopment area.)

**H. Authorization to Submit Application:**

Provide a certified copy, bearing the seal of the urban renewal entity, of a company resolution authorizing submission of the application in the form provided as Exhibit 4 of this application.

**III. PROJECT DESCRIPTION**

**A. Applicant’s Ownership Interest in the Project:**

X Conventional (Fee Simple) \_\_\_ Condominium \_\_\_ Other (specify)

**B. Project Type (check all that apply):**

X Residential \_\_\_ Retail \_\_\_ Office \_\_\_ Manufacturing

\_\_\_ Distribution Facility \_\_\_ Hotel

\_\_\_ Other (Specify): \_\_\_\_\_

If the project involves more than one type of usage, indicate the percentage that each usage bears to the overall project measured using square feet of gross area:

100% Residential; \_\_\_% Retail; \_\_\_% Office; \_\_\_% Manufacturing;

\_\_\_% Distribution Facility; \_\_\_% Hotel;

\_\_\_% Other (Specify): \_\_\_\_\_

**C. Marketing Expectation:**

\_\_\_ For Sale      X For Lease      \_\_\_ Both

**D. Project Location:**

1. Provide all street addresses by which the project site is currently known. Use additional sheets if necessary.

Address #1: 349 N Main St, Lambertville, NJ 08530

Address #2: \_\_\_\_\_

Address #3: \_\_\_\_\_

Address #4: \_\_\_\_\_

2. Provide all tax lots that comprise the project site as they are designated on the official maps of the Tax Assessor as of the date of this application (i.e., prior to any subdivision associated with the project). Use additional sheets if necessary.

Block 1003 Lots: 3

Block \_\_\_\_\_ Lots: \_\_\_\_\_

Block \_\_\_\_\_ Lots: \_\_\_\_\_

Block \_\_\_\_\_ Lots: \_\_\_\_\_

3. Attach the metes and bounds description of the project site as Exhibit 5 of this application.

4. Attach the survey of the project site as Exhibit 6 of this application. If a survey has not yet been completed, a plotting on the official tax map may be provided at this time. A certified survey will be required prior to execution of any financial agreement.

**E. Control of Property:**

Attach a copy of the deed, purchase and sale agreement or lease agreement for the property as Exhibit 7 to confirm that the project site is under the control of the applicant.

**F. Purpose of Project:**

1. This project is located within an officially designated “area in need of redevelopment.”

Yes  No

2. This project is located within an Urban Enterprise Zone.

Yes  No

3. This project is intended to provide housing to low- and/or moderate-income households:

Yes  No

Indicate the number of units of each type listed below, as appropriate.

Number of units for very low-income households 1

Number of units for low-income households 2

Number of units for moderate-income households 2

Number of market rate units 22

Total number of residential units 27

4. This project is intended to provide housing to households relocated as a result of a redevelopment project:  Yes  No

5. This project is intended as a means to implement the objectives set forth in an adopted Redevelopment Plan:  Yes  No

6. If the answer to questions 3, 4 or 5 of this section was “No”, please indicate the purpose of the project:

To Redevelop a property that is currently used as a Police Station into market rate and affordable housing

**H. Narrative Description of Project:**

Provide a brief narrative description of the project, including the height and bulk of proposed improvements, type of construction materials to be used and expected square foot area of each proposed use. Indicate the number and type of each unit to be constructed as part of the project and whether the project will be restricted to any group or groups on the basis of age or

income. Include maps, renderings, floor plans and other graphic materials if available. Attach this description as Exhibit 8 of this application.

**I. Current Conditions:**

1. Provide a brief description of any improvements that are in place currently on the project site and indicate which, if any, are expected to be reused as part of the project. Attach extra pages as needed.

*The property is currently being used as a police station which we understand will be moving to a new location upon our closing on the property.*

2. Provide a list with the current tax assessment and the current real property tax levy for each lot included within the project site. Attach extra pages as needed.

Block	Lot	Land	Improvements	Total
1003	3	359,800	420,100	779,900 (currently tax exempt)

3. Provide a list showing the current status of all municipal fees and charges which are currently levied against each lot located within the project site, including, without limitation water charges, sewer charges, permit or license fees, fines and/or penalties. Attach extra pages as needed.

Block	Lot	Current Status of Municipal Fees and Charges (specify type)
1003	3	N/A

**J. Site Plan Approval:**

1. Provide a copy of the site plan approved by the Planning Board for the project, or if site plan approval has not been obtained, provide draft architectural drawings and a draft site plan and the anticipated submission date of same. Attach the site plan as Exhibit 9 of this application.
2. Provide a copy of the resolution of the Planning Board providing final site plan approval for the project. Attach the resolution as Exhibit 10 of this application.

**K. Project Cost Estimates:**

1. Provide a detailed cost breakdown for the project, including both hard and soft costs. The estimate should be certified by a licensed architect or engineer. Attach the completed estimate for the entire project, with the required certification, as Exhibit 11 of this application.
2. For each type of unit to be included within the project, provide an estimate of the total unit cost for that unit. This may be provided at a summary level, not at the level set forth for the estimate required by section K.1 above. The estimate should also be certified by a licensed architect or engineer. Attach the completed unit estimates, with the required certification, as Exhibit 12 of this application.

**L. Project Pro-Forma:**

Provide a detailed projection of the estimated revenues and expenses for the project. The projections for all rental projects and for the rental component of mixed-use projects should cover the full exemption period. Projections involving the sale of units should be for the period expected to be needed to complete all sales activity. Attach the projection as Exhibit 13 of this application.

**M. Project Financing Plan:**

1. Provide a detailed explanation of the expected method by which the project will be financed, indicating the amount of equity to be contributed and its source, all public loans and/or grants that are to be used and all private sources of capital. Attach this explanation as Exhibit 14 of this application.
2. Private Financing Commitments: Provide certified copies of any and all letters from public or private sources of capital indicating a commitment to make funds available for the project. Attach these letters as Exhibit 15 of this application.

**N. Explanation of the Need for Tax Exemption:**

Provide an explanation of why the applicant believes that a long-term tax exemption is necessary to make this project economically feasible. Attach the explanation as Exhibit 16 of this application.

**O. Project Schedule:**

Attach a detailed schedule of the key milestone dates in the approval, construction and leasing or sale of the project as Exhibit 17 of the application.

**P. Statement of Project Benefits:**

Provide a detailed description of the public benefits that would result from the project as Exhibit 18. The description of public benefits should include all of the following:

1. Employment: (i) provide a projection of the number and type of construction jobs to be created; (ii) provide a projection of the number and type of permanent jobs to be created, including an



estimated pay scale; (iii) describe the steps that the applicant will take to make temporary and permanent job opportunities available to municipal residents, including but not limited to hiring fairs, advertisements, and participation in programs sponsored by governmental or non-profit entities; and (iv) estimate the number of positions that are expected to be filled with municipal residents.

2. Environmental: please describe any environmental remediation that will occur at the property.
3. Municipal revenue: provide a projection of municipal revenue to be generated by the project through the payment of taxes, payments in lieu of taxes, water and sewer fees and any other municipal payments.
4. Other: please describe any other public benefits that would result from the project.

**IV. EXEMPTION INFORMATION**

**A. Annual Service Charge to be based on:** (check one)

- An amount not less than 10% of Annual Gross Revenue (Non-condominium)
- An amount not greater than 15% of Annual Gross Revenue (Non-condominium/low- and moderate-income housing project)
- An amount not less than 2% of Total Project
- An amount not greater than 2% of Total Project Cost (low- and moderate-income housing project)
- Imputed debt service (Condominium)
- A negotiated amount pursuant to the *Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq.*

**B. Term Requested:**

30 Years

**C. Proposed Rates and Phases:**

<u>Starting Year</u>	<u>Ending Year</u>	<u>Rate</u>	<u>Phase-out (alternative method)</u>
<u>2024</u>	<u>2034</u>	<u>10%</u>	_____
<u>2034</u>	<u>2054</u>	<u>15%</u>	_____
_____	_____	_____	_____


**D. Form of Financial Agreement:**

Attach the proposed form of the financial agreement as Exhibit 19 of the application. The correct form for the project type should be attached to this application. Please note that the final financial agreement provides that a sealed certification by the project architect as to the final project cost must be submitted within 60 days after the issuance of the Certificate of Occupancy for the project.

## REPRESENTATIONS AND CERTIFICATIONS

**IN SUBMITTING THE APPLICATION, THE DEVELOPER CERTIFIES THAT ALL OF THE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF HIS OR HER KNOWLEDGE AND FURTHER CERTIFIES TO THE FOLLOWING:**

A. The project conforms to the Redevelopment Plan that is in effect for the area that includes the project site and with any Redevelopment Agreement as may be in place between the municipality and the developer.

B. The project either (1) conforms to the Master Plan of the municipality; or (2) to the extent that the Redevelopment Plan is inconsistent with the Master Plan, the project conforms to the Redevelopment Plan and the Municipal Council, in adopting the Redevelopment Plan, set forth its reasons for adopting a Redevelopment Plan with such inconsistencies.

C. The project will conform to and the applicant agrees to comply with all Federal and State laws and to all applicable municipal ordinances.

D. Construction of the project has not commenced as of the time of the submission of this application. The applicant understands that the Municipal Council is under no obligation to approve this tax exemption application. Any work done on the assumption of receipt of a tax exemption following the submission of the application and before final approval is undertaken at the risk of the developer. **Under no circumstances will an exemption be granted for a project that has already reached substantial completion.**

E. No officer or employee of the municipality has any interest, directly or indirectly, in the project that is the subject of this application.

*[signatures appear on the following page]*

**SIGNATURES**

By my signature below, I hereby submit this long term tax exemption application on behalf of the Developer. I certify that all of the information contained herein, including, but not limited to the information contained in the Exhibits attached hereto, is true and accurate to the best of my knowledge and belief. I am aware that if any of the information provided is willfully false that I am subject to prosecution.

**For the Developer:**

*Tyler Kalian*

12/7/21

**Name:** Tyler Kalian  
**Title:** VP

**Date**

**Notarize here or  
provide attestation and  
seal of corporate secretary**

## **EXHIBITS**

**The following is a checklist of required exhibits that must be attached to the application and are hereby incorporated as if set forth at length in the application:**

<u><b>Exhibit #</b></u>	<u><b>Description</b></u>	<u><b>Included?</b></u>
1	Disclosure of Ownership	___
2	Certificate of Incorporation	___
3	Certificate of DCA Approval of Urban Renewal Entity	___
4	Resolution Authorizing Submission of Application	___
5	Metes and Bounds Description	___
6	Survey	___
7	Copy of Deed or Lease Agreement	___
8	Narrative Description of Project	___
9	Site Plan as Approved by Planning Board	___
10	Site Plan Approval Resolution	___
11	Total Project Cost Estimate (certified by architect or engineer)	___
12	Cost Estimates for Each Unit Type (certified by architect or engineer)	___
13	Project Pro-Forma	___
14	Project Financing Plan	___
15	Private Financing Commitments	___
16	Explanation of the Need for Tax Exemption	___
17	Project Schedule	___
18	Summary of Project Benefits	___
19	Form of Financial Agreement	___

## EXHIBIT 1-A

### DISCLOSURE OF OWNERSHIP

#### Instructions

New Jersey law (*N.J.S.A. 52:25-24.2*) requires that all corporations and partnerships seeking a public contract submit a list of the names and addresses of all principals who own more than 10% of any class of stock, or 10% or more of the total stock (if a corporation), or 10% or more of the partnership. In addition, if the developer has as one or more of its owners a corporation or partnership, the ownership of those entities must be similarly disclosed, and that process shall continue down the entire chain of ownership until the names and addresses of every unincorporated stockholder and/or individual partner with more than a 10% interest are disclosed.

This information must be provided on the form attached hereto as Exhibit 1-B entitled “Disclosure of Ownership.” Separate forms should be used for each corporation or partnership included in the chain of ownership. Each form must be signed by an officer of the corporation and be attested to by the secretary (if a corporation) or by all partners (if a partnership). Partnership forms must be notarized as well.

Failure to properly complete this disclosure statement or to submit such statement as part of the application will be grounds for the application to be rejected.

EXHIBIT 2

CERTIFICATE OF INCORPORATION

**CERTIFICATE OF FORMATION  
OF  
LAMBERTVILLE URBAN RENEWAL, LLC**

This Certificate of Formation of Lambertville Urban Renewal, LLC, dated as of November 24, 2021 has been duly executed and is being filed by an authorized person, in accordance with *N.J.S.A. 42:2C-1 et seq.*, with the State Treasurer of the State of New Jersey ("Certificate"), in accordance with New Jersey Law.

The Certificate is hereby stated in its entirety to read as follows:

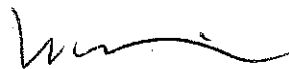
1. The name of the limited liability company hereby formed is Lambertville Urban Renewal, LLC (the "LLC").
2. The registered office of the LLC is located at c/o Kalian Companies, 2 Hennessey Blvd., Atlantic Highlands, New Jersey 07716; its registered agent for service of process is Mazin A. Kalian.
3. The LLC shall have perpetual duration unless it is dissolved and its affairs wound up in accordance with the *New Jersey Revised Uniform Limited Liability Company Act* or its Operating Agreement.
4. The purpose of the LLC is to operate under P.L.1991, c. 431 (C.40A:20-1 *et seq.*) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the City of Lambertville, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c. 431 (C.40A:20-1 *et seq.*).
5. So long City of Lambertville made pursuant to P.L.1991, c. 431 (C.40A:20-1 *et seq.*), it is to engage in no business other than the ownership, operation and management of the project.
6. The LLC has been organized to serve a public purpose and its operations are to be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c. 431



(C.40A:20-1 *et seq.*); and (3) that it is to be subject to regulation by the City of Lambertville, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c. 431 (C. 40A:20-1 *et seq.*).

7. The LLC is not to transfer voluntarily more than ten percent (10%) of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c. 431 (C. 40A:20-1 *et seq.*), until it has first removed both itself and the project from all restrictions of P.L.1991, c. 431 (C.40A:20-1 *et seq.*) in the manner required by P.L.1991, c. 431 (C.40A:20-1 *et seq.*) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the City of Lambertville, which other urban renewal entity is to assume all contractual obligations of the LLC under the financial agreement with the City of Lambertville. The LLC is to file annually with the City of Lambertville governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the LLC itself provided that the transfer, if greater than ten percent (10%), is disclosed to the City of Lambertville governing body in the annual disclosure statement or in correspondence sent to the City of Lambertville in advance of the annual disclosure statement referred to above.
8. The LLC is subject to the provisions of section 18 of P.L.1991, c. 431 (C.40A:20-18) respecting the powers of the City of Lambertville to alleviate financial difficulties of the LLC or to perform actions on behalf of the LLC upon a determination of financial emergency.
9. Any housing units constructed or acquired by the LLC are to be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

The undersigned has executed this Certificate of Formation for the LLC, as of the date first written above.



