November 1, 2017

Municipal Council
City of Bayonne
630 Avenue C
Bayonne, NJ 07002

RE: FINANCIAL AGREEMENT
BY AND BETWEEN
THE CITY OF BAYONNE
AND PENINSULA VIEW URBAN RENEWAL, LLC.

<table>
<thead>
<tr>
<th>Block 411</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot 3-77 East 31st Street</td>
</tr>
<tr>
<td>Lot 2-75 East 31st Street</td>
</tr>
<tr>
<td>Lot 4-79-87 East 31st Street</td>
</tr>
<tr>
<td>Lot 5-80 East 32nd Street</td>
</tr>
<tr>
<td>Lot 8-74 East 32nd Street</td>
</tr>
<tr>
<td>Lot 6-80 East 32nd Street</td>
</tr>
<tr>
<td>Lot 7-80 East 32nd Street</td>
</tr>
<tr>
<td>Lot 10.01 268-270 Prospect Avenue</td>
</tr>
</tbody>
</table>

Dear Council Members:

Please be advised that I am in receipt of an application for a PILOT agreement from PENINSULA VIEW URBAN RENEWAL, LLC. for the properties set forth above. I would ask that you consider this application at your next council meeting. I have also attached a copy of the proposed financial agreement for your consideration.

Very truly yours,

James Davis

JD/jfc
Enclosure
APPLICATION FOR TAX EXEMPTION OF
Peninsula View Urban Renewal, LLC

Date: August 13, 2017

The Applicant, Peninsula View Urban Renewal, LLC ("URE" or "Entity") is proposing to undertake a project to redevelop the property situated between East 31st Street and East 32nd Street along New Jersey State Highway Number 440, a significant portion of Block 411, including Lots 2, 3, 4, 5, 6, 7, 8, and 10.01, Bayonne Hudson County, New Jersey pursuant to a site plan prepared by Minni & Wasko Architects and Planners, dated January 27, 2017. The Entity, submits the following information in support of this application for a Tax Exemption under and pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.

<table>
<thead>
<tr>
<th>Applicant:</th>
<th>Peninsula View Urban Renewal, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>130 Lefante Way</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 1009</td>
</tr>
<tr>
<td></td>
<td>Bayonne, NJ 07002</td>
</tr>
</tbody>
</table>

| Property:   | Block 411                           |
|            | Lot 3-77 East 31st Street            |
|            | Lot 2-75 East 31st Street            |
|            | Lot 4-79-87 East 31st Street         |
|            | Lot 5-80 East 32nd Street            |
|            | Lot 8-74 East 32nd Street            |
|            | Lot 6-80 East 32nd Street            |
|            | Lot 7-80 East 32nd Street            |
|            | Lot 10.01 268-270 Prospect Avenue    |
|            | Bayonne, NJ 07002                    |

| Owner/Sponsor: | The respective URE listed as the applicant is the owner of the improvements. The land is either owned or to be acquired by the designated redeveloper: |
|                | Alessi Development                   |
|                | 85 E. 2nd Street                     |
|                | P.O. Box 1009                        |
|                | Bayonne, NJ 07002                     |

| Applicant's Architect: | MINNO & WASKO, Architects and Planners |
|                       | 80 Lambert Lane, Suite 105            |
|                       | Lambertville, NJ 08530                |
| Applicant’s Engineer: | Stonefield Engineering and Design  
75 Orient Way  
Suite 303  
Rutherford, NJ  
07070  
201-340-4468 |
|----------------------|--------------------------------------------------|
| Applicant’s Attorney: | Scarinci Hollenbeck, LLC  
Patrick McNamara, Esq.  
1100 Valley Brook Avenue  
P.O. Box 790 Lyndhurst, NJ  
07071  
201-896-4100 |
Application for Tax Exemption Checklist
Pursuant to N.J.S.A. 40A:20-8 and

☒ A general description of the project for which exemption is sought.

☒ A legal description of all real estate necessary for the project.

☒ Plans and preliminary drawings which upon finalization shall be on file in the City of Bayonne Planning Office.

☒ A statement of the reasons for seeking exemption on the project and a description of the benefits to be realized by the applicant if exemption is granted.

☒ Estimates of the cost of completing such project.

☒ A statement showing:

☒ The real property taxes currently being assessed at the project site;

☒ Estimated tax payments that would be made annually by the applicant on the project during the period of tax exemption; and,

☒ Estimated tax payment that would be made by the applicant on the project during the first full year following the termination of the tax agreement.

Please refer to the Financial Plan.

☒ A sample financial agreement-the final terms and conditions to be negotiated.
Schedule List

A. Peninsula View, Conceptual Site Plan.

B. Legal Description of Project Site, a portion of Block 411.


D. Sample Financial Agreement.
General description of project

The proposed project is located to the immediate south of East 32nd Street, along State Route 440 in the City of Bayonne, New Jersey. The redeveloper has created an urban renewal entity ("URE", or "Entity") for the purpose of financing the corresponding parcels consistent with the Long Term Tax Exemption law ("LTTE"). This URE is known as the Peninsula View Urban Renewal, LLC.

The Entity is proposing to develop a parcel of approximately 1.6 acres, depending on the final amount of land acquired in Block 411 which will be redeveloped in a holistic manner including the construction of on-site parking improvements. The Project will include two hundred thirty two (232) residential units with a stylish exterior and amenity space. The properties are located along Route 440, a main transportation artery in the City of Bayonne and in close proximity to the 34th Street Hudson-Bergen Light Rail Station. The requested Long Term Tax Exemption will facilitate the revitalization of the site in a manner consistent with the Penn View Redevelopment Plan.

The redevelopment will be a high quality residential area. The development conforms to all applicable municipal ordinances and is consistent with the redevelopment plan.

Legal description of property, structure and design of project.

Please see attached the conceptual site plan.

Description of employees to be employed at project site

Approximately one full-time equivalent employee, will be employed to handle on-site management issues.

Reasons for exemption; benefits to be realized.

Redevelopment of the project area will:

- Stabilize and revitalize this residential area of the City of Bayonne;
- Effectuating private investment in the area of over $50 million in an underutilized area;
- Change the local and regional perceptions of the redevelopment area from a desolate, rundown and unattractive public nuisance into a vibrant, secure and attractive retail district;
- Restore properties that are now deleterious to the public health, safety and welfare to productive, clean, attractive new uses that engender community pride;
- Provide an estimated $742,680 in an annual PILOT payment compared to 2016 total taxes of $70,233;
Estimated cost of completing project

The project will cost an estimated $59,313,417 to bring to market. Attached to this Application is a detailed Total Project Cost breakdown.

