FINANCIAL AGREEMENT

BETWEEN THE CITY OF NEW BRUNSWICK

and

STUDENT HOUSING URBAN RENEWAL, L.L.C.

Dated: As of January 22, 2004

Long Term Tax Exemption Law
N.J.S.A. 40A:20-1 *et seq.*

Redevelopment Area Bond Financing Law
N.J.S.A. 40A:12A-64 *et seq.*

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THIS FINANCIAL AGREEMENT, (hereafter "Agreement") made as of the 22nd day of January, 2004, by and between **STUDENT HOUSING URBAN RENEWAL, L.L.C.**, qualified to do business as an urban renewal entity under the provisions of the Long Term Tax Exemption law, as amended and supplemented (N.J.S.A. 40A:20-1 *et seq.*), having its principal office c/o New Brunswick Development Corporation, 120 Albany Street Plaza, New Brunswick, New Jersey 08901, hereinafter designated as the "Entity", and the **CITY OF NEW BRUNSWICK**, a Municipal Corporation in the County of Middlesex and the State of New Jersey having an address of City Hall, 78 Bayard Street, New Brunswick, New Jersey 08901, hereinafter designated as the "City".

W I T N E S S E T H:

WHEREAS, the City, pursuant to its plans for the revitalization of New Brunswick, has designated a certain area within its jurisdiction as a redevelopment area pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A: 12A-1 *et seq*., as amended and supplemented) ("Redevelopment Law") and adopted a redevelopment plan for such area entitled the "Redevelopment Plan for the Downtown Development District Redevelopment Area", as amended (the "Redevelopment Plan");

WHEREAS, the Redevelopment Plan sets forth the standards and goals by which the redevelopment area will be redeveloped including the area bounded by New Street, George Street, and Morris Street and currently shown as Block 129, portions of Lots 1, 10, 12, 13, 13.01, 13.02, 14, 15, 16, 17, 18.01, 19 and 20 on the Official Tax Maps of the City which lots or portions thereof shall be consolidated into a new lot (hereinafter, the "Land");

WHEREAS, On May 28, 2003 by duly adopted resolution, the Housing Authority of the City (acting as the City's Redevelopment Entity) designated New Brunswick Development Corporation ("DEVCO") as redeveloper for the Land;

WHEREAS, DEVCO has assigned its designation as redeveloper of the Land to the Entity which is an affiliated limited liability company of DEVCO;

WHEREAS, the Entity has proposed to construct a mixed use redevelopment project on the Land consisting of an 11 story structure consisting of 186 residential units designed for student housing and approximately 13,000 square feet of street level commercial/retail space (the "Project");

WHEREAS, the Project constitutes a "redevelopment project" within the meaning of the Redevelopment Law;

WHEREAS, such redevelopment project is being financed, in part, by bonds issued by the Middlesex County Improvement Authority pursuant to the county improvement authorities law N.J.S.A. 40:37A-44 *et seq.* which bonds also qualify as "bonds" within the meaning of the Redevelopment Area Bond Financing Law (N.J.S.A. 40A:12A-64 *et seq.*) ("RAB Law");

WHEREAS, by application attached hereto as Exhibit A, the Entity has applied to have a Long Term Tax Exemption granted for the Project pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 *et seq.*) ("Tax Law") and the RAB Law;

WHEREAS, the City does hereby grant its approval for the Project to be developed and maintained upon the terms and conditions hereinafter set forth.

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

Article I – General Provisions

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Tax Law and the RAB Law, it being expressly understood and agreed that the City expressly relies upon the facts, data and presentations contained in the Application in granting this tax exemption, which application is hereby deemed incorporated by reference.