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Mazin A. Kalian, Authorized Person

EXHIBIT 3

APPLICATION FOR CERTIFICATE OF APPROVAL OF URBAN RENEWAL ENTITY  
FROM THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS (DCA)



**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS  
OFFICE OF LOCAL PLANNING SERVICES  
PO BOX 813  
TRENTON, NEW JERSEY 08625-0813**

**URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION**

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609) 633-6056. This form must be completed prior to DCA approval of the entity. If you have any questions, please call Pamela Weintraub at (609) 633-2133 or email [Pamela.Weintraub@dca.nj.gov](mailto:Pamela.Weintraub@dca.nj.gov).

Name of Urban Renewal Entity: Lambertville Urban Renewal LLC

**SECTION 1: TYPE OF APPROVAL REQUESTED (check one):**

- Original Certificate (of incorporation, limited partnership, formation, etc.)
- Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.
- Other (please specify) \_\_\_\_\_

**SECTION 2: PROJECT INFORMATION**

Project Name: Lambert Terrace

Project Street Address: 349 Main Street

Lambertville, NJ 08530

Project Block Number(s) 1003 Project Lot Number(s) 3

Municipality in which the Project is located Lambertville

County in which the Project is located Hunterdon

**SECTION 3 (For project listed in SECTION 2. Check one.)**

- This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.
- 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.
- 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.
- 4. This project consists of mixed uses (Specify type).
  - Market rate and low and moderate income housing.
  - Commercial and market rate housing.
  - Commercial and low and moderate income housing.
  - Other (please describe). Commercial and market and low and moderate income housing

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**  
If you checked 3, complete **SECTION 5, 6, and 7.**  
If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

**SECTION 4: REDEVELOPMENT PLAN INFORMATION**

Name of Municipal Redevelopment Agency City of Lambertville

Citation of municipal ordinance adopting the redevelopment plan 18-2020

For housing projects, complete the following:

Specify type and number of units as applicable:

- Condominium units \_\_\_\_\_
- Market rate rental 22
- Low and moderate income in mixed use projects 5
- Senior citizen in mixed use projects \_\_\_\_\_
- Other (please specify) \_\_\_\_\_

Total number of units 27

**SECTION 5: PROJECT FUNDING SOURCES**

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

- Private funds (Please specify) Equity and institutional financing
- State or Federal financing or insuring agencies (Please specify below)
- Other (Please specify) \_\_\_\_\_

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

**NJ Department of Community Affairs:**

- Neighborhood Preservation Balanced Housing
- HOME – CHDO Production (Community Housing Development Organizations) Program
- HOME – Housing Production Investment Fund
- National Housing Trust Fund

**NJ Redevelopment Authority:**

- NJ Urban Site Acquisition Program

**US Department of Housing and Urban Development (HUD):**

- Section 811 Supportive Housing for Persons with Disabilities
- Section 202 Supportive Housing for the Elderly
- HOPE VI Grants
- HOME Program

**US Department of Agriculture:**

- Rural Resources Administration (formerly Farmers' Home Administration)

**Other (Please specify):**

\_\_\_\_\_

**NJ Housing and Mortgage Finance Agency:**

- NJ Community Housing Demo Program (developmental disabilities)
- NJ Supportive Housing Connection Program
- CHOICE Program
- Special Needs Housing Partnership Program
- Multifamily Rental Housing Program
- Multifamily Conduit Bond Program
- Public Housing Construction and Permanent Loan Program
- Sandy Special Needs Housing Fund
- Rental Housing Incentive Finance Fund
- 100% Mortgage Program
- Urban Home Ownership Recovery Program
- Low-Income Housing Tax Credit Allocation Program
- Money Follows the Person Housing Partnership Program
- Section 811 Project Based Rental Assistance Program
- Fund for Restoration of Multifamily Housing (FRM)
- Fund for restoration of Multifamily Housing -Public Housing Authority Set -Aside

List the information of the State or Federal financing or insuring agency's contact person:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department/Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP (check all that apply)**

- 1. The project is new construction.
- 2. An existing project is being rehabilitated.  
If rehab, specify name of individual, entity, etc. who is the current owner of the project.  
\_\_\_\_\_
- 3. Ownership of an existing project is being transferred to the new urban renewal entity.

If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. \_\_\_\_\_

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Non Profit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) \_\_\_\_\_

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) \_\_\_\_\_

Has the project ever been subject to a deed restriction, as a limited dividend project, pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) \_\_\_\_\_

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) \_\_\_\_\_

- 4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) no

**SECTION 7: CERTIFICATION**

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.


**CERTIFICATION**

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of  
(mo/day/year)

11/24/2021

Marie Lyden  
(notary public/attorney)

X   
(authorized individual's signature)

Mazin Kalian  
(print name of authorized individual)

**MARIE LYDEN**  
**NOTARY PUBLIC OF NEW JERSEY**  
**My Commission Expires 11/17/2023**

Rev. 11/2018

EXHIBIT 4

AUTHORIZATION TO SUBMIT APPLICATION

EXHIBIT 5

METES AND BOUNDS DESCRIPTION

TO BE PROVIDED BY CITY



EXHIBIT 6

SURVEY

TO BE PROVIDED WITH SITE PLAN APPLICATION

EXHIBIT 7

COPY OF DEED, PURCHASE AND SALE AGREEMENT OR LEASE AGREEMENT

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (the “Agreement”) is made this \_\_\_ day of \_\_\_\_\_, 2021 (“Effective Date”), by and between the **CITY OF LAMBERTVILLE**, with offices at 18 York Street, Lambertville, New Jersey 08530 (the “Seller”) and **LAMBERTVILLE URBAN RENEWAL, LLC**, with an address at 2 Hennessey Boulevard, Atlantic Highlands, New Jersey 07716 and its Permitted Assigns as such term is defined herein (the “Purchaser” and together with the Seller, the “Parties”).

### RECITALS

**WHEREAS**, the Seller is the owner of certain real property identified as Block 1003, Lot 3 on the tax map of the City of Lambertville, County of Hunterdon, New Jersey (the “City”), as more particularly described on Exhibit A attached hereto (the “Property”); and

**WHEREAS**, the Seller has agreed to sell and convey the Property to Purchaser and the Purchaser has agreed to purchase the Property from the Seller, subject to the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Property is in an area designated by the City as an “area in need of redevelopment” 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 “LRHL”), and Seller is entering into this agreement to convey the Property to Purchaser, as the designated “redeveloper” of the Property, pursuant to the provisions of the LRHL; and

**WHEREAS**, the Property is included within the redevelopment plan adopted by the City, known as the “Police Station Tract Redevelopment Plan,” as same may be amended from time to time (the “Redevelopment Plan”); and

**WHEREAS**, the Parties intend to enter into a redevelopment agreement, providing for the development by Purchaser of a project on the Property consisting of a four (4) story residential building containing twenty-seven (27) residential units, five (5) of which shall be affordable housing units, and forty-six (46) parking spaces (the “Project”), which Purchaser shall have the right to develop pursuant to the Redevelopment Agreement between the City and Purchaser (the “Redevelopment Agreement”).

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises, covenants and undertakings contained herein, and for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Seller and the Purchaser, the Parties hereby agree as follows:

**1. THE PROPERTY.** The Seller agrees to sell to Purchaser and Purchaser agrees to buy from the Seller, the Property together with all of the following, if any (all of which shall be deemed to be included in the defined term “Property” as same is used herein): all easements, rights

of way or use, licenses, permits and rights to the same belonging to or appurtenant to the Property; any strips or gores of land adjoining the Property; all mineral, oil, and gas rights and profits, water rights and sub-terrain rights; all sewer and utility rights allocated to the Property and the improvements thereon; all right, title, and interest of Seller in and to any roads, streets and ways, public or private, serving the Property; and appurtenances to the Property; all right, title and interest of Seller in and to any land lying in the bed of any street, road, avenue, lane or right-of-way in front of, adjoining or adjacent to the Property whether currently existing or to be obtained by Seller hereunder, whether currently existing or to be obtained by Seller hereunder.

## **2. PURCHASE PRICE AND PAYMENT**

**2.1 Purchase Price.** Purchaser agrees to pay and the Seller agrees to accept, as and for the total purchase price for the Property the sum of **One Million Dollars (\$1,000,000.00)** (the "Purchase Price") to be paid as follows:

(a) The sum of One Hundred Thousand Dollars (\$100,000.00) in Acceptable Funds shall be paid within seven (7) days of Purchaser's attorney's receipt of a fully executed Agreement and such amount shall be held in escrow by US Title Solutions, LLC (the "Escrow Agent"), subject to and in accordance with the terms of the Escrow Agreement, attached hereto and made a part hereof as Exhibit B. As used in this Agreement, the term "Acceptable Funds" shall mean a reference to a credit, via wire transfer, in immediately available federal funds to the trust account of the Escrow Agent.

(b) The balance of the Purchase Price in the amount of sum of Nine Hundred Thousand (\$900,000.00) Dollars in Acceptable Funds on the Closing Date.

(c) The "Closing Date" shall be defined as the date mutually agreed upon by the Parties for the closing of title, which date shall be no more than thirty (30) days from completion of both the Redevelopment Conditions, as defined in Section 10.2 herein, and Purchaser's receipt of the Governmental Approvals, as fully defined in the Redevelopment Agreement and as described in Section 10.1.5 herein.

**3. ADJUSTMENTS AND PRORATIONS** All general real estate, ad valorem taxes, special assessments, payments in lieu of taxes and other state, county or municipal taxes, charges and assessments affecting the Property will be prorated as of 12:01 a.m. on the Closing Date, based on (if applicable) the maximum discount available for early payment. In the event final, current bills for such taxes are not available by the Closing Date, such taxes will be prorated on the basis of the taxes for most recent year for which final bills are available.

**4. TITLE.** Within ninety (90) calendar days of Purchaser's attorney's receipt of a fully executed Agreement, Purchaser shall obtain and provide to Seller, a title search (the "Title Report") issued by a title company licensed to conduct business in New Jersey. On the Closing Date, title to the Property shall be good, marketable and insurable at regular rates. Title conveyed by Seller to Purchaser shall be good and indefeasible fee simple title, free and clear from all liens,

claims, encumbrances and other rights or privileges to use or occupy the Property, or any portion thereof, other than the Permitted Exceptions, hereinafter defined in Section 4.1.

**4.1. Permitted Exceptions.** The Property is being sold subject to the following exceptions to title (the "Permitted Exceptions"): (a) the lien of real estate taxes not yet due and payable; (b) all existing, state, county or federal laws, codes and regulations affecting the Property; and (c) those items listed in the Title Report and shown on the survey that Purchaser agrees to accept title subject to, as provided in subsections (i) through (iii) below.

(i) At such time as Purchaser shall forward the Title Report, Purchaser shall list each exception set forth in the Title Report which does not conform with the exceptions set forth above, or other conditions which render the Property unusable for Purchaser's intended purpose or otherwise not acceptable to Purchaser (collectively the "Defects") indicating which Defects Purchaser shall require Seller to cause to be omitted from any policy of fee title insurance to be delivered and accepted by Purchaser on the Closing Date ("Title Objection Notice"). For purposes of this provision, "intended purpose" shall mean utilization of the for the development of the Project.

(ii) Within fifteen (15) business days after Seller's receipt of Purchaser's Title Objection Notice, Seller shall send notice to Purchaser whether it intends to cure the Defects. If Seller advises Purchaser that Seller will not cure any Defect, Purchaser shall have the right either to accept such title as Seller can convey without abatement of the purchase price or to terminate this Agreement as respect to the applicable Property within fifteen business (15) days of receipt of such notice from Seller, and be refunded the applicable Deposit.

(ii) In the event that additional title exceptions shall appear in a title run-down obtained by Purchaser between the date of the Title Report and the Closing Date, then Purchaser shall promptly advise Seller which exceptions Purchaser shall not accept title subject to, and unless Seller agrees to cause such exceptions to be omitted, then Purchaser shall have the right to terminate this Agreement as respect to the applicable Property and the Applicable Deposit shall be refunded to Purchaser. Notwithstanding anything to the contrary contained in this Agreement, Seller shall be required to discharge mortgages, judgments, tax liens and other liens including but not limited to construction liens which are dischargeable by the payment of a sum certain on the Closing Date.

**4.2 Survey.** Prior to the Closing Date, Purchaser shall obtain and provide to Seller, at Purchaser's cost and expense, a current/updated ALTA survey of the Land which sets forth the metes and bounds legal description of the Property (the "Survey"). If such Survey shows any encroachment not already listed as a Permitted Exception in accordance with Section 4.1, the same shall be deemed and treated in the same manner as Exceptions to title. The Deed to be delivered to Purchaser on the Closing Date may include the metes and bounds description(s) prepared by Purchaser's licensed surveyor reflecting its Survey, provided that, (i) such description is approved by the Seller, which approval shall not be unreasonably withheld, and (ii) such survey is certified to the Seller and Seller's attorneys, and such other parties as Seller may reasonably request.

## **5. PURCHASER'S DUE DILIGENCE.**

**5.1 Due Diligence Period.** Purchaser shall have one hundred twenty (120) calendar days from the full execution of this Agreement to conduct any and all inspections of the property, including, without limitation, title, flood, tidelands, zoning, soil tests, surface water or ground water tests, Phase I or II Environmental Site Assessments, Preliminary Assessments, Site Investigations, and/or geophysical studies (collectively "Due Diligence") that it may deem advisable with respect to the Property (the "Due Diligence Period").

### **5.2 Due Diligence.**

(a) During the Due Diligence Period, Purchaser and/or its agents, contractors, engineers, attorneys, employees, invitees and representatives ("Due Diligence Team") shall have the right to enter pursuant to the express terms and conditions of the Access Agreement attached hereto as Exhibit C.

**5.3 Continued Access.** Provided Purchaser does not exercise its right to terminate this Agreement pursuant to Section 5.4 or as otherwise permitted pursuant to this Agreement, Purchaser and the Due Diligence Team shall continue to have the right to enter the Property pursuant to the express terms and conditions of the Access Agreement, up to the Closing Date.

**5.4 Termination.** At any time during the Due Diligence Period, Purchaser may elect, in its sole and absolute discretion, for any reason or no reason, upon written notice to Seller, to not to proceed with this transaction and to terminate this Agreement. Upon termination pursuant to the terms set forth in this Section 5.4, the Deposit will be refunded to Purchaser and this Agreement shall be void and of no further force and effect and except as expressly set forth herein to the contrary the Parties shall be free from further liability to one another. The Purchaser may, in its sole and absolute discretion, waive Purchaser's right to terminate this Agreement during the Due Diligence Period, in whole or in part. If the Due Diligence Period expires without Purchaser providing written notice of termination or if Purchaser elects to waive its right to terminate this Agreement within the Due Diligence Period, then the Purchaser shall no longer have the right to terminate this Agreement pursuant to this Section 5.

**5.5 Seller's Due Diligence Materials.** Within five (5) business days after the Effective Date Seller shall deliver to Purchaser copies of any and all existing environmental reports and findings, surveys, engineering reports, leases, title policies, real estate tax information, and all filings and correspondences with the New Jersey Department of Environmental Protection regarding the Property, if any, any agreements currently in effect with respect to the Property, and any other documentation or information reasonably requested by Purchaser (collectively, the "Seller's Due Diligence Materials").

