

REDEVELOPMENT AGREEMENT

BY AND BETWEEN

BOROUGH OF CARTERET, NEW JERSEY,

as the Redevelopment Entity

and

120 RASKULINECZ ROAD URBAN RENEWAL LLC,

as the Redeveloper

Dated as of September __, 2018

REDEVELOPMENT AGREEMENT (the “**Redevelopment Agreement**”), dated as of September ___, 2018 (the “**Effective Date**”), by and between:

THE BOROUGH OF CARTERET, a municipal corporation of the State of New Jersey with offices at Carteret Borough Hall, 61 Cooke Avenue, Carteret, New Jersey 07008 (the “**Borough**”), acting in the capacity of a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* as amended and supplemented (the “**Redevelopment Law**”),

and

120 RASKULINECZ ROAD URBAN RENEWAL LLC, a limited liability company formed under the laws of the State of New Jersey with offices, 22 Maple Avenue, Morristown, New Jersey 07960 (the “**Redeveloper**” and, together with the Borough, the “**Parties**”).

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

WHEREAS, the Redevelopment Law authorizes municipalities to determine whether certain parcels of land located therein constitute areas in need of redevelopment; and

WHEREAS, by resolution duly adopted by the Borough Council of the Borough (the “**Borough Council**”), the Borough designated the properties formerly known as Block 49.01, Lots 4, 9 and 11, Block 49.02, Lot 2, Block 64.01, Lots 1, 2, 3, 4.01, 4.04, 5, 6.01, 6.02, 7 and 8, and Block 64.02, Lots 2.01 and 2.02 on the Borough’s tax map (collectively, the “**Federal Boulevard Redevelopment Area**” or the “**Redevelopment Area**”), as an area in need of redevelopment pursuant to the Redevelopment Law; and

WHEREAS, the Borough Council adopted a redevelopment plan for the Redevelopment Area, dated September 11, 2006 (the “**Federal Boulevard Redevelopment Plan**”; or “**Redevelopment Plan**”); and

WHEREAS, Federal Business Centers Inc. (“**FBC**”), is the owner of the real property located in the Borough described on **Exhibit 1** and shown on the Borough’s Tax Map as Block 2802, Lot 9 (formerly Block 64.01, Lots 6.01 and 6.02) (the “**Project Site**”), which real property is located in the Redevelopment Area; and

WHEREAS, the Redeveloper will lease the Project Site from FBC pursuant to a ground lease; and

WHEREAS, the Redeveloper proposes to redevelop the Project Site by constructing thereon a warehouse/distribution project as more particularly described in **Exhibit 2** (the “**Project**”); and

WHEREAS, the Mayor and Council have determined that the Redeveloper is capable of undertaking the Project on the Project Site; and

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

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

ARTICLE I DEFINITIONS AND INTERPRETATIONS

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

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

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

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

“Borough” means the Borough of Carteret, a municipal corporation of the State of New Jersey.

“Borough Costs” is defined in Section 3.03.

“Borough Council” means the governing body of the Borough.

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

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

“Certificate of Completion” means a certificate issued by the Borough upon Completion of the Project pursuant to Section 11.02 hereof in the form attached as **Exhibit 5**.

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

“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 Exhibit 1 to the form of Certificate of Completion attached hereto as **Exhibit 5**.

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

“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 9.06 hereof and the form of which is attached hereto as **Exhibit 4**.

“Effective Date” is defined in the Preamble.

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

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

“Escrow Account” is defined in Section 3.04.

“Estoppel Certificate” is defined in Section 5.12.

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

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

“FBC” is defined in the Recitals.

“Federal Boulevard Redevelopment Area” is defined in the Recitals.

“Federal Boulevard Redevelopment Plan” is defined in the Recitals.

“Financial Agreement” means an agreement, substantially in the form attached hereto as **Exhibit 6**, to be executed by the Borough and the Redeveloper pursuant to the Long Term Tax Exemption Law.

“Force Majeure” is defined in Section 15.02.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Permitted Transfers” is defined in Section 12.03.

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

“Planning Board” means the Planning Board of the Borough of Carteret.

“Progress Meetings” is defined in Section 6.01.

“Progress Report” is defined in Section 6.02.

“Project” is defined in the Recitals and **Exhibit 2**.

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

“Project Improvements” means, collectively, the Off-site Improvements and the On-site Improvements as shown on the Site Plans.

“Project Schedule” means the schedule for the design, permitting, financing, construction and completion of the Project by the Redeveloper, as set forth in **Exhibit 3** hereto.

“Project Site” is defined in the Recitals.

“Project Team” is defined in Section 9.03(b).

“Redeveloper” is defined in the Preamble.

“Redeveloper Covenants” is defined in Section 9.05.

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

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

“Redevelopment Area” is defined in the Recitals.

“Redevelopment Fee” is defined in Section 3.06.

“Redevelopment Law” is defined in the Preamble.

“Redevelopment Plan” is defined in the Recitals.

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

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

“Scheduled Completion Date” means the anticipated Completion Date as set forth in the Project Schedule attached hereto as **Exhibit 3**, subject to any extensions granted in accordance with this Redevelopment Agreement.

“Site Plans” means the plans, as may be revised, entitled “Preliminary and Final Site Plan, Block 2802, Lot 2 and 9”, originally prepared by Paulus, Sokolowski and Sartor, LLC,

dated June 29, 2018, consisting of 19 sheets, which were approved by the Planning Board pursuant to the Site Plan Approval.

"Site Plan Approval" means amended preliminary and final site plan approval of the Project granted by the Planning Board on July 25, 2018 and memorialized by Resolution of the Planning Board adopted on July 25, 2018.

"State" means the State of New Jersey.

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

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

"Transfer" is defined in Section 12.02.

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

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

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

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

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

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

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

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

(f) Each right of the 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
DESCRIPTION OF PROJECT SITE
AND THE PROJECT**

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

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

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

[END OF ARTICLE II]

ARTICLE III FINANCIAL OBLIGATIONS

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

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

SECTION 3.03. Borough Costs. In addition to the Redeveloper's estimated costs for the Project, the Redeveloper agrees to provide funding to the Borough for all reasonable out-of-pocket costs incurred by the Borough in connection with the redevelopment of the Project Site in an amount not to exceed Fifty Thousand Dollars (\$50,000) ("**Borough Costs**"). Borough Costs shall include, but not be limited to, any fees and costs of any professional consultant, contractor or vendor 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. Borough Costs do not include any costs incurred by the Borough associated with the designation of the Project Site as an "Area in Need of Redevelopment" and the development and approval of the Redevelopment Plan, other than any amendment to the Redevelopment Plan that may be deemed necessary and advisable during the course of the development of the Project by the Redeveloper.

