

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT ("Agreement" or "Redevelopment Agreement"), made as of the 29th day of September, 2016, by and between TOWNSHIP OF NUTLEY, a public body corporate and politic of New Jersey, acting as redevelopment entity pursuant to N.J.S.A. 40A:12A-1 et seq., whose address is 1 Kennedy Drive, Nutley, New Jersey 07110 (the "Township"), and KINGSLAND STREET URBAN RENEWAL, LLC, a New Jersey limited liability company having its principal office at 30 Prospect Avenue, Hackensack, New Jersey 07601 (the "Redeveloper"). The Township and the Redeveloper are hereinafter individually referred to as a "Party" and collectively referred to as the "Parties".

WITNESSETH:

WHEREAS, the Board of Commissioners of the Township (the "Board of Commissioners") identified certain properties in the Township (the "Township") designated as follows on the official Tax Map of the Township (collectively, the "Study Area"):

Block 102, Lots 2 and 9; Block 200, Lots 1, 2, 3, 4, 5, 6 and 24; Block 201, Lot 1; Block 300, Lots 1 and 20; Block 2000, Lots 1, 4 and 5; Block 2100, Lot 9 C0101, Lot 9 C0102, Lot 9 C0103, Lot 9 C0104, Lot 9 C0105, Lot 9 C0106, Lot 9 C0107, Lot 9 C0108, Lot 9 C0109, Lot 9 C0110, Lot 9 C0111, Lot 9 C0208, Lot 9 C0209, Lot 9 C0210, Lot 9 C0211, Lot 9 C0212, Lot 9 C0214, Lot 9 C0215, Lot 9 C0216 and Lot 9 C0217; Block 2101, Lot 1; and Block 2304, Lot 17, Lot 18 C0001, Lot 18 C0002, Lot 18 C0003 and Lot 18 C0203,

also known as the Hoffmann-La Roche site, to be considered for designation as a condemnation "area in need of redevelopment" under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"); and

WHEREAS, on March 18, 2014, under Resolution No. 67-14, the Board of Commissioners directed the Planning Board of the Township of Nutley (the "Planning Board") to conduct a preliminary investigation to determine whether the Study Area, or any portions thereof, constitute a condemnation "area in need of redevelopment" according to the criteria set forth in N.J.S.A. 40A:12A-5; and

WHEREAS, the Board of Commissioners, under Resolution No. 67-14, further directed the Planning Board to develop a map reflecting the boundaries of the Study Area to be included within the proposed redevelopment area, to conduct a public hearing pursuant to N.J.S.A. 40A:12A-6, and to draft a report/resolution to the Board of Commissioners containing its findings; and

WHEREAS, a preliminary investigation/report entitled "Redevelopment Study Area, Determination of Need, Hoffmann-La Roche Site – Nutley/Clifton, 'HOFFMANN-LA ROCHE

SITE', Township of Nutley, Essex County, New Jersey," dated February 5, 2015, was prepared and issued by Maser Consulting, P.A. (the "**Preliminary Investigation**"); and

WHEREAS, N.J.S.A. 40A:12A-6.b(4)-(5) of the Redevelopment Law provides in pertinent part relative to the Planning Board's public hearing on the Preliminary Investigation and whether the Study Area should be considered for designation as a condemnation "area in need of redevelopment":

"(4) At the hearing, which may be adjourned from time to time, the planning board shall hear all persons who are interested in or would be affected by a determination that the delineated area is a redevelopment area. All objections to such a determination and evidence in support of those objections, given orally or in writing, shall be received and considered and made part of the public record.

(5) (a) After completing its hearing on this matter, the planning board shall recommend that the delineated area, or any part thereof, be determined, or not be determined, by the municipal governing body to be a redevelopment area"; and

WHEREAS, on February 24, 2015, the Planning Board held a public hearing during which any persons interested in or affected by a determination that the Study Area is a redevelopment area were given the opportunity to be heard, and any objections to such a determination and evidence in support of those objections, were received and considered and made part of the public record; and

WHEREAS, the Planning Board concurred and agreed with the reasons stated in the Preliminary Investigation that portions (excluding Block 102, Lot 9; Block 2100, Lot 9; and Block 2304, Lot 18) of the Study Area constitutes and meets the criteria under the Redevelopment Law supporting the recommendation that portions of the Study Area be determined a condemnation "area in need of redevelopment"; and

WHEREAS, on February 24, 2015, the Planning Board adopted a Resolution recommending that Block 102, Lot 2; Block 200, Lots 1, 2, 3, 4, 5, 6 and 24; Block 201, Lot 1; Block 300, Lots 1 and 20; Block 2000, Lots 1, 4 and 5; Block 2101, Lot 1, and Block 2304, Lot 17, as shown on the official Tax Map of the Township of Nutley (the "**Property**") be determined by the Board of Commissioners to be a condemnation "area in need of redevelopment" under the Redevelopment Law; and

WHEREAS, Hoffmann-La Roche, Inc. ("**HLR**") is the fee owner of the Property, including the Phase I Premises (including any successor in interest to HLR's fee ownership of the Property and/or the Phase I Premises, including but not limited to PB Nutclif Med, LLC, the "**Owner**"); and

WHEREAS, the Board of Commissioners concurred and agreed with Planning Board's recommendation, as supported by the reasons stated in the Preliminary Investigation, that the

Property constitutes and meets the criteria under the Redevelopment Law and that the Property should be determined and declared a condemnation "area in need of redevelopment", which determination shall, among other things, authorize the Township to exercise the power of eminent domain to acquire all or any portion of such Property; and

WHEREAS, on March 3, 2015, the Board of Commissioners adopted a Resolution declaring the Property a condemnation "area in need of redevelopment," thereby establishing the Property as a **"Redevelopment Area"** under the Redevelopment Law; and

WHEREAS, on July 19, 2016, after conducting the requisite hearings therefor, the Board of Commissioners, via Ordinance No. 3341, adopted the plan entitled "Redevelopment Plan – Nutley HLR/Phase I (the **"Phase I Redevelopment Plan"**) for an approximately 10.98 acre portion of the Property comprised of Block 201, Lot 1, and Block 300, Lot 1 (to be subdivided into Block 201, Lots 1.01, 1.02, 1.03 and 1.04) (the **"Phase I Premises"**) in accordance with the provisions of the Redevelopment Law, which Phase I Redevelopment Plan provides, inter alia, that, at the Township's discretion, the designated redeveloper of the Phase I Premises shall enter into a financial agreement with the Township under the Long Term Tax Exemption Law; and

WHEREAS, on September 17, 2015, HLR submitted an application to the Planning Board seeking preliminary and final subdivision approval as set forth on the plans and application materials annexed hereto and made a part hereof as **Exhibit A** (the **"Subdivision"**), which Subdivision was approved by the Planning Board on October 21, 2015 and has been or is about to be perfected and which Subdivision, inter alia (a) permits the subdivision of the Phase I Premises into a total of four (4) separately identifiable lots and reserves space for certain future private roads as shown on the Subdivision; (b) creates one (1) lot (Block 201, Lot 1.03) on which will be located portions of the existing structures known as Building 123 and Building 123A, which consist of a six-story building (Building 123) containing approximately 412,092 gross square feet of building area, and a second six-story building (Building 123A) functioning as a wing of Building 123 containing approximately 65,059 gross square feet as shown on the Subdivision (collectively, the **"Existing Buildings"**); and (c) creates three (3) lots (Block 201, Lots 1.01, 1.02 and 1.04) to accommodate surface parking and open space for the Existing Buildings and/or the possible future redevelopment of same consistent and in accordance with the Redevelopment Plan (the **"Undeveloped Lots"**); and

WHEREAS, the Redeveloper has submitted to the Township conceptual architectural/construction and site plans and drawings attached hereto as **Exhibit B** (collectively, the **"Concept Plans"**), which Concept Plans depict and describe the scope and nature of the Redeveloper's proposed redevelopment of a portion of the Phase I Premises as described in Section

2.04 hereof, all in a manner consistent with the Phase I Redevelopment Plan, which includes, inter alia, the renovation, redevelopment and occupancy of the Existing Buildings and related Phase I Project Improvements and which also includes redevelopment within the City of Clifton, to which the Phase I Premises is contiguous; and

WHEREAS, the Parties have also contemplated Redeveloper's possible future development of the Undeveloped Lots, the design and entitlement and construction of which shall all be in a manner consistent with the Phase I Redevelopment Plan and this Agreement and which may be completed in one (1) or more phases (collectively, the "**Future Phase I Project**"), and which Future Phase I Project is not a required part of the Phase I Project (as defined herein); and

WHEREAS, on August 2, 2016, the Board of Commissioners (a) designated the Redeveloper, as tenant under the Lease, as the redeveloper of the Phase I Premises; and (b) authorized the Township to enter into a redevelopment agreement pursuant to Resolution R-199-16, setting forth the terms and conditions by which the Redeveloper will redevelop the Phase I Premises for the construction and operation of the Phase I Project subject to certain conditions stated in such resolution; and

WHEREAS, in light of the importance of the Phase I Project to the Township, the Parties acknowledge that proceeding with the redevelopment of the Phase I Premises in a timely fashion is essential. Furthermore, in light of the importance to the Township and the Redeveloper of the timely completion of the Phase I Project, the Township and the Redeveloper have prepared and agreed upon a redevelopment process timeline that shall control the commencement, progress and completion of the Phase I Project, which redevelopment process timeline, as same may be amended, is hereinafter referred to as the "**Redevelopment Project Schedule**" and is attached and annexed hereto as **Exhibit C**; and

WHEREAS, the Governing Body believes that the redevelopment of the Phase I Premises in the manner agreed to by the Parties herein is in the vital and best interests of the community and promotes the health, safety, morals and welfare of the Township's residents and is in accord with the public purpose and provisions of the Redevelopment Law and all other Legal Requirements; and

WHEREAS, the parties desire to enter into this Redevelopment Agreement for the purpose of setting forth in greater detail their respective undertakings, rights and obligations in connection with the construction of the Phase I Project in accordance with the Phase I Redevelopment Plan, and applicable law and the terms and conditions of this Redevelopment Agreement hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, and for other good and valuable consideration, the parties hereto do hereby covenant and agree each with the other as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATIONS

1.01. Definitions. Except as expressly provided herein to the contrary, all capitalized terms used in this Redevelopment Agreement and its exhibits shall have the following meanings:

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

"Applicable Laws" means (i) all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Body, board of fire underwriters and similar quasi-governmental authority, and (ii) any judgment, injunction, order or other similar requirement of any court or other adjudicatory authority, in effect at the time in question and in each case to the extent the Person or property in question is subject to the same.

"Certificate of Completion and Compliance" means a certificate issued by the Township in accordance with Section 2.12 of this Redevelopment Agreement.

"Certificate of Occupancy" means a document, whether temporary or permanent, issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

"Days" means calendar days.

"Development Approvals" means final and non-appealable approval by all applicable governing agencies of the site plan for the Phase I Project as submitted by the Redeveloper to the Planning Board.

"Effective Date" means the date of this Redevelopment Agreement, which shall be entered on the first page hereof upon the full execution hereof.

"Environmental Laws" means any present or future applicable federal, state or local law, rule, regulation, order, directive, judgment, arbitration award, settlement or agreement dealing with environmental protection and/or human health and safety.

"Environmental Remediation" is defined in Section 2.06(g).

"Future Phase I Project" shall have the meaning given to it in the recitals.

"Governmental Approvals" means all necessary reviews, consents, permits, licenses, leases, easements or grants or other approvals of any kind, including, but not limited to, Development Approvals, agreements for utility relocation and service legally required by or from any Governmental Body, each of which must be final and non-appealable, in order to carry out the Phase I Project, including but not limited to those set forth in **Exhibit D** hereto, but not including those required for Environmental Remediation.

"Governmental Body" means any federal, state, county or local agency, department, commission, authority, court, or tribunal and any successor thereto, exercising executive, legislative, judicial, or administrative functions of or pertaining to government, and any public utility, including, without limitation, the Township, the City of Clifton and the State of New Jersey or any other quasi-governmental agency having jurisdiction of the subject matter.

"HLR's Environmental Remediation" is defined in Section 2.06(f).

"Improvements" means all buildings, structures, improvements, site preparation work and amenities necessary or desirable in connection with development of land.

"Legal Requirements" means all laws, statutes, codes, ordinances, orders, regulations and requirements of any Governmental Body, now or hereafter in effect, and, in each case, as amended from time to time, including but not limited to the Township Code.

"NJDEP" means the New Jersey Department of Environmental Protection.

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

"Planning Board" shall have the meaning given to it in the recitals.

"Phase I Premises" shall have the meaning given to it in the recitals.

"Phase I Project" is defined in Section 2.04 hereof.

"Phase I Project Improvements" means all buildings, structures, improvements, site preparation work and amenities necessary for the renovation, redevelopment and occupancy of the Existing Buildings.

"Phase I Redevelopment Plan" shall have the meaning given to it in the recitals.

"Redeveloper's Environmental Remediation" is defined in Section 2.06(g).

"Redevelopment Agreement" or "Agreement" means this Redevelopment Agreement between Township and Redeveloper and any written amendments and supplements hereto.

"Redevelopment Area" shall have the meaning given to it in the recitals.

"Redevelopment Law" means the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented.

"Reimbursable Township Costs" is defined in Section 5.01 hereof.

"Township" means the Township of Nutley, New Jersey, a municipal corporation of the State of New Jersey. For the purposes of this Agreement, the Board of Commissioners of the Township of Nutley is the designated Redevelopment Entity for the Redevelopment Area pursuant to N.J.S.A. 40A:12A-3.

"Township Code" means the Ordinances and Regulations of the Township as amended from time to time.

"Township Indemnified Parties" means the Township and its officers, agents, employees, contractors, and consultants.

"Transfer" means any transaction by which a Transferee obtains an interest in the Phase I Premises, or any portion thereof and/or any or all of the Phase I Project Improvements, or in this Agreement by means or methods which include, but are not limited to, conveyance, transfer, lease, encumbrance, acquisition or assignment through sale, merger, consolidation, reorganization, foreclosure or otherwise, including the appointment of a trustee in bankruptcy or assignee for the benefit of creditors.

"Transferee" means any third party to whom an interest in the Phase I Premises, the Phase I Project Improvements or rights in or under this Agreement is duly and validly conveyed, transferred, leased, encumbered, acquired or assigned, by sale, merger, consolidation, reorganization, foreclosure or otherwise, including through designation of a trustee in bankruptcy or assignee for the benefit of creditors, as further described in Article VIII.

"Undeveloped Lots" shall have the meaning given to it in the recitals.

1.02. Term. The term of the Redevelopment Agreement (the "Term") shall, unless otherwise extended in accordance with the terms of the Redevelopment Agreement or unless terminated sooner in accordance with the terms of this Redevelopment Agreement, be the earlier of (a) the issuance of a Certificate of Completion and Compliance for the last phase of the Future Phase I Project in accordance with this Agreement, or (b) thirty (30) years from the date hereof.