## 6. AS-IS CONDITION

**6.1** Purchaser acknowledges and agrees that, Seller has not made, does not make and specifically negates and disclaims any representations, warranties, covenants, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property, including without limitation: (a) the value, nature, quality or physical or geophysical condition of the Property; (b) the surface water or groundwater conditions, soil conditions, environmental condition, wetlands claims, or the presence or absence of any Hazardous Materials (as defined below) on, beneath, or migrating onto or from the Property; (c) the income to be derived from the Property; (d) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon; (e) the compliance of or by the Property or its operation with any laws, rules, ordinances, regulations and/or Environmental Laws of any applicable governmental authority or body, including without limitation, the issuance, availability or status of any permits, licenses or governmental or quasi-governmental approvals; (f) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (g) the manner or quality of the construction or materials, if any, incorporated into the Property; (h) the manner, quality, state of repair or lack of repair of the Property; (i) the accuracy or completeness of the Due Diligence Documents; (j) the existence or absence of any underground storage tanks, septic tanks, or appurtenances related thereto on or beneath the Property; or (i) any other matter with respect to the Property. In purchasing this Property, Purchaser agrees and acknowledges that it is solely relying on its own Due Diligence of the Property conducted during the Due Diligence Period. Seller is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Property, or the operation thereof furnished by any real estate broker, agent, employee, servant or any other person. Purchaser further acknowledges and agrees that, to the maximum extent permitted by law, the sale of the Property as provided for herein is made on an “as is”, “where is” condition and basis “with all faults”. The provisions of this Section shall survive delivery of the Deed and the closing of title on this matter, notwithstanding any other provision, term or condition of this Agreement. This Section 6.1 is subject to the terms of Seller’s remediation obligations.

**6.2** For purposes of this Agreement, the following capitalized terms shall have the meanings provided below:

**“Environmental Laws”** shall mean all federal, state or local laws, ordinances, statutes, codes, rules, regulations, treaty, judgment, orders or decrees or published directive, guideline, requirement or other governmental rule or restriction which has the force of law, by or from a court, arbiter, or other federal, state, county, municipal or regional governmental authority, agency or other entity of a similar nature, exercising any executive, legislative, judicial, regulatory or administrative function of government, now or hereinafter in effect relating to, or imposing obligations, liabilities, or standards of conduct concerning or otherwise relating to (A) pollution, (B) the protection or regulation of human or animal health or safety, natural resources or the environment, including flora and fauna, (C) the treatment, storage, distribution, use, recycling, transport, handling or disposal of Hazardous Materials, or (D) the generation, manufacture, processing, distribution, emission, discharge, release or threatened release of Hazardous Materials into the environment, including, without limitation: the Comprehensive Environmental Response,

Compensation, and Liability Act of 1980, as amended (“CERCLA”), 41 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, as amended (“RCRA”), 42 U.S.C. § 6901 et seq.; the Toxic Substances Control Act, as amended (“TSCA”), 15 U.S.C. § 2601 et seq.; the New Jersey Spill Compensation and Control Act (the “Spill Act”), as amended, N.J.S.A. 58:10-23.11 et seq.; the New Jersey Industrial Site Recovery Act (“ISRA”), as amended, N.J.S.A. 13:1K-6 et seq.; the New Jersey Underground Storage of Hazardous Substances Act, as amended, N.J.S.A. 58:10A-21 et seq.; the New Jersey Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq.; the New Jersey Solid Waste Management Act (“SWMA”), N.J.S.A. 13:1E-1 et seq.; the New Jersey Brownfield and Contaminated Site Remediation Act; N.J.S.A. 58:10B-1 et seq.; the Coastal Area Facility Review Act, N.J.S.A. 13:19-1 et seq.; the Administrative Requirements for the Remediation of Contaminated Sites, N.J.A.C. 7:26C et seq.; the NJDEP Remediation Standards, N.J.A.C. 7:26D et seq.; the Technical Requirements for Site Remediation, N.J.A.C. 7:26E et seq.; any other applicable state and local environmental laws and regulations promulgated or enforced by any governmental authority.

“**Hazardous Materials**” shall mean (a) those substances included within the definition of any one or more of the terms “hazardous materials,” “hazardous wastes,” “hazardous substances,” “industrial wastes” and “toxic pollutants,” as such terms are defined under the Environmental Laws or any definitions in any comparable state laws, (b) any “hazardous substance” as now or hereafter defined in §101(14) of CERCLA, or any regulations promulgated under CERCLA; (c) any “hazardous waste” as now or hereafter defined in RCRA, or regulations promulgated under RCRA; (iii) any substance regulated by ISRA, the Spill Act, the SWMA, or any regulations promulgated thereunder; (d) any substance regulated by the Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; (e) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof, (f) natural gas, synthetic gas and any mixtures thereof, (g) asbestos and/or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophyllite and/or actinolite, whether friable or non-friable, (h) polychlorinated biphenyl (“PCBs”) or PBC-containing materials or fluids, (i) radon, (j) any other hazardous or radioactive substance, material, pollutant, contaminant or waste, and (k) any additional substances or materials which are now or hereafter determined, classified or considered to be hazardous, toxic or subject to regulation and that may need to be investigated, monitored, or remediated if present on, under or migrating from the Property pursuant to environmental laws.

## 7. ENVIRONMENTAL

7.1 Responsibility for Environmental Remediation. The Parties expressly agree that, to the extent that either (a) Hazardous Materials requiring Preliminary Assessment, Site Investigation, Remedial Investigation, and/or Remedial Action, as such terms are defined under Environmental Laws (collectively “Remediation”) or (b) underground storage tanks, septic tanks, or appurtenances related thereto requiring removal or closure pursuant to Environmental Laws (collectively “Closure Activities”), are present or found on, beneath or migrating from the Property, whether as a result of Purchaser’s Due Diligence or otherwise, after Closing, Purchaser shall be solely responsible for performing and paying all costs related to or arising from such Remediation and/or Closure Activities, as set forth in Article X of the Redevelopment Agreement,



in accordance with all Environmental Laws. After Closing, Seller shall have no responsibility, obligation or liability whatsoever with respect to the presence of any such Hazardous Materials, Remediation, Closure Activities, or compliance with Environmental Laws as relates to the Property, or any other property for which any third-party may claim that Hazardous Materials originating from the Property are impacting thereon.

**7.2 Environmental Indemnification.** After Closing, Purchaser shall defend, protect, indemnify and hold harmless the Seller and its officers, employees, or administrators, from any all liability, loss, cost, damage, claims, demands, judgments, fees, penalties or expenses, including reasonable attorneys' and/or expert witness fees, of any and all kinds or nature and however arising, which Seller may sustain, be subject to or be caused to incur by reason of or as a result of the presence of any Hazardous Materials on, in, beneath and/or migrating to or from the Property, or any acts or omissions with respect to any Remediation or Closure Activities by Purchaser or its agents, contractors, consultants or representatives at or relating to the Property.

**7.3 Environmental Release.** After Closing, Purchaser hereby agrees to fully release the Seller and its officers, employees and administrators from any: (i) any and all claims, costs, losses, liabilities, damages, expenses, demands, or causes of action, now or hereafter arising from or relate to any matter of any kind or nature relating to the Property; and (ii) any and all responsibility and liability with respect to the environmental conditions at the Subdivided Lot, including the presence of Hazardous Materials in the soil, air, structures, and ground water on, beneath and/or migrating from the Property and any Remediation of same or Closure Activities required by Environmental Laws.

**7.4** The provisions of this Section 7 shall survive Closing and delivery of the Deed.

## **8. SELLER'S REPRESENTATIONS AND WARRANTIES.**

**8.1** In addition to all other representations and/or warranties made by Seller elsewhere in this Agreement, the Seller hereby represents and warrants to Purchaser as follows:

**8.1.1** Seller is a public body corporate and politic and a subdivision of the State of New Jersey. Seller has the power and authority to enter into this Agreement, to perform its obligations under this Agreement and to complete the transaction contemplated by this Agreement. This Agreement and the transaction contemplated hereunder have been, and will be on the Closing Date, duly authorized and approved by all necessary action by Seller in accordance with its organizational documents and governing law.

**8.1.2** This Agreement has been duly executed and delivered by Seller and constitutes a valid, binding and enforceable obligation of Seller in accordance with its terms, subject to bankruptcy and other debtor relief laws. Seller has never filed for bankruptcy or sought protection of debtor relief laws. The person(s) executing this Agreement have been duly authorized and empowered to so execute this Agreement and all documents necessary and appropriate to consummate the transaction contemplated thereunder.

**8.1.3** Seller is not a foreign person (as such term is defined in Section 1445 of the Internal Revenue Code as amended by the Foreign Investment in Real Property Tax Act of 1980) and the Seller each shall provide Purchaser with a FIRPTA Affidavit.

**8.1.4** To the best of Seller's knowledge, the execution and delivery of this Agreement and performance of the obligations set forth in this Agreement: (i) shall not be a breach or violation of any agreement to which the Seller is a party and the Seller shall have obtained the necessary approvals for the execution and performance of same, and (ii) do not conflict with any agreement, indenture or other instrument, order, judgment, injunction, award or decree of any governmental body, administrative agency, court, law, rule or regulation affecting the Seller or by which the Seller or any of the Seller's assets or properties is or are bound, except to the extent of the outcome of the City Litigation, as defined in the Redevelopment Agreement, and as further described in Section 6.1.8 herein.

**8.1.5** During the term of this Agreement, the Seller shall not further sell, convey, assign or contract to sell, convey, assign, or pledge, all or any part of the Property, nor restrict the use of all or any part of the Property, nor take or cause to be taken any action in conflict with this Agreement.

**8.1.6** As of the Closing Date, Seller shall not have entered or have pending contracts of sale with respect to the Property or any portion thereof. Seller has not received any notice of any moratorium, condemnation proceeding or proceedings or agreement in the nature of eminent domain or for the dedication of any part of the Property to any public or quasi-public agency ("Taking") in connection with the Property; and no such proceeding or agreement is contemplated.

**8.1.7** No brokerage or leasing commission or other compensation is or will be due or payable to any person, firm, corporation or other entity on account of the Property.

**8.1.8.** Seller is not a party to any litigation affecting the Property, and as of the Closing Date, there shall be no litigation pending or threatened to which Seller is a party that could affect Seller's obligations under this Agreement or Purchaser's ability to develop the Project on the Property.

## **9. PURCHASER'S REPRESENTATIONS.**

**9.1** In addition to all other representations and/or warranties made by Purchaser elsewhere in this Agreement, the Purchaser represents and warrants to Seller as follows:

**9.1.1** Purchaser is, and on the Closing Date shall be, duly formed, validly existing and in good standing under the laws of the state of formation. Purchaser has the power and authority to enter into this Agreement, to perform its obligations under this Agreement and to complete the transaction contemplated by this Agreement. This Agreement and the transaction contemplated hereunder have been, and will be on the Closing Date, duly authorized and approved by all necessary action by Purchaser in accordance with its organizational documents and

governing law. This Agreement and all other documents, agreements and instruments executed and/or to be executed by Purchaser in connection herewith have been duly authorized by all necessary action of the Purchaser and same shall be duly executed and delivered by Purchaser on the Closing Date.

**9.1.2** This Agreement has been duly executed and delivered by Purchaser and constitutes a valid, binding and enforceable obligation of Purchaser in accordance with its terms, subject to bankruptcy and other debtor relief laws. The person(s) executing this Agreement have been duly authorized and empowered to so execute this Agreement and all documents necessary and appropriate to consummate the transaction contemplated thereunder.

**9.1.3** Purchaser is not required to obtain any consent, approval or authorization from, or to make any filing with, any person (including any governmental authority) in connection with or as a condition to, the execution and delivery of this Agreement, the performance of this Agreement by Purchaser of its obligations under this Agreement or the transaction contemplated by this Agreement.

**9.1.4** To the best of Purchaser's knowledge, the execution and delivery of this Agreement and performance of the obligations set forth in this Agreement: (i) shall not be a breach or violation of any agreement to which Purchaser is a party, and Purchaser has obtained the necessary approvals for the execution and performance of same; and (ii) do not conflict with any agreement, indenture or other instrument, order, judgment, injunction, award or decree of any governmental body, administrative agency, court, law, rule or regulation affecting Purchaser or by which Purchaser or any of its assets or properties is or are bound.

**9.1.5** The Purchaser has not been served with notice of, and there are no actions, suits, arbitrations or legal or administrative proceedings pending or threatened in any court, tribunal, agency or other forum against or that will affect the Purchaser's ability to consummate the transactions contemplated by this Agreement.

**9.1.6** No bankruptcy, insolvency, rearrangement or similar action or proceedings, whether voluntary or involuntary, is or are pending or threatened against the Purchaser, or to the best of Purchaser's knowledge, against any partner, member, affiliate or other related entity, and the Purchaser has no intention of filing or commencing any such action or proceeding.

## **10. CONDITIONS PRECEDENT TO THE OBLIGATION TO CLOSE.**

### **10.1 Conditions Precedent to Purchaser's Obligation to Close.**

Notwithstanding anything contained herein to the contrary, Purchaser's obligation to consummate its acquisition and to make payment of the Purchase Price shall be subject to the satisfaction on or before the Closing Date, of each of the following conditions precedent:

**10.1.1** The Seller delivering title to the Property in accordance with the provisions hereof and a final examination of title and Survey and of the Property shall reveal that no title defects or Exceptions exist other than Permitted Exceptions;

**10.1.2** The Seller's warranties and representations herein shall be true and correct in all material respects as of the Closing Date as if made on and as of that date;

**10.1.3** As of the Closing Date, there shall be no administrative agency, litigation or governmental proceeding of any kind whatsoever, pending or threatened against the Seller that would materially and adversely affect the Property prior to or after the Closing Date; and

**10.1.4** The Seller shall not be in default of any material condition of this Agreement.

**10.1.5** Purchaser shall have obtained, at its cost and expense all final and unappealable Governmental Approvals, as defined in the Redevelopment Agreement, required by the City of Lambertville and all other governmental or quasi-governmental agencies and entities under any statute, law, ordinance, rule or regulation, or any private or semiprivate entity or agency under any statute, law, ordinance rule or regulation, all of the foregoing which have jurisdiction over and whose approval is required or with whom a contract must be made for the construction of the Project. The Governmental Approvals shall also be deemed to include (1) a water service agreement with, and approvals from, the utility company and/or public agencies having potable water jurisdiction over the Property, (2) a sewer service agreement with, and approvals from, the utility company or public agency, having sewerage jurisdiction over, and construction and operating permits for sewer extensions issued by the New Jersey Department of Environmental Protection, all so as to provide sewer service to the Property, (3) a gas service agreement, if necessary, (4) access and egress easements from public or private parties providing for access to the Property for roads, utilities, sidewalks and other improvements which may be common to the Project.

