
REDEVELOPMENT AGREEMENT

By and Between

**CITY OF LAMBERTVILLE
AS REDEVELOPMENT ENTITY**

And

**LAMBERTVILLE URBAN RENEWAL, LLC
AS REDEVELOPER**

Dated: _____, 2021

THIS REDEVELOPMENT AGREEMENT (the “**Redevelopment Agreement**” or the “**Agreement**”) is dated this _____ day of _____, 2021 (the “**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**”);

W I T N E S S E T H

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment and/or rehabilitation; and

WHEREAS, by Resolution No. 95-2020, adopted on July 23, 2020, the Mayor and Council of the City (the “**Governing Body**”) designated Block 1003, Lot 3 on the Official Tax Map of the City (the “**Property**”) as an ‘non-condemnation area in need of redevelopment’ pursuant to the Redevelopment Law; and

WHEREAS, by Resolution No. 95-2020, adopted on July 23, 2020, the Governing Body directed the Planning Board of the City (the “**Planning Board**”) to prepare a redevelopment plan for the Property and to take any action necessary to effectuate its review of same so that a recommendation may be made to the Governing Body; and

WHEREAS, pursuant to the Redevelopment Law, the Planning Board caused Clarke Caton Hintz (the “**City Planner**”) to prepare a redevelopment plan for the Property, entitled the “*Police Station Tract Redevelopment Plan,*” dated October 23, 2020 (the “**Redevelopment Plan**”); and

WHEREAS, after due consideration of the Redevelopment Plan at a duly noticed and constituted public meeting held on November 18, 2020, the Planning Board determined that the Redevelopment Plan is consistent with the City’s Master Plan, and recommended that the Governing Body enact the Redevelopment Plan; and

WHEREAS, by Ordinance No. 18-2020, adopted on December 17, 2020, the Governing Body adopted the Redevelopment Plan pursuant to *N.J.S.A. 40A:12A-7* of the Redevelopment Law; and

WHEREAS, on April 22, 2021, the City issued a Request for Proposals for the Redevelopment of the Property (as amended and supplemented, the “**RFP**”); and

WHEREAS, the Redeveloper submitted a proposal to the City, dated May 13, 2021 (the “**Proposal**”), in response to the RFP for the redevelopment of the Property; and

WHEREAS, the Redeveloper proposed in the Proposal to develop, finance and construct on the Property 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; and

WHEREAS, the City has determined that Redeveloper meets all necessary criteria, including financial capabilities, experience, expertise and project concept descriptions; and

WHEREAS, on June 1, 2021, pursuant to Resolution No. 88-2021, the City designated Redeveloper as redeveloper of the Property and authorized execution of a funding agreement (the “**Funding Agreement**”) in furtherance of the City’s powers pursuant to the Redevelopment Law; and

WHEREAS, Redeveloper has agreed to undertake and make good faith efforts to develop the Project in compliance with the Redevelopment Plan, as may be amended from time to time, and in connection therewith, Redeveloper has agreed to devote substantial effort, assets and funds for the completion of the Project as contemplated herein; and

WHEREAS, in order to implement the development, financing, construction, operation and management of the Project, the City has determined to enter into this Redevelopment Agreement with Redeveloper, which specifies the rights and responsibilities of the City, and specifies the rights and responsibilities of Redeveloper with respect to the Project.

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

ARTICLE I
DEFINITIONS AND INTERPRETATION

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

SECTION 1.2 Definitions. Words that are capitalized, and which are not the first word of a sentence, are defined terms. The following terms shall have the meanings assigned to such term in the preambles hereof:

Agreement
City
City Planner
Effective Date
Funding Agreement
Governing Body
Party/Parties
Planning Board
Property
Proposal
RFP

**Redeveloper
Redevelopment Agreement
Redevelopment Law
Redevelopment Plan**

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

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

“City Costs” shall be as defined in Section 5.1(b).

“City Indemnified Parties” shall mean the City and their officers, agents, Affiliates, employees, contractors, and consultants acting in such capacities and their respective successors and assigns.

“City Representative” shall mean the Mayor of the City or her designee.

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

“Certificate of Completion” shall mean a certificate in the form attached hereto as *Exhibit B*, issued by the City at such time or times as, in its reasonable determination, all work related to the Project in its entirety has been Completed, acquired and/or installed in accordance with this Redevelopment Agreement.

“Certificate Denial Statement” shall be as defined in Section 2.3(f).

“Certificate of Occupancy” shall mean a temporary or permanent certificate of occupancy as defined in the applicable provisions of the Uniform Construction Code, issued by the City construction department, with regard to the Project.

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

“**Commence**” or “**Commencement**” shall mean the mobilization of a construction force and/or machinery for the construction of the Project.

“**Complete**” or “**Completion**” shall mean with respect to the Project or Property, the date that the Project has received a Certificate of Occupancy and may, in all material respects, be used and operated for its intended purpose provided that: all of the applicable provisions of this Redevelopment Agreement have been met, and the City has received a written certificate from Redeveloper affirming that the Project is complete.

“**Completion Date**” shall be as defined in Section 2.3(c).

“**Declaration**” shall be as defined in Section 7.3.

“**Default Notice**” shall be as defined as in Section 14.1(a).

“**Effective Date**” shall mean the date set forth above, such date being the date on which this Redevelopment Agreement is executed and delivered by the City and Redeveloper.

“**Environmental Laws**” shall mean any and all Applicable Laws, federal, State, county or local statutes, ordinances, rules, regulations, guidance documents, enforcement guidance memorandums, directives, and administrative orders, and the common law concerning the protection of the environment, human health or safety, presently in effect, including, without limitation, the Site Remediation Reform Act, *N.J.S.A. 58:10C-1 et seq.* (“**SRRA**”), the New Jersey Spill Compensation and Control Act, *N.J.S.A. 58:10-23.11 et seq.* (the “**Spill Act**”); the Industrial Site Recovery Act, *N.J.S.A. 13:1K-6 et seq.* (“**ISRA**”); the New Jersey Freshwater Wetlands Protection Act, *N.J.S.A. 13:9B-1 et seq.*; the New Jersey Hazardous Substances Discharge Reports and Notices Act, *N.J.S.A. 13:1K-15 et seq.*; the New Jersey Underground Storage of Hazardous Substances Act, *N.J.S.A. 58:10A-21 et seq.*; the New Jersey Water Pollution Control Act, *N.J.S.A. 58:10A-1 et seq.*; the New Jersey Solid Waste Management Act, *N.J.S.A. 13:1E et seq.*; the Brownfield and Contaminated Site Remediation Act, *N.J.S.A. 58:10B-1 et seq.*; the New Jersey Sanitary Landfill Facility Closure and Contingency Fund Act, *N.J.S.A. 13:1E-100 et seq.*; the Comprehensive Environmental Response Compensation and Liability Act, 42 *U.S.C. §9601 et seq.* (“**CERCLA**”); the Resource Conservation and Recovery Act, 42 *U.S.C. §6901 et seq.*; the Solid Waste Disposal Act, 42 *U.S.C. §6901 et seq.*; the Clean Air Act, 42 *U.S.C. §7401 et seq.*; the Emergency Planning and Community Right-to-Know Act, 42 *U.S.C. §1100 et seq.*; the Safe Drinking Water Act, 42 *U.S.C. §300 et seq.*; the Pollution Prevention Act of 1990, 42 *U.S.C. §13101 et seq.*; the Clean Water Act, 33 *U.S.C. §1251 et seq.*; the Toxic Substances Control Act, 15 *U.S.C. §2601 et seq.*; and the Hazardous Materials Transportation Uniform Safety Act of 1990 49, *U.S.C. §5101 et seq.*; the Technical Requirements for the Remediation of Contaminated Sites, *N.J.A.C. 7:26E-1.1 et seq.*; the Administrative Requirements for the Remediation of Contaminated Sites (the “**ARRCS Rule**”); the Remediation Standards, *N.J.A.C. 7:26D-1.1 et seq.*, the Groundwater Quality Standards, *N.J.A.C. 7:9C-1.1 et seq.*, the Surface Water Quality Standards, *N.J.A.C. 7:9B-1.1 et seq.*, and the NJDEP Vapor Intrusion Guidance Document, together with, in each case, all other accompanying regulations, guidance documents, and enforcement directives as they may be modified from time to time.

“**Escrow Account**” shall be as defined in Section 5.1(b).

“Event of Default” shall be as set forth in Section 14.1.

“Force Majeure” shall be as defined in Section 14.3.

“Foreclosure” shall be as defined in Section 5.3(d).

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

“Governmental Approvals” shall mean all final (as defined in Section 4.1(c)) government approvals by a Governmental Body having jurisdiction thereof issued as a result of or in reliance on Governmental Applications, including, without limitation: with respect to the development of the Project, an approved site plan submitted to, and approved by, the Planning Board in accordance with the Land Use Law; approvals by the County Planning Board, Hunterdon County Soil Conservation District, and Delaware and Raritan Canal Commission; approvals for all Infrastructure Improvements, Project Improvements, NJDEP and NJDOT approvals; and any plans and specifications for the obtaining of building permits, for sewerage City approvals, and any and all other necessary governmental permits, licenses, grants, consents and approvals.

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

“Holder” shall be as defined in Section 5.3(a).

“Infrastructure Improvements” shall mean the preparation and installation on, in, under and to the Property of any on-site or off-site infrastructure as may be reasonably required by the Planning Board consistent with the Land Use Law as a condition of land use approvals, if any, or such infrastructure as may be required in connection the Project.

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

“LSRP” shall mean a Licensed Site Remediation Professional as defined in the SRRA.

“Minority” shall be as defined in Section 9.2(a).

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

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

“Permitted Transfers” shall be as defined in Section 13.2.

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

“**Planning Board**” shall mean the Planning Board of the City, pursuant to *N.J.S.A. 40:55D-23*.

“**Purchase and Sale Agreement**” shall mean the Purchase and Sale Agreement attached hereto as Exhibit H between the City, as Seller and Redeveloper, as Purchaser, for the sale by the City of the Property to Redeveloper.

“**Progress Report**” shall be as defined in Section 2.4(b).

“**Project**” shall be as defined in Section 2.1(a).

“**Project Costs**” shall be as defined in Section 5.1(a).

“**Project Improvements**” means all buildings, structures, improvements and amenities for the implementation and completion of the Project, which is to consist of the construction of a multi-unit residential development at the Property, and any additional work incidental thereto and/or such work as maybe required in connection with permits and approvals, including Infrastructure Improvements, all of which shall be consistent with the Redevelopment Plan, as same may be amended.

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

“**Purchase Contingency**” shall be as defined in Section 3.1.

“**Qualified Minority Business Enterprise**” shall be as defined in Section 9.2(a).

“**Remediate**” or “**Remediation**” shall mean the investigation, study, planning, design, removal, containment, disposal, dispersal, treatment (including in-situ and ex-situ treatment), management, clean-up including associated monitoring, or disposal of soil, surface water, groundwater, vapors or other contamination, stabilization, encapsulation, neutralization of Hazardous Substances, as well as wetlands identification, study, management and mitigation in accordance with all Applicable Laws, rules and regulations including without limitation, the requirements of NJDEP or any Governmental Body and/or pursuant to Environmental Laws that results in the issuance of a RAO or its equivalent from an LSRP or the NJDEP with jurisdiction over the Property and allows for the designated use(s) of the Property, including, but not limited to any on-going operations, maintenance, reporting and monitoring activities that may be required pursuant to the terms and conditions of the RAO or its equivalent associated with any Engineering Controls and Institutional Controls

“**Response Action Outcome**” or “**RAO**” shall mean a final regulatory document along with all other necessary final regulatory documents and forms prepared by a LSRP and delivered

in the form approved by the NJDEP finding that based upon an evaluation of the historical use of the Property, or of an area of concern or areas of concern at the Property, as applicable, and any other investigation or action the LSRP deems necessary, there are no discharged contaminants present at the Property, at the area of concern or areas of concern, or at any other site to which a discharge originating at the Property has migrated, or that any discharged contaminants present at the Property or that have migrated from the Property have been remediated in accordance with applicable Environmental Laws and no further investigation or Remediation is required.