ARTICLE 2

IMPLEMENTATION OF PHASE I PROJECT

2.01. Exclusive Redeveloper. The Redeveloper, subject to the provisions hereof, is the designated Redeveloper and shall have the exclusive right to carry out the Phase I Project in accordance with the Phase I Redevelopment Plan, the Redevelopment Law and this Redevelopment Agreement. For the term of this Redevelopment Agreement, except as provided hereinabove and subject to termination of this Agreement pursuant to its terms, the Township shall not have the right to designate any person or entity other than the Redeveloper (which the Redeveloper has been so designated), as a redeveloper of the Phase I Project or to enter into a redevelopment agreement pursuant to the Redevelopment Law with any such persons or entities.

2.02. Phase I Premises Ownership. The Redeveloper and the Township acknowledge that HLR has entered into an Agreement of Sale with PB Nutclif Med, LLC ("**PB Nutclif Med, LLC**") dated July 13, 2016 (the "**Agreement of Sale**") to convey the fee ownership of the Phase I Premises to PB Nutclif Med, LLC. The Redeveloper represents, warrants and covenants that, notwithstanding any conveyance of all or any portion of fee ownership of the Phase I Premises, the obligations of the Redeveloper hereunder shall remain valid and continue in full force and effect.

2.03. Redeveloper's Lease of the Phase I Premises. (a) Redeveloper represents and warrants that: (i) Redeveloper has acquired from PB Nutclif Med, LLC, by means of a Lease Agreement, dated June 30, 2016 ("**Lease**"), a long term leasehold interest in and to the entirety of the Phase I Premises; (ii) pursuant to the terms of the Lease, the Redeveloper is obligated to the Township for full payment of any and all sums due and owing by the Redeveloper to the Township pursuant to the terms of the Financial Agreement; (iii) the Lease provides that the Owner and the Redeveloper acknowledge and agree that the Financial Agreement provides the Township with a municipal lien on the Phase I Project allowing the Township to foreclose on the Phase I Project in the event the Redeveloper fails to timely make any payments due and owing to the Township or the Trustee as provided in the Financial Agreement; (iv) the copy of such Lease provided to the Township is true, accurate, and complete (except as redacted) and, as of the Effective Date, has not been amended or modified; (v) pursuant to the terms of the Lease, PB Nutclif Med, LLC specifically acknowledges and consents to the Financial Agreement and Redeveloper's execution thereof, including, but not limited to, the existence of continuous, municipal liens on the Phase I Project arising thereunder for the benefit of the Township, securing the payment of the annual service charges thereunder, which liens attach to the respective interests of both PB Nutclif Med, LLC and

Redeveloper in the Existing Buildings and the Phase I Project, during the term of the Financial Agreement; (vi) pursuant to the terms of the Lease, PB Nutclif Med, LLC specifically acknowledges and agrees that the Township shall have the right under the Financial Agreement to terminate same in the event of default and to foreclose on said liens in accordance with state law; (vii) pursuant to the terms of the Lease, PB Nutclif Med, LLC acknowledges and agrees that nothing in the Lease shall or shall be intended to limit or impair Redeveloper's ability to meet its obligations under the Financial Agreement or this Agreement; (viii) the Township shall be a third-party beneficiary of the Lease as it relates to the provisions set forth in this Section 2.03(a) (vi) and (vii); and (ix) the Lease as it relates to the provisions set forth in this Section 2.03(a) shall not be amended without the consent of the Township.

(b) The Redeveloper hereby covenants that the Redeveloper shall not amend the Lease with respect to (i) the Financial Agreement, (ii) a change of use of all or a portion of the Phase I Premises and/or the Phase I Project, or (iii) any Lease provisions set forth in Section 2.03(a) above, without first providing written notice to the Township containing sufficient information regarding such proposed amendment and obtaining written approval from the Township, which approval shall not be unreasonably withheld, delayed or conditioned (provided however, that if the Township has not responded to such notice within thirty (30) days of receipt, then such amendment to the Lease shall be deemed approved). Nothing herein shall obligate the Redeveloper to provide notice of proposed Lease amendments relating solely to the economic terms thereof.

(c) If the Redeveloper enters into any sublease or subleases for all or a portion of the Phase I Premises and the Project, other than subleases to Hackensack University Health Network, Seton Hall University, Seton Hall-Hackensack-Meridian Medical School, and their Affiliates, who are acknowledged to be the ultimate users of the Phase I Premises, to the extent permitted under the Transfer provisions in Article 8 hereof, then the Redeveloper shall provide to the Township the opportunity to review, in Redeveloper's offices, a true, accurate, and complete copy of same, from which only economic and proprietary information may be redacted, within thirty (30) days of the date thereof. The Redeveloper represents, warrants and covenants that, notwithstanding any such any sublease or subleases of all or any portion of the Phase I Premises, the obligations of the Redeveloper hereunder shall remain valid and continue in full force and effect.

(d) The representations, warranties and covenants set forth in this paragraph shall survive the expiration or earlier termination of this Agreement.

2.04. The Phase I Project. The Phase I Project ("**Phase I Project**") shall consist of (a) the effectuation and perfection of the Subdivision subject to and in accordance with applicable law, if same has not already occurred; (b) the renovation of the Existing Buildings on Block 201, Lot 1.03 within the Phase I Premises in accordance with the provisions of the Phase I Redevelopment Plan and the Concept Plans; and (c) the receipt of all Government Approvals necessary to carry out and to operate the Phase I Project Improvements for their contemplated purpose. The Phase I Project shall further consist of (A) the acquisition of a leasehold interest in the Phase I Premises, (B) clearance of the Phase I Premises to the extent necessary, (C) the Environmental Remediation (as defined herein) of the Phase I Premises in accordance with Environmental Laws, but only to the extent completed by the date of completion of the Phase I Project Improvements, and (D) the construction and development of all Phase I Project Improvements and related on-site and off-site improvements, including, but not limited to utilities and infrastructure improvements, all in accordance with the Phase I Redevelopment Plan and as set forth in this Redevelopment Agreement as to be more particularly described in the Site Plan Approval (as defined below), and (E) a parking garage to service the Existing Buildings if, in the reasonable discretion of the Redeveloper, construction of a garage in Clifton is impractical. The Township hereby acknowledges that occupants of the Phase I Premises may utilize the café located in the existing building known as Building 76 and located on Block 201, Lot 1.01 in the Township of Nutley and Block 80.02, Lot 4.01 in the City of Clifton ("**Building 76**"), which is located within the Redevelopment Area but outside of the Phase I Premises, provided that consent to such use is granted by the owner of that property. In addition, signage accessory to the uses within the Phase I Premises may be installed on Building 76, provided that consent to such installation is granted by the owner of Building 76, subject, as applicable, to the Code of the Township of Nutley and the Phase I Redevelopment Plan, as may be amended. Nothing herein shall limit the applicability of any provisions of the Code of the Township of Nutley and the Phase I Redevelopment Plan, as may be amended, as applicable, governing the size and specifications of any sign installed on Building 76 or setting forth the procedures for approval of such signage by the Township. Redeveloper agrees that the implementing and completion of the Phase I Project, including but not limited to redevelopment of the Phase I Premises, shall be at the sole cost and expense of the Redeveloper.

2.05. Governmental Approvals.

(a) The Redeveloper represents and warrants to the best of its knowledge, information and belief that the list attached hereto as **Exhibit D** includes all Governmental Approvals known to

the Redeveloper that need to be obtained by the Redeveloper in order to satisfy its obligations under this Redevelopment Agreement. The Redeveloper shall be responsible, at its sole cost and expense, for obtaining all such Governmental Approvals and for any other Governmental Approval which may be required but which is not identified herein. The Redeveloper covenants that it shall (i) use diligent, continuous and commercially reasonable efforts to secure, or cause to be secured, any and all Governmental Approvals, (ii) carry out the Phase I Project in conformance therewith and in accordance with the Redevelopment Project Schedule, (iii) provide the Township copies of all Governmental Approvals for the Phase I Project, (iv) keep the Township apprised of the status of all Governmental Approvals, and (v) promptly inform the Township if the Redeveloper is unable to submit or obtain any Governmental Approval in accordance with the Redevelopment Project Schedule. The Township agrees to fully cooperate, to the extent that such cooperation is consistent with the terms and intent of the Phase I Redevelopment Plan, with the Redeveloper in obtaining the Governmental Approvals.

(b) Approval of Site Plan for the Phase I Project. Prior to the submission of a site plan application, the Redeveloper shall submit to the Board of Commissioners for review in consultation with the Township's professionals a preliminary site plan for the Phase I Project (the "Preliminary Plans"), which shall be prepared by a licensed architect, surveyor and/or engineer of the State of New Jersey, in accordance with applicable laws and be consistent with the Phase I Redevelopment Plan.

(c) Township Review. The Board of Commissioners, in consultation with the Township's professionals, shall have a period of forty five (45) Days after its receipt of the Preliminary Plans to approve same for general consistency with the Phase I Redevelopment Plan, the impacts to municipal services and the surrounding neighborhoods (and the Redeveloper's mitigation of same), and this Redevelopment Agreement, or alternatively to furnish to the Redeveloper a written notice detailing any changes or modifications thereto, and the reasons therefor, required in order to render the same generally consistent with the Phase I Redevelopment Plan and this Redevelopment Agreement. If modifications are required by the Board of Commissioners, in consultation with the Township's professionals, to render the Preliminary Plans generally consistent with the Phase I Redevelopment Plan and this Redevelopment Agreement, provided such modifications do not unreasonably increase the cost of the Phase I Project or would not negatively impact the development, construction, marketing or maintenance of the Phase I Project or any aspect thereof, the Redeveloper shall incorporate such changes and modifications and furnish said revisions to the Board of Commissioners for approval within sixty (60) Days after receipt of written notice thereof.

Alternatively, the Redeveloper shall request a meeting as soon as practicable with a subcommittee of the Board of Commissioners and the Township's professionals in order to further discuss the requested revisions.

(d) Filing of Site Plan Application. Within forty-five (45) Days after the date the Board of Commissioners, after consultation with the Township's professionals, notifies the Redeveloper of its approval of any of the Preliminary Plans, as applicable, the Redeveloper shall prepare and submit to the Planning Board an application required to obtain approval of such Preliminary Plans, which shall be made in accordance with all applicable laws.

(e) Application(s) for Approval for Development of the Undeveloped Lots and the Future Phase I Project. If the Redeveloper desires to submit an application for development of all or a portion of the Future Phase I Project on all or a portion of the Undeveloped Lots and commence construction thereon in accordance with the Phase I Redevelopment Plan, which shall be at the sole discretion of the Redeveloper, then

- (i) the Redeveloper shall follow the process set forth in this Section 2.03 through Section 2.05 and Section 2.07 hereof with respect to any such application and such application shall state if the proposal is for the last phase of the Future Phase I Project;
- (ii) the Township shall have the right to require, in the Township's sole discretion, that any such application be subject to an amendment to this Redevelopment Agreement or that a separate redevelopment agreement (or redevelopment agreements) be entered concerning all or a portion of the Future Phase I Project, upon terms acceptable to the Township in its sole discretion; and
- (iii) the Redeveloper shall be required to submit to the Township and diligently pursue a completed application for long term tax exemption, and enter into a financial agreement with the Township, under the Long Term Tax Exemption Law for the payment of an annual service charge for any and all of such Future Phase I Improvements based on a calculation of such annual service charge substantially as set forth on **Exhibit H** attached hereto and made a part hereof.

(g) This Section 2.05 as it relates to the Future Phase I Project and the Undeveloped Lots shall survive the issuance of a Certificate of Completion for the Phase I Project.

2.06. Other Governmental Approvals, Construction Plan Review and Commencement of Construction

(a) After the Planning Board grants approval of the Preliminary Plans, the Redeveloper shall proceed diligently to obtain all other Governmental Approvals required for same from any governmental agency having jurisdiction.

(b) Nothing contained in this Redevelopment Agreement shall be construed to prohibit Redeveloper from (i) pursuing preliminary and final site plan approval for the Phase I Project simultaneously, (ii) subject to Section 2.05(e), pursuing preliminary and final site plan approval for development of the Undeveloped Lots, the Future Phase I Project and the Phase I Project simultaneously or (ii) pursuing any Governmental Approvals with respect to the Phase I Project prior to the approval of the Preliminary Plans.

(c) Upon receipt of all Governmental Approvals, except for building permits, for any of the Phase I Project Improvements within the Phase I Project, the Redeveloper will prepare construction plans for same, as well as materials and an application for approval of the construction plans. The respective timing for the Redeveloper's submission of applications for Governmental Approvals and obtaining Governmental Approvals shall be in accordance with the dates set forth in the Redevelopment Project Schedule.

(d) To expedite the Commencement of Construction of the Phase I Project, the Township will use good faith efforts to have the Township Engineering Division and Building and Construction Department review the Redeveloper's construction plans for compliance with the applicable law within thirty (30) Days of its submittal of same. The Redeveloper may not Commence Construction of the Phase I Project until such time as the Redeveloper has satisfied all pre-construction requirements prescribed by the applicable laws, provided however, that Commencement of Construction within the Existing Buildings may occur prior to receipt of preliminary and final site plan approval, to the extent same is not specifically required under applicable law, and the Township agrees to facilitate the issuance of construction permits for same.

(e) The Township acknowledges that HLR has undertaken environmental investigation and remediation as part of ongoing corrective action under the federal Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901 *et seq.*, since 1992 ("RCRA Corrective Action"), and to comply with New Jersey's Site Remediation Reform Act ("SRRA"), N.J.S.A. 58: 10C-1 et seq., Industrial Site Recovery Act ("ISRA"), N.J.S.A. 13:1K-6 et seq., and all related amendments,

regulations, and regulatory guidance. HLR's environmental investigation and remediation is under the oversight of both NJDEP and the U.S. Environmental Protection Agency ("USEPA").

(f) It is the parties' contemplation that HLR will complete all environmental investigation, remediation, and corrective actions for all media, and comply with accompanying regulatory requirements applicable to such actions, as necessary for HLR to obtain a Remedial Action Approval ("RAA") from NJDEP (following HLR's documentation of implementation of remedial action in a Remedial Action Report), to obtain a Licensed Site Remediation Professional's ("LSRP") subsequent issuance of a restricted or unrestricted Response Action Outcome(s) ("RAO") based on the RAA from NJDEP under the SRRA, and to conduct any ongoing groundwater monitoring under a classification exception area and/or groundwater remedial action permit, or both, all as required of HLR by NJDEP as part of HLR's responsibilities. For those portions of the Property subject to RCRA corrective action requirements, HLR will also obtain concurrence or approval from USEPA (or its functional equivalent, in whatever form that is customary for New Jersey RCRA corrective action sites) of NJDEP's RAA, so as to satisfy HLR's corrective action obligations under RCRA. All of the foregoing shall be referred to as the "HLR's Environmental Remediation."