## **10.2. Redevelopment Conditions.**

In addition to the conditions set forth in Section 8.1, above, Purchaser's obligation to close title to the Property is made specifically contingent upon the the following:

**10.2.1.** The Redevelopment Plan shall have been amended by Seller as provided in the Redevelopment Agreement to permit the development of the Project by Purchaser;

**10.2.2.** The Parties shall have entered into the Redevelopment Agreement and a Financial Agreement ("PILOT") upon terms and conditions mutually acceptable to the Parties;

In the event that any condition precedent referred to in Section 10.1.1 through 10.1.5 and 10.2.1 and 10.2.2 are not fulfilled as of the Closing Date, then Purchaser shall have the option to terminate this Agreement by written notice to the Seller. Upon such termination this Agreement shall be void and of no further force and effect and except as expressly set forth herein to the contrary the Parties shall be free from further liability to one another and the Deposit shall be refunded to Purchaser.

### **10.3 Conditions Precedent to Seller's Obligation to Close.**

Notwithstanding anything contained herein to the contrary, Seller's obligation to consummate its transfer of title and to deliver Seller's Deliveries (hereinafter defined) shall be subject to the satisfaction on or before the Closing Date, each of the following conditions precedent:

**10.3.1** The Purchaser's warranties and representations herein shall be true and correct in all material respects as of the Closing Date as if made on and as of that date;

**10.3.2** As of the Closing Date, there shall be no administrative agency, litigation or governmental proceeding or violation of any kind whatsoever, pending or threatened against the Purchaser, that would materially and adversely affect the Purchaser's ability to close; and

**10.3.3** Purchaser shall not be in default of any material condition of this Agreement.

**10.3.4** Purchaser shall have executed and delivered, and there shall be no default under, the Agreements or any and all other agreements, documents or instruments referenced therein.

**10.3.5** On or before the Closing Date, the Redevelopment Agreement shall be filed and recorded upon the Property in the office of the Hunterdon County Clerk, at Purchaser's sole cost and expense.

**10.3.6** In the event that any condition precedent referred to above is not fulfilled as of the Closing Date, then, upon written notice by Seller, the Purchaser shall have the right to cure the condition precedent within a reasonable period of time following its receipt of notice from Seller, not to exceed thirty (30) calendar days. If the Purchaser cannot cure the defect within the thirty (30) day period and Parties cannot agree upon fair and equitable resolution to address the unfulfilled condition precedent and close, then the Seller shall have the option to terminate this Agreement by written notice to the Purchaser.

**11. CLOSING OF TITLE.** The closing of title for the Property (the "Closing") shall take place at the offices of Purchaser or such other place as may be designated and agreed by the Parties, including closing by mail.

**11.1 Seller's Deliveries.** On the Closing Date, the Seller shall execute and/or deliver to Purchaser the following documents (the "Seller's Conveyance Documents"):

**11.1.1** A Bargain and Sale Deed with Covenant Against Grantor's Acts to the Property in proper statutory form for recording subject only to Permitted Exceptions (the "Deed") conveying the Property in fee simple to Purchaser;

**11.1.2** An appropriately prepared, signed and notarized Affidavit of Consideration for Use by Seller;

**11.1.3** A Seller's Residency Certification/Exemption Form;

**11.1.4** An Affidavit of Title in the usual and customary form acceptable to Purchaser's title company;

**11.1.5** A mutually acceptable closing statement, in a form prepared by the Purchaser's counsel and approved by Seller, setting forth all payments, credits, proration and adjustments as provided herein (the "Closing Statement");

**11.1.6** An Affidavit of Non-Foreign Status stating that the Seller is not a "foreign person" or "foreign entity" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, (the "FIRPTA Affidavit");

**11.1.7** Any engineering and architectural and other plans.

**11.1.8** Documentation reasonably satisfactory to the Purchaser to establish the due authorization of Seller's consummation of the transaction contemplated by this Agreement;

**11.1.9** Such other documents, instruments, and agreements reasonably required by Purchaser's title company or as may be agreed upon by the Parties to transfer or convey the Property to Purchaser in accordance with the terms of this Agreement. Seller shall provide (or cause to be provided) such other documents for Purchaser's review at least five (5) calendar days prior to the Closing Date; and

**11.1.10** Possession to the Property.

**11.2 Purchaser's Deliveries.** On the Closing Date, Purchaser shall deliver to Seller the following:

**11.2.1** The Purchase Price by wire or attorney trust check and the Closing Statement, subject to the adjustments contemplated by Section 10 hereof.

**11.2.2** Documentation reasonably satisfactory to the Seller to establish the due authorization of Purchaser's consummation of the transaction contemplated by this Agreement, including any applicable tax transfer forms.

**11.3** Each Party shall deliver to the other Party such other documents and instruments as may reasonably be requested by the other Party or the title company and reasonably necessary to consummate the transactions contemplated hereunder.

**12. CLOSING COSTS.**

**12.1** Purchaser shall pay all Title insurance premiums and the cost of recording closing documents.

**12.2** Real estate taxes, if applicable, utilities, operating expenses, including but not limited to water and sewer charges, if applicable, rent and all other customary items shall be prorated between the parties as of the Closing Date, with charges, rents and other prorations for the Closing Date attributable to Purchaser. In the event that final, current real estate tax bills are unavailable at the Closing Date, such taxes shall be prorated on the basis of the taxes for the most recent year for which tax bills are available.

**12.3** The obligation of this Section 12 with regard to any adjustments or payments subsequent to the Closing Date for real estate taxes shall survive the closing of title for a period of up to thirty (30) calendar days so that the Parties may undertake a post-closing “true-up” to the extent that same is necessary for such items that may have been estimated at closing.

**13. ASSESSMENTS.** If at the Closing Date, the Property, or any part thereof, shall be or shall have been affected by a special governmental assessment or assessments which are or may become payable in annual installments for: (i) improvements that have been completed prior to the Closing Date; or (ii) for which the first installment is then due or has been paid, then any such installment shall be paid and discharged by Seller prior to or on the Closing Date.

**14. ASSIGNMENT.** The Purchaser shall not assign this Agreement, other than to a single purpose entity formed for the purpose of implementing Purchaser’s redevelopment project at the Property and in which either Purchaser or Purchaser’s principals maintain a controlling interest (“Permitted Assigns”). Other than as set forth herein, the rights granted in this Agreement are personal to the Purchaser and this Agreement is non-assignable and any attempt to assign this Agreement without the prior written consent of the Seller will terminate all privileges granted to the Purchaser. Any assignment contrary to this Agreement shall be void, the assignee shall acquire no rights herein and the Seller shall not recognize any such assignment.

**15. REMEDIES.**

**15.1 Seller’s Default.** In the event the Seller is unable or otherwise fails to perform, or otherwise materially breaches this Agreement or any of its representations, warranties or covenants set forth in this Agreement, or the Seller materially misrepresents any fact or circumstance and Purchaser has provided written notice to Seller and Seller has not provided notice to Purchaser that the default would be cured within a reasonable period of time, not to exceed seven (7) calendar days, then Purchaser shall be entitled to either: (i) terminate this Agreement; or (ii) waive the default or breach and proceed to closing of title. Upon termination the Deposit

shall be returned to Purchaser and this Agreement shall be void and of no further force and effect and except as expressly set forth herein to the contrary the Parties shall be free from further liability to one another.

**15.2 Purchaser's Default.** In the event Purchaser is unable or otherwise fails to perform any of its obligations under this Agreement, or materially breaches or fails to close the transaction described in this Agreement in accordance with its terms and conditions and Seller has provided written notice to Purchaser and Purchaser has not provided notice to Seller that the default would be cured within a reasonable period of time, not to exceed seven (7) calendar days, then the Seller shall be entitled to terminate this Agreement, in which event Seller shall retain the Deposit, including interest accrued thereon, as liquidated damages.

**15.3 Notice.** A failure by either Party to perform any act required by it under this Agreement, other than the requirement to close if all conditions have been met, shall not be deemed a default under this Agreement until such Party has received written notice from the other Party setting forth the alleged failure, and such failure has not been cured within the time frames set forth in this Agreement. In the instance where no time frame is set, then the time frame shall be within seven (7) calendar days of receipt of such notice.

## **16. CONDEMNATION AND CASUALTY.**

**16.1 Casualty.** Prior to the Closing Date, Seller shall bear all risks of loss to the Property and all liabilities arising from the Property. In the event of any damage to or destruction of the Property due to fire or any other cause or hazard, Seller shall promptly give notice thereof to Purchaser describing such damage and indicating the estimated cost and time period required for restoration to substantially the same condition as existed prior to the damage.

**16.2 Condemnation.** The Seller represents and warrants to the Purchaser that the Seller has not heretofore received any notice of any condemnation proceeding or other action or proceeding, either contemplated or pending, in the nature of eminent domain ("Condemnation Proceedings") in connection with the Property; nor does the Seller have knowledge of any Condemnation Proceedings. If the Seller becomes aware of or receives, at or prior to the Closing Date, any notice of Condemnation Proceedings it will immediately advise the Purchaser of the Condemnation Proceedings, in writing and provide a copy of any such notice of Condemnation Proceedings to the Purchaser. Seller shall retain the right to negotiate for and to agree to or contest all offers and awards. If all or any portion of the Property has been or is taken by condemnation or eminent domain, prior to the Closing Date, the Purchase Price shall be reduced by the total of any award of damages actually received by the Seller. If a Condemnation Proceeding has commenced or notice thereof has been received prior to the Closing Date, the Seller shall assign to the Purchaser all of the Seller's rights, title and interest in and to any awards or damages to which the Seller may have become entitled or may thereafter be entitled by reason of any exercise of the power of eminent domain or condemnation with respect to or for the taking of the Property or any portion thereof.

**17. BROKER CLAUSE.** Each of the parties warrants and represents that it has not



dealt with any real estate agent, broker or salesperson and that each of the Parties covenants to indemnify the other against claims of any such third party. Each of the Parties' obligations hereunder shall survive the closing of title.

**18. NOTICES.** Any demand, notice or other communication required or permitted to be given hereunder shall be in writing, and shall be delivered personally, by recognized overnight national courier service (such as Federal Express) for next business day delivery or by certified mail, return receipt requested, first-class postage prepaid to the parties at the addresses set forth below (or to such other addresses as the parties may specify by due notice to the other):

Copies of all notices shall be sent as follows:

If to the Seller:

Cynthia Ege, RMC  
City of Lambertville  
18 York Street  
Lambertville, New Jersey 08530  
[cityclerk@lambertvillenj.org](mailto:cityclerk@lambertvillenj.org)

with copies to:

William P. Opel  
McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue, Suite 200  
Roseland, New Jersey 07068  
[wopel@msbnj.com](mailto:wopel@msbnj.com)

If to the Purchaser:

Lambertville Urban Renewal, LLC  
Attn: Mazin Patrick Kalian  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[mkalian@kalian.com](mailto:mkalian@kalian.com)

**with copies to:**

Kalian Management  
Attn: Debbie Kramer Gregg  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[dgregg@kalian.com](mailto:dgregg@kalian.com)

Any notice delivered to a Party's designated address by (a) personal delivery, (b) recognized overnight national courier service, or (c) certified mail, return receipt requested, shall be deemed to have been received by such Party at the time the notice is delivered to such Party. Confirmation by the courier delivering any notice given pursuant to this Agreement shall be conclusive evidence of receipt of such notice. Each Party hereby agrees that it will not refuse or reject delivery of any notice given hereunder, that it will acknowledge, in writing, receipt of the same upon request by any other Party and that any notice rejected or refused by it shall be deemed for all purposes of this Agreement to have been received by the rejecting Party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service. Any notice given by an attorney for a Party shall be effective for all purposes.

**19. FURTHER ASSURANCES.** Each of the Parties hereby agrees to execute, acknowledge and deliver such other documents or instruments as the other may reasonably require from time to time to carry out the purposes of this Agreement.

**20. MISCELLANEOUS PROVISIONS.** The Parties further agree as follows:

**20.1 Interpretation.** This Agreement has been prepared or reviewed, or both, by counsel for Seller and Purchaser, the Parties agree that the Agreement shall be construed reasonably to carry out its intent without presumption against or in favor of either Party.

**20.2 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

**20.3 Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey.

**20.4 Attorney Fees.** In the event any action or proceeding is commenced by a Party to obtain a declaration of rights hereunder, to enforce any provision of this Agreement, or to seek rescission of this Agreement for default under this Agreement, whether legal or equitable, each Party shall be responsible to pay its own legal fees and costs.

**20.5 Invalid Terms.** If any term or provision of this Agreement or the application thereof shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each of the remaining terms shall remain as valid and enforceable to the fullest extent permitted by law.

**20.6 Counting Days.** Whenever used herein, unless expressly provided otherwise, the term "days" shall mean consecutive calendar days, except that if the expiration of any time period measured in days occurs on a Saturday, Sunday, legal holiday of the State of New Jersey, such expiration shall automatically be extended to the next day which is not a Saturday, Sunday, or legal holiday.

**20.7 Party Cooperation.** Up to the Closing Date, the Parties agree that they shall reasonably cooperate with one another in furtherance of their efforts to consummate the transaction contemplated by this Agreement.

**20.8 Bulk Sale.** Seller and Purchaser each acknowledge and agree that in the event the transaction contemplated herein is subject to the provisions of N.J.S.A. 54:50-38 (the “Bulk Sale Act”), Purchaser shall have the right to comply with N.J.S.A. 54:32B-22(c) and N.J.S.A. 54:50-38 and Seller shall cooperate in connection with such compliance.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties hereto have duly executed this Agreement as of the day and year first above written.

**ATTEST:**

**LAMBERTVILLE URBAN RENEWAL,  
LLC,  
AS PURCHASER**

\_\_\_\_\_

**By:** \_\_\_\_\_

**ATTEST:**

**CITY OF LAMBERTVILLE,  
AS SELLER**

\_\_\_\_\_

**By:** \_\_\_\_\_

EXHIBIT A

LEGAL DESCRIPTION OF BLOCK 1003, LOT 3

EXHIBIT B

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement") is made as of May \_\_, 2020, by and among **LAMBERTVILLE URBAN RENEWAL, LLC** (the "Purchaser"), the **CITY OF LAMBERTVILLE** (the "Seller") and **US TITLE SOLUTIONS, LLC**, a New Jersey limited liability partnership (the "Escrow Agent").