SECTION 3.04. Payment of Borough Costs. The Redeveloper shall reimburse the Borough for all Borough Costs in accordance with the terms hereof. The Redeveloper has established a non-interest bearing escrow account (the "**Escrow Account**"), having an initial balance of Twenty-Five Thousand Dollars (\$25,000.00). The Redeveloper agrees that it will replenish the Escrow Account in the event that the balance drops below Seven Thousand Five Hundred Dollars (\$7,500.00). 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. As of the Completion Date, as evidenced by the issuance of the Certificate of Completion, or upon termination of this Redevelopment Agreement, except in the event of a termination caused by an Event of Default by the Redeveloper, any money remaining in the Escrow Account shall be disbursed to the Redeveloper within sixty (60) days after issuance of the Certificate of Completion or the termination of this Redevelopment Agreement and the terms of this Section 3.04 shall survive the issuance of the Certificate of Completion or termination of this Redevelopment Agreement.

for such sixty (60) day period. The Borough shall prepare and send to Redeveloper a statement which shall include an accounting of funds listing all deposits, interest earnings, disbursements, and the cumulative balance of the escrow account. This statement shall be provided on a quarterly basis if monthly charges are One Thousand Dollars (\$1,000.00) or less, or on a monthly basis if monthly charges exceed One Thousand Dollars (\$1,000.00). Notwithstanding anything to the contrary contained herein, if the Borough retains a different professional or consultant in the place of any professional originally responsible for any aspect of the Project, the Borough shall be responsible for all time and expenses of the new professional to become familiar with the Project and the Borough shall not bill Redeveloper or charge the escrow account for any such services.

SECTION 3.05. Governmental Approval Fees. Except as provided in Section 3.06 hereof, the Redeveloper will pay all fees for permits required by any Governmental Authority for the construction and development of the Project. Except as provided in Section 3.06, the Redeveloper shall pay all other permit fees, which include any permit fees payable by the Borough or the Redeveloper to all required Governmental Authorities other than the Borough, or for which the Borough is required to reimburse other Governmental Authorities or is required to pay other third party contractors retained by or on behalf of the Borough to perform services that the Borough would otherwise be required to perform itself.

SECTION 3.06. Redevelopment Fee. In addition to Borough Costs and the Governmental Approval Fees set forth in Section 3.05, above, the Redeveloper agrees to pay to the Borough a non-refundable redevelopment fee for the Project in the amount of FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000.00) (the “**Redevelopment Fee**”). The Redevelopment Fee shall satisfy all Borough fees payable in connection with the Project set forth on **Exhibit 7**. Except for Borough Costs, the Redevelopment Fee and other fees paid or accrued prior to the execution of this Agreement, the Redeveloper shall not be obligated to pay any other fees and costs to the Borough or any agency of or within the Borough for the Project. The Redevelopment Fee is due and payable as follows: (i) TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000.00) due upon the Redeveloper’s receipt of non-appealable Site Plan Approval for the Project; and (ii) TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000.00) due not later than the date that the Redeveloper receives the first building permit for any portion of the Project (excluding permits for demolition or site work).

SECTION 3.07. Application for Tax Exemption. 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, 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 an amount set forth in the Financial Agreement. The Redeveloper shall have the right to terminate this Agreement upon written notice to the Borough if the Borough and the Redeveloper have not duly executed and delivered the Financial Agreement within one hundred and twenty (120) days after the Effective Date. If this Agreement is terminated pursuant to the terms of this Section 3.07 then, except as expressly set forth herein to the contrary and upon full payment of all Borough Costs accruing until the date of such termination, this Agreement (including, without limitation, all the covenants contained herein)

shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

[END OF ARTICLE III]

ARTICLE IV ENVIRONMENTAL MATTERS

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

SECTION 4.02. Redeveloper Indemnification of Borough. In conjunction with the Indemnification provisions of Article XIII hereof, the Redeveloper covenants and agrees, at its expense, to pay and to indemnify, protect, defend and hold the Borough Indemnified Parties harmless from and against all liability, losses, damages (including, without limitation, Natural Resource Damages), demands, costs, claims, lawsuits, administrative proceedings, fines, penalties and expenses (including attorneys' fees and court costs) of every kind, character and nature arising from or associated with (i) the performance or any failure or delay of performance by the Redeveloper of its responsibilities and obligations to Remediate the Project Site or anything affected off-site, as required by applicable Environmental Laws and Governmental Authorities; and (ii) the presence of Hazardous Substances, whether known or unknown, on, under or migrating from the Project Site, but excluding damage, liability, costs and expenses to the extent that same result from the negligence or willful misconduct of the Borough or Borough Indemnified Parties.

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

[END OF ARTICLE IV]

ARTICLE V CONSTRUCTION OF PROJECT

SECTION 5.01. Construction of Project.

(a) Project. Subject to the terms of this Agreement, (i) the Project shall be implemented in accordance with the Project Schedule, including obtaining all Governmental Approvals, and (ii) Redeveloper shall commence physical work on the Project in accordance with the Project Schedule, and Complete the Project on or prior to the Scheduled Completion Date for the Project, as set forth on **Exhibit 3** hereto. The Redeveloper will construct, or cause to be constructed, the Project Improvements at its sole cost and expense.

(b) Modification of Project Schedule. In the event that the Redeveloper is unable, for reasonable cause, to comply with any time frame set forth on the Project Schedule, the Redeveloper shall provide written notice to the 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 (a) the reason for the failure to satisfy the required tasks necessary to comply with the Project Schedule, (b) the Redeveloper's proposed actions to remedy any delay, and (c) the Redeveloper's proposal for revising the Project Schedule. In such event the Project Schedule shall be modified accordingly, subject to the 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 5.02. Construction of Project in Compliance with Redevelopment Plan and Municipal Land Use Law Approvals; Government Approvals.

(a) The Planning Board approved the Site Plans for the Project on July 25, 2018, which approval was memorialized by Resolution of the Planning Board adopted on July 25, 2018. The Borough hereby acknowledges its approval of the Site Plans and that the Site Plans are substantially consistent with the Redevelopment Plan.

(b) At least five (5) days prior to the date that the Redeveloper expects to Commence Construction of the Project Improvements, the Redeveloper shall submit to the Borough for its review and approval, among other things, (i) the estimated date that construction of the Project Improvements will commence, and (ii) a budget setting forth an estimate of the costs of construction for the Project Improvements. The Redeveloper shall also provide such supporting documentation that the Redeveloper reasonably believes will be necessary or beneficial to the Borough for the Borough's review.

(c) Subsequent to submission of the budget as provided in paragraph (b) above, the Redeveloper shall provide written notice to the Borough of any deviation from such previously submitted budget.

SECTION 5.03. Relocation of Utilities. The Redeveloper acknowledges that providers of Utilities may have certain rights with respect to the Project Site and may own certain facilities located therein. The Redeveloper agrees that it is its sole responsibility to undertake the

appropriate measures to negotiate with, acquire, relocate or otherwise address the existence of these Utilities and improvements and easements therefore, in order to complete construction of the Project, as provided by this Redevelopment Agreement. To the extent reasonably requested by the Redeveloper, the Borough shall cooperate in facilitating the installation and/or relocation of any such affected Utilities.

