

REDEVELOPMENT AGREEMENT

BY AND BETWEEN

**BOROUGH OF RUTHERFORD,
as Redevelopment Entity,**

and

**PARK AVENUE RUTHERFORD URBAN RENEWAL COMPANY, LLC,
as Redeveloper.**

Dated as of May 9, 2018

REDEVELOPMENT AGREEMENT (this “**Redevelopment Agreement**”), dated as of May 9, 2018, by and between:

BOROUGH OF RUTHERFORD, a public body corporate and politic of the State of New Jersey, with offices at 176 Park Avenue, Rutherford, New Jersey 07070, and its successors and assigns (the “**Borough**”)

and

PARK AVENUE RUTHERFORD URBAN RENEWAL COMPANY , LLC, a limited liability company formed under the laws of the State of New Jersey, with offices at 1200 Avenue at Port Imperial, Apartment #507, Weehawken, New Jersey 07086, and its successors and assigns (“**Redeveloper**” and, together with the Borough, the “**Parties**”).

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

WHEREAS, the governing body of the Borough of Rutherford (the “**Borough**”) is interested in determining whether certain property located within the Borough is in need of redevelopment under the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the “**Redevelopment Law**”); and

WHEREAS, by resolutions adopted on June 17, 2003 and June 24, 2003, the Borough designated the properties known as 131 Chestnut Street (Block 73, Lots 7.01, 9 and 10), 106 Park Avenue (Block 73, Lot 23) and 114 Park Avenue (Block 73, Lots 22.02 and 22.03) (collectively, the “**Maples Rehabilitation Area**”) as an “area in need of rehabilitation” under the Redevelopment Law; and

WHEREAS, on April 26, 2005, the Borough adopted Ordinance Number 3077-05, approving and adopting a redevelopment plan for the Maples Rehabilitation Area (as same may be amended, the “**Redevelopment Plan**”); and

WHEREAS, on June 26, 2017, the Borough adopted Resolution Number 142-2017 authorizing and directing the Planning Board of the Borough (the “**Planning Board**”) to undertake an investigation to determine whether the properties within the Maples Rehabilitation Area constitute an “area in need of redevelopment” under the Redevelopment Law; and

WHEREAS, the Borough Planning Board previously approved a site plan application (the “**Russo Project Approval**”) on behalf of Russo Development (“**Russo**”) in connection with the construction, by Russo, of a project including 52 residential units, 6 of which were to be restricted to households of low and/or moderate income, and approximately 5,000 square feet of retail space (collectively, the “**Russo Project**”) on the Maples Rehabilitation Area; and

WHEREAS, Vango Holdings Rutherford, LLC (“**Vango**”), an affiliate of the Redeveloper, subsequently purchased from Russo the Maples Rehabilitation Area, including the right to construct the Russo Project thereon; and

WHEREAS, on September 25, 2017, the Borough adopted a resolution designating Vango as the conditional redeveloper of the Maples Rehabilitation Area, subject to the successful negotiation of a redevelopment agreement; and

WHEREAS, on September 29, 2017, the Borough and Vango entered into that certain Interim Costs Agreement (the “**Interim Costs Agreement**”), pursuant to which Vango agreed to pay certain Borough costs related to the redevelopment of the Maples Rehabilitation Area; and

WHEREAS, on December 11, 2017, the Borough adopted Resolution Number 253-2017, authorizing and directing the Planning Board to undertake an investigation to determine whether the property known as 137 Chestnut Street, Block 73, Lot 7 (the “**Additional Parcel**” and, together with the Maples Rehabilitation Area, the “**Redevelopment Area**”) also constitutes an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, on January 18, 2018, the Planning Board conducted a public hearing and thereafter recommended that the Borough designate the Maples Rehabilitation Area and the Additional Parcel as an area in need of redevelopment, and that the Borough amend the Redevelopment Plan to apply thereto; and

WHEREAS, on January 23, 2018, the Borough adopted a resolution designating the Project Area as a non-condemnation area in need of redevelopment; and

WHEREAS, on February 5, 2018, the Planning Board conducted its review of the proposed amendment to the Redevelopment Plan and adopted a Resolution memorializing its recommendations regarding the proposed amendments to the Redevelopment Plan, including additional amendments regarding to certain accessory uses for Sub Areas A and B and certain prohibited uses in Sub Area B in the Redevelopment Plan; and

WHEREAS, on February 12, 2018, the Borough adopted an ordinance approving amendments to the Redevelopment Plan to modify the references therein to the underlying designation of the area as an “area in need of redevelopment”, rather than “area in need of rehabilitation”, and to expand the Redevelopment Plan to also apply to Block 73, Lot 7, and other related matters, including the additional amendments recommended by the Planning Board; and

WHEREAS, Redeveloper proposes to redevelop the Redevelopment Area by constructing thereon a project including 52 residential units (the “**Residential Component**”) and approximately 4,947 square feet of commercial/retail space (the “**Retail Component**” and, together with the Residential Component, the “**Project**”), as depicted/described in more detail in the concept plan attached hereto as **Exhibit 6**; and

WHEREAS, the Parties have determined to execute this Redevelopment Agreement in order to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to the redevelopment of the Redevelopment Area, all in accordance with the Redevelopment Plan; and

WHEREAS, on February 27, 2018, the Borough adopted a resolution, as modified by motion on May 8, 2018, designating the Redeveloper as redeveloper of the Redevelopment Area and authorizing the execution of this Redevelopment Agreement.

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

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

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

“**Affordable Units**” means residential units restricted, with appropriate controls, such as recorded Deed or similar instrument, for occupancy by households of low and/or moderate income in accordance with Applicable Law, including the Uniform Housing Affordability Controls.

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

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

“**Borough Costs**” is defined in Section 3.03.

“**Borough Event of Default**” means, with respect to the Borough, an Event of Default, as such term is defined in Section 13.01 hereof.

“**Borough Indemnified Parties**” means the Borough, the Agency and their respective officers, elected and/or appointed officials, agents, employees, representatives, contractors and consultants.

“Certificate of Completion” means a certificate issued by the Borough upon Completion of the Project pursuant to Section 9.02 hereof, in the form attached hereto as **Exhibit 3**.

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

“Commence[ment of] Construction” means the undertaking by Redeveloper of any actual physical construction of any portion of the Project, including site preparation, environmental remediation, construction of new structures or construction or upgrading of infrastructure.

“Comple[t]e, [ed] or [ion]” means with respect to the Project, or any portion thereof, that (a) all work related to the Project, or a portion thereof, or any other work or actions to which such term is applied has been completed, acquired and/or installed in accordance with this Redevelopment Agreement and in compliance with Applicable Laws so that (i) the Project, or any portion thereof that has been completed, as the case may be, may, in all respects, be used and operated under the applicable provisions of this Redevelopment Agreement, or (ii) with respect to any other work or action to which such term is applied, that the intended purpose of such work or action has been completed, (b) all permits, licenses and approvals that are required in order that a Certificate of Completion can be issued for the Project, or any portion thereof that have been completed, or such other work or action to which such term is applied are in full force and effect, and (c) such “Completion” has been evidenced by a written notice provided by the Redeveloper (with respect to the Project, or any portion thereof) in the form of Schedule 1 to the form of Certificate of Completion attached hereto as **Exhibit 3**.

“Completion Date” means the date that the Project is Completed.