Section 1.2 General Definitions

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

i. Allowable Net Profit – The amount arrived at by applying the Allowable Profit Rate to each total project cost pursuant to the provisions of N.J.S.A. 40A:20-3 (c).

ii. Allowable Profit Rate – The Allowable Profit Rate for the purpose of this Agreement shall be calculated in accordance with N.J.S.A. 40A:20-3(b), as amended.

iii. Annual Service Charge – the amount the Entity has agreed to pay the City in lieu of full taxation on the improvements, as outlined in the fiscal plan submitted with the Entity's Application and as further described in Section 4.1 below.

iv. Auditor's Report – A complete financial statement outlining the financial status of the Project for a period of 30 years the contents of which have been prepared in a manner consistent with generally accepted accounting principles and that fully details all items as required by all State statutes and that has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is licensed to practice that profession in the State of New Jersey.

v. Certificate of Occupancy – Document issued by the City authorizing occupancy of a building.

vi. City – The parties agree that reference to the term City within the Financial Agreement shall be defined as the City of New Brunswick.

vii. Redeveloper – the Entity, which is a single member limited liability company called "Student Housing Urban Renewal, L.L.C." and whose sole member is, as of the date hereof, DEVCO.

viii. Default – Shall be the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement.

ix. Entity – The parties agree that reference to the term Entity within this Agreement shall be defined as that single member limited liability named "Student Housing Urban Renewal, L.L.C." (which was formed on November 21, 2003), and whose managing member, on the date hereof, is DEVCO, and any subsequent purchasers or successors in interest of Student Housing Urban Renewal, L.L.C., provided that notice is provided to the City of any subsequent purchaser or successor of the then current Entity.

x. Gross Revenue - The annual gross revenue and other income of Student Housing Urban Renewal, L.L.C. as defined in N.J.S.A. 40A:20-3(a), as estimated in the fiscal plan submitted by the Entity in the Application. Because of the structure of the financing being used for the Project and the requirement that all income from the Project be directed to Commerce Bank, National Association, as the trustee for the bonds ("Bonds") issued pursuant to that certain Trust Indenture dated on or about January 23, 2004, between the Middlesex County Improvement

Authority and Commerce Bank, National Association, the term Gross Revenue shall only mean those amounts, if any, received by the Entity after the application of monies in accordance with said Trust Indenture.

xi. Improvements – Any building, structure or fixture permanently affixed to the Land.

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

xiii. Land Taxes – The amount of taxes assessed on the value of land on which the Project is located. Land assessments for components of the Project that consist of any use other than residential housing are not abated.

xiv. Land Tax Credit – The credit discussed in Section 4.3 below entitling the Entity to offset the Annual Service Charge by the amount of Land Tax Payments made the previous year.

xv. Land Tax Payments – Payments made on the quarterly due dates for land taxes on the real property as determined by the Tax Assessor and the Tax Collector.

xvi. Minimum Annual Service Charge – The minimum annual service charge shall be at least the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation as further described in Section 4.1 below.

xvii. Net Profit – The Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c), as amended by the RAB Law.

xviii. Project – The Land and Improvements consisting of a mixed use project consisting of an 11 story structure consisting of 186 residential units designed for student housing and approximately 13,000 square feet of street level commercial/retail space and which is the subject of this Agreement and as defined in N.J.S.A. 40A:20-3(e) & (i) of the Tax Law and defined as "redevelopment project" in N.J.S.A. 40A:12A-65 of the RAB Law the construction and development of which will be financed by the sources of funds further described in the Application.

xix. Pronouns – He or it shall mean the masculine, feminine or neuter gender, the singular, as well as, the plural, as proper meaning requires.

xx. Property – The Land and the Improvements, as disclosed in the Application.

xxi. Statutes – The term statute used in this Financial Agreement shall refer to statutes of the State of New Jersey as contained in N.J.S.A. 40A:20-1 *et seq.* and N.J.S.A. 40A:12A-64 *et seq.*, as applicable.

xxii. Substantial Completion – The determination by the City that the Project is ready for the use intended, as further defined in Section 6.2 of this Agreement.

xxiii. Termination – Any act or omission which by operation of the terms of the herein Financial Agreement shall cause the Entity to relinquish its long term tax exemption.

Section 1.3 Exhibits Incorporated

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

Article II – Approval

Section 2.1 Approval of Tax Exemption.