SECTION 5.04. INTENTIONALLY OMITTED.

SECTION 5.05. Union Labor. The Redeveloper agrees to utilize 100% union labor for all aspects of the construction of the Project.

SECTION 5.06. INTENTIONALLY OMITTED.

SECTION 5.07. Nondiscrimination During Construction; Equal Opportunity. The Redeveloper for itself and its successors and assigns agrees that in the construction of the Project:

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

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

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

SECTION 5.08. Maintenance of Project Site. Following commencement of physical construction of the Project, the Redeveloper will maintain all areas of the Project Site including the buildings, parking areas, landscaping, streetscaping, sidewalks including curbing and traffic calming devices (but not the paved roadway, unless disturbed by the Redeveloper), trash collection and receptacles, and all such issues identified in Chapters 198 (Property Maintenance Code) and 222 (Streets and Sidewalks) of the Borough Code.

SECTION 5.09. INTENTIONALLY OMITTED.

SECTION 5.10. INTENTIONALLY OMITTED.

SECTION 5.11. No Warranty. The Borough specifically acknowledges that, except as otherwise specifically set forth herein, the Redeveloper makes no representation or warranty, expressed, implied or otherwise, as to the fitness of the Project or the Project Site for use for any particular purpose, condition or durability thereof, or that it will be suitable for the Redeveloper's purposes. No representations are made herein as to the requirements of any other agency or governmental entity other than the Borough.

SECTION 5.12. Estoppel Certificates. Within fourteen (14) days following written request therefore by a Party hereto, or of any Holder, purchaser, tenant or other party having an interest in the Project Site, the other party shall issue a signed certificate ("**Estoppel Certificate**") stating that (i) this Redevelopment Agreement is in full force and effect, (ii) there is no default or breach under this Redevelopment Agreement (nor any event which, with the passage of time and the giving of notice would result in a default or breach under this Redevelopment Agreement), or stating the nature of the default or breach or event, if any, and (iii) any other matter reasonably requested. In the event the Estoppel Certificate discloses such a default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. No more than two (2) Estoppel Certificates may be requested per year.

SECTION 5.13. Cooperation. The Parties shall fully cooperate with each other as necessary to effectuate the Project Improvements, including entering into additional agreements that may be required; provided however, that such actions and/or agreements shall not result in a material increase or decrease in the Borough's and the Redeveloper's respective rights, obligations and liabilities hereunder.

[END OF ARTICLE V]

ARTICLE VI PROJECT OVERSIGHT

SECTION 6.01. Progress Meetings. The Parties agree to attend and participate in monthly 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 in the Borough Hall. Prior to the meeting, representatives of the Borough may visit the Project Site to inspect the progress of the work on the Project, in accordance with Section 6.03.

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, and (d) 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 proprietary in nature.

SECTION 6.02. Progress Reports. The Redeveloper shall submit to the Borough a detailed quarterly written progress report (“**Progress Report**”) (or more frequent Progress Reports, if reasonably requested by the Borough) which shall include a description of activities completed, the activities to be undertaken prior to the next quarterly Progress Report, 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 6.03. Access to Property. The Borough and its authorized representatives shall have the right to enter the Project Site in accordance with Applicable Law to inspect the Project and any and all work in progress for the purpose of furthering its interest in this Redevelopment Agreement. In no event shall the 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 Project Site 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 6.04. 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 VI]

ARTICLE VII
GENERAL DEVELOPMENT REQUIREMENTS

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

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

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

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

[END OF ARTICLE VII]

ARTICLE VIII
APPROVAL OF APPLICATIONS FOR GOVERNMENTAL APPROVALS

SECTION 8.01. Applications for Governmental Approvals. (a) The Redeveloper (at its sole cost and expense) shall apply for and obtain all Governmental Approvals necessary to construct and use the Project or a phase of 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.

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

The Redeveloper shall provide the 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 one hundred eightieth (180th) day after the Effective Date, on terms and conditions acceptable to Redeveloper in its sole discretion, or if Redeveloper determines that the Governmental Approvals for the Project cannot be obtained on terms and conditions reasonably acceptable to Redeveloper, then Redeveloper shall have the right to terminate this Agreement upon written notice to the 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 Agreement is terminated pursuant to the terms of this Section 8.01(c), then, except as expressly set forth herein to the contrary, this Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

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

[END OF ARTICLE VIII]

ARTICLE IX
REPRESENTATIONS AND WARRANTIES; REDEVELOPER COVENANTS

SECTION 9.01. Representations and Warranties by the Redeveloper. The Redeveloper hereby represents and warrants the following to the 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 is the ground lessee of the Project Site.

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

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

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

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

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

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

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

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

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

(l) The ownership structure of the Redeveloper is set forth in **Exhibit 8**. 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 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, reaffirm the representations and warranties set forth in this Section 9.01.

SECTION 9.02. 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 9.03. Delivery of Documents by the Redeveloper. The Redeveloper agrees to deliver the following fully executed collateral documents simultaneously with the execution of this Redevelopment Agreement and the Borough hereby acknowledges the receipt of such documents:

(a) Certified copies of the certificate of formation and certificate of good standing of the Redeveloper.

(b) A comprehensive list of the names, addresses, email addresses and telephone numbers of all individuals who will comprise the Redeveloper's "**Project Team**" including, but not limited to, those individuals who will be directly responsible for managing the Project's design, approvals and construction. The Redeveloper shall provide notice to the Borough of any changes in the representatives on the Project Team.

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

(b) In the event that any contractual provisions that are required by Applicable Law have been omitted, then the Borough and the Redeveloper agree that this Redevelopment Agreement shall be deemed to incorporate all such clauses by reference and such requirements shall become a part of this Redevelopment Agreement.

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

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

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

(c) The Redeveloper shall construct the Project in accordance with this Redevelopment Agreement, the Redevelopment Law, the Redevelopment Plan, 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 or a phase 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 Project Site.

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

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

SECTION 9.06. Declaration of Redeveloper Covenants and Restrictions. The Redeveloper shall execute and record one or more declaration(s) of project covenant(s) in form of **Exhibit 4** attached hereto (the “**Declaration**”) imposing on the Redeveloper’s leasehold interest in the Project and the Project Site, the Redeveloper Covenants set forth in Section 9.05 (as may be limited by the terms of this Agreement, including Section 9.07 hereof), and those other matters indicated in this Redevelopment Agreement to be included in the Declaration.