WITNESSETH:

WHEREAS, the Purchaser and the Seller have entered into that certain Purchase and Sale Agreement, dated as of \_\_\_\_\_, 2021 (the "PSA"), wherein the Purchaser agreed to purchase and acquire the Premises; and

WHEREAS, the PSA requires, *inter alia*, that the Purchaser deposit \$100,000.00 (the "Escrow Amount") as the "Deposit" with the Escrow Agent for a period up and until the Closing Date, as provided in the PSA; and

WHEREAS, the Escrow Agent has agreed to act, solely, as a depository and administrator of the Escrow Amount, all upon the terms, conditions and provisions hereinafter set forth; and

WHEREAS, all words and terms not defined herein shall have the respective meanings and be construed herein as provided in the PSA.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, receipt of which hereby contained is acknowledged by the Escrow Agent, and of the mutual promises and covenants herein and in the PSA and any exhibits thereto, it is hereby agreed among the parties hereto as follows:

1. Appointment of the Escrow Agent

(a) The Purchaser and the Seller hereby designate the Escrow Agent as the Escrow Agent, and the Escrow Agent hereby agrees to act, as a depository and administrator of the Escrow Amount upon the terms and conditions set forth herein. The Purchaser and the Seller hereby acknowledge the Escrow Agent is legal counsel to the Seller.

(b) The Escrow Agent's duties and responsibilities, in its capacity as such, shall be limited to those expressly set forth in this Escrow Agreement and the PSA, and the Escrow Agent shall be neither subject to, nor obliged to recognize, any other agreement between any or all of the parties hereto even though reference thereto may be made herein; provided, however, that, with the Escrow Agent's written consent, this Escrow Agreement

may be amended at any time or times by an instrument in writing signed by all of the parties hereto.

(c) The Escrow Amount shall be held by the Escrow Agent in a segregated interest-bearing account designated by the Escrow Agent and acceptable to the Seller and the Buyer.

(i) On the Closing Date, the Escrow Agent shall remit the Escrow Amount to the Seller.

(ii) The Escrow Agent is authorized to remit the Escrow Amount to either party, if:

- (A) the Escrow Agent shall have received from such party a written demand for the Escrow Amount, together with a sworn statement by a general partner or officer or manager or member of such party (or of a constituent entity of such party) stating that such party is entitled to be paid the Escrow Amount hereunder and stating the reason therefor (the "Demand Notice"); and
- (B) the Escrow Agent shall have sent the Demand Notice to the other party; and
- (C) the Escrow Agent shall not have received an Objection Notice from the other party within 15 days after the Escrow Agent shall have sent the Demand Notice to such other party.
- (D) The other party may, upon its receipt of a Demand Notice, deliver to the Escrow Agent a written notice objecting to the remittance of the Escrow Amount to the party demanding the same, together with a sworn statement by a general partner or officer or manager or member of such party (or of a constituent entity of such party) as to why the party making the demand is not entitled to the Deposit (an "Objection Notice"). If the Escrow Agent receives an Objection Notice within 15 days after sending a Demand Notice to the non-demanding party, the Escrow Agent shall not remit the Deposit to either party unless directed to do so in writing by (i) the order of a court of competent jurisdiction, or (ii) both parties.
- (E) Notwithstanding anything herein to the contrary, the Escrow Agent may at any time (either before or after a

Demand Notice or an Objection Notice or both shall have been sent), deposit the Escrow Amount and all interest earned thereon with the Superior Court of New Jersey in Essex County or Middlesex County and give notice to the Seller and Buyer thereof, whereupon the Escrow Agent shall be relieved and discharged of all further liability and obligations hereunder with respect thereto.

(F) Interest earned on the Escrow Amount shall be handled in accordance with the terms of the PSA.

(d) It is understood and agreed that the Escrow Agent shall:

- (i) be under no duty to accept information from any person and then only to the extent and in the manner provided for in this Escrow Agreement;
- (ii) be protected in acting upon any notice, opinion, request, certificate, approval, consent or other document believed by it to be genuine and what it purports to be;
- (iii) be indemnified and held harmless jointly and severally by the other parties hereto from and against any claim made against it by reason of its acting or failing to act in connection with any of the transactions contemplated hereby and against any loss, liability or expense, including reasonable attorneys' fees and other reasonable expenses of defending itself against any claim of liability it may sustain in carrying out the terms of this Escrow Agreement, except such claims successfully asserted against the Escrow Agent which are based upon its negligence or willful misconduct; provided, however, that promptly after the receipt by the Escrow Agent of notice of any demand or claim or the commencement of any action, suit or proceeding, the Escrow Agent shall notify all parties hereto in writing of the existence of such notice. Such indemnity obligation shall survive the termination of this Escrow Agreement;
- (iv) have no liability in respect of or duty to inquire into the existence or veracity of any violations, its duties under this Escrow Agreement being understood to be purely ministerial in nature;
- (v) be permitted to consult with counsel of its choice, and shall not be liable for any action taken, suffered or omitted by it in good faith in accordance with the advice of such counsel, provided, however, that nothing contained in this subparagraph (v), nor any action taken by



the Escrow Agent or by such counsel, shall relieve the Escrow Agent from liability for any claims which are based upon its negligence or willful misconduct, all as provided in subparagraph (iii) above;

- (vi) not be bound by any modification, amendment, termination, cancellation or rescission of this Escrow Agreement, unless the same shall be in writing and signed by the parties hereto, including the Escrow Agent;
- (vii) have no liability as a result of following the instructions contained or expressly provided for herein;
- (viii) not have any interest in the Escrow Amount held by it pursuant to the terms and conditions herein or the interest earned thereon, but serve as escrow holder only and having only possession thereof. This paragraph shall survive the termination of this Escrow Agreement or the resignation of the Escrow Agent; and
- (ix) have the right, at any time, to resign hereunder by giving written notice of its resignation to the Purchaser and the Seller at their respective addresses set forth herein, such resignation to take effect immediately, in which case, upon such resignation:
  - (A) the Escrow Amount and any and all other property then held by the Escrow Agent hereunder shall be delivered by it to such person as may be designated jointly in writing by the Purchaser and the Seller, whereupon the Escrow Agent's obligations hereunder shall cease and terminate;
  - (B) if no such person has been designated by such date, all obligations of the Escrow Agent hereunder shall, nevertheless, cease and terminate; and
  - (C) the Escrow Agent's sole responsibility thereafter shall be to keep safe the Escrow Amount and all other property then held by it and to deliver same to a person designated jointly in writing by the Purchaser and the Seller.

(e) For its services under this Escrow Agreement, the Escrow Agent has received One Dollar (\$1.00) at the time of the execution hereof, receipt of which is hereby acknowledged by the Escrow Agent.

## 2. Establishment of Escrow Amount.

- (a) The Escrow Agent hereby acknowledges receipt of the Escrow Amount.

The Escrow Amount shall be held by the Escrow Agent. The Escrow Amount shall be disbursed as set forth in this Escrow Agreement and the PSA.

(b) The Escrow Agent shall not be called upon to advise any party as to the wisdom in taking or refraining from taking any action with respect to the Escrow Amount.

3. Disposition of the Escrow Amount.

(a) The Escrow Amount shall be held by the Escrow Agent pursuant to the terms of this Escrow Agreement until same shall be transferred or released in accordance with the terms hereof and of the PSA. The Escrow Amount, or any portion thereof, as applicable, shall be released to the Seller upon:

(i) the consummation of the closing; or

(ii) in the event the closing does not occur, in accordance with the terms and conditions of the PSA.

(b) The Escrow Agent shall make any transfer or release no later than one (1) business day after its receipt of instructions for such proposed release or transfer as set forth in this Escrow Agreement.

4. Term.

This Escrow Agreement shall continue until the earlier of (a) the resignation or replacement of the Escrow Agent, (b) the release of the full amount of the Escrow Amount; or (c) the consummation of the closing, whereupon this Escrow Agreement shall terminate.

5. Miscellaneous.

(a) The Purchaser and the Seller may, by notice given to the Escrow Agent and the other, and signed by each of them, or by so agreeing herein, designate a successor or representative to give such instructions as are provided for herein.

(b) The Purchaser and the Seller may, upon one business day's prior written notice to the Escrow Agent executed by each of them, dismiss the Escrow Agent hereunder and appoint a successor. In such event, the Escrow Agent shall promptly account for and deliver to the successor escrow agent named in such notice the Escrow Amount and all interest earned thereon. Upon acceptance thereof and upon reimbursement to the Escrow Agent of all expenses due to it hereunder through the date of such deliver, the Escrow Agent, in its capacity as such, shall be released and discharged from all of its duties and obligations hereunder.

(c) This Escrow Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their successors and permitted assigns.

(d) If any provision of this Escrow Agreement shall be held to be unenforceable, then all other provisions nevertheless shall continue in full force and effect.

(e) Any notice, direction, instruction or other communication required or permitted hereunder shall be given in writing by hand delivery, a nationally recognized overnight courier service or by registered or certified first class mail, return receipt requested, postage prepaid, addressed to the party to receive the same at its respective address set forth in the PSA, or to such other address as such party may have designated by notice to the others. All notices to Escrow Agent shall be sent as follows:

If to the Escrow Agent:

US Title Solutions LLC  
100 Corporate Drive, Suite 305  
Lebanon, New Jersey 08833  
Attention: Erin Fagan  
Email: [efagan@ustitlesolutions.com](mailto:efagan@ustitlesolutions.com)

If to the Seller:  
Cynthia Ege, RMC  
City of Lambertville  
18 York Street  
Lambertville, New Jersey 08530  
[cityclerk@lambertvillenj.org](mailto:cityclerk@lambertvillenj.org)

with copies to:

William P. Opel  
McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue, Suite 200  
Roseland, New Jersey 07068  
[wopel@msbnj.com](mailto:wopel@msbnj.com)

If to the Purchaser:

Lambertville Urban Renewal, LLC  
Attn: Mazin Patrick Kalian  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[mkalian@kalian.com](mailto:mkalian@kalian.com)

**with copies to:**

Kalian Management  
Attn: Debbie Kramer Gregg  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[dgregg@kalian.com](mailto:dgregg@kalian.com)

Copies of any written communications sent by the Purchaser and the Seller to the Escrow Agent relating to this Escrow Agreement shall be sent to the other parties hereto, and copies of any written communications sent by the Escrow Agent relating to this Escrow Agreement shall be sent to the Purchaser and the Seller. Notwithstanding the foregoing, the Purchaser and the Seller shall have the right to engage in direct written communications between themselves relating to this Escrow Agreement without providing copies thereof to the Escrow Agent or any other party hereto, except to the extent otherwise required under the terms of this Escrow Agreement. All notices, directions, instructions and communications hereunder shall be effective, and deemed given, if hand delivered, on and as of the date of receipt thereof, as evidenced by a written receipt by or on behalf of the party to which the same is so delivered, and, if mailed; or sent by a nationally recognized overnight delivery service, on and as of the date of delivery, as evidenced by the acknowledgment of delivery issued with respect thereto.

(f) The recitals to this Escrow Agreement are hereby incorporated by reference. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflict of law thereof.

(g) This Escrow Agreement, and any notice, direction or other document or instrument delivered in connection herewith, may be executed in counterparts (including counterparts delivered by facsimile transmission), each of which shall constitute an original instrument, but all of which together shall constitute a single agreement, notice, direction, document or instrument, as the case may be.

(h) The provisions of this Escrow Agreement shall not be altered or terminated by operation of law or by the occurrence of any event (except as otherwise specified herein), including without limitation, the termination of the legal existence of any party hereto.

(i) This Escrow Agreement shall not be assignable, in whole or in part, by any party without the prior written consent of the other parties, and any attempted assignment without such prior consent shall be void.

(j) THE PURCHASER, THE ESCROW AGENT, AND THE SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THAT EACH MAY NOW OR HEREAFTER HAVE UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR ANY STATE, TO A TRIAL BY

JURY OF ANY AND ALL ISSUES ARISING EITHER DIRECTLY OR INDIRECTLY IN ANY ACTION OR PROCEEDING BETWEEN THE PURCHASER, THE ESCROW AGENT, AND THE SELLER OR THEIR SUCCESSORS AND ASSIGNS, OUT OF OR IN ANY WAY CONNECTED WITH THIS ESCROW AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE PURCHASER, THE ESCROW AGENT, AND THE SELLER. IT IS INTENDED THAT SAID WAIVER SHALL APPLY TO ANY AND ALL DEFENSES, RIGHTS AND/OR COUNTERCLAIMS IN ANY ACTION OR PROCEEDING.

**SIGNATURE PAGE TO FOLLOW**

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Escrow Agreement, all as of the day and year first above written.

**ATTEST:**

**LAMBERTVILLE URBAN RENEWAL  
LLC, AS PURCHASER**

\_\_\_\_\_

**By:** \_\_\_\_\_

**ATTEST:**

**CITY OF LAMBERTVILLE, AS SELLER**

\_\_\_\_\_

**By:** \_\_\_\_\_

**US TITLE SOLUTIONS, LLC,  
AS ESCROW AGENT**

**By:** \_\_\_\_\_

**EXHIBIT C**

Access Agreement

EXHIBIT 8

NARRATIVE DESCRIPTION OF PROJECT

*The building to be developed will feature 27 apartments in three wood framed residential stories above a steel or concrete parking podium. Of the 27 apartments, 5 will be affordable housing with the income amount being denoted above. The maximum height will be 55' and the entire use will be residential. Below is the chart of the square footages and unit types for the varying spaces –*

GROSS BUILDING AREA	
DEPARTMENT	AREA
FIRST FLOOR PLAN	
AMENITY	792 SF
BUILDING SERVICE	203 SF
CIRCULATION	301 SF
PARKING	7360 SF
RESIDENTIAL	325 SF
UTILITY	498 SF
FIRST FLOOR PLAN: 11	9480 SF
SECOND FLOOR PLAN	
CIRCULATION	1362 SF
RESIDENTIAL	8189 SF
SECOND FLOOR PLAN: 13	9551 SF
THIRD FLOOR PLAN	
CIRCULATION	1079 SF
RESIDENTIAL	7920 SF
THIRD FLOOR PLAN: 13	8999 SF
FOURTH FLOOR	
CIRCULATION	1315 SF
RESIDENTIAL	8236 SF
FOURTH FLOOR: 13	9551 SF
	37582 SF

UNIT TYPE SCHEDULE				
UNIT TYPE	BEDS	BATHS	UNIT SIZE(SF)	TOTAL UNITS
COAH 1	1	1	734 SF	1
COAH 2	2	1	<varies>	3
COAH 3	3	2	1015 SF	1
UNIT TYPE A	1	1	<varies>	8
UNIT TYPE B	2	1	<varies>	6
UNIT TYPE C	3	2	1175 SF	2
UNIT TYPE D	2	1	<varies>	3
UNIT TYPE E	3	2	<varies>	3
Grand total: 27				



EXHIBIT 9

SITE PLAN APPROVAL BY PLANNING BOARD

The application for site plan approval is anticipated to be submitted in or around March 2022.

EXHIBIT 10

SITE PLAN APPROVAL RESOLUTION

The application for site plan approval is anticipated to be submitted in or around March 2022.