“Control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to the Redeveloper, the power, directly or indirectly, to direct or cause the direction of the management policies of the Redeveloper, whether through the ownership of an interest in the Redeveloper, or by contract or otherwise.

“Declaration” is defined in Section 8.04 hereof, the form of which is attached hereto as **Exhibit 2**.

“Effective Date” means the date on which this Redevelopment Agreement is executed by the last of the Parties to so execute same, or such other date as may be agreed to by the Parties.

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

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

“Escrow Account” is defined in Section 3.04.

“Estoppel Certificate” is defined in Section 4.04.

“Event of Default” is defined in Section 13.01.

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

“Financial Agreement” means an agreement, substantially in the form attached hereto as **Exhibit 4** that may be executed by the Borough and Redeveloper (or its affiliated Urban Renewal Entity) pursuant to the Long Term Tax Exemption Law, subject to formal approval by the Municipal Council.

“Force Majeure” is defined in Section 13.02.

“Foreclosure” is defined in Section 12.03(b).

“Governmental Approvals” means all necessary reviews, consents, permits or other approvals of any kind legally required by any local, county, state or federal governmental or quasi-governmental entity to be obtained in order to construct the Project, including but not limited to Rutherford Planning Board, Bergen County Planning Board, Soil Conservation District approval, TWA sewer construction permit, water allocation permit, NJDEP (if applicable) and NJDOT (if applicable)..

“Governmental Authority” means the federal government, the State, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any other governmental entity with authority or jurisdiction over any part of the permitting, Remediation, construction or operation of the Project or the Redevelopment Area, or pursuant to Environmental Laws including without limitation, the Planning Board and the NJDEP.

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

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

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

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

“Municipal Council” is defined in the recitals.

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

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

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

“Permitted Transfers” is defined in Section 10.03.

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

“Progress Meetings” is defined in Section 5.01.

“Progress Report” is defined in Section 5.02.

“Project Costs” means the costs of designing, permitting and constructing the Project, including soft and hard costs.

“Project Schedule” means the schedule for the design, permitting, financing, construction and completion of the Project by the Redeveloper, as set forth in **Exhibit 1** hereto.

“Redeveloper Covenants” is defined in Section 8.03.

“Redeveloper Event of Default” means, with respect to the Redeveloper, an Event of Default as defined in Section 13.01.

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

“Scheduled Completion Date” means the anticipated Completion Date as set forth in the Project Schedule attached hereto as **Exhibit 1**, subject to any extensions granted in accordance with this Redevelopment Agreement.

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

“Site Plan” means the Preliminary Site Plan or Final Site Plan, as applicable, depicting those aspects of the Project required pursuant to the Borough’s site plan ordinance and pursuant to N.J.S.A. 40:55D-7, and approved by the Planning Board.

“State” means the State of New Jersey.

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

“Term” means that period of time from the Effective Date of this Redevelopment Agreement until the Borough issues the Certificate of Completion for the Project, or applicable portion thereof, or this Redevelopment Agreement is terminated, whichever is sooner.

“**Transfer**” is defined in Section 10.02.

“**Uniform Housing Affordability Controls**” means N.J.A.C. 5:80-26.1 *et seq.*

“**Urban Renewal Entity**” means an urban renewal entity formed by the Redeveloper (including the Redeveloper itself if the Redeveloper converts to an urban renewal entity) in accordance with the Long Term Tax Exemption Law and this Redevelopment Agreement to construct the Project.

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

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

(a) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Redevelopment Agreement, refer to this Redevelopment Agreement, and the term "hereafter" means after, and the term "heretofore" means before the date of delivery of this Redevelopment Agreement.

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

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

(d) Any headings preceding the texts of the several Articles and Sections of this Redevelopment Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Redevelopment Agreement, nor shall they affect its meaning, construction or effect.

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

(f) Each right of the Borough to review or approve any actions, plans, specifications, or other obligations of the Redeveloper hereunder shall be made by the Borough official(s) with legal authority to conduct such review or grant such approvals. Any review contemplated by this Redevelopment Agreement shall be made in a timely manner. Upon request of the Redeveloper, the Borough shall inform the Redeveloper of all officials with the required authority.

(g) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than twenty (20) days, unless the context dictates otherwise.

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

[END OF ARTICLE I]

ARTICLE II

PROJECT; GREEN TECHNOLOGY

SECTION 2.01. Project. The overall development of the Redevelopment Area will include the Project to be constructed by the Redeveloper. The Project shall be constructed consistent with the Redevelopment Plan, as it may be amended from time to time, this Redevelopment Agreement, the Site Plan and all Applicable Laws.

SECTION 2.02. Infrastructure Improvements. Except as otherwise set forth herein, Redeveloper shall provide for the timely implementation of infrastructure improvements necessary to complete the Project. Redeveloper shall cooperate with the Borough in all respects to insure that the implementation of such infrastructure improvements does not unreasonably interfere with the operation of the existing utilities. Redeveloper agrees to provide all performance and maintenance bonds as required by the Governmental Approvals.

SECTION 2.03. Project Schedule. If Redeveloper fails to meet the Completion Date set forth in the Project Schedule or determines that it will fail to meet the Completion Date, Redeveloper, within a reasonable time, shall provide notice to the Borough stating: (a) the reason for the failure to complete the applicable task; (b) Redeveloper's schedule for completing such task; and (c) the method or methods by which Redeveloper proposes to achieve subsequent tasks by the Completion Date. This Section shall in no way limit the right of the Borough under Article XIII or other applicable provisions of this Agreement.

[END OF ARTICLE II]

ARTICLE III

FINANCIAL OBLIGATIONS

SECTION 3.01. The Redeveloper's Financial Commitment. The Redeveloper represents and warrants that to the best of Redeveloper's knowledge and belief and subject to the terms of Section 12.01(d), it has obtained or can obtain and intends to commit the requisite equity and debt financing in an amount necessary to implement and complete the Project.

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

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

SECTION 3.04. Payment of Borough Costs. The Redeveloper agrees that it will reimburse the Borough for all Borough Costs in accordance with the terms hereof. The Redeveloper agrees that it will establish an escrow account (the "**Escrow Account**"), having an initial balance of Twenty Thousand Dollars (\$20,000). The Redeveloper agrees that it will replenish the Escrow Account in the event that the balance drops below Five Thousand Dollars (\$5,000). Funds in the Escrow Account will be applied to the payment or reimbursement of the Borough Costs as provided in this Redevelopment Agreement, including costs that were incurred prior to the date hereof in accordance with the terms of this Section 3.04. At least ten (10) days prior to making any disbursement from the Escrow Account, written notice of the proposed disbursement shall be mailed to the Redeveloper, setting forth: (a) the amount of the disbursement; (b) the name of the person, company or entity designated to receive payment; and (c) a description, in reasonable detail, of the particular cost to be paid or reimbursed in accordance with this Redevelopment Agreement (including hours worked and billing rates). If the Redeveloper does not object to such disbursement within ten (10) days of receipt of such notice, the Redeveloper will be deemed to have acquiesced to the same. The Parties make reference to the Interim Costs Agreement, which established an escrow account to pay certain costs prior to the date of this Redevelopment Agreement. To the extent there is any balance in that escrow account as of the date hereof, such balance shall be transferred to the Escrow Account and shall be credited against the initial required balance set forth above. To the extent there is a deficiency in that escrow account to pay for such costs incurred prior to the date of this Redevelopment Agreement that are required to be paid in accordance with the terms of the Interim Cost Agreement, then such costs shall be paid from the funds in the Escrow Account in accordance with the terms hereof. The Interim Costs Agreement is hereby terminated.