SECTION 9.07. Effect and Duration of the Redeveloper Covenants. It is intended and agreed, and the Declaration shall so expressly provide, that the agreements and covenants set forth in Section 9.05 hereof and those elsewhere in this Redevelopment Agreement designated for inclusion in the Declaration shall be covenants running with the Redeveloper’s leasehold interest 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 Redeveloper’s leasehold interest in the Project, or any part thereof, the Redeveloper, its successors and assigns and every successor in interest therein, and any Party in possession or occupancy of the Project, or any part thereof provided, however, that such covenants shall not be binding on any Mortgagee except in accordance with the terms of Article XIV hereof. Such agreements and covenants, however, shall be binding on the Redeveloper itself, each successor in interest to the Redeveloper and each party in possession or occupancy, respectively, only for such period as the Redeveloper or such successor or party shall be in possession or occupancy of the Project Site, the buildings and structures thereon, or any part thereof.

SECTION 9.08. Enforcement of Redeveloper Covenants by the Borough. In amplification, and not in restriction of the provisions of this Article IX, 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 Agreement in accordance with the terms of Section 15.03 hereof. This Section is not intended to confer standing to sue on any party other than the Borough. Upon redevelopment of the Project Site 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 Project Site was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result and the conditions and requirements of *N.J.S.A. 40A:12A-9* shall be deemed to have been satisfied with respect to the Project.

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

(a) The Borough shall fully cooperate with the Redeveloper to ensure that all Governmental Approvals are obtained for the Project at no additional cost and expense to the Borough. Furthermore, the Borough agrees to support any applications for Governmental Approvals that are consistent with the terms of the Redevelopment Plan and this Agreement, and to otherwise cooperate with the Redeveloper with respect to the Governmental Approvals; provided that nothing contained in this Section 9.09(a) shall be deemed: (i) to constitute an approval of all or any portion of the Project for which applications have been submitted or are required or (ii) a waiver of the ability of any Governmental Authority, to exercise its statutorily authorized responsibilities with respect to such applications or Governmental Approvals. Without limiting the generality of the foregoing, the Borough shall (A) request that all agencies of the Borough having jurisdiction over any of the Governmental Approvals expedite the processing of all applications for Governmental Approvals, (B) schedule, convene and conclude all required public hearings in an expeditious manner consistent with Applicable Laws, and (C) cause all of the planners, engineers and other consultants engaged by the Borough to review and comment on all submittals by Redeveloper in an expeditious manner and request that all planners, engineers and other consultants engaged by the Borough or any of its agencies 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.

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

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

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

[END OF ARTICLE IX]

ARTICLE X
INTENTIONALLY OMITTED

[END OF ARTICLE X]

ARTICLE XI
CERTIFICATES OF OCCUPANCY AND COMPLETION

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

SECTION 11.02. 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 Agreement, the Redevelopment Plan and Applicable Law) and termination of this Agreement, and of all of Redeveloper's agreements and covenants in this Agreement and shall discharge and release the lien of this Redevelopment Agreement and the Declaration from the Project Site or portion thereof, as the case may be. If the 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 one hundred twenty-five percent (125%) of the value of the work not yet completed less the amount of any completion guaranty posted for such work in accordance with the Municipal Land Use Law. A Certificate of Completion for the Project shall not be issued until the Project has been constructed in accordance with, and meets the requirements set forth in, this Agreement.

[END OF ARTICLE XI]

ARTICLE XII TRANSFERS

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

SECTION 12.02. Prohibition Against Transfers. The Redeveloper recognizes the importance of the redevelopment to the general welfare of the community and the public assistance to be made available by law and by the 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 assignment or sublease, in whole or in part, of its leasehold interest in the Project Site or make any total or partial sale, transfer or conveyance of the Project Improvements (individually and collectively, a "Transfer").

SECTION 12.03. Permitted Transfers. (a) The Redeveloper, without violating the provisions of Section 12.02 or Section 12.03 hereof, may 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 ground lease of the Property and the development, construction and marketing of the Project;

(iv) utility and other development easements;

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

(vi) a lease, rental agreement or other similar agreement with any end user of the Project;

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

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

(ix) a Transfer pursuant to a foreclosure or assignment of the ground lease in lieu of foreclosure, of Redeveloper's leasehold interest in the Project Site and any Transfer by any Holder or any Holder's successor and/or assigns after foreclosure; and

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

SECTION 12.04. Notice of Permitted Transfers. With respect to any Permitted Transfers (except for a Permitted Transfer pursuant to Section 12.03 (v) or (vi)), the Redeveloper shall provide to the 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 order to assure that the transferee has assumed all of the Redeveloper's obligations under this Redevelopment Agreement and the Declaration as to the Project (if the Redeveloper's right, title and interest in the Project is being transferred) or any portion thereof (if the Redeveloper's right, title and interest in a portion of the Project is being transferred).

SECTION 12.05. Transfers Void. Any transfer of the Redeveloper's interest in violation of this Redevelopment Agreement shall be a Redeveloper Event of Default and shall be null and void *ab initio*. Such default shall entitle the 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 12.06. Approval of Transfer. Notwithstanding anything to the contrary contained herein, with respect to any Transfer that requires the Borough's consent pursuant to the terms of this Article XII, the Borough shall not unreasonably withhold, condition or delay its consent to such Transfer. The Borough shall notify the Redeveloper in writing whether the Borough consents to a Transfer within thirty (30) days after the Redeveloper's written request to the Borough for such consent. If the Borough does not deliver a written response to the Redeveloper's request within said thirty (30) day period, then the Redeveloper may deliver a second written request to the Borough for consent to the Transfer and the Borough shall be

deemed to have consented to such requested Transfer if the Borough does not deliver a written response to the Redeveloper within thirty (30) days after the Redeveloper's second request to the Borough for such consent. The Borough shall not withhold, condition or delay its consent to any Transfer to a transferee that has the same or greater experience and technical capability to carry out the Project as the Redeveloper, and has the same or greater wherewithal to obtain financing for the Project as the Redeveloper.

[END OF ARTICLE XII]

ARTICLE XIII INDEMNIFICATION; INSURANCE

SECTION 13.01. 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 Project Site and which results from any negligence or willful misconduct of Redeveloper, its agents, servants, employees, or contractors, but excluding damage, liability, costs and expenses to the extent that same may result from the negligence or willful misconduct of the Borough, its employees, representatives or agents.

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

(c) In any situation in which 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 Borough's refusal to release the action and for that amount of the judgment which is in excess of the sum for which the Redeveloper would have otherwise settled the action.

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

SECTION 13.02. Insurance Required. (a) Prior to the Commencement of Construction of the Project, the Redeveloper shall furnish or shall cause to be furnished, to the 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 Project Site or related to the construction thereon, in the amount of at least Ten Million Dollars (\$10,000,000.00) 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 Five Hundred Thousand Dollars (\$500,000.00) bodily injury each accident, Five Hundred Thousand Dollars (\$500,000.00) bodily injury each employee and Five Hundred Thousand Dollars (\$500,000.00) bodily injury policy limit, and (iii) commercial general liability insurance in the amount One Million Dollars (\$1,000,000.00) each occurrence, Two Million Dollars (\$2,000,000.00) general aggregate.