The City has granted and does hereby grant its approval for a tax exemption for the Project, and for those components of the Project that consist of residential housing, the Land, to be developed and to be maintained under the provisions of the Tax Law and the RAB Law, on the Land described in the Application and herein, currently shown as Block 129, portions of Lots 1, 10, 12, 13, 13.01, 13.02, 14, 15, 16, 17, 18.01, 19 and 20 on the official Tax Maps of the City of New Brunswick, New Jersey which lots or portions shall be consolidated into a new lot (all as more particularly shown in Exhibit A of the Application. The Redevelopment Project being constructed by Redeveloper consists of construction of a mixed use project including 12 story structure consisting of 186 residential units designed for student housing and approximately 13,000 square feet of street level commercial/retail space on the property bounded by New Street, George Street, and Morris Street.

Section 2.2 Approval of Entity

Approval hereunder is granted to the Entity for the Project, which shall in all respects comply and conform to all applicable statutes of the State of New Jersey and the lawful regulations made pursuant thereto, governing the Land and Improvements and the use thereof, and which Project is more particularly described in the Application.

Article III – Duration of Agreement

Section 3.1 Term

So long as there is compliance with the Tax Law, the RAB Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for thirty (30) years from the date of Substantial Completion of the Project, and shall only be effective during the period of the Project's operation as described in the application and shall continue in force only while said project site is owned by an Urban Renewal Entity formed pursuant to N.J.S.A. 40A:20-5 or Title 15A of the New Jersey Statutes. However, in no case shall this Agreement remain in effect longer than 35 years from the date of execution of this Agreement unless otherwise extended by law, after which time (i) the tax exemption for the Project shall expire and the Land and the Improvements shall thereafter be assessed and taxed according to the general law, applicable to other non-exempt property in the City (to the extent same are, in fact, taxable, given the non-profit ownership of the Project and any use thereof in furtherance of such non-profit purposes) and (ii) restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the City's acceptance of its final accounting.

Article IV – Annual Service Charge

Section 4.1 Annual Service Charge

In consideration of the aforesaid exemption from taxation on the Project and in conformity with the Tax Law and N.J.S.A. 40A:12A-66(a) of the RAB Law, the Entity shall make an annual Payment in Lieu of Taxes to the City as follows and for purposes of this Section 4.1 "year 1" shall mean the year that commences on January 1, 2005: in year 1 (i.e. 2005) the Entity shall pay an Annual Service Charge of $127,500 for the year, provided that the annual rate as of Substantial Completion of the Project (as defined in Section 6.2) shall be $94,000 through December 31, 2008. In years 5-10, (year 5 being 2009) the Entity shall pay $200,000, in years 11-20 the Entity shall pay $300,000, and in years 21-30 the Entity shall pay $400,000 subject to any Land Tax Credits as discussed in Section 4.3 below. This amount is hereinafter referred to as the

"Annual Service Charge". The rate of payment of the Annual Service Charge for the Project shall be adjusted as noted above on the first day of the Month following the earlier of (i) the issuance by the City of a Certificate of Occupancy or (ii) a determination by the City of Substantial Completion of the Redevelopment Project in the manner governed by application of Article VI herein. However, it is nevertheless provided that in no event shall such payment, excluding taxes on the land, in any year after the first year of occupancy of the Project (which shall be deemed to be the date that the Certificate of Occupancy is issued in the manner set forth in Sections 6.2 below) be less than the total taxes levied against all real property in the area covered by the Project, in the last full year in which the area was subject to taxation, which shall hereinafter be referred to as the Minimum Annual Service Charge. The Minimum Annual Service Charge shall not be reduced through any tax appeal on Land and/or Improvements during the period that this Agreement shall be in force.