The project is expected to generate an estimated initial annual return on investment (ROI) of only 3.90%, one-third the expected initial return on investment required by such an endeavor. This is with the project receiving a PILOT of 12% of annual gross revenues ("AGR") for the first six years of a term of twenty five (25) years, plus a two year lease-up period, if required to stabilize the Project. Without the PILOT the project is financially infeasible.

A PILOT program would enable the project lease income to be sufficient to support the project costs on a long term basis.

Statement regarding taxes and tax payments

The subject property (the accumulated properties) currently generates only $70,233 in annual property tax revenue (in 2016 dollars). A financial agreement ("Agreement") will be entered into setting forth the terms and conditions of the payment in lieu of taxes (PILOT). The PILOT is also referred to as an annual service charge ("ASC"). The proposed (draft) Agreement is attached.

Under the proposed twenty-five year PILOT program, payments will begin at twelve percent (12%) of gross rents, or an estimated $742,680 total annually, after two years of absorbing the residential units in the market place. (Note: the two year period is a lease-up period. This allows the residential units to be rented. It also allows for construction exigencies.) The 12% PILOT payment shall be applicable through the last day of year six following the effective date of this Agreement. Thereafter, beginning on the first day of year seven through year eleven following the effective date of the Agreement the Annual Service Charge shall be equal to thirteen percent (13%) of the Annual Gross Revenue. Beginning on the first day of year twelve through year sixteen following the effective date of the Agreement the Annual Service Charge shall be equal to fourteen percent (14%) of the Annual Gross Revenue, or forty percent (40%) of traditional otherwise applicable taxes. Beginning on the first day of year seventeen through year twenty-one (21) following the effective date of the Agreement, and thereafter, the Annual Service Charge shall be equal to fourteen percent (14%) of the Annual Gross Revenue, or sixty percent (60%) of traditional otherwise applicable taxes. Notwithstanding the foregoing, effective the first day of year twenty-one (21) following the effective date of this Agreement the Annual Service Charge shall be equal to a minimum of 80% of traditional otherwise applicable taxes. As rents increase over the term of the PILOT program so will the PILOT payment.
The estimated tax payment for the first full year following the termination of the financial agreement is estimated to be approximately $2,945,774.

**Proposed Financial Agreement**

Please see attached.

**SCHEDULE to APPLICATION**

Peninsula View Urban Renewal, LLC
Bayonne, NJ.

**TOTAL PROJECT COST**

Total Project Cost Pursuant to N.J.S.A. 40A:20-3(h)

"Total project unit cost" or "total project cost", commonly referred to as “TPC”, means the aggregate of the following items as related to the total project, if the project is not undertaken in units, all of which may be limited by, and approved as part of the financial agreement under the Long Term Tax Exemption law, N.J.S.A. 40A:20-3(h), as amended.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Cost of land (and initial property acquisition) to the URE.</td>
<td>$990,000</td>
</tr>
<tr>
<td>2-Architect, engineer and attorney fees incurred in connection with the planning and construction of the project.</td>
<td>$957,315</td>
</tr>
<tr>
<td>3-Surveying and testing charges incurred in connection with the planning and construction of the project.</td>
<td>$50,000</td>
</tr>
<tr>
<td>4a-Actual construction costs which the Entity shall cause, within ninety days of project completion, to be certified by an independent and qualified architect or engineer.</td>
<td>$50,365,725</td>
</tr>
<tr>
<td>5-Insurance, interest and financing during construction.</td>
<td>$3,286,858</td>
</tr>
<tr>
<td>6-Cost of obtaining initial permanent financing.</td>
<td>$503,657</td>
</tr>
<tr>
<td>7-Commissions and other expenses.</td>
<td>$400,000</td>
</tr>
<tr>
<td>8-Real estate taxes and assessments paid during the construction period.</td>
<td>$70,233</td>
</tr>
<tr>
<td>Project Cost Without Redeveloper’s Overhead</td>
<td>$56,623,788</td>
</tr>
<tr>
<td>Redeveloper’s Overhead (5%, in statutory stages)</td>
<td>$2,689,630</td>
</tr>
<tr>
<td><strong>Total Project Cost with Redeveloper’s Overhead</strong></td>
<td><strong>$59,313,417</strong></td>
</tr>
</tbody>
</table>

If the annual service charge is based on a percentage of total project cost and the financial agreement so provides, the following shall be excluded from the total project cost for the purpose of calculating the annual service charge: (i) actual costs incurred by the entity for site remediation and cleanup of environmentally hazardous materials or contaminants and certified to the municipality by an independent and qualified architect or engineer; and (ii) any extraordinary costs incurred by the entity (and certified as above) so as to alleviate blight conditions within the area in need of redevelopment, including but not limited to demolition, relocation or removal of public utility facilities, relocation of displaced residents or businesses, and clearing title. [NOTE: Pursuant to N.J.S.A. 40A:20-15, these costs must be included in TPC for purposes of calculating the entity's excess net profits.]
<table>
<thead>
<tr>
<th>Code</th>
<th>District</th>
<th>City Limits</th>
<th>Tradition Bear</th>
<th>Remaining Bear</th>
<th>Remaining Year</th>
<th>Remaining Trees</th>
<th>Estimated Pilot Event Date</th>
<th>Estimated Trees</th>
<th>Pilot Event Date</th>
<th>Estimated Trees</th>
<th>Estimated Trees</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-Jul-17</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Value Estimates

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Cost Per Unit</td>
<td></td>
<td>$244,069</td>
</tr>
<tr>
<td>Residential Construction Cost</td>
<td></td>
<td>$96,622.78</td>
</tr>
<tr>
<td>2-Additional Land Cost</td>
<td></td>
<td>$54,633.78</td>
</tr>
<tr>
<td>1-land assessment</td>
<td></td>
<td>$990,000</td>
</tr>
</tbody>
</table>