“**State**” shall mean the State of New Jersey.

“**Technical Requirements**” shall mean the Hazardous Materials Transportation Uniform Safety Act of 1990 49, *U.S.C.* §5101 and the NJDEP Technical Requirements for the Remediation of Contaminated Sites, *N.J.A.C.* 7:26E-1.1 *et seq.*

“**Third Party Approvals**” shall mean those approvals, if any, granted by a third party that is not a Governmental Body, which approvals are necessary in connection with the implementation of the Project.

“**City Code**” shall mean the Code of Ordinances of the City.

“**Transfer**” shall be as defined in Section 13.1.

“**Uniform Construction Code**” shall mean the Uniform Construction Code, *N.J.A.C.* 5:23-1.1 *et seq.*, as same may be amended from time to time.

“**United States Bankruptcy Code**” means the United States Bankruptcy Code, 11 *U.S.C.* 101 *et seq.*, and the accompanying regulations.

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

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

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

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

(d) The terms “agree,” “agreements,” “approval” and “consent” when used in this Redevelopment Agreement shall be deemed to be followed by the phrase “which shall not be

unreasonably withheld, conditioned or unduly delayed,” except or unless the context or the express terms of this Redevelopment Agreement may otherwise provide, specify or dictate.

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

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

(g) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than thirty (30) days after a party charged with giving notice is or with reasonable diligence should have been aware of the circumstances giving rise to the duty to provide notice to the other Party, unless the context dictates otherwise.

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

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

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

(k) Any reference to Applicable Laws or any Applicable Law shall be read to mean as the Applicable Law is amended from time to time.

ARTICLE II
IMPLEMENTATION OF THE PROJECT

SECTION 2.1 Description of the Project. (a) Subject to the terms and conditions in this Redevelopment Agreement, Redeveloper agrees, at its sole cost and expense (except to the extent financed, reimbursed by, or paid by third parties in the ordinary course of business in connection with the development of the Project, other than the City), to implement and complete the redevelopment of the Property which shall consist of the following: 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. As part of the Project, Redeveloper shall be responsible for (i) procurement of all applicable Governmental Approvals for all Project Improvements; (ii) financing, design, construction and Completion of all Project Improvements; (iii) marketing of the Project as necessary to ensure sufficient tenants to facilitate the financing, leasing, sale and occupancy of the Project Improvements; and (iv) payment of the City Costs in accordance with the terms of this Redevelopment Agreement (collectively, the “**Project**”). All activities performed under this Redevelopment Agreement shall be provided in accordance with the level of skill and care ordinarily exercised by developers of first-class residential developments.

(b) The Project shall be constructed consistent with this Redevelopment Agreement, the Redevelopment Plan, as same may be amended from time to time, and Applicable Law, with such minor deviations and variances as permitted in any approved site plan(s) hereafter obtained.

(c) The obligation of Redeveloper to construct the Project shall be contingent upon the closing under the Purchase and Sale Agreement (“**Purchase Contingency**”).

SECTION 2.2 Term. Pursuant to the Project Schedule set forth in Exhibit C, this Redevelopment Agreement shall terminate on the earlier of:

- a. termination of the Purchase and Sale Agreement pursuant to its terms;
- b. three (3) years from the receipt by Redeveloper of all Governmental Approvals necessary for construction of the Project.

The above are subject to: (a) any extension by reason of a Force Majeure event in accordance with Section 2.5, or (b) any extension granted by the City, or its successor, in its sole discretion not to be unreasonably withheld, conditioned, or delayed, pursuant to a request of Redeveloper.

SECTION 2.3 Project Schedule. The Project Schedule shall control the Commencement, progress and Completion of the Project. Subject to the provisions of Section 2.5, Redeveloper shall use commercially reasonable efforts, subject to obtaining Governmental Approvals, to commence construction no later than the date set forth in the Project Schedule.

(a) Redeveloper may modify the Project Schedule from time to time; provided that, (i) any such modification shall not change the Completion Date for the Project without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, and (ii) any material changes to the Project Schedule which reasonably threatens to

materially delay the Completion Date shall be subject to the City's review and approval, which shall not be unreasonably withheld, conditioned or delayed.

(b) Subject to the provisions of Section 2.5, Redeveloper shall use commercially reasonable diligence to complete the Project in accordance with the Project Schedule.

(c) Promptly after Completion of the Project, Redeveloper shall apply to the appropriate Governmental Body for a Certificate of Occupancy for the Project. The date when Redeveloper has achieved the Completion of the Project (the "**Completion Date**") shall be the date Redeveloper has obtained a Certificate of Occupancy for the Project Improvements.

(d) If, subject to the provisions Section 2.5, Redeveloper fails to meet the Completion Date for any reason or determines that it will fail to meet the Completion Date for any reason other than a "Force Majeure" event as defined at Section 14.3, Redeveloper shall promptly provide notice to the City stating: (i) the reason for the failure or anticipated failure to meet the Completion Date, (ii) Redeveloper's proposed method for correcting such failure, (iii) Redeveloper's proposal for revising the applicable Completion Date and (iv) the method or methods by which Redeveloper proposes to achieve subsequent tasks by the relevant Completion Dates. In such event the City may, in its sole but reasonable discretion, consent to the modification of the Completion Date. If the City does not so consent and Redeveloper fails to meet the Completion Date, then Redeveloper shall be in default hereunder.

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

(f) In the event the City does not issue the Certificate of Completion, as applicable, within thirty (30) days after submission of written request by Redeveloper, then within such thirty (30) day time period the City shall provide Redeveloper with a written statement setting forth in detail the reasons why it believes that Redeveloper has failed to Complete the Project, in accordance with the provisions of this Redevelopment Agreement, the Redevelopment Plan and Applicable Laws and what measures or acts the City deems will be necessary in its reasonable opinion in order for Redeveloper to be entitled to the applicable Certificate of Completion (the "**Certificate Denial Statement**"). Redeveloper may rely on the Certificate Denial Statement in determining what action it must take in order to obtain the requested Certificate of Completion.

(g) Upon the issuance and recording of the Certificate of Completion for the Project, the conditions determined to exist at the time the Property was determined to be an area in need of redevelopment shall be deemed to no longer exist with respect to the Project and Property. The Project and Property shall no longer be subject to the provisions of this Redevelopment Agreement, or any covenant running with that portion of the land covered by the applicable Certificate of Completion; provided however, that nothing in this paragraph (g) shall be deemed to abrogate the provisions of any other agreements delivered pursuant to this Agreement with respect to the

Property and Project, including without limitation (and by example only) any Financial Agreement, as more fully set forth in Section 5.1(c) of this Agreement.

SECTION 2.4 Project Oversight. (a) At the request of the City, Redeveloper agrees to hold a reasonable number of regular progress meetings (which the parties expect to be held monthly unless the City provides Redeveloper with an explanation for why the City reasonably requires more frequent meetings) upon the City's reasonable request, to report on the status of the Project and to review the progress under the Project Schedule. The meetings shall be held within five (5) business days of Redeveloper's receipt of the City's request for such a meeting, at such office as is maintained by Redeveloper in the City, as designated by Redeveloper.

(b) Upon the request of the City, Redeveloper shall submit to the City detailed written progress reports (but not more frequently than monthly) which shall include a description of activities completed, the activities anticipated to be undertaken prior to the next Progress Report, the status of all Governmental Approvals, an explanation of each activity, if any, which is showing delay, a description of problem areas, current and anticipated delaying factors and their estimated impact on performance of other activities and Completion Dates in the Project Schedule, an explanation of corrective action taken or proposed and such other information as may be requested by the City (collectively, the "**Progress Report**", to be submitted in the form attached hereto as *Exhibit D*).

(c) The City and the City Representative reserve the right to enter upon the Property, upon reasonable notice to Redeveloper and during regular business hours, to visually inspect the site for informational purposes, subject to the City's acknowledgment that the Property will be an active construction site, the obligation of all City inspectors and agents to follow all safety procedures of the Redeveloper or its agents, employees, contractors, at the construction site and Redeveloper shall not be liable or responsible to the City, its employees, agents or invitees for damages arising from injury to person or property sustained in connection with such inspections except to the extent that Redeveloper violates the standard of due care owed to invitees. Such inspections and observations shall not relieve Redeveloper from its obligation to implement the Project. In no event shall the City's inspection of the Project under this Section 2.4(c) be deemed acceptance of the work or deemed to waive any right the City has under this Redevelopment Agreement. Permit officials shall be permitted to enter the Property at any reasonable time to undertake required inspections.

(d) The City shall have the right at all reasonable times upon reasonable request, notice and execution of a confidentiality agreement, to inspect, at the offices of Redeveloper, the following: the construction contracts, construction performance security, insurance policies, and such other agreements of Redeveloper only to the extent pertinent to the purposes of confirming Redeveloper's compliance with this Redevelopment Agreement. All such information shall be confidential and proprietary information and will be held in confidence by the City representatives and used solely for purposes of monitoring performance under this Agreement.

SECTION 2.5 Tolling. Redeveloper shall use commercially reasonable efforts to adhere to the Project Schedule and the provisions set forth in this Article II, provided that such obligations shall be extended on a day-for-day basis for each day that Redeveloper's performance hereunder is delayed by (a) the occurrence and continuation of an event of Force Majeure as provided in

Section 14.3 or (b) an extension of the date for Completion granted by the City, in its sole but reasonable discretion, pursuant to Section 2.3(d). If a delay only affects a portion of the Project, the extension granted hereunder shall only apply to the obligations so affected and Redeveloper shall continue to perform its obligations with respect to the balance of the Project.

SECTION 2.6 Infrastructure Improvements. Redeveloper will design and construct the Infrastructure Improvements in a good and workmanlike manner and materially in accordance with all Applicable Laws, as applicable. Redeveloper agrees to undertake the appropriate commercially reasonable measures to negotiate with, acquire, relocate or otherwise address the existence of any utilities and easements on the Property, in order to complete the Project as provided by this Redevelopment Agreement. Site plan approval may be conditioned upon other on-site and off-site improvements specific to the Project, consistent with the authority of the Planning Board and consistent with the Land Use Law. Redeveloper agrees to provide performance and maintenance bonds if and as required by the Planning Board, or the Governing Body, consistent with the authority of the Planning Board and/or Governing Body under the Land Use Law. The City makes no representation that the necessary infrastructure to support the Project exists at the Property; any infrastructure needed to support Redeveloper's Project is to be constructed at Redeveloper's sole cost and expense. Any on or off-site Infrastructure Improvements required to be constructed and exclusively serving the Project that are required in order to develop and operate the Project shall be constructed at Redeveloper's sole cost and expense. City agrees to cooperate with Redeveloper in any effort to reduce the sewer and water fees payable to the Lambertville Municipal Utilities Authority for the Project.

SECTION 2.7 Prohibition Against Suspension, Discontinuance or Termination. Redeveloper shall work in good faith so as not to suspend or discontinue its performance of its obligations under this Redevelopment Agreement or terminate this Redevelopment Agreement (other than in the manner provided for herein) for any reason except to the extent permitted by Section 2.5, and then only to the extent and for the period of time permitted by Section 2.5.

SECTION 2.8 Cooperation. The Parties shall fully cooperate with each other as necessary and desirable to accomplish the Project, including but not limited to, any amendment(s) to this Redevelopment Agreement or the Redevelopment Plan, in furtherance of the Project.