(g) In addition, the Phase I Premises or any portion(s) thereof may require environmental remediation, mitigation or clean-up for as yet undefined and undetermined environmental contamination that is the responsibility of Redeveloper ("Redeveloper's Environmental Remediation"), which together with HLR's Environmental Remediation shall be "Environmental Remediation". The Parties agree that any environmental remediation, mitigation or clean-up process may be time consuming and may involve many of the same steps the Redeveloper must take for site preparation and the construction of building foundations. To proceed with all of these related activities in as economical and efficient manner as possible, the Governing Body and the Township will use good faith efforts to have the Township's staff and consultants authorize any local Governmental Approvals required by HLR or the Redeveloper, subject to applicable laws, under which the above-referenced environmental remediation, mitigation or clean-up activities can proceed. These local Governmental Approvals may be issued and the work hereunder may begin and proceed before the Redeveloper acquires a leasehold interest to all of the parcels of property contained within the Phase I Premises, provided the record owners of same consent. Notwithstanding anything to the contrary contained, herein, under no circumstances shall Redeveloper be obligated to undertake any environmental remediation, mitigation or clean-up activities on any parcel within the Phase I Premises prior to Redeveloper's acquisition of a leasehold

interest in such parcel. The parties agree that in the event delays in the Environmental Remediation activities and/or in obtaining any Governmental Approval in connection with the Environmental Remediation that are beyond the control of the Redeveloper and are the sole reason preventing the Redeveloper from proceeding with any aspect of the Phase I Project, the time frames within the Redevelopment Project Schedule shall be tolled accordingly.

2.07. Final Site Plan Approval. Subject to the provisions of Section 2.06(d) hereof permitting the Commencement of Construction within the Existing Buildings prior to the receipt of site plan approval to the extent same is not required by law, the Redeveloper shall obtain final site plan approval, consistent with the Preliminary Plans, for all or a portion of the Phase I Project to the extent required by applicable law prior to commencement of any such Phase I Project Improvement requiring such site plan approval under applicable law.

2.08. Governmental Approval Fees. In addition to the Redeveloper's reimbursement of the Township for any and all costs, including attorneys' fees, planners' fees and the like, incurred by the Township prior to, and after the date of this Agreement, pursuant to Section 5 hereof, the Redeveloper shall pay all the Township permit, application, escrow and approval fees ("Township Fees") and other non-Township fees for Governmental Approvals, which include any application fees for Governmental Approvals payable by the Township to all required Governmental Bodies other than the Township in connection with the Phase I Project, or application fees for which the Township is required to reimburse other Governmental Bodies in connection with Governmental Approvals.

2.09. Phase I Project Construction. All activities performed under this Redevelopment Agreement shall be provided in accordance with the level of skill and care ordinarily exercised by developers of first class commercial developments. All construction shall be performed consistent with this Redevelopment Agreement and the Redevelopment Plan and strictly in accordance with all applicable statutes, ordinances, codes, regulations and restrictions. The Phase I Project shall be constructed wholly in accordance with all permits and approvals, and Redeveloper shall diligently pursue completion of the Redeveloper's Environmental Remediation and construction of the Phase I Project Improvements in accordance with the Redevelopment Project Schedule. Upon the written request of the Redeveloper, the Township shall reasonably consider modifications of the dates set forth in the Redevelopment Project Schedule. The Township agrees to consider and render a decision with respect to any such modification, within a period of forty-five (45) days following receipt of a written request by the Redeveloper. The Township may deny approval of such modification proposed

by the Redeveloper only if such modification is unreasonable under the circumstances. A modification proposed by Redeveloper resulting in the extension of any date by one (1) year or less shall be deemed reasonable. Nothing herein shall prohibit Redeveloper from accelerating the dates in the Redevelopment Project Schedule.

2.10. Amendment of Phase I Redevelopment Plan; Modification of Phase I Project Improvements.

(a) Upon request by the Redeveloper, the Township agrees that it will reasonably consider a request of the Redeveloper to amend the Phase I Redevelopment Plan (relative only to the Phase I Premises) in order to accommodate variations to the Phase I Project, provided such variations are generally consistent with the intent and purpose of the Phase I Redevelopment Plan.

(b) The parties agree that if the Phase I Redevelopment Plan (relative only to the Phase I Premises) needs to be amended for any reason in the future, that the Party making the request shall do so in writing with supporting documentation reasonably satisfactory to the other Party, and other Party shall provide a response within thirty (30) days. The reply will address only the conceptual response and any formal application to change the Phase I Redevelopment Plan must follow the requirements of applicable law.

2.11. Easements. If requested by the Township Engineer or Township Attorney, the Redeveloper shall grant, or shall diligently pursue the grant by any third party with right to do so, an access easement or easements in reasonable form to the Township, or any utility provider, for purposes of inspecting, maintaining, repairing and replacing any utility lines and improvements located under or along any roadways within the Phase I Premises, if any, and for other customary purposes, in the event that the Township requires the dedication of any such utility lines and improvements and accepts the dedication of same.

2.12. Certificate of Completion and Compliance. (a) The Redeveloper shall use commercially reasonable efforts to diligently and continuously pursue completion of the Phase I Project in accordance with this Agreement so that a Certificate of Completion and Compliance in the form of **Exhibit E** annexed hereto may be issued by the Township in accordance with the Redevelopment Project Schedule upon completion of the Phase I Project, as evidenced by the issuance of a Certificate of Occupancy therefor (which issuance may be subject to the posting of a performance bond for completion of improvements not covered by the Certificate of Occupancy, e.g., public improvements, landscaping, etc.). The Redeveloper shall provide a certificate from an authorized representative of the Redeveloper and from the Redeveloper's Phase I Project engineer

and Phase I Project architect in the form attached as and referenced in **Exhibit G**, Schedule 1 of which shall state that (i) all other facilities necessary in connection with the Phase I Project have been constructed or improved in accordance with the final site plan and all costs and expenses incurred in connection therewith have been paid free of any construction liens or a bond or surety has been established in an amount sufficient to cover all outstanding claims; (ii) all improvements, and all equipment and components thereof, which are necessary for the full operation of the Phase I Project have been installed to the Redeveloper's satisfaction, and as so installed are suitable and sufficient for the efficient operation of the Phase I Project for its intended purposes; (iii) a Certificate of Occupancy, if required, and any other permissions required, if any, of governmental authorities or agencies having jurisdiction over the Phase I Project, for the occupancy and use of all portions of the Phase I Project for the purposes contemplated by this Redevelopment Agreement and the Phase I Redevelopment Plan, have been obtained; and (iv) the Phase I Project is complete and ready for use as intended and approved, upon which time the Redeveloper shall be entitled to receive a Certificate of Completion and Compliance which shall be in a form substantially as set for in **Exhibit E** attached hereto and made a part hereof. The Certificate of Completion and Compliance shall constitute a recordable conclusive determination of the satisfaction and termination of the agreements and covenants in this Redevelopment Agreement and in the Phase I Redevelopment Plan with respect to the Redeveloper's obligation to construct the Phase I Project in accordance herewith. Upon issuance of the Certificate of Completion and Compliance, the conditions determined to exist at the time the Phase I Premises (excluding the Undeveloped Lots until such time as same are redeveloped in accordance with this Agreement) was determined to be an area in need of redevelopment shall be deemed to no longer exist.

(b) The Township may, in its sole discretion, issue a Certificate of Completion and Compliance for a portion or portions of the Phase I Premises and/or the Phase I Project to the extent same may further the intent and purpose of this Agreement and the Redevelopment Law. The Township acknowledges that certain areas of the Phase I Project Improvements may already be suitable for occupancy and nothing herein shall prevent Redeveloper from applying for and obtaining a Certificate of Occupancy as to same and from occupying such areas.

(c) The issuance by the Township of a Certificate of Completion and Compliance in accordance with this Section 2.12 for the Phase I Project shall in no way limit or diminish the Redeveloper's obligations hereunder concerning the Future Phase I Project and the Undeveloped Lots if Redeveloper elects to undertake same. If the Future Phase I Project and the Undeveloped Lots are redeveloped, in whole or in part, in accordance with this Agreement, then such Future Phase

I Project, and each phase thereof if same is redeveloped in phases, shall be subject to the same requirements as set forth in this Section 2.12, including but not limited to diligently and continuously pursuing completion of the Future Phase I Project in accordance with this Agreement so that a Certificate of Completion and Compliance may be issued.

2.13. Performance Guarantees.

(a) As a condition of site plan approval for any portion of the Phase I Project, the Redeveloper shall post with the Township a performance bond in an amount and form acceptable to the Township (consistent with such amount and form generally acceptable to governmental bodies in the State of New Jersey and the MLUL) guaranteeing that the public improvements and project infrastructure improvements will be completed in accordance with all Governmental Approvals as determined by the Township.

(b) A performance guarantee shall be provided in the amount as determined by the Township Engineer for the installation of improvements identified on the plans approved by the Planning Board (the "Performance Guarantee"). The Performance Guarantee may be released by resolution of the Township, and in accordance with the terms of N.J.S.A. 40:55D-53 of the MLUL, upon partial or complete construction as provided therein, and the posting and acceptance of a maintenance bond, as may be required by the Township. The Performance Guarantee shall be provided by the Redeveloper to the Township in a form acceptable to the Township Attorney, and in accordance with the estimates approved by the Township Engineer. The Performance Guarantee shall be comprised of cash or the following:

- (i) a letter of credit, surety bond or certified check in the amount as determined by the Township Engineer;
- (ii) a cash deposit or certified check in the amount as determined by the Township Engineer, constituting ten (10%) percent of the Performance Guarantee; and
- (iii) Inspection fees in the amount as determined by the Township Engineer.

(c) Every bond, whether cash or surety, shall contain a clause to the effect that a determination made by the Township Engineer that the principal has defaulted in the performance obligations shall be binding and conclusive upon the surety and the principal. The Redeveloper and/or third parties on behalf of the Redeveloper may object by formal written notice and/or cure said default within ten (10) days after being notified of the Township Engineer's determination of default. In the event the Redeveloper fails to object or to commence action to cure the default within the ten (10) day period, the cash portion may be utilized by the Township upon default of the

Redeveloper and/or third parties on behalf of the Redeveloper to cure any defect or breach under this Agreement and/or third parties on behalf of the Redeveloper. Sureties shall be instructed to indicate that the guarantee automatically continues if the work is not completed by the stated expiration date. In addition, all taxes, assessments, escrows and fees for the Project Premises must be paid prior to the release of the Performance Guarantee. The amount of the Performance Guarantee may be reduced in accordance with the provisions of N.J.S.A. 40:55D-53 when portions of infrastructure and/or Project Improvements so bonded have been completed and accepted.

(d) If any insurance company, financial institution or other entity issuing a Performance Guarantee hereunder shall be subject to a reorganization, rehabilitation, other action whereby a state or federal agency has taken over management of the entity, or, if in the reasonable opinion of the Township, the circumstances and condition of the entity results in the Township declaring that it believes that its interests are jeopardized, within forty-five (45) days of such written notification, the Redeveloper and/or third parties on behalf of the Redeveloper shall replace the Performance Guarantee(s). If requested by the Redeveloper and/or third parties on behalf of the Redeveloper, the Township shall adopt a resolution conditionally releasing the jeopardized Performance Guarantee(s) subject to the posting of satisfactory substitute guarantee(s).

(e) In the event any Performance Guarantee shall lapse, be cancelled or withdrawn or otherwise not remain in full force and effect, the Redeveloper and/or third parties on behalf of the Redeveloper, until an approved replacement guarantee has been deposited with the Township, will, if required by the Township Engineer, cease and desist any and all work on bonded improvements unless the required improvements under the Resolution and this Agreement and/or third parties on behalf of the Redeveloper have been completed and approved by the Township Engineer.

2.14. Prohibition Against Suspension, Discontinuance or Termination. Redeveloper shall not suspend or discontinue its performance of its obligations under this Redevelopment Agreement or terminate this Redevelopment Agreement (other than in the manner provided for herein) for any reason except to the extent permitted by the express written terms of this Redevelopment Agreement, and then only to the extent and for the period of time expressly permitted by the express written terms of this Redevelopment Agreement.

ARTICLE 3

EXISTENCE OF UTILITIES; INFRASTRUCTURE

3.01. Existing and Public Utility Rights and Improvements.

(a) The Redeveloper acknowledges that local public utility providers may have certain rights with respect to the Phase I Premises and may own certain facilities located therein. The Redeveloper agrees that it is its sole responsibility, at its sole cost and expense, 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 the Phase I Project as provided by this Redevelopment Agreement, provided that the Township shall provide any appropriate letter of support to accomplish such relocation, consistent with the provisions of N.J.S.A. 40A:12A-10. The Redeveloper shall consult local public utility providers with respect to all Phase I Project preparation and construction, and shall take all precautions to prevent personal injury, property damage and other liabilities related to utilities above, at or under the Phase I Premises, including, but not limited to, assuring uninterrupted utility service to all properties during construction.

(b) The Township will cooperate with the Redeveloper to determine the adequacy of existing municipal infrastructure. The Township agrees to provide access to and permit connection to all such infrastructure and shall permit the Redeveloper to improve and/or expand such infrastructure as may be deemed necessary by the Redeveloper, subject to the Township's reasonable approval and the terms set forth in Section 3.03 hereof.

3.02. Infrastructure Improvements and Public Improvements.

(a) (i) If the Redeveloper is offering any infrastructure improvements or public improvements for dedication, the Redeveloper shall design the infrastructure improvements for the Phase I Project in accordance with typical and ordinary standards required by the Governmental Body having jurisdiction and shall construct the infrastructure improvements in a good and workmanlike manner and materially in accordance with all applicable Legal Requirements. The Township Engineer shall inspect all infrastructure improvements within the Township's jurisdiction as same are completed for compliance with the preceding sentence and, if found compliant, shall so certify to the Township. Upon the Township's receipt of such certification, the Redeveloper shall offer for dedication, or shall diligently pursue the grant by any third party with the right to do so to the extent reasonably required by the Township, and the Township shall consider for acceptance the dedication of any infrastructure improvements that are public and Redeveloper shall provide a

maintenance bond in a form generally acceptable to Governmental Bodies in the State of New Jersey guaranteeing that the public improvements when completed will remain in compliance with its accepted condition for a period of two (2) years following the date of certification.

(ii) Any infrastructure improvements for the Phase I Project offered for dedication to the Township as set forth above shall be in compliance with all Environmental Laws at the time of offering. Redeveloper shall indemnify and hold harmless and defend the Township and hold harmless and defend the Township Indemnified Parties, and the Redeveloper shall pay any and all liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, including but not limited to, any and all claims by workmen, employees and agents of the Redeveloper and unrelated third parties, which arise from the noncompliance with any Environmental Law of any such infrastructure improvements accepted by the Township.

(b) Prior to the issuance of a building permit for any portion of the Phase I Project which requires preliminary and/or final site plan approval, the Redeveloper shall post with the Township a performance bond in an amount and form acceptable to the Township (consistent with such amount and form generally acceptable to Governmental Bodies in the State of New Jersey and the MLUL) guaranteeing that the public improvements, if any, and Phase I Project infrastructure improvements will be completed in accordance with all Governmental Approvals as determined by the Township. The Township shall not be responsible for contributing to the cost of any infrastructure improvements. In addition to any other traffic and other off-site improvements required to be constructed by and at the cost of the Redeveloper under the Phase I Redevelopment Plan, the Redeveloper will pay for and construct the following traffic and other on-site and/or off-site improvements, at its sole cost and expense:

- (i) Utility/Drainage/Roadway Infrastructure. Redeveloper shall, at its sole cost and expense, prepare engineering design documents and permit application and obtain all Governmental Approvals for the improvement of the stormwater drainage improvements as they may be required by the NJDOT and/or and Township.