SECTION 3.05. Governmental Approval Fees. The Redeveloper will pay all fees for permits required by any Governmental Authority for the construction and development of the Project, including any permit fees payable to all required Governmental Authorities for any Governmental Approvals.

SECTION 3.06. Application for Tax Exemption; Urban Renewal Entity. Following the Effective Date, the Redeveloper may submit to the Borough an application for tax exemption in accordance with the Long Term Tax Exemption Law and the terms of the Financial Agreement (in the form attached hereto as **Exhibit 4**), which shall provide, *inter alia*, that the Redeveloper shall construct the Project and shall make annual payments to the Borough in lieu of taxes in amounts set forth in the Financial Agreement. The entering of the Financial Agreement between the Parties shall be subject to formal approval by the Borough Council and Redeveloper meeting all of the requirements of the Long Term Tax Exemption Law.

[END OF ARTICLE III]

ARTICLE IV

CONSTRUCTION OF PROJECT

SECTION 4.01. Construction of Project. (a) Subject to the terms of this Redevelopment Agreement, (i) the Project shall be constructed in accordance with the Redevelopment Plan, the Site Plan and the Project Schedule, including obtaining all Governmental Approvals, and (ii) Redeveloper shall commence physical work on the Project in accordance with the Project Schedule, and Complete the Project on or prior to the Scheduled Completion Date, as set forth on **Exhibit 1** hereto. Except as otherwise provided in this Redevelopment Agreement, the Redeveloper will construct, or cause to be constructed, the Project at its sole cost and expense.

(b) In the event that the Redeveloper is unable, for reasonable cause, to comply with any time frame set forth on the Project Schedule, the Redeveloper shall provide written notice to the Borough at least thirty (30) days prior to such Date (or such lesser period of time as the circumstances may require), setting forth in reasonable detail (i) the reason for the failure to satisfy the required tasks necessary to comply with the Project Schedule, (ii) the Redeveloper's proposed actions to remedy any delay, and (c) the Redeveloper's proposal for revising the Project Schedule. In such event the Project Schedule shall be modified accordingly, subject to the Borough's consent, which shall not be unreasonably withheld, conditioned or delayed. The Borough's approval of any such extension shall not limit in any manner the rights of the Borough or diminish the obligations of the Redeveloper with respect to the Project under this Redevelopment Agreement.

SECTION 4.02. Relocation of Utilities. The Redeveloper acknowledges that providers of Utilities may have certain rights with respect to the Redevelopment Area and may own certain facilities located therein. The Redeveloper agrees that, except as otherwise set forth herein, it is its sole responsibility to undertake the appropriate measures to negotiate with, acquire, remove, relocate or otherwise address the existence of these Utilities and improvements and easements therefor, in order to complete construction of the Project, as provided by this Redevelopment Agreement. Notwithstanding the foregoing, to the extent reasonably requested by the Redeveloper, the Borough shall cooperate in facilitating the installation and/or relocation of any such affected Utilities.

SECTION 4.03. Maintenance of Redevelopment Area. Following commencement of physical construction of the Project, the Redeveloper will maintain, in accordance with Applicable Law, all areas of the Redevelopment Area including the buildings, parking areas, landscaping, streetscaping, sidewalks including curbing and traffic calming devices (but not the paved roadway, unless disturbed by the Redeveloper), and trash collection and receptacles.

SECTION 4.04. Estoppel Certificates. Within thirty (30) days following written request therefore by a Party hereto, or of any Holder, purchaser, tenant or other party having an interest in the Redevelopment Area, the other party shall issue a signed certificate ("**Estoppel Certificate**") stating that (i) this Redevelopment Agreement is in full force and effect, (ii) there is no default or breach under this Redevelopment Agreement (nor any event which, with the

passage of time and the giving of notice would result in a default or breach under this Redevelopment Agreement), or stating the nature of the default or breach or event, if any, and (iii) any other matter reasonably requested. No more than four (4) Estoppel Certificates may be requested per year.

SECTION 4.05. Cooperation. The Parties shall fully cooperate with each other as necessary to effectuate the Project, including entering into additional agreements that may be required; provided however, that such actions and/or agreements shall not result in a material increase or decrease in any Party's respective rights, obligations and liabilities hereunder.

SECTION 4.06. Affordable Housing Obligation. (a) In connection with the Retail Component, the Redeveloper shall comply with the Statewide Non-residential Development Fee Act, N.J.S.A. 40:55D-8.1 *et seq.*

(b) The Parties recognize that the Project will not include the provision by the Redeveloper of Affordable Units, either inside or outside the Redevelopment Area. Instead, the Redeveloper will pay to the Borough the sum of \$1,025,000 (the "**Vango Affordable Contribution**"), payable in installments as follows:

- (i) \$350,000 no later than the first anniversary of the Effective Date;
- (ii) \$350,000 no later than the second anniversary of the Effective Date; and
- (iii) \$325,000 no later than the third anniversary of the Effective Date.

(c) In the event the Redeveloper pays \$975,000 to the Borough under this Section 4.06 no later than the first anniversary of the Effective Date, it will be deemed to have a satisfied its entire obligation for the Vango Affordable Contribution.

(d) The Borough will use the Vango Affordable Contribution to offset costs associated with the provision of Affordable Units in the Borough.

(e) Notwithstanding anything herein to the contrary, the Borough shall not issue a Certificate of Occupancy for any portion of the Project until after the Redeveloper pays at least the first installment of the Vango Affordable Contribution pursuant to Section 4.06(b)(i).

(f) Notwithstanding anything herein or in the Financial Agreement to the contrary, failure by the Redeveloper to pay the Vango Affordable Contribution in accordance with the terms of this Section 4.06, including but not limited to within the time frame set forth in Section 4.06(b) shall constitute a Default under this Redevelopment and under the Financial Agreement.

[END OF ARTICLE IV]

ARTICLE V

PROJECT OVERSIGHT

SECTION 5.01. Progress Meetings. The Parties agree to attend and participate in quarterly progress meetings (“**Progress Meetings**”) to report on the status of the Project and to review the progress under the Project Schedule. Progress Meetings may be held more frequently at the reasonable request of the Borough. The Borough shall give the Redeveloper seven (7) days advance written notice of any additional meetings. The Progress Meetings shall be held at Borough Hall. Prior to the meeting, representatives of the Borough may visit the Redevelopment Area to inspect the progress of the work on the Project, in accordance with Section 5.03.

The agenda for the Progress Meetings shall include, but not be limited to, (a) a status report with regard to Governmental Approval submissions and approvals, (b) financial commitments, (c) construction of the Project, (d) compliance with the Project Schedule and (e) compliance with the Redevelopment Plan. At the Progress Meetings, this information will be evaluated by the Borough to determine compliance with the terms and conditions of this Redevelopment Agreement and the Project Schedule. The Borough shall have the right at all reasonable times to inspect the construction contracts, financing commitments and agreements, books and records pertinent to the construction contracts, insurance policies, and such other agreements of the Redeveloper which are pertinent to the purposes of this Redevelopment Agreement and to the Progress Meetings in order to insure completion of the Project in accordance with the Project Schedule, provided, however, Redeveloper shall have the right to withhold from the Borough’s review, any materials that Redeveloper deems to be confidential and/or proprietary in nature.

