

**CITY COUNCIL**

**The City of Orange Township, New Jersey**

**June 16, 2020**

**272-2020**

**DATE** \_\_\_\_\_

**NUMBER** \_\_\_\_\_

**TITLE:**

**A RESOLUTION AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE CITY AND PEEK REOCK I OWNER URBAN RENEWAL, LLC FOR THE UNDERTAKING OF A REDEVELOPMENT PROJECT TO BE LOCATED AT 258-276 REOCK STREET**

**WHEREAS**, the City previously determined that certain properties (collectively, the "Redevelopment Area") are an area in need of redevelopment under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

**WHEREAS**, the City previously adopted one or more redevelopment plans (collectively, the "Redevelopment Plan") to govern the redevelopment of the properties located within the Redevelopment Area; and

**WHEREAS**, PEEK Reock I Owner Urban Renewal, LLC (the "Redeveloper") proposes to undertake a redevelopment project on that portion of the Redevelopment Area identified on the City's official tax map as Tax Block 2804, Lots 1, 2, 9, 10 and 11, more commonly known by the street address of 258-276 Reock Street, Orange, New Jersey (the "Project Site"), consisting of the construction of a 6-story, 50-unit multi-family residential building with 40 on-site parking spaces provided on the ground floor, and other related improvements (collectively, the "Project"); and

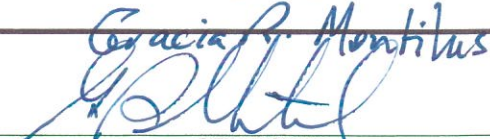
**WHEREAS**, by resolution adopted on June 5, 2019, the City has heretofore designated PEEK Development, L.L.C., an affiliate of the Redeveloper, to serve as the exclusive redeveloper under the LRHL for the Project on the Project Site, conditioned upon certain undertakings of the Redeveloper and subject to expiration in the event the Redevelopment Agreement is not timely negotiated, approved and executed by the parties; and

**WHEREAS**, the New Jersey Department of Transportation (the "NJDOT") currently owns that portion of the Project Site identified on the City's official tax map as Tax Block 2804, Lots 9 and 10 (the "NJDOT Properties"); and

**WHEREAS**, the NJDOT has indicated that the NJDOT Properties constitute excess surplus properties which may be sold by the NJDOT to the City for redevelopment, at a purchase price to be determined (the "NJDOT Sale Price"); and

**WHEREAS**, the Redeveloper has represented that it either owns, or has entered into a purchase and sale agreement to acquire, the portions of the Project Site not constituting the NJDOT Properties; and

**WHEREAS**, the Project includes the construction of such reasonably necessary infrastructure improvements along the frontage of the Project and the Project Site that are caused and necessitated as a result of the construction of the Project, including but not limited to curb replacements, street resurfacing, sidewalks, street lighting,

*Gracia G. Montilus*  
  
CITY ATTORNEY

landscaping, crosswalks and similar improvements consistent with the Redeveloper's approved site plan, to be determined in coordination with the City Planner (collectively, the "Infrastructure Improvements"); and

**WHEREAS**, in order to defray certain eligible costs of the portion of the Project comprising the Infrastructure Improvements, the City expects to issue its general obligation bonds and/or notes in one or more series in an aggregate principal amount not to exceed \$200,000 (the "RAB Bonds") pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as applicable, and a bond ordinance to be adopted by the City; and

**WHEREAS**, in the Redevelopment Agreement the City shall agree to issue the RAB Bonds following the effectiveness of the related bond ordinance and receipt of any necessary governmental approvals; and

**WHEREAS**, in furtherance of the Redevelopment Plan, the City and the Redeveloper now wish to enter into a Redevelopment Agreement (the "Redevelopment Agreement") to fully set forth the understanding of the City and the Redeveloper with respect to the construction and development of the Project, including, *inter alia*, the sale of the NJDOT Properties by the City to the Redeveloper (contingent upon the City's acquisition thereof from the NJDOT) at a purchase price equal to the NJDOT Sale Price, subject to the terms and conditions of the attached Redevelopment Agreement; and

**WHEREAS**, the Redeveloper has agreed to pay all reasonable fees, expenses and costs incurred by the City with respect to its role as redevelopment entity related to the Project, including, *inter alia*, costs relating to the acquisition and sale of the NJDOT Properties as aforesaid;

**NOW, THEREFORE, BE IT RESOLVED** by the Municipal Council of the City of Orange Township that:

1. The Municipal Council hereby approves the proposed form of Redevelopment Agreement in substantially the form attached hereto. The Mayor and/or the Business Administrator are hereby authorized to execute and deliver the Redevelopment Agreement in substantially such form, with such changes as the such officer(s) may approve, such approval to be conclusively evidenced by his or their execution thereof. The Clerk is hereby authorized to attest to such signature(s) and to affix the official seal of the City to the Redevelopment Agreement.
2. The Mayor, Business Administrator, Clerk and Attorney are hereby authorized to execute any other documents and/or agreements necessary to implement the Redevelopment Agreement.

Adopted:

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Joyce L. Lanier  
City Clerk

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Tency A. Eason  
Council President

**REDEVELOPMENT AGREEMENT**

**by and between**

**THE CITY OF ORANGE TOWNSHIP, NEW JERSEY**

**acting as the Redevelopment Entity**

**and**

**PEEK REOCK I OWNER URBAN RENEWAL, LLC**

**Dated as \_\_\_\_\_, 2020**

This **REDEVELOPMENT AGREEMENT** (as amended or supplemented from time to time, the “Agreement” or “Redevelopment Agreement”) dated as of \_\_\_\_\_, 2020 (the “Effective Date”) entered into by and between **THE CITY OF ORANGE TOWNSHIP**, a municipal corporation of the County of Essex and the State of New Jersey (the “State”), having its offices at 29 North Day Street, Orange, New Jersey 07050, acting as redevelopment entity pursuant to N.J.S.A. 40A:12A-4(c) (the “Redevelopment Entity”), and **PEEK REOCK I OWNER URBAN RENEWAL, LLC**, a limited liability company organized under the laws of the State and authorized to do business of the type contemplated hereby in the State as a duly formed New Jersey urban renewal entity, having its principal corporate offices at c/o PEEK Properties, 59 Main Street, Suite 203, West Orange, New Jersey 07052 (“Redeveloper”). The Redevelopment Entity and the Redeveloper may hereinafter be referred to individually as a “Party” and collectively as the “Parties”.

### WITNESSETH

**WHEREAS**, the governing body (the “City Council”) of the City of Orange Township (the “City”) has designated twenty-one (21) parcels of real property located in the City of Orange Township between the NJ Transit railroad right-of-way and Freeway Drive/Interstate 280 and bounded by South Essex Avenue to the west and South Center Street to the east (collectively, the “Redevelopment Area”) to be an area in need of redevelopment by resolution(s) heretofore adopted by the City Council; and

**WHEREAS**, in connection with the designation of the Redevelopment Area, the City Council has adopted the “Reock Street Redevelopment Plan” by Ordinance No. 6-2010 finally adopted by the City Council on April 10, 2010 and amended by Ordinance No. 40-2011 finally adopted by the City Council on January 12, 2012 (collectively, as may be further amended from time to time, in accordance with the Local Housing and Redevelopment Law, N.J.S.A. 40A:12A-1 et seq. (the “Act”) and the terms of this Agreement, the “Redevelopment Plan”); and

**WHEREAS**, the Redeveloper is a successful developer and has the necessary expertise, skill, and ability to carry out development of the hereinafter-defined Project; and

**WHEREAS**, the Redevelopment Entity has determined to designate the Redeveloper to undertake a redevelopment project consisting of the construction of a 6-story, 50-unit multi-family residential building with 40 on-site parking spaces provided on the ground floor, and other related improvements (collectively, the “Project”), all in accordance with the Redevelopment Plan, to be located within the applicable portion of the Redevelopment Area known as Tax Block 2804, Lots 1, 2, 9, 10 and 11, as described on **Schedule “A”** attached hereto and by this reference made a part hereof, more commonly known by the street address of 258-276 Reock Street, Orange, New Jersey (the “Project Site”); and

**WHEREAS**, the New Jersey Department of Transportation (the “NJDOT”)

currently owns that portion of the Project Site identified on the City's official tax map as Tax Block 2804, Lots 9 and 10 (the "NJDOT Parcels"); and

**WHEREAS**, the NJDOT has indicated that the NJDOT Parcels constitute excess surplus properties which may be sold by the NJDOT to the City for redevelopment, at a purchase price to be determined; and

**WHEREAS**, the Redeveloper has represented that it either owns, or has entered into a purchase and sale agreement to acquire, the portions of the Project Site not constituting the NJDOT Parcels; and

**WHEREAS**, the Project includes the construction of such reasonably necessary infrastructure improvements along the frontage of the Project and the Project Site that are caused and necessitated as a result of the construction of the Project, including but not limited to curb replacements, street resurfacing, sidewalks, street lighting, landscaping, crosswalks and similar improvements consistent with the Redeveloper's approved site plan, to be determined in coordination with the City Planner (collectively, the "Infrastructure Improvements"); and

**WHEREAS**, in order to defray certain eligible costs of the portion of the Project comprising the Infrastructure Improvements, the City expects to issue its general obligation bonds and/or notes in one or more series in an aggregate principal amount not to exceed \$200,000 pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as applicable, and a bond ordinance to be adopted by the City; and

**WHEREAS**, in order to implement the Redevelopment Plan, the City wishes to enter into this Redevelopment Agreement with Redeveloper and designate Redeveloper as "Redeveloper" of the Project Site.

**NOW, THEREFORE**, in consideration of the foregoing and certain other consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereby agree as follows

## **ARTICLE I DEFINITIONS; CONDITIONS PRECEDENT**

### **1.1. Defined Terms.**

The Parties hereto agree that unless the context otherwise specifies or requires, the following terms shall have the meanings specified below, such definitions to be applicable equally to the singular and plural forms of such terms and to the use of the upper and lower case initial letter of each word contained in such terms.

- (1) **Act:** The Local Redevelopment and Housing Law, codified at N.J.S.A.

40A:12A-1 et seq.

(2) **Agreement (or Redevelopment Agreement):** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(3) **Applicable Laws:** All federal, State and local laws, ordinances, approvals, rules, regulations and requirements if and to the extent applicable to the Project, including, but not limited to, the Act, the Tax Exemption Law, the RAB Law, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable Environmental Laws, applicable federal and State labor standards and all applicable laws or regulations with respect to the payment of prevailing wages.

(4) **Certificate of Completion:** A certificate of completion, which shall be issued by the Redevelopment Entity, in accordance with Article X hereof and the Act, when (a) all work related to the Redevelopment Project, or any other work or actions to which such term is applied, has been substantially completed, acquired and/or installed in accordance with this Redevelopment Agreement and in compliance with Applicable Laws, so that (1) the Project may, in all respects, be used and operated under the applicable provisions of this Redevelopment Agreement, or (2) with respect to any other work or action to which such term is applied, that the intended purpose of such work or action has been substantially completed, and (b) such completion has been evidenced by a written notice to that effect provided by an authorized officer of the Redevelopment Entity.

(5) **Certificate of Occupancy:** A temporary or permanent certificate of occupancy as defined in the City's ordinances and the applicable provisions of the Uniform Construction Code.

(6) **City:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(7) **City Council:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(8) **City Official Action:** Any authorizing resolution of the City with respect to the Redevelopment Area, any ordinance approving any and all amendments to the Redevelopment Plan, the resolution(s) authorizing this Redevelopment Agreement and any amendments hereto, and any and all other resolutions, ordinances or other official action of the City that constitutes a condition precedent to Redeveloper performing its obligations hereunder in accordance with all Applicable Laws and this Redevelopment Agreement or that is otherwise contemplated by this Redevelopment Agreement.

(9) **Code:** The Internal Revenue Code of 1986, as amended and supplemented, and the U.S. Department of Treasury regulations promulgated thereby.

(10) **Conditions Precedent:** Shall have the meaning ascribed to such term as set forth in Section 1.2 hereof.

(11) **Construction Code Official:** An individual with appropriate qualifications including a class one construction license to be hired or contracted for by the City, whose duties will be to review and expedite site plans, building plans, permits and inspections exclusively in the Redevelopment Area.

(12) **Declaration of Restrictions:** A written instrument intended to be executed by the Redeveloper, to be recorded in the Office of the Essex County Register of Deeds as of the date the Notice to Proceed is given to the City, and to encumber the Project Site and run with the land, setting forth certain undertakings of and restrictions applicable to the Redeveloper and its permitted successors and assigns in connection with the ownership, redevelopment or rehabilitation of the Project Site, all as more particularly described in Section 4.1 hereof, in the form attached hereto as **Exhibit "A"**.

(13) **Default:** Such condition or event which or would, after notice or lapse of time or both, constitute an Event of Default as more particularly defined in Article VIII hereof.

(14) **Director:** The City's Director of Development, or such other officer of the City as may be appointed by the City's Business Administrator to undertake all or part of the functions of the Director as provided in this Agreement.

(15) **Effective Date:** Shall have the meaning ascribed to such term as set forth in the recitals hereto

(16) **Eminent Domain:** The utilization of condemnation by the City pursuant to N.J.S.A. 20:3-1 *et seq.* or the Redevelopment Entity pursuant to the Act.

(17) **Environmental Laws:** Any and all federal, State, regional, and local laws, statutes, ordinances, regulations, rules, codes, consent decrees, judicial or administrative orders or decrees, directives or judgments relating to pollution, damage to or protection of the environment, environmental conditions, or the use, handling, processing, distribution, generation, treatment, storage, disposal, manufacture or transport of Hazardous Substances, presently in effect or hereafter amended, modified, or adopted including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") (42 U.S.C. sect. 9601-9675); the Resource Conservation and Recovery Act of 1976 ("RCRA") (42 U.S.C. sect. 6901, *et seq.*); the Clean Water Act (33 U.S.C. sect. 1251, *et seq.*); the New Jersey Spill Compensation and Control Act (the "Spill Act") (N.J.S.A. 58:10-23.11, *et seq.*); the Industrial Site Recovery Act, as amended ("ISRA") (N.J.S.A. 13:1K-6, *et seq.*); the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21, *et seq.*), the New Jersey Water Pollution Control Act (N.J.S.A. 58:10A-1 *et seq.*); the New Jersey Environmental Rights Act (N.J.S.A. 2A:35A-1, *et seq.*); and the rules and regulations promulgated thereunder.