ARTICLE III
Redeveloper's Right to Property

SECTION 3.1 Sale of the Property; Ownership. The City represents that it is the owner of the Property. The City and the Redeveloper will execute the Purchase and Sale Agreement in the form as attached hereto as Exhibit H for the sale of the Property by the City to Redeveloper no later than thirty (30) days after the Effective Date. Closing will be scheduled in accordance with the Purchase and Sale Agreement. Closing under the Purchase and Sale Agreement shall be contingent upon Redeveloper's commitment to construct the Project ("**Purchase Contingency**"). Simultaneously with the execution of the Purchase and Sale Agreement, the City and Redeveloper will execute an Access Agreement which will provide that Purchaser shall have the right to access the Property to perform due diligence prior to Closing.

ARTICLE IV
PROJECT APPROVALS

SECTION 4.1 Governmental Approvals and Third Party Approvals. (a) Prior to the commencement of the Project, Redeveloper shall secure, or cause to be secured, any and all Governmental Approvals and Third Party Approvals for the Project in order to cause the Commencement and Completion of the Project at the Property that Redeveloper elects to commence, in accordance with the Project Schedule and the provisions of Section 2.3.

(b) The City agrees to reasonably cooperate with Redeveloper and to support any application for and to obtain any Governmental Approvals and Third Party Approvals that are consistent with the terms of this Redevelopment Agreement, the Redevelopment Plan and Applicable Laws and the proposed or approved site plan, and at the request of Redeveloper to execute any documents required to obtain such approvals that the City deems reasonable, and including any owner consents, provided that, nothing in this Section shall be deemed: (i) to constitute an approval of all or any portion of the Project for which Governmental Applications have been submitted or are required; or (ii) a waiver of the ability of the Planning Board or any other Governmental Body having jurisdiction thereof from exercising its statutorily authorized responsibilities with respect to the Governmental Applications or Governmental Approvals required by, and consistent with, Applicable Law. Redeveloper shall update the list of all Governmental Approvals as part of the Progress Reports, if and as appropriate during the Project and provide copies to the City.

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

(d) Redeveloper shall have the right, but not the obligation, to contest any unsatisfactory requirement or condition with respect to the Project imposed on Redeveloper as a condition to a Governmental Approval including, without limitation, the imposition of any obligations to fund or construct off-site improvements. Redeveloper shall have no obligation to

comply with any such unsatisfactory requirement or condition if Redeveloper elects not to contest same or is unsuccessful in contesting same and such requirement is material to the cost or timing of the Project affected thereby as determined in the good faith judgment of Redeveloper or is materially inconsistent with Redeveloper's building and site plans, in which event, Redeveloper may terminate this Redevelopment Agreement pursuant to Section 14.2(c) herein (including compliance with the notice requirements set forth in that Section), as Redeveloper's sole remedy. In such instance, the parties may agree to consider a modification of this Redevelopment Agreement, or the Redevelopment Plan, in a manner similar to that provided for in Section (e) below, but neither the Redeveloper nor the City shall be obligated to do so.

(e) In the event that Redeveloper's application for any Governmental Approval is denied or any Person brings an action that contests or challenges the grant of any Governmental Approval, then Redeveloper shall have the right in its discretion to modify and resubmit such application, if applicable, in order to secure such Governmental Approval; provided that such modification does not violate the terms of this Agreement or the Redevelopment Plan. In the event of an adverse decision which Redeveloper elects not to appeal or which becomes final after appeal, the Parties shall, during the sixty (60) day period immediately following receipt by both Parties of such decision, use diligent, reasonable efforts and good faith negotiations to modify the Project and amend this Redevelopment Agreement (and any Governmental Approval, including the Redevelopment Plan) in order to assist Redeveloper in obtaining the required Governmental Approvals. If, at the end of such sixty (60) day period, there is no agreement between the Parties as to how to modify the Project and amend this Redevelopment Agreement (and any Governmental Approval, including the Redevelopment Plan), either Party may terminate this Redevelopment Agreement by providing written notice to the other Party in accordance with the provisions of Section 14.2(c) of this Redevelopment Agreement.

ARTICLE V FINANCING OF THE PROJECT

SECTION 5.1 Redeveloper Financial Commitment. Redeveloper represents that it shall use commercially reasonable efforts to obtain requisite equity and debt financing in such amount(s) necessary to Complete the Project on terms reasonably acceptable to Redeveloper.

(a) **Project Costs.** All costs of implementing and Completing the Project, including but not limited to the cost of obtaining all Governmental Approvals, the cost of the acquisition of the Property, the cost of designing and constructing all Project Improvements, all financing costs, all marketing and leasing costs for the Project Improvements, and the City Costs (collectively, the "**Project Costs**") shall be borne by Redeveloper. Unless otherwise specifically set forth herein, neither the City nor the City Council shall be responsible for any costs associated with the Project.

(b) **Payment of City Costs.** Redeveloper represents that it will make timely payment or reimbursement to the City for all of the City's commercially reasonable and necessary out of pocket third-party fees, costs and disbursements charged by its planner, engineer, financial advisor(s) and/or legal counsel ("**Consultants**") and any other costs incurred by the City in connection with Redeveloper's development of the Project (the "**City Costs**"). City costs shall not include salaries and benefits paid to employees of the City providing services in furtherance of the Project. Redeveloper has previously, on or about August 15, 2021, funded an escrow

account (the “**Escrow Account**”) with an initial balance of Fifteen Thousand Dollars (\$15,000.00) and will pay (1) all outstanding City Costs, incurred prior to the date hereof and which have not been paid out of the Escrow Account, pursuant to the Funding Agreement; and (2) all current and future City Costs. If, when, and as often as may occur that the Escrow Account is drawn down to Five Thousand Dollars (\$5,000.00), then Redeveloper, upon the City’s written request, shall within twenty (20) business days thereafter provide to the City deposit funds sufficient to replenish the Escrow Account to the amount of Fifteen Thousand Dollars (\$15,000.00) for use in accordance with these terms, unless such time period shall be extended for good reason by the City in its sole discretion. Funds in the Escrow Account will be applied to the payment or reimbursement of the City Costs as provided in this Agreement. Prior to the City’s withdrawal of funds from the Escrow Account for the payment of City Costs, the City shall provide Redeveloper with invoices setting forth the costs incurred by the City which invoices identify the services provided, the individual providing the services, the amount of time attributed to the Project, and the hourly rate charged by each individual. Unless the Redeveloper provides a written objection within ten (10) business days of its receipt of any such copy of an invoice stating that any invoiced item is not a valid City Costs pursuant to this terms of this Redevelopment Agreement, the City shall be free to withdraw funds from the Escrow Agreement for the payment of such invoiced services; provide, however, that the Redeveloper’s failure to object within such ten (10) business days shall not be a waiver of Redeveloper’s right to dispute such payment pursuant to the provisions of *N.J.S.A. 40:55D-53.2 et seq.* The City shall provide Redeveloper with a statement of the Escrow Account showing all deposits and disbursements on a quarterly basis. Upon the issuance of the final Certificate of Completion, or upon termination of this Agreement, any money remaining in the Escrow Account shall be disbursed to Redeveloper, except that the City may retain, for not more than sixty (60) days after the issuance of the Certificate of Completion or the termination date, an amount sufficient to cover unpaid expenses provided Redeveloper is provided with copies of the invoices pursuant to the terms set forth hereinabove.

(c) **Affordable Housing.** Affordable housing shall be provided in accordance with the mechanism set forth in the City’s Housing Element and Fair Share Plan. This Project necessitates a twenty percent (20%) set aside for affordable housing on-site. The Project therefore shall contain no less than five (5) affordable units.

- i. The five (5) affordable units shall be “family” units with the following bedroom distribution: one (1) 1-bedroom unit; three (3) 2-bedroom units; and one (1) three-bedroom unit. There shall be no restriction on the bedroom distribution of the market rate units. A “family” unit means that the unit is available to the general very-low, low and moderate income population and is not restricted to a certain segment of that population such as restrictions based on age or disability.
- ii. Of the five (5) family affordable units, one (1) shall be reserved for very-low income households (thirty percent (30%) of area median income (“AMI”); two (2) units will be reserved for low income households (less than fifty percent (50%) of AMI), and two (2) units will be reserved for moderate income households (less than eighty percent (80%) AMI).

- iii. The five (5) family affordable units shall comply with the following income strata by bedroom:

	Very Low	Low	Moderate	Total
1-bedroom		1		1
2-bedroom	1	1	1	3
3-bedroom			1	1
Total	1	2	2	5

- iv. The affordable housing units shall be deed restricted for at least thirty (30) years. Notwithstanding the exercise of the Owner Entity’s election, the City shall have the right to extend the affordability restrictions in accordance with the provisions of 26 U.S.C. §42(h)(6)(F) and 26 CFR 1.42-18.
- v. Other than as set forth above, the family affordable units shall comply with the requirements of the Uniform Housing Affordability Controls (the “UHAC”).

SECTION 5.2 Governmental Approval Fees. Redeveloper shall pay all fees for permits and approvals and approvals required by the City (in accordance with standard fees provided in the City Code) and any other Governmental Body for the construction and development of the Project.

SECTION 5.3 Mortgage Financing; Notice Of Default To Mortgagee; Right To Cure.

(a) **Mortgage Financing.** (i) Neither Redeveloper nor any successor in interest to Redeveloper or the Property, or any part thereof, shall engage in any construction financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or suffer any encumbrance or lien (other than liens for governmental impositions) to be made or attach to the Property in excess of ninety percent (90%) of the Project Costs, except as may be approved by the City for the purpose of obtaining funds in connection with the development and construction of the Project; provided, however, that upon the issuance of a Certificate of Completion for the Project, such prohibition shall no longer apply with respect to the Project Improvements and/or Property, or the Project. Redeveloper, or its successor in interest, shall notify the City in advance of any such financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Project or any part thereof (the mortgagee thereunder or its affiliate, a “**Holder**”) and, in any event, Redeveloper shall promptly notify the City of any encumbrance or lien (other than liens for governmental impositions) that has been created on or attached to any portion of the Property, whether by voluntary act of Redeveloper or otherwise, upon obtaining actual knowledge or notice of same.

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

(b) **Notice of Default to Holder and Right to Cure.** (i) Whenever the City shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper under this Redevelopment Agreement, the City shall at the same time deliver to each Holder a copy of such notice or demand, provided that Redeveloper has delivered to the City a written notice of the name and address of such Holder. Each such Holder shall (insofar as the rights of the City are concerned) have the right at its option within ninety (90) days after the receipt of such notice (and the expiration of all applicable cure periods), to cure or remedy, or to commence to cure or remedy, any such default which is subject to being cured and to add the cost thereof to the debt and the lien which it holds.

(ii) To the extent that any Holder institutes proceedings to foreclose or to accept a deed in lieu of foreclosure against any lien it has with respect to the Project (as a result of a Redeveloper Event of Default or a default by Redeveloper under any agreements executed by Redeveloper and its Project lenders), the City agrees to forbear from the enforcement of any remedies provided under this Redevelopment Agreement that it may have against Redeveloper in order to permit such Holder to foreclose and assume or cause a third party to assume the obligations of Redeveloper under this Redevelopment Agreement; provided, however, that the City shall not be obligated to forbear from the exercise of any remedies available to it hereunder if such forbearance will result (or may result, in the reasonable judgment of the City) in a waiver of the City's rights under this Redevelopment Agreement or a material and adverse effect on the City's rights or performance obligations hereunder or any material increase in the City's financial obligations hereunder.