### Return-on-Investment

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Cash Adjusted NOI Gore</td>
<td>2/16/08: 817</td>
<td>$2,241,066</td>
</tr>
<tr>
<td>Cash on Cash Adjusted NOI DAS</td>
<td>2/20/08: 817</td>
<td>$2,260,317</td>
</tr>
<tr>
<td>Annual Debt Service 30/04 DAS</td>
<td>2/16/08</td>
<td>$91,922</td>
</tr>
<tr>
<td>Annual Debt Service 30/04 DAS</td>
<td>2/20/08</td>
<td>$126,710</td>
</tr>
<tr>
<td>Net Operating Income Exceeds DAS</td>
<td>2/16/08</td>
<td>$26,618</td>
</tr>
<tr>
<td>Net Operating Income Exceeds DAS</td>
<td>2/20/08</td>
<td>$48,101</td>
</tr>
<tr>
<td>Total Cash</td>
<td></td>
<td>$2,340,577</td>
</tr>
<tr>
<td>Total Cash</td>
<td></td>
<td>$2,365,77</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>1/16/12</td>
<td>$2,830,000</td>
</tr>
<tr>
<td>Security and Independent Contracts</td>
<td>1/17/12</td>
<td>$32,500</td>
</tr>
<tr>
<td>Engineering/Architecting Expenses</td>
<td>1/13/12</td>
<td>$23,180</td>
</tr>
<tr>
<td>Planning/Engineering</td>
<td>1/17/12</td>
<td>$585,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1/17/12</td>
<td>$580,000</td>
</tr>
<tr>
<td>Utility</td>
<td>1/16/12</td>
<td>$2,484</td>
</tr>
<tr>
<td>Insurance</td>
<td>1/16/12</td>
<td>$690</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td></td>
<td>$2,226,000</td>
</tr>
<tr>
<td>Financial income</td>
<td>Per Unit</td>
<td>$238,407</td>
</tr>
</tbody>
</table>

### Estimated Rentable Income (Subject to)

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Rentable Income</td>
<td>Per Unit</td>
<td>$5,414,420</td>
</tr>
</tbody>
</table>

### Assumptions

- Assumptions are subject to change.
- Project assumptions include:
  - NOI: 7.3% Cap Rate
  - DAS: 1.5% Cap Rate
  - DAS: 3.9% Cap Rate
  - DAS: 1.2% Cap Rate

### Notes

- Additional notes and assumptions related to the project's financial projections and analysis.
REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT, made as of the ____ day of______ 2017, by and between THE CITY OF BAYONNE, a public body corporate and politic of New Jersey, acting as redevelopment entity pursuant to N.J.S.A. 40A:12A-1 et seq, having its principal office at the Municipal Building located at 630 Avenue C, Bayonne, New Jersey 07002 (the "City"), and PENINSULA VIEW URBAN RENEWAL, LLC, a New Jersey limited liability company organized under the laws of the State of New Jersey, having its offices at 130 Lefante Way, PO Box 1009, Bayonne, New Jersey 07002 (the "Redeveloper"). The City and the Redeveloper may be hereinafter individually referred to as a "Party" and collectively referred to as the "Parties".

WITNESSETH:

WHEREAS, the City is authorized pursuant to the Local Redevelopment and Housing Law of the State of New Jersey, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"); to determine whether certain parcels of land within the City constitute an area in need of redevelopment; and

WHEREAS, on ___________, 201X the municipal council of the City (the "City Council") adopted Resolution Number 0X-X0-0X-00X designating the property commonly known as Block 411, Lots 2, 3, 4, 5, 6, 7, 8, and 10.01 on the tax map of the City (the Property”), and more particularly identified on Exhibit A annexed hereto, as an area in need of redevelopment (the "Redevelopment Area") pursuant to the provisions of the Redevelopment Law; and

WHEREAS, on ____________, 20XX, the Municipal Council adopted Ordinance 06-06-02 which adopted the Penn View Redevelopment Plan (the “Redevelopment Plan”) covering the Property (consistent with the “Redevelopment Area”) in accordance with the Redevelopment Law;

WHEREAS, the Penn View Redevelopment Area consists of several disparate sites ranging from small vacant lots to underutilized properties located between 31st Street and 32nd Street along State Route 440 on the Tax Map of the City (the "Property");
WHEREAS, the City of Bayonne, Division of Planning & Zoning, Department of Municipal Services prepared an amendment to the Redevelopment Plan for the Property dated June 16, 2016 (the "Redevelopment Plan"); and

WHEREAS, on XXXX XX, 2016, the Planning Board of the City (the "Planning Board") reviewed the Redevelopment Plan and adopted a Resolution recommending the adoption of the Redevelopment Plan to the Municipal Council and concluding that the Redevelopment Plan is consistent with the Master Plan of the City of Bayonne (the "Resolution"); and

WHEREAS, on XXXX 20, 2016, the Municipal Council adopted Ordinance #0-16-XX adopting a Redevelopment Plan for the Penn View Redevelopment Area (Exhibit B); and

WHEREAS, the Redeveloper is the owner of the Property, or intended owner of the Property, and is the designated redeveloper of the Property; and

WHEREAS, the Redeveloper has submitted information to the City outlining its capabilities, experience, expertise and project concept descriptions to design and construct a project on the Property as the redeveloper for the Project Premises; and

WHEREAS, in light of the importance of the Project to the City, the Parties acknowledge that proceeding with the Project in a timely fashion is essential. Furthermore, in light of the importance to the City and the Redeveloper of the timely completion of the Project, the City and the Redeveloper have prepared and agreed upon a redevelopment process timeline, which redevelopment process timeline is hereinafter collectively referred to as the "Project Phasing Schedule"; and

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

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

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, and for other good and valuable consideration, the Parties hereto do hereby covenant and agree each with the other as follows:
ARTICLE 1
DEFINITIONS AND INTERPRETATIONS

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

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

(b) "Certificate of Completion and Compliance" means a certificate issued by the City in accordance with Section 2.09 of this Redevelopment Agreement.

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

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

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

(f) "Environmental Laws" means any present or future applicable federal, state or local law, rule, regulation, order, directive, judgment, arbitration award, settlement or agreement dealing with environmental protection and/or human health and safety.
(g) "Governmental Approvals" means all necessary reviews, consents, permits, licenses, leases, easements or grants or other approvals of any kind, including, but not limited to, Development Approvals, agreements for utility relocation and service legally required by or from any Governmental Body, each of which must be final and non-appealable, in order to carry out the Project, including but not limited to those set forth in Exhibit E hereto.