(18) **Force Majeure:** For the purposes of any of the provisions of this Agreement, neither the Redevelopment Entity nor Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of, or in default with respect to its obligations hereunder or those obligations borne by successors, assigns, designees, subcontractors or other agents hereunder because of any delay in the performance of such obligations arising from causes beyond its or their reasonable control and not substantially due to its or their fault or negligence, including, but not restricted to, acts of nature, acts of the public enemy or other homeland security event, acts or omissions of third parties (including but not limited to litigation), fires, floods, epidemics, quarantine restrictions, a general banking moratorium declared by federal or State authorities and in force, or an outbreak of hostilities or other national or international crisis or calamity, including without limitation a suspension in trading in effect for an extended period of time on a major United States stock exchange, the effect of any of which on the financial markets is such as to materially and adversely affect the ability of Redeveloper (assuming no downgrading of the credit quality of Redeveloper) to secure financing for the Redevelopment Project. It is the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Redevelopment Entity or Redeveloper shall be extended for the period of the delay.

(19) **Governmental Applications:** The applications including all plans, drawings, documentation and presentations necessary and appropriate for the purpose of obtaining any and all Governmental Approvals required to complete the Project.

(20) **Governmental Approvals:** Any non-appealable final approvals, authorizations, permits, licenses and certificates needed from governmental or quasi-governmental authorities having jurisdiction, whether federal, State, county or local, subject only to such terms and conditions that constitute acceptable conditions to the extent necessary to implement parts of the Project in accordance with the Redevelopment Plan, and this Agreement, including approvals issued in reliance on the Governmental Applications, including, without limitation: the final site plan with respect to the development of the Project submitted to, and approved by, the Planning Board or its successor; construction plans and specifications for the obtaining of building permits for the proposed construction; environmental approvals; water capacity and connection approvals; sewerage capacity and connection approvals; and any and all other necessary permits, licenses, consents and approvals. Governmental Approvals may be obtained in phases.

(21) **Hazardous Substances:** Any substance, material or waste, whether liquid, gaseous or solid, and any pollutant or contaminant, that is toxic, hazardous, explosive, corrosive or radioactive, or that is defined, listed or regulated under any Environmental Laws, including without limitation, petroleum, polychlorinated biphenyls and urea formaldehyde.

(22) **Infrastructure Improvements:** Shall have the meaning ascribed to such term in the recitals hereto. The Infrastructure Improvements are part of the Project.



(23) **Joint Venture Partners:** A third-party entity, unaffiliated with Redeveloper that meets the requirements set forth in Section 13.10 that has entered into an agreement for the ownership, use, management, or operation of any Redevelopment Project, whether by operating agreement, partnership agreement, ground lease agreement or otherwise.

(24) **NJDEP:** New Jersey Department of Environmental Protection, and any successors in interest.

(25) **NJDOT:** New Jersey Department of Transportation and any successors in interest.

(26) **NJDOT Parcels:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(27) **NJEDA:** New Jersey Economic Development Authority and any successors in interest.

(28) **NJRA:** New Jersey Redevelopment Authority and any successors in interest.

(29) **NJ Transit:** New Jersey Transit Corporation and any successors in interest.

(30) **Notice to Proceed:** Shall have the meaning ascribed to such term as set forth in Section 1.2 hereof.

(31) **Parties:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(32) **Project:** See “Redevelopment Project”.

(33) **Project Site:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(34) **RAB Law:** The Redevelopment Area Bond Financing Law, codified at N.J.S.A. 40A:12A-64 et seq.

(35) **Redeveloper:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(36) **Redevelopment Agreement (or Agreement):** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(37) **Redevelopment Area:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(38) **Redevelopment Area Bonds:** City general obligation bonds and/or notes

in one or more series issued by the City in accordance with the Act and the RAB Law in an aggregate principal amount not to exceed of \$200,000.00, in order to finance a portion of the costs of the Infrastructure Improvements to be performed by Redeveloper in the event of commencement of construction of the Project, pursuant to the RAB Law and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as applicable.

(39) **Redevelopment Entity:** The City or an agency or department of the City, and identified to Redeveloper in writing, established to oversee redevelopment projects in the Redevelopment Area consistent with the provisions of the Redevelopment Plan.

(40) **Redevelopment Entity Costs:** All reasonable fees, expenses and costs actually incurred by the Redevelopment Entity, solely with respect to its role as Redevelopment Entity and solely and specifically related to the Project, attributable to outside counsel, engineering, planning, and financial professional fees, unless otherwise agreed to by the Parties or otherwise paid or payable from other arrangements.

(41) **Redevelopment Entity Official Action:** As applicable, City Official Action acting as Redevelopment Entity.

(42) **Redevelopment Plan:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(43) **Redevelopment Project (or Project):** Shall have the meaning ascribed to such terms as set forth in the recitals hereto.

(44) **Remediation:** All necessary actions required under Environmental Laws or any other Applicable Law to investigate and clean up, remove, or otherwise respond to the known or suspected presence or threatened discharge of hazardous substances or hazardous wastes on or migrating from the Project Site, including, as necessary, preliminary assessment, site investigation, remedial investigation, and remedial action.

(45) **State:** Shall have the meaning ascribed to such term as set forth in the recitals hereto.

(46) **Tax Exemption Law:** The Long Term Tax Exemption Law, codified at N.J.S.A. 40A:20-1 et seq.

(47) **WRAP:** Workable Relocation Assistance Program as defined by the New Jersey Relocation Assistance Law of 1967, N.J.S.A. 52:31B-5 *et. seq.*

## **1.2 Conditions Precedent.**

Redeveloper's obligations hereunder are contingent upon the full satisfaction or waiver, at Redeveloper's sole discretion, of the conditions precedent set forth in this

Section (the “Conditions Precedent”). Prior to commencing construction of the Project within the meaning of Section 5.2(1), the Redeveloper shall give written notice to the City (the “Notice to Proceed”) that all of the Conditions Precedent have been satisfied or waived. In the event that all of the Conditions Precedent are not satisfied, or waived by Redeveloper, in its sole discretion, by \_\_\_\_\_, 20\_\_, then Redeveloper may elect to terminate this Agreement by providing notice to such effect to the Redevelopment Entity or, at Redeveloper’s election, the Parties shall enter into good faith negotiations to amend this Agreement.

(1) The successful acquisition of the NJDOT Properties as described in Section 5.1 hereof.

(2) The successful procurement by Redeveloper of all Governmental Approvals, including without limitation water capacity and connection approvals, environmental permits, and land use approvals, as shall be determined to be necessary by Redeveloper.

(3) The City’s approval of a long term tax exemption and financial agreement pursuant to the Tax Exemption Law and the RAB Law.

(4) The City’s approval of a bond ordinance for the issuance of \$200,000.00 of Redevelopment Area Bonds to finance a portion of the costs of the Infrastructure Improvements.

(5) Closing on Redeveloper’s construction financing.

## **ARTICLE II DUTIES**

### **2.1 Duties of Redeveloper.**

Redeveloper shall perform the following duties in furtherance of carrying out the Redevelopment Project pursuant to the Redevelopment Plan.

(1) Retain various professionals deemed necessary or appropriate by Redeveloper, who have, among other things, reviewed the needs and estimates of the Project.

(2) Use good faith efforts to acquire properties not already owned by the Redeveloper to complete the assemblage of the Project Site, including satisfying all of Redeveloper’s obligations required under this Redevelopment Agreement as a condition precedent to having the Redevelopment Entity acquire the NJDOT Properties on behalf of Redeveloper.

(3) Undertake the Project as more specifically set forth herein.

(4) Cooperate with and assist in the formation of one or more written agreements and such other endeavors the Redevelopment Entity deems prudent with the City, NJDEP, NJ Transit, NJDOT, and any other necessary parties required to effectuate the Redevelopment Project pursuant to the Redevelopment Plan and this Redevelopment Agreement, in all cases subject to the approval of Redeveloper.

(5) Submit to Arbitration pursuant to Section 15.1 hereof, in the event of a dispute with the Redevelopment Entity with respect to issues that this Agreement contemplates being resolved by Arbitration.

(6) Work cooperatively with the City and various professional consultants with respect to the redevelopment in the Redevelopment Area.

(7) Abide by all Ordinances of the City of Orange Township and the laws of the State of New Jersey, applicable to the Redevelopment Project.

(8) Redeveloper shall have the right to choose its professionals/consultants in its sole discretion.

(9) Pay Redevelopment Entity Costs when and if same become due, which Redevelopment Entity Costs Redeveloper shall have the right to review and approve prior to authorization of payment thereof. Payment of Redevelopment Entity Costs shall be satisfied by Redeveloper's funding of a refundable escrow account pursuant to an escrow agreement to be agreed to by the Parties, pursuant to which Redeveloper shall fund an initial balance of \$20,000, and Redeveloper will replenish such escrow account to a balance of \$15,000 within fourteen (14) days following receipt of written notice from the Redevelopment Entity that the escrow account reaches a balance of \$5,000. Redeveloper shall fund such escrow account within thirty (30) days of the Effective Date of this Agreement.

## **2.2 Duties of Redevelopment Entity.**

The Redevelopment Entity shall perform the following duties in furtherance of carrying out the Redevelopment Plan and in assisting Redeveloper in carrying out its Redevelopment Project.

(1) In connection with the acquisition of the NJDOT Parcels (as defined in Section 5.1(2) hereof), the Redevelopment Entity shall retain appraisers and other professionals to consummate such acquisition, the cost of which appraisers and professionals shall be borne by Redeveloper as Redevelopment Entity Costs.

(2) Use commercially reasonable efforts to expedite the review and final approval by Planning Board of specific site plans for the Redevelopment Project as long as they conform to the guidelines of the Redevelopment Plan and this Agreement, with any deviations as permitted by Applicable Laws. Redevelopment Entity shall also use its best

efforts to cooperate and assist Redeveloper in procuring and complying with any Governmental Approvals, as such procurement and/or compliance requires or is conditioned upon City Official Action or Redevelopment Entity Official Action.

(3) If requested by Redeveloper, coordinate and work cooperatively with the redeveloper(s) in the implementation of the Redevelopment Plan in respect of other properties within the Redevelopment Area.

(4) If requested by Redeveloper, jointly with Redeveloper and, as necessary, third parties, apply for, develop and negotiate agreements with the NJDEP for grants and necessary approvals of projects related to the Project, if any.

(5) If requested by Redeveloper, jointly with Redeveloper and, as necessary, third parties, apply for, develop and negotiate agreements with the NJDOT for grants and necessary approvals of projects related to the Project.

(6) If requested by Redeveloper, jointly with Redeveloper and, as necessary, third parties, apply for, develop and negotiate agreements with the County of Essex for grants and necessary approvals of projects related to the Project, including without limitation HOME and/or CDBG grant monies.

(7) Work diligently to issue permits and cooperate with outside agencies requiring the City's consent for the construction of the Project, including any infrastructure improvements to be undertaken by Redeveloper pursuant to this Agreement.

(8) Refrain from amending, rescinding, or changing the designation of Redeveloper as redeveloper for any portion of the Project Site, and refrain from delegating its powers, duties, and obligations as redevelopment entity without prior written consent of Redeveloper.

(9) Hire or contract with licensed personnel. If such personnel shall perform duties on behalf of Redeveloper as described in 2.1, then Redeveloper shall have the right to approve the hiring and payment of such personnel, with such approval not to be unreasonably withheld.

(10) Cooperate with and assist in the formation of one or more written agreements and such other endeavors Redeveloper deems prudent with the Redeveloper, NJDEP, NJ Transit, NJDOT, the County of Essex, and any other necessary parties required to effectuate the Redevelopment Project pursuant to the Redevelopment Plan and this Redevelopment Agreement.

(11) Submit to Arbitration pursuant to Section 14.1 hereof in the event of a dispute with Redeveloper with regard to issues that this Agreement contemplates being resolved by Arbitration.

(12) Assist with and participate in a coordinated defense, and/or corrections or

additions to, any challenge to the Redevelopment Plan, the Redevelopment Project, the Redevelopment Area, or this Agreement and defend or prosecute any appeal, as requested by Redeveloper; provided, that the City shall have no obligation to defend any claim, suit or counterclaim nor pursue any appeal as to which Redeveloper has no obligation to indemnify and hold harmless the Redevelopment Entity under Section 15.2 hereof.

(13) Provide or cause to be provided to Redeveloper such information regarding applicants, contractors and vendors as reasonably required to enable Redeveloper to comply with the requirements of Section 12.2(4) hereof.

(14) Issue the Redevelopment Area Bonds following the effectiveness of the related bond ordinance and receipt of any necessary governmental approvals

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

#### **3.1. Representations and Warranties by Redeveloper.**

Redeveloper hereby makes the following representations and warranties:

(1) Redeveloper has the legal capacity to enter into this Agreement and perform each of undertaking set forth herein with respect to implementing the Redevelopment Project pursuant to the Redevelopment Plan as of the Effective Date.

(2) Redeveloper is duly organized and a validly existing legal entity under the laws of the State, and all necessary resolutions have been duly adopted to authorize the execution and delivery of this Redevelopment Agreement and to authorize and direct the persons executing this Agreement to do so for and on Redeveloper's behalf.

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

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

(5) No indictment has been returned against any corporate officer of Redeveloper.