(c) **No Guarantee of Development, Construction or Completion of the Project by Holder.** Notwithstanding any of the provisions of this Redevelopment Agreement, including but not limited to those which are or are intended to be covenants running with the land, the Holder of any mortgage (including any such Holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or transfer in lieu thereof) may acquire title as a result of foreclosure proceedings or transfer in lieu thereof, and such transfer of title shall not be deemed a transfer in violation of Article XIII, and the City hereby consents thereto. The Holder shall in no manner be obligated by the provisions of this Redevelopment Agreement to develop, construct or Complete the Project (or portion to which its mortgage relates), or to guarantee such development, construction or Completion; nor shall any covenant or any other provisions be construed to so obligate a Holder and the Holder shall have those rights described in this Article V to cure any Event of Default and complete the Project. Notwithstanding the foregoing, nothing contained in this Redevelopment Agreement shall be deemed to permit or authorize such Holder to undertake or continue the development, construction or Completion of the Project, or portion to which its mortgage relates (beyond the extent necessary to conserve or protect the Holder's security, including the improvements or construction already made), without the Holder first having expressly assumed Redeveloper's obligations to the City going forward from and after the date of such assumption with respect to the Project (or portion to which its mortgage relates) by written agreement reasonably satisfactory to the City and the Holder. Likewise, any third-party purchaser other than the Holder who obtains title to the Property or any part thereof upon a foreclosure proceeding may acquire title upon such foreclosure proceeding, and such transfer of title shall not be deemed a transfer in violation of Article XIII, and the City hereby consents thereto; but such purchaser shall be subject to the provisions in (d) below.

(d) **Foreclosure.** If a Holder forecloses its mortgage secured by the Property (or portion to which its mortgage relates), or takes title to the Property (or portion to which its mortgage relates) by deed-in-lieu of foreclosure or similar transaction or if a third party purchaser acquires the Property at the foreclosure sale or from the Holder after foreclosure or deed in lieu of foreclosure, (collectively a “**Foreclosure**”), the Holder or such third party purchaser shall have the option to either (i) sell the Property or the Project to a Person that has the qualification and financial responsibility necessary to perform the obligations of Redeveloper reasonably determined by the City, which shall assume the obligations of Redeveloper under this Redevelopment Agreement in accordance with Applicable Law, and/or (ii) assume the obligations of Redeveloper under this Redevelopment Agreement in accordance with Applicable Law. In the event of a Foreclosure and provided the Holder or the purchaser is in compliance with this Redevelopment Agreement, the City shall not seek to enforce against the Holder or purchaser of such parcel, any of the remedies available to the City pursuant to the terms of this Redevelopment Agreement available in connection with the events preceding the Foreclosure. The Holder, or the third-party purchaser referenced above assuming the obligations of Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to make good faith effort to Complete the Project in the manner provided in this Redevelopment Agreement, but subject to reasonable extensions of the scheduled Completion Date. Any such Holder or Person assuming such obligations of Redeveloper, properly Completing Project Improvements shall be entitled to Certificates of Completion in accordance herewith. Nothing in this Redevelopment Agreement shall be construed or deemed to permit or to authorize any Holder, or such other Person assuming such obligations of Redeveloper, to devote the Property, or any part thereof, to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Redevelopment Agreement and the Redevelopment Plan. The Holder or such purchaser that assumes that obligations of the Redeveloper shall be entitled to develop the Property or Project, in accordance herewith.

SECTION 5.4 Governmental Financial Incentives. Redeveloper (or a Permitted Transferee, as the case may be) intends to apply to the City for approval of a “Financial Agreements” (the “**Financial Agreement**”) providing for, among other things, a long term tax exemption for the Project Improvements and payment of an “Annual Service Charge” in lieu of taxes, all as defined in and pursuant to the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* (“**PILOT**”). Redeveloper’s obligation to commence construction of the Project as per the Project Schedule, as same may be amended, shall be contingent upon obtaining a Financial Agreement upon terms and conditions acceptable to Redeveloper. In the event the City is unwilling to enter into a Financial Agreement upon terms acceptable to Redeveloper, Redeveloper in its discretion may elect to terminate this Agreement on written notice to the City delivered no later than thirty (30) days from the date Redeveloper is advised that the City will not approve a Financial Agreement upon terms acceptable to Redeveloper.

ARTICLE VI **GENERAL REPRESENTATIONS AND WARRANTIES**

SECTION 6.1 Representations and Warranties of the Redeveloper. Redeveloper hereby makes the following representations and warranties as of the Effective Date, understanding

that the City has relied thereon as a material element in entering into this Redevelopment Agreement:

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

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

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

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

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

(f) Redeveloper has received no actual written notice asserting any noncompliance in any material respect by Redeveloper with applicable statutes, rules and regulations of the United States, the State or of any City having jurisdiction over and with respect to the transactions contemplated in and by this Redevelopment Agreement, which would have a material adverse effect on Redeveloper's ability to perform its obligations in connection with this Redevelopment Agreement. Redeveloper is not in default with respect to any judgment, order, injunction or decree of any court, administrative City, or other Governmental Body which is in any respect material to the transactions contemplated hereby.

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

(h) To the best of Redeveloper's actual knowledge, Redeveloper's execution and delivery of this Redevelopment Agreement and its performance hereunder will not constitute a

violation of or conflict with any of Redeveloper's organizational documents.

(i) To the best of Redeveloper's knowledge and belief, Redeveloper is financially and technically capable of developing, designing, financing, constructing, operating, and maintaining the Project, in conformance with the requirements of this Redevelopment Agreement, the Redevelopment Plan, Governmental Approvals and Applicable Laws.

(j) The ownership of each member of Redeveloper owning ten percent (10%) or more of the ownership interest in Redeveloper is set forth on *Exhibit E*. Redeveloper shall, at such times as the City may request, furnish the City with a complete statement subscribed and sworn to by a managing member of Redeveloper, setting forth all of the ownership interests of Redeveloper owning ten percent (10%) or more of the ownership interest in Redeveloper.

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

(l) To the best of Redeveloper's actual knowledge, neither Redeveloper nor its members directly or beneficially, is a party to or beneficiary of any contract or agreement with the City which has been terminated due to a default by such individual, partnership or entity or which is currently the subject of a dispute in which the City alleges such default, nor is such individual, partnership or entity an adverse party in any currently pending litigation involving the City.

(m) To the best of Redeveloper's actual knowledge, neither Redeveloper nor its members has been found in any civil or criminal action or by a court or City of competent jurisdiction to have violated any federal or State law or regulation relating to the sale of securities or commodities or been enjoined from engaging in any trade or business for any reason other than the violation of a contractual non-competition provision.

(n) To the best of Redeveloper's actual knowledge, neither Redeveloper nor its members has violated any City, State or federal ethics law and entering into this Redevelopment Agreement will not cause any such violation or result in a conflict of interest.

SECTION 6.2 Representations and Warranties by the City. The City hereby makes the following representations and warranties, understanding that Redeveloper has relied thereon as a material element in entering into this Redevelopment Agreement:

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

(b) Upon the approval of this Redevelopment Agreement by the City, all requisite action will have been taken by the City, and after all due and diligent investigation by the City, the City represents that (i) all requisite consents have been obtained in connection with the entering

into this Redevelopment Agreement and the instruments and documents referenced herein to which the City is party, (ii) the consummation of the transaction contemplated hereby, and to the best of the City's knowledge and belief are permitted and/or authorized by all Applicable Laws, and (iii) after all due and diligent investigation and to the best knowledge of the City, there are no writs, injunctions, orders or decrees of any court or governmental body that would be violated by the City entering into or performing its obligations under this Redevelopment Agreement.

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

(d) The City represents that to the best of its knowledge there is no action, proceeding or investigation now pending or threatened, nor any basis therefore, known or believed to exist which questions the validity of this Redevelopment Agreement or any action or act taken or to be taken by the City pursuant to this Redevelopment Agreement, except for the City Litigation as previously disclosed to Redeveloper, final disposition of which is a condition precedent to Redeveloper's obligation to satisfy its obligations hereunder.

SECTION 6.3 Mutual Representations. In the event that any contractual provisions that are required by Applicable Law have been omitted, then the City and Redeveloper agree that this Redevelopment Agreement shall be deemed to incorporate all such clauses by reference and such requirements shall become a part of this Redevelopment Agreement. If such incorporation occurs and results in a change in the obligations or benefits of one of the Parties, the City and Redeveloper agree to act in good faith to mitigate such changes in position. In the event despite the efforts of the Parties to mitigate, such change results in a material adverse financial impact on either Party, the materially adversely affected Party may terminate this Redevelopment Agreement by providing written notice to the other Party within thirty (30) days of the discovery of the deemed incorporation of any such clause.

ARTICLE VII **COVENANTS AND RESTRICTIONS**

SECTION 7.1 Redeveloper Covenants. Redeveloper covenants and agrees that:

(a) Redeveloper shall make good faith, commercially reasonable efforts to design, construct, and operate the Project, in compliance with the terms and provisions of the Redevelopment Plan, as same may be amended from time to time, Governmental Approvals, Applicable Laws and this Redevelopment Agreement in all material respects, provided nothing herein shall be interpreted to preclude Redeveloper from seeking any variance, deviation or waiver in connection with any site plan approval or other relief which may be sought in connection with Governmental Approvals and Applicable Laws.

(b) Redeveloper shall not use the Property, Project Improvements, or any part thereof in a manner that is materially inconsistent with the Redevelopment Plan, as same may be amended.

(c) Redeveloper shall not discriminate against any person, or group of persons, on the basis of age, race, color, religion, creed, national origin, ancestry, physical handicap, familial status, gender, sex, or sexual orientation in the sale, lease, sublease, rental, transfer, use, or occupancy of any Property in the Redevelopment Area, or any part thereof.

(d) Redeveloper shall not employ, hire or otherwise involve in the Project any Person that Redeveloper knows has previously been disbarred, suspended or otherwise ruled unable to participate in the process of bidding for and being awarded public contracts; the City agrees to supply a list of any such persons of which it has knowledge.

SECTION 7.2 City Covenants. The City hereby covenants and agrees that:

(a) The City shall fully cooperate with Redeveloper to obtain Governmental Approvals for the Project.

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

(c) The City shall prepare and the Governing Body shall consider an amendment to the Redevelopment Plan in a manner that allows the Project to proceed as contemplated under this Redevelopment Agreement, including the City's undertaking to convey the Property to Redeveloper.

SECTION 7.3 Declaration of Covenants and Restrictions. Redeveloper shall execute and record a Declaration of Covenants and Restrictions substantially in the form attached hereto as *Exhibit F* (the "**Declaration**"), which shall be recorded following Redeveloper's acquiring title to the Property.

SECTION 7.4 Effect and Duration of Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the covenants and restrictions contained in the Declaration shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the City, its successors and assigns, against Redeveloper, its successors and assigns and every successor in interest therein to the Property. Such agreements and covenants, however, shall be binding on Redeveloper itself, each successor in interest to Redeveloper, respectively, only until the Certificate of Completion is recorded with regard to the Project.

SECTION 7.5 Enforcement by the City. (a) In amplification, and not in restriction, of the provisions of this Article VII, it is intended and agreed that the City and its successors and assigns shall be deemed beneficiaries of the terms and covenants set forth in this Redevelopment Agreement, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Declaration shall so state) run in favor of the City for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the City has at any time been, remains, or is an owner of any land or interest therein. The City shall have the right, in the event of any material breach of any such agreement or covenant beyond any applicable

notice and cure period, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other lawful proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

(b) The covenants and restrictions contained in this Article VII shall run with the land and be referenced in any deeds, leases, or other documents of conveyance for the Property, but shall cease and terminate upon issuance of a Certificate of Completion for the Project, and such termination shall also be set forth in any such documents.

(c) Upon redevelopment of the Property, or any portion thereof, and Completion of the Project, as evidenced by the issuance of a Certificate of Completion, the conditions that were found and determined to exist at the time the Property was determined to be in need of redevelopment shall be deemed to no longer exist and the conditions and requirements of *N.J.S.A. 40A:12A-9* shall be deemed to have been satisfied with respect to the Project.

