RESOLUTION #14-153

RESOLUTION OF THE CITY OF WOODBURY AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF WOODBURY AND SORA NORTHEAST, HAVING ITS PRINCIPAL OFFICES LOCATED AT 123 EGG HARBOR ROAD, SEWELL, NEW JERSEY 08080

WHEREAS, the City of Woodbury (the "City") pursuant to a Redevelopment Ordinance after consultation and recommendation of the Woodbury combined Planning and Zoning Board designated land known as Block 122, Lots 1, 2, 3, 3.01, 3.04, 3.05, 3.06, 3.07, 7, 7.03, 7.04, 9 & 11 (the "Property"), Woodbury, New Jersey, as an area in need of redevelopment (the "Redevelopment Area"), and in accordance with the Local Redevelopment and Housing Law (the "Redevelopment Law"); and

WHEREAS, the City acting directly pursuant to and in accordance with the Redevelopment Law designated its Mayor and Council as the ("Redevelopment Entity") for the purposes of implementing the provisions of the Redevelopment Plan; and

WHEREAS, the City and SORA Northeast (the "Redeveloper") have come to an agreement as set forth in a Redevelopment Agreement by and between the City of Woodbury attached hereto; and

WHEREAS, the City continues to believe that the Redevelopment of the Property pursuant to said Redevelopment Agreement, and the fulfillment of same is in the vital and best interest of the City and the health, safety and welfare of its residents, and in accordance with the public purposes and provisions of all applicable Federal, State and local laws, ordinances and regulations under which the Redevelopment of the Property undertaken.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Woodbury, County of Gloucester and State of New Jersey, acting pursuant to a its powers under the Redevelopment Law and the Local Lands and Buildings Law on this

14th day of October, 2014, that the City is authorized to enter into and execute the Redevelopment Agreement between the City of Woodbury and SORA Northeast in a form substantially consistent with the agreement attached hereto, and that the Mayor, Council President and/or City Administrator are authorized as necessary to execute same.

ADOPTED at the regular meeting of the Mayor and City Council of the City of Woodbury held October 14, 2014.

CITY OF WOODBURY

By: William H. Fleming, Jr.
William H. Fleming, Jr.
President of Council

ATTEST:

ROY A. DUFFIELD, City Clerk

REDEVELOPMENT AGREEMENT

THIS AGREEMENT (the "Agreement" or the "Redevelopment Agreement") made on or as of the 28 day of October, 2014 by and between **THE CITY OF WOODBURY** (the "City"), a public body corporate and politic of the State of New Jersey having its offices at 33 Delaware Street, Woodbury, New Jersey 08096, in its capacity as a redevelopment entity pursuant to N.J.S.A. 40A:12A-4(c), and **SORA NORTHEAST** (the "Redeveloper"), a Company organized and existing under the laws of the State of New Jersey having its offices at 123 Egg Harbor Road, Suite 800, Sewell, New Jersey 08080 (collectively, the "Parties").

WITNESSETH:

WHEREAS, based upon the recommendation of the Woodbury Combined Planning and Zoning Board, on May 11, 2009 the Mayor and Council adopted Resolution #09-113, designating certain properties, including but not limited to, Block 121, Lots 6, 6.01, 6.02, 7 and 7.01 and Block 122, Lots 1, 2, 3, 3.01, 3.04, 3.05, 3.06, 3.07, 7, 7.03, 7.04, 9 and 11 (the "Property"), as an Area in Need of Redevelopment as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. ("LRHL") and such designation became effective on May 12, 2009 upon the transmission of the resolution to the New Jersey Department of Community Affairs by the City Clerk; and

WHEREAS, following the "Area in Need of Redevelopment" designation, the Mayor and Council adopted The Redevelopment Plan on May 24, 2010; and

WHEREAS, the Redeveloper has indicated that it intends to acquire the Property in order to construct a mixed use development consisting of office, retail and parking uses (the "Project"); and

WHEREAS, the City believes that the Project is consistent with the Redevelopment Plan and is in the best interest of the City, that it promotes the health, safety, morals and welfare of the City's residents, and furthers the purposes of the LRHL; and

WHEREAS, the City has also determined that the Redeveloper possesses the proper qualifications, financial resources and capacity to implement and complete the Project.