(6) There is no action, proceeding or investigation now pending, nor any basis therefor, known or believed by Redeveloper to exist, (i) which questions the authority of Redeveloper to enter into this Agreement or relating to any action taken or to be taken by Redeveloper pursuant to this Redevelopment Agreement; or (ii) is likely to result in a material adverse change in Redeveloper's property, assets, liabilities or condition that will

materially and substantially impair Redeveloper's ability to perform its obligations under, or would otherwise materially affect any of Redeveloper's representations or warranties made, all pursuant to the terms of this Redevelopment Agreement.

(7) The execution and delivery of this Redevelopment Agreement by Redeveloper and Redeveloper's performance hereunder will not constitute a violation of Redeveloper's operating agreement or of any agreement, mortgage, indenture, instrument or judgment to which Redeveloper is a party.

(8) All material information submitted by Redeveloper to the Redevelopment Entity and its agents, is, to the best of Redeveloper's knowledge, true and correct in all material respects. Redeveloper acknowledges that the facts and representations contained in the information submitted by Redeveloper to the Redevelopment Entity constitute a material factor in the decision of the Redevelopment Entity to enter into this Agreement.

(9) Redeveloper is financially and technically capable of developing, designing, financing and constructing the Project, subject to availability of conventional market rate construction and permanent financing on such terms as shall be acceptable to Redeveloper in its commercially reasonable discretion, which the Redevelopment Entity acknowledges shall be necessary to fully fund the construction and operation thereof and which remains a material condition precedent to the Redeveloper's obligations hereunder.

### **3.2. Representations and Warranties by the Redevelopment Entity.**

The Redevelopment Entity hereby makes the following representations and warranties:

(1) The Redevelopment Entity has the full legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the Redevelopment Entity is a party, to consummate the transactions contemplated hereby, including without limitation all actions as Redevelopment Entity, to take any steps or actions contemplated hereby, and to perform its obligations hereunder (except as provided in Section 5.1(3) hereof), and all City Official Action and Redevelopment Entity Official Action necessary therefor has been duly adopted by the Redevelopment Entity and remains in full force and effect.

(2) This Agreement has been duly executed and delivered by the Redevelopment Entity, and is valid and legally binding upon the Redevelopment Entity and enforceable in accordance with its terms on the basis of Applicable Laws currently in effect, and the execution and delivery hereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which the Redevelopment Entity is a party or Applicable Laws to which it or its properties are subject.

(3) No proceedings have been filed under the provisions of the United States Bankruptcy Code or other similar statute applicable to the Redevelopment Entity, and no indictment has been returned against any official of the Redevelopment Entity with respect to any transaction contemplated by the terms of this Agreement.

(4) There is no action, proceeding or investigation now pending, nor any basis therefor, known or believed by the Redevelopment Entity to exist, (i) which questions the authority of the Redevelopment Entity to enter into this Agreement or relating to any action taken or to be taken by the Redevelopment Entity pursuant to this Agreement; or (ii) that will materially and substantially impair the ability of the Redevelopment Entity to perform its obligations under, or would otherwise materially affect any of the Redevelopment Entity's representations or warranties made, all pursuant to the terms of this Agreement.

## **ARTICLE IV COVENANTS AND RESTRICTIONS**

### **4.1. Description of Redeveloper Covenants.**

Upon satisfaction of the Conditions Precedent, the covenants to be imposed upon Redeveloper, including its successors and assigns, shall be that Redeveloper, including its successors and assigns, until a Certificate of Completion issues, shall:

(1) In connection with its use or occupancy of the Project, not effect or execute any covenant, agreement, lease, conveyance or other instrument whereby the Redevelopment Area or any 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 familial status, and Redeveloper, including its successors and assigns, shall comply with all Applicable Laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex or familial status.

(2) Comply with all obligations under this Agreement and shall at all times develop, finance, construct and operate the Project, or cause the Project to be developed, financed, constructed and operated, in a manner not inconsistent with the conditions and requirements of Applicable Laws, applicable Governmental Approvals, this Agreement and the Redevelopment Plan; provided, however, that Redeveloper shall not be deemed to be in breach of this Agreement if Redeveloper (a) cannot do so as a result of Force Majeure and/or (b) diligently contests, in good faith and by appropriate proceedings, such compliance with any of the aforesaid Applicable Laws or applicable Governmental Approvals.

(3) Use diligent efforts to (i) obtain all Governmental Approvals requisite to the construction and development of the Project, including evidence satisfactory to the Redevelopment Entity that its use of the Project is in compliance with all Applicable Laws, subject to Force Majeure and the reasonable efforts of Redevelopment Entity and every other governmental entity and (ii) ensure Completion of Construction of the Project within the time period specified in Section 6.2 hereof.



(4) Upon completion of the development and construction of the Project, use diligent efforts to obtain all Governmental Approvals authorizing the occupancy and uses of the Project for the purposes contemplated herein, subject to Force Majeure and the reasonable efforts and cooperation of Redevelopment Entity and every other governmental entity.

(5) Undertake the construction and development of the Project subject to Force Majeure in substantial compliance with any agreement executed by Redeveloper and any construction lender (each a "Loan Agreement").

(6) Not encumber or hypothecate the Project, or any part thereof, as collateral for an unrelated transaction without the express written consent of any applicable lender.

(7) During construction of the Project, keep debris and/or waste materials containerized and/or stored and disposed of within normal industry standards.

(8) Promptly notify the Redevelopment Entity of any material adverse change in its financial condition from the information provided to the Redevelopment Entity by the Redeveloper, or any other material adverse change in the Redeveloper's financial capability to design, develop, finance, construct and operate the Project in furtherance of the City's consideration for executing this Agreement with the Redeveloper if such change will materially impair the Redeveloper's ability to perform its obligations pursuant to the terms of this Agreement.

(9) Keep and maintain in good condition the Project prior to the issuance of a Certificate of Occupancy, including but not limited to any landscaping required to be planted to the extent required by any Loan Agreement subject to Force Majeure.

The covenants and restrictions listed within this Section shall be binding upon the Redeveloper, its successors and assigns and shall be recorded in the form of a Declaration of Covenants and Restrictions within ninety (90) days of the Effective Date of this Agreement. These covenants and restrictions shall remain in effect for the period set forth in Section 4.2 hereof.

#### **4.2. Effect and Duration of Redeveloper Covenants.**

It is intended and agreed that the agreements and covenants set forth in Section 4.1 of this Agreement 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 law and equity, for the benefit and in favor of, and enforceable by, the Redevelopment Entity, including its successors and assigns, against Redeveloper, including its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Project or any part thereof; provided, however, that such agreements and covenants shall be binding on Redeveloper, as the original redeveloper

itself, each successor in interest to such redeveloper and each party in possession or occupancy, respectively, only for such period as Redeveloper, as the original redeveloper or such successor or such party shall be in possession or occupancy of the Project Site, the Project, or any part thereof. Notwithstanding the foregoing, the agreements and covenants set forth in Section 4.1 shall cease and terminate upon the issuance of a Certificate of Completion for the Project, provided however, that the covenants in Section 4.1(1) shall remain in effect without limitation as to time.

#### **4.3. Description of Redevelopment Entity Covenants**

The covenants to be imposed upon the Redevelopment Entity, enforceable by Redeveloper for the term of this Agreement, shall be as follows:

(1) The Redevelopment Entity shall consider in good faith any application filed by the Redeveloper seeking to enter into a Financial Agreement with the City in respect to the Project and Project Site, with such terms as Redeveloper and the City would agree fairly provides a substantial economic incentive to Redeveloper to develop the Project Site pursuant to the Redevelopment Plan and as contemplated hereby. In connection therewith, the Redevelopment Entity shall consider in good faith the authorization of \$200,000.00 of Redevelopment Area Bonds to finance a portion of the costs of the Infrastructure Improvements. In the event the City and the Redeveloper cannot agree as to the terms of the Financial Agreement or Redevelopment Area Bond financing, the Redeveloper may terminate this Agreement without penalty.

(2) The Redevelopment Entity shall not repeal, amend, modify or otherwise materially alter any Redevelopment Entity Official Actions or City Official Actions contemplated by this Agreement, and the Redevelopment Entity shall adopt and keep in full force and effect all such other Redevelopment Entity Official Actions as may be needed from time to time to allow Redeveloper to implement the Redevelopment Project on the Project Site as contemplated hereby.

(3) If the Project substantially conforms to the Redevelopment Plan, or one or more of the development regulations are at variance, the Redevelopment Entity shall request that the Planning Board and, if required by applicable law, the legislative and/or executive branch of the City, consider amending the Redevelopment Plan in accordance with Redeveloper's proposed development. Failure by the Planning Board to amend the Redevelopment Plan pursuant to a request by the Redevelopment Entity does not release the Redeveloper of its obligation to perform in accordance with this Agreement.

### **ARTICLE V PROJECT SITE; ACQUISITION OF NJDOT PARCELS**

#### **5.1 Project Site Acquisition.**

(1) The Redeveloper has been designated redeveloper for the entirety of the Project Site and it is anticipated that Redeveloper will acquire the Project Site and construct the Project thereon. If the Redeveloper is unable to acquire the entire Project Site by \_\_\_\_\_, 202\_, the City and/or Redeveloper shall have the option to terminate this Agreement without penalty.

(2) The Parties acknowledge that, as of the Effective Date, (a) Redeveloper owns fee title to Block 2804, Lots 2 and 11, (b) the NJDOT owns title to Block 2804, Lots 9 and 10 (the "NJDOT Parcels"), and (c) Redeveloper is currently under contract for the remainder of the Project Site (i.e., Block 2804, Lot 1), which is owned by a third-party.

(3) As of the Effective Date, the NJDOT has provided written notice to the City that the NJDOT Parcels have been classified as excess surplus property and that a purchase price is being determined. Upon satisfaction of all conditions to the NJDOT's conveyance to the City, and the City's acquisition, of the NJDOT Parcels, including without limitation the City's adoption of requisite City Official Action and procurement of State approvals, and upon the transfer of fee title to the NJDOT Parcels to the City, Redeveloper shall have the exclusive right and obligation, as designated redeveloper for all of the Project Site, and without any further action by the Redevelopment Entity, or any other entity, to acquire fee title from the City to such NJDOT Parcels at the purchase price paid by the City to the NJDOT/State for such NJDOT Parcels, subject to (i) the Redeveloper assuming, or granting equivalent protections to the City in respect of, such covenants, indemnities and other undertakings as the City may be required to give to the NJDOT in connection with the City's acquisition of such parcels and (ii) the Redeveloper paying, as Redevelopment Entity Costs, the City's reasonable fees and/or costs, as applicable, of outside consultants (including attorneys) in connection with the City's acquisition and sale of such parcels. The City shall cooperate in adopting the requisite City Official Action to acquire such NJDOT Parcels from NJDOT and subsequently convey same to Redeveloper. With the approval of the Director, and notwithstanding the payment of the City's acquisition cost by the Redeveloper, the Redeveloper may request that title not be immediately conveyed by the City to the Redeveloper, whereupon (with the consent of the Director) title shall remain with the City on an interim basis pending conveyance to the Redeveloper; provided, that (x) title shall be conveyed not later than the time the Notice to Proceed is delivered and (y) notwithstanding such payment of the acquisition cost by the Redeveloper, the City shall have no obligation to convey said title if the Notice to Proceed is not delivered by \_\_\_\_\_, 202\_. The conveyance from the City to the Redeveloper of the NJDOT Parcels shall be subject to the provisions of paragraphs (4), (5) and (6) of this Section 5.1.

(4) Any conveyance from the City to the Redeveloper pursuant to clause (3) of this Section 5.1 shall be by Bargain and Sale Deed without Covenants, and the deed or contemporaneous Declaration of Restrictions will contain all of the covenants required under N.J.S.A. 40A:12A-9 and a right of reverter to the City as set forth in Section 9.2(4) of this Agreement. Such properties will be sold in "AS IS" condition. The Redeveloper acknowledges that the City has not made any statements, claims or guaranties as to the condition of such properties, and that the City does not assume any responsibility or liability on account of such physical condition. As a condition to accepting the deed, the

Redeveloper shall release the City from any and all responsibility, liability and claims for or arising out of the presence on or about such properties (including in the soil, air, structures and surface and subsurface water) of materials, wastes or substances that are or become regulated under or that are or become classified as toxic or hazardous, under any Environmental Laws, including without limitation, petroleum, oil, gasoline or other petroleum products, by products or waste. In addition, the Redeveloper shall defend, indemnify and hold the City harmless from and against all administrative actions, claims, liabilities, demands, causes of action, debts, obligations, promises, acts, agreements, expenses, costs and damages, of whatever kind or nature, arising out of or related to the presence on or about such properties (including in the soil, air, structures and surface and subsurface water) of materials, wastes, or substances that are or become regulated under or that are or become classified as toxic or hazardous, under any Environmental Laws, including, but not limited to, administrative proceedings, third-party suits and claims, made or brought by governmental agencies, persons or entities. The Redeveloper shall be responsible for the payment of any real estate taxes assessed on such properties after conveyance of title of such properties to the Redeveloper.

(5) In the event any property acquired by the City under clause (3) of this Section 5.1 is not immediately conveyed by the City to the Redeveloper, then the Redeveloper shall bear all risk of loss during such interim period and the City shall not be responsible for any damage or loss to such properties, nor shall the City be required to repair any damage to any existing improvements on such properties. Notwithstanding the foregoing, to the extent the City does expend any funds for public safety purposes, the Redeveloper shall promptly reimburse the City for any and all amounts so expended. The Redeveloper shall also promptly pay, or reimburse the City for, any real estate taxes that may be assessed on such properties from the time the City acquires title until conveyance of title by the City to the Redeveloper.

(6) As the intent to acquire and transfer the NJDOT Parcels is in connection with the Project, which is to be a residential development, the NJDOT Parcels cannot be acquired with a restriction against their use as, or in conjunction with, a residential use. The City shall present to Redeveloper for its prior approval the final terms of the proposed acquisition of the NJDOT Parcels from the NJDOT.