ARTICLE VIII **COLLATERAL DOCUMENTS**

SECTION 8.1 Delivery of Collateral Documents. Redeveloper and the City agree that the rights, obligations and liabilities of the Parties under this Redevelopment Agreement are conditioned upon the delivery of the fully executed collateral documents referred to in this Article VIII and hereby acknowledge the receipt of such documents, simultaneously with the execution of this Redevelopment Agreement.

SECTION 8.2 Documents Delivered by Redeveloper. Redeveloper agrees to deliver the following fully executed collateral documents on the Effective Date: Certified copies of Redeveloper's (i) Certificate of Formation, (ii) Certificate of Good Standing and (iii) Business Registration Certificate in accordance with *N.J.S.A. 52:32-44* and *N.J.S.A. 40A:11-2*.

ARTICLE IX **REQUIRED UNDERTAKINGS**

SECTION 9.1 First Source Employment. Provided that the wages are competitive with rates in the market, and to the extent feasible, Redeveloper shall make commercially reasonable efforts to offer qualified residents of the City the opportunity to be employed in the operation of the Project. Inclusion of this requirement in Redeveloper's property management agreement shall fully satisfy this obligation of Redeveloper under this Section 9.1.

Redeveloper shall make commercially reasonable efforts to award contracts and/or subcontracts wherever reasonably feasible to local business enterprises, from a list prepared and provided by the City of those local business enterprises who actively participate with the City in donating their time and materials to programs run by the City to assist those in need in the City, where competitive bids and prices are offered by such enterprises and which, in the reasonable judgment of Redeveloper, can competently provide the goods and services required by Redeveloper. Redeveloper's obligations as provided herein are dependent upon the City's provision of the list being provided by the City.

Redeveloper shall cooperate fully with the efforts by the City or its designees to recruit, screen, train, and refer qualified local employees and subcontractors to Redeveloper, including providing information to the City or its designee with respect to the disposition of applicants for employment or subcontracts referred by the City or its designee to Redeveloper.

SECTION 9.2 Affirmative Action. Redeveloper, during the construction of the Project, shall comply with the following:

(a) When hiring workers in each construction trade Redeveloper will use its good faith efforts to consider for employment as part of any demolition and site infrastructure construction phases of the Project: (i) qualified Minority workers in each construction trade or (ii) Minority contractors consistent with the following goals (as to contractors) contracting with Qualified Minority Business Enterprises for up to twenty percent (20%) of the dollar value of the hard costs of total procurements to be awarded in connection with the demolition and site infrastructure construction phases of the Project. Inclusion of this requirement in Redeveloper's construction management agreement, if applicable, shall fully satisfy this obligation of Redeveloper under this Section 9.2.

For purposes of this section, the term "**Minority**" shall be as defined in *N.J.S.A. 34:1B-48*. "**Qualified Minority Business Enterprises**" shall mean a business that has its principal place of business in the State, is independently owned and operated is at least fifty-one percent (51%) owned and controlled by Minority group members, and is qualified financially and by training, knowledge, skill, staffing, equipment, availability and experience to successfully Complete the aspect of the Project for which they seek employment.

(b) Redeveloper will undertake a program of local preference to facilitate entering into contracts with and/or purchasing good and services from qualified (by financial capability, experience, knowledge and training) local merchants and businesses located within the City.

(c) Where applicable, Redeveloper will at all times conform to all Applicable Laws with respect to affirmative action and equal employment opportunities requirements, and particularly those which are imposed as a condition to receipt of any government sponsored funding for the Project, notwithstanding any other provision of this Redevelopment Agreement to the contrary.

SECTION 9.3 Equal Opportunity Employment. Redeveloper agrees that during implementation of the Project as follows:

(a) Redeveloper will not discriminate against any employee of Redeveloper or applicant for employment because of race, color, religion, sex, or national origin in violation of any Applicable Laws. Redeveloper will take appropriate action to ensure that applicants are employed, and that employees are treated during employment in accordance with Applicable Laws, without regard to their race, color, religion, gender, sex, or national origin. Such action shall include, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Redeveloper agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this

nondiscrimination clause to the extent required by Applicable Laws.

(b) Redeveloper will, in any solicitations or advertisements for employees placed by or on behalf of Redeveloper, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sex or national origin.

SECTION 9.4 Supervision. To the extent required by Applicable Law, Redeveloper shall use commercially reasonable efforts to cause the contractors and subcontractors to (a) confine operations at the Property, or areas appurtenant thereto, to areas permitted by the Governmental Approvals and Applicable Laws, and (b) not unreasonably encumber the Property, or areas appurtenant thereto, with materials or equipment.

SECTION 9.5 Neighborhood Impacts. Redeveloper acknowledges that the construction of the Project will have certain impacts on the neighborhoods in the vicinity of the Project. Although it is anticipated that the Project will provide many positive effects on the community, it is also recognized that it may result in some temporary inconveniences during the time that construction takes place and for a short time thereafter. Therefore, Redeveloper shall take such steps as are commercially reasonable, as determined by the Planning Board as a condition of site plan approval, in order to minimize any potential negative effects that the construction of the Project may produce. As a result, the City and Redeveloper agree herein to address the concerns of the surrounding neighborhoods in order to reasonably assure the citizens of the City that reside in those neighborhoods that the Project will be completed with a minimum inconvenience and result in a maximum benefit. Accordingly, the Parties agree to the provisions set forth below in this Article IX.

SECTION 9.6 Traffic. To the extent required by Applicable Law, in coordination with the appropriate department within the City that is responsible for traffic related issues, the Redeveloper will use commercially reasonable efforts to minimize the traffic effects of the Project upon the surrounding neighborhoods during construction of the Project. Redeveloper shall be bound by any conditions imposed by the Planning Board in compliance with Applicable Laws, and specifically *N.J.S.A. 40:55D-42*, which has jurisdiction with respect to traffic issues related to the Project and will address the issue in the context of review of site plan applications.

SECTION 9.7 Rodent, Insect and Animal Control. To the extent required by Applicable Law, in coordination with the local Department of Health, Redeveloper will take commercially reasonable efforts to minimize and control the migration of rodents, insects, or other animals from the Property during the construction of the Project.

SECTION 9.8 Illumination, Noise, Dust Pollution or Damage. To the extent required by Applicable Law, in coordination with the Department of Health, Redeveloper agrees that it will use commercially reasonable efforts to minimize excessive noise or dust pollution into the surrounding community during construction.

SECTION 9.9 Maintenance and Landscaping. Following completion of construction, Redeveloper will be bound by any conditions imposed by the Planning Board, which has jurisdiction with respect to maintenance and landscaping issues related to the Project and will address the issue in the context of review of site plan applications.

ARTICLE X
ENVIRONMENTAL OBLIGATIONS

SECTION 10.1 Remediation of Property. (a) The Property may require Remediation and ongoing maintenance of institutional and/or engineering controls associated with environmental contamination that may exist at the Property, if any. Redeveloper shall be responsible for the Remediation, pursuant to Environmental Law. Redeveloper agrees to use commercially reasonable, good faith efforts to commence and substantially complete any Remediation necessary to allow development of the Project as determined by Redeveloper's licensed site remediation professional ("**LSRP**") and in accordance with NJDEP and United States Environmental Protection Agency ("**USEPA**") regulations and/or approvals. Prior to commencing construction on the Project, Redeveloper agrees to substantially complete any active Remediation required for construction to commence as determined by the LSRP. The Parties understand that certain components of the Remediation, including but not limited to installation and maintenance of engineering controls, in-situ remediation programs, etc., cannot or may not be completed until the Project is substantially completed, and such systems/improvements may continue to operate well after the Project is completed as allowed or required by NJDEP, USEPA or the LSRP.

(b) Redeveloper shall cause the Remediation of the Property, where applicable, in accordance with all Applicable Laws, including without limitation, NJDEP and USEPA regulations.

(c) The City assumes no responsibility and/or liability for compliance with Environmental Laws, Remediation, or Hazardous Substances, whether known or unknown, located on, under or migrating from the Property.

(d) Should off-site disposal of either Hazardous Substances or non-Hazardous Substances be required as part of the Remediation, compliance with Environmental Laws, or development of the Property, neither the City nor the Redeveloper shall be required to sign any manifests relating to such disposal or be listed as the generator of such material unless otherwise required by Environmental Law by NJDEP or USEPA.

ARTICLE XI
INSURANCE

SECTION 11.1 General Requirements. From and after the date closing of title occurs as to the Property, or upon such date otherwise provided in this Article XI, Redeveloper shall provide and maintain, or cause to be maintained, insurance for the Property as provided below until a Certificate of Completion has been issued with regard to the Project.

Redeveloper shall furnish the City with satisfactory proof that it has obtained the insurance described below from insurance companies or underwriters reasonably satisfactory to the City. The City shall be named as an additional insured party under all required insurance policies, except the insurance for workers compensation. Redeveloper shall furnish to the City certificates for the

following types of insurance showing the type, amount, and class of operations insured, and the effective and expiration dates of the policies. The certificates shall be submitted not later than the date Redeveloper closes title on the Property or such date as otherwise provided in this Article XI. Specific reference to this Redevelopment Agreement shall be made in all policies.

SECTION 11.2 Insurance Required. (a) (i) All insurance policies required by this Article XI shall be obtained from insurance companies licensed to conduct business in the State and rated at least A- in Best's Insurance Guide.

(ii) All insurance policies required by this Section shall be non-assessable and shall contain language to the effect that (1) the policies are primary and noncontributing with any insurance that may be carried by the City, (2) to the extent available, that the policies cannot be canceled or materially changed except after thirty (30) days written notice by the insurer to the City, and (3) the City shall not be liable for any premiums or assessments. All such insurance shall have commercially reasonable deductibility limits. Redeveloper shall be responsible for paying any deductible amount under all insurance policies.

(b) If requested by the City, Redeveloper shall furnish or cause to be furnished to the City evidence satisfactory to the City of Commercial General Liability Insurance, and Umbrella Excess Liability Coverage, insuring Redeveloper against losses, costs, liabilities, claims, causes of action and damages for bodily injury, property damage and personal injury on the Property in the Redevelopment Area, or related to the construction thereon, including claims made by subcontractor personnel, in commercially reasonable amounts relative to the size of the Project. Such insurance shall include blanket contractual liability coverage or alternatively, shall include separate contractual liability coverage with reference to this specific Project. The City acknowledges and agrees that the types and amounts of coverage identified in **Exhibit G** attached hereto, or such other types and amounts of coverage that may be acceptable to Project mortgage lender(s) (whether construction or permanent financing) provided such lender required coverages provide no less than that coverage described in Exhibit G attached hereto, shall be acceptable and sufficient to satisfy the requirements of this Section 11.2(b). All such policies shall be written to apply to all bodily injury, property damage, personal injury and other customary covered losses, however occasioned, occurring during the policy term, and shall be endorsed to add the City as an additional insured and to provide that such coverage shall be primary and that any insurance maintained by the City shall be excess insurance only. Such coverage shall be endorsed to waive the insurer's rights of subrogation against the City.

(c) Prior to issuance of a building permit, Redeveloper shall furnish or cause to be furnished to the City evidence satisfactory to the City of Builder's Risk Insurance for the benefit of Redeveloper (subject to the interests of any lender or Holder) in an amount approved by Redeveloper's institutional mortgage lender, during the term of construction, sufficient to protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, vandalism, and malicious mischief.

(d) If requested by the City, Redeveloper shall furnish or cause to be furnished to the City evidence satisfactory to the City that any contractor with whom it has contracted for the construction of the Project carries workers' compensation insurance as required by law, and an employer's liability insurance endorsement with customary limits, which shall be endorsed with a

waiver of subrogation clause for the City.

(e) Redeveloper shall furnish or cause to be furnished to the City evidence reasonably satisfactory to the City that any consultant with whom it has contracted for the design of the Project carries errors and omissions insurance, naming the City as an additional insured, with limits reasonably acceptable to the City.