SECTION 5.02. Progress Reports. Upon the Borough’s request, the Redeveloper shall submit to the Borough a detailed written progress report (“**Progress Report**”) which shall include a description of activities completed, the activities expected to be undertaken over the next quarter, the status of all Governmental Approvals, an explanation of each activity, if any, which is causing 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 and an explanation of corrective action taken or proposed. The written progress report shall also contain the most current Estoppel Certificate, if any.

SECTION 5.03. Access to Property. The Borough and its authorized representatives shall have the right to enter the Redevelopment Area in accordance with Applicable Law to inspect the Project and any and all work in progress for the purpose of furthering its interest in this Redevelopment Agreement provided that such inspections shall not interfere with work in progress. In no event shall the Borough’s inspection of the Project (or any construction activities related thereto) be deemed acceptance of the work or be deemed to waive any right the Borough has under this Redevelopment Agreement. The Borough acknowledges hereby that the Redevelopment Area will be an active construction site and that the Redeveloper shall not be liable or responsible to the Borough, its employees or agents for injury to person or property sustained in connection with any such inspection, except to the extent that the Redeveloper willfully or negligently violates its standard of due care owed to invitees.

SECTION 5.04. Submissions. The Redeveloper shall be required to provide the Borough with a copy of each and every application for Governmental Approvals submitted to Governmental Authorities at the same time the Redeveloper submits those applications to such Governmental Authorities.

[END OF ARTICLE V]

ARTICLE VI

GENERAL DEVELOPMENT REQUIREMENTS

SECTION 6.01. Scope of Undertaking. Except as expressly provided, herein, the services and responsibilities undertaken by the Redeveloper hereunder include all aspects of the design, development, and construction of the Project, including without limitation, all design, engineering, permitting and administrative aspects, the performance of or contracting for and administration and supervision of all physical work required in connection with the Project, arrangement for interim and final inspections and any other actions required to satisfy the requirements of any applicable Governmental Approvals, the administration, operation and management, or contracting for the administration, operation and management of the Project and all aspects of the funding of the Project, including equity funding and construction, interim and permanent financing, all at the sole cost and liability of the Redeveloper.

SECTION 6.02. Standards of Construction. Without limitation, all work on the Project shall be performed in a good and workmanlike manner, with the materials called for under the Governmental Approvals being of such quality as is required by such approvals.

SECTION 6.03. Compliance With Applicable Law. The Project and all materials, fixtures and equipment used or installed in connection therewith shall be in full compliance with all Applicable Law, subject to any waivers, variances, deviations, exceptions or similar approval granted in accordance with Applicable Law.

SECTION 6.04. Payment of Project Costs. The Redeveloper shall pay (or cause to be paid) when in a timely manner, all costs and expenses incurred by Redeveloper, including, without limitation, all contractors' requisitions and the cost of materials and equipment incurred in connection with work on the Project and all fees and expenses of any consultants and professionals and like providers acting for (or on behalf of) the Redeveloper, provided, however, nothing herein shall be construed to prohibit Redeveloper from withholding any payments if, for any reason, in Redeveloper's reasonable business judgment, Redeveloper disputes the amount alleged to be owed.

[END OF ARTICLE VI]

ARTICLE VII

APPROVAL OF APPLICATIONS FOR GOVERNMENTAL APPROVALS

SECTION 7.01. Applications for Governmental Approvals. (a) The Redeveloper (at its sole cost and expense) shall apply for and obtain all Governmental Approvals necessary to construct and use the Project. The Redeveloper shall provide the Borough with a copy of each application for Governmental Approvals at such time as such applications are submitted.

The Redeveloper shall provide the Borough with a copy of each Governmental Approval received by the Redeveloper with respect to the Project.

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

(c) In the event that all necessary Governmental Approvals for the Project are not obtained from the required Governmental Authorities prior to the 180th day after the date of this Redevelopment Agreement, on terms and conditions acceptable to Redeveloper in its sole discretion, or if Redeveloper determines that the Governmental Approvals for the Project cannot be obtained on terms and conditions reasonably acceptable to Redeveloper, then Redeveloper shall have the right to terminate this Redevelopment Agreement upon written notice to the Borough. No Governmental Approval shall be deemed to have been obtained (i) until the Appeal Period relating thereto has expired and no appeal has been taken, or (ii) if an appeal is filed within the applicable Appeal Period, until such appeal shall have been finally resolved in a manner sustaining the challenged Governmental Approval. If this Redevelopment Agreement is terminated pursuant to the terms of this Section 7.01(c), then, except as expressly set forth herein to the contrary, this Redevelopment Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder, except that the Redeveloper shall be responsible for the payment of all Borough Costs incurred prior thereto.

[END OF ARTICLE VII]

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES; REDEVELOPER COVENANTS

SECTION 8.01. Representations and Warranties by the Redeveloper. The Redeveloper hereby represents and warrants the following to the Borough for the purpose of inducing the Borough to enter into this Redevelopment Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof:

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

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

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

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

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

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

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

(h) All materials and documentation submitted by the Redeveloper and its agents to the Borough and their agents were, to the best of Redeveloper's knowledge, at the time of such submission, and as of the Effective Date, materially accurate, and the Redeveloper shall continue

to inform the Borough of any material and adverse changes in the documentation submitted. The Redeveloper acknowledges that the facts and representations contained in the information submitted by the Redeveloper are a material factor in the decision of the Borough to enter into this Redevelopment Agreement.

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

(j) Except as otherwise provided in this Agreement, the cost and financing of the Project is the responsibility of the Redeveloper.

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

If reasonably requested by the Borough, the Redeveloper shall, from time to time, update and reaffirm the representations and warranties set forth in this Section 8.01.

SECTION 8.02. Representations and Warranties by the Borough. The Borough hereby represents and warrants the following to the Redeveloper for the purpose of inducing the Redeveloper to enter into this Redevelopment Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof:

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

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

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

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

SECTION 8.03. Redeveloper Covenants. Redeveloper covenants and agrees that, subject to the terms hereof, and except as explicitly provided herein, including Section 8.05 below (collectively, “**Redeveloper Covenants**”):

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

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

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

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

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

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

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

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

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

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

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

SECTION 8.04. Declaration of Covenants and Restrictions. The Redeveloper shall execute and record one or more declaration(s) of project covenant(s) in form of **Exhibit 2** attached hereto (the "**Declaration**") imposing on the Project and the Redevelopment Area, the Redeveloper Covenants set forth in Section 8.03 (as may be limited by the terms of this Redevelopment Agreement, including Section 8.05 hereof), and those other matters indicated in this Redevelopment Agreement to be included in the Declaration.

SECTION 8.05. Effect and Duration of the Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the agreements and covenants set forth in Section 8.04 hereof and those elsewhere in this Redevelopment Agreement designated for inclusion in the Declaration shall be covenants running with the land until the Project is Completed, and such covenants shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Redevelopment Agreement, be binding, to the fullest extent permitted by Applicable Law and equity, for the benefit and in favor of, and enforceable by, the Borough, its successors and assigns, and any

successor in interest to the Project, or any part thereof, the Redeveloper, its successors and assigns and every successor in interest therein, and any Party in possession or occupancy of the Project, or any part thereof; provided, however, that such covenants shall not be binding on any Holder except in accordance with the terms of Article XII hereof. Such agreements and covenants, however, shall be binding on the Redeveloper itself, each successor in interest to the Redeveloper and each party in possession or occupancy, respectively, only for such period as the Redeveloper or such successor or party shall be in possession or occupancy of the Redevelopment Area, the buildings and structures thereon, or any part thereof.