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

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

(g) "NJDEP" means the New Jersey Department of Environmental Protection.

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

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

(m) "Project" is defined in Section 2.03 hereof.

(n) "Project Improvements" means all buildings, structures, improvements, site preparation work and amenities necessary for the implementation and completion of the Project.

(o) "Project Premises" shall have the meaning given to it in the recitals, and is also known as a portion of Block 411 on the Tax Map of the City of Bayonne, situated adjacent to State Highway 440.

(p) "Redevelopment Agreement" or "Agreement" means this Redevelopment Agreement between City and Redeveloper and any written amendments and supplements hereto.

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

(r) "Redevelopment Law" means the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.

(s) "Redevelopment Plan" shall have the meaning given to it in the recitals.
(t) "Reimbursable City Costs" is defined in Section 5.01 hereof.

(u) "City" means the City of Bayonne, New Jersey, a municipal corporation of the State of New Jersey. For the purposes of this Agreement, the City Council of the City of Bayonne is the designated Redevelopment Entity for the Redevelopment Area pursuant to N.J.S.A. 40A:12A-3.

(v) "City Code" means the Ordinances and Regulations of the City as amended from time to time.

(w) "City Indemnified Parties" means the City and its officers, agents, employees, contractors, and consultants.

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

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

1.2. Term. The term of the Redevelopment Agreement (the "Term") shall be for thirty years from the Effective Date, unless otherwise terminated or extended in writing and in accordance with the terms of the Redevelopment Agreement.

ARTICLE 2
IMPLEMENTATION OF PROJECT

2.1. Exclusive Redeveloper. The Redeveloper is the owner of the Property, or intends to own the Property, situated in the Project area and is the designated Redeveloper of the entire Project area and shall have the exclusive right to carry out the Project in accordance with the Redevelopment Plan, the Site Plan Approval and this Redevelopment Agreement, for the term of this Redevelopment Agreement, except as provided hereinabove and subject to termination of this Agreement pursuant to its terms, the City does not have the right to designate any person or entity other than the Redeveloper (which the Redeveloper has been so designated).
2.2. **Project Phasing.** Redeveloper hereby represents and warrants that Redeveloper is the owner in fee simple or similar title of the Property identified as Block 411, Lots 2, 3, 4, 5, and 8. The Project shall generally consist of approximately two hundred thirty-two (232) residential units that will consist of approximately 263,347 total square feet and 191,610 square feet of rentable living space. The total square footage includes a parking structure having two hundred fourteen (214) parking spaces.

2.3. **It is not contemplated that the City will need to acquire any property by eminent domain in order to effectuate this Redevelopment Agreement.** However, to the extent that it is determined that there are easements or rights that must be vacated, extinguished and/or relocated, the Redeveloper shall be solely responsible for doing so. To the extent that the Redeveloper is unable to extinguish said easements or other rights remaining on the Property, the Redeveloper may request that the City exercise its power of eminent domain pursuant to Section 22 of the Redevelopment Law, if the City is legally able to do so and at the sole cost and expense of the Redeveloper.

2.4. **Governmental Approvals.**

(a) Attached hereto as Exhibit E is a list of all known Governmental Approvals from any Governmental agency that need to be obtained by the Redeveloper in order to satisfy its obligations under this Redevelopment Agreement. The Redeveloper shall be responsible, at its sole cost and expense, for obtaining all such Governmental Approvals and for any other Governmental Approval which may be required but which is not identified herein. The Redeveloper shall use diligent and commercially reasonable efforts to secure, or cause to be secured, any and all Governmental Approvals, and shall carry out the Project in conformance therewith and in accordance with the Redevelopment Project Schedule as set forth in attached hereto and made a part hereof. Redeveloper shall provide the City with copies of all Governmental Approvals for the Project and shall keep the City apprised of the status of all Governmental Approvals. The City agrees to fully cooperate, to the extent that such cooperation is consistent with the terms and intent of the Redevelopment Plan, with the Redeveloper in obtaining the Governmental Approvals. Upon the written request of the Redeveloper, the City shall reasonably consider modifications of the dates set forth in the Redevelopment Project Schedule.

The City agrees to consider and render a decision with respect to any such modification, within a period of thirty (30) calendar days following receipt of a written request by the Redeveloper. The City may deny approval of such modification proposed by the Redeveloper only if such modification is clearly unreasonable under the circumstances.

(b) Upon receipt of all Governmental Approvals, except for building permits for the
Project, the Redeveloper shall prepare, and submit to the City construction plans for the Project, as well as materials and an application for approval of the construction plans. The respective timing for the Redeveloper's submission of Governmental Applications and obtaining Governmental Approvals shall be in accordance with the dates set forth in the Redevelopment Project Schedule.

(c) To expedite the commencement of construction of the Project, the City will use good faith diligent efforts in the review by the City Engineering Division and Building and Construction Division of the Redeveloper's construction plans for compliance with all Legal Requirements. The Redeveloper may not commence construction of the Project until such time as the Redeveloper has satisfied all pre-construction requirements prescribed by all Legal Requirements.

(d) The Property or any portion(s) thereof may require environmental remediation, mitigation or clean up including but not limited to the disposal of materials generated thereby, and the excavation and removal of contaminated soil, all in accordance with and as required by the NJDEP (collectively, the "Environmental Remediation"). The Parties agree that any Environmental Remediation, mitigation or cleanup process may be time consuming and may involve many of the same steps the Redeveloper must take for site preparation and the construction of building foundations and the structured parking areas. To proceed with all of these related activities in as economical and efficient manner as possible, the City will use good faith efforts to have the City's staff and consultants authorize any local Governmental Approvals required by the Redeveloper, subject to all Legal Requirements, under which the Environmental Remediation, mitigation or cleanup activities can proceed.

2.5. Governmental Approval Fees and Costs. The Redeveloper shall pay all the City permit, application, escrow and approval fees ("City Fees") and other non-City fees for Governmental Approvals, which include any application fees for Governmental Approvals payable by the City to all required Governmental Bodies other than the City in connection with the Project, or application fees for which the City is required to reimburse other Governmental Bodies in connection with Governmental Approvals. Redeveloper shall also be responsible for any and all costs associated with improvements required by all Governmental Bodies.