EXHIBIT 11

TOTAL PROJECT COST ESTIMATE

<b>Budget Item</b>	<b>/Unit</b>	<b>Amount</b>
<b>1. Construction Costs</b>	287,128	6,603,938
Building Shell/Hard Cost Roll Up		4,893,750
Demo		85,000
Site Work		750,000
Garage		500,000
Contingency		244,688
Environmental		50,000
Connection Fees		80,500
Item		0
<b>2. Architecture &amp; Engineering</b>	15,804	363,500
Architecture & Engineering		250,000
Contingency		28,500
Environmental Consultant		10,000
Legal		75,000
Item		0

<b>4. Marketing</b>	5,435	125,000
Marketing		50,000
Leasing Staff		50,000
FF&E		25,000
Item		0
<b>5. Fees</b>	11,485	264,158
CM Fee		264,158
Dev Fee		
Financing		0
Item		0
<b>6. Land</b>	43,478	1,000,000
Land Purchase		1,000,000

EXHIBIT 12

COST ESTIMATE FOR EACH UNIT TYPE

<b>7. Construction Overheads</b>	<b>16,848</b>	<b>387,500</b>
Salaries/Payroll		200,000
Fringes		50,000
Trailer Utilities		5,000
Toilets		5,000
Auto		5,000
Gas/oil		5,000
Office Supplies		500
Field Supplies		5,000
Outside Services		5,000
Project Sign		500
Temp Power		2,000
Temp Water		2,000
Temp Heat/Winter Conditions		5,000
Stolen/Lost		2,500
Liability/Builder's Risk		50,000
Trailer		5,000
Safety		2,500
Vandalism		2,500
Property Taxes		10,000
Trash Removal		10,000
Bond Inspection fees		15,000

# EXHIBIT 13

## PROJECT PRO FORMA

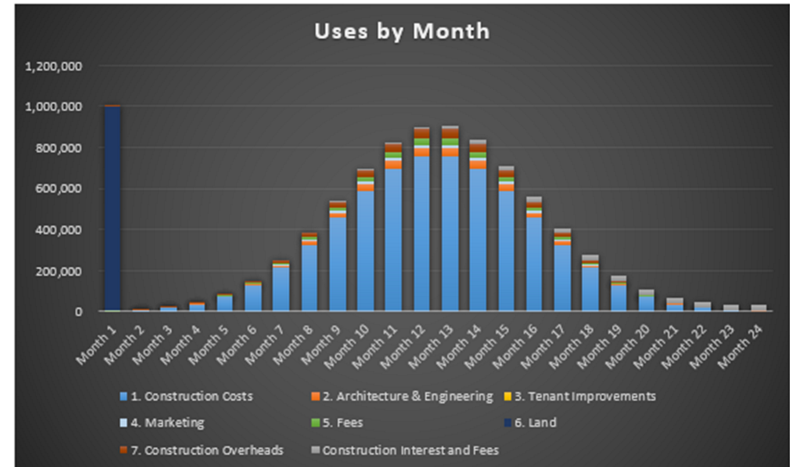
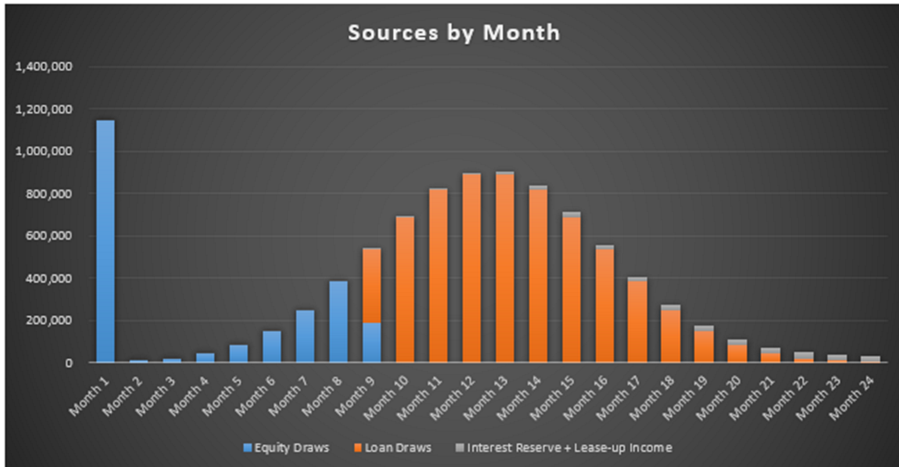
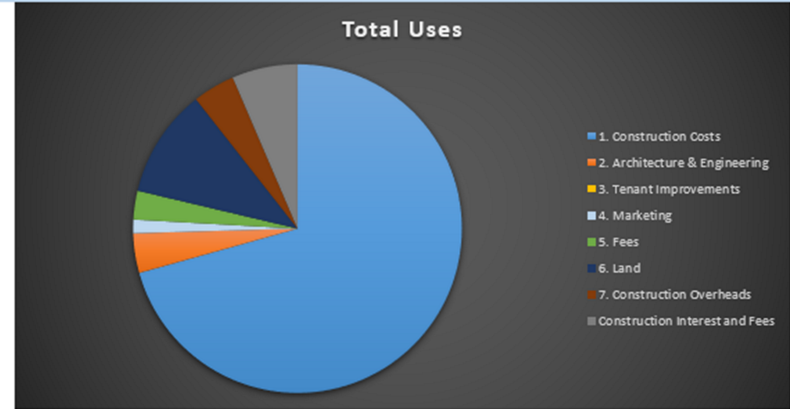
### MULTIFAMILY - OPERATING STATEMENT

	ANNUAL OPERATING STATEMENT				Trended							
	Year Ending	Apartment			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		YE Actual	YE Actual	YE Actual								
Rental Revenue	100%	100%	100%	100%	0%	0%	82%	100%	100%	100%	100%	100%
Gross Potential Rent	100%	100%	100%	100%	0%	0%	82%	100%	100%	100%	100%	100%
- Concessions	100%	100%	100%	100%	0%	0%	74%	94%	94%	94%	94%	94%
- Downtime Vacancy/ Loss-to-Market	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Rental Revenue	100%	100%	100%	100%	0%	0%	74%	94%	94%	94%	94%	94%
Utility Expense Recovery %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income												
Utility Reimbursement (RUBS)												
Parking Income												
Storage Income												
Total Other Income												
Total Potential Gross Income												
- General Vacancy												
Effective Gross Income												
Operating Expenses												
Payroll												
Advertising & Marketing												
General & Administrative												
Utilities												
Repairs & Maintenance												
Service Contracts												
Management Fee												
Make Ready												
Taxes												
Insurance												
Total Operating Expenses												
Net Operating Income												
Capital Expenditures												
Other CapEx												
Capital Reserve												
Total Capital Expenditures												
Total Expenses												
Cash Flow from Operations												

DEVELOPMENT SOURCES AND USES

Sources		LTC	Uses	
Const. Loan	6,472,551		1. Construction Costs	70.7% 6,603,938
Interest + Fees	572,014	75.4%	2. Architecture & Engineering	3.9% 363,500
Construction Loan	75.4% 7,044,565	70.0%	3. Tenant Improvements	0.0% 0
Lease-Up Income	0.3% 30,788		4. Marketing	1.3% 125,000
Equity Investment	24.3% 2,271,544		5. Fees	2.8% 264,158
<b>Total Sources</b>	<b>100.0% 9,346,897</b>		6. Land	10.7% 1,000,000
			7. Construction Overheads	4.1% 387,500
<b>Construction Financing Assumptions</b>			Development Cost W/O Interest	93.6% 8,744,095
Construction Loan Term	29 Months		Construction Interest and Fees	6.4% 602,802
Fixed Interest Rate	Annual 5.00%		<b>Total Uses</b>	<b>100.0% 9,346,897</b>
% of Lease-Up Inc. to Use	100%			

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**MULTIFAMILY - UNIT MIX**

ASSUMPTIONS  
 Unit Types: 6      Date of RR: 26-Nov-22

Units: 23

**UNIT MIX**

#	Unit Type	Unit Size			Total Units	% of Total
		Beds	Baths	(SF)		
				973	23	
1	COAH 1 V Low	1.0	1.0	750	1	4.3%
2	2	1.0	2.0	800	9	39.1%
3	3	2.0	1.0	1,100	9	39.1%
4	COAH 2 Low	2.0	1.0	950	2	8.7%
5	COAH 2 Mod	2.0	2.0	1,315	1	4.3%
6	COAH 3 Mod	3.0	2.0	1,315	1	4.3%

EXHIBIT 14

PROJECT FINANCING PLAN

Lambertville Urban Renewal LLC will put in the necessary equity for a bank to lend the remaining amount of money for the total project. We intend to get 70% Loan to Cost for the project costs, see below for detail-

DEVELOPMENT SOURCES AND USES					
Sources			LTC	Uses	
Const. Loan		6,472,551			
Interest + Fees		572,014	75.4%		
Construction Loan	75.4%	7,044,565	70.0%	1. Construction Costs	70.7% 6,603,938
Lease-Up Income	0.3%	30,788		2. Architecture & Engineering	3.9% 363,500
Equity Investment	24.3%	2,271,544		3. Tenant Improvements	0.0% 0
<b>Total Sources</b>	<b>100.0%</b>	<b>9,346,897</b>		4. Marketing	1.3% 125,000
				5. Fees	2.8% 264,158
				6. Land	10.7% 1,000,000
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<b>Construction Financing Assumptions</b>				Development Cost W/O Interest	93.6% 8,744,095
Construction Loan Term		29 Months		Construction Interest and Fees	6.4% 602,802
Fixed Interest Rate	Annual	5.00%		<b>Total Uses</b>	<b>100.0% 9,346,897</b>
% of Lease-Up Inc. to Use		100%			

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EXHIBIT 15

PRIVATE FINANCING COMMITMENTS

*To be provided at time of Loan Closing*

EXHIBIT 16

EXPLANATION OF NEED FOR TAX EXEMPTION

Between the recent cost of construction escalations, lack of established rental market and the need for a market rate return this project would not be feasible without a tax exemption. Stated differently, without a tax exemption this project would not provide a rate of return that is acceptable in the space of multifamily housing development.

PROJECT SCHEDULE

DEVELOPMENT TIMELINE

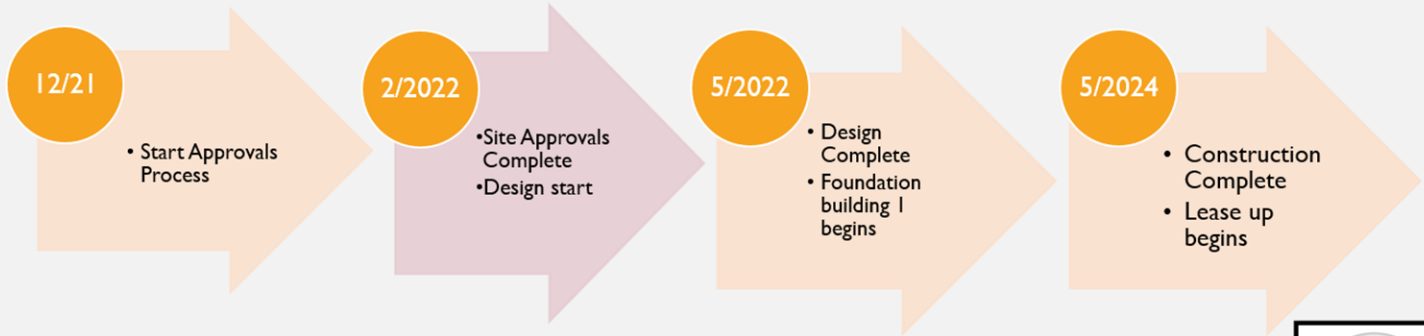


EXHIBIT 18

SUMMARY OF PROJECT BENEFITS

The development and construction of the Project as set forth in the Redevelopment Agreement and Redevelopment Plan will be beneficial to the overall community; will achieve the goals and objectives of the Redevelopment Plan; will help revitalize the Property; will improve the quality of life for the community; will serve as a catalyst for further private investment in areas surrounding the Property and will enhance the economic development of the City.

It is anticipated that the development of the Project will create approximately 80-100 construction jobs over the duration of the construction of the Project, as well as 1-2 full-time permanent jobs.

In 2021, the Property, which was municipally owned and therefore tax exempt, generated \$0 in total real estate taxes to all government units. Pursuant to this Financial Agreement, the Project is projected to generate municipal revenue of approximately \$64,886.00 in the first year and approximately \$4,532,457.00 over the term of this Agreement. The City has determined that the benefits to the City accruing as a result of the Project, including the revitalization of the Redevelopment Area, and the generation of jobs as described above, will substantially outweigh any costs to the City resulting from the long term tax exemption granted herein

EXHIBIT 19

FORM OF FINANCIAL AGREEMENT

**FINANCIAL AGREEMENT FOR  
LONG TERM TAX EXEMPTION**

by and between

**CITY OF LAMBERTVILLE**

and

**LAMBERTVILLE URBAN RENEWAL, LLC**

**THIS FINANCIAL AGREEMENT**, is made as of the \_\_\_\_ day of December, 2021 ("Effective Date"), by and between the **CITY OF LAMBERTVILLE**, with offices at 18 York Street, Lambertville, New Jersey 08530 (the "City") and **LAMBERTVILLE URBAN RENEWAL, LLC**, with an address at 2 Hennessey Boulevard, Atlantic Highlands, New Jersey 07716 (hereinafter referred to as the "**Redeveloper**", and together with the City, the "**Parties**").

**WITNESSETH:**

**WHEREAS**, on July 23, 2020, by Resolution No. 95-2020, the Governing Body (the "**Governing Body**") of the City, pursuant to and in accordance with the requirements of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "**Redevelopment Law**"), designated the properties identified on the tax map of the City as Block 1003, Lot 3, as a Non-Condemnation Area In Need Of Redevelopment (the "**Redevelopment Area**"); and

**WHEREAS**, on December 17, 2020, the Governing Body adopted Ordinance 18-2020 enacting a redevelopment plan for the Redevelopment Area entitled the *Police Station Tract Redevelopment Plan* (the "**Redevelopment Plan**"); and

**WHEREAS**, the Redeveloper is the contract purchaser of the Redevelopment Area, identified as Block 1003, Lot 3 on the official tax map of the City, and described by those certain metes and bounds attached hereto as **Exhibit A** (hereinafter, the "**Property**"); and

**WHEREAS**, the Redeveloper is the contract purchaser of the Property; and

**WHEREAS**, in order to implement the development, financing, construction, operation and management of the Project as defined below, the City entered into a redevelopment agreement with the Redeveloper dated December \_\_, 2021 (the "**Redevelopment Agreement**"), which Redevelopment Agreement specifies the rights and responsibilities of the City and Redeveloper with respect to certain aspects of the Project (as hereinafter defined); and

**WHEREAS**, the Redevelopment Agreement sets forth the terms and conditions by which the Redeveloper will redevelop the Property with a four (4) story residential building containing twenty-seven (27) residential units, five (5) of which shall be affordable housing units as well as certain other on-site improvements, including forty-six (46) parking spaces (collectively, together with any improvements and any other actions described in the Redevelopment Agreement related to such development, the "**Project**," as more fully described in **Exhibit B** hereto); and

**WHEREAS**, the Redeveloper applied to the Governing Body for a long-term tax exemption pursuant to the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1, et seq.* (the "**Long Term Tax Exemption Law**"), which application is annexed hereto as **Exhibit C** (the "**Application**"); 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 ("**PILOTS**") in accordance with

certain applicable provisions of the Long Term Tax Exemption Law; and

**WHEREAS**, pursuant to Ordinance \_\_\_\_\_, adopted by the Governing Body on December \_\_, 2021 (the “**Ordinance**”), the Governing Body approved the Application and authorized the execution of a financial agreement setting forth the terms of the long-term tax exemption (the “**Financial Agreement**”); and

**WHEREAS**, pursuant to this Financial Agreement, the City and the Redeveloper desire to set forth in detail their mutual rights and obligations with respect to the tax exemption; and

**WHEREAS**, the Governing Body has reviewed the Application and has made the following findings:

A. **Benefits of Project v. Costs.**

i. The development and construction of the Project as set forth in the Redevelopment Agreement and Redevelopment Plan will be beneficial to the overall community; will achieve the goals and objectives of the Redevelopment Plan; will help revitalize the Property; will improve the quality of life for the community; will serve as a catalyst for further private investment in areas surrounding the Property and will enhance the economic development of the City.

ii. It is anticipated that the development of the Project will create approximately 80-100 construction jobs over the duration of the construction of the Project, as well as 1-2 full-time permanent jobs in connection with the Project.

iii. In 2021, the Property, which was municipally owned and therefore tax exempt, generated \$0 in total real estate taxes to all government units. Pursuant to this Financial Agreement, the Project is projected to generate municipal revenue of approximately \$64,886.00 in the first year and approximately \$4,532,457.00 over the term of this Agreement. The City has determined that the benefits to the City accruing as a result of the Project, including the revitalization of the Redevelopment Area, and the generation of jobs as described above, will substantially outweigh any costs to the City resulting from the long term tax exemption granted herein.