SECTION 8.06. Enforcement of Covenants by the Borough. In amplification, and not in restriction of the provisions of this Article VIII, it is intended and agreed that the Borough and its successors and assigns shall be deemed beneficiaries of the agreements and covenants set forth in this Redevelopment Agreement, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Borough for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Borough has at any time been, remains, or is an owner of any land or interest therein, or in favor of which such agreements and covenants relate. The Borough shall have the right, in the event of any breach of any such agreement or covenant, to terminate this Redevelopment Agreement in accordance with the terms of Section 13.03 hereof. Upon redevelopment of the Redevelopment Area and completion of the Project (as evidenced by the Borough's issuance of a Certificate of Completion), the conditions that were found and determined to exist at the time the Redevelopment Area was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result and the conditions and requirements of *N.J.S.A. 40A:12A-9* shall be deemed to have been satisfied with respect to the Project.

SECTION 8.07 Borough Covenants. The Borough hereby covenants and agrees that:

(a) The Borough agrees to support any applications for Governmental Approvals that are consistent with the terms of the Redevelopment Plan and this Redevelopment Agreement, and to otherwise cooperate with the Redeveloper with respect to the Governmental Approvals; provided that nothing contained in this Section 8.07(a) shall be deemed: (i) to constitute an approval of all or any portion of the Project for which applications have been submitted or are required or (ii) a waiver of the ability of any Governmental Authority, to exercise its statutorily authorized responsibilities with respect to such applications or Governmental Approvals. Without limiting the generality of the foregoing, the Borough shall (A) schedule, convene and conclude all required public hearings in an expeditious manner consistent with Applicable Laws, and (B) cause all of the planners, engineers and other consultants engaged by the Borough to review and comment on all submittals by Redeveloper in an expeditious manner.

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

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

(b) The Borough shall not exercise its power of eminent domain to condemn the Property during the Term.

[END OF ARTICLE VIII]

ARTICLE IX

CERTIFICATES OF OCCUPANCY AND COMPLETION

SECTION 9.01. Certificate of Occupancy. The Redeveloper shall apply to the appropriate governmental officer or body for a Certificate of Occupancy for any building constructed as part of the Project. The Redeveloper shall take all actions required for issuance of a Certificate of Occupancy.

SECTION 9.02. Certificate of Completion. The Borough shall, within thirty (30) days after Completion or Substantial Completion of the Project, and receipt of a written request from the Redeveloper, issue a Certificate of Completion, provided there is not then an existing Redeveloper Event of Default. The Certificate of Completion shall constitute a recordable, conclusive determination of the satisfaction (in accordance with the terms of this Redevelopment Agreement, the Redevelopment Plan and Applicable Law) and termination of this Redevelopment Agreement, and of all of Redeveloper's agreements and covenants in this Redevelopment Agreement and shall discharge and release the lien of this Redevelopment Agreement and the Declaration from the Redevelopment Area or portion thereof, as the case may be. If the Borough determines that the Redeveloper is not entitled to a Certificate of Completion, the Borough shall, at the written request of the Redeveloper, within thirty (30) days of receipt of the written request, provide the Redeveloper with a written statement of the reasons the Borough refused or failed to furnish a Certificate of Completion. Notwithstanding the foregoing, if the Project is Substantially Complete, the Borough will issue its Certificate of Completion upon the posting of a bond (or other reasonably satisfactory security) by the Redeveloper with the Borough in an amount representing 125% of the estimated value of the work not yet completed less the amount of any completion guaranty posted for such work in accordance with the Municipal Land Use Law.

[END OF ARTICLE IX]

ARTICLE X

TRANSFERS

SECTION 10.01. Prohibition Against Speculative Development. The Redeveloper covenants that its undertakings pursuant to this Redevelopment Agreement shall be for the purpose of redevelopment of the Redevelopment Area and not for speculation in land holding.

SECTION 10.02. Prohibition Against Transfers. The Redeveloper recognizes the importance of the redevelopment to the general welfare of the community and the public assistance to be made available by law and by the Borough on the conditions stated herein for the purpose of making such redevelopment possible. The Parties acknowledge and agree that a change in control of the Redeveloper is for practical purposes a transfer or disposition of the property interest then owned by the Redeveloper, and that, therefore, the qualifications and identity of the Redeveloper and its principals are of particular concern to the Borough.

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

SECTION 10.03. Permitted Transfers. (a) The Redeveloper, without violating the provisions of Section 10.01 or Section 10.02 hereof, may effect the following Transfers, to which the Borough hereby consents upon receipt of notice thereof, without the necessity of further action by the Borough ("**Permitted Transfers**"):

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

(ii) the Declaration;

(iii) a mortgage or mortgages and other liens and encumbrances (but not including mechanic's liens) for the purposes of financing costs associated with the acquisition, development, construction and marketing of the Project;

(iv) utility and other development easements;

(v) environmental covenants and restrictions imposed by a regulatory Governmental Authority as a condition of any permit or approval;

(vi) a lease, option agreement or contract of sale to a residential tenant or a tenant or end user of the Project for the purpose of operating a permitted business as a part of the Project under the Redevelopment Plan;

(vii) a transfer to an Affiliate of the Redeveloper, including without limitation a qualified Urban Renewal Entity, or a transfer among members of the Redeveloper and their family members and/or trustees for their benefit;

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

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

SECTION 10.04. Notice of Permitted Transfers. With respect to any Permitted Transfers, the Redeveloper shall provide to the Borough written notice at least thirty (30) days prior to such Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the transferee and any parties, individuals and/or entities comprising such transferee. The Redeveloper shall cause the transferee to execute such documentation as is reasonably requested by the Borough, in light of the context of such Permitted Transfer, in order to assure that the transferee has assumed all of the Redeveloper's obligations under this Redevelopment Agreement and the Declaration as to the Project (if the Redeveloper's right, title and interest in the Project is being transferred) or any portion thereof (if the Redeveloper's right, title and interest in a portion of the Project is being transferred).

SECTION 10.05. Transfers Void. Any transfer of the Redeveloper's interest in violation of this Redevelopment Agreement shall be a Redeveloper Event of Default and shall be null and void *ab initio*. Such default shall entitle the Borough to seek all remedies available under the terms hereof, and those available pursuant to law or equity, including termination of this Redevelopment Agreement. In the absence of specific written consent by the Borough, or a deemed approval in accordance with the terms hereof, no such sale, transfer, conveyance or assignment or approval thereof by the Borough, shall be deemed to relieve the Redeveloper from any obligations under this Redevelopment Agreement. The Declaration shall contain a restriction against transfers as set forth in this Article and, in addition, shall provide that in the event of any attempted transfer in violation of the restrictions in this Article, the Borough 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 Borough in connection with any such legal action. Upon recording of the final Certificate of Completion, the provisions of the Declaration set forth in this Article as to the Project shall be deemed terminated, and the Declaration shall so state.

SECTION 10.06. Transfer Fee. Notwithstanding anything to the contrary contained herein, prior to any Transfer not specifically permitted but to which the Borough consents, the Redeveloper will pay or cause to be paid to the Borough the reasonable and actual costs incurred by the Borough associated with such Transfer and the ongoing oversight thereof. This section shall not be applicable to the transfer of a portion of the membership interest in Redeveloper (provided that the same shall not exceed 1/3rd of the interests) to an equity participant.