## **ARTICLE VI REDEVELOPMENT PROJECT**

**6.1 Appointment as Redeveloper.** For all purposes of the Act, the Redeveloper is hereby designated and appointed, and shall act, as redeveloper (either individually or with Joint Venture Partners, as provided for in Section 13.10 hereof) in accordance with the terms hereof for the planning, design, redevelopment, financing, construction, management and operation of the Redevelopment Project to be constructed and operated on the Project

Site, all at Redeveloper's sole cost and expense, but with the possibility of governmental assistance as contemplated herein. As the designated redeveloper, Redeveloper shall have the full right, power and authority to implement the Redevelopment Project on the Project Site in Redeveloper's sole discretion, subject only to the express provisions of this Redevelopment Agreement regarding parameters of the Redevelopment Project, the Redevelopment Plan, the Act and other applicable law.

## **6.2 Project Construction.**

(1) Commencement of Construction. Redeveloper shall commence construction of the Project within sixty (60) days following the satisfaction and/or waiver, as applicable, of all Conditions Precedent as provided in Section 1.2 hereof, subject to Force Majeure. The phrase "commence construction" as used in this Agreement shall mean the mobilization of labor, materials and equipment and affirmative undertaking of physical construction of vertical improvements associated with the Project on the Project Site, following issuance of any required building permit(s). Redeveloper may apply to the Director for one or more extensions of this deadline date so long as Redeveloper files such extension request(s) in writing and shows good cause for the extension(s) and that it is undertaking commercially reasonable efforts to satisfy all Conditions Precedent and commence construction; provided, however, that the Director may only provide a maximum of two six-month extensions to this deadline. The Director shall have reasonable discretion as to whether to grant or deny any extension request sought hereunder.

(2) Completion of Construction. Redeveloper shall construct the Project substantially in accordance with the estimated project schedule attached hereto as "**Exhibit B**" As provided in such schedule, Redeveloper shall complete construction within \_\_\_\_\_ ( ) months following commencement of construction of the Project, subject to Force Majeure. Completion of construction shall mean the Project has been completed such that a temporary certificate of occupancy may be issued, subject to punch-list items and installation of landscaping. Redeveloper may apply to the Director for one or more extensions to this deadline date, so long as Redeveloper files such extension request(s) in writing and shows good cause for the extension(s) and that it is undertaking commercially reasonable efforts to complete construction; provided, however, that the Director may only provide a maximum of two six-month extensions to this deadline. The Director shall have reasonable discretion as to whether to grant or deny any extension request sought..

(3) Construction Period Conditions. As pertains to construction period conditions, in the event of a conflict between this Section and a public safety ordinance of the City, the public safety ordinance shall control.

a. Hours, etc. Construction practices and hours shall be in accordance with City ordinances and all other Applicable Laws.

b. Site Maintenance. During construction of the Project, or any portion thereof by Redeveloper then owned by Redeveloper, such portion of the Project (and

adjacent public rights of way, if affected by construction activities related to such portion of the Project) will be cleaned or caused to be cleaned on a regular basis by Redeveloper. Redeveloper agrees to clean up within twenty-four (24) hours of a specific request by the Redevelopment Entity that Redeveloper do so, or by the close of the following business day, whichever is later. Should Redeveloper fail to comply with this obligation, the Redevelopment Entity may undertake cleaning within the public right of way and charge Redeveloper for the reasonable costs incurred by the Redevelopment Entity for the same. The Redeveloper shall repair, at Redeveloper's cost, any damage occurring within the public right of way caused by Redeveloper or its contractors, representatives, agents or employees arising out of or in connection with the construction of the Project, or any portion thereof, by Redeveloper, except to the extent caused by unrelated third parties, the Redevelopment Entity or any of the Redevelopment Entity's employees, contractors or agents.

c. Pedestrian Access and Safety. Redeveloper will provide for safe pedestrian passage adjacent to the Property during construction of the Project by Redeveloper. Redeveloper shall supply to the Building Department plans and specifications providing for pedestrian safety for such portion of the Property. The Redeveloper shall keep the sidewalks clean and free of debris, ice and snow during the construction of the Project by Redeveloper.

d. Construction Parking. The Redeveloper shall make arrangements with the Construction Code Official and the Police Department for parking of construction vehicles and construction worker's vehicles, if such vehicles cannot be parked on the Project Site. The Redevelopment Entity agrees to place from time to time temporary "Emergency, No Parking" signs on the adjacent streets as reasonably requested by Redeveloper to accommodate Redeveloper's construction activities.

(4) Preconstruction Meeting. There shall be a preconstruction coordination meeting held at least seven (7) days prior to the Commencement of Construction, which meeting shall include the Planning Director, Construction Code Official, the City Engineer, a representative from the Police Department, a representative from the Fire Department and representatives from the various utility companies, to the extent applicable.

### **6.3 Project Costs, Financing and Performance Security.**

(1) The Redeveloper agrees that all costs and financing for the Project, other than the costs of Infrastructure Improvements to be financed by the Redevelopment Area Bonds, are the sole responsibility of the Redeveloper, not the Redevelopment Entity.

(2) Redeveloper shall comply with all Governmental Approvals.

(3) Unless this requirement is waived in writing by the Director (which waiver may provide for the requirement to be imposed at a later time and/or upon the occurrence

of certain events or the failure to meet certain milestone dates), not less than seven (7) days prior to the Commencement of Construction, the Redeveloper shall submit a performance bond issued by a duly authorized surety company authorized to do business in the State or letter of credit or other performance security reasonably acceptable to the Director, or any combination thereof, in an amount equal to 110% of the estimated costs of the labor and materials to be incurred by the Redeveloper or its contractors and subcontractors in performing construction work for the Redevelopment Project, to secure the Redeveloper's faithful performance of all of the work required under this Agreement and the satisfactory completion of the Redevelopment Project. The performance bond, letter of credit or other performance security provided shall not be released until final acceptance by the City of all of the work required under this Agreement and then only if any liens or claims have been satisfied and any maintenance bonds required have been executed and approved by the City.

## **ARTICLE VII INFRASTRUCTURE IMPROVEMENTS**

### **7.1 Redeveloper Contributions.**

(1) As a material inducement to the decision by the City to enter into this Agreement and to confer upon the Redeveloper the rights granted by this Agreement in respect of the Redevelopment Project, in the event Redeveloper constructs the Project, the Redeveloper shall construct (or cause to be constructed) the Infrastructure Improvements, as a component of the Project, solely at its own cost and expense (but including funds made available by the City from the proceeds of the Redevelopment Area Bonds).

(2) Before commencing work on any of the above-referenced components of the Infrastructure Improvements (each, a "Component"), to the extent not already submitted to the City building official as part of Redeveloper's building permit plan set submissions, the Redeveloper shall submit to the Director for approval (i) a proposed project budget and (ii) proposed plans and specification. In the case of physical improvements, the plans and specifications shall include a conceptual rendering of the improvements that the Redeveloper intends to make. The Director will review the proposed budget and plans and specifications submitted by the Redeveloper, and shall either accept them or require them to be revised in accordance with the Director's comments; provided, that the scope of any Component shall not be expanded, nor shall its cost be increased, beyond the description and estimated cost set forth above for each such Component.

(3) Upon completion of each Component of the Infrastructure Improvements, the Redeveloper shall notify the Director, and the Director shall assess whether such Component has been provided in accordance with the approved project budget and plans and specifications. A Certificate of Completion for the Redevelopment Project shall not be issued unless the Director has first determined that each and every Component of the Infrastructure Improvements has been completed in accordance with this paragraph.

(4) The Redeveloper acknowledges that the City has not made any statements, claims or guaranties as to the condition of any of the properties upon which the Infrastructure Improvements are to be undertaken by the Redeveloper, and that the City does not assume any responsibility or liability on account of such physical condition. The Redeveloper hereby releases the City from any and all responsibility, liability and claims for or arising out of the presence on or about such properties (including in the soil, air, structures and surface and subsurface water) of materials, wastes or substances that are or become regulated under or that are or become classified as toxic or hazardous, under any Environmental Laws, including without limitation, petroleum, oil, gasoline or other petroleum products, by products or waste. In addition, Redeveloper shall defend, indemnify and hold the City harmless from and against all administrative actions, claims, liabilities, demands, causes of action, debts, obligations, promises, acts, agreements, expenses, costs and damages, of whatever kind or nature, arising out of or related to the presence on or about such properties (including in the soil, air, structures and surface and subsurface water) of materials, wastes, or substances that are or become regulated under or that are or become classified as toxic or hazardous, under any applicable Environmental Laws, including, but not limited to, administrative proceedings, third-party suits and claims, made or brought by governmental agencies, persons or entities.

## **7.2 Performance Security.**

Unless this requirement is waived in writing by the Director (which waiver may provide for the requirement to be imposed at a later time and/or upon the occurrence of certain events or the failure to meet certain milestone dates), not less than seven (7) days prior to the date on which the construction of any Component of the Infrastructure Improvements is to be commenced, the Redeveloper shall submit a performance bond issued by a duly authorized surety company authorized to do business in the State or letter of credit or other performance security reasonably acceptable to the Director, or any combination thereof, in an amount equal to 110% of the estimated costs of the labor and materials to be incurred by the Redeveloper or its contractors and subcontractors in performing construction work for such Component, to secure the Redeveloper's faithful performance of all of the work required under this Agreement and the satisfactory completion of such Component. The performance bond, letter of credit or other performance security provided shall not be released until the Director has first determined that such Component has been completed in accordance with Section 7.1(3) and then only if any liens or claims have been satisfied and any maintenance bonds required have been executed and approved by the City. The foregoing shall be deemed satisfied, and no further or additional bond shall be required to the extent the Components of the Infrastructure Improvements are included in the performance bond, letter of credit or other performance security provided pursuant to Section 6.3(3) hereof.

## **ARTICLE VIII PUBLIC IMPROVEMENTS, UTILITIES AND ANY INFRASTRUCTURE IMPROVEMENTS**

### **8.1 Repairs and Replacements.**



Redeveloper, in conjunction with the Redevelopment Entity, shall provide to the City engineering drawings for review of each portion or segment of work on the Redevelopment Project to the extent the Redevelopment Entity needs such drawings to comply with its obligations under this Article. The Redevelopment Entity shall be responsible for the repair or replacement of sewer, water or other utility lines within the Redevelopment Area that are not required for the specific Redevelopment Project. Any on or off-site infrastructure improvements, repairs or replacements required to be constructed and exclusively serving the Redevelopment Project that are required in order to develop and operate the Project shall be constructed at Redeveloper's sole cost and expense as part of Infrastructure Improvements.

### **8.2 Inspection of any Infrastructure Improvements.**

Redeveloper shall implement any roadway, utility or other infrastructure improvements that are required to implement the Redevelopment Project, subject to Force Majeure. Redevelopment Entity shall provide for monthly inspection of all such infrastructure improvements under construction by Redeveloper upon reasonable prior notice to the Redevelopment Entity. Redeveloper shall provide Redevelopment Entity with copies of plans and specifications for that portion of the infrastructure improvement work, if any.

### **8.3 Endorsement of Applications.**

The Redevelopment Entity shall endorse any and all applications, permits, or similar documentation as may be required by the City, county, the State, or any agency, entity, governing body, or authority having jurisdiction over infrastructure improvements, if any, within thirty (30) days of submission of aforesaid documentation to the Redevelopment Entity for endorsement, if appropriate in form and substance.

### **8.4 Permits.**

Redeveloper shall obtain all required permits required for the stage of construction of any infrastructure improvements required to be completed by Redeveloper from the City before commencement of the applicable stage of infrastructure improvements, if any.

### **8.5 Grants and Loans.**

To the extent requested by Redeveloper, the Parties agree to cooperate in the preparation of grant and loan applications for funding for the Project. The applications shall be satisfactory to each Party and submitted by the appropriate Party as applicable to the appropriate federal, State or local government authority to attempt to obtain grant or loan assistance for any improvements. Agencies shall include but not be limited to the NJDOT, NJRA, NJDEP, the County of Essex, the United States Environmental Protection Agency, the United States Economic Development Administration, and the United States Department of Housing and Urban Development.

**ARTICLE IX  
TERMINATION AND DEFAULT**

**9.1 Events of Default.**

Any one or more of the following shall constitute an Event of Default hereunder, subject to Force Majeure and tolling as provided elsewhere in this Agreement:

(1) Material breach of any representation or warranty made by Redeveloper or the Redevelopment Entity hereunder, or failure of Redeveloper or the Redevelopment Entity to observe and perform any covenant, condition or agreement hereunder, and continuance of such failure for a period of thirty (30) days, after receipt by the defaulting party of written notice from the non-defaulting party specifying the nature of such failure and requesting that such failure be remedied; provided, however, if the breach of any such covenant, condition or agreement is one which cannot be completely remedied within the thirty (30) days after such written notice has been given, it shall not be an Event of Default as long as the defaulting party is proceeding with due diligence to remedy the same as soon as practicable but in no event later than one hundred fifty (150) days after such written notice.

(2) (a) 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; (b) a custodian shall have been legally appointed with or without consent of Redeveloper; (c) Redeveloper, (i) has made a general assignment for the benefit of creditors, or (ii) 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; (d) Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; (e) Redeveloper shall take any action for the purpose of effecting any of the foregoing; (f) a petition in bankruptcy shall have been filed against Redeveloper, and shall not have been dismissed for a period of one hundred twenty (120) consecutive days; (g) an Order for Relief shall have been entered with respect to or for the benefit of Redeveloper upon the application of Redeveloper or with the approval or consent of Redeveloper under the Bankruptcy Code; (h) an Order, Order of Relief, judgment or decree shall have been entered, without the application, approval or consent of Redeveloper, by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of Redeveloper, or a substantial part of its assets and such order, judgment or decree shall have continued unstayed and in effect for any period of one hundred twenty (120) consecutive days; or (i) Redevelopment Entity is involved in any proceeding regarding Redevelopment Entity under the United States Bankruptcy Code or other similar statute.