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

(e) All insurance policies required by this Section shall be nonassessable and shall contain language to the effect that (a) the policies are primary and noncontributing with any insurance that may be carried by the 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.

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

[END OF ARTICLE XIII]

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

SECTION 14.01. Mortgage Financing. (a) Neither the Redeveloper nor any successor in interest to the Project, or any part thereof, shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Project, whether by express agreement or operation of law, or suffer any encumbrance or lien (other than liens for governmental impositions) to be made or attach to the Project, in excess of ninety percent (90%) of Project Costs, except as may be approved by the Borough (which approval shall not be unreasonably withheld, conditioned or delayed) for the purpose of obtaining funds in connection with the construction of the Project; provided, however, that upon the issuance of a Certificate of Completion for the Project, or any portion thereof, such prohibition shall no longer apply with respect to the corresponding parcel of land and improvements. The Redeveloper, or its successor in interest, shall notify the 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 and 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 Agreement upon written notice to the Borough.

(e) If this Agreement is terminated pursuant to the terms of this Section 14.01 then, except as expressly set forth herein to the contrary and upon full payment of all Borough Costs accruing until the date of such termination, this Agreement (including, without limitation, all the covenants contained herein) shall be of no further force and effect and the Parties hereto shall have no further rights, liabilities and/or obligations hereunder.

SECTION 14.02. Notice of Default to the Redeveloper and Right to Cure. (a)

Whenever the 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 Agreement during the period in which any such Holder is proceeding diligently and in good faith to cure a Redeveloper Event of Default. If possession of the Project Site is necessary to cure any default or breach, any Holder will be allowed to complete any proceedings required to obtain possession of the Project Site.

SECTION 14.03. No Guarantee of Construction or Completion by Holder. (a) A Holder shall in no manner be obligated by the provisions of this Redevelopment Agreement to construct or complete the Project, or to guarantee such construction or completion; nor shall any covenant or any other provisions be construed so to obligate a Holder. Nothing contained in this Redevelopment Agreement shall be deemed to permit or authorize such Holder to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the Holder's security, including the improvements or construction already made) without the Holder or an Affiliate of Holder first having expressly assumed the Redeveloper's obligations to the Borough with respect to the Project by written agreement reasonably satisfactory to the Borough.

(b) If a Holder forecloses its mortgage secured by the Redeveloper's leasehold interest in the Project Site, or takes an assignment of Redeveloper's ground lease (in its name or the name of an Affiliate) by deed in lieu of foreclosure or similar transaction (collectively, a "**Foreclosure**"), the Holder or its Affiliate shall have the option to either (i) assign the Redeveloper's leasehold interest in the Project Site, 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 assignee of the Redeveloper's leasehold interest in the Project Site is in compliance with this Redevelopment Agreement, the Borough shall not seek to enforce against the Holder or assignee of the Redeveloper's leasehold interest in the Project Site 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 leasehold interest affected by such Foreclosure or assignment, 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 Project Site, or any part thereof, to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Redevelopment Agreement and the Redevelopment Plan. The Holder or such other entity that assumes the obligations of the Redeveloper shall be entitled to develop the Project Site or Project in accordance herewith.

[END OF ARTICLE XIV]

ARTICLE XV EVENTS OF DEFAULT AND REMEDIES

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

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

(c) The Redeveloper shall materially default in or violate its obligations with respect to the design, development and/or construction of the Project in accordance with this Redevelopment Agreement (including, but not limited to, the Project Schedule) and the Site Plan Approval, 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 twenty (120) days after such written notice.

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

business) shall fail to pay any real estate taxes or assessments on any real property or any part thereof owned by it in the 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 15.02. Force Majeure. Performance by either party hereunder shall not be deemed to be in default where delays or failure to perform are the result of events or conditions beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the terms of this Redevelopment Agreement, including, without limitation, the following (a “**Force Majeure**”):

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

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

(c) The order, judgment, action or inaction and/or determination of any Governmental Authority (other than the 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;

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

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

Any event of Force Majeure affecting any counterparty to an agreement with either or both of the Parties hereto shall be considered an event of Force Majeure hereunder. Notice by the Party claiming such extension shall be sent to the other Party within thirty (30) calendar days of the commencement of the cause. During any Force Majeure event that affects part of the Project, to the extent reasonably practicable, the Redeveloper shall continue to perform its obligations for the rest of the Project. The existence of an event of Force Majeure shall not prevent a Party from declaring the occurrence of an Event of Default by the Party relying on such Force Majeure event; provided that the event that is the basis of the Event of Default is not a result of the Force Majeure event. Except for an event or events of Force Majeure resulting from acts or omissions of the 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 15.03. Remedies Upon Events of Default by the Redeveloper. If an Event of Default by the Redeveloper occurs, the Borough shall have as its sole and exclusive remedy under this Agreement, the right, in its sole and absolute discretion, upon sixty (60) days' notice to the Redeveloper and any Holder, to terminate this Redevelopment Agreement and the Redeveloper's designation as the Redeveloper of the Project.

In the event that this Redevelopment Agreement is terminated by the Borough pursuant to this Section 15.03, the Borough shall terminate the Redeveloper's designation as the Redeveloper of the Project Site.

SECTION 15.04. 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, as applicable, 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.

SECTION 15.05. INTENTIONALLY OMITTED.

SECTION 15.06. Failure or Delay. Except as otherwise expressly provided in this Redevelopment Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default, or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

SECTION 15.07. Remedies Cumulative. No remedy in favor of Redeveloper conferred by any of the provisions of this Redevelopment Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies by Redeveloper shall not constitute a waiver of the right to pursue other available remedies.

SECTION 15.08. Continuance of Obligations. The occurrence of an Event of Default shall not relieve the defaulting party of its obligations under this Redevelopment Agreement unless this Redevelopment Agreement is terminated as a result of such Event of Default, as and to the extent permitted hereunder.

SECTION 15.09. Mitigation. The parties shall act reasonably to mitigate any damages that may be incurred as a result of an Event of Default hereunder; provided, however, that the costs of any mitigation efforts shall be at the sole cost of the defaulting Party.

SECTION 15.10. 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 Project Site and all documents, reports, permits and approvals obtained by the Redeveloper relating to the Project provided, however, Redeveloper shall not be obligated to deliver any materials to the Borough that Redeveloper deems to be confidential and proprietary in nature.

SECTION 15.11. Agreement Not to Develop Upon Termination. Subject to the rights of any Holders, in the event this Redevelopment Agreement is terminated as a result of a Redeveloper Event of Default, then the Redeveloper agrees that, for a period of six (6) months following such termination, in the event that the Redeveloper still owns or controls the Project Site (or any part thereof), it shall take no further steps to construct the Project or to develop the Project Site, except as may be agreed to by the 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 XV]

**ARTICLE XVIII
MISCELLANEOUS**

SECTION 16.01. 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 registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available. In this case such notice is deemed effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice.