[END OF ARTICLE X]

ARTICLE XI

INDEMNIFICATION; INSURANCE

SECTION 11.01. Redeveloper Indemnification. (a) The Redeveloper covenants and agrees, at its expense, to pay and to indemnify, protect, defend and hold the Borough Indemnified Parties harmless from and against all liability, losses, damages, demands, costs, claims, lawsuits, administrative proceedings, fines, penalties, and expenses (including attorneys' fees and court costs) of every kind, character and nature resulting, wholly or partially, from the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing, leasing or sale of the Project, including but not limited to any lawsuit or proceeding relating to the death of any person or any accident, injury, loss, and damage whatsoever to any person or to the property of any person which shall occur on or adjacent to the Redevelopment Area and results from any negligence or willful misconduct of Redeveloper, its agents, servants, employees, or contractors, but excluding damage, liability, costs and expenses to the extent that same may result from the negligence or willful misconduct of the Borough, its employees, representatives or agents.

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

(c) In any situation in which a Borough Indemnified Party is entitled to receive and desires indemnification by the Redeveloper, the Borough Indemnified Party shall give prompt notice of such situation to the Redeveloper. Failure to give prompt notice to the Redeveloper shall not relieve the Redeveloper of any liability to indemnify the Borough Indemnified Party, unless such failure to give prompt notice materially impairs the Redeveloper's ability to defend such party. Upon receipt of such notice, the Redeveloper shall resist and defend any action or proceeding on behalf of the Borough Indemnified Party, including the employment of counsel reasonably acceptable to the Borough Indemnified Party, the payment of all expenses and the right to negotiate and consent to settlement. All of the Borough Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of such Borough Indemnified Party. The Redeveloper shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Redeveloper or if there is a final judgment against the Borough Indemnified Party in any such action, the Redeveloper agrees to indemnify and hold harmless the Borough Indemnified Party from and against any loss or liability by reason of such settlement or judgment for which the Borough Indemnified Party is

entitled to indemnification hereunder. The Redeveloper shall have the right to settle any such action on terms it deems appropriate provided that a full release of the Borough Indemnified Party is obtained and no admission of liability by the Borough Indemnified Party is required. In the event the Borough refuses to provide a release of such action, and a final judgment is rendered against the Redeveloper, the Borough shall be responsible for the Redeveloper's counsel fees and costs incurred subsequent to the refusal by the Borough to release the action and for that amount of the judgment which is in excess of the sum for which the Redeveloper would have otherwise settled the action.

(d) The Redeveloper's indemnity provided under this Section 11.01 shall survive the termination of this Redevelopment Agreement with respect to occurrences prior to the date of termination and shall run with the land and be referenced in the Declaration.

SECTION 11.02. Insurance Required. (a) Prior to the commencement of construction of the Project, the Redeveloper shall furnish or shall cause to be furnished, to the Borough, a certificate of insurance evidencing a policy of commercial general liability insurance, insuring the Borough against losses, costs, liabilities, claims, causes of action and damages for bodily injury and property damage on all property in the Redevelopment Area or related to the construction thereon, in the amount of at least Two Million Dollars (\$2,000,000.00) combined single limit coverage. Such insurance shall include blanket contractual liability coverage. All such policies shall be endorsed to add the Borough as an additional insured, and to provide that such coverage shall be primary and that any insurance maintained by the Borough shall be excess insurance only. Such coverage shall be endorsed to waive the insurer's rights of subrogation against the Borough if such a waiver is available.

(b) Redeveloper shall also provide a certificate of insurance evidencing a policy of Builder's Risk Insurance for the benefit of the Redeveloper (subject to the interests of any Holder), during the term of construction, sufficient to protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, vandalism, and malicious mischief. The limits of liability will be equal to one hundred percent (100%) of the replacement cost (to current building code) of the Project, including items of labor and materials connected therewith, whether in or adjacent to the structure(s) insured, and materials in place or to be used as part of the permanent construction.

(c) The Redeveloper shall also furnish or cause to be furnished to the Borough evidence satisfactory to the Borough that any contractor with whom it has contracted for the construction of the Project carries (i) workers' compensation insurance as required by law, (ii) employer's liability insurance in the amount of \$500,000.00 bodily injury each accident, \$500,000.00 bodily injury each employee and \$500,000.00 bodily injury policy limit, and (iii) commercial general liability insurance in the amount of \$1,000,000.000 each occurrence, \$2,000,000 general aggregate.

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

All insurance policies required hereunder shall be kept in force until a Certificate of Completion is issued.

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

(g) The Redeveloper's obligation to maintain insurance in this Section 11.02 shall terminate upon issuance of a Certificate of Completion with respect to the Project.

[END OF ARTICLE XI]

ARTICLE XII

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

SECTION 12.01. Mortgage Financing. (a) Neither the Redeveloper nor any successor in interest to the Project, or any part thereof, shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Project, whether by express agreement or operation of law, or suffer any encumbrance or lien (other than liens for governmental impositions) to be made or attach to the Project, in excess of ninety percent (90%) of Project Costs, except as may be approved by the Borough (which approval shall not be unreasonably withheld, delayed or conditioned) for the purpose of obtaining funds in connection with the payment of such Project Costs; provided, however, that upon the issuance of a Certificate of Completion for the Project, or any portion thereof, such prohibition shall no longer apply with respect to the corresponding parcel of land and improvements. The Redeveloper, or its successor in interest, shall notify the Borough in advance of any such financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Project, or any part thereof (the mortgagee thereunder, a “**Holder**”) and, in any event, the Redeveloper shall promptly notify the Borough of any encumbrance or lien (other than liens for governmental impositions) that has been created on or attached to any portion of the Project, whether by voluntary act of the Redeveloper or otherwise, upon obtaining knowledge or notice of same.

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

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

(d) In the event that the Redeveloper is unable to obtain financing for the Project on terms and conditions acceptable to Redeveloper in its sole discretion, or if Redeveloper determines that financing for the Project cannot be obtained on terms and conditions acceptable to Redeveloper in its sole discretion, then Redeveloper shall have the right to terminate this Redevelopment Agreement upon written notice to the Borough.

(e) If this Redevelopment Agreement is terminated pursuant to the terms of this Section 13.01 then, except as expressly set forth herein to the contrary and upon full payment of all Borough Costs accruing until the date of such termination, this Redevelopment Agreement

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

SECTION 12.02. Notice of Default to the Redeveloper and Right to Cure.

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

SECTION 12.03. No Guarantee of Construction or Completion by Holder.

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

(b) If a Holder forecloses its mortgage secured by the Redevelopment Area, or takes title (in its name or the name of an Affiliate) to the Redevelopment Area by deed-in-lieu of foreclosure or similar transaction (collectively a "**Foreclosure**"), the Holder or its Affiliate shall have the option to either (i) sell the Redevelopment Area, as applicable, to a responsible Person reasonably acceptable to the Borough, which Person shall assume the obligations of the Redeveloper under this Redevelopment Agreement in accordance with Applicable Law, and/or (ii) itself, or its affiliate, assume the obligations of the Redeveloper under this Redevelopment Agreement in accordance with Applicable Law. In the event of a Foreclosure and provided the Holder or the purchaser is in compliance with this Redevelopment Agreement, the Borough shall not seek to enforce against the Holder or purchaser of such parcel any of the remedies available to the Borough pursuant to the terms of this Redevelopment Agreement available in connection with the events preceding the Foreclosure. The Holder, or the entity assuming the obligations of the Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to complete the Project in accordance with the terms of this Redevelopment Agreement, but subject to reasonable extensions of the Project Schedule, and shall submit evidence reasonably satisfactory to the Borough that it has the qualifications and financial responsibility necessary to perform such obligations. Any such Holder, or other entity assuming such obligations of the

Redeveloper, properly completing the Project shall be entitled, upon written request made to the Borough, to Certificates of Completion. Nothing in this Redevelopment Agreement shall be construed or deemed to permit or to authorize any Holder, or such other entity assuming such obligations of the Redeveloper, to devote the Redevelopment Area, or any part thereof, to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Redevelopment Agreement and the Redevelopment Plan. The Holder or such other entity that assumes the obligations of the Redeveloper shall be entitled to develop the Redevelopment Area and Project in accordance herewith.