(3) There is a prohibited Transfer.

(4) Redeveloper's failure to pay or delinquency in the payment of real property taxes or assessments or payments in lieu of taxes applicable to the Project Site (including the NJDOT Parcels conveyed to Redeveloper pursuant to the terms of this Agreement),

which violation is not cured within thirty (30) days after receipt by the Redeveloper of a written notice thereof.

## **9.2 Remedies Upon Event of Default.**

### (1) General

(a) Whenever any Event of Default of Redeveloper shall have occurred and be continuing, the Redevelopment Entity may, on written notice to the Redeveloper, terminate this Agreement and the Redeveloper's designation as the redeveloper for the Project Site thereunder, and take whatever other action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, or remedies of Redevelopment Entity, or any obligations, agreements, or covenants of Redeveloper under this Redevelopment Agreement. In addition, the Redeveloper shall be responsible for any and all costs or expenses incurred by the Redevelopment Entity, including reasonably attorney's fees, incurred in connection with the termination of this Agreement, the termination of the Redeveloper's designation, and any and all other action taken at law or in equity by the City to enforce the terms of this Agreement.

(b) Whenever any Event of Default of the Redevelopment Entity shall have occurred and be continuing, Redeveloper may take whatever action at law or in equity as may appear necessary or desirable by applicable legal process and procedure (including without limitation the tendering of any required notice) to enforce the performance or observance of any rights, or remedies of Redeveloper, or any obligations, agreements, or covenants of the Redevelopment Entity under this Redevelopment Agreement.

(2) Use of Documents. To the extent not in violation of any Loan Agreement, Redeveloper hereby agrees that the Redevelopment Entity may use all documents filed or prepared by Redeveloper in support of the Project, including but not limited to the Governmental Applications, to complete the Project following an uncured Event of Default caused by Redeveloper, without cost to or liability to the Redevelopment Entity.

(3) If any dispute shall arise regarding whether Redeveloper or the Redevelopment Entity shall have performed in a timely and satisfactory manner in connection with provisions of this Agreement, the parties will resolve any dispute consistent with the terms and conditions of Arbitration set forth in Section 15.1 of this Agreement.

(4) In the event that the Redevelopment Entity terminates this Agreement due to a Default by the Redeveloper after the Redeveloper has acquired title from the City to any of the NJDOT Parcels pursuant to the terms of this Agreement, but prior to the issuance of the Certificate of Completion for the Project, such properties shall, upon sixty (60) days prior written notice from the City (the "Declaration of Reverter") to the Redeveloper (and where applicable, to the mortgagee) revert to the City pursuant to a reverter clause which shall be included in such conveyance documents, without any further act on the City's part, and the estate conveyed by the City by deed to the Redeveloper shall immediately (after expiration of the aforesaid notice period) terminate and revert in the City. However, any reversion of title as a result of the aforementioned termination due to a Default shall always

be subject to and limited by, and shall not defeat, render invalid or limit in any way (i) the lien of any mortgage authorized by this Agreement or (ii) any rights or interest provided in this Agreement for the protection of mortgagees or other lienholders. The right of the City to declare such a reversion of title is not intended as a waiver by the Redeveloper of its right to challenge the validity of such Declaration of Reverter or otherwise contest the same in any manner if the Redeveloper believes such right has been improperly exercised and/or is otherwise defective, improper or disputable for any reason.

If, but only if, it is so provided in the instrument of conveyance by which the City shall have conveyed title to the Redeveloper, the City shall, upon reacquiring title pursuant to the right of reverter described in this paragraph, be responsible for reimbursement to the Redeveloper of an amount equal to the purchase price previously paid by the Redeveloper to the City and/or the previous owner (exclusive of Redevelopment Entity Costs) in respect of such NJDOT Parcel, without interest. The determination of whether to include such reimbursement payment in the instrument of conveyance shall be at the discretion of the Director.

**9.3 Failure or Delay by Either Party.**

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

**9.4 Remedies Cumulative.**

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

**ARTICLE X  
COMPLETION OF PROJECT**

**10.1 Completion of Project.**

Redeveloper acknowledges that the timely Completion of Construction of the Project is of critical concern to the Redevelopment Entity and the timelines set forth herein and in the project schedule are subject only to Force Majeure, and such extensions of time as may be granted by the Redevelopment Entity as contemplated herein.

**10.2 Certificate of Occupancy and Certificate of Completion.**

A Certificate of Occupancy (or partial and/or temporary Certificate of Occupancy) can be obtained for the Project, regardless of whether the Redevelopment Entity shall have theretofore issued a Certificate of Completion for such Project, so long as such Project shall

meet the City's requirements for the issuance of the Certificate of Occupancy (or temporary Certificate of Occupancy) as then promulgated and administered by City's buildings department or other appropriate office.

### **10.3 After Completion of the Project.**

Promptly after the completion of the Project in accordance with the provisions of this Agreement, the Redevelopment Entity shall furnish Redeveloper a Certificate of Completion for the Project and the Project Site. The Redevelopment Entity's issuance of a Certificate of Completion shall be deemed a conclusive determination by the Redevelopment Entity that all the obligations of Redeveloper under this Agreement as to the Project and as to the Project Site shall have been fully satisfied and that the conditions determined to exist at the time the area was determined to be in need of redevelopment shall be deemed to no longer exist. If any dispute shall arise regarding whether the Project shall have been satisfactorily completed in accordance with this Agreement so as to warrant or require the issuance a Certificate of Completion, then the Parties agree that either Party may submit the dispute to arbitration in accordance with Section 15.1 hereof.

### **10.4 Effect of Certificate of Completion.**

Upon the issuance of Certificate of Completion by the Redevelopment Entity for the Project, the provisions of this Agreement shall no longer encumber the Project Site and accordingly, subject to the following proviso, Redeveloper shall have the right to transfer any interest to the Project Site, including any portion of the Project thereon, without any limitations set forth herein or otherwise, upon which transfer Redeveloper's obligations hereunder (but only with respect to such transferred portion) shall be of no further force and effect; provided, however, that nothing in this sentence shall be deemed to abrogate the provisions of any other documents theretofore delivered pursuant to this Agreement with respect to such property, including, without limitation (and by of example only), any deeds (inclusive of restrictions therein), declarations, certifications, PILOT Agreements, etc.

The Redevelopment Entity, at any time, and from time to time, after its issuance of a Certificate of Completion for the Project shall, within thirty (30) days following a written request by Redeveloper, execute and deliver to (a) Redeveloper and/or (b) a third party (e.g., prospective lender, purchaser, investor, tenant, etc.) designated by Redeveloper an instrument in which it affirms that the Certificate of Completion has been issued (and, accordingly, that the foregoing provisions of Section 10.3 and this Section 10.4 shall apply).

### **10.5 Estoppel Certificates (Prior to Certificate of Completion).**

The Redevelopment Entity, at any time, and from time to time, prior to its issuance of a Certificate of Completion for a Project, within thirty (30) days following a written request by Redeveloper, execute and deliver to (a) Redeveloper and/or (b) a third party

(e.g., prospective lender, purchaser, investor, tenant, etc.) designated by Redeveloper, an instrument in which it (i) certifies that this Agreement is unmodified and in full force and effect as to the Project Site (excepting only modifications which shall be set forth), (ii) states whether to the best knowledge of the Redevelopment Entity, Redeveloper is in default under this Agreement as to any of its obligations which relate to, or might affect, the Project Site (and, if so, specifying each such default of which the Redevelopment Entity shall have knowledge), and (iii) confirms such other factual matters pertinent to this Agreement, as the same relate to, or might affect, the Project Site, as Redeveloper may reasonably request, in order to enable Redeveloper to redevelop the Project Site through the execution of leases, or other revenue generating contracts, or otherwise.

## **ARTICLE XI GOVERNMENT APPROVAL**

### **11.1 Jurisdiction.**

The Parties recognize that the expeditious approval of individual portions of the Project by government boards and bodies is in the best interests of the Project and will cooperate in obtaining approvals.

### **11.2 Planning Board.**

The Redevelopment Entity agrees to assist Redeveloper in expediting review of each application submitted to the Planning Board by or on behalf of Redeveloper for the Redevelopment Project provided the application conforms to the guidelines of the Redevelopment Plan including any legally permissible deviations. The Redevelopment Entity agrees to request special Planning Board meetings at the request of Redeveloper applicant, the expense of which shall be borne by Redeveloper, as applicant.

### **11.3 Applications.**

The Redevelopment Entity agrees to sign or cooperate in the submission of any appropriate applications consistent with the Redevelopment Plan and in furtherance thereof to other governmental bodies on behalf of Redeveloper. Redeveloper agrees that it is its responsibility to obtain all approvals that may be necessary to commence and complete the Project. The Redevelopment Entity and Redeveloper agree that Redeveloper must have sufficient interest in land comprising a Project to have standing to make all applications to any governmental body and agency for site plan, subdivision or other governmental approvals. The Redevelopment Entity will provide any written confirmation of Redeveloper's right to make such applications requested by any public agency.

## **ARTICLE XII COMMUNITY INITIATIVES**

**12.1 First Source Employment During and After Construction; First Source Pass Through.**

(a) If Redeveloper, its successors and/or assigns and/or any subsequent purchasers and/or any third party management companies retained to manage the Property, intend to hire new or replacement employees, for either part time or full time employment, for the construction of the Project or for the operation of the Project once it is constructed, the Redeveloper, its successors and/or assigns and/or subsequent purchasers and/or any third party management companies retained to manage the Property, shall make good faith efforts to hire City residents to fill these jobs as specified below. The City, through the City's Office of Human Resources and/or a non-profit entity to be named by the City as the job referral center (hereinafter, the "Job Referral Center"), shall be available to assist in providing qualified candidates for the above 'first source' interviewing and hiring. The good faith efforts by Redeveloper, its successors and/or assigns and/or subsequent purchasers and/or any third party management companies retained to manage the Property, shall include, but not be limited to, the following: (1) written notification to the Job Referral Center of any new full or part-time job opportunities at least five (5) business Days prior to the commencement of the interviewing process. Such notification shall include, but not be limited to, the number of positions available, projected start date, estimated level of compensation, the skills and experience required for successful applicants, and the anticipated term of employment; (2) hold a first source interview window of at least five (5) business Days during which only candidates referred by the Job Referral Center shall be interviewed. These first source interviews shall take place prior to interviewing candidates from the general public; (3) cooperate with efforts to recruit City residents for employment opportunities, including participation in job fairs or similar events held by the City; and (4) meet with appropriate City officials to determine the status of recruitment efforts and to plan future employment recruitment activities. Redeveloper, its successors and/or assigns and/or subsequent purchasers and/or any third party management companies retained to manage the Property, shall maintain records of this first source notification, interviewing and hiring activity for review by the City upon the City's written request.

(b) Upon completion of the Project, as evidenced by the receipt of a Certificate of Occupancy, Redevelopers, its successors and/or assigns and/or any subsequent purchasers, shall include a provision in all of their non-residential leases for space in a structure constructed as part of the Project providing that:

"If the lessee (tenant) intends to hire a new or replacement employee for either part time or full time employment, the lessee shall use good faith efforts to hire City residents to fill those jobs as specified below. The City, through the Job Referral Center, shall be available to assist in providing qualified candidates for the above 'first source' interviewing and hiring. The lessee's good faith effort shall include, but not be limited to: (1) written notification to the Job Referral Center of any new full or part-time job opportunities at least five (5) business Days prior to the commencement of the interviewing process. Such notification shall include, but not be limited to, the number of positions available, projected start date, estimated

level of compensation, the skills and experience required for successful applicants, and the anticipated term of employment; (2) hold a first source interview window of at least five (5) business Days during which only candidates referred by the Job Referral Center shall be interviewed. These first source interviews shall take place prior to interviewing candidates from the general public; (3) cooperate with efforts to recruit City residents for employment opportunities, including participation in job fairs or similar events held by the City; and (4) meet with appropriate City officials to determine the status of recruitment efforts and to plan future employment recruitment activities. Lessee will maintain records of this 'first source' notification, interviewing and hiring activity (including but not limited to a written description of the reasons for the decision not to hire any candidate referred by the Job Referral Center for review by the City upon the City's written request. Failure of the lessee to comply with this 'first source' requirement shall be considered by the lessor to be a material breach of the lease and shall entitle the lessor to exercise any and all remedies provided for in the lease for a material breach including eviction."

(c) Upon written notice from the City to the Redeveloper or its successors and/or assigns and/or any subsequent purchasers that the tenant is not using good faith efforts to hire City residents and is not in compliance with the first source provisions of the lease, the Redeveloper and its successors and/or assigns and/or any subsequent purchasers agree to enforce the lease provisions set forth within Section 12.1(b) above to ensure compliance by all lessees. The Redeveloper and its successors and/or assigns and/or any subsequent purchasers also agree to include the terms of this Section 12.1 in any contract for sale or transfer of the Property or any structure constructed as part of the Project to any other person or entity and to explicitly provide within such contract that these terms shall survive the closing and that the City shall be a third party beneficiary as to the enforcement of these terms.

(d) In addition to any other remedy provided under this Redevelopment Agreement and any other remedy provided by law, the Parties hereby agree that the provisions of this Section 12.1 may be enforced by the City through specific performance.

## **12.2 Affirmative Action.**

The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project:

(1) It will comply with the provisions of the Affirmative Action Language contained herein.