3.03. Water and Sewer Connection Fees. The Township reasonably believes that it has sufficient public water and public sewer service capacity in its public water and sewer systems to serve the Phase I Project. The Redeveloper shall be responsible for any additional infrastructure improvements required to accommodate full development of the Phase I Project, including but not limited to streets, sanitary sewers, storm sewers, utility lines and drainage facilities. The Township

shall reasonably utilize any authority which it may have under applicable law to assist the Redeveloper in the approval and construction of infrastructure improvements required for Phase I Project. The Township shall also cooperate with the Redeveloper as an applicant or in any other capacity to assist the Redeveloper in obtaining approvals for any infrastructure improvements required for the Phase I Project. In furtherance of same, the Redeveloper shall pay all water connection fees due to the Municipal Utilities Authority, if any, and all sewer connection fees due to the Township, if any. Said water and sewer connection fees shall be paid by the Redeveloper to the Township at such time as the Redeveloper applies for and is issued a building and/or a grading permit for the Phase I Project.

3.04. Maintenance and Security of the Phase I Project and Phase I Premises.

(a) If requested by the Township, the Redeveloper shall enter into a contract, or contracts, with the Township in a reasonable form mutually agreed upon the Township and Redeveloper memorializing the terms of the Redeveloper's maintenance and repair, at the Redeveloper's sole cost and expense, of the open space within the Phase I Project.

(b) Redeveloper covenants that it shall operate and maintain, and provide adequate security personnel and measures throughout, the Phase I Project and Phase I Premises so as to prevent and avoid any condition that may pose an unreasonable reasonable risk to the public health, safety and welfare of the persons and/or property on or about the Phase I Project and Phase I Premises. If requested by the Township, the Redeveloper shall demonstrate Redeveloper's provision of such security personnel and measures; and if reasonably requested by the Township, the Redeveloper shall enter into a contract or contracts, with a third party(ies) security company in a reasonable form and upon reasonable terms demonstrating the Redeveloper's provision of such security personnel and measures required herein. The terms of this paragraph 3.04 shall survive the expiration of the Agreement.

3.05. Cooperation. Both Parties shall fully cooperate with each other as necessary to accomplish the Phase I Project, including entering into additional agreements that may be required provided, however, that such actions shall not result in a material increase in the Parties' respective obligations hereunder or material decrease in the Parties' respective rights hereunder.

ARTICLE 4

PHASE I PROJECT OVERSIGHT

4.01 Project Oversight. (a) At the request of the Township, Redeveloper agrees to hold a reasonable number of regular progress meetings (which the parties expect to be no more than

quarterly unless the Township reasonably requires more frequent meetings) upon the Township's reasonable request, to report on the status of the Phase I Project and to review the progress under the Project Schedule. Unless otherwise agreed by the Parties, the meetings shall be held within five (5) business days of Redeveloper's receipt of the Township's request for such a meeting, at such office as is maintained by Redeveloper in the Township, as designated by Redeveloper. The Township Representatives may visit the Phase I Premises to inspect the progress of the work on the Phase I Project at reasonable times subject to reasonable advance notice and without undue interference with the Phase I Project progress, and in strict conformance to all Applicable Laws.

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

(c) The Township and the Township's Representatives reserve the right to enter upon the Phase I Premises, upon reasonable notice to Redeveloper and Owner and during business hours, and subject to the rights of the Owner that may exist, to visually inspect the Phase I Premises for informational purposes, subject to the Township's acknowledgment that the Phase I Premises will be an active construction site and Redeveloper and Owner shall not be liable or responsible to the Township, its employees, agents or invitees for damages arising from injury to person or property sustained in connection with such inspections except to the extent that Redeveloper violates the standard of due care owed to invitees. Such inspections and observations shall not relieve Redeveloper from its obligation to implement the Project. In no event shall the Township's inspection of the Phase I Premises as provided for and allowed by this Redevelopment Agreement be deemed acceptance of the work or deemed to waive any right the Township has under this Redevelopment Agreement. Permit officials shall be permitted to enter the Phase I Premises at any time.

ARTICLE 5

REDEVELOPER AND TOWNSHIP FINANCIAL OBLIGATIONS

5.01. Reimbursable Township Costs. The Redeveloper shall reimburse to the Township all reasonable out-of-pocket costs incurred by the Township in connection with the Phase I Project ("Reimbursable Township Costs"). Reimbursable Township Costs shall include the reasonable fees and costs of any attorney, planner and other professionals retained by the Township in connection with the area-in-need process/investigation, the preparation and drafting of the Phase I Redevelopment Plan and this Redevelopment Agreement, financial/fiscal analysis, preparation of a Financial Agreement, and professional fees associated with compliance and review of the implementation of this Redevelopment Agreement and any amendments thereto, but shall not include the costs of wages, salaries and benefits paid to employees of the Township providing services in furtherance of the Phase I Project.

5.02. Payment of Reimbursable Township Costs. The Redeveloper represents that it will make timely payment or reimbursement to the Township of the Township Reimbursable Costs. Redeveloper shall fund an escrow account (the "Escrow Account") with an initial balance of Twenty-Five Thousand Dollars (\$25,000.00) and will pay all Township Reimbursable Costs incurred between the Effective Date and Redeveloper's submission to the Planning Board of an application for site plan approval in connection with the Phase I Project. If, when, and as often as may occur that the Escrow Account is drawn down to Five Thousand Dollars (\$5,000.00), then Redeveloper, upon the Township's written request, shall within ten (10) business days thereafter provide to the Township deposit fund sufficient to replenish the Escrow Account to the amount of Twenty-Five Thousand Dollars (\$25,000.00) for use in accordance with these terms, unless such time period shall be extended for good reason by the Township in its sole discretion. Funds in the Escrow Account will be applied to the payment or reimbursement of the Township Reimbursable Costs as provided in this Agreement. The Township shall provide Redeveloper with invoices setting forth the costs incurred by the Township which will be drawn down against the Escrow Account. Any dispute concerning payment of the Township Reimbursable Costs shall be resolved in accordance with the procedures set forth in N.J.S.A. 40:55D-53.2a of the MLUL. Upon the submission by Redeveloper to the Planning Board of a site plan application in connection with the Phase I Project, or upon termination of this Agreement, any money remaining in the Escrow Account shall be disbursed to Redeveloper, except that the Township may retain for not more than sixty (60) days after such submission or termination date, an amount sufficient to cover unpaid expenses.

5.03. Affordable Housing. If required by law, the Redeveloper shall pay to the Township a non-residential development fee of two and one-half percent (2.5%) in accordance with and if required by the Statewide Non-Residential Development Fee Act, N.J.S.A. 40:55D-8.1 et seq. (the "Act"), for use by the Township as permitted by the Act and any amendments thereto.

5.04. Financial Agreement. (a) The Redeveloper has submitted to the Township and the Township has approved an application under the Long Term Tax Exemption Law for an agreement for tax exemption and payments in lieu of taxes (the "Annual Service Charge"). Simultaneously with the execution of this Agreement, the Township and the Redeveloper are entering and executing that certain Financial Agreement for Long Term Tax Exemption, dated of even date herewith (the "Financial Agreement"). The Redeveloper and the Township recognize that a Financial Agreement benefits the Redeveloper and the Township, and that the terms and conditions of the Financial Agreement have been negotiated in good faith by the Parties and contain terms mutually acceptable to the Parties. The Redeveloper agrees that the formula set forth in **Exhibit H**, and the obligation of Redeveloper to pay same, shall apply to (i) the development, occupancy and/or use by the Redeveloper and/or any of its Affiliates of any land or building located outside of the Phase I Premises that would otherwise be exempt from property taxes; and (ii) the Future Phase I Project.

(b) The Redeveloper represents, warrants and covenants that the Redeveloper shall adhere to all restrictions set forth in the Financial Agreement pertaining to the prepayment, redemption, or defeasance of any bonds issued by the Township and/or other agency pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., in connection with the Phase I Project ("Bonds," as further defined in the Financial Agreement).

(c) The Redeveloper hereby acknowledges and agrees that, pursuant to N.J.S.A. 40A:12A-66(a) and because the Phase I Project shall be financed by Bonds, as further set forth in the Financial Agreement, the provisions of the Long Term Tax Exemption Law, permitting the Redeveloper's relinquishment of its status as an urban renewal entity, shall be inapplicable.

(d) The representations, warranties and covenants set forth in this paragraph shall survive the expiration or earlier termination of this Agreement.

5.05. Bonds. (a) The Township may finance all or a portion of the Phase I Project with the proceeds of Bonds; provided, however, that in the event that no Bonds are issued, the effective date of the Financial Agreement shall not occur and no Party shall have any further obligations thereunder.

(b) If or when the Township issues Bonds to finance all or a portion of the Phase I Project (including, without limitation, public improvements in connection therewith), then (i) a portion of the Annual Service Charge provided for in the Financial Agreement shall be assigned by the Township to the trustee for the Bonds, as payment for the Bonds (and shall not be included in the general funds of the Township, nor shall they be subject to any laws regarding the receipt, deposit, investment or appropriation of public funds); and (ii) the remainder of the Annual Service Charge provided for in the Financial Agreement shall be assigned and paid directly by the Redeveloper to the Township, all as is further set forth in the Financial Agreement. The Bonds shall be non-recourse to the Township. Further, the Redeveloper hereby acknowledges and agrees that, in the event that any debt service payments on the Bonds come due and at such time there is no, or an inadequate, source of repayment of such Bonds available (including, without limitation, a pledged portion of the Annual Service Charge), the Redeveloper shall be responsible for any such deficiency and shall pay the trustee all such amounts when due. The Entity's obligation to satisfy any debt service payments on the Bonds in the absence of an alternate adequate source of repayment, as set forth in this Section 5.05(b), shall survive until no Bonds remain outstanding.

(c) If or when the Township issues Bonds to finance all or a portion of the Phase I Project as set forth in this Section 5.05, then the Redeveloper agrees that the Redeveloper shall cause an Affiliate of the Redeveloper to purchase all of such Bonds issued and all risks and benefits associated with same under a so called "sophisticated investor letter."

ARTICLE 6

INDEMNIFICATION

6.01. Redeveloper Indemnification. Redeveloper agrees to indemnify and hold harmless and defend the Township and hold harmless and defend the Township Indemnified Parties, and the Redeveloper shall pay any and all liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, including but not limited to, any and all claims by workmen, employees and agents of the Redeveloper and unrelated third parties, which arise from the Phase I Project, which the Township and/or the Township Indemnified Parties may sustain, be subject to or be caused to incur by reason of (i) any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or mixed, in connection with the condition, use, possession, conduct, management, planning, design, construction, installation, financing, marketing, leasing, or sale of the Phase I Project or based upon or arising out of the actual breach by the Redeveloper of contracts entered into by the Redeveloper which directly relate to the

Phase I Project, except for any claim or suit arising from the intentional and willful acts of the Township and/or the Township Indemnified Parties, or (ii) Redeveloper's performance of Redeveloper's obligations pursuant to this Agreement, the failure by Redeveloper to perform such obligations, any action or failure to act by Redeveloper with respect to the Redevelopment to which this Agreement is applicable or in connection with any allegation of any of the foregoing.

6.02. Insurance Coverage.

At all times during the construction of the Phase I Project, the Redeveloper shall maintain or cause to be maintained at its own cost and expense, with responsible insurers, the following kinds and the following amounts of insurance with such variations as shall reasonably be required to conform to customary insurance practice:

(a) Builder's Risk Insurance for the benefit of the Redeveloper during the term of construction which will protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, and vandalism and malicious mischief. The limits of liability will be equal to one hundred (100%) percent of the insurable value of the Phase I Project, including items of labor and materials connected therewith, whether in or adjacent to the structure insured, and materials in place or to be used as part of the permanent construction;

(b) Comprehensive General Liability Insurance (including coverage for any construction on or about each parcel of property contained within the Phase I Premises) against claims for bodily injury, death or property damage occurring on, in or about the Phase I Premises and the adjoining streets, sidewalks and passageways, in amounts not less than Three Million (\$3,000,000.00) Dollars for each claim with respect to any bodily injury or death, with respect to any one occurrence and Three Million (\$3,000,000.00) Dollars with respect to all claims for property damage relating to any one (1) occurrence, which insurance may be provided by primary and/or umbrella coverage;

(c) Worker's Compensation Insurance coverage in the amount of the full statutory liability of the Redeveloper; and

(d) Such other insurance, in such amounts and against such risks, as is customarily maintained by the Redeveloper with respect to other similar properties owned or leased by it, including automobile insurance and environmental liability.

Prior to the commencement of construction, the Redeveloper shall submit to the Township proof of all applicable insurance(s). Redeveloper shall provide such proof of insurance which indicates that the policy(ies) name the Township, its elected and appointed officials, officers, agents, servants, representatives, employees and/or its assigns and Township's consulting engineers, its

officers, agents, servants, representatives, employees, successors and assigns, as additional insured with respect to their interest in work performed by the above named insured for the Phase I Project (except for Worker's Compensation or Automobile Coverage, if applicable, insurance). The policy(ies) shall contain contractual liability coverage insuring the Township Indemnified Parties against the claims set forth in Section 6.01. Upon each anniversary date of this Redevelopment Agreement, the Redeveloper shall submit the aforementioned proofs of insurance until the Township's issuance of a Certificate of Completion and Compliance.

ARTICLE 7

COVENANTS AND RESTRICTIONS

7.01. Declaration of Covenants and Restrictions. The covenants and restrictions set forth in Section 7.02 hereof shall hereinafter be referred to as the "Covenants and Restrictions". Simultaneously with the execution of this Agreement, the Redeveloper shall record a Declaration of Covenants and Restrictions, in the form attached hereto as **Exhibit F** (hereinafter referred to as the "Declaration"), with respect to all of the parcels of property contained within the Phase I Premises, which, subject to the terms hereof, shall run with the lands to all Transferees and subsequent holders of title, imposing upon said lands the Covenants and Restrictions pursuant to Section 7.02.

7.02. Description of Covenants and Restrictions. The Covenants and Restrictions to be imposed upon the Redeveloper, and its Transferee(s), and recorded in the Declaration, shall set forth that the Redeveloper and its Transferees shall:

(a) devote the Phase I Premises to the uses specified in the Phase I Redevelopment Plan and shall not devote the Phase I Premises to any other uses without the approval of the Township; and

(b) to the extent provided for by applicable law, not discriminate upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status in the sale, lease, use or occupancy of the Phase I Premises or any Improvements, buildings or structures erected or to be erected thereon, or any portion thereof; and

(c) to the extent provided for by applicable law, in the sale, lease or occupancy of the Phase I Premises or any portion thereof, not effectuate or execute any covenant, lease agreement, conveyance or other instrument whereby the land or any Improvement, building or structure erected or to be erected thereon is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status, and the Redeveloper, its successors and Transferee(s) shall

comply with all State and local laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex or marital status and

(d) not sell, lease or otherwise Transfer any Phase I Project Improvements, or any portion thereof, without the written consent of the Governing Body, as set forth in Section 8.01 hereof other than those Transfers deemed to be Permitted Transfers pursuant to Section 8.03 hereof.