WHEREAS, the Parties wish to enter into this Redevelopment Agreement in order to memorialize the terms and conditions of their agreement with regard to the Project.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, and for the benefit of the Parties hereto and general public and to implement the purposes of the LRHL and the Redevelopment Plan, the Parties do hereby covenant and agree each with the other as follows:

ARTICLE 1
DEFINITIONS

1.1. Defined Terms. The Parties agree that the defined capitalized terms used in this Agreement shall have the meaning specified in the recitals above (each of which is hereby incorporated into and made part of this Agreement) or as set forth in the list below, or as may be expressly ascribed to such capitalized terms elsewhere in this Agreement, such definitions to be applicable equally to the singular and plural forms of such terms:

"Affiliate" means any individual or entity that controls, is controlled by or is under common control with the Redeveloper, (b) each individual or entity that, directly or indirectly, owns or controls, whether beneficially or as a trustee, guardian or other fiduciary, any of the Stock or other equity interest of the Redeveloper, and (c) each of the Redeveloper's officers, directors, members, joint venturers and partners. The term "control" as used with respect to any party, means the ownership, directly or indirectly of more than 50% of the voting stock of such corporation (or its equivalent for a limited liability company or partnership), or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, partnership, association or other entity or organization, or to receive, directly or indirectly, more than 50% of the profits of such corporation, partnership, association or other entity or organization (whether through the ownership or voting stock, by contracts or otherwise).

"Agreement" or "Redevelopment Agreement" shall mean this Redevelopment Agreement between the City and the Redeveloper.

"Applicable Laws" shall mean all federal, state and local laws, ordinances, approvals, rules, regulations statutes, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses and other similar requirements applicable to this Agreement, the Project and/or the Properties, including but not limited to the following: the LRHL; the Municipal Land Use Law, N.J.S.A. 40:55D -1 et seq.; the Eminent Domain Act, N.J.S.A. 20:3-1 et seq.; the Fair Housing Act, N.J.S.A. 50:27D-301 et seq.; the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq.; the New Jersey Green Acres Land Acquisition and Recreation Opportunities Act, N.J.S.A. 13:8A-35 et. seq. and the Green Acres regulations, N.J.A.C. 7:36-1.1 et seq.; all State and City laws governing historic preservation, including but not limited to N.J.S.A. 13:1B-15.128 et seq., the regulations promulgated thereunder, N.J.A.C. 7:4-2.4 et seq., and Title 40, Chapter 9 of the Municipal Code of the City of Woodbury, as each may be amended and supplemented; the zoning ordinances of the City of Woodbury, as and to the extent applicable pursuant to the terms of the Redevelopment Plan; relevant construction codes including construction codes governing access for people with disabilities; and all other applicable federal, state or local zoning, land use, environmental, health and safety laws, ordinances, rules and regulations, and federal and state labor standards or regulations, if any, including but not limited to the Prevailing Wage Act (if determined to be applicable to the Project).

"Application" means any application for Governmental Approval submitted by or on behalf of the Redeveloper, including all plans, drawings, documentation and presentations necessary and appropriate for the purpose of obtaining any and all Governmental Approvals required to implement and complete the Project.

"Acquisition Funds" is defined in Section _____.

"Certificate of Completion" shall have the meaning set forth in Section 5.4.

"Certificate of Occupancy" shall be as defined in the City's Municipal Code and in the applicable provisions of the Uniform Construction Code.

"City" means the City of Woodbury located at 33 Delaware Street in the City of Woodbury, County of Gloucester, and State of New Jersey.

"City Costs" shall have the meaning set forth within Section 5.6 of this Agreement.

"City Costs Escrow" shall have the meaning set forth within Section 5.6 of this Agreement.

"Closing" means the conveyance of title to the Lots to the Redeveloper.

"Closing Date" means the date on which title to the Lots is conveyed to the Redeveloper.

"Commence Construction", "Commencement of Construction", or **"Commencement Date"** shall mean the date on which the construction force and machinery are mobilized for construction of the Project, as applicable in accordance with Governmental Approvals, including site work and demolition.

"Completion of Construction", "Complete Construction" or **"Completion Date"** means the date on which the Redeveloper has completed construction of the Project and has obtained a Certificate of Occupancy for all structures constructed as part of the Project.

"Concept Plan" means a general plan depicting the size, type and location of structures and other appurtenances which Redeveloper proposes to construct for the Project.

"Construction Period" means the period of time beginning on the Commencement Date and ending on the Completion Date.