Section 4.2 Quarterly Installments

The Entity expressly agrees that the aforesaid Annual Service Charge(s) shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each City fiscal year. In the event that the Entity fails to so pay, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

Section 4.3 Land Tax Credit

Except where exempted hereby, the Entity is obligated to make Land Tax Payments in order to receive a Land Tax Credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the real estate taxes on land paid by it in the last four preceding quarterly installments against the Annual Service Charge. The Entity's failure to make the requisite Annual Service Charge payment and/or sewer and water charge payments in a timely manner shall constitute a violation and breach of this Agreement and the City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:55-1, *et seq.* In addition, the City may terminate this Agreement by duly authorized action of the governing body after having provided the Entity with a written Notice of Default which Notice shall provide a sixty (60) day right to cure to the Entity. Any default arising out of the Entity's failure to pay Land Taxes, Annual Service Charges, and/or water and sewer charges, shall not be subject to the remedies provided in Section 5.1 of this Agreement.

Section 4.4 Material Conditions

It is expressly agreed and understood that all payments of Land Taxes, where applicable, Annual Service Charges, water and sewer charges, and any interest payments due, are material conditions of this Agreement. If any other terms, covenant or condition of this Agreement or the Application, to any person or circumstance shall be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Article V – Dispute Resolution

Section 5.1 Remedies In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, other than those items specifically included as material conditions herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Tax Law as amended and supplemented. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said Tax Law. Costs for said arbitration shall be borne equally by the parties. In the event of a default on the part of the Entity, to pay the Annual Service Charge as defined in Article IV, above, the City among its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by N.J.S.A. 54:5-1 to 54:5-129, and any Act supplementary or amendatory thereof. Whenever the word "Taxes" directly or is implied to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In such event, however, the Entity does not waive any defense it may have to contest the right of the City to proceed in the above mentioned manner by conventional or In Rem Tax Foreclosure.

Article VI- Certificate of Occupancy.

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to make application for and make all reasonable efforts to obtain all Certificates of Occupancy in a timely manner as identified in the Application and failure to use reasonable efforts to secure and submit said Certificate of Occupancy shall subject the property to full taxation provided the City has served the appropriate Notice of Default pursuant to 14.2 hereof, providing the appropriate cure period and, further, City has reasonably cooperated in processing the Entity's request for the issuance of such Certificate of Occupancy.

Section 6.2 Substantial Completion

The Annual Service Charge is to commence on the first day January, 2005. The rate of payment of the Annual Service Charge shall be adjusted as set forth in Section 4.1 on the first day of the month following the Substantial Completion of the Project or any phase(s) thereof, if the Project is undertaken in phases. The phrase Substantial Completion denotes the issuance, by the City's Construction Official, of any valid Certificate of Occupancy or any other certificate of all or any part of the Project's structure that indicates that the Project, or any part thereof, is habitable and can be used as intended.

Section 6.3 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with the Tax Assessor, the Tax Collector and the Chief Financial Officer of the City a copy of the Certificate of Occupancy.

Article VII-Annual Audits.

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed in N.J.S.A. 40A:20-1 *et seq.* during the term of the tax exemption.

Section 7.2 Periodic Reports

Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Agreement shall continue in effect, the Entity that administers and manages the Project shall submit its auditor's report certified by a certified public accountant for the preceding fiscal or calendar year to the Director of Economic Development, the Chief Financial Officer, and the City Clerk of the City, who shall advise the Director of the Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.A. 40A:20-9(d). Said auditor's report shall include, but not be limited to the following:

Rental schedule of the Project and the terms and interest rate on any Entity mortgage(s) associated with the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Tax Law and the RAB Law, as amended and supplemented, and this Agreement.

Section 7.3 Inspection

The Entity shall permit the inspection of the property, equipment, buildings and other facilities of the Project. It also shall permit, upon request, examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by the City. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of any officer or agent of the Entity.

Section 7.4 Limitation of Profits and Reserves.

During the period of tax exemption as provided herein, the Entity shall be subject to limitation of its profits payable by it pursuant to the provisions of N.J.S.A. 40A:20-3(c)(1) and 40A:20-16, as amended. The calculation of Net Profit shall be cumulative for the period commencing at the time the Project is completed and ending at the end of the Abatement Term. The Entity shall have the right to establish a reserve against unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding ten (10%) of the Gross Revenues of the Entity for the fiscal year preceding the year in which a determination is being made with respect to permitted Net Profits as provided in N.J.S.A. 40A:20-16, said reserve to be noncumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of ten (10%) of the preceding year's Gross Revenues as aforesaid.