(2) When hiring workers in each construction trade, or when engaging contractors, the Redeveloper agrees, pursuant to the City's request, to use its best efforts to employ:



a. Minority workers in each construction trade; or

b. Minority contractors consistent with the following goals: (as to workers) - a goal of employing twenty (20%) percent Minority workers out of the total number of workers employed as part of the work force in connection with the Project; or (as to contractors) - a goal of contracting with Qualified Minority Business Enterprises for twenty percent (20%) of the dollar value of the hard costs of total procurements to be awarded in connection with the Project.

c. For purposes of this Section, the term "Minority" shall mean persons who are either one or a combination of: (i) African American (a person having origins in any of the black racial groups of Africa), (ii) Alaskan Native and/or American Indian (a person having origins in any of the original peoples of North America), (iii) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, Hawaii or the Pacific Islands), (iv) Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race), or (v) Female (a person of the female gender). The term "Qualified Minority Business Enterprise" shall mean a business which has its principal place of business in New Jersey, is independently owned and operated, is at least 51% owned and controlled by Minority group members and is qualified.

(3) It will undertake a program of local preference to facilitate entering into contracts with and/or purchasing goods and services from local merchants and businesses located within the City.

(4) It will endeavor to comply with the above stated goals by, among other things, considering employment of applicants, contractors and vendors who are from a pool registered by the City or its designee.

(5) Where applicable, it will at all times conform to the laws, regulations, policies of the State, the federal government, and other governmental bodies with respect to affirmative action and equal employment opportunities requirements, and particularly those which are imposed as a condition to receipt of any government-sponsored funding for the Project, notwithstanding any other provision of this Redevelopment Agreement to the contrary.

### **12.3 Compliance and Reporting.**

The obligations contained in Sections 12.1 and 12.2 shall be binding on all contractors and subcontractors to the extent that any work is done by any contractor or subcontractor, and any contract entered into by the Redeveloper (or any other person or entity) in respect of the construction of the Project shall so provide. The Redeveloper covenants to enforce (and cause any other person or entity to enforce) its contracts with its contractors and subcontractors if such parties are not in compliance with Sections 12.1 and 12.2.

The Redeveloper and its contractors and subcontractors shall submit monthly (or at less frequent intervals, not less than quarterly, if so directed by the Director) reports regarding their compliance with Sections 12.1 and 12.2 as the City may reasonably require. Upon completion of the Project, the Redeveloper shall certify that it has complied with the requirements of Sections 12.1 and 12.2. No Certificate of Completion or Certificate of Occupancy shall be issued prior to the Entity filing a report satisfactory to the City evidencing compliance with the provisions of Sections 12.1 and 12.2.

Following completion of the Project, the Redeveloper shall continue to comply with the provisions of Section 12.1 in connection with the ongoing operation of the Project, and shall submit quarterly reports regarding its compliance with Section 12.1 as the City may reasonably require.

Any contract of sale or transfer of the Project to any other person or entity shall include the terms of Sections 12.1, 12.2 and 12.3 and shall explicitly provide within such contract that these terms shall survive the closing of such sale or transfer.

Failure to comply with the requirements of Sections 12.1, 12.2 or 12.3 shall constitute a Default within the meaning of Section 9.1, as to which the provisions of Sections 9.2, 9.3 and 9.4 shall be applicable. In addition to any other remedy provided under this Agreement and any other remedy provided by law, the parties agree that the provisions of Sections 12.1 and 12.2 may be enforced by the City through specific enforcement.

### **ARTICLE XIII PROHIBITION AGAINST ASSIGNMENT AND TRANSFER**

#### **13.1. Prohibition Against Transfers of Interests in Redeveloper.**

Redeveloper recognizes the importance of the Project to the general welfare of the community and that the identity of Redeveloper and its qualifications are critical to the Redevelopment Entity in entering into this Agreement, particularly in view of the public aids that have been or will be made available for the purpose of making such redevelopment possible. The Redevelopment Entity considers that a transfer in full of the ownership in Redeveloper or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in the ownership of or with respect to the identity of the parties in control of Redeveloper or the degree thereof, unless specifically authorized in this Agreement, is for practical purposes a transfer or disposition of the Project then owned by Redeveloper. Redeveloper recognizes that it is because of such qualifications and identity that the Redevelopment Entity is entering into this Agreement with Redeveloper, and, in so doing, the Redevelopment Entity is relying on the obligations of Redeveloper and not some other person or entity for the faithful performance of all undertakings and covenants to be performed by Redeveloper hereunder.

As a result, prior to completion the Project as evidenced by the issuance of a

Certificate of Completion, and without the prior written approval of the Redevelopment Entity, which approval shall not be unreasonably withheld, conditioned or delayed, or unless specifically authorized elsewhere herein, Redeveloper agrees for itself and any successor in interest that:

- (1) There shall be no transfer by any one or more owner of a controlling interest in Redeveloper, or by any successor in interest to such owner(s), of any interest in Redeveloper except (a) due to death or for purposes of estate planning, or otherwise where transfers are made between, among or to then existing Redeveloper's or its members' principals, or other beneficial interest owners, officers, or family members of any of the foregoing of Redeveloper or its members or other beneficial interest owners, or trusts for the benefit of any of the foregoing, are permissible, (b) any transfer, either directly or indirectly, of the non-managing member interest, (c) to admit an institutional investor into the ownership structure for the Redeveloper as a non-managing member to finance the Project or a portion thereof and/or any subsequent assignments of said investor's interest in Redeveloper, (d) a transfer to an affiliate of the Redeveloper or PEEK Development, L.L.C. ("PEEK"), provided that PEEK or an affiliate thereof controlled by PEEK shall remain the managing member. Transfers described in clauses (a) through (d) herein shall always be permitted without a need to obtain the Redevelopment Entity's consent, whether before or after Completion.
- (2) Nor shall such owner or successor in interest make, or suffer to be made, any other change in the ownership of any equity interest in Redeveloper, or with respect to the identity of the parties in control of Redeveloper or the relative degrees of their control, by any other method or means, whether by increased capitalization, merger with another corporate, partnership or limited liability entity, or otherwise in all cases except as otherwise permitted by this Agreement. With respect to this provision, Redeveloper and the party(ies) signing this Agreement on behalf of Redeveloper represent that each party has authority of all its owners to agree to this provision on their behalf and to bind them with respect thereto. For the purpose of this Agreement, the term "owners" is defined to include the general partners of a partnership, the stockholders of a corporation or the members of a limited liability company.

### **13.2 Exemption from Prohibited Transfers.**

Notwithstanding the foregoing, the following shall not constitute a prohibited transfer, for purposes of Section 13.1 above: after Government Approvals have been obtained, the assignment by Redeveloper of its rights under this Agreement to any third-party by any Redeveloper owner with a non-controlling interest in Redeveloper (i.e., less than 51%), but only upon the following conditions: (1) the controlling Redeveloper owner (i.e., at least 51%) shall remain jointly and severally liable for the performance in the entirety of any Redeveloper obligations under this Agreement, (2) the assignee of

Redeveloper shall assume all or a portion of the obligations of Redeveloper hereunder, except for those obligations in clause (1) above that may never be assigned without the Redevelopment Entity's express written consent, but regardless, Redeveloper shall remain primarily liable for the performance of the entirety of Redeveloper's obligations hereunder, (3) a copy of the fully executed written assignment and assumption agreement shall be promptly delivered to the Redevelopment Entity, and (4) such assignment does not violate any of the Government Approvals.

### **13.3 Transfer of Redevelopment Agreement.**

Redeveloper further agrees for itself, its successors and assigns, that prior to the Completion of the Project or any portion thereof, as evidenced by the issuance of a Certificate of Completion it will not make or create, or suffer to be made or created, any sale, assignment, conveyance, lease or transfer in any other mode or form (collectively, the "Transfers") of its interests in the Project or its interest in this Agreement, without the prior written approval of the Redevelopment Entity, except as expressly provided herein.

### **13.4 Consent to Permitted Transfers.**

The Redevelopment Entity hereby consents, without the necessity of further approvals, to the following Transfers: (1) urban renewal corporations duly formed in accordance with the Tax Exemption Law and controlled by Redeveloper, (2) the giving of a mortgage and related pledges and assignments by Redeveloper and/or in Redeveloper for the purpose of obtaining the financing necessary to enable Redeveloper to perform its obligations under this Agreement, construction of the Project, Completion of the Project, and/or any refinancing thereof or loan structuring or conversion from construction to permanent financing, and any other purpose authorized by this Agreement, (3) any other liens and encumbrances granted by Redeveloper for the purpose of financing costs associated with the development, construction, and marketing of the Project, and (4) any assignment of all or any portion of the Property, the Project, and this Agreement and Redeveloper's rights and obligations hereunder, to an entity affiliated with and under common control with Redeveloper, provided such assignee expressly assumes in writing all of Redeveloper's obligations hereunder with respect to the portion of the Project assigned. With respect to any of the Transfers listed in this Section 13.4, Redeveloper shall provide to the Redevelopment Entity written notice of at least fifteen (15) days prior to such Transfer, including a description of the nature of such Transfer, and the name(s) and address(es) of the transferee and any parties, individuals and/or entities comprising such Transfers.

### **13.5 Prohibition Against Speculative Development.**

Because of the importance of the development of the Redevelopment Area to the general welfare of the community, Redeveloper represents and agrees that Redeveloper's undertakings pursuant to this Agreement are, and will be used, for the purpose of the redevelopment of the Redevelopment Area as provided herein and not for any other purpose.

### **13.6 Information as to Ownership of Redeveloper.**

In order to assist in the effectuation of the purpose of this Article XIII, Redeveloper agrees that during the period between the execution of this Agreement and the completion of the Project as evidenced by the issuance of a Certificate of Completion:

- (1) Redeveloper will notify the Redevelopment Entity in writing of any and all changes whatsoever in the ownership of a controlling interest in Redeveloper, legal or beneficial, or of any other act or transaction involving or resulting in any change in such ownership or in the relative distribution thereof, or with respect to the identity of the parties in control of Redeveloper or the degree thereof, of which it or any of its officers or members have been notified or otherwise have knowledge or information; and
- (2) Redeveloper shall, at such time or times as the Redevelopment Entity may reasonably request (not more than quarterly), furnish the Redevelopment Entity with a complete statement subscribed and sworn to by an officer of Redeveloper, setting forth all of managing members, or other owners of more than 10% of the equity interests of Redeveloper and the extent of their respective holdings, and in the event any other parties have a beneficial controlling interest in Redeveloper's entity, their names and the extent of such interest.

### **13.7 Mortgage; Subordination to Financial Agreement and Garage Agreement; Subordination, Non-Disturbance and Attornment Agreements.**

(1) Except as to financing conducted through recognized chartered banks and/or licensed insurance lenders, Redeveloper shall request authority from the Redevelopment Entity (which shall not be unreasonably withheld) in writing in advance of any proposed financing secured by a mortgage or other similar lien instrument, which it proposes to enter into with respect to the Project, or any part thereof, and in any event it shall promptly notify the Redevelopment Entity of any encumbrance or lien that has been created on or attached to the Project, by involuntary act of Redeveloper or others, upon obtaining knowledge or notice of same.

(2) The Redevelopment Entity and the Redeveloper agree to deliver or facilitate the delivery, as applicable and to the extent practicable, of such consents, certificates, opinions or other documents or instruments in connection with this Redevelopment Agreement, the Redevelopment Area, the Redevelopment Plan or the Project, or matters relating to any of the foregoing, as may be reasonably required by a mortgagee providing a mortgage that secures the financing of all or any portion of a Project, and the Redevelopment Entity shall use its commercially reasonable efforts to secure any of same on behalf of the City or any City related entity.

(3) The Redeveloper agrees that each and every mortgage or other similar lien instrument with respect to the Project, or any part thereof, shall be expressly subject and subordinate to the financial agreement to be entered into under the Tax Exemption Law and the RAB Law as contemplated by Section 1.2(2) hereof. In the case of any such mortgage or similar lien instrument that is executed prior to the execution of said financial agreement, a subordination agreement, in form and substance satisfactory to the City, shall be delivered to the City prior to the execution of said financial agreement. Following the execution of said financial agreement, any subsequent mortgage or instrument that does not comply with the foregoing subordination requirements shall be void *ab initio*.

### **13.8 Obligations of Mortgagee.**

Notwithstanding any of the provisions of this Agreement, including but not limited to those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement (including any such holder who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (1) any other party who thereafter obtains title to the Project Site or such part from or through any such holder or (2) any other purchaser at foreclosure sale (other than the holder of the mortgage itself)) shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or to guarantee such construction or completion, unless such obligations are specifically assumed in writing by such entity; provided that nothing in this Article or any other Article or provision of this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Project Site or any part thereof to any uses, or to construct any project thereon, other than those uses provided or permitted under the Redevelopment Plan, Governmental Approvals and Applicable Law.

### **13.9 Notice of Default to Mortgagee and Right to Cure.**

Whenever the Redevelopment Entity shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper under this Redevelopment Agreement, the Redevelopment Entity shall at the same time deliver to each lender (or equity participant in Redeveloper) a copy of such notice or demand, provided that Redeveloper has delivered to the Redevelopment Entity a written notice of the name and address of such lender and equity participant. Each such lender shall (insofar as the rights of the Redevelopment Entity are concerned) have the right at its option within ninety (90) days after the receipt of such notice, to cure or remedy, or to commence to cure or remedy, any such default with respect to that portion of the Project which is being financed by such lender and which is subject to being cured and to add the cost thereof to the debt and the lien which it holds, or to the obligations of the lessees under any lease-back or of the guarantor under any other conveyance for financing.