7.03. Effect and Term of Covenants and Restrictions. It is intended and agreed and the Declaration shall so expressly provide, that the Covenants and Restrictions set forth in Section 7.02 hereof shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding, to the fullest extent permitted by the applicable laws, for the benefit and in favor of, and enforceable by, the Township, its successors and assigns, against the Redeveloper, or its Transferee(s). It is further intended and agreed that the Covenants and Restrictions set forth in Section 7.02 hereof shall remain in effect until the issuance by the Township of a Certificate of Completion, as provided for in Section 2.12 hereof at which time all terms, conditions, obligations, including the Covenants and Restrictions set forth in this Agreement shall cease and terminate as to the Phase I Project, except, however, that the Covenants and Restrictions provided for in Sections 7.02(b) and (c) hereof, shall remain in effect without limitation as to time subject to any changes in the applicable laws.

7.04. Enforcement by Township. In amplification, and not in restriction of the provisions of this Article VII, it is intended and agreed that the Township shall be deemed a beneficiary of the Covenants and Restrictions set forth in Section 7.02 hereof both for and in its own right but also for the purposes of protecting the interests of the community.

ARTICLE 8

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

8.01. Prohibition Against Speculative Development. The Redeveloper covenants that its undertakings pursuant to this Agreement shall be for the purpose of redevelopment of the Phase I Premises and not for speculation in land holding. Redeveloper shall not use the Phase I Premises and/or any of its leasehold rights and interests therein, or any part thereof, as collateral for any unrelated transaction(s). Similarly, the Township shall not (i) require the Redeveloper to acquire directly, or (ii) be obligated to exercise its power of eminent domain to acquire, any parcels of property.

8.02. Prohibition Against Transfers. The Parties to this Agreement acknowledge that pursuant to Section 7.02(d) hereof, the Redeveloper has covenanted not to effectuate any Transfer prior to the issuance of a Certificate of Completion for the Phase I Project without first having obtained the prior written consent of the Township to such Transfer, which consent shall not be unreasonably withheld, conditioned or delayed, except for those Transfers deemed in Section 8.03 to be a Permitted Transfer. In addition, the Redeveloper recognizes that, in view of (a) the importance of the Phase I Project to the general welfare of the community; (b) the public assistance to be made available by the applicable laws and by the Township on the conditions stated herein, for the purpose of making such redevelopment possible; and (c) the fact that a change in control of the Redeveloper is for practical purposes a Transfer, the qualifications and identity of the Redeveloper and its principals are of particular concern to the Township, and, therefore, there shall be no change in control of Redeveloper, without the prior written consent of the Township, which shall not be unreasonably withheld, conditioned or delayed, except for those Transfers deemed in Section 8.03 to be a Permitted Transfer. For the purpose of this Agreement, a change in the control of the Redeveloper shall mean a transfer of greater than ten percent (10%) of the membership interests in the Redeveloper.

8.03. Permitted Transfers. Notwithstanding the Covenants and Restrictions contained in Sections 7.02 and 8.02 hereof, the following Transfers are deemed to be "Permitted Transfers", and shall serve as exceptions to the general prohibition set forth in the previous paragraph and in Section 7.02(d) hereof and shall not require prior approval of the Township: (a) utility and other development easements and/or dedications; (b) subleases to the ultimate users or tenants of any portion of the Phase I Premises or the Improvements constructed thereupon for the purpose of operating a permitted business of that tenant as a part of the intended use of the Phase I Premises consistent with and as permitted under the Phase I Redevelopment Plan, including, but not limited to Hackensack University Health Network, Seton Hall University, Seton Hall-Hackensack-Meridian Medical School and their Affiliates; (c) environmental covenants and restrictions imposed by a governmental regulatory agency; (d) execution of the Declaration; (e) execution of the Financial Agreement and other agreements required by the Township in connection with the Bonds; (f) a Mortgage or related security granted by the Redeveloper to a Mortgagee for the purpose of obtaining the financing necessary to enable Redeveloper to perform its obligations under this Agreement; (g) a pledge of less than ten percent (10%) of the membership interests in the Redeveloper for the purpose of obtaining the financing necessary for Redeveloper to perform its obligations under this Agreement; (h) a

Transfer by foreclosure; (i) a Transfer to an “urban renewal entity”, as such term is defined in the Long Term Tax Exemption Law, owned or controlled by the Owner; *provided however*, prior to effectuating such transfer the urban renewal entity shall submit an application to the Township evidencing to the Township’s reasonable satisfaction that such urban renewal entity has the qualifications and financial wherewithal necessary and adequate to fulfill the obligations undertaken in this Agreement and applicable law, sufficient to carry out the Phase I Project and perform the obligations of Redeveloper hereunder; and (j) a Transfer of the underlying fee is a Permitted Transfer not requiring the Township’s consent so long as the Lease, this Agreement (unless the performance of this Agreement is fulfilled in its entirety as evidenced by a Certificate of Completion for the final phase of redevelopment of the Phase I Premises), the Financial Agreement, the Special Assessment Agreement and the Redeveloper Contribution Agreement remain in full force and effect.

8.04. Notice of Permitted Transfers. With respect to any of the Permitted Transfers listed in Section 8.03 hereof, other than subleases to Hackensack University Health Network, Seton Hall University, Seton Hall-Hackensack-Meridian Medical School, and their Affiliates, the Redeveloper shall provide the Township and PB Nutlif Med, LLC with written notice not less than thirty (30) days prior to the consummation of such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the parties and any parties, individuals and/or entities comprising such parties.

8.05. Transfers in Violation of this Agreement. Any Transfer of Redeveloper’s interest not constituting a Permitted Transfer under Section 8.03 hereof, in violation of this Article 8 of this Agreement, shall be deemed to be a Redeveloper Event of Default and shall be null and void ab initio. The occurrence of such Redeveloper Event of Default shall entitle the Township to seek all available remedies under the terms of this Agreement, and those available pursuant to law or equity, including the right, but not the obligation, to terminate this Agreement and the Financial Agreement, including all other remedies available under the applicable laws. In the absence of Permitted Transfer or specific written consent by the Township, no such sale, transfer, conveyance or assignment shall be deemed to relieve Redeveloper from any obligations under this Redevelopment Agreement. The Declaration shall contain a restriction against transfers as set forth in this Article 8 of this Redevelopment Agreement and, in addition, shall provide that in the event of any attempted transfer in violation of the restrictions in this Article 8 of this Redevelopment Agreement the Township 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 Township in connection with any such legal action.

Upon the recording of the Declaration in the Office of the Essex County Register, the provision affording such injunctive relief shall have the same force and effect as a Notice of Lis Pendens. Upon recording of the Final Certificate Completion, the provisions of the Declaration set forth in this Article 8 of this Redevelopment Agreement shall be deemed terminated.

8.06. Conditions of Transfer. Except as otherwise provided in this Agreement, and except with respect to those Permitted Transfers defined under Section 8.03 hereof, the Township shall be entitled to require, as a condition(s) to its approval of any Transfer that:

- (i) The proposed Transferee will have qualifications and financial responsibility necessary and adequate to fulfill the obligations undertaken in this Agreement with respect to the Transferred portion of the Phase I Project and other obligations pursuant to Governmental Approvals or any part of such obligations that may pertain to the Transferred interest or the Transferred portion of the Phase I Premises, as determined from:
 - (1) Audited (if same is reasonably available or if not so available, unaudited), financial statements indicating: (a) net worth or unencumbered lines of credit; or (b) evidence of loan commitments sufficient to carry out the Phase I Project; and
 - (2) Submission of letters of recommendation from reputable Parties for whom the prospective Transferee has undertaken a comparable development, stating that the proposed Transferee of the relevant aspect of the Phase I Project possesses the competence and integrity to undertake same.
- (ii) Any proposed Transferee, by instrument in writing reasonably acceptable to the Township, will, for itself and its Transferees, and expressly for the benefit of the Township, have expressly assumed all of the relevant obligations of the Redeveloper under this Agreement and the Financial Agreement, including, without limitation, all restrictions related to the prepayment, redemption, or defeasance of the Bonds, and agrees to be subject to all the Covenants and Restrictions to which the Redeveloper is subject.
- (iii) Any Transfer under this Article VIII will absolutely release the Redeveloper from any and all relevant obligations under this Agreement which relate to the portion of the Phase I Project subject to the Transfer, except as to any liability or obligation of the

Redeveloper as to which the Redeveloper has incurred or defaulted prior to such Transfer.

- (iv) The Transferee will comply with such other reasonable conditions as the Township may find necessary in order to achieve and safeguard the purposes of the Phase I Redevelopment Plan.

Notwithstanding anything to the contrary contained herein, the Township's consent to any Transfer shall not be unreasonably withheld, conditioned or delayed. The Township shall notify the Redeveloper whether the Township consents to a Transfer within thirty (30) days after Redeveloper's request to the Township for such consent. If the Township 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 Township for consent to the Transfer and the Township shall be deemed to have consented to any requested Transfer if the Township does not deliver a written response to the Redeveloper within thirty (30) Days after Redeveloper's second request to the Township for such consent.

ARTICLE 9

EVENTS OF DEFAULT AND REMEDIES

9.01. Redeveloper's Default. The Township shall have the right to declare the Redeveloper in default of this Agreement in the event of the occurrence of any of the following (each, an "**Event of Default**"):

- (a) The Redeveloper's failure to substantially perform any of its obligations under the terms of this Agreement;
- (b) A determination by a court of competent jurisdiction that the Redeveloper is insolvent;
- (c) (i) The Redeveloper shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; (ii) a custodian shall have been legally appointed with or without consent of the Redeveloper; (iii) the Redeveloper (A) has made a general assignment for the benefit of creditors, or (B) has filed a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or has taken advantage of any insolvency law; (iv) the Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; or (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 sixty (60) 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 unstayed and in effect for any period of sixty (60) consecutive days; or (ix) the Redeveloper shall have suspended the transaction of its usual business.

(d) Failure by the Redeveloper to make any payments owed to the Township when due of Reimbursable Township Costs and/or other required payments to the Township pursuant to this Agreement, within the time periods set forth in Section 5.02 hereof.

(e) There is an uncured default by the Redeveloper as a party under the Financial Agreement, Redeveloper Contribution Agreement, and/or the Special Assessment Agreement.

The Township shall provide PB Nutclif Med, LLC with notice of an Event of Default in accordance herewith, which shall be a courtesy only and not effect or limit the effectiveness of any other notice hereunder.

9.02. Township Default. The Redeveloper shall have the right to declare the Township in default of this Agreement in the event of the failure by the Township to substantially perform any covenant or condition under this Agreement.

9.03. Right to Cure Default. (a) Upon written notice of an Event of Default, either party shall have (i) thirty (30) days from receipt of such notice to cure a monetary default, and (ii) sixty (60) days from such notice to cure a non-monetary Event of Default, provided that if such non-monetary Event of Default cannot reasonably be cured within sixty (60) days then, providing that the party is diligently proceeding to cure such default, the party will have such time as is reasonably required to cure the non-monetary default, but in no event shall such time to cure exceed ninety (90) days.

(b) Whenever the Township shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper under this Redevelopment Agreement, the Township shall at the same time deliver to the Owner a copy of such notice or demand. The Owner shall have the right but not the obligation at its option after the receipt of such notice to cure or remedy, or to commence to cure or remedy, any such default within the same time frames set forth above in Section 9.03(a). Any notice to the Owner provided hereunder shall be a courtesy and shall

not effect or limit the rights of the Township or the effectiveness of any other notice provided by the Township hereunder.

9.04. Force Majeure. Failure of either Party to perform any of the provisions of this Agreement shall not constitute an Event of Default or breach of this Agreement where delays or failure to perform are the result of any act, event or condition or any combination thereof that has had or may be reasonable expected to have a direct, material, adverse effect on the rights or obligations of the Parties to this Agreement; provided however that such act, event or condition shall be beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Agreement, and shall prevent the Party relying thereon from compliance with a relevant condition of this Agreement (“**Force Majeure**”) including, without limitation, the following:

(a) Lightning, blizzards, hurricane, tornado, earthquake or other extreme weather conditions, 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 Phase I Project, other than those set forth above (such events being required to physically affect a Party’s ability to fulfill its obligations hereunder; 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 or release of nuclear radiation not created by an act or omission of either Party;

(c) The order, judgment, action or inaction and/or determination of any Governmental Body (other than the City when acting in conformance with this Agreement) with jurisdiction within the Township, excepting decisions interpreting federal, State and local tax laws generally applicable to all business taxpayers, adversely affecting the construction of the Phase I Project; provided, however, such order, judgment, action and/or determination shall not be the result of the willful, intentional or grossly negligent action or inaction of the Party relying thereon and that neither the contesting of any such order, judgments, action and/or determination, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such Party;

(d) Litigation by third parties adversely affecting the construction of the Phase I Project in which the Redeveloper is directly enjoined, other than third parties for whom the party asserting an excusable delay is responsible, such as contractors performing work for that party.

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

(f) Strikes, lockouts, slowdowns or similar labor action by trade unions or any of their members, equipment manufacturers, suppliers of material and/or transporters of same beyond the control of Redeveloper or any of its members;

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

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

Notice by the Party claiming such extension shall be sent to the other Party within thirty (30) calendar days of the commencement of the cause. During any Force Majeure that affects part of the Phase I Project, Redeveloper shall continue to perform its obligations for the rest of the Phase I Project. The existence of an act of Force Majeure shall not prevent a party from declaring the occurrence of an Event of Default by the party relying on such Force Majeure, provided that the event that is the basis of the Event of Default is not a result of the Force Majeure. Except for acts of Force Majeure resulting from acts or omissions of the Township, all acts of Force Majeure will be deemed to have ceased to exist as of a date eighteen (18) months from its initial occurrence.

9.05. Default Rights and Remedies. Except as may otherwise be provided in this Agreement, upon the occurrence of an Event of Default not cured pursuant to Section 9.03 hereof, the non-defaulting party may terminate this Agreement and/or take whatever action at law or in equity, as may appear necessary or desirable to enforce the performance or observance of any rights under this Agreement, including an action for specific performance, provided that Redeveloper cannot be compelled to construct the Phase I Project as part of any specific performance obligation. In the event that the Township terminates this Agreement, the Redeveloper's designation as the

redeveloper of the Redevelopment Area shall immediately terminate, together with the Redeveloper's rights as the Redeveloper and under the Financial Agreement, in which case the Township shall have the right but not the obligation to accelerate the payment and due dates of all amounts due under the Bonds, including but not limited to, principal, interest and penalties. The Township shall have all rights under applicable law including, without limitation, the rights of eminent domain and the right to appoint a new redeveloper, as set forth in the Eminent Domain Law and the Redevelopment Law. In no event shall either party have any liability for consequential or punitive damages.