2.6. Project Construction. All construction shall be performed strictly in accordance with all applicable Federal, State, County and local statutes, ordinances, codes, regulations and restrictions. The Project shall be constructed wholly in accordance with all permits and approvals, and Redeveloper shall diligently pursue construction of the Project in accordance with the Redevelopment Project Schedule. Upon the written request of the Redeveloper, the City shall reasonably consider modifications of the dates set forth in the Redevelopment Project Schedule. The City agrees to consider and render a decision with
respect to any such modification, within a period of thirty (30) calendar days following receipt of a written request by the Redeveloper. The City may deny approval of such modification proposed by the Redeveloper in its reasonable discretion.

2.7. Amendment of Redevelopment Plan; Modification of Project Improvements.

(a) Upon request by the Redeveloper, the City agrees that it will reasonably consider a request of the Redeveloper to amend the Redevelopment Plan or Amended Redevelopment Plan in order to accommodate variations to the Project, provided such variations are generally consistent with the intent and purpose of the Redevelopment Plan.

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

2.8. Easements. Given the nature of the design of the building, attached hereto as Exhibit H are two easements which permit the building overhang into the public right of way, as well as giving Redeveloper access to and control over the stormwater pipelines into the street connected to the stormwater management system for the Building.

2.9. Certificate of Completion and Compliance. Upon completion of the Project, as evidenced by the issuance of a Certificate of Occupancy therefor (which issuance may be subject to the posting of a performance bond for completion of improvements not covered by the Certificate of Occupancy, e.g., public improvements, etc.), the Redeveloper shall provide a certificate from an authorized representative of the Redeveloper and from the Redeveloper's Project engineer and Project architect stating that: (a) construction of the Project has been substantially completed in accordance with the final site plan and all labor, services, materials and supplies used in such construction and installation have been paid for or a bond or surety has been established in an amount sufficient to cover all outstanding claims; (b) all other facilities necessary in connection with the Project have been constructed or improved in accordance with the final site plan and all costs and expenses incurred in connection therewith have been paid free of any construction liens or a bond or surety has been established in an amount sufficient to cover all outstanding claims; (c) all improvements, and all equipment and components thereof, which are necessary for the full operation of the Project have been installed to the Redeveloper's satisfaction, and as so installed are suitable and sufficient for the efficient operation of the Project for its intended purposes; (d)
a Certificate of Occupancy, if required, and any other permissions required, if any, of governmental authorities or agencies having jurisdiction over the Project, for the occupancy and use of the Project for the purposes contemplated by this Redevelopment Agreement and the Redevelopment Plan, have been obtained; and (e) the Project is complete and ready for use as intended and approved, upon which time the Redeveloper shall be entitled to receive a Certificate of Completion and Compliance. The Certificate of Completion and Compliance shall constitute a recordable conclusive determination of the satisfaction and termination of the agreements and covenants in this Redevelopment Agreement and in the Redevelopment Plan with respect to the Redeveloper’s obligation to construct the Project in accordance herewith. Upon issuance of the Certificate of Completion and Compliance, the conditions determined to exist at the time the Project Premises was determined to be an area in need of redevelopment shall be deemed to no longer exist and the land and improvements within the Project Premises shall no longer be subject to eminent domain as a result of those determinations.

**ARTICLE 3**

**EXISTENCE OF UTILITIES-INFRASTRUCTURE**

3.1. Existing and Public Utility Rights and Improvements.

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

(b) The City will cooperate with the Redeveloper to determine the adequacy of existing municipal infrastructure. The City agrees to provide access to and permit connection to all such infrastructure and shall permit the Redeveloper to improve and/or expand such infrastructure as may be deemed necessary by the Redeveloper, subject to the City’s reasonable approval and the
3.2. **Infrastructure Improvements and Public Improvements.**

(a) The Redeveloper shall design the infrastructure improvements for the Project in accordance with typical and ordinary standards required by the governmental body with jurisdiction and shall construct the infrastructure improvements in a good and workmanlike manner and in accordance with all applicable Legal Requirements. The City Engineer shall inspect all infrastructure improvements as same are completed for compliance with the preceding sentence and, if found compliant, shall so certify to the City. Upon receipt of such certification, the City shall accept dedication of any infrastructure improvements that are public and Redeveloper shall provide a maintenance bond in a form generally acceptable to Governmental Bodies in the State of New Jersey guaranteeing that the public improvements when completed will remain in compliance with its accepted condition for a period of two (2) years following the date of certification.

3.3. **Water and Sewer Connection Fees.** The Redeveloper shall be responsible, for any additional infrastructure improvements required to accommodate full development of the Project, including but not limited to streets, sanitary sewers, storm sewers, utility lines and drainage facilities. The City shall reasonably utilize any authority which it may have under applicable law to assist the Redeveloper in the approval and construction of infrastructure improvements required for the Project. The City shall also cooperate with the Redeveloper as an applicant or in any other capacity to assist the Redeveloper in obtaining approvals for any infrastructure improvements required for the Project, including those where access is needed to City property or right of way. In furtherance of same, the Redeveloper shall pay the usual water and sewer connection fees due to the City or other agency.

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

**ARTICLE 4**

**PROJECT OVERSIGHT**

4.01. **Access to Project Premises.** Upon reasonable prior notice and accompaniment by a representative of the Redeveloper, the City and its authorized representatives shall have the right to enter the Project Premises to inspect the site and any and all work in progress for the purpose of fulfilling its
interest in this Redevelopment Agreement; provided, however, that City hereby acknowledges that the Project Premises will be an active construction site. Such entrance shall be for informational purposes and shall not relieve the Redeveloper from its obligation to implement the Project in accordance with this Redevelopment Agreement. In no event shall the City's inspection of the Project be deemed acceptance of the work or be deemed to waive any right the City has under this Redevelopment Agreement.

ARTICLE 5

REDEVELOPER AND CITY FINANCIAL OBLIGATIONS

5.1. Reimbursable City Costs. The Redeveloper shall provide the City with the reimbursement of out-of-pocket costs incurred by the City in direct connection with the Project ("Reimbursable City Costs"). These costs are for professional fees associated with compliance and review of the implementation of this Redevelopment Agreement and any amendments thereto, but shall not include the costs of wages, salaries and benefits paid to employees of the City providing services in furtherance of the Project.

5.2. Payment of Reimbursable City Costs. The Redeveloper shall pay Reimbursable City Costs to the City on a monthly basis within thirty (30) calendar days after receipt from the City of a written invoice (with reasonable supporting documentation, as applicable) for payment of Reimbursable City Costs incurred by the City in accordance with N.J.S.A. 40:55D-53.2 et seq.