B. **Importance of Long Term Tax Exemption.**

The Governing Body’s approval of the Long Term Tax Exemption set forth herein is essential to the success of this Project because:

i. The relative stability and predictability of the Annual Service Charge (as defined herein) associated with the Project will make it more attractive to financial institutions whose participation is necessary in order to finance the Project.

ii. The relative stability and predictability of the Annual Service Charge will allow the Redeveloper to offer competitive market rents while providing a high level of maintenance for the Project.



**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises, covenants and undertakings contained herein, and for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Seller and the Purchaser, the Parties hereby agree 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 Act 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 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 meaning assigned to such term in the preambles hereof:

**Agreement/Financial Agreement**  
**Application**  
**City**  
**Governing Body**  
**Long Term Tax Exemption Law**  
**Ordinance**  
**Parties**  
**PILOTs**  
**Project**  
**Property**  
**Redeveloper**  
**Redevelopment Agreement**  
**Redevelopment Area**  
**Redevelopment Law**  
**Redevelopment Plan**

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%) 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 Redeveloper'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 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%) 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 in the county. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

**Annual Gross Revenue:** The Annual Gross Revenue shall be calculated as set forth within *N.J.S.A. 40A:20-3(a)*. Annual gross ordinary income received by the Redeveloper and derived from or generated by the Project, specifically excluding, without limitation, extraordinary items, condemnation awards, insurance proceeds, gains from sales, transfers, or assumption of the Project or any part thereof, proceeds of any financing or refinancing, proceeds from any disposition of a partner or a partner's interest in the Redeveloper or any successor Redeveloper.

**Annual Service Charge:** The amount the Redeveloper has agreed to pay the City pursuant to Article IV herein with respect to the Land and Improvements, which: (a) Redeveloper 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*, (c) shall be paid on the Annual Service Charge Payment Dates, and (d) shall be prorated in the year in which this Agreement begins and the year in which this Agreement terminates.

**Annual Service Charge Payment Dates:** February 1, May 1, August 1 and November 1 of each year commencing after the date that a Certificate of Occupancy is issued for the Project and ending on the Termination Date.

**Annual Service Charge Start Date:** shall mean, with respect to the Project, the earlier of Substantial Completion or the date that the Project or any portion thereof, as applicable, receives a Certificate of Occupancy, and shall be the date upon which the Annual Service Charge begins to accrue.

**Applicable Law:** All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable to the Project including, but not limited to, the Act, 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

**Application** – shall mean collectively, the applications, as supplemented, filed by the Redeveloper pursuant to *N.J.S.A. 40A:20-8* with the Mayor of the City for a long-term tax exemption for the Project, attached hereto as **Exhibit C**.

**Auditor's Report** – shall mean a complete financial statement outlining the financial status of the Project (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 Auditing Standards. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant licensed to practice that profession in the State.

**Certificate of Occupancy:** shall mean a temporary or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code, as issued by the City authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A. 52:27D-133*.

**Chief Financial Officer:** The City's chief financial officer.

**Completion, Complete or Completed** – shall mean, with respect to the Project, (a) all work related to the Project in its entirety or any other work or actions to which such term is applied has been completed, acquired and/or installed in accordance with the Redevelopment Agreement and in compliance with Applicable Laws so that (i) the Project in its entirety may, in all respects, be used and operated under the applicable provisions of the 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 can be issued for the Project in its entirety 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, which determination is reasonably acceptable to the City.

**County** – shall mean the County of Hunterdon.

**County Share** – shall mean the first five percent (5%) of the Annual Service Charge received by the City, 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 to perform any obligation imposed by the terms of this Agreement, or under Applicable Law.

**Disclosure Statement** – shall be as defined in Section 6.02(b).

**Exhibit(s)** – shall mean any exhibit attached hereto, which shall be deemed to be a part of this Financial Agreement, as if set forth in full in the text hereof.

**Improvements** – shall mean any building, structure or fixtures which are permanently affixed to the Land as part of the Project and become incorporated therein, which improvements are recognized and exempted from taxation under this Agreement.

**In Rem Tax Foreclosure** – shall mean a summary proceeding by which the City may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by *N.J.S.A. 54:5-1 et seq.*

**Land** – shall mean the real property, but not the Improvements, known as Block 1003, Lot 3, all as set forth on the tax maps of the City, and more particularly described by the metes and

bounds description set forth as **Exhibit A** to this Agreement and to be exempt hereunder.

**Land Taxes** – shall mean the amount of taxes assessed on the value of the Land upon which the Project is located.

**Land Tax Payments** – shall mean payments made on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector.

**Material Conditions** – shall be as defined in Section 4.05 herein.

**Minimum Annual Service Charge** – shall be the amount of the total taxes levied against the Property in the last full tax year in which the Property was subject to taxation.

**Net Profit** – shall mean the Gross Revenue of the Redeveloper pertaining to the Project less all operating and non-operating expenses of the Redeveloper, 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 payments of principal and interest made by the Redeveloper in an amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the exemption granted pursuant to this Agreement as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3(c)*.

**State** – shall mean the State of New Jersey.

**Substantial Completion** – shall mean the date the work related to the Project, or any portion thereof, is sufficiently complete in accordance with the Redevelopment Plan and the Redevelopment Agreement so that the Project, or any portion thereof, may be occupied or utilized for the use for which it is intended. The issuance of a temporary Certificate of Occupancy shall be conclusive proof that the Project, or any portion thereof, has reached Substantial Completion.

**Tax Assessor** – shall mean the City tax assessor.

**Tax Collector** – shall mean 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.

**Term** – shall be as defined in Section 3.01 of this Agreement.

**Termination** – shall mean the expiration of the term of this Agreement in accordance with Section 3.01 hereof which by operation of the terms of this Financial Agreement shall cause the relinquishment of the Tax Exemption applicable to any Improvement.

**Total Project Cost** – shall have the meaning applied to such term in, and shall be construed in accordance with, the Exemption Law, specifically *N.J.S.A. 40A:20-3(h)*.

**Section 1.03 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, in writing and within a reasonable time, which shall not be less than fifteen (15) days nor more than thirty (30) days, unless applicable law dictates otherwise.

(g) This Financial Agreement shall become effective upon its execution and delivery by the parties hereto.

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

## **ARTICLE II** **BASIS OF AGREEMENT**

**Section 2.01** Covenant of Tax Exemption. The City hereby grants its approval for a tax exemption for the Land and Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Long Term Tax Exemption Law. Pursuant to the Ordinance, the Land and Improvements to be constructed and maintained by the Redeveloper shall be exempt from taxation as provided for herein.

**Section 2.02** Representations of Redeveloper. Approval is granted to the Redeveloper, the Certificate of Formation for which is included in the Application as Exhibit 2. The Redeveloper represents that its Certificate of Formation, (i) contains all the requisite provisions of

law, (ii) has been reviewed and approved by the Commissioner of the State Department of Community Affairs, and (iii) has been filed with, as appropriate, the State Department of Treasury, all in accordance with *N.J.S.A.* 40A:20-5.

**Section 2.03** Construction of the Project. The Redeveloper represents that it will construct the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan, as may be amended from time to time, and Applicable Law, the use of which is more specifically described in the Application. The Redeveloper further represents that the estimated cost of construction of the Project is as provided in its certification, a copy of which is included in the Application as Exhibit 11.

**Section 2.04** Construction Schedule. The Redeveloper agrees to diligently undertake to commence construction and complete the Project in accordance with the construction schedule set forth in the Redevelopment Agreement (therein referred to as the *Project Schedule*), as such schedule may be amended from time to time in accordance with the terms of the Redevelopment Agreement.

**Section 2.05** Ownership, Management and Control.

(a) The Redeveloper hereby represents that Mazin A. Kalian and MAK, LLC are its sole members, and the Redeveloper is managed by Mazin A. Kalian, its Managing Member.

(b) The Redeveloper hereby represents that it is under contract to be the fee title owner of the Property.

**Section 2.06** Financial Plan. The Redeveloper represents that the Improvements shall be financed in accordance with the Financial Plan attached to the Application as Exhibits 11 and 13 of the Application. The Plan sets forth estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**Section 2.07** Statement of Rental Schedules. The Redeveloper represents that its good faith projections of the initial rental schedules are set forth in Exhibit 13 of 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, with respect to the Project or any portion thereof, remain in full force and effect for thirty (30) years from the Annual Service Charge Start Date, but in no event longer than thirty-five (35) years from the date of execution hereof. Upon Termination, the Tax Exemption for the Project shall expire and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the City. Upon Termination, all restrictions and limitations upon the Redeveloper shall terminate upon the Redeveloper'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. Upon any Termination of the Tax Exemption described in Section 2.01 hereof, the date of such Termination shall, for the purposes of the Redeveloper's reporting obligations hereunder, be deemed to coincide with the end of the fiscal year of the Redeveloper.

**Section 3.03** Right of Termination. The Redeveloper shall have the right to terminate this Agreement at any time after that date which is one (1) year from the date hereof. Additionally, the Redeveloper shall have the right to terminate this Agreement for the Project prior to construction.

#### **ARTICLE IV** **ANNUAL SERVICE CHARGE**

**Section 4.01** Annual Service Charge. In consideration for the tax exemption, the Redeveloper shall make payment to the City of an Annual Service Charge ("ASC") with respect to the Project commencing upon the Annual Service Charge Start Date, which ASC shall be the greater of:

- (1) The Minimum Annual Service Charge; **or**
- (2) For each of the first ten (10) years from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue or (B) the Minimum Annual Service Charge, to the extent applicable;
- (3) For each of the years 11 through 30 from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) fifteen percent (15%) of the Annual Gross Revenue, (B) the Minimum Annual Service Charge, or (C) a percentage of the real property taxes otherwise due on the value of the Land and the Improvements to the extent applicable as more fully set forth in Section 4.02, below;

**Section 4.02** Schedule of Staged Adjustments. The Annual Service Charge shall be reviewed and shall be adjusted in stages over the term of this Agreement in accordance with *N.J.S.A.* 40A:20-12(b) as follows:

(a) Stage One (Years 1-15): For each of the years one (1) through fifteen (15) from the Annual Service Charge Start Date, the Annual Service Charge shall be the amount due pursuant to Section 4.01 of this Agreement;

(b) Stage Two (Years 16-21): For each of the years sixteen (16) through twenty-one (21) from the Annual Service Charge Start Date, the Annual Service Charge shall be the greater of (1) the amount due pursuant to Section 4.01 of this Agreement; or (2) twenty percent (20%) of the amount of the taxes otherwise due on the value of the Land and Improvements;

(c) Stage Three (Years 22-27): For each of the years twenty-two (22) through twenty-seven (27) from the Annual Service Charge Start Date, the Annual Service Charge shall be the greater of (a) the amount due pursuant to Section 4.01 of this Agreement or (b) forty percent (40%) of the amount of the taxes otherwise due on the value of the Land and Improvements;

(d) Stage Four (Years 28-29): For each of the years twenty-eight (28) through twenty-nine (29) from the Annual Service Charge Start Date, the Annual Service Charge shall be the greater of (a) the amount due pursuant to Section 4.01 of this Agreement or (b) sixty percent (60%) of the amount of the taxes otherwise due on the value of the Land and Improvements; and

(e) Stage Five (Year 30): For year thirty (30) from the Annual Service Charge Start Date, the Annual Service Charge shall be the greater of (a) the amount due pursuant to Section 4.01 of this Agreement or (b) eighty percent (80%) of the amount of the taxes otherwise due on the value of the Land and Improvements.

**Section 4.03 Consent of Redeveloper to Annual Service Charge.** The Redeveloper hereby consents and agrees to the amount of Annual Service Charge and to the liens established in this Financial Agreement, and the Redeveloper shall not contest the validity or amount of any such lien. Subject to the terms of this Agreement, the Redeveloper'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 Redeveloper as an "urban renewal entity" qualified under and as defined in the Long Term Tax Exemption Law. The Redeveloper's remedies shall be limited to those specifically set forth herein and otherwise provided by law.

**Section 4.04 Commencement of Annual Service Charge.** The Redeveloper shall be responsible for payment of the Annual Service Charge commencing on the Annual Service Charge Start Date of the Project, with the actual payment of the Annual Service Charge in accordance with Section 4.04(a).

**Section 4.04(a) Payment of the Annual Service Charge.** The Annual Service Charge shall be due and payable in equal quarterly installments on each November 1, February 1, May 1 and August 1 after the Annual Service Charge Start Date. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge Start Date begins and the year in which this Financial Agreement terminates, such that the Redeveloper shall pay the amount of the prorated Annual Service Charge on the quarterly payment date immediately following Commencement of the Annual Service Charge. In the event that the Redeveloper fails to timely pay any installment, the amount past due shall bear interest at the rate permitted under applicable New Jersey law then being assessed by the City against all other delinquent taxpayers in the case of unpaid taxes or tax liens on land until paid.

**Section 4.05 Material Conditions.** It is expressly agreed and understood that all payments of the 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 4.06 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 Sections 4.01, 4.02 and 4.04 hereof shall be reduced below the Minimum Annual Service Charge 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, unless the Parties both agree that a tax appeal is required to correct either the future land or future exempt improvement assessment due to errors in the assessments or due to changed circumstances or market conditions.

**Section 4.07 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 4.08 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 4.09 Land Taxes.**

(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.