9.06. Rights and Remedies of Parties Cumulative; No Waiver by Delay. The rights and remedies of the Parties whether provided by this Agreement or by law, shall be cumulative, and except as otherwise specifically provided by this Agreement, the exercise by the Parties of any one or more of such rights or remedies shall not preclude the exercise, at the same or at different times, of any other such rights or remedies for the same default, or for the same failure in respect to any of the terms, covenants, conditions or provisions of this Agreement or any of its remedies for any other default or breach. No delay by either Party in asserting any rights or exercising any remedy shall operate as a waiver of such rights or remedy or otherwise deprive it of, or limit such rights and remedies in any way (it being the intent of this provision that a Party shall not be constrained, so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Section because of concepts of waiver, laches, or otherwise, to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver by a Party with respect to any specific Event of Default by the other Party under this section be considered or treated as a waiver of the rights of the Party with respect to any other defaults by the other Party under this Section or with respect to the particular default except to the extent specifically waived in writing.

ARTICLE 10

REPRESENTATIONS, WARRANTIES AND COVENANTS

10.01. Township Representations. The Township represents and warrants to Redeveloper as follows:

(a) The Township (i) is a public body corporate and politic of the State of New Jersey, is duly organized, validly existing and in good standing under the laws of the State of New Jersey; and (ii) has all requisite corporate power to execute, deliver and perform its obligations under this Redevelopment Agreement.

(b) The execution, delivery and performance of this Redevelopment Agreement and the transactions contemplated hereby (i) have been duly authorized by all necessary corporate proceedings by the Township; (ii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Township is subject or any judgment, order, writ, injunction, license or permit applicable to the Township or its properties; and (iii) do not conflict with any provision of its charter documents, bylaws, or any material agreement or other material instrument binding upon the Township. The Township is not in violation of any provision of its charter documents, bylaws, or any agreement or instrument to which it is subject or by which it or any of its properties are bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to materially adversely affect the ability of the Township to perform its obligations under this Redevelopment Agreement.

(c) The execution and delivery of this Redevelopment Agreement will result in valid and legally binding obligations of the Township enforceable against it in accordance with the respective terms and provisions hereof, except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefore may be brought.

(d) There are no pending, or to the knowledge of the Township, threatened actions or proceedings by or before any court or administrative agency or arbitrator against or affecting the Township that involve the Township's execution or performance of this Redevelopment Agreement or the transactions contemplated hereby that, if adversely determined, are reasonably likely, either individually or in the aggregate, to materially adversely affect the ability of the Township to perform its obligations under this Agreement, except for HLR's legal challenge of the Township's designation of the Property as a condemnation area in need of redevelopment captioned Hoffmann-LaRoche Inc. v. Township of Nutley, et al, bearing Docket No. L2771-15, the dismissal of which (with prejudice) is a condition precedent to the Township's performance of its obligations under this Agreement and to the effectiveness of the Lease.

(e) The Township has designated the Phase I Premises as an area in need of redevelopment pursuant to the Redevelopment Law and the Phase I Premises remain subject to the Phase I Redevelopment Plan, and the Phase I Premises shall remain so designated and subject to such plan at Closing, as such Phase I Redevelopment Plan may be modified or amended upon approval by

the Township and Redeveloper. The Township has named Redeveloper the redeveloper for the Phase I Project in accordance with applicable law.

(f) The Township shall not utilize its power of eminent domain while this Agreement is in effect, provided that there is no uncured Event of Default by the Redeveloper under this Agreement.

10.02. Redeveloper Representations. Redeveloper represents and warrants to the Township as follows:

(a) Redeveloper (i) is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of New Jersey; and (ii) has all requisite power to execute, deliver and perform its obligations under this Redevelopment Agreement.

(b) The execution, delivery and performance of this Redevelopment Agreement and the transactions contemplated hereby; (i) have been duly authorized by Redeveloper; (ii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which Redeveloper is subject or any judgment, order, writ, injunction, license or permit applicable to Redeveloper or its properties; and (iii) do not conflict with any provision of its governing documents, or any material agreement or other material instrument binding upon Redeveloper. Redeveloper is not in violation of any provision of its charter documents, or any agreement or instrument to which it is subject or by which it or any of its properties are bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to materially adversely affect the ability of Redeveloper to perform its obligations under this Redevelopment Agreement.

(c) The execution and delivery of this Redevelopment Agreement will result in valid and legally binding obligations of Redeveloper enforceable against it in accordance with the respective terms and provisions hereof, except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefore may be brought.

(d) There are no pending or, to the knowledge of Redeveloper, threatened actions or proceedings by or before any court or administrative agency or arbitrator against or affecting Redeveloper or any of its affiliates or that involve Redeveloper's execution or performance of this Redevelopment Agreement or the transactions contemplated hereby that, if adversely determined, are

reasonably likely, either individually or in the aggregate, to materially adversely affect the ability of Redeveloper to perform its obligations under this Redevelopment Agreement, except for HLR's legal challenge of the Township's designation of the Property as a condemnation area in need of redevelopment, captioned Hoffmann-La Roche Inc. v. Township of Nutley, et al, bearing Docket No. L2771-15, the dismissal of which (with prejudice) is a condition precedent to the Township's performance of its obligations under this Agreement, and to the effectiveness of the Lease.

(e) Redeveloper shall not use the Phase I Premises, or permit the Phase I Premises to be used, in any manner which violates any Legal Requirements.

(f) Redeveloper acknowledges that (i) Redeveloper shall construct only the uses established in the Phase I Redevelopment Plan; (ii) Redeveloper shall develop the Phase I Project in accordance with the terms of this Redevelopment Agreement; and (iii) Redeveloper shall comply with the Redevelopment Law and all associated laws.

ARTICLE 11

MISCELLANEOUS

11.01. Notices. Formal notices, demands and communications between the Township and the Redeveloper and from the Redeveloper to the Township (as required herein) shall be in writing and shall be deemed sufficiently given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed delivered upon receipt. Notices, demands and communications by any Party to the other may also be hand delivered by messenger (with receipt acknowledged in writing), delivered by a nationally recognized commercial overnight delivery service guaranteeing overnight delivery, with receipt acknowledged in writing, with packaging tracking capability and for which proof of delivery is available, to the Parties at their respective addresses set forth herein. 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 Redeveloper: Kingsland Street Urban Renewal, LLC
Hackensack University Medical Center
30 Prospect Avenue
Hackensack, New Jersey 07601
Attn: Robert Glenning, Executive Vice President and Chief Financial Officer

with a copy to: Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza
New Brunswick, New Jersey 07924
Attention: Charles Liebling, Esq.

and a copy to: Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079
Attention: Dennis J. Garbini, Vice President for Administration

with a copy to: Connell Foley LLP
85 Livingston Avenue
Roseland New Jersey 07068
Attention: Kevin Coakley, Esq.

If to Township: Mayor Joseph P. Scarpelli
Township of Nutley
1 Kennedy Drive
Nutley, New Jersey 07110

with a copy to: Eleni Pettas, Township Clerk
Township of Nutley
1 Kennedy Drive
Nutley, New Jersey 07110

with a copy to: Alan Genitempo, Esq.
Piro, Zinna, Cifelli, Paris & Genitempo
360 Passaic Avenue
Nutley, NJ 07110

and a copy to: John P. Inglesino, Esq.
Inglesino, Webster, Wyciskala & Taylor, LLC
600 Parsippany Road, Suite 204
Parsippany, New Jersey 07054

If to Owner: PB Nutclif Med, LLC (as successor in interest to Hoffmann-LaRoche, Inc.)
c/o Prism Capital Partners, LLC
200 Broadacres Drive, Suite 180,
Bloomfield, New Jersey 07003
Attention: Eugene Diaz

with a copy to: Jarold Zaro, Esq. and Steven Mairella, Esq.
Sills Cummis & Gross, P.C.
One Riverfront Plaza,
1037 Raymond Boulevard, 13th Floor
Newark, New Jersey 07102
(e) jzaro@sillscummis.com

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

Either Party may, from time to time (upon not less than seven (7) days prior written notice given to the other Party pursuant to the terms of this Article 11 of this Agreement) change the address, electronic mail address and/or facsimile number to which notices, demands and communications shall be sent or designate one (1) or more additional substitute persons to whom notices, demands and communications are to be sent

11.02. Non-Liability of Officials and Employees of Township. No member, official, employee, or consultants of Township shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Township, 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.

11.03. Non-Liability of Officials and Employees of Redeveloper. No member, officer, shareholder, director, partner, employee or consultant of Redeveloper shall be personally liable to the Township, 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 Township, or its successor, on any obligation under the terms of this Redevelopment Agreement.

11.04. Estoppel Certificate. Within thirty (30) days following written request therefor by a party hereto, the other party shall issue a signed estoppel certificate either stating that this Redevelopment Agreement is in full force and effect and that 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. 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 a reasonable number of estoppel certificates may be requested per year.

11.05. No Brokerage Commissions. The Township 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 Township or the Redeveloper, and the Township 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.

11.06. 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 Township, any money or other consideration for or in connection with this Redevelopment Agreement.

11.07. Successors and Assigns. This Redevelopment Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns and affiliates of the parties hereto, and their heirs, executors, and administrators. This Redevelopment Agreement shall not be assigned by either party without the written consent of the other party, which consent shall be in such party's sole and absolute discretion.

11.08. Exhibits and Schedules. All Exhibits and Schedules attached hereto and/or referred to in this Redevelopment Agreement are incorporated herein as though set forth in full.

11.09. 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.

11.10. Severability of Provisions. 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.

11.11. 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.

11.12. Execution of Counterpart. This Redevelopment Agreement may be executed in one or more counterparts 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.

11.13. 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.

11.14. 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 Township and the Redeveloper and all amendments hereto must be in writing and signed by the appropriate authorities of the Township and the Redeveloper. The waiver by either party of a default or of a breach of any provision of this Redevelopment Agreement by the other party shall not operate or be construed to operate as a waiver of any subsequent default or breach.

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

11.16. Governing Law. This Redevelopment Agreement shall be governed by and construed in accordance with the applicable laws of the State of New Jersey. Redeveloper and the Township acknowledge and agree that the Phase I Project poses unique issues as it involves not only the Phase I Premises located in the Township which is located within the boundaries of Essex County but also additional adjoining property located in the City of Clifton which is located within the boundaries of Passaic County. In order to avoid the possibility of related litigation pending in both the Essex County Vicinage and the Passaic County Vicinage of the Superior Court of New Jersey, Redeveloper and Township agree and consent to venue any legal action filed by either the Redeveloper or the Township in the Superior Court of New Jersey, Passaic County Vicinage. Redeveloper represents and warrants to the Township that the redevelopment agreement entered into by Redeveloper with the City of Clifton in connection with the Phase I Project contains the same venue designation clause, placing venue of any legal action filed by either the Redeveloper or the City of Clifton with the Superior Court of New Jersey, Passaic County Vicinage.

11.17. Return of Escrows. Upon any termination of this Agreement for any reason whatsoever, all escrows and other amounts deposited with the Township under this Agreement shall be promptly returned to Redeveloper, after payment of any costs and/or permitted damages for which Redeveloper is then liable under the terms of this Agreement.

11.18 Inspection of Books and Records. (a) The Township shall have the right, at all reasonable times, upon reasonable request and notice, to inspect any and all documents located in the files of the Redeveloper pertinent to the Phase I Premises, the Phase I Project and/or the purposes of this Redevelopment Agreement.

(b) The Redeveloper shall have the right, at all reasonable times, upon reasonable request and notice, to inspect any and all documents located in the files of the Township pertinent to the purposes of this Agreement.

(c) Such inspections must be for a legitimate business purpose affecting the material interest of the party seeking the inspection.

(d) Such inspections shall be performed at a time and in a manner as to not unreasonably interfere with the business operations of the party whose files are being inspected.

(e) The Redeveloper shall arrange for biennial meetings with the Township to update the Township on the redevelopment of the Phase I Premises as set forth herein.

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

[The Remainder of this Page Intentionally Left Blank. Signatures Follow on Next Page]

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

KINGSLAND STREET URBAN RENEWAL, LLC

ATTEST:

By: Hackensack University Medical Center,
a member

By: _____
Name: Robert C. Garrett
Title: CEO

ATTEST:

By: Seton Hall University, a member

By: _____
Name: A. Gabriel Esteban, Ph.D.
Title: President

ATTEST:

TOWNSHIP OF NUTLEY

Eleni Pettas, Township Clerk

By: _____
Mayor Joseph P. Scarpelli

EXHIBIT A

Subdivision

[Attached]

EXHIBIT B
Concept Plan

[Attached]

EXHIBIT C
Redevelopment Project Schedule

- | | | |
|----|--|---------|
| 1. | Redeveloper to commence demolition and construction of the Phase I Project Improvements | 11/1/16 |
| 2. | Redeveloper to submit site plan application to Planning Board. | 12/1/16 |
| 3. | Redeveloper to submit site plan application to Essex County Planning Board | 1/1/17 |
| 4. | Redeveloper to submit site plan application to Soil Conservation District | 1/1/17 |
| 5. | Anticipated receipt of all Governmental Approvals for Phase I Project. | 3/1/17 |
| 6. | Redeveloper to substantially complete the Phase I Project Improvements/
Township to issue Certificate of Occupancy. | 6/1/18 |
| 7. | Township to issue Certificate of Completion and Compliance for Phase I Project. | 8/1/18 |

The Redevelopment Project Schedule set forth above shall exclude the Governmental Approvals and development of the Undeveloped Lots, which shall be subject to Section 2.05 of this Agreement.

EXHIBIT D

Government Approvals

1. Preliminary and Final Subdivision Approval from the Nutley Planning Board for the Subdivision
2. Preliminary and Final Site Plan Approval from the Nutley Planning Board for the Phase I Project
3. Subdivision and Site Plan Approval from the Essex County Planning Board
4. Soil Erosion and Sediment Control Plan Certification from the County Soil Conservation District
5. NJDEP Treatment Works Approval and Water Extension Permits

And any other reviews, consents, permits, licenses, easements, agreements or other approvals of any kind which may be required by any Governmental Body with jurisdiction over the Phase I Premises.

EXHIBIT E
Form of Certification of Completion and Compliance

Record and Return to:

CERTIFICATE OF COMPLETION AND COMPLIANCE

Pursuant to [_____] of the Redevelopment Agreement by and between the Township of Nutley (the "Township") and [_____] (the "Redeveloper"), dated as of [_____] (the "Redevelopment Agreement"), the undersigned certifies, as of the date hereof, that (all undefined terms used herein shall have the same meaning ascribed to them in the Redevelopment Agreement):

(i) The Phase I Project located on that certain property known as _____ in the Township of Nutley, State of New Jersey more particularly described on **Schedule A** has been completed in its entirety as of _____ in accordance with the Redevelopment Agreement, the Phase I Redevelopment Plan and in compliance with all Governmental Approvals;

(ii) all Governmental Approvals that are required in order for the Redeveloper to complete the Phase I Project, to the extent so required, are in full force and effect;

(iii) such completion has been further evidenced by a written certificate of the Redeveloper and certificates of the Redeveloper's engineer and architect evidencing completion of the Phase I Project; and

(iv) the Certificates of Occupancy for the Phase I Project Improvements have been issued with respect to the Phase I Project and Phase I Project Improvements.