"Construction Schedule" means the timetable and performance milestones for design, obtaining Governmental Approvals, environmental remediation (if necessary), site preparation, and Commencement of Construction of the Project, as may be modified or adjusted from time to time in accordance with the provisions of this Agreement.

"Days" shall mean calendar days.

"Declaration of Covenants and Restrictions" or **"Declaration of Restrictions"** means a written instrument intended to be executed by Redeveloper, to be recorded in the Office of the Gloucester County Clerk as of the Closing Date, and to encumber the Properties and run with the land, setting forth certain undertakings of and restrictions applicable to Redeveloper and its permitted successors and assigns in connection with the ownership, redevelopment or rehabilitation of the Properties, all as more particularly described in Article 7 of this Agreement.

"Declaration of Reverter" shall have the meaning set forth within Section 9.8 of this Agreement.

"Default" means a condition or event which constitutes or would constitute, after notice and a right to cure or lapse of time or both, an Event of Default as more particularly defined in Article 9 of this Agreement.

"Director" shall mean the Director of the City's Department of Economic Development.

"Due Diligence Period" shall have the meaning set forth within Section 4.1(b) of this Agreement.

"Effective Date" means the date of complete execution of this Agreement by the Redeveloper and the City.

"Environmental Laws" means 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 environmental contamination, 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 materials or wastes, 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:lK-6, et seq.; the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-2l, 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, as now in force or as may hereinafter be modified or amended.

"Event of Default" shall have the meaning set forth within Section 10 of this Agreement.

"Force Majeure Event" means causes beyond the reasonable control and not due to the fault or negligence of the party seeking to excuse delay or failure of performance of an obligation hereunder by reason thereof, including, but not limited to, declarations of public emergency; acts of nature (as to weather-related events, limited to severe and unusual events or natural occurrences such as hurricanes, tornadoes, earthquakes, and floods not reasonably foreseeable at the time the Construction Schedule is agreed to); acts of the public enemy; acts of war; fire; epidemics; quarantine restrictions; blackouts; power failures or energy shortages; governmental embargoes; strikes or similar labor action by equipment or material suppliers or transporters; or unavailability of necessary building materials (provided that the Redeveloper has no commercially reasonable alternatives to avoid the impact thereof on the progress of the Project). The consequential effects of a Force Majeure Event (e.g. impact on market conditions) shall not be considered a Force Majeure Event. During any Force Majeure Event that affects only a portion of the Project, the Redeveloper shall to the maximum extent feasible continue to perform its obligations for the balance of the

Project unaffected by the Force Majeure Event. The existence of a Force Majeure Event shall not prevent the City from issuing a Notice of Default or from the occurrence of an Event of Default by the Redeveloper if the event that is the basis of the Event of Default is not a result of the Force Majeure Event.

"Governmental Approvals" means all final and unappealable local, state and federal governmental approvals necessary or appropriate for implementation and completion of the Project in accordance with the terms of this Agreement, including without limitation preliminary and final site plan approval; preliminary and final subdivision approval, if and as applicable; environmental permits, including but not limited to wetlands and storm water drainage permits; permits, consents, permissions or approvals relating to historic preservation matters; utilities-related permits, including permits related to water supply and sewer service; and all other necessary permits, licenses, consents, permissions or approvals from or required by governmental agencies.

"Insurance Requirements" means all requirements set forth in the terms of any insurance policy(ies) covering or applicable to all or any part of the Project Site or applicable to any improvements thereon, with respect to any portion of the Project Site, or any easement for the benefit of the Redeveloper granted by the City, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting all or any portion of the Project Site, the improvements thereon, or the use or condition thereof.

"Licensed Site Remediation Professional" or **"LSRP"** shall have the meaning set forth in N.J.S.A 58:10C-2.

"Lots" shall mean the real properties identified on the official tax map of the City as Block 121, Lots 6, 6.01, 6.02, 7 and 7.01 and Block 122, Lots 1, 2, 3, 3.01, 3.04, 3.05, 3.06, 3.07, 7, 7.03, 7.04, 9 and 11.

"NJDEP" shall mean the New Jersey Department of Environmental Protection.

"NFA" shall mean a "no further action" letter issued by the NJDEP indicating that the Property has been successfully Remediated and that no further action is necessary.

"Notice of Default" shall have the meaning set forth in Section 