(b) In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated as described in Section 4.09(a), all Land Taxes, shall be separately assessed for the Property, and shall be computed according to the general laws applicable to all other tax ratables and shall be separately assessed for the Property, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements or approvals related thereto. The payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. The Redeveloper's failure in any tax year to make any Land Tax Payments when due and owing shall render the Redeveloper ineligible for any land tax credits against the Annual Service Charge during that period, subject to a right to cure any such delinquency prior to the end of the applicable tax year. If applicable, the Redeveloper will be required to make payment of both the Annual Service Charge and the Land Tax Payments. The Redeveloper will be required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Redeveloper's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The City shall, among its other remedies, have

the right to proceed against the Property pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Redeveloper.

**Section 4.10 Administrative Fee.** In addition to the Annual Service Charge, the Redeveloper shall pay to the City an annual fee of two percent (2%) of the projected Annual Service Charge upon the Annual Service Charge Start Date and each anniversary thereafter prior to the Termination Date (the “Administrative Fee”).

In the event the Redeveloper fails to pay the Administrative Fee when due and owing, the amount paid shall bear interest at the rate permitted under applicable New Jersey Law then being assessed by the City against all other delinquent taxpayers in the case of unpaid taxes or tax liens in the City until paid.

## **ARTICLE V** **CERTIFICATE OF OCCUPANCY**

**Section 5.01 Certificate of Occupancy.** It is understood and agreed that it shall be the obligation of the Redeveloper to obtain all Certificates of Occupancy for the Project constructed, in a timely manner after the Redeveloper has satisfied all requirements to secure such Certificate of Occupancy.

**Section 5.02 Filing of Certificate of Occupancy.** It shall be the responsibility of the Redeveloper to forthwith file with both the Tax Assessor and the Tax Collector a copy of the Certificate of Occupancy. Notwithstanding the foregoing, the filing of any Certificate of Occupancy shall not be a prerequisite for any action taken by the City, including, if appropriate, retroactive billing with interest to collect any charges hereunder to be due.

## **ARTICLE VI** **ANNUAL AUDITS**

**Section 6.01 Accounting System.** The Redeveloper 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 or calendar year (depending on the Redeveloper’s accounting basis) that this Agreement shall continue in effect, the Redeveloper shall submit to the Governing Body, 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 State Department of Community Affairs, its Auditor’s Report for the preceding fiscal or calendar year. The report shall clearly identify and calculate the Net Profit for the Redeveloper during the previous year. The Redeveloper assumes all costs associated with preparation of the periodic reports.

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

**Section 6.03** Inspection. The Redeveloper 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)*, at no cost or expense to the Redeveloper. Such inspection shall be made upon seven (7) business days' written notice during the Redeveloper's regular business hours, in the presence of an officer or agent designated by the Redeveloper. Any inspection of the Redeveloper's books, contracts, records, documents and papers shall be conducted at Redeveloper's offices, and may be permitted to occur not more than one time per calendar year, nor shall any audit be conducted with respect to any given fiscal year more than once. 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 Redeveloper 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 Redeveloper 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 Revenues of the Redeveloper 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 the event the Net Profits of the Redeveloper shall exceed the Allowable Net Profits for the period, taken as one accounting period, commencing on the Annual Service Charge Start Date and terminating at the end of the last full fiscal year, then the Redeveloper, within one hundred (120) days after the end of that fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Redeveloper may maintain a reserve as determined pursuant to aforementioned Section 7.01. 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(b)* and (c) and *40A:20-15*.

**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 Redeveloper. Within ninety (90) days after such date, the Redeveloper 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.

**Section 7.04 Prohibition Against Use of Master Leases or Related Techniques.** The Redeveloper agrees that the intent of this Financial Agreement is to account for all revenue arising from the Project as if it accrues to the benefit of the Redeveloper. The Redeveloper shall therefore have no right to enter into any lease, contract or other agreement the effect of which is to interpose another person, corporation, or other Redeveloper between the Redeveloper and the end users of the Project for the purpose of reducing the amount of revenue accounted for as benefiting the Redeveloper. To the extent that the City, in its commercially reasonable discretion, determines that such an arrangement has been put in place and has reduced the amount of revenue which would otherwise be attributable to the Project and benefitting the Redeveloper, the City shall have the right to recast the financial statements of the Redeveloper so as to account for the Annual Gross Revenue and Net Profit as would have accrued to the Redeveloper had the arrangement not been in existence, and to require the Redeveloper to make payments of the Annual Service Charge based on such recast financial statements.

## **ARTICLE VIII**

### **ASSIGNMENT AND/OR ASSUMPTION; RIGHT TO DIVIDE OWNERSHIP**

**Section 8.01 Approval to Sale of Project by Redeveloper Formed and Eligible to Operate Under Law.** As permitted by *N.J.S.A. 40A:20-10*, it is understood and agreed that the City, on written application by the Redeveloper, will consent to a sale of the Project and the transfer of this Agreement (as pertaining to all or a portion of the Project) to another urban renewal entity, provided that (a) if such sale and transfer is to occur prior to Substantial Completion, the transferee urban renewal entity shall have demonstrated to the reasonable satisfaction of the City that it possesses the experience and capitalization necessary to complete and/or operate the Project or relevant portion thereof, which determination by the City shall not be unreasonably withheld, conditioned or delayed; (b) the transferee urban renewal entity does not own any other project subject to long term tax exemption at the time of transfer; (c) the transferee urban renewal entity is formed and eligible to operate under the Exemption Law; (d) the Redeveloper is not then in Default of this Agreement or in violation of Applicable Law; (e) the Redeveloper's obligations under this Agreement are fully assumed by the transferee urban renewal entity; and (f) the transferee urban renewal entity abides by all terms and conditions of this Agreement. Notwithstanding the foregoing, a transfer pursuant to this Section 7.01 is also subject to the transfer prohibitions and exemptions specified in Article 11 of the Redevelopment Agreement during the period that same are in effect.

**Section 8.02 Severability.** It is an express condition of the granting of the Tax Exemption that during its duration, the Redeveloper shall not, without the prior consent of the Governing Body 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 is basic to, embraced in, or

underlying the exempted Improvements.

**Section 8.03** Subordination of Fee Title. It is expressly understood and agreed that the Redeveloper has the right to encumber and/or assign the fee title to the Land and/or Improvements for the purpose of financing and/or refinancing the design, development and construction of the Project and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

**Section 8.04** Division of Ownership. The Redeveloper shall have the right to create separate legal interests in portions of the Property including the right to create condominium units and/or air rights estates, and to subdivide the Property. In any such case, the calculation of Annual Service Charge shall continue to be calculated pursuant to Section 4.04 hereof and, for purposes of clarity, not pursuant to *N.J.S.A. 40A:20-14*.

## **ARTICLE IX** **RESERVATION OF RIGHTS AND REMEDIES**

**Section 9.01.** Reservation of Rights and Remedies. Except as expressly provided herein, nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Redeveloper of any rights and remedies provided by Applicable Law. Unless otherwise expressly stated, nothing herein shall be deemed to limit any right of recovery that the City or the Redeveloper has under law, in equity, or under any provision of this Financial Agreement.

## **ARTICLE X** **COMPLIANCE**

**Section 10.01** Statutes and Ordinances. The Redeveloper 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 Redeveloper's failure to comply with such 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 or any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Redeveloper 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 Redeveloper by allegation of any breach, Default or a violation by the Redeveloper of any of the provisions of this Agreement and/or the provisions of Applicable Law, Redeveloper 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 Redeveloper 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, *N.J.S.A. 40A:20-1 et seq.*, except for any fraud, intentional misrepresentation, malfeasance, or other misconduct by the City or any of its officers, officials, employees or agents, and Redeveloper shall defend the suit at its own expense. Notwithstanding the foregoing, the City maintains the right to intervene as a party thereto, to which intervention Redeveloper hereby consents, the expense thereof to be borne by Redeveloper. To the extent practical and ethically permissible, the Redeveloper's attorneys shall jointly defend and represent the interest of the City and the Redeveloper as to all claims indemnified in connection with this Agreement.

**ARTICLE XIII**  
**DEFAULT AND REMEDIES**

**Section 13.01 Default.** Default shall be the failure of any party to conform to the terms of this Agreement, and/or the failure of any party to perform any obligation imposed upon such party by Applicable Law beyond any applicable notice, cure or grace period.

**Section 13.02 Cure Upon Default.** Should the Redeveloper be in Default, the City shall notify the Redeveloper 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 Redeveloper 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 thirty (30) days after the Redeveloper receives Notice). Curing the Default shall be the sole and exclusive remedy available to the Redeveloper 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 13.03 of this Agreement.

**Section 13.02 Remedies Upon Default.**

(a) In the event the Redeveloper or a Secured Party fails to cure or remedy the Default within the time period provided in Sections 13.02 or 8.02(b), respectively, the City may terminate this Agreement upon thirty (30) days written notice to the Redeveloper and the Secured Party.

(b) Immediately following a termination of this Agreement due to an uncured Default in payment of any installment of the Annual Service Charge 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 Redeveloper and any Secured Party notice of the intention to exercise its remedies.

(c) No Default hereunder by the Redeveloper shall terminate the tax exemption (except as described herein and after Notice and cure as provided for herein) and its obligation to make Annual Service Charges, 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 Redeveloper because of Redeveloper'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 of 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 Redeveloper 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 Redeveloper.

**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, then 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 Redeveloper to pay any installment of the Annual Service Charge required by Article IV above, the City, in addition to their other remedies, and subject to Article 13 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 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 Redeveloper does not waive any defense it may have to contest the rights of the City to proceed in the above-mentioned manner. Subject to the provisions of Articles XII and XIII, in the event of a Default under or breach of this Agreement by the Redeveloper which is not cured within the applicable grace period, thereby causing a default under a mortgage or similar instrument issued by the Redeveloper to finance construction of the Project (or any refinance thereof), then the provisions of *N.J.S.A. 55:17-1* to *N.J.S.A. 55:17-11* shall apply, solely to protect the interest of the Secured Party or Secured 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.

## **ARTICLE XV** **NOTICE**

**Section 15.01 Notice.** Formal notices, demands and communications between the City and 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 ("Notice"). In that 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:

**CITY:**

Cynthia Ege, RMC  
City of Lambertville  
18 York Street  
Lambertville, New Jersey 08530  
[cityclerk@lambertvillenj.org](mailto:cityclerk@lambertvillenj.org)

**with copies to:**

William P. Opel  
McManimon, Scotland & Baumann, LLC



75 Livingston Avenue, Suite 200  
Roseland, New Jersey 07068  
[wopel@msbnj.com](mailto:wopel@msbnj.com)

**REDEVELOPER:**

Lambertville Urban Renewal, LLC  
Attn: Mazin Patrick Kalian  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[mkalian@kalian.com](mailto:mkalian@kalian.com)

**with copies to:**

Kalian Management  
Attn: Debbie Kramer Gregg  
2 Hennessey Boulevard  
Atlantic Highlands, New Jersey 07716  
[dgregg@kalian.com](mailto:dgregg@kalian.com)

**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 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 and delivered to each of them.

**Section 16.03 Entire Document.** All conditions in the Ordinance of the Governing Body approving this Agreement 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 Municipal Services.** The Redeveloper 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 Redeveloper shall make payments for water and sewer charges and any services that create a lien on a Property with or superior to the lien for the Land Taxes and 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 Redeveloper to have picked up and disposed of by a licensed collector, hauler, at the Redeveloper'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 Redeveloper.

**Section 16.06** 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 16.07** 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 16.08** Amendments. This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

**Section 16.09** Certification. The City Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A.* 40A:20-12, that a Financial Agreement with the Redeveloper, for the development of the Property, has been entered into and is in effect as required by *N.J.S.A.* 40A:20-1, *et seq.* Delivery by the City Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Governing Body approving the tax exemption described herein and this Financial Agreement shall constitute the required certification. Upon certification as required hereunder and upon the Annual Service Charge Start Date, 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.

Further, upon the adoption of this Financial Agreement, a certified copy of the Ordinance adopted by the Governing Body approving the tax exemption described herein and this Financial Agreement shall forthwith be transmitted to the chief financial officer and counsel for the County, as well as the Director of the Division of Local Government Services, by the City Clerk.

**Section 16.10** Conditions Precedent.

This Agreement is expressly subject to the satisfaction by the Redeveloper or the City of the following conditions precedent:

(a) Receipt by the Redeveloper of all federal, State, county and municipal approvals required for the construction of the Project.

(b) Enactment by the City of all ordinances and other official action necessary under

*N.J.S.A. 40A:20-1 et seq.* to enter into and effectuate the terms of this Agreement.

**Section 16.11 Recording.**

This entire Agreement will be filed and recorded with the Hunterdon County Clerk by the Redeveloper at the Redeveloper's expense within forty-five (45) days of the execution hereof, and the Redeveloper will provide the City with evidence of such recording.

**Section 16.12 Annual Service Charge Paid to County.**

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

**Section 16.13 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 of any presumption or other rule requiring construction against the Party drawing or causing this Agreement to be drawn since counsel for both the Redeveloper and the City have combined in their review and approval of same.

**[SIGNATURES TO APPEAR ON THE FOLLOWING PAGE]**

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 LAMBERTVILLE

\_\_\_\_\_  
Cynthia L. Ege  
City Clerk  
By: \_\_\_\_\_  
Mayor

STATE OF NEW JERSEY

COUNTY OF HUNTERDON

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by the City of Lambertville in the County of Hunterdon, State of New Jersey, by Mayor \_\_\_\_\_, on behalf of the City.

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

Commission Expiration: \_\_\_\_\_

ATTEST: LAMBERTVILLE URBAN RENEWAL, LLC

\_\_\_\_\_  
By: \_\_\_\_\_

STATE OF NEW JERSEY

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by \_\_\_\_\_ Urban Renewal, LLC, a New Jersey Limited Liability Company, by its Managing Member, \_\_\_\_\_, Manager, on behalf of the company.

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

Commission Expiration: \_\_\_\_\_

## EXHIBITS

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

- A. Metes and Bounds description of the Land
- B. Project Description
- C. Application with Exhibits
- D. Ordinance
- E. Project Costs
- F. Certificate of Formation for the Redeveloper
- G. Financial Plan for Project
- H. Schedule of Annual Service Charges

**EXHIBIT A**

**METES AND BOUNDS DESCRIPTION OF THE LAND**

**EXHIBIT B**  
**PROJECT DESCRIPTION**

**EXHIBIT C**  
**APPLICATION WITH EXHIBITS**



**EXHIBIT D**  
**ORDINANCE**

**EXHIBIT E**  
**ESTIMATED PROJECT COSTS**

**EXHIBIT F**

**CERTIFICATE OF FORMATION  
AND CERTIFICATE OF AUTHORITY  
OF THE REDEVELOPER**

**EXHIBIT G**  
**FINANCIAL PLAN FOR THE PROJECT**

Source of funds:

**EXHIBIT H**  
**SCHEDULE OF ANNUAL SERVICE CHARGES**

See section 4.01 of this Financial Agreement.