The conditions determined to exist at the time the Redevelopment Area was determined to be an area in need of redevelopment no longer exist.

The Declaration recorded in the office of the Essex County Clerk's Office on _____ in Deed Book ____, Page ____ is void and of no further force and effect is hereby discharged.

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 to be executed as of the ___ day of _____ 201_.

Attested By:

TOWNSHIP OF NUTLEY,
a municipal corporation of the State of New Jersey

Eleni Pettas, Township Clerk

By: _____
Mayor Joseph P. Scarpelli

STATE OF NEW JERSEY)
) SS:
COUNTY OF ESSEX)

Schedule A
PHASE I PROJECT PROPERTY DESCRIPTION
[Attached]



**PROPOSED LOT 1.03, BLOCK 300
TOWNSHIP OF NUTLEY
ESSEX COUNTY
NEW JERSEY**

BEGINNING at a point on the northerly line of Kingsland Street (variable width right of way), said point being the following three (3) courses from the intersection of the easterly line of Lot 2 in Block 201 with the westerly corner of Lot 1 in Block 201;

- a. Along the northerly Right of Way line of Kingsland Street, South $66^{\circ}58'10''$ East, a distance of 21.46 feet to a point on the same, thence;
 - b. On a curve to the right, having a radius of 95.00 feet, and arc length of 73.20 feet, whose chord bears South $44^{\circ}53'55''$ East, a chord distance of 71.40 feet to a point of cusp, thence;
 - c. On a curve to the right, having a radius of 180.00 feet, an arc length of 4.07 feet, whose chord bears South $22^{\circ}10'35''$ East, a chord distance of 4.07 feet to a point and running thence.
1. Leaving said northerly right of way line, North $31^{\circ}54'46''$ East, a distance of 14.06 feet to a point, thence;
 2. South $58^{\circ}05'14''$ East. A distance of 604.47 feet to a point, thence;
 3. South $31^{\circ}54'46''$ West, a distance of 381.11 feet to a point of cusp on the northerly right of way line of Kingsland Street (variable width R.O.W.), thence;
 4. Along the same, on a curve to the right, having a radius of 415.00 feet, an arc length of 110.64 feet, whose chord bears North $35^{\circ}56'02''$ West, a chord distance of 110.31 feet to an angle point, thence;
 5. Along the same, South $37^{\circ}03'52''$ West, a distance of 3.76 feet to an angle point, thence;
 6. Along the same, North $26^{\circ}03'11''$ West, a distance of 533.68 feet to a point of curvature, thence;
 7. Along the same, on a curve to the right, having a radius of 70.00 feet, an arc length of 23.00 feet, whose chord bears South $16^{\circ}38'25''$ East, a chord distance of 22.90 feet to a point of reverse curvature, thence;

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Warren, NJ 07059

t. 732.560.9700

Survey & Engineering



8. Along the same, on a curve to the left having a radius of 180.00 feet, an arc length of 44.93 feet, whose chord bears North 14°22'40" West, a chord distance of 44.81 feet to the point and **PLACE OF BEGINNING**.

Containing an area of 130,289 square feet or 2.991 acres more or less.

Subject to any easements or restrictions of record which an accurate title search may discover.

Being portion of Lot 1 in Block 300 as shown on a map entitled "Major Subdivision, Block 201, Lot 1, Block 300, Lot 1, township of Nutley, Essex County, N.J.," prepared by Paulus, Sokolowski and Sartor, L.L.C., and about to be filed.

A handwritten signature in dark ink, appearing to read 'Francis C. Wecht, Jr.', written over a horizontal line.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
August 1, 2016.

EXHIBIT F
Form of Declaration

Record and return to:

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS (this "Declaration") is made as of this 29th day of September, 2016 by Kingsland Street Urban Renewal, LLC, a New Jersey limited liability company, having an address of 30 Prospect Avenue, Hackensack, New Jersey 07601 (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is party to that certain Redevelopment Agreement, dated as of the 29th day of September, 2016, by and between Declarant and the Township of Nutley (the "Township") with respect to a portion of the Hoffmann-La Roche Redevelopment Area (the "Redevelopment Agreement");

WHEREAS, capitalized terms used herein, but not defined herein shall have the meanings ascribed to such terms in the Redevelopment Agreement;

WHEREAS, on the date hereof, in accordance with the Redevelopment Agreement, pursuant to a Lease Agreement, dated June 30, 2016 (the "Lease"), Declarant is the tenant of an approximately 10.98 acre portion of the Premises designated as Block 201, 1.01, 1.02, 1.03 and 1.04 on the official Tax Map of the Township of Nutley, and more particularly described on **Schedule A** annexed hereto (the "Property"); and

WHEREAS, pursuant to the Redevelopment Agreement, Declarant is required to record this Declaration upon Declarant's execution of the Redevelopment Agreement.

NOW, THEREFORE, intending to be legally bound, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants and restrictions (the "Covenants and Restrictions"), which, subject to the terms hereof, shall run with title to the Property, and be binding upon all parties who have any right, title or interest in Declarant's Property, or any part thereof, their heirs, executors, administrators, successors and assigns.

1. Declarant covenants and agrees that, subject to the terms of the Redevelopment Agreement, the Declarant shall:

(a) devote the Property to the uses specified in the Phase I Redevelopment Plan and shall not devote the Property to any other uses without the approval of the Township;

(b) to the extent provided for by applicable law, not discriminate upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status in the sale, lease, use or occupancy of the Property or any Phase I Project Improvements, buildings or structures erected or to be erected thereon, or any portion thereof;

(c) to the extent provided for by applicable law, in the sale, lease or occupancy of the Property or any portion thereof, not effectuate or execute any covenant, lease agreement, conveyance or other instrument whereby the land or any Improvement, building or structure erected or to be erected thereon is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status, and the Declarant shall comply with all state and local laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex or marital status; and

(d) not sell, lease or otherwise transfer the Property, or any portion thereof, without the written consent of the Governing Body, except as permitted by the Redevelopment Agreement.

2. The Covenants and Restrictions set forth in herein shall be covenants running with the land and they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Redevelopment Agreement, be binding, to the fullest extent permitted by applicable laws, for the benefit and in favor of, and enforceable by, the Township, its successors and assigns, against the Declarant, or its successors and assigns. Notwithstanding anything to the contrary contained herein, this Declaration shall not be binding on any mortgagee except in accordance with the terms of the Redevelopment Agreement.

3. It is further intended and agreed that the Covenants and Restrictions set forth herein shall remain in effect only until the issuance by the Township of a Certificate of Completion for the Property, as provided for in the Redevelopment Agreement at which time the Covenants and Restrictions and all terms, conditions and obligations, set forth in the Redevelopment Agreement shall cease and terminate with respect to the Property, except, however, that the Covenants and Restrictions provided for in Sections 1(b) and 1(c) hereof, shall remain in effect without limitation as to time subject to any changes in applicable laws. Upon issuance of a Certificate of Completion for the Property, the conditions that were found and determined to exist at the time the Redevelopment Area was determined to be in need of redevelopment shall be deemed to no longer exist with respect

to the Property and the conditions and requirements of N.J.S.A. 40A:12A-9 shall be deemed to have been satisfied with respect to the Property.

4. In amplification, and not in restriction of the provisions of this Declaration and the Redevelopment Agreement, it is intended and agreed that the Township shall be deemed a beneficiary of the Covenants and Restrictions set forth herein both for and in its own right but also for the purposes of protecting the interests of the community.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed the day and year first above written.

**KINGSLAND STREET URBAN
RENEWAL, LLC**

By: Hackensack University Medical Center,
a member

By: _____
Name: Robert C. Garrett
Title: CEO

By: Seton Hall University, a member

By: _____
Name: A. Gabriel Esteban, Ph.D.
Title: President

STATE OF NEW JERSEY)
 SS.:
COUNTY OF)

I certify that on September 22, 2016, Robert C. Garrett, the CEO of **HACKENSACK UNIVERSITY MEDICAL CENTER**, a New Jersey not-for-profit corporation, personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) being authorized to do so, this person signed, sealed and delivered the attached document as the CEO of **HACKENSACK UNIVERSITY MEDICAL CENTER**, a Member of **KINGSLAND STREET URBAN RENEWAL, LLC**, the Declarant named in this document; and

(b) this document was signed and made by the CEO as its voluntary act and deed by virtue of authority from **HACKENSACK UNIVERSITY MEDICAL CENTER**.

Notary Public

STATE OF NEW JERSEY)
 SS.:
COUNTY OF ESSEX)

I certify that on September 22, 2016, A. Gabriel Esteban, Ph.D., the President of **SETON HALL UNIVERSITY**, a New Jersey not-for-profit corporation, personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) being authorized to do so, this person signed, sealed and delivered the attached document as the President of **SETON HALL UNIVERSITY**, a Member of **KINGSLAND STREET URBAN RENEWAL, LLC**, the Declarant in this document; and

(b) this document was signed and made by the President as its voluntary act and deed by virtue of authority from **SETON HALL UNIVERSITY**.

Notary Public

SCHEDULE A

Declarant's Leased Premises



**PROPOSED LOT 1.01, BLOCK 300
TOWNSHIP OF NUTLEY
ESSEX COUNTY
NEW JERSEY**

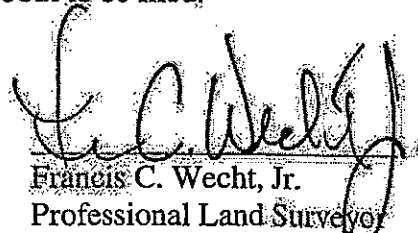
BEGINNING at a point, said point being the terminus point of the course No. 1 of the previously described, Proposed Lot 1.02, in Block 300 and running thence.

1. North 31°54'46" East, a distance of 222.54 feet to a point in the municipal line between the Township of Nutley, Essex County to the south and the City of Clifton, County of Passaic to the North, thence;
2. Along said municipal line, South 54°41'40" East, a distance of 480.32 feet to a point, thence;
3. Leaving said municipal line, South 31°54'46" West, a distance of 194.11 feet to a point, thence;
4. North 58°05'14" West, a distance of 479.48 feet to the **POINT OF BEGINNING**.

Containing an area of 99,886 square feet or 2.293 acres more or less.

Subject to any easements or restrictions of record which an accurate title search may discover.

Being portion of Lot 1 in Block 300 as shown on a map entitled "Major Subdivision, Block 201, Lot 1, Block 300, Lot 1, township of Nutley, Essex County, N.J.," prepared by Paulus, Sokolowski and Sartor, L.L.C., and about to be filed.


Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
August 1, 2016.

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PO Box 4039
Warren, NJ 07059

t. 732.560.9700



**PROPOSED LOT 1.02, BLOCK 300
TOWNSHIP OF NUTLEY
ESSEX COUNTY
NEW JERSEY**

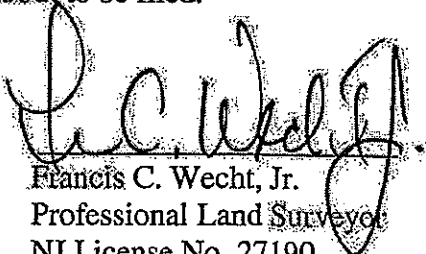
BEGINNING at a point on the northerly line of Kingsland Street (variable width right of way), said point being distant of 113.56 feet on a bearing of North 87°47'48" East from the intersection of the easterly line of Lot 2 in Block 201 with the westerly corner of Lot 1 in Block 201 and running thence.

1. North 31°54'46" East, a distance of 371.25 feet to a point, thence;
2. South 58°05'14" East, a distance of 479.48 feet to a point, thence;
3. South 31°54'46" West, a distance of 371.25 feet to a point, thence;
4. North 58°05'14" West, a distance of 479.48 feet to the **POINT OF BEGINNING**.

Containing an area of 178,003 square feet or 4.086 acres more or less.

Subject to any easements or restrictions of record which an accurate title search may discover.

Being portion of Lot 1 in Block 300 as shown on a map entitled "Major Subdivision, Block 201, Lot 1, Block 300, Lot 1, township of Nutley, Essex County, N.J.," prepared by Paulus, Sokolowski and Sartor, L.L.C., and about to be filed.


Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
August 1, 2016.

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Warren, NJ 07059

t. 732.560.9700

Survey & Mapping



**PROPOSED LOT 1.03, BLOCK 300
TOWNSHIP OF NUTLEY
ESSEX COUNTY
NEW JERSEY**

BEGINNING at a point on the northerly line of Kingsland Street (variable width right of way), said point being the following three (3) courses from the intersection of the easterly line of Lot 2 in Block 201 with the westerly corner of Lot 1 in Block 201;

- a. Along the northerly Right of Way line of Kingsland Street, South $66^{\circ}58'10''$ East, a distance of 21.46 feet to a point on the same, thence;
- b. On a curve to the right, having a radius of 95.00 feet, and arc length of 73.20 feet, whose chord bears South $44^{\circ}53'55''$ East, a chord distance of 71.40 feet to a point of cusp, thence;
- c. On a curve to the right, having a radius of 180.00 feet, an arc length of 4.07 feet, whose chord bears South $22^{\circ}10'35''$ East, a chord distance of 4.07 feet to a point and running thence.
 1. Leaving said northerly right of way line, North $31^{\circ}54'46''$ East, a distance of 14.06 feet to a point, thence;
 2. South $58^{\circ}05'14''$ East. A distance of 604.47 feet to a point, thence;
 3. South $31^{\circ}54'46''$ West, a distance of 381.11 feet to a point of cusp on the northerly right of way line of Kingsland Street (variable width R.O.W.), thence;
 4. Along the same, on a curve to the right, having a radius of 415.00 feet, an arc length of 110.64 feet, whose chord bears North $35^{\circ}56'02''$ West, a chord distance of 110.31 feet to an angle point, thence;
 5. Along the same, South $37^{\circ}03'52''$ West, a distance of 3.76 feet to an angle point, thence;
 6. Along the same, North $26^{\circ}03'11''$ West, a distance of 533.68 feet to a point of curvature, thence;
 7. Along the same, on a curve to the right, having a radius of 70.00 feet, an arc length of 23.00 feet, whose chord bears South $16^{\circ}38'25''$ East, a chord distance of 22.90 feet to a point of reverse curvature, thence;

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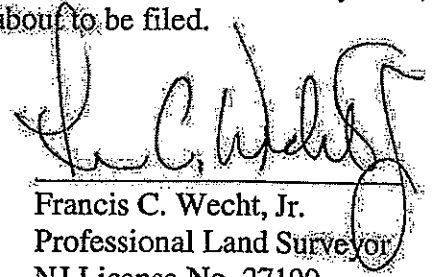


8. Along the same, on a curve to the left having a radius of 180.00 feet, an arc length of 44.93 feet, whose chord bears North 14°22'40" West, a chord distance of 44.81 feet to the point and **PLACE OF BEGINNING**.