### **13.10 Joint Ventures Partners.**

(1) Notwithstanding anything to the contrary, Redeveloper may enter into relationships with Joint Venture Partners for the undertaking of development, construction,

operation, maintenance and/or ownership (or any portion or combination of the foregoing) of the Redevelopment Project on any portion of the Project Site, so long as such entity meets the following requirements (“Qualified Entity”):

(a) to the extent that the Qualified Entity is proposed to be responsible for the development, construction, or operation of the Redevelopment Project, such entity shall, in the reasonable judgment of the Director, have the experience and capacity to undertake the development, construction and operation of the Redevelopment Project component in question;

(b) to the extent that the Qualified Entity is proposed to be responsible for providing funding and/or financing for the Redevelopment Project component, such entity shall, in the reasonable judgment of the Director, have the capacity to provide funding and/or obtain financing, to provide performance security and to provide an equity contribution if and to the extent required to satisfy its obligations with respect to such Redevelopment Project component;

(c) no petition under the Federal bankruptcy laws or any state insolvency law has been filed by or against, nor has a receiver, fiscal agent or similar officer been appointed by a court for the business or property of such Qualified Entity, or any entity in which such Qualified Entity was or is a general partner or member (and, in the case of an involuntary proceeding, such proceeding has not been terminated within sixty (60) days of its commencement) within the five (5) calendar years preceding the date on which a request for consent of the Qualified Entity is filed with the Redevelopment Entity;

(d) any individual holding an ownership interest in excess of ten (10%) percent in such Qualified Entity has not been convicted in a criminal proceeding and is not a named subject in a pending criminal proceeding, (excluding traffic violations or other minor offenses), and, to the best of such individual’s knowledge and belief, is not a target of or a potential witness in a criminal investigation;

(e) neither such Qualified Entity, nor any individual holding an ownership interest in excess of ten (10%) percent in such Qualified Entity, nor any entity in which such individual was a manager, officer or holder, directly or indirectly, of an ownership interest in excess of ten (10%) percent, has been a party to any contract or agreement with the Redevelopment Entity which has been terminated due to a default by such individual, partnership or entity or which is currently the subject of a dispute in which the Redevelopment Entity alleges such default nor is such individual, partnership or entity an adverse party in any currently pending litigation involving the Redevelopment Entity;

(f) neither such Qualified Entity, nor any individual holding an ownership interest in excess of ten (10%) percent in such Qualified Entity, nor any entity in which such individual was a manager, officer or holder, directly or indirectly, of an ownership interest in excess of ten (10%) percent, has been found in any civil or criminal action in or by a court or agency of competent jurisdiction to have violated any Federal or state law or regulation relating to the sale of securities or commodities or been enjoined

from engaging in any trade or business for any reason other than the violation of a contractual non-competition provision; and

(g) such Qualified Entity, and any individual holding an ownership interest in excess of ten (10%) percent in such Qualified Entity, has not violated any city, state, or federal ethics law and entering into the proposed transaction with Redeveloper will not cause any such violation or result in a conflict of interest.

(2) Redeveloper and the proposed Qualified Entity shall submit to the Redevelopment Entity:

(a) a written request for approval of the Qualified Entity (a "Qualified Entity Application") executed by Redeveloper and by the proposed Qualified Entity specifying the component portion of a Redevelopment Project sought to be undertaken by the Qualified Entity, setting forth the full and correct legal name of the proposed Qualified Entity and any assumed names used by such proposed Qualified Entity during the preceding five (5) years, the principal place of business of such proposed Qualified Entity, the name, mailing address, telephone and fax number and email address of the such proposed Qualified Entity's contact person to whom the Redevelopment Entity should direct communications and enquiries and stating the proposed date of and general terms of the proposed component;

(b) an affidavit executed by the proposed Qualified Entity certifying that the statements contained in Section 13.10(1)(a) through (g), inclusive, are true and accurate as applied to the proposed Qualified Entity;

(c) references who will confirm the proposed Qualified Entity's qualifications to undertake the component of the Redevelopment Project in question; and

(d) financial statements, including profit and loss and cash flow statements prepared in accordance with generally accepted accounting principles consistently applied for the three (3) fiscal years of the proposed Qualified Entity next preceding the date of submission of the application, or, if the last preceding fiscal year has ended less than one hundred and twenty (120) days prior to the date of application and financial statements for such year have not been completed, for the three fiscal years next preceding that year, which financial statements have been reviewed by an independent certified public accountant and certified by the chief financial officer of such entity to be true and complete.

(3) The Redevelopment Entity shall consent to the Qualified Entity Application if such Qualified Entity satisfies the requirements as set forth above in this Section 13.10 within thirty (30) days of submission of the Qualified Entity Application, with such consent deemed given if no response is received from the Redevelopment Entity within such 30 day period. The Parties acknowledge and agree that such consent to any Qualified Entity Application is an administrative action and need not go before the City Council.



## ARTICLE XIV INSURANCE

### **14.1 Insurance – General Requirements.**

Prior to the date that the Redeveloper enters onto the Project Site or the site of any Infrastructure Improvements, and at all times thereafter during the construction of the Project, and until such time as the City shall issue a Certificate of Completion for the Project in accordance with the provisions of this Agreement, the Redeveloper shall maintain, or cause to be maintained by its contractors, who shall (except in the case of the insurance required by paragraphs (c) and (d) below) name the City as an additional named insured and provide proof of same, insurance for the mutual benefit of the City and the Redeveloper as their interests may appear:

(a) Loss or damage by fire, and such other risks as may be included in the standard form of extended coverage insurance from time to time available, in amounts sufficient to prevent the City or Redeveloper from becoming a co-insurer within the terms of the applicable policies, and in any event, in amounts not less than 100% of the then full insurable value (as hereinafter defined) of the Project;

(b) All claims for bodily injury and property damage, under a policy of comprehensive general public liability insurance, with such limits as may reasonably be required by the City from time to time, but not less than \$1 million per occurrence in respect of injury or death and \$2 million per occurrence for property damage, plus excess (“umbrella”) liability policies with coverage of not less than \$5 million;

(c) Workers compensation insurance in an amount not less than \$1,000,000.00 or as statutorily may be required under Applicable Laws for employees of Redeveloper and its contractors;

(d) Builder’s risk insurance;

(e) Environmental insurance coverage to defend and indemnify the City during the course of any Remediation work to be performed by the Redeveloper, should such coverage be commercially available based upon the anticipated cost of said Remediation work, to be posted in the event such Remediation costs exceed \$5,000,000; and

(e) Such coverage may be maintained through policies obtained by contractors retained by the Redeveloper so long as such policies identify Redeveloper and the City as additional insureds thereunder.

The Redeveloper’s obligation to provide insurance, or to arrange for its contractors to provide insurance, as to the Project, shall cease upon the issuance of a Certificate of Occupancy as to the Completion of Construction undertaken by the Redeveloper.

The Redeveloper shall furnish the City with satisfactory proof that it has obtained

all applicable insurance as described in this Section from insurance companies or underwriters reasonably satisfactory to the City. The Redeveloper shall furnish to the City certificates of the preceding types of insurance showing the type, amount, and class of operations insured and the effective and expiration dates of the policies. Until construction of the Project is completed and a Certificate of Completion issued, the Redeveloper shall, on an annual basis, provide the City with proof that the aforesaid insurance policies are being maintained.

#### **14.2 Insurance – Restrictions.**

All insurance provided for under this Agreement will be reasonably effected under valid enforceable policies issued by insurers rated “A-” or better by A.M. Best and reasonably acceptable to the City. On or before the Closing Date, a certificate procured by Redeveloper pursuant to Section 14.1 (or certificates thereof) will be delivered to the City at least thirty (30) days prior to the expiration date of any policy, the original renewal policy (or certificates thereof) for such insurance will be delivered by the Redeveloper to the City as aforesaid, together with satisfactory evidence or other confirmation of payment of the premium thereon. All policies referred to in Section 14.1 will, to the extent then generally obtainable, contain agreements by the insurers that (a) any loss will be payable to the City, notwithstanding any act or negligence of the Redeveloper which might otherwise result in forfeiture of said insurance, (b) such policies may not be canceled except upon thirty (30) business days prior written notice to each named insured and loss payee, and (c) the coverage afforded thereby must not be affected by the performance of any work in or about the Project Site.

#### **14.3 City as Insured.**

All policies of insurance required herein shall name the City as an additional insured, as its interests may appear.

#### **14.4 Additional Insurance.**

Nothing in this Article shall prevent the Redeveloper from taking out insurance of the kind and in the amounts and with companies provided for under Section 11.1 under a blanket insurance policy or policies which can cover other properties as well as the Project Site; provided, however, that any such policy of insurance provided for under Section 14.1 must (a) specify therein, or the Redeveloper shall furnish the City with a written statement from the insurers under such policies specifying the amount of the total insurance allocated to the Project, which amount will not be less than the amount required by Section 14.1 to be carried, and (b) not contain any clause which would result in the insured thereunder being required to carry insurance with respect to the property covered thereby in an amount equal to a minimum specified percentage of the full insurable value of such property in order to prevent the insured therein named from becoming a co-insurer of any loss with insurer under such policy.

#### **14.5 Deductibles.**

All insurance provided under this Article XIV may contain loss deductible clauses in such maximum amounts as the City approves in its reasonable discretion.

**14.6 Subrogation.**

All insurance policies obtained pursuant to this Article must include waivers of subrogation against the City and the Redeveloper.

**ARTICLE XV  
MISCELLANEOUS**

**15.1 Arbitration Procedures.**

Any arbitration commenced pursuant to the terms of this Agreement, shall be conducted under and governed by the Commercial Arbitration Rules of the American Arbitration Association (or the rules of the American Arbitration Association that may replace the Commercial Arbitration Rules) and the Federal Arbitration Act by a single qualified arbitrator mutually agreed upon by the Parties. The Arbitrator shall be a retired State Superior Court or Federal Court Judge. A judgment on the award may be entered in any Court having jurisdiction.

All arbitration hearings shall begin within ninety (90) days of the demand for arbitration and all hearings shall be concluded within one hundred twenty (120) days of the demand for arbitration. Within three (3) business days of the demand for arbitration, the Parties shall exchange names of proposed arbitrators and proceed in good faith to expeditiously agree on an arbitrator. If the Parties are unable to agree on the arbitrator within ten (10) days of the demand for arbitration, they shall each submit the names of no more than three arbitrators to the American Arbitration Association and request that the American Arbitration Association promptly appoint an arbitrator from among those named. These time limits may not be extended unless a Party shows cause for the extension and then for no more than a period of sixty (60) days. The expedited procedures set forth at Rule 51 *et. seq.* of the Arbitration Rules shall be applicable to claims of less than \$1,000,000. The Parties do not waive applicable Federal or State substantive law except as provided herein. Any questions as to the arbitrability of any dispute, including any questions as to the satisfaction of any pre-conditions to arbitration, shall be decided by the arbitrator.

Notwithstanding the preceding binding arbitration provisions, the Parties agree to preserve, without diminution, certain remedies that any Party may exercise before or after the arbitration proceeding is brought. The Parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies as applicable: (i) all rights of self-help, including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property, (ii) obtaining provisional or ancillary remedies in aid of arbitration, including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing and involuntary bankruptcy proceeding; (iii) when applicable, a judgment by confession of judgment; and (iv) enforcement of the City's right of reverter as provided in Section 9.2(4) hereof.

Each Party agrees that it shall not have a remedy of punitive or exemplary damages against the other in any dispute and hereby waives any right or claim to any punitive or exemplary damages it may have now or which may arise in the future in connection with any dispute, whether the dispute is resolved by arbitration or judicially.

The Parties acknowledge that by agreeing to binding arbitration, they have irrevocably waived any right they may have to a jury trial with regard to a dispute.

## **15.2 Defense/Indemnification.**

(a) The Redeveloper agrees to indemnify and hold the City and its agents, employees and/or representatives harmless against any litigation filed against the City and its agents, employees and/or representatives challenging any aspect of the Agreement, the Project including (subject to paragraph (h) below) the Infrastructure Improvements, including but not limited to, the validity of the Project or of any governmental action taken by the City to effectuate the Project, including but not limited to the City's entry into this Agreement, the City's transfer of the NJDOT Parcels to the Redeveloper thereunder, and the City's provision to the Redeveloper of any financial incentives; provided, that the Redeveloper's obligation to indemnify and hold harmless shall not apply to (i) any claim or suit by a third party arising from the gross negligence or intentional wrongful acts of the City or any of its directors, officers, agents, servants or employees, (ii) any claim of non-compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., or (iii) any claim or counterclaim by or on behalf of a citizen known to the parties of this Agreement, in his/her individual capacity. If such litigation is filed, the City shall retain control over the defense of such litigation and shall, following consultation with the Redeveloper, appoint counsel of its choice to defend the City in such litigation. The Redeveloper shall reimburse the City for the City's reasonable costs in defending such litigation through the escrow established under, and in the manner set forth within, Section 2.1(9) of this Agreement and shall indemnify and hold the City harmless against any monetary judgment entered against the City in such litigation. The City shall promptly inform the Redeveloper of the filing of any litigation challenging the validity of the Project or of any governmental action taken by the City to effectuate the Project and shall have a continuing obligation to keep the Redeveloper apprised of the status of such litigation until the litigation is concluded.

(b) Using Redeveloper's counsel or such other counsel as designated by the Redeveloper or the Redeveloper's insurers, the Redeveloper agrees to indemnify and hold harmless the City and its agents, employees and or/representatives, against, and the Redeveloper shall pay any and all liability, loss, cost, damage, claims, judgment, or expenses, of any and all kinds or nature and however arising, imposed by law, which the City may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, relating to the Redeveloper's activities in constructing the Project or based upon or arising out of contracts entered into by the Redeveloper which relate to the construction of the Project, whether as a result of Redeveloper's Default or out of the Redeveloper's acquisition, construction or installation of the Project including (subject to paragraph (h) below) the Infrastructure Improvements, including but not limited to any all claims by workmen, employees or agents of the Redeveloper and unrelated third parties, which claims arise from the construction of the Project, the maintenance and functioning of improvements installed pursuant to the Project including (subject to paragraph (h) below) the Infrastructure Improvements, or any other activities of the Redeveloper during the construction of the Project. The Parties agree that neither the City nor its directors, officers, agents, servants or employees shall be liable in any event for any action performed under this Agreement by or on behalf of the Redeveloper and that the Redeveloper shall save the City and its directors, officers, agents, servants or employees harmless from any claim or suit by a third party in connection with Redeveloper's obligations under this Agreement, except for any claim arising from the grossly-negligent, intentional or willful acts of the City or any of its directors, officers, agents, servants or employees.