Section 7.5 Payment of Dividend and Excess Profit Charge

Whenever the Net Profits of the Entity commencing upon Substantial Completion of the Project and continuing to the end of the last full fiscal year for the abatement period, and calculated on a cumulative basis, shall exceed the Allowable Net Profits then the Entity shall, within ninety (90) days after the end of a fiscal year, pay such excess profit to the City as an additional Annual Service Charge, provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 7.4.

Article VIII-Assignment and/or Assumption.

Section 8.1 Approval

It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project site and the transfer of this Agreement to an Entity eligible to operate under the Tax Law provided the Entity is not in default regarding any performance required of it hereunder and full compliance with the Tax Law has occurred and the Entity's obligations under this Agreement with the City is fully assumed by the transferee.

Section 8.2 Operation of Project

The Project shall be operated in accordance with the provisions of the Tax Law and the RAB Law in effect on the date hereof.

Section 8.3 Termination

The Entity hereby agrees at all times prior to the expiration or termination of this Agreement to remain bound by the provisions of the Tax Law and the RAB Law. It is an express condition of the granting of this tax exemption that during its duration, the Redeveloper shall not, without the prior consent of the City Council except as otherwise provided herein, convey or transfer all or part of the Project site so as to sever, disconnect, or divide the Improvements.

Article IX Waiver.

Section 9.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including without limitation, the right to terminate this Agreement and tax exemption for violation of any of the conditions provided herein in accordance with the provisions of this Agreement. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provisions of this Agreement.

Article X - Notice.

Section 10.1 Notice

Any notice required hereunder to be sent by either party to the other shall be sent by certified mail or registered mail, return receipt requested, addressed as follows:

(a) When sent by the City to the Entity it shall be addressed as follows:

STUDENT HOUSING URBAN RENEWAL, L.L.C.
c/o New Brunswick Development Corporation
120 Albany Street Plaza, New Brunswick, NJ 08901

(b) When sent by the Entity to the City, it shall be addressed to the City Clerk, City Hall, New Brunswick, 78 Bayard Avenue, New Jersey 08901, with copies sent to the City

Attorney, Tax Collector, Tax Assessor, the Director of Economic Development and the Chief Financial Officer unless prior to the giving of notice to the City shall have notified the Entity otherwise. The notice to the City shall identify the subject as Block 128 Lots 1-11 and 13-20.

Article XI – Compliance.

Section 11.1 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or termination of this Agreement to remain bound by the provisions of federal and state statutes and municipal ordinances and regulations including, but not limited to N.J.S.A 40A:20-1 *et seq.* and N.J.S.A. 40A:12A-64 *et seq.* The Entity's failure to comply with such statutes or ordinances which may materially adversely affect the City's ability to enforce this Agreement and receive the benefits hereof shall constitute a violation and breach of this Agreement and the City shall, among its other remedies, have the right to terminate said tax exemption, provided, that City shall first have served a written Notice of Default upon the Entity which Notice shall provide a sixty (60) day right to cure to the Entity.

Article XII- Construction.

Section 12.1 Construction

This Financial Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Article XIII – Indemnification.

Section 13.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action brought against the Entity by reason of any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 *et seq.* or N.J.S.A. 40A:12A-64 *et seq.* the Entity shall indemnify and hold the City harmless, and the Entity agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents, and the expense thereof shall be borne by the City.

Article XIV – Default

Section 14.1 Default

Default shall be defined as the failure of the Entity to conform with the terms of this Agreement herein and, further, by failure of the Entity to comply with any statute, ordinance or lawful regulation the noncompliance with which may materially adversely affect the City's ability to enforce this Agreement and receive the benefits hereof.