Containing an area of 130,289 square feet or 2.991 acres more or less.

Subject to any easements or restrictions of record which an accurate title search may discover.

Being portion of Lot 1 in Block 300 as shown on a map entitled "Major Subdivision, Block 201, Lot 1, Block 300, Lot 1, township of Nutley, Essex County, N.J.," prepared by Paulus, Sokolowski and Sartor, L.L.C., and about to be filed.

A handwritten signature in dark ink, appearing to read 'Francis C. Wecht, Jr.', written over a horizontal line.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
August 1, 2016.



**PROPOSED LOT 1.04, BLOCK 300
TOWNSHIP OF NUTLEY
ESSEX COUNTY
NEW JERSEY**

BEGINNING at a point, said point being the terminus point of the course No. 3 of the previously described, Proposed Lot 1.02, in Block 300 and running thence.

Education

Energy

Federal

Healthcare

Manufacturing

Infrastructure

Public Safety

Science & Technology

1. North 31°54'46" Est, a distance of 565.36 feet to a point in the municipal line between the Township of Nutley, Essex County to the south and the City of Clifton Passaic County to the north, thence;
2. Along said municipal line, South 54°41'40" East, a distance of 125.21 feet to a point, thence;
3. Leaving said municipal line, South 31°54'46" West, a distance of 557.95 feet to a point, thence;
4. North 58°05'14" West, a distance of 125.00 feet to the **POINT OF BEGINNING**.

Containing an area of 70,207 square feet or 1.612 acres more or less.

Subject to any easements or restrictions of record which an accurate title search may discover.

Being portion of Lot 1 in Block 300 as shown on a map entitled "Major Subdivision, Block 201, Lot 1, Block 300, Lot 1, township of Nutley, Essex County, N.J.," prepared by Paulus, Sokolowski and Sartor, L.L.C., and about to be filed.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
August 1, 2016.

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EXHIBIT G
REDEVELOPER'S CERTIFICATE

Pursuant to Section 2.12 of the Redevelopment Agreement by and between the Township of Nutley (the "Township") and Kingsland Street Urban Renewal, LLC (the "Redeveloper"), dated as of September 29, 2016 (the "Redevelopment Agreement"), the undersigned certifies, as of the date hereof, to its best knowledge, information and belief, as follows (all undefined terms used herein shall have the same meaning ascribed to them in the Redevelopment Agreement):

(i) the Phase I Project been completed in its entirety as of _____ in accordance with the Redevelopment Agreement, the Phase I Redevelopment Plan and in compliance with Governmental Approvals;

(ii) all Governmental Approvals that are required in order for Redeveloper to complete the Phase I Project, 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 Phase I Project; and

(iv) attached hereto as **Schedule 1** is a certificate of _____, the Redeveloper's engineer, and a certificate of _____, Redeveloper's architect, evidencing completion of the Phase I Project.

KINGSLAND STREET URBAN RENEWAL, LLC

ATTEST:

By: Hackensack University Medical Center,
a member

By: _____
Name: Robert C. Garrett
Title: CEO

ATTEST:

By: Seton Hall University, a member

By: _____
Name: A. Gabriel Esteban, Ph.D.
Title: President

EXHIBIT H

CALCULATION OF ANNUAL SERVICE CHARGE FOR FUTURE PHASE I PROJECT

1. The calculation of the Annual Service Charge for the Future Phase I Project and any Improvements on the Undeveloped Lots (excluding any parking structure and any improvements related thereto developed on the Undeveloped Lots) (the "Future Phase I Project Annual Service Charge," as more specifically set forth in Paragraph 1(d) below), shall be as follows:

(a) For each year during the term of the financial agreement, the Tax Assessor shall determine the assessed valuation of the Undeveloped Lots and the Future Phase I Project, including any Improvements related thereto, in accordance with N.J.S.A. 54:4-23. Such valuation shall be recorded in the tax duplicate filed annually with the County Board of Taxation. To the extent that the Future Phase I Project and/or any Improvements are made to the Undeveloped Lots, the Tax Assessor shall adjust the assessed valuation, either in the annual tax duplicate or by Added Assessment, as appropriate to the time at which such Improvements are completed, so that the assessed valuation reflects the full value of the land and all Improvements that comprise the Future Phase I Project and any Improvements related thereto on the Undeveloped Lots.

(b) Upon the filing of the tax duplicate for each year, the Tax Collector shall calculate, using the property tax rates as adopted for the prior year, the sum of: (i) the amount that would be payable annually for the Future Phase I Project and any Improvements related thereto on the Undeveloped Lots for the total of municipal taxes, municipal library taxes, municipal open space taxes and school taxes (the "Future Phase I Make Whole Amount"); (ii) the Pledged Portion of the Annual Service Charge (to be set forth in the financial agreement for the applicable year); and (iii) an amount such that, upon the payment to (x) the County of an amount equal to five percent (5%) of the sum of clauses (i) and (ii) of this Paragraph 1(b), and (y) the Trustee of the Pledged Portion of the Annual Service Charge set forth in clause (ii) of this Paragraph 1(b), the Future Phase I Make Whole Amount shall remain available for retention by the Township. The sum of the amounts set forth in clauses (i), (ii), and (iii) of this paragraph (b) shall constitute the "Preliminary Future Phase I Project Annual Service Charge."

(c) For each of the first (1st) and second (2nd) quarters of the year, the amount of the Preliminary Future Phase I Project Annual Service Charge due for that quarter shall be equal to twenty five percent (25%) of the amount calculated in Paragraph 1(b) above. The Township shall pay the County Amount of five percent (5%) to the County as its share of the Preliminary Future Phase I Project Annual Service Charge in accordance with the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12.

(d) After adoption of the municipal budget for the year and the determination of the new tax rate, the Tax Collector shall calculate the "Future Phase I Project Annual Service Charge" using the formula set forth in Paragraph 1(b) above, except that the Tax Collector shall utilize the property tax rates as adopted for the current year.

(e) The amounts payable in the first two (2) quarters of the year shall be subtracted from the amount calculated in Paragraph 1(d) above.

(f) For each of the third (3rd) and fourth (4th) quarters of the year, the amount of the Future Phase I Project Annual Service Charge due for that quarter shall be equal to fifty percent (50%) of the amount calculated in Paragraph 1(e) above. The Township shall pay the County Amount of five percent (5%) to the County as its share of the Future Phase I Project Annual Service Charge in accordance with the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12.

(g) To the extent that the Tax Assessor files an Added Assessment for the Future Phase I Project and any Improvements related thereto on the Undeveloped Lots, the Tax Collector shall calculate, using the property tax rates as adopted for the current year, the sum of: (i) the amount that would be payable for the total of municipal taxes, municipal library taxes, municipal open space taxes and school taxes payable as a result of the Added Assessment for the Future Phase I Project and any Improvements related thereto on the Undeveloped Lots (the "Future Phase I Project Added Assessment Make Whole Amount"); and (ii) an amount such that, upon the payment to the County of an amount equal to five percent (5%) of the sum of clauses (i) and (ii) of this Paragraph 1(g), the Future Phase I Project Added Assessment Make Whole Amount shall remain available for retention by the Township (collectively, the "Future Phase I Project Additional Annual Service Charge").

(h) The Tax Collector shall notify the Entity of the Future Phase I Project Additional Annual Service Charge, which amount shall be payable within thirty (30) days after the date on which notice is given.

2. The calculation of the Annual Service Charge for any parking structure built as part of the Future Phase I Project on the Undeveloped Lots (the "Future Parking Structure Annual Service Charge," as more specifically set forth in Paragraph 2(d) below), shall be as follows:

(a) For each year during the term of the financial agreement, the Tax Assessor shall determine the assessed valuation of the Undeveloped Lots and any parking structure built as part of the Future Phase I Project and any Improvements related thereto, in accordance with N.J.S.A. 54:4-23. Such valuation shall be recorded in the tax duplicate filed annually with the County Board of Taxation. To the extent that the parking structure and any Improvements related thereto are made to the Undeveloped Lots, the Tax Assessor shall adjust the assessed valuation, either in the annual tax duplicate or by Added Assessment, as appropriate to the time at which such Improvements are completed, so that the assessed valuation reflects the full value of the land and all Improvements that comprise any parking structure built as part of the Future Phase I Project on the Undeveloped Lots.

(b) Upon the filing of the tax duplicate for each year, the Tax Collector shall calculate, using the property tax rates as adopted for the prior year, the sum of: (i) the amount that would be payable annually for any parking structure built as part of the Future Phase I Project and any Improvements related thereto for the total of municipal taxes, municipal library taxes, and municipal open space taxes (the "Future Parking Make Whole Amount"); (ii) the Pledged Portion of the Annual Service Charge (to be set forth in the financial agreement for the applicable year); and (iii) an amount such that upon the payment to the County of an amount equal to five percent (5%) of the sum of clauses (i) and (ii) of this Paragraph 2(b), the Future Parking Make Whole Amount shall remain for retention by the Township. The sum of the amounts set forth in clauses (i), (ii) and (iii) of this Paragraph 2(b) shall constitute the "Preliminary Future Parking Structure Annual Service Charge."

(c) For each of the first (1st) and second (2nd) quarters of the year, the amount of the Preliminary Future Parking Structure Annual Service Charge due for that quarter shall be equal to twenty five percent (25%) of the amount calculated in Paragraph 2(b) above. The Township shall pay the County Amount of five percent (5%) to the County as its share of the Preliminary Future Parking Structure Annual Service Charge in accordance with the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12.

(d) After adoption of the municipal budget for the year and the determination of the new tax rate, the Tax Collector shall calculate, using the property tax rates as adopted for the current year, the "Future Parking Structure Annual Service Charge" using the formula set forth in Paragraph 2(b) above, except that the Tax Collector shall utilize the property tax rates as adopted for the current year.

(e) The amounts payable in the first two (2) quarters of the year shall be subtracted from the amount calculated in Paragraph 2(d) above.

(f) For each of the third (3rd) and fourth (4th) quarters of the year, the amount of the Future Parking Structure Annual Service Charge due shall be equal to fifty percent (50%) of the amount calculated in Paragraph 2(e) above. The Township shall pay the County Amount of five percent (5%) to the County as its share of the Future Parking Structure Annual Service Charge in accordance with the Long Terms Tax Exemption Law, specifically N.J.S.A. 40A:20-12.

(g) To the extent that the Tax Assessor files an Added Assessment for any parking structure built as part of the Future Phase I Project and any Improvements related thereto, the Tax Collector shall calculate, using the property tax rates as adopted for the current year, the sum of: (i) the amount that would be payable for the total of municipal taxes, municipal library taxes and municipal open space taxes payable as a result of the Added Assessment for the Parking Structure and any improvements related thereto (the "Future Parking Added Assessment Make Whole Amount"); and (ii) an amount such that, upon the payment to the County of an amount equal to five percent (5%) of the sum of clauses (i) and (ii) of this Paragraph 2(g), the Township Parking Added Assessment Make Whole Amount shall remain for retention by the Township (collectively, the "Future Parking Additional Annual Service Charge").

(h) The Tax Collector shall notify the Entity of the Future Parking Additional Annual Service Charge, which amount shall be payable within thirty (30) days after the date on which notice is given.

3. The "Annual Service Charge" shall mean the sum of the Future Phase I Project Annual Service Charge and the Future Parking Structure Annual Service Charge.

4. If the Annual Service Charge and/or Land Taxes are not paid by or on behalf of the Entity, in whole or in part, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Undeveloped Lots, the Future Phase I Project and the Improvements until paid as per N.J.S.A. 54:4-67. In addition, in any such case the Township shall have, without limitation, the right to exercise any and all other remedies available at law, in equity or by the terms of the financial agreement, including the right to proceed against the property pursuant

to the Tax Sale Law, N.J.S.A. 54:5-1 et seq. in the same manner as if the Entity had failed to pay real estate taxes, and/or the right to declare a Default of the financial agreement.

5. The Annual Service Charge shall be a continuous municipal lien on the Undeveloped Lots, the Future Phase I Project and the Improvements related thereto.

The below language shall also be inserted into each financial agreement referenced in Section 2.05(e)(iii):

The parties acknowledge that, because the Annual Service Charge for [identify Improvements] is to be calculated based on the ad valorem taxes that would be imposed against such Improvements were such Improvements not to be exempted as set forth herein, the assessed valuation of such Improvements is therefore material in determining the amount of the Annual Service Charge for such Improvements. As such, the parties agree that the Entity shall be permitted to appeal the assessed valuation of such Improvements, by the same means as those available to any owner of real property in the Township, including pursuant to N.J.S.A. 54:3-21. Nothing herein is intended to limit Entity's right to appeal Land Taxes.

The parties further acknowledge and agree that the provisions of N.J.S.A. 54:3-21b are inapplicable in that the assessment of [identify Improvements] is not based on this Agreement, but is to be done conventionally, and the exemption for [identify Improvements] granted hereunder and the calculation of the Annual Service Charge for such Improvements are not based on the Long Term Tax Exemption Law but, rather, have been established pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq. The parties further acknowledge that the process described in this Section ____ and the events giving rise thereto shall not be deemed a breach of this Agreement or a dispute between the parties for the purposes of Section ____ [reference dispute resolution section] hereof.

In the event that the aforescribed process cannot be pursued by reason of a court declining to accept jurisdiction of such an appeal, or for any other reason, a dispute over the calculation of the Annual Service Charge for [identify Improvements] shall be settled as follows: the parties will either both retain appraisers or agree jointly upon an appraiser for the purpose of appraising and calculating the assessment of the applicable Improvement. In the event the parties cannot agree upon an assessment amount within thirty (30) days after receipt of the appraisal(s), the parties will jointly appoint a third appraiser. If the parties cannot agree upon a third appraiser, they shall request that the Essex County Assignment Judge appoint the third appraiser. Within fifteen (15) days following the appointment of the third appraiser, each party shall submit to the third appraiser a written report setting forth its determination of the assessment, together with such information as such party shall deem relevant. The third appraiser shall proceed with all reasonable dispatch to determine the assessment and shall, within thirty (30) days following the submission of such written reports, render its decision by concluding its own determination of the assessment, with such determination to be binding on the parties.

It is recognized that the outcome of such process shall not serve to adjust the actual assessment of such Improvements established by the Township's Tax Assessor but shall establish a deemed assessment for the purposes of calculating the Annual Service Charge for [identify Improvements]. In no event shall the Entity be required to pay an Annual Service Charge greater than what would be due if the actual assessment were used as a basis to calculate same.

The parties acknowledge that, as a result of State laws establishing the process for property tax assessment, the tax exemption described herein may not be able to commence on the date contemplated herein. Moreover, such laws may also result in increases, between the date hereof and the commencement date of the annual service charge, in the ad valorem taxes due on the [identify Improvements]. In order to maintain the economic agreement between the parties, it is agreed that the amount of one-half (1/2) of any payments made to the Township as a result of the foregoing shall be credited against the unpledged portion of the Annual Service Charge commencing on the first installment thereof.