SECTION 11.3 Other Insurance. To the extent required by any Project tenant, or that Redeveloper obtains financing for the Project and such lender or Holder requires that Redeveloper obtain insurance for the Project, such insurance obtained by Redeveloper as a condition of the financing shall be deemed to satisfy the above requirements of this Article XI so long as the City is named as additional insured as its interests appear under such policies.

ARTICLE XII **INDEMNIFICATION**

SECTION 12.1 Redeveloper's Indemnity. (a) Redeveloper covenants and agrees, at its sole expense, to pay and to indemnify, protect, defend and hold the City Indemnified Parties harmless from and against all Claims resulting from or in any way connected with the acquisition, condition, use, possession, conduct, management, planning, design, construction, installation, or other cause of action arising from the nexus of the City to Redeveloper as a result of this Redevelopment Agreement, including but not limited to, the death of any person or any accident, injury, loss, and damage whatsoever caused to any person or to the property of any person that shall occur on the Property and that, with respect to any of the foregoing, are directly related to or resulting from any negligence or willful misconduct of Redeveloper, its agents, servants, employees, or contractors but not to the extent resulting from the negligence or willful misconduct of the City.

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

loss or liability by reason of such settlement or judgment for which the City Indemnified Parties are entitled to indemnification hereunder.

(c) Notwithstanding anything to the contrary in this Article XII, Redeveloper's indemnity shall not extend to any claims if caused by or as a result of the negligence or willful misconduct of the City Indemnified Parties, or other City representatives, or any claims relating to the City Litigation.

SECTION 12.2 Survival of Indemnity. The provisions of this Article XII shall survive the termination of this Redevelopment Agreement due to an Event of Default by the indemnifying Party and shall exist until such time as Redeveloper's covenants under the Declaration are discharged as a result of the recording of a Certificate of Completion, as applicable, provided, however, that such indemnity shall be binding on Redeveloper itself, each successor in interest to the Project, the Property, or any part thereof, respectively, only for such period as Redeveloper or such successor or party shall have title to such Property, the Project Improvements or any part thereof.

ARTICLE XIII **RESTRICTIONS ON TRANSFER**

SECTION 13.1 Prohibition Against Transfers. Redeveloper recognizes the importance of the Project to the general welfare of the community and that the identity of Redeveloper and its qualifications are critical to the City in entering into this Redevelopment Agreement, particularly in view of the public aids that have been or will be made available for the purpose of making such redevelopment possible. The Parties acknowledge and agree that a change in ownership of Redeveloper from that which is noted in *Exhibit E* attached hereto, or any other act or transaction involving or resulting in a significant change with respect to the identity of the parties in control of Redeveloper is, for practical purposes, a transfer or disposition of the Project then owned by Redeveloper.

Except for Permitted Transfers, prior to the issuance of a Certificate of Completion for the Project, Redeveloper shall not, without the prior written consent of the City, which consent shall not to be unreasonably withheld, conditioned or delayed: (a) effect or permit any change, directly or indirectly, in the majority ownership or control of Redeveloper (except in the case of death of an individual(s) having or affecting such ownership or control), (b) assign or attempt to assign this Redevelopment Agreement or any rights herein or in the Property, or (c) make any total or partial sale, lease, transfer or conveyance of the whole or any part of its interest in the Project or the Project Improvements (collectively a "**Transfer**") except as permitted in Section 13.2 below.

SECTION 13.2 Permitted Transfers. The following Transfers are exceptions to the prohibitions of this Article XIII and the City's consent is deemed given hereby (the "**Permitted Transfers**"), provided that, to the extent practical, notice of same is given to the City as required in Section 13.3 below: (a) a mortgage or related security (including conditional assignments to mortgagees or Holders required as a condition to the closing of the financing so secured) granted by Redeveloper to a Holder or of a Project tenant to a leasehold mortgagee, provided further that the occurrence of an Event of Default as to Redeveloper hereunder constitutes an event of default under the loan documentation for such financing; (b) mortgages, leases, and other liens and

encumbrances for the purpose of financing the costs associated with, or incurred in connection with the acquisition, development and construction of the Property or Project; (c) the Declaration, provided that such Declaration is substantially in the form annexed hereto as Exhibit F or shall otherwise be in compliance and consistent with the Redevelopment Plan and this Redevelopment Agreement; (d) utility and other development easements; (e) residential, retail or other leases to tenants occupying the premises in the Project as a part of the intended use of the Project; (f) transfer to an Affiliate of the Redeveloper or its principals; (g) transfers of the direct or indirect ownership or control of Redeveloper among the existing owners, family members of the owners, and/or trusts established for estate planning purposes; (h) transfers of any direct or indirect interest in Redeveloper to an entity owned or controlled by the existing owners or family members; (i) transfer of a direct or indirect controlling interest in Redeveloper, including transfers to institutional investors or other partners, provided that Redeveloper retains a controlling interest; (j) transfer to an Urban Renewal Entity (“**URE**”) comprised of any entity(ies) or individuals to whom a transfer would be a Permitted Transfer herein; (k) environmental covenants and restrictions imposed by a regulatory agency; and (l) any contract or agreement with respect to any of the foregoing exceptions; (m) any transfer for which the consent of the City shall have been obtained; and (n) the transfer of the Property or the Project where a Certificate of Completion has been executed by the City

For the avoidance of doubt, the City consents to the transfer to a Holder upon a foreclosure or deed in lieu as provided in Article V.

SECTION 13.3 Notice of Permitted Transfers. With respect to any Permitted Transfer under Section 13.2(f), Redeveloper shall, to the extent practical, provide to the City written notice at least twenty (20) days prior to such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the parties and any parties, individuals and/or entities comprising such parties.

SECTION 13.4 Transfers Void. Any transfer of Redeveloper’s interest in violation of this Article XIII shall be an Event of Default of Redeveloper and shall be null and void *ab initio*. Such Event of Default shall entitle the City to terminate this Redevelopment Agreement only pursuant to Article XIV. In the absence of a Permitted Transfer or specific written consent by the City, no such sale, transfer, conveyance or assignment of the Project, or Project Improvements or portion thereof, shall be deemed to relieve Redeveloper from any obligations under this Redevelopment Agreement. The Declaration shall contain a restriction against transfers as set forth in this Article XIII. In the event of any transfer in violation of the restrictions in this Article XIII the City shall be entitled to the *ex parte* issuance of an injunction restraining such transfer, and the award of legal fees and related expenses of the City in connection with any such legal action, if granted. Upon the recording of the Declaration in the Office of the Hunterdon County Clerk, the provision affording such injunctive relief shall have the same force and effect as a Notice of Lis Pendens. Upon recording of a Certificate of Completion as to the Project, the provisions of the Declaration set forth in this Article XIII shall be deemed terminated as to the Project, as applicable.

SECTION 13.5 Speculative Development. Redeveloper represents its undertakings pursuant to this Redevelopment Agreement are for the purpose of redevelopment of the Property and not for speculation in land holding. Redeveloper shall not use the Property, or any part thereof,

as secured collateral for an unrelated transaction.

ARTICLE XIV
EVENT OF DEFAULT, REMEDIES

SECTION 14.1 Events of Default. Either of the Parties shall have the right to declare the other Party in default of this Redevelopment Agreement if any of the following events (each an “**Event of Default**”) occur:

(a) Subject to Section 2.5, material failure of either Party to substantially observe and perform any covenant, condition, or agreement hereunder, or a material breach of a representation or warranty set forth in Article VI, and continuance of such failure or breach for thirty (30) days after receipt by the defaulting party of a notice of default (the “**Default Notice**”) from the non-defaulting party specifying in sufficient detail, accompanied by any relevant documentation therefore, of (i) the nature and extent of such failure or breach, (ii) what action is required to remedy such default and (iii) requesting that such failure or breach be remedied; provided, however, if the breach of any such covenant, condition, representation, warranty or agreement is one which cannot be completely remedied within thirty (30) days after such written notice has been received, it shall not be an Event of Default as long as the defaulting Party has commenced the cure within the thirty (30) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (x) one hundred twenty (120) days after receipt of such written notice, or (y) a date agreed to by the Parties to reach compliance; or

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

(c) Redeveloper fails to substantially comply with the Project Schedule, as the same may be modified or extended from time to time in accordance with this Redevelopment Agreement, or shall abandon or substantially suspend construction work on Project Improvements for a period of ninety (90) consecutive days (subject to the provisions of Section 2.5) and any such default, or violation shall not be cured, ended, or remedied within ninety (90) days after Redeveloper’s receipt of written demand by the City to do so, provided, however, if the default or violation is one which cannot be completely remedied within ninety (90) days after such written notice has been received, it shall not be an Event of Default as long as Redeveloper has commenced the cure within the sixty (60) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (x) one hundred eighty (180) days after receipt of such written notice, or (y) a date agreed to by the

Parties, to reach compliance; or

(d) Redeveloper causes a Transfer or assignment prohibited under this Redevelopment Agreement without consent of the City and any such default, or violation shall not be cured, ended, or remedied within sixty (60) days after Redeveloper's receipt of written demand by the City to do so; or

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

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

SECTION 14.2 Remedies Upon Default; Termination. (a) Upon an Event of Default by the City which is continuing and remains uncured beyond any applicable notice and cure dates, Redeveloper may take whatever action at law or in equity, as may appear necessary or desirable to enforce the performance or observance of any rights under this Redevelopment Agreement, including an action for specific performance. No claim for damages may be brought against the City. Further, in these circumstances, Redeveloper shall have the right to terminate this Redevelopment Agreement upon sixty (60) days written notice to the City.

(b) Upon an Event of Default by Redeveloper which is continuing and remains uncured beyond applicable notice and cure dates, the City may terminate this Redevelopment Agreement upon sixty (60) days' written notice to Redeveloper and/or, except as set forth below, take whatever action at law or in equity, as may appear necessary or desirable to enforce the

performance or observance of any rights under this Redevelopment Agreement, including an action for specific performance. No claim for damages may be brought against Redeveloper. Notwithstanding the foregoing and anything to the contrary in this Agreement, the sole and exclusive remedy of the City for a default caused by Redeveloper's failure to commence, prosecute or complete the Project within the target timeframe contemplated by the Project Schedule, or for Redeveloper's failure to obtain debt and/or equity financing for the Project, shall be that the City shall have the right to terminate this Redevelopment Agreement upon sixty (60) days written notice to Redeveloper as to the Project which Redeveloper has failed to substantially complete within such sixty (60) day period. Following such termination the City shall return to Redeveloper any funds held in the Escrow Account, pursuant to Section 5.1(b). If such termination occurs, the City retains the right to exercise any of its powers under the Redevelopment Law to effect the redevelopment of the Project.

(c) In the event that either Party exercises its right to termination pursuant to Section 4.1(d) and (e) and/or Section 6.3, the terminating Party shall provide the other Party with written notice of such election not less than thirty (30) days prior to exercise. Within thirty (30) days of such termination: (i) Redeveloper shall pay to the City all outstanding City Costs; and (ii) upon full payment of all City Costs, the City shall return the balance of the amounts, if any, in the Escrow Account. In such case neither Party shall have any further rights, claims or obligations against the other Party arising out of this Redevelopment Agreement.

SECTION 14.3 Force Majeure. Performance by either Party hereunder shall not be deemed to be in default where delays or failure to perform are the result of any act, event or condition or any combination thereof that has had or may be reasonably expected to have a direct, material, adverse effect on the rights or obligations of the Parties to this Redevelopment Agreement; provided, however, that such act, event or condition shall be beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Redevelopment Agreement, and shall prevent the party relying thereon from compliance with a relevant condition of the Redevelopment Agreement ("**Force Majeure**") including, without limitation, the following:

(a) Lightning, blizzards, hurricane, tornado, earthquake, acts of public enemy, war (whether or not declared), terrorism, blockade, insurrection, riot or civil disturbance, sabotage or similar occurrence, but not including reasonably anticipated weather conditions for the geographic area of the Project, other than those set forth above (such events being required to physically affect a Party's ability to fulfill its obligations hereunder including impacts upon employment, travel, transport and financial impacts; the consequential effect of such events shall be considered a Force Majeure event).