(c) The Redeveloper, at its own cost and expense, shall defend any and all claims, suits and actions, as described more fully within Section 15.2(b), which may be brought or asserted against the City and its directors, officers, agents, servants or employees; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance which may be provide for in this Agreement from its obligation to defend Redeveloper, the City, and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

(d) The Redeveloper releases the City from, agrees that the City shall not be liable for, and agrees to hold the City harmless against any expense or damages incurred because of any litigation commenced as a result of any action taken by the City with respect to this Agreement and the Project.

(e) Upon the commencement of any litigation referred to in this Section, or if and when the City incurs any costs, expenses or damages described in this Section, the City shall give the Redeveloper prompt written notice thereof.

(f) All covenants, stipulations, promises, agreements and obligations of the City contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any member, officer or employee of the City in his or her individual capacity and no recourse shall be had for any

claim based hereunder against any member, officer or employee of the City or any natural person executing this Agreement.

(g) The covenants and other provisions of this Section shall survive the termination of this Agreement as to any and all claims arising from this Agreement or the Project.

(h) The parties agree that the indemnification provided by the Redeveloper to the City by this Section 15.2 in respect of the condition of, and activities conducted upon, any real estate or public right-of-way upon which a Component of the Infrastructure Improvements is being constructed by (or on behalf of) the Redeveloper, shall be limited to such condition and/or activities as occur or exist (as the case may be) only during the time such Component is under construction, which shall be deemed to begin as to each Component on the date construction of such Component has commenced and shall be deemed to end on the date of substantial completion of such Component, provided no additional work is expected to be required.

### **15.3 Agreement Provisions.**

**15.3.1** Paragraph Headings. The headings and numbering of paragraphs and sections of this Agreement are set forth for ease of reference only and are not to be construed or considered to impart meaning to any provision of this Agreement.

**15.3.2** Governing Law. This Agreement shall be governed by and construed under the laws of the State and any litigation relating to this Agreement shall be brought in the Superior Court of the State, and venued in the County of Essex after the parties have availed themselves of arbitration procedures.

**15.3.3** Entire Agreement; Amendments to Agreement. This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the development of the Project and the Project Site, the conveyance of the NJDOT Parcels and the construction of the Project. No amendment to this Agreement shall be considered binding on either of the Parties unless such amendment is in writing and specifically recites that it is being entered into by and between the Redevelopment Entity and Redeveloper with the specific intention to modify the terms of this Agreement. In the event that any such amendment is agreed to by the Parties, such amendment shall not modify, change or amend any portion of this Agreement except those specific portions that are recited in such amendment as being modified by such amendment. All other portions of this Agreement not so specifically amended in writing shall remain in full force and effect.

**15.3.4** Severability Should any provision, term, paragraph or other portion or portions of this Agreement be held by any court of competent jurisdiction to be in violation of any applicable law, or against public policy or held to be null and void for any reason whatsoever, such portion shall be deemed severable, that such determination (unless it prohibits the conveyance of the NJDOT Parcels to Redeveloper) shall not affect the validity of any other provisions of this Agreement, and such other provisions shall be

deemed to be in full force and effect and binding on the Parties unless amended in accordance with provisions of this Agreement.

**15.3.5** Incorporation of Recitals. The recitals set forth in the preambles of this Agreement are hereby incorporated by reference and are considered part of this Agreement.

**15.3.6** Block Lot References. All block and lot references in this Redevelopment Agreement shall relate to the block and lot designations on the official tax maps of the City of Orange Township.

**15.3.7** Severability. The validity of any Articles, Section, clause or provision of this Agreement shall not affect the validity of the remaining Articles, clauses or provisions hereof.

**15.3.8** Exhibits. All Exhibits annexed to this Agreement are hereby made a part of this Agreement by this reference thereto

#### **15.4 Cooperation by Redevelopment Entity.**

In the event that a third party commences litigation or otherwise challenges the validity or legality of this Agreement and its terms or the development of the Project as provided herein, the Redevelopment Entity agrees, without cost or expense to the Redevelopment Entity other than payroll and internal administrative costs, that it will fully cooperate with and give full assistance to Redeveloper in the defense or handling of such litigation or challenge, including, but not limited to, cooperation with Redeveloper's attorneys, consultants or other agents engaged to represent Redeveloper in such action. In the event the Redevelopment Entity is required to engage outside counsel in the defense or handling of such litigation, Redeveloper agrees to reimburse the Redevelopment Entity for the reasonable costs and attorneys' fees the Redevelopment Entity incurs as a result of engaging outside counsel. Any outside counsel so engaged by the Redevelopment Entity is likewise bound by the cooperation provisions of this paragraph.

#### **15.5 Redevelopment Entity Consultants Reports and Services.**

The Redevelopment Entity makes no representations to Redeveloper with respect to the accuracy or validity of any reports, data or documents or services rendered by any of the Redevelopment Entity's consultants, advisors or experts.

#### **15.6 Commissions.**

The Parties agree that no commissions to any broker, agent, or any other intermediary is due hereunder, and further agree to indemnify and save harmless the other Party in the event of any claim whatsoever for any commission or other remuneration payable or alleged to be payable by any broker, agent or other intermediary.

**15.7 Recordation.**

A short form memorandum of this Agreement, and any modifications thereof or additions thereto, in mutually agreeable form may be duly recorded by Redeveloper in the Book of Deeds of the County of Essex and the cost of such recordation and the cost of any and all federal revenue stamps, which legally must be attached to any of said papers, shall be paid by Redeveloper. As a condition of the recording of such memorandum, the parties hereto shall execute and deposit with Redeveloper, a release of such memorandum, in recordable form, which Redeveloper may record at its cost, following the expiration or earlier termination of this Agreement.

**15.8 Conflict of Interest.**

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

**15.9 No Consideration For Agreement.**

Redeveloper warrants it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Redevelopment Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, financial consultants and attorneys. Redeveloper further warrants it has not paid or incurred any obligation to pay any officer or official of the Redevelopment Entity, any money or other consideration for or in connection with this Redevelopment Agreement.

**15.10 Non-Liability of Officials and Employees of the Redevelopment Entity.**

No member, official or employee of the Redevelopment Entity shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by the Redevelopment Entity, or for any amount which may become due to Redeveloper or its successor, or on any obligation under the terms of this Redevelopment Agreement.

**15.11 Non-Liability of Officials and Employees of Redeveloper.**

No member, officer, shareholders, director, partner or employee of Redeveloper, and no member, officer, shareholders, director, partner or employee of the members of Redeveloper shall be personally liable to the Redevelopment Entity, or any successor in interest, in the event of any default or breach by Redeveloper or for any amount which may become due to the Redevelopment Entity, or their successors, on any obligation under the terms of this Redevelopment Agreement.

**15.12 Approvals by the Redevelopment Entity and Redeveloper.**

Wherever this Redevelopment Agreement requires the approval of the



Redevelopment Entity or Redeveloper, or any officers, agents or employees of either the Redevelopment Entity or Redeveloper, such approval shall not be unreasonably withheld or conditioned, and approval or disapproval shall be given within the time set forth in this Agreement, or, if no time is given, within a reasonable time following written request therefore. No action of the Mayor and/or administration of the City relating to the implementation or satisfaction of any City right, duty or obligation herein shall require further additional City Council action, unless under Applicable Law the City Council is required to act.

**15.13 Enforcement by Redevelopment Entity.**

It is intended and agreed that the Redevelopment Entity and its successors and assigns shall be deemed beneficiaries of the agreements and covenants set forth in this Redevelopment Agreement, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Redevelopment Entity for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Redevelopment Entity has at any time been, remains, or is an owner of any land or interest therein. The Redevelopment Entity shall have the right, in the event of any uncured breach by Redeveloper, beyond the expiration of any applicable notice, grace and cure period, of any such agreement or covenant, to exercise all the rights and remedies and to maintain, pursuant to Section 14.1, any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which they or any other beneficiaries of such agreement or covenant may be entitled. The failure of the Redevelopment Entity to enforce its rights will not be considered a waiver of those rights hereunder.

**15.14 Other Redevelopment Agreements Required.**

While the Parties share goals for expanded economic development in the broader Redevelopment Area and the City of Orange, generally, it is expressly acknowledged and agreed by the Parties that Redeveloper (and its affiliate(s)) shall not be obligated to undertake any other development or redevelopment in the City of Orange, except as otherwise agreed to in writing by and between Redeveloper (or its affiliate(s)) and the City. Any redevelopment of any site other than the Project Site in the Redevelopment Area, whether by Redeveloper or any other entity, shall not be governed by this Agreement and shall be subject to a separate designation by the Redevelopment Entity of such other entity as redeveloper for such additional property and further, is or will be the subject of a separate redevelopment agreement, none of which is contemplated by this Agreement.

**15.15 Successors Bound.**

This Agreement shall be binding upon the respective Parties hereto and their successors and assigns as provided herein.

**15.16 Review by Counsel.**

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

**15.17 Notices.**

Any notice provided or required to be given under this Agreement must be in writing and shall be served (and shall be deemed to have been served) either: (1) by hand delivering a copy thereof to the party being served in person or by commercial courier, or by (2) facsimile, evidenced by confirmed receipt, to the person or persons set forth below for each party to this Agreement or (3) by certified mail return receipt requested. Notices shall be deemed given upon receipt and shall be served upon each person in the same manner whichever of the three above means used.

**As to the City:**

The City of Orange Township  
29 North Day Street  
Orange, New Jersey 07050

Attention:  
Christopher Hartwyk  
Business Administrator

Phone: 973-266-4010  
Fax: 973-677-7847  
Email: chartwyk@ci.orange.nj.us

Attention:  
Christopher Mobley  
Planning and Economic Development

Phone: 973-266-4061  
Fax: 973-677-7847  
Email: cmobley@ci.orange.nj.us

Attention:  
Avram White  
Planning and Economic Development

Phone: 973-266-4198  
Fax: 973-674-2021  
Email: awhite@ci.orange.nj.us

**With a copy to:**

GluckWalrath LLP  
4 Paragon Way, Suite 400  
Freehold, New Jersey 07728

Attention:  
James G. Fearon, Esq.  
Partner

Phone: 732-530-8822  
Fax: 732-530-6770

Email: [jfearon@glucklaw.com](mailto:jfearon@glucklaw.com)

And

**As to Redeveloper:**

PEEK Reock I Owner Urban Renewal, LLC  
c/o PEEK Properties  
59 Main Street, Suite 203  
West Orange, New Jersey 07052

Attention:  
Phillip J. Evanski, Manager

Phone: 973-736-3600

Fax:

Email: [pevanski@peekcp.com](mailto:pevanski@peekcp.com)

With a copy to:

Chasan Lamparello Mallon & Capuzzo, PC  
300 Lighting Way, Suite 200  
Secaucus, New Jersey 07094

Attention:  
Reginald Jenkins, Jr., Esq.  
Partner

Phone: 201-809-6032

Fax: 201-348-6633

Email: [rjenkins@chasanlaw.com](mailto:rjenkins@chasanlaw.com)

From time to time either party may designate a different person or address for all the purposes of this Notice provision by giving the other party no less than ten (10) days notice in advance of such change of address in accordance with the provisions hereof.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date appearing on the cover page hereof.

**THE CITY OF ORANGE TOWNSHIP**

(Seal)

Witness:

By: \_\_\_\_\_  
Dwayne D. Warren, Esq.  
Mayor

\_\_\_\_\_

**PEEK REOCK I OWNER URBAN RENEWAL, LLC**

Witness:

By: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE "A"**

**Description of Project Site**

BEGINNING at the corner formed by the intersection of the easterly sideline of South Day Street and the southerly sideline of Reock Street; thence running

1. Easterly along the said sideline of Reock Street, South 62 degrees 59 minutes 49 seconds East, 127.20 feet to a point, thence
2. South 27 degrees 26 minutes 11 seconds West, 105.56 feet to a point on a curve on the northerly sideline of Freeway Drive West, thence
3. Westerly along said sideline on a curve to the left having a radius of 1,210.00 feet, an arc length of 55.42 feet and a chord bearing and distance of North 68 degrees 28 minutes 56 seconds West, 55.42 feet to a point of tangent, thence
4. Westerly and still along Freeway Drive West, North 69 degrees 47 minutes 40 seconds West, 52.45 feet to a point of curve, thence
5. Northwesterly on a curve to the right having a radius of 20.00 feet, an arch length of 27.01 feet and a chord bearing and distance of North 31 degrees 06 minutes 12 seconds West, 25.01 feet to a point a short tangent connecting to the aforesaid easterly sideline of South on Day Street, thence
6. Westerly along said tangent, North 63 degrees 37 minutes 49 seconds West, 2.78 feet to a point on the easterly sideline of South Day Street, thence
7. Northerly along said sideline, North 26 degrees 07 minutes 48 seconds East, 43.42 feet to an angle point, where said angle point is marked by a found monument on a 2 foot offset, thence
8. Still along said sideline, North 32 degrees 12 minutes 48 seconds East, 60.71 feet to the POINT AND PLACE OF BEGINNING.

The above described parcel contains 14,530 square feet or 0.334 acres of land.

**EXHIBIT "A"**

**Form of Declaration of Restrictions**

**EXHIBIT "B"**

**Estimated Project Schedule**

Redevelopment Project Schedule

- |  |                     |
|--|---------------------|
| 1. Redeveloper to obtain all Governmental Approvals for Project.   | By July 31, 2020    |
| 2. Redeveloper to commence demolition.   | Completed           |
| 3. Redeveloper to commence construction of the Project Improvements.   | By August 1, 2020   |
| 4. Redeveloper to substantially complete the Project and Project Improvements.   | By February 1, 2022 |
| 5. City to issue C/O. After completion of Project Improvements in accordance with statutory requirements.                        |                     |
| 6. City to issue Certificate of Completion and Compliance. Within 30 days of Redeveloper request pursuant to Section 2.08 hereof |                     |