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

If to the Borough:

Borough of Carteret
Municipal Building
61 Cooke Avenue
Carteret, New Jersey 07008
Attn: Mayor and/or Borough Clerk
Tel. No. 732-541-3800

with copies to:

Robert J. Bergen, Esq., Director of Law
Municipal Building
61 Cooke Avenue
Carteret, New Jersey 07008
Tel. No. 732-541-3800

and

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068
Tel. No. 973-622-4869

If to the Redeveloper:

120 Raskulinecz Road Urban Renewal LLC
c/o The Hampshire Companies
22 Maple Avenue
Morristown, New Jersey 07960
Attn: Mark Rosen

with a copy to:

Andy S. Norin, Esq.
Drinker, Biddle & Reath, LLP
600 Campus Drive
Florham Park, New Jersey 07932
Tel. No. 973-549-7234

SECTION 16.02. 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 16.03. No Consideration For Redevelopment Agreement. The Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration in connection with obtaining this Redevelopment Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. The Redeveloper further warrants it has not paid or incurred any obligation to pay any officer or official of the Borough, any money or other consideration for or in connection with this Redevelopment Agreement.

SECTION 16.04. Lender Changes. If the Redeveloper's lender requires a change in the terms of this Redevelopment Agreement, the 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 Borough's responsibilities or decrease its benefits hereunder).

SECTION 16.05. 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 16.06. Non-Liability of Officials and Employee of Redeveloper. No member, officer, shareholder, director, partner or employee of the Redeveloper shall be personally liable to the 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 their successors, or on any obligation under the terms of this Redevelopment Agreement.

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

SECTION 16.08. No Brokerage Commissions. The 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 acting on behalf of

either 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 16.09. Provisions Not Merged With Deeds. To the extent that the provisions of this Redevelopment Agreement are intended to bind the Redeveloper's assigns and successors, its provisions shall not be merged by reason of any deeds transferring title to any portion of the Project Site from the Redeveloper or any successor in interest, and any such deeds shall not be deemed to affect or impair the provisions and covenants of this Redevelopment Agreement.

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

SECTION 16.11. 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 16.12. Severability. If any term or provision of this Redevelopment Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Redevelopment Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Redevelopment Agreement shall be valid and shall be enforced to the extent permitted by law.

SECTION 16.13. Modification of Redevelopment Agreement. No modification, waiver, amendment, discharge, or change of this Redevelopment Agreement shall be valid unless the same is in writing, duly authorized, and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

SECTION 16.14. Execution of Counterparts. This Redevelopment Agreement may be executed in one or more counterparts (which may be copies delivered electronically or by facsimile) and when each party has executed and delivered at least one counterpart, this Redevelopment Agreement shall become binding on the parties and such counterparts shall constitute one and the same instrument.

SECTION 16.15. Prior Agreements Superseded. This Redevelopment Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes any prior agreement and all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

SECTION 16.16. 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 16.17. 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 16.18. Governing Law. This Redevelopment Agreement shall be governed by and construed in accordance with the Applicable Laws of the State, and any disputes arising hereunder shall be resolved in the Superior Court, State of New Jersey, Middlesex County Vicinage.

[END OF ARTICLE XVI]

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

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

ATTEST:

REDEVELOPER:

**120 RASKULINECZ ROAD URBAN
RENEWAL LLC**

By: _____
Name: Mark S. Rosen
Title: Executive Vice President

ATTEST:

BOROUGH OF CARTERET

By: _____
Daniel J. Reiman, Mayor

EXHIBIT 1 LEGAL DESCRIPTION

Issuing Office File No. ED-512-18

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Carteret, in the County of Middlesex, State of New Jersey:

BEGINNING at a point, said point being the following three (3) courses from a intersection formed by the southerly right-of-way line of Federal Boulevard (variable width right-of-way) extended and the westerly right-of-way line of Raskulinecz Road (50 foot wide right-of-way) extended;

- a.) South 07 degrees 51 minutes 48 seconds West, a distance of 957.94 feet to a point of curvature; thence
 - b.) on a curve to the right having a radius of 25.00 feet, an arc length of 21.03 feet, a central angle of 48 degrees 11 minutes 50 seconds, whose chord bears South 31 degrees 57 minutes 43 seconds West a chord distance of 20.42 feet to a point of curvature; thence
 - c.) on a curve to the left having a radius of 50.00 feet, an arc length of 43.45 feet, a central angle of 49 degrees 47 minutes 24 seconds, whose chord bears South 31 degrees 09 minutes 56 seconds West a chord distance of 42.10 feet to the point of beginning and running; thence
- 1. along the westerly right-of-way line of Raskulinecz Road, on a curve to the left having a radius of 50.00 feet, an arc length of 77.15 feet, a central angle of 88 degrees 24 minutes 20 seconds, whose chord bears South 37 degrees 55 minutes 56 seconds East a chord distance of 69.72 feet to a point; thence
 - 2. along the westerly line of Lot 10, Block 2802, South 07 degrees 51 minutes 48 seconds West a distance of 221.46 feet to a point in the municipal boundary line between the Borough of Carteret and the Township of Woodbridge, said point being in the northerly line of Lot 1, Block 1023 in the Township of Woodbridge; thence
 - 3. along said municipal boundary line, North 86 degrees 04 minutes 02 seconds West a distance of 517.02 feet to a point; thence
 - 4. along the easterly line of Lot 8, Block 2802, North 17 degrees 28 minutes 20 seconds East a distance of 7.34 feet to a point marked by a monument; thence
 - 5. along the northerly line of said Lot 8, North 86 degrees 00 minutes 58 seconds West a distance of 208.16 feet to a point marked by a broken monument; thence
 - 6. along the easterly line of Lots 8 and 4, Block 2802, North 09 degrees 12 minutes 20 seconds East a distance of 293.83 feet to a point marked by an iron bar; thence
 - 7. along the northerly line of Lot 2, Block 2802, South 83 degrees 44 minutes 20 seconds East a distance of 665.66 feet to the point of BEGINNING

FOR INFORMATION PURPOSES ONLY: BEING known as Blair Road, Tax Lot 9, Tax Block 2802 on the Official Tax Map of Borough of Carteret, NJ.

EXHIBIT 2
PROJECT DESCRIPTION

The Project shall consist of performance of all site work and construction of the core and shell of an approximately 91,328 square foot warehouse/distribution building in accordance with the Site Plans and the Site Plan Approval, as same may be amended in accordance with Applicable Law.

EXHIBIT 3
PROJECT SCHEDULE

1	The Borough and the Redeveloper Execute and Deliver the Redevelopment Agreement	Effective Date
2	The Borough and the Redeveloper Execute and Deliver the Financial Agreement	Within 120 days after the Effective Date
3	Redeveloper obtains all Governmental Approvals required for Commencement of Construction	Within 180 days after the Effective Date
4	Redeveloper closes on financing	Within 270 days after the Effective Date
5	Commencement of Construction	Within 360 days after the Effective Date
6	Completion of Construction	Within 18 months after the Commencement of Construction

EXHIBIT 4
FORM OF DECLARATION OF PROJECT COVENANTS
REDEVELOPMENT PROJECT COVENANT

Record and Return to:

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

THIS REDEVELOPMENT PROJECT COVENANT (the “**Project Covenant**”) is made this [] day of [], by 120 Raskulinecz Road Urban Renewal LLC, a limited liability company formed under the laws of the State of New Jersey with offices c/o the Hampshire companies 22 Maple Avenue, Morristown, New Jersey 07960 and its successors and assigns (the “**Redeveloper**”).

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

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”) authorizes municipalities to designate certain parcels of land located therein as areas in need of redevelopment; and

WHEREAS, by resolution duly adopted by the Borough Council of the Borough (the “**Borough Council**”), the Borough designated the properties formerly known as Block 49.01, Lots 4, 9 and 11, Block 49.02, Lot 2, Block 64.01, Lots 1, 2, 3, 4.01, 4.04, 5, 6.01, 6.02, 7 and 8, and Block 64.02, Lots 2.01, 2.02 on the Borough’s tax map (collectively, the “**Federal Boulevard Redevelopment Area**” or the “**Redevelopment Area**”), as an area in need of redevelopment pursuant to the Redevelopment Law; and

WHEREAS, the Borough Council adopted a redevelopment plan for the Redevelopment Area, dated September 11, 2006 (the “**Federal Boulevard Redevelopment Plan**”; or “**Redevelopment Plan**”); and

WHEREAS, Federal Business Centers Inc. (“**FBC**”), is the owner of the real property located in the Borough described on **Exhibit 1** and shown on the Borough’s Tax Map as Block 2802, Lot 9 (formerly Block 64.01, Lots 6.01 and 6.02) (the “**Project Site**”), which real property is located in the Redevelopment Area; and

WHEREAS, the Redeveloper will lease the Project Site from FBC pursuant to a ground lease; and

WHEREAS, the Redeveloper proposes to redevelop the Project Site by constructing thereon an approximately 91,328 square foot warehouse/distribution facility (the “**Project**”); and

WHEREAS, on [_____, 2018], the Borough and the Redeveloper executed that certain Redevelopment Agreement (the “**Redevelopment Agreement**”) setting forth the terms and conditions under which the Redeveloper will construct the Project Improvements on the Project Site; and

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

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

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

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

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

3. **Redeveloper Covenants.**

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

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

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

(c) The Redeveloper shall construct the Project Improvements in accordance with the Redevelopment Agreement, the Redevelopment Law, the Redevelopment Plan, and all other Applicable Law and, in the event that the Redeveloper wishes to materially change or modify the Project Improvements, notwithstanding the fact that such material change or modification is authorized by the Redevelopment Plan, the 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 proposed Project Schedule in entering into its obligations under the Redevelopment Agreement.

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

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

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

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

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

(i) The Redeveloper shall immediately notify the 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 Project Site.

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

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

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

3.3. **Enforcement of the Covenants.** The Borough and its successors and assigns shall be deemed beneficiaries of the agreements and covenants contained in this Project Covenant, both for and in their own right, and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the 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 the Redevelopment Agreement in accordance with Section 15.03 thereof.

3.4. **Completion of Project Improvements.** Upon redevelopment of the Project Site and completion of the Project Improvements, the conditions that were found and determined to exist at the time the Project Site was determined to be in need of redevelopment shall be deemed to no longer exist, the land and improvements thereon shall no longer be subject to eminent domain as a result and the conditions and requirements of *N.J.S.A. 40A:12A-9* shall be deemed to have been satisfied with respect to the Project Improvements or any applicable portion thereof. The covenants contained herein shall terminate and this Project Covenant will be discharged of record upon Redeveloper's receipt of a Certificate of Completion and termination of the Redevelopment Agreement pursuant to Section 11.02 thereof for the Project Improvements; provided, however, that the Redeveloper's indemnity provided under Section 13.01 of the Redevelopment Agreement shall survive the termination of the Redevelopment Agreement.

[Signature page follows.]

Exhibit 1
LEGAL DESCRIPTION

Issuing Office File No. ED-512-18

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Carteret, in the County of Middlesex, State of New Jersey:

BEGINNING at a point, said point being the following three (3) courses from a intersection formed by the southerly right-of-way line of Federal Boulevard (variable width right-of-way) extended and the westerly right-of-way line of Raskulinecz Road (50 foot wide right-of-way) extended;

a.) South 07 degrees 51 minutes 48 seconds West, a distance of 957.94 feet to a point of curvature; thence

b.) on a curve to the right having a radius of 25.00 feet, an arc length of 21.03 feet, a central angle of 48 degrees 11 minutes 50 seconds, whose chord bears South 31 degrees 57 minutes 43 seconds West a chord distance of 20.42 feet to a point of curvature; thence

c.) on a curve to the left having a radius of 50.00 feet, an arc length of 43.45 feet, a central angle of 49 degrees 47 minutes 24 seconds, whose chord bears South 31 degrees 09 minutes 56 seconds West a chord distance of 42.10 feet to the point of beginning and running; thence

1. along the westerly right-of-way line of Raskulinecz Road, on a curve to the left having a radius of 50.00 feet, an arc length of 77.15 feet, a central angle of 88 degrees 24 minutes 20 seconds, whose chord bears South 37 degrees 55 minutes 56 seconds East a chord distance of 69.72 feet to a point; thence
2. along the westerly line of Lot 10, Block 2802, South 07 degrees 51 minutes 48 seconds West a distance of 221.46 feet to a point in the municipal boundary line between the Borough of Carteret and the Township of Woodbridge, said point being in the northerly line of Lot 1, Block 1023 in the Township of Woodbridge; thence
3. along said municipal boundary line, North 86 degrees 04 minutes 02 seconds West a distance of 517.02 feet to a point; thence
4. along the easterly line of Lot 8, Block 2802, North 17 degrees 28 minutes 20 seconds East a distance of 7.34 feet to a point marked by a monument; thence
5. along the northerly line of said Lot 8, North 86 degrees 00 minutes 58 seconds West a distance of 208.16 feet to a point marked by a broken monument; thence
6. along the easterly line of Lots 8 and 4, Block 2802, North 09 degrees 12 minutes 20 seconds East a distance of 293.83 feet to a point marked by an iron bar; thence
7. along the northerly line of Lot 2, Block 2802, South 83 degrees 44 minutes 20 seconds East a distance of 665.66 feet to the point of BEGINNING

FOR INFORMATION PURPOSES ONLY: BEING known as Blair Road, Tax Lot 9, Tax Block 2802 on the Official Tax Map of Borough of Carteret, NJ.

EXHIBIT 5
FORM OF CERTIFICATE OF COMPLETION

Record and Return to:

Andy S. Norin, Esq.
Drinker Biddle & Reath, LLP
600 Campus Drive
Florham Park, New Jersey 07932

CERTIFICATE OF COMPLETION

Pursuant to Section 11.02 of the Redevelopment Agreement by and between the Borough of Carteret (the “**Borough**”) and 120 Raskulinecz Road Urban Renewal LLC (the “**Redeveloper**”), dated as of _____, 2018, (the “**Redevelopment Agreement**”), the undersigned, as of the date hereof, certifies that (all undefined capitalized terms used herein shall have the same meaning ascribed to them in the Redevelopment Agreement):

(i) the Project in its entirety has been completed as of _____, in accordance with the Redevelopment Agreement and in compliance with Applicable Laws so that the Project in its entirety may, in all material respects, be used and operated under the applicable provisions of the Redevelopment Agreement;

(ii) all permits, licenses and approvals that are required in order for the Redeveloper to Complete the Project or such other work or action to which such term is applied are, to the extent so required, in full force and effect;

(iii) such Completion has been further evidenced by a written certificate of the Redeveloper and a certificate of the Redeveloper’s engineer evidencing completion of the Project, which certificates are attached hereto as **Exhibit 1**:

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

(v) a copy of any Certificate of Occupancy issued with respect to any portion or portions of the Project for which a Certificate of Occupancy is required is attached hereto as **Exhibit 2**.

The conditions determined to exist at the time the Redevelopment Area was determined to be an area in need of redevelopment no longer exist with respect to the Project Site. The Project Site shall no longer be subject to (i) any covenant running with the land covered by this Certificate of Completion for the benefit of the Borough, and (ii) eminent domain for purposes of redevelopment as a result of those determinations.

The Declaration recorded in the office of the Middlesex County clerk on [] in deed book [], page [] is hereby discharged of record and is void and of no further force and effect.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

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

WITNESS OR ATTEST:

BOROUGH OF CARTERET

By: _____

By: _____

Acknowledgment

STATE OF NEW JERSEY :

:SS

COUNTY OF MIDDLESEX :

On this [] day of [] before me, personally appeared _____, the _____ of the Borough of Carteret, a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey , who I am satisfied is the person who executed the foregoing instrument; and s/he acknowledged that s/he executed the foregoing instrument as the act of the corporation and that s/he was authorized to execute the foregoing instrument on behalf of the corporation.

Exhibit 1
REDEVELOPER'S CERTIFICATE

Pursuant to Section 11.02 of the Redevelopment Agreement by and between the Borough of Carteret (the "**Borough**") and 120 Raskulinecz Road Urban Renewal LLC (the "**Redeveloper**"), dated as of _____, 2018, (the "**Redevelopment Agreement**"), the Redeveloper certifies as follows to the best of its knowledge information and belief (capitalized terms used herein and not otherwise defined shall have the same meanings ascribed to them in the Redevelopment Agreement):

(i) the Project in its entirety has been completed as of [_____], in accordance with the Borough of Carteret building and construction code, the Redevelopment Agreement, the Redevelopment Plan and in compliance with Applicable Laws so that the Project in its entirety may, in all material respects, be used and operated under the applicable provisions of the Redevelopment Agreement;

(ii) all permits, licenses and approvals that are required in order for Redeveloper to Complete the Project or such other work or action to which such term is applied are, to the extent so required, in full force and effect;

(iii) Redeveloper has performed or has caused to be performed all of its duties and obligations under the Redevelopment Agreement with respect to the Project;

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

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

**120 RASKULINECZ ROAD URBAN
RENEWAL LLC**

By: _____
Name:
Title:

Exhibit 2
CERTIFICATE OF OCCUPANCY

EXHIBIT 6
FORM OF FINANCIAL AGREEMENT

EXHIBIT 7
CATEGORIES OF PROJECT FEES

Carteret Impact Fee	
Tree Removal Fee	
Parking Lot Fee	
Off-Site Improvement Contribution	
Building Permit Fees	
Planning Fee	
Engineering Inspection Fee	
<u>Sewer/Utility Connectivity Fee</u>	
Total Fees:	\$550,000.00

EXHIBIT 8
REDEVELOPER OWNERSHIP STRUCTURE

[Pending from Hampshire]

**RESOLUTION OF THE BOROUGH OF CARTERET, IN THE COUNTY
OF MIDDLESEX AUTHORIZING EXECUTION OF REDEVELOPMENT
AGREEMENT**

WHEREAS, under the New Jersey Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”), the Borough of Carteret (the “**Borough**”) designated the properties formerly known as Block 49.01, Lots 4, 9 and 11, Block 49.02, Lot 2, Block 64.01, Lots 1, 2, 3, 4.01, 4.04, 5, 6.01, 6.02, 7 and 8, and Block 64.02, Lots 2.01 and 2.02 on the Borough’s tax map (collectively, the “**Redevelopment Area**”), as an area in need of redevelopment pursuant to the Redevelopment Law; and

WHEREAS, the Borough Council adopted a redevelopment plan for the Redevelopment Area, dated September 11, 2006 (the “**Redevelopment Plan**”); and

WHEREAS, Federal Business Centers Inc. (“**FBC**”), is the owner of the real property designated on the Borough’s Tax Map as Block 2802, Lot 9 (formerly Block 64.01, Lots 6.01 and 6.02) (the “**Project Area**”), which real property is located in the Redevelopment Area; and

WHEREAS, 120 Raskulinecz Road Urban Renewal LLC (the “**Redeveloper**”) will lease the Project Area from FBC pursuant to a ground lease; and

WHEREAS, the Redeveloper proposes to redevelop the Project Area by constructing thereon a project consisting of an approximately 91,328 square foot warehouse/distribution facility and related on- and off-site improvements (the “**Project**”); and

WHEREAS, the Borough now desires to authorize the execution of a redevelopment agreement with the Redeveloper (the “**Redevelopment Agreement**”) for the redevelopment of the Project Area, in substantially the same form as that on file with the Borough.

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED by the Mayor and Council of Borough of Carteret, in the County of Middlesex and the State of New Jersey, as follows:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Mayor is authorized to execute the Redevelopment Agreement for the redevelopment of the Project Area, in substantially the same form as that on file with the Borough, subject to minor modification or revision, as deemed advisable by the Borough’s Director of Law and/or Special Redevelopment Counsel, and any competent party is authorized to attest same.

Section 3. The Mayor is further authorized to take any and all actions and to execute such other documents as may be necessary to effectuate the terms of the Redevelopment Agreement, as deemed advisable by the Borough’s Director of Law and/or Special Redevelopment Counsel.

Section 4. 120 Raskulinecz Road Urban Renewal LLC is hereby designated as the exclusive Redeveloper of the Project Area, so long as the Redevelopment Agreement is in effect.

Section 5. This resolution shall take effect immediately.