Section 14.2 Cure Upon Default

Should the Entity be in default as defined and set forth in this Agreement, the City shall notify the Entity in writing of such default. Said notice shall set forth with particularly the basis of such default. The Entity shall have sixty (60) days to cure any default which shall be the sole and exclusive remedy available to the Entity to cure such default.

Section 14.3 Remedies Upon Default

All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision within this Agreement shall deprive the City of any of its remedies in accordance with law or actions against the Entity because of its failure to pay Land Taxes, the Annual Service

Charge, and/or the water and sewer charges with interest payments. This right shall apply to arrearages that are due any owing at the time of which, under the terms hereof, would in the future become due nor shall the bringing of any action for any Land Taxes and Annual Service Charges, or other charges, or in the breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges, and water and sewer charges, or other charges be construed as a waiver of the right to terminate said tax exemption or proceed with In Rem Foreclosure action or any other remedy as provided for in this Agreement.

Article XV – Termination.

Section 15.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy such default or breach within the time period provided in Section 14.2, the City may cancel this Agreement upon sixty (60) days notice to the Entity. For purposes of rendering a final financial accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

The Entity shall within ninety (90) days after the date of such termination pay to the City a sum equal to the amount of the reserves, if any, maintained pursuant to N.J.S.A. 40A:20-13 & 15. Upon such termination of the project, all affected parcels and all improvements made thereto shall be assessed and subject to taxation as are all other taxable properties within the City.

Section 15.2 Final Accounting

Upon any termination of such exemption, whether by affirmative action of the Entity or by virtue of the provisions of the Tax Law or the RAB Law, as amended and supplemented, or pursuant to the terms of this Agreement, the date of such termination shall be deemed to be the end of the fiscal year of the Entity.

Project to purchasers of units in the condominium if the Project or a portion thereof is devoted to condominium ownership, and to their successors, assigns, and that, upon assumption by the condominium unit purchaser of the transferor's obligations under this Agreement, the tax exemption of the improvement shall continue and inure to the unit purchaser, his or her respective successors or assigns. Because the amount of the Annual Service Charge is fixed pursuant to section 4.1 hereof, N.J.S.A. 40A:20-14(a) shall not apply to any Project condominium units.

Section 16.2 Conflict

The parties agree that in the event of a conflict between the Application and this Agreement, the language in this Agreement shall govern and prevail.

Section 16.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Municipal Resolution authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by both parties and delivered to each.

Article XVI – Miscellaneous.

Section 16.1 Consent to Sale of Units

The City hereby acknowledges and consents that the Entity, as the owner of the Project, may institute a condominium form of ownership on the Project wherein some or all of the Project would constitute condominium units. The City hereby consents to a sale of a portion of the

Section 16.4 Entire Document

This Agreement and all conditions in the Resolution of the City Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 16.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

Section 16.6 Grammatical Agreement

The bracketing of the letter(s) at the end of a word such as unit(s) shall mean the singular or plural as proper meaning and all related verbs and pronouns shall be made to correspond.

Section 16.7 Recording

Either this entire Agreement or a memorandum of same will be filed and recorded with the Middlesex County Clerk by the Entity.

Section 16.8 No. Exemption

Entity agrees, as an express condition of this Agreement, that during the thirty (30) year period beginning from the Substantial Completion of the Project, as defined in Section 6.2 herein, the Entity and any successor or assign shall not apply for nor be granted a tax exemption for the Project, or any part thereof, other than the initial tax exemption granted in this Agreement and specifically authorized by this Agreement.

(Signatures appear on the following page)

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first above written.

WITNESS:

Merissa Buczny
Asst. Secretary

STUDENT HOUSING URBAN RENEWAL, L.L.C.

By: New Brunswick Development Corporation, a New Jersey not for profit corporation, its Managing Member

By: ______________________
Name: Christopher J. Paladino
Title: President

ATTEST:

____
Daniel Torrisi, City Clerk

THE CITY OF NEW BRUNSWICK

By:______________________
James M. Cahill, Mayor

APPROVED AS TO FORM AND ENACTMENT

____
City Attorney

Exhibit A
Application