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

(c) The order, judgment, action or inaction and/or determination of any Governmental Body (other than the City when acting in conformance with this Redevelopment Agreement) with jurisdiction over or within the City, including orders declaring a state of emergency or health emergency, excepting decisions interpreting federal, State and local tax laws generally applicable to all business taxpayers, adversely affecting the construction of the Project; provided, however,

such order, judgment, action and/or determination shall not be the result of the willful, intentional or negligent action or inaction of the Party relying thereon and that neither the contesting of any such order, judgments, action and/or determination, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such party.

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

(e) Strikes, lockouts, slowdowns or similar labor action by trade unions or any of their members, equipment manufacturers, suppliers of material and/or transporters of same beyond the control of Redeveloper or any of its members, an inability to procure goods or services, or a general shortage of equipment, facilities, energy, materials or supplies in the open market.

(f) Remediation related interruption, failure, or delay encountered due to unforeseen conditions or unanticipated results of actions taken in the course of dealing with contamination.

(g) Demolition related interruption, failure, or delay encountered during the course of removal of existing buildings or improvements.

Notice by the Party claiming such extension shall be sent to the other Party within thirty (30) calendar days of the commencement or discovery of the cause. During any Force Majeure that affects part of the Project, Redeveloper shall continue to perform its obligations for the rest of the Project which are, in Redeveloper's reasonable judgment, capable of being continued. The existence of an act of Force Majeure shall not prevent a party from declaring the occurrence of an Event of Default by the party relying on such Force Majeure, provided that the event that is the basis of the Event of Default is not a result of the Force Majeure. Except for acts of Force Majeure resulting from acts or omissions of the City, all acts of Force Majeure will be deemed to have ceased to exist as of a date eighteen (18) months from its initial occurrence unless such longer period is otherwise agreed to by the Parties.

SECTION 14.4 Default Notice to Holders. Upon the occurrence of an Event of Default by Redevelopment, the City shall afford to any Holder all notices and rights in accordance with the terms of Section 5.4 of this Redevelopment Agreement.

SECTION 14.5 Remedies Cumulative. Except as expressly provided otherwise in this Agreement no remedy conferred by any of the provisions of this Redevelopment Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies except as

expressly provided otherwise in this Agreement.

SECTION 14.6 Mitigation. The Parties shall act reasonably to mitigate any damages that may be incurred as the result of an Event of Default hereunder.

SECTION 14.7 Survival of Termination. The provisions of this Article XIV shall survive the termination of this Redevelopment Agreement as a result of an Event of Default by Redeveloper or the City.

ARTICLE XV
MISCELLANEOUS

SECTION 15.1 Notices and Demands. A notice, demand or other communication under this Redevelopment Agreement by any Party to the other shall be in writing and shall be hand delivered by messenger (with receipt acknowledged in writing), delivered by overnight delivery service (guaranteeing overnight delivery, with receipt acknowledged in writing), delivered personally, or delivered by electronic transmittal or by facsimile transmission (evidenced by printed confirmation of receipt specifying the receiving telephone number or electronic mail address) to the Parties at their respective addresses (or facsimile numbers, at the case may be) set forth herein, except that notice of (a) an Event of Default and (b) the institution of legal proceedings may not be delivered by facsimile:

CITY:

Cynthia Ege, RMC
City of Lambertville
18 York Street
Lambertville, New Jersey 08530
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

REDEVELOPER:

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

with copies to:

Kalian Management
Attn: Debbie Kramer Gregg
2 Hennessey Boulevard
Atlantic Highlands, New Jersey 07716

dgregg@kalian.com

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

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

SECTION 15.2 Conflict of Interest. No member, official or employee of the City shall have any direct or indirect interest in Redeveloper or this Redevelopment Agreement, nor participate in any decision relating to this Redevelopment Agreement that is prohibited by law.

SECTION 15.3 No Improper Consideration For Redevelopment Agreement. Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Redevelopment Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. Redeveloper and the City warrant that Redeveloper has not paid or incurred any obligation to pay any officer or official of the City, any money or other consideration for or in connection with this Redevelopment Agreement, nor has the City or any officer or official of the City received any such payment or accepted any such obligation.

SECTION 15.4 Non-Liability of Officials and Employees of the City. No member, official, or employee of the City shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by the City, or for any amount which may become due to Redeveloper or its successor, or on any obligation under the terms of this Redevelopment Agreement, unless such member, official, or employee shall have willfully acted in bad faith or in gross negligence.

SECTION 15.5 Non-Liability of Officials, Members and Employees of Redeveloper. No member, officer, shareholders, director, partner, or employee of Redeveloper or of their successors, and no member, officer, shareholders, director, partner or employee of the members of Redeveloper or the members of Redeveloper shall be personally liable to the City, or any successor in interest, in the event of any default or breach by Redeveloper or their successors or for any amount which may become due to the City, on any obligation under the terms of this Redevelopment Agreement, unless such member, officer, shareholder, director, partner, or employee shall have willfully acted in bad faith or in gross negligence.

SECTION 15.6 Inspection of Books and Records. (a) The City shall have the right during normal business hours and subject to reasonable advance notice (but not less than fifteen (15) business days) to inspect at Redeveloper's place of business, the books and records of Redeveloper pertinent to the purposes of this Redevelopment Agreement, including but not limited to construction contracts, books and records, and insurance policies. The City agrees to keep confidential and to enter into a written confidentiality agreement, any proprietary or business information of which it becomes aware by these inspections.

(b) Redeveloper shall have the right during normal business hours subject to reasonable advance notice (but not less than fifteen (15) business days) to inspect the books and records of the City pertinent to the purposes of this Redevelopment Agreement.

(c) Such inspections shall be performed at the offices of the Party whose records are being examined and at a time and in a manner as to not unreasonably interfere with the business operations of the party whose books and records are being inspected and be for a legitimate business purpose affecting the material interest of the party seeking the inspection.

SECTION 15.7 Modification of Redevelopment Agreement. No modification, waiver, amendment, discharge, or change of this Redevelopment Agreement shall be valid unless the same is in writing, duly authorized, and signed by Redeveloper and the City. The Parties acknowledge that this Redevelopment Agreement may be amended to reflect amendments to the Redevelopment Plan, as needed, and to modify the Project Schedule as set forth herein.

SECTION 15.8 Severability. To the extent that any article, section, subsection, clause, provision, or term of this Redevelopment Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of any such article, section, subsection, clause, provision, or term of this Redevelopment Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining article, section, subsection, clause, provision, or term of this Redevelopment Agreement shall be valid and enforceable to the fullest extent permitted by law, provided that no such severance shall serve to deprive either of the Parties of the enjoyment of its substantial benefits under this Redevelopment Agreement.

SECTION 15.9 Successors Bound. This Redevelopment Agreement shall be binding upon the respective Parties hereto and their successors and assigns.

SECTION 15.10 Governing Law. This Redevelopment Agreement shall be governed by and construed by the laws of the State. Any legal action filed in this matter shall be heard in the Superior Court of New Jersey, Hunterdon County Vicinage.

SECTION 15.11 City Approvals. All approvals or disapprovals required by the City shall, unless otherwise stated herein, be valid if given in writing by the City Clerk unless action by the Governing Body is required by law.

SECTION 15.12 Counterparts. This Redevelopment Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute one and the same instrument.

SECTION 15.13 Entire Agreement. This Redevelopment Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter.

SECTION 15.14 Waiver. No waiver made by any Party with respect to any obligation of any other Party under this Redevelopment Agreement shall be considered a waiver of any other

rights of the Party making the waiver beyond those expressly waived in writing and to the extent thereof.

SECTION 15.15 Counting of Days; Saturday, Sunday, or Holiday. The word “days” as used in this Redevelopment Agreement shall mean calendar days unless a contrary intention is stated, provided that if the final date of any period provided herein for the performance of an obligation or for the taking of any action falls on a day other than a Business Day, then the time of such period shall be deemed extended to the next Business Day. The term “Business Day” as used herein means any day other than a Saturday, Sunday, or a day on which banks and public offices are not open under the laws of the State.

SECTION 15.16 Review by Counsel. This Redevelopment Agreement shall be construed and enforced in accordance with the laws of the State without regard to or any presumption or other rule requiring construction against the party drawing or causing this Redevelopment Agreement to be drawn since counsel for both Redeveloper and the City have combined in their review and approval of same.

[SIGNATURES ON FOLLOWING PAGE]

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

ATTEST:

CITY OF LAMBERTVILLE

By: _____
Julia Fahl, Mayor

WITNESS:

LAMBERTVILLE URBAN RENEWAL, LLC

By: _____
Name: Mazin A. Kalian
Title: Authorized Signatory

LIST OF EXHIBITS

- A. Legal Description of the Property
- B. Form of Certificate of Completion
- C. Project Schedule
- D. Form of Progress Report
- E. Owners of More Than 10% of Redeveloper
- F. Form of Declaration of Covenants and Restrictions
- G. Insurance Requirements
- H. Purchase and Sale Agreement

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Form of Certificate of Completion

Record and Return to:

Kalian Management
Attn: Debbie Kramer Gregg
2 Hennessey Boulevard
Atlantic Highlands, New Jersey 07716

CERTIFICATE OF COMPLETION

Date: _____, 20__

Project: Construction of a multifamily residential development (the “Project”)

Location: Block 1003, Lot 3 in the City of Lambertville, Hunterdon County, New Jersey as shown on the tax maps of the City (the “Property”)

Pursuant to Section 2.3(e) of the Redevelopment Agreement by and between the City of Lambertville (the “City”) and Lambertville Urban Renewal, LLC (the “Redeveloper”), dated as of _____, 2021, (the “Redevelopment Agreement”), the undersigned, an authorized representative of the City, certifies as of the date hereof that (all undefined terms used herein shall have the same meaning ascribed to them in the Redevelopment Agreement):

- (i) The Project has been completed, acquired and/or installed as of [_____], in accordance with the Redevelopment Agreement, the “Police Station Tract Redevelopment Plan,” as same may be amended (“Redevelopment Plan”) and other Applicable Laws so that the Project in its entirety may, in all material respects, be used and operated under the applicable provisions of the Redevelopment Agreement;
- (ii) all permits, licenses and approvals that are required in order for Redeveloper to Complete the Project or such other work or action to which such term is applied are, to the extent so required, in full force and effect;
- (iii) the Project is being operated in accordance with the terms and provisions of the Redevelopment Agreement, the Redevelopment Plan, as amended, and Applicable Laws; and
- (iv) a copy of the Certificate of Occupancy issued with respect to the **Project** is attached hereto as **Schedule A**.

This Certificate of Completion for the Project constitutes the City’s conclusive determination that the Redeveloper has fully satisfied the agreements and covenants in the

Redevelopment Agreement, which agreements and covenants are hereby terminated, and that the conditions determined to exist at the time the Property was determined to be an area in need of redevelopment are deemed to no longer exist with respect to the Property. The land and improvements constituting the Property are no longer subject to any covenant running with the land covered by this Certificate of Completion for the benefit of the City.

The recording of this Certificate of Completion shall terminate all covenants and restrictions set forth in a certain Declaration of Covenants and Restrictions, dated _____, 20__ and recorded on _____, 20__ in Book _____ Page _____ in the office of the Hunterdon County Clerk with regard to the Property.

Except as set forth in the Redevelopment Agreement, this certificate is given without prejudice to any rights of the City or the Redeveloper against third parties which exist on the date hereof or which may subsequently come into being.

Capitalized terms used in this Certificate of Completion shall have the same meaning ascribed to them in the Redevelopment Agreement.