[END OF ARTICLE XII]

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 13.01. Events of Default. Any one or more of the following shall, beyond the expiration of the applicable cure period, constitute an event of default hereunder (“**Event of Default**”), subject to the occurrence of an event of Force Majeure (with none of the following to be construed as a limitation on any other):

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

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

(c) The Redeveloper shall materially default in or violate its obligations with respect to the design, development and/or construction of the Project in accordance with this Redevelopment Agreement (including, but not limited to, the Project Schedule) and the Site Plan, or shall abandon or substantially suspend construction work (unless such suspension arises out of an event of Force Majeure), and any such default, violation, abandonment or suspension shall not be cured, ended, or remedied within ninety (90) days after written demand by the Borough to do so; provided however, that if the default or violation is one which cannot be completely remedied within the ninety (90) days after such written notice has been given, it shall not be an Event of Default as long as the Redeveloper is proceeding with due diligence to

remedy the same as soon as practicable, but in no event later than one hundred eighty (180) days after such written notice.

(d) The Redeveloper or its successor in interest (except for third parties to which a portion of the Project has been conveyed in the ordinary course of business) shall fail to pay any real estate taxes or assessments on any real property or any part thereof owned by it in the Borough when due, or shall place thereon any encumbrance or lien unauthorized by this Redevelopment Agreement, or shall suffer any levy or attachment to be made, or any materialman's, mechanics' or construction lien, or any other unauthorized encumbrance or lien to attach and such real estate taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Borough made for such payment, removal, or discharge, within sixty (60) days after written demand by the Borough to do so.

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

SECTION 13.02. Force Majeure. Performance by either Party hereunder shall not be deemed to be in default where delays or failure to perform are the result of events or conditions beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the terms of this Redevelopment Agreement, including, without limitation, the following (a “**Force Majeure**”):

(a) An act of God, lightning, blizzards, hurricane, tornado, earthquake, acts of public enemy, war (whether or not declared), terrorism, blockade, insurrection, riot or civil disturbance, sabotage or similar occurrence, economic disruptions including the scarcity of materiel necessary for the construction of the Project, but not including reasonably anticipated weather conditions for the geographic area of the Redevelopment Area, other than those set forth above (such events being required to physically affect a Party’s ability to fulfill its obligations hereunder; and the consequential effect of such events (e.g., impact on market conditions) shall not be considered a Force Majeure event);

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

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

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

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

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

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

SECTION 13.03. Remedies Upon Events of Default by the Redeveloper. If an Event of Default by the Redeveloper occurs, and during its continuance, the Borough may take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreements, or covenants of the Redeveloper, as applicable, under this Redevelopment Agreement, including enforcement of the terms stated in Sections 3.03 and 3.04 above, and the seeking of damages. Further, but subject to any cure provisions afforded the Redeveloper hereunder, the Borough shall have the right, in its sole and absolute discretion, upon notice to the Redeveloper and any Holder, to terminate this Redevelopment Agreement and the Redeveloper's designation as the redeveloper of the Redevelopment Area.

In the event that the Borough terminates the Redeveloper's designation as the redeveloper of the Redevelopment Area, the Borough shall, pursuant to its responsibilities under State law, use reasonable efforts to designate a replacement redeveloper for the Redevelopment Area (subject to the obligations of the Borough pursuant to Article XIII, such permitted mortgage liens as may exist against the Project and the rights of a Holder as set forth in Article XIII hereof). Such replacement Redeveloper shall be designated as soon and in such manner as the Borough shall find feasible and consistent with the objectives of State law and of the Redevelopment Plan, to a qualified and responsible party or parties as determined by the Borough, who will assume the obligation of completing the Project or such other improvements in its stead as shall be satisfactory to the Borough and in accordance with the uses specified in this Redevelopment Agreement and the Redevelopment Plan. This provision shall be entered in the Declaration. The Redeveloper shall deliver to such replacement Redeveloper assignments of all other rights and agreements pertaining to the Project. Any proceeds resulting from the designation of the replacement Redeveloper under this Section shall be applied:

(a) First, to all reasonable costs and expenses incurred by the Borough, as defined in and not reimbursed pursuant to §§3.03 or 3.04 above, in connection with the Project; all taxes, payments in lieu of taxes, assessments, and water and sewer charges owed by the Redeveloper as of such date, if any, with respect to the Project or any part thereof; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Project at the time of the Borough's designation of the replacement redeveloper, or to discharge or prevent from attaching, or being made, any subsequent encumbrances or liens due to obligations, defaults, or acts of the Redeveloper, its successors or transferees; any expenditures made or obligations incurred with respect to the completion of the Project, or any part thereof, on the uncompleted portion or any part thereof; and any amounts otherwise owed to the Borough by the Redeveloper and its successors or transferees in accordance with the terms of this Redevelopment Agreement; and

(b) Second, to reimburse the Redeveloper, its successor or transferee, up to the amount equal to the Redeveloper's actual costs associated with the Project, including engineering, planning, site improvement, marketing and other development costs paid for by the Redeveloper. Any balance remaining after such reimbursements shall (subject to the obligations of the Borough pursuant to Article XII, such permitted mortgage liens as may exist against the Project and the rights of a Holder as set forth in Article XII hereof) be retained by the Borough as its property.

SECTION 13.04. Remedies Upon Events of Default by the Borough. In the event that an Event of Default by the Borough occurs, then the Redeveloper may take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreements, or covenants of the Borough under this Redevelopment Agreement, including an action for specific performance and/or damages. Further, but subject to any cure provisions afforded the Borough hereunder, the Redeveloper shall have the right, in its sole and absolute discretion, upon sixty (60) days' notice to the Borough to terminate this Redevelopment Agreement. Notwithstanding the foregoing, neither the Borough nor any of its respective Affiliates, directors, officers, managers, agents, employees, or representatives shall be liable in any action, at law or in equity, in contract, tort, strict liability or otherwise, to Redeveloper or to any other person, including Redeveloper's Affiliates, partners, shareholders, members, directors, officers, managers, agents, employees, or representatives for

loss of profits, revenues or expectancies, loss of use or loss of business opportunities or for any special, consequential, indirect or incidental damages, or punitive, exemplary or multiplier damages with respect to the redevelopment of the Redevelopment Area and/or construction of the Project.

SECTION 13.05. Failure or Delay. Except as otherwise expressly provided in this Redevelopment Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default, or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

SECTION 13.06. Remedies Cumulative. No remedy in favor of either Party conferred by any of the provisions of this Redevelopment Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies by a Party shall not constitute a waiver of the right to pursue other available remedies.