5.3. Affordable Housing. There shall be no affordable housing obligations associated with the residential units to be constructed under this Project. The Redeveloper shall make a contribution to the affordable housing trust fund as per City Ordinance. The amount to be paid shall be determined once the City's Housing Element and Fair Share Plan has been approved by the Superior Court of New Jersey, Hudson County.

5.4. Financial Agreement. The Redeveloper is a duly qualified urban renewal entity pursuant to Applicable Law (a "URE"), which URE has submitted an Application under the Long Term Tax Exemption Law for approval of an agreement for tax exemption and payments in lieu of taxes (a "Financial Agreement"). The Redeveloper and the City recognize that a Financial Agreement will benefit the URE and the City. The terms and conditions governing the Financial Agreement have been negotiated in good faith by the Parties, and contains terms mutually acceptable to the Parties and the URE. The Financial Agreement adopted by City Ordinance 0-17-XX on August XX, 2017 is attached hereto as Exhibit I.

5.5. Project Costs and Financing. The Redeveloper will, at its sole cost and expense, construct the Project as required by the terms of the Redevelopment Agreement and the
Governmental Approvals. Redeveloper agrees that all costs associated with the acquisition, development and financing of the Project are the sole responsibility of Redeveloper. Redeveloper represents that it either has obtained or will obtain financing for the Project.

ARTICLE 6
INDEMNIFICATION

6.1. Redeveloper Indemnification. Redeveloper agrees to indemnify and hold harmless and defend the City and hold harmless and defend the City Indemnified Parties, and the Redeveloper shall pay any and all liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, including but not limited to, any and all claims by workmen, employees and agents of the Redeveloper and unrelated third parties, which claims arise from the Project, which the City and/or the City Indemnified Parties 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, in connection with the condition, use, possession, conduct, management, planning, design, construction installation, financing, marketing, leasing, or sale of the Project or based upon or arising out of the actual breach of contracts by the Redeveloper of contracts entered into by the Redeveloper which directly relate to the Project, except for any claim or suit arising from the intentional and willful acts of the City and/or the City Indemnified Parties.

6.2. Insurance Coverage.

At all times during the construction of the Project, the Redeveloper shall maintain or cause to be maintained at its own cost and expense, with responsible insurers, the following kinds and the following amounts of insurance with such variations as shall reasonably be required to conform to customary insurance practice:
(a) Builder's Risk Insurance for the benefit of the Redeveloper during the term of construction which will protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, and vandalism and malicious mischief. The limits of liability will be equal to one hundred (100%) percent of the insurable value of the Project, including items of labor and materials connected therewith, whether in or adjacent to the structure insured, and materials in place or to be used as part of the permanent construction;

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

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

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

Prior to the commencement of construction, the Redeveloper shall submit to the City proof of all applicable insurance(s). Redeveloper shall provide such proof of insurance which indicates that the policy(ies) name the City, its elected and appointed officials, officers, agents, servants, representatives, employees and/or its assigns, as additional insured with respect to their interest in work performed by the above named insured for the Project (except for Worker's Compensation or Automobile Coverage, if applicable, insurance). The policy(ies) shall indemnify and hold harmless the City, its elected and appointed officials, officers, agents, servants, representatives, employees, and/or its assigns City's consulting engineers, it's officers, agents, servants, representatives, employees, successors and assigns, and its designated engineering consultants and their assigns and employees against any claims, liabilities, damages, costs or expenses of every kind and nature arising from Redeveloper's performance of Redeveloper's obligations pursuant to this Agreement, the failure by Redeveloper to perform such obligations, any action or failure to act by Redeveloper with respect to the Redevelopment to which this Agreement is applicable or in connection with any allegation of
any of the foregoing. Upon each anniversary date of this Redevelopment Agreement, the Redeveloper shall submit the aforementioned proofs of insurance until the City's issuance of a Certificate of Completion and Compliance.

ARTICLE 7

COVENANTS AND RESTRICTIONS

7.0 Declaration of Covenants and Restrictions. The covenants and restrictions set forth in Section 7.02 hereof shall hereinafter be referred to as the "Covenants and Restrictions", at a minimum shall include this Agreement. Simultaneously with the Redeveloper receiving a Certificate of Completion, the Redeveloper shall record a Declaration of Covenants and Restrictions, in the form attached hereto as Exhibit G (hereinafter referred to as the "Declaration"), with respect to the Project Premises, which, subject to the terms hereof, shall run with the land to all Transferees and subsequent holders of title, imposing upon said lands the Covenants and Restrictions pursuant to Section 7.02.

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

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

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

(c) to the extent provided for by Applicable Law, in the sale, lease or occupancy of the Project Premises or any portion thereof, not effectuate or execute any covenant, lease agreement, conveyance or other instrument whereby the land or any improvement, building or structure erected or to be erected thereon is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status, and the Redeveloper, its successors and Transferee(s) shall comply with all State and local laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex or marital status.
(d) not sell, lease or otherwise Transfer the Project Premises, or any portion thereof, without the written consent of the Governing Body, as set fo11h in Section 8.01 hereof other than those Transfers deemed to be Permitted Transfers pursuant to Section 8.03 hereof.

7.3. **Effect and Term of Covenants and Restrictions.** It is intended and agreed and the Declaration shall so expressly provide, that the Covenants and Restrictions set forth in Section 7.02 hereof shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding, to the fullest extent permitted by the Applicable Laws, for the benefit and in favor of, and enforceable by, the City, its successors and assigns, against the Redeveloper, or its Transferee(s). It is further intended and agreed that the Covenants and Restrictions set forth in Section 7.02 hereof shall remain in effect until the issuance by the City of a Certificate of Completion, as provided for in Section 2.09 hereof at which time all terms, conditions, obligations, including the Covenants and Restrictions set forth in this Agreement shall cease and terminate as to the Project, except, however, that the Covenants and Restrictions provided for in Sections 7.02 shall remain in effect without limitation as to time subject to any changes in the Applicable Laws.