ATTEST:

CITY OF LAMBERTVILLE

Name:
Title:

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) SS.
COUNTY OF HUNTERDON)

I CERTIFY that, on _____, 20__, _____ personally came before me, the undersigned, a Notary Public or Attorney at Law of this State, and this person acknowledged under oath, to my satisfaction that:

(a) This person is the [Attesting Officer] _____ of the City of Lambertville, the City named in the within document;

(b) [Signatory] _____ is the _____ of the City of Lambertville, the City named in the within document.

(c) This document was signed and delivered by the City of Lambertville as its voluntary act duly authorized by a proper resolution of its Governing Body;

(d) This person knows the proper seal of the corporation which was affixed to this document; and

(e) This person signed this proof to attest the truth of these facts.

[ATTESTING OFFICER]

Sworn to and subscribed before me
this _____ day of _____, 20__.

Notary Public of the State of New Jersey

EXHIBIT C

Project Schedule

Governmental Approvals, Commencement of Construction. Subject to the provisions of Section 2.5 and 14.3 of the Redevelopment Agreement, Redeveloper shall apply for and diligently pursue all Governmental Approvals required to Commence and Complete Construction within such times as are consistent with implementation of the Project in accordance with the timetable set forth below.

a) Within ninety (90) days of the Effective Date, Redeveloper shall submit an application for preliminary and final site plan approval to the Planning Board, including any prerequisite Governmental Approvals required for such submission, as applicable, and shall use commercially reasonable efforts to obtain final and unappealable site plan approval (*i.e.*, the 45 day appeal period commencing upon publication of a notice of decision following adoption of the memorializing resolution shall have run) (“Site Plan Approval”).

b) Within forty-five (45) days of receipt of Site Plan Approval, Redeveloper shall submit all applications for Governmental Approvals necessary for the Project.

c) Redeveloper shall apply to the City for building permits as soon as possible, but in no event more than six (6) months after receipt of all Governmental Approvals prerequisite to the issuance of building permits.

d) Within ninety (90) days of receipt of building permits from the City, Redeveloper shall Commence Construction.

e) In no event shall Commencement of Construction begin later than nine (9) months from receipt of all Governmental Approvals.

f) Within three years (3) years of the receipt of all Governmental Approvals necessary for construction of the Project, Redeveloper shall Complete Construction.

EXHIBIT D

Form of Progress Report

[***LETTERHEAD OF LAMBERTVILLE URBAN RENEWAL, LLC***]

_____, 2021

City of Lambertville
18 York Street
Lambertville, New Jersey 08530
Attn: City Clerk

**Re: Redevelopment Agreement dated _____, 2021 (“Agreement”),
between City of Lambertville (“City”) and Lambertville Urban
Renewal, LLC (“Redeveloper”)**

Monthly Progress Report

Section 1 - Executive Summary Narrative

Section 2 - Budget & Cost Report

Section 3 - Schedule

Section 4 - Upcoming Approvals from Owner

Section 5 - Progress Photos

Sincerely,

LAMBERTVILLE URBAN RENEWAL, LLC

By: _____

EXHIBIT E

Owners of More than 10% of Redeveloper

The following persons are owners of interests greater than 10% in the ownership of Redeveloper:

1. _____

EXHIBIT F

Form of Declaration of Covenants and Restrictions

Record and Return to:

William P. Opel, Esq.
McManimon, Scotland & Baumann, L.L.C.
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

DECLARATION OF COVENANTS AND RESTRICTIONS

**(as to Block 1003, Lot 3, City of Lambertville, County
of Hunterdon (the “Property,” as defined in the
Redevelopment Agreement))**

This Declaration of Covenants and Restrictions (“**Declaration**”) is made this _____ day of _____, 2021 by **Lambertville Urban Renewal, LLC**, a New Jersey limited liability company, having its offices at an address at 2 Hennessey Boulevard, Atlantic Highlands, New Jersey 07716 (together with its permitted successors or assigns as hereinafter provided, the “**Redeveloper**”).

W I T N E S S E T H

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment and/or rehabilitation; and

WHEREAS, by Resolution No. 95-2020, adopted on July 23, 2020, the Mayor and Council of the City (the “**Governing Body**”) designated Block 1003, Lot 3 on the Official Tax Map of the City (the “**Property**”) as an ‘non-condemnation area in need of redevelopment’ pursuant to the Redevelopment Law; and

WHEREAS, by Resolution No. 95-2020, adopted on July 23, 2020, the Governing Body directed the Planning Board of the City (the “**Planning Board**”) to prepare a redevelopment plan for the Property and to take any action necessary to effectuate its review of same so that a recommendation may be made to the Governing Body; and

WHEREAS, pursuant to the Redevelopment Law, the Planning Board caused Clarke Caton Hintz (the “**City Planner**”) to prepare a redevelopment plan for the Property, entitled the “*Police Station Tract Redevelopment Plan*,” dated October 23, 2020 (the “**Redevelopment Plan**”); and

WHEREAS, after due consideration of the Redevelopment Plan at a duly noticed and constituted public meeting held on November 18, 2020, the Planning Board determined that the Redevelopment Plan is consistent with the City’s Master Plan, and recommended that the Governing Body enact the Redevelopment Plan; and

WHEREAS, by Ordinance No. 18-2020, adopted on December 17, 2020, the Governing Body adopted the Redevelopment Plan pursuant to *N.J.S.A. 40A:12A-7* of the Redevelopment Law; and

WHEREAS, on April 22, 2021, the City issued a Request for Proposals for the Redevelopment of the Property (as amended and supplemented, the “**RFP**”); and

WHEREAS, the Redeveloper submitted a proposal to the City, dated May 13, 2021 (the “**Proposal**”), in response to the RFP for the redevelopment of the Property; and

WHEREAS, the Redeveloper proposed in the Proposal to develop, finance and construct on the Property 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; and

WHEREAS, on June 1, 2021, pursuant to Resolution No. 88-2021, the City designated Redeveloper as redeveloper of the Property and authorized execution of a funding agreement (the “**Funding Agreement**”) in furtherance of the City’s powers pursuant to the Redevelopment Law; and

WHEREAS, Redeveloper has agreed to undertake and make good faith efforts to develop the Project (as defined in the Redevelopment Agreement”) in compliance with the Redevelopment Plan, as may be amended from time to time, and in connection therewith, Redeveloper has agreed to devote substantial effort, assets and funds for the completion of the Project as contemplated herein; and

WHEREAS, the City has determined that Redeveloper meets all necessary criteria, including financial capabilities, experience, expertise and project concept descriptions; and

WHEREAS, Redeveloper has agreed to undertake and make good faith effort to develop the Project in compliance with the Redevelopment Plan and in connection therewith, Redeveloper has agreed to devote substantial effort, assets and funds for the completion of the Project as contemplated herein; and

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

WHEREAS, the City by duly adopted resolution authorized the execution of a redevelopment agreement with the Redeveloper dated _____, 2021 (the “**Redevelopment Agreement**”) in accordance with *N.J.S.A. 40A:12A-8(f)* of the Redevelopment Law; and

WHEREAS, Section 7.3 of the Redevelopment Agreement requires Redeveloper to execute and record this Declaration to impose certain covenants and restrictions on the Property.

NOW THEREFORE, in consideration of the foregoing and in compliance with the requirements of the Redevelopment Agreement, Redeveloper, as the owner of Block 1003, Lot 3, a portion of the Property, hereby declares as follows:

Section 1. Defined terms not otherwise defined herein shall have the meaning assigned to such terms in the Redevelopment Agreement.

Section 2. Redeveloper covenants and agrees that:

(a) Redeveloper shall construct on the Property only those uses authorized under the Redevelopment Plan.

(b) Prior to the issuance of a Certificate of Completion, except as otherwise provided in the Redevelopment Agreement, Article XIII, Redeveloper shall not sell, lease or otherwise transfer the Property, Project or any part thereof except for Permitted Transfers authorized and permitted under the terms of the Redevelopment Agreement without the written consent of the City.

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

(d) Redeveloper shall Commence Construction of the Project within the approximate time frames set forth in the Redeveloper Agreement (subject to tolling for appeals and Force Majeure events as set forth in the Redeveloper Agreement).

Section 3. The covenants and restrictions set forth in Section 2 above shall be covenants running with the land until extinguished in accordance with the provisions of Section 5 below. All covenants in Section 2, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Redeveloper Agreement, shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by the City and its successors and assigns, and any successor in interest to the Property, or any part thereof, against Redeveloper, its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Property to any part thereof. Said covenants shall be binding on Redeveloper, its successors and assigns, respectively, only for such period as Redeveloper or any successor or party shall own, lease or occupy the

Property, the buildings and structures thereon or any part thereof and until a Certificate of Completion is recorded with regard to the Property.

Section 4. In amplification, and not in restriction of the provisions of Section 3, it is intended and agreed that the City and its successors and assigns shall be deemed beneficiaries of the restrictions and covenants set forth in Section 2 both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants shall run in favor of the City for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the City has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate.

Section 5. The covenants and restrictions set forth in Section 2 shall cease and terminate upon issuance of a final Certificate of Completion for the Project and recordation of the Certificate of Completion in the Office of the Hunterdon County Clerk.

Section 6. Upon the issuance and recording of the Certificate of Completion, with respect to the Property, the conditions determined to exist at the time the Redevelopment Area was determined to be an area in need of redevelopment shall be deemed to no longer exist with respect to the Property. The Property and improvements constituting the Project shall no longer be subject to any covenant running with the land as to the Property.

IN WITNESS WHEREOF, the Redeveloper has executed this Declaration effective as of the date first above written.

WITNESS:

**LAMBERTVILLE URBAN RENEWAL,
LLC**

Name:
Title:

By: _____
Name:
Title:

EXHIBIT G

INSURANCE

The general contractor or construction manager, and each contractor and subcontractor shall keep in force the following types of insurance in a company or companies reasonably acceptable to the City, in its commercially reasonable discretion. Redeveloper and the City shall be named additional insureds on all policies (other the Workers Compensation):

1. COMMERCIAL GENERAL LIABILITY (CGL)

With limits of insurance of not less than \$1,000,000 for each occurrence and \$2,000,000 annual aggregate, with \$3,000,000 excess coverage (provided that such excess coverage amount shall be reduced to \$1,000,000 for any contractor or subcontractor performing a scope of work less than \$500,000.00 in the aggregate).

a. If the CGL Coverage contains a general Aggregate Limit, such General Aggregate shall apply to each project.

b. CGL Coverage shall be written on ISO Occurrence Form CG 00 01 1093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations and personal and advertising injury.

c. The general contractor or construction manager shall maintain CGL Coverage for itself, and shall name Redeveloper, and the City as additional insureds, and such other additional insureds as may be identified by Redeveloper for the duration of the Project and maintain its Completed Operations Coverage for itself and each additional insured for the applicable New Jersey statute of repose following completion of the work.

2. AUTOMOBILE LIABILITY

a. Business Auto Liability with limits of at least \$1,000,000 each accident.

b. Business Auto Coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.

3. COMMERCIAL UMBRELLA

a. Umbrella limits must be at least \$3,000,000 (provided that such umbrella coverage amount shall be reduced to \$1,000,000 for any contractor or subcontractor performing a scope of work less than \$500,000.00 in the aggregate).

b. Umbrella coverage must include as insureds all entities that are additional insureds on the CGL.

4. WORKERS COMPENSATION & EMPLOYERS LIABILITY

a. Workers Compensation insurance in statutory amounts and Employers Liability Insurance limits of at least \$500,000 each accident for bodily injury by accident and \$500,000 each employee for injury by disease.

5. CONTRACTUAL LIABILITY INSURANCE

a. Contractual liability insurance in the minimum amount of \$1,000,000 for all indemnification and contractual liability under its contract with Redeveloper.

EXHIBIT H

Form of Purchase and Sale Agreement