SECTION 13.07. Continuance of Obligations. The occurrence of an Event of Default shall not relieve the defaulting party of its obligations under this Redevelopment Agreement unless this Redevelopment Agreement is terminated as a result of such Event of Default, as and to the extent permitted hereunder.

SECTION 13.08. Mitigation. The Parties shall act reasonably to mitigate any damages that may be incurred as a result of an Event of Default hereunder; provided, however, that the costs of any mitigation efforts shall be at the sole cost of the defaulting Party.

SECTION 13.09. Documents to be Delivered Upon Termination. In the event this Redevelopment Agreement is terminated for any reason, except as a result of the default of the Borough, the Redeveloper shall deliver to the Borough, within ten (10) days after such termination, copies of all reports, studies, data, plans, surveys, title reports, subdivision maps and specifications prepared by the Redeveloper and third parties with respect to the Redevelopment Area and all documents, reports, permits and approvals obtained by the Redeveloper relating to the Project; provided, however, Redeveloper shall not be obligated to deliver any materials to the Borough that Redeveloper deems to be confidential and proprietary in nature.

SECTION 13.10. Agreement Not to Develop Upon Termination. Subject to the rights of any Holders, in the event this Redevelopment Agreement is terminated as a result of a Redeveloper Event of Default, then the Redeveloper agrees that, for a period of six (6) months following such termination, in the event that the Redeveloper still owns or controls the Redevelopment Area (or any part thereof), it shall take no further steps to construct the Project or to develop the Redevelopment Area, except as may be agreed to by the Borough in its sole discretion, notwithstanding the fact that the Redeveloper may be in possession of Governmental Approvals required for such development.

[END OF ARTICLE XIII]

ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Notices. Formal notices, demands and communications between the Borough and the Redeveloper shall be deemed given if dispatched to the address set forth below by a commercial overnight delivery service with package tracking capability and for which proof of delivery is available or by facsimile or electronically followed by overnight courier. In this case such notice is deemed effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice.

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

If to the Borough:

Borough of Rutherford
Municipal Building
176 Park Avenue
Rutherford, New Jersey 07070
Attn: Borough Clerk
Email: MScanlon@rutherford-nj.com

with a copy to:

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068
E-mail: kmcmanimon@msbnj.com

If to the Redeveloper:

Park Avenue Rutherford Urban Renewal Company, LLC
c/o Vrasidas Golemis
1200 Avenue at Port Imperial
Apartment # 507
Weehawken, New Jersey 07086

with a copy to:

Paul C. Kaufman, Esq.
Kaufman, Semeraro & Leibman, LLP.
Two Executive Drive, Suite 530
Fort Lee, New Jersey 07024
E-mail: pkaufman@northjerseyattorneys.com

SECTION 14.02. Conflict of Interest. No member, official or employee of the Borough shall have any direct or indirect interest in this Redevelopment Agreement, nor participate in any decision relating to this Redevelopment Agreement which is prohibited by law.

SECTION 14.03. No Consideration For Redevelopment Agreement. The Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration in connection with obtaining this Redevelopment Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. The Redeveloper further warrants it has not paid or incurred any obligation to pay any officer or official of the Borough, any money or other consideration for or in connection with this Redevelopment Agreement.

SECTION 14.04. Lender Changes. If the Redeveloper's lender requires a change in the terms of this Redevelopment Agreement, the Borough shall reasonably cooperate with the Redeveloper in approving such change, so long as such change, if any, does not modify or change the substantial rights or obligations of the Parties as set forth in this Redevelopment Agreement. In addition, the Borough agrees to enter into such agreements as the Redeveloper's lender (or its equity participants) may reasonably require provided that such agreement shall not be inconsistent with the terms of this Redevelopment Agreement (*i.e.* shall not increase the responsibilities of the Borough, or decrease its benefits hereunder).

SECTION 14.05. Non-Liability of Officials and Employees of the Borough. No member, official or employee of the Borough shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Borough, or for any amount which may become due to the Redeveloper or its successor, or on any obligation under the terms of this Redevelopment Agreement.

SECTION 14.06. Non-Liability of Officials and Employee of Redeveloper. No member, officer, shareholder, director, partner or employee of the Redeveloper shall be personally liable to the Borough, or any successor in interest, in the event of any default or breach by the Redeveloper or for any amount which may become due to the Borough, or its successors, on any obligation under the terms of this Redevelopment Agreement.

SECTION 14.07. No Brokerage Commissions. The Borough and the Redeveloper each represent one to the other that no real estate broker initiated, assisted, negotiated or consummated this Redevelopment Agreement as broker, agent, or otherwise acted on behalf of the Borough or the Redeveloper, and the Borough and the Redeveloper shall indemnify each other with respect to any claims made by any person, firm or organization claiming to have been so employed by the indemnifying party.

SECTION 14.08. Provisions Not Merged With Deeds. To the extent that the provisions of this Redevelopment Agreement are intended to bind the Redeveloper's assigns and successors, its provisions shall not be merged by reason of any deeds transferring title to any portion of the Redevelopment Area from the Redeveloper or any successor in interest, and any such deeds shall not be deemed to affect or impair the provisions and covenants of this Redevelopment Agreement.

SECTION 14.09. Successors and Assigns. This Redevelopment Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties, and their heirs, executors, and administrators.

SECTION 14.10. Titles of Articles and Sections. The titles of the several Articles and Sections of this Redevelopment Agreement are inserted for the convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

SECTION 14.11. Severability. If any term or provision of this Redevelopment Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Redevelopment Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Redevelopment Agreement shall be valid and shall be enforced to the extent permitted by law.

SECTION 14.12. Modification of Redevelopment Agreement. No modification, waiver, amendment, discharge, or change of this Redevelopment Agreement shall be valid unless the same is in writing, duly authorized, and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

SECTION 14.13. Execution of Counterparts. This Redevelopment Agreement may be executed in one or more counterparts (which may be copies delivered electronically or by facsimile) and when each party has executed and delivered at least one counterpart, this Redevelopment Agreement shall become binding on the parties and such counterparts shall constitute one and the same instrument.

SECTION 14.14. Prior Agreements Superseded. This Redevelopment Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes any prior agreement and all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

SECTION 14.15. Waivers and Amendments in Writing. All waivers of the provisions of this Redevelopment Agreement must be in writing and signed by the appropriate authorities of the Borough and the Redeveloper and all amendments hereto must be in writing and signed by the appropriate authorities of the Borough and the Redeveloper.

SECTION 14.16. Drafting Ambiguities; Interpretation. In interpreting any provision of this Redevelopment Agreement, no weight shall be given to, nor shall any construction or interpretation be influenced by, the fact that counsel for one of the parties drafted this Redevelopment Agreement, each party acknowledging that it and its counsel have had an opportunity to review this Redevelopment Agreement and have contributed to the final form of same.

SECTION 14.17. Governing Law. This Redevelopment Agreement shall be governed by and construed in accordance with the Applicable Laws of the State, and any disputes arising hereunder shall be resolved in the Superior Court, State of New Jersey, Bergen County Vicinage.

[END OF ARTICLE XIV]

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

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

ATTEST:

Margaret Mearns

**PARK AVENUE RUTHERFORD URBAN
RENEWAL COMPANY, LLC**

By: Vrasidas Golemis

Name: Vrasidas Golemis

Title: Managing Member

ATTEST:

Margaret Mearns

BOROUGH OF RUTHERFORD

By: Joseph DeSalvo

Joseph DeSalvo, Mayor