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

**ARTICLE 8**

**PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER**

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

8.2. **Prohibition Against Transfers.** The Parties to this Agreement acknowledge that pursuant to Section 7.02(d) hereof, the Redeveloper has covenanted not to effectuate any Transfer without first having obtained the consent of the City to such Transfer, which consent shall not be unreasonably withheld, conditioned or delayed, except for those Transfers deemed in Section 8.03 to be a Permitted Transfer. In addition, the Redeveloper recognizes that, in view of (a) the importance of the Project to the general welfare of the community; (b) the public assistance to be made available
by the Applicable Laws and by the City on the conditions stated herein, for the purpose of making such redevelopment possible; and (c) the fact that a change in control of the Redeveloper is for practical purposes a Transfer, the qualifications and identity of the Redeveloper and its principals are of particular concern to the City, and, therefore, there shall be no change in control of Redeveloper, without the prior written consent of the City, which shall not be unreasonably withheld, conditioned or delayed, except for those Transfers deemed in this Section 8.03 to be a Permitted Transfer.

8.3. **Permitted Transfers.** Notwithstanding the Covenants and Restrictions contained in Sections 7.02 and 8.2 hereof, the following Transfers are deemed to be "Permitted Transfers", and shall serve as exceptions to the general prohibition set forth in the previous paragraph and in Section 7.02(d) hereof and shall not require prior approval of the City: (a) a public offering statement filing with the State of New Jersey Department of Community Affairs; (b) utility and other development easements; (c) conveyances, purchase and sale contracts or leases to the ultimate users or tenants of any portion of the Project Premises or the Improvements constructed thereupon as a component of the Project; (d) the Transfer of any interest in this Agreement or in any portion of the Project Premises to a Transferee Controlled by, or controlling, the Redeveloper (or Controlled by, or controlling, one or more members of the Redeveloper with Control of the Redeveloper) or intrafamily transfers for estate planning purposes and provided the Transferee is subject to the applicable terms of this Agreement; (e) an assignment and/or Transfer of Redeveloper's interest in this Agreement to an Affiliate, provided that such new entity is subject to terms of this Agreement; (f) Transfer of any interest in the Project Premises or the Improvements to a qualified urban renewal entity, pursuant to and in accordance with the Long Term Tax Exemption Law, Controlled by the Redeveloper or an Affiliate of Redeveloper; (g) a Transfer by foreclosure; (h) the Transfer of fee interest in the Project Premises to an entity which is controlled by, or under the control of, Redeveloper by way of having a fifty percent (50%) or greater ownership interest or voting rights in said entity; and (i) any contract or agreement with respect to any of the foregoing exceptions.

8.4. **Notice of Permitted Transfers.** With respect to any of the Permitted Transfers listed in Section 8.03 hereof, the Redeveloper shall provide the City with written notice within thirty (30) days prior to the consummation of such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the Transferee(s) involved.

8.5. **Transfers in Violation of this Agreement.** Any Transfer not constituting a Permitted Transfer under Section 8.03 hereof in violation of this Agreement shall be deemed to be a Redeveloper Event of Default and shall be null and void.
8.6. The occurrence of such Redeveloper Event of Default shall entitle the City to seek all available remedies under the terms of this Agreement, including the right to terminate this Agreement and all other remedies available under the Applicable Law(s).

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

(i) The proposed Transferee will have qualifications and financial responsibility necessary and adequate to fulfill the obligations undertaken in this Agreement with respect to the Transferred portion of the Project and other obligations pursuant to Governmental Approvals or any part of such obligations that may pertain to the Transferred interest or the Transferred portion of the Project Premises, as determined from:

(1) Audited financial statements indicating (a) net worth or (b) unencumbered lines of credit; or evidence of loan commitments sufficient to carry out the relevant aspect of the Project; and

(2) Submission of letters of recommendation from reputable Parties for whom the prospective Transferee has undertaken a comparable development, stating that the proposed Transferee of the relevant aspect of the Project possesses the competence and integrity to undertake same.

(ii) Any proposed Transferee, by instrument in writing reasonably acceptable to the City, will, for itself and its Transferees, and expressly for the benefit of the City, have expressly assumed all of the relevant obligations of the Redeveloper under this Agreement and agrees to be subject to all the Covenants and Restrictions to which the Redeveloper is subject.

(iii) Any Transferee under this Article VIII will absolutely release the Redeveloper from any and all relevant obligations under this Agreement which relate to the portion of the Project subject to the Transfer, except as to any liability or obligation of the Redeveloper as to which the Redeveloper has incurred or defaulted prior to such Transfer.

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

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

**ARTICLE 9**  
**EVENTS OF DEFAULT AND REMEDIES**

9.1. **R**edeveloper’s **D**efault. The City shall have the right to declare the Redeveloper in default of this Agreement in the event of the occurrence of any of the following (each, an "Event Default"): 

(a) The Redeveloper’s failure to substantially perform any of its obligations under the terms of this Agreement;

(b) A final and unappealable determination by a court of competent jurisdiction that the Redeveloper is insolvent;

(c) (i) The Redeveloper shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; (ii) a custodian shall have been legally appointed with or without consent of the Redeveloper; (iii) the Redeveloper (A) has made a general assignment for the benefit of creditors, or (B) has filed a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or has taken advantage of any insolvency law; (iv) the Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; or (v) the Redeveloper shall take any action for the purpose of effecting any of the foregoing; (vi) a petition in bankruptcy shall have been filed against the Redeveloper and shall not have been dismissed for a period of sixty (60) consecutive days; (vii) an Order for Relief shall have been entered with respect to or for the benefit of the Redeveloper under the Bankruptcy Code; (viii) an order, judgment or decree shall have been entered, without the application, approval or consent of the Redeveloper by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of the Redeveloper or a substantial part of its assets and such order, judgment or decree shall have continued unstayed and in effect for any period of sixty (60) consecutive days; or (ix) the Redeveloper shall have suspended the transaction of its usual business.
(d) Failure by the Redeveloper to make any payments owed to the City when due of Reimbursable City Costs or other required payments to the City pursuant to this Agreement.

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

9.3. **Right to Cure Default.** Upon written notice of an Event of Default, either party shall have sixty (60) calendar days to cure such Default, provided that if such Event of Default cannot reasonably be cured within sixty (60) calendar days then, providing that the Party is diligently proceeding to cure such default, the party will have such time as is reasonably required to cure the default.

9.4. **Force Majeure.** Failure of either Party to perform any of the provisions of this Agreement by reason of any of the following shall not constitute an Event of Default or breach of this Agreement: labor disputes, strikes, picket lines, unavailability of materials, freight and delivery delays, energy shortages, boycott efforts, fires, floods, freezes, extreme weather conditions, accidents, war (whether or not declared), terrorism, riots, acts of God, acts (including, but not limited to, a delay in acting or a failure to act) of government (including without limitation any agency, subdivision or department of the United States of America or the State of New Jersey), denial of any Governmental Approval; acts or omissions of other third parties, including litigation by third parties (other than third parties for whom the party asserting an excusable delay is responsible, such as contractors performing work for that party), significant change of market conditions to the extent the Redeveloper establishes that construction of the Project will not be reasonably viable from an economic standpoint, or other causes which are beyond the reasonable control of the Party asserting an excusable delay (the "Force Majeure").

9.5. **Default. Rights and Remedies.** Except as may otherwise be provided in this Agreement, upon the occurrence of an Event of Default not cured pursuant to Section 7.03 hereof, the non-defaulting party may terminate this Agreement and seek damages, or institute such proceedings as may be necessary or desirable in its opinion to exercise self-help and cure and remedy such default or breach. In the event that the City terminates this Agreement, the Redeveloper's designation as the redeveloper of the Redevelopment Area shall immediately terminate, together with the Redveloper's rights as the Redeveloper. The City shall have all rights under applicable law including, without limitation, the rights of eminent domain and the right to appoint a new redeveloper, as set forth in the Eminent Domain Law and the Redevelopment Law.
In no event shall either party have any liability for consequential or punitive damages.

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

ARTICLE 10
REPRESENTATIONS AND WARRANTIES.

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

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

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

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

(d) There are no pending, or to the knowledge of the City, threatened actions or proceedings by or before any court or administrative agency or arbitrator against or affecting the City that involve the City's execution or performance of this Redevelopment Agreement or the transactions contemplated hereby that, if adversely determined, are reasonably likely, either individually or in the aggregate, to materially adversely affect the ability of the City to perform its obligations under this Agreement.

(e) The City has designated the Project Premises as an area in need of redevelopment pursuant to the Redevelopment Law and the Project Premises remains subject to the Redevelopment Plan and Redevelopment Plan, and the Project Premises shall remain so designated as such Redevelopment Plan may be modified or amended upon approval by the City and Redeveloper. The City has named Redeveloper the redeveloper for the Project in accordance with applicable law.

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

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

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

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

(d) There are no pending or, to the knowledge of Redeveloper, threatened actions or proceedings by or before any court or administrative agency or arbitrator against or affecting Redeveloper or any of its affiliates or that involve Redeveloper's execution or performance of this Redevelopment Agreement or the transactions contemplated hereby that, if adversely determined, are reasonably likely, either individually or in the aggregate, to materially adversely affect the ability of Redeveloper to perform its obligations under this Redevelopment Agreement.

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

(f) Redeveloper acknowledges that (i) Redeveloper shall construct only the uses established in the Redevelopment Plan; (ii) Redeveloper shall develop the Project in accordance with the terms of this Redevelopment Agreement; (iii) Redeveloper shall comply with the Redevelopment Law and all associated laws; and (iv) Until such time that a Certificate of Completion and Compliance has been issued, Redeveloper shall be without power to sell the Project Premises without the written consent, which consent shall not be unreasonably withheld, conditioned or delayed, of the City, except as otherwise set forth herein.
ARTICLE 11
MISCELLANEOUS

11.1. Notices. Formal notices, demands and communications between the City and the Redeveloper and from the Redeveloper to the City (as required herein) shall be deemed sufficiently given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed delivered upon receipt. Notices may also be sent by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available. Notice may also be sent by facsimile as long as such notice is followed by sending a copy by regular mail. In this case such notice is deemed effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designated by written notice.

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

If to Redeveloper:

Peninsula View Urban Renewal, LLC
130 Lefante Way
PO Box 1009
Bayonne, N.J. 07002

Patrick J. McNamara, Esq.
Scarinci Hollenbeck
1100 Valley Brook Ave.
PO Box 790
Lyndhurst, New Jersey 07071

With a copy to:

The Honorable James Davis, Mayor
City of Bayonne
630 Avenue C
Bayonne, New Jersey 07963-0914

If to City:

Office of the City Attorney
630 Avenue C
Bayonne, New Jersey 07963-0914

with a copy to:

John P. Wyciskala, Esq.
Inglesino, Wyciskala & Taylor, LLC
600 Parsippany Road, Suite 204
Parsippany, New Jersey 07054

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

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

11.4. Estoppel Certificate. Within thirty (30) days following written request there for by a party hereto, the other party shall issue a signed estoppel certificate either stating that this Redevelopment Agreement is in full force and effect and that there is no default or breach under this Redevelopment Agreement (nor any event which, with the passage of time and the giving of notice would result in a default or breach under this Redevelopment Agreement), or stating the nature of the default or breach or event, if any. In the event the estoppel certificate discloses such a default, breach or event, it shall also state the manner in which such default, breach and/or event may be cured. No more than a reasonable number of estoppel certificates may be requested per year.

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

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

11.7. Successors and Assigns. This Redevelopment Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns and affiliates of the parties hereto, and their heirs, executors, and administrators. This Redevelopment Agreement shall not be assigned by either party without the written consent of the other party, which consent shall be in such party's sole and
absolute discretion; provided however, the Redeveloper shall have the right to assign this Redevelopment Agreement without such consent to an entity which is controlled by, or under the control of, the Redeveloper by way of having a 50% or greater ownership interest or voting rights in said entity.

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

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

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

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

11.12. **Execution of Counterparts.** This Redevelopment Agreement may be executed in one or more counterparts and when each party has executed and delivered at least one counterpart, this Redevelopment Agreement shall become binding on the parties and such counterparts shall constitute one and the same instrument.

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

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

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

11.16. Governing Law. This Redevelopment Agreement shall be governed by and construed in accordance with the applicable laws of the State of New Jersey. Any action brought to enforce the terms and conditions of this Agreement shall be filed in the Superior Court of New Jersey, Hudson County, Law Division.

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

[The Remainder of this Page Intentionally Left Blank. Signatures Follow on Next Page]
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed, all as of the date first above written.

PENINSULA VIEW URBAN RENEWAL, LLC

By: ____________________________
Name: __________________________
Title: __________________________
Date: ___________ , 2017

CITY OF BAYONNE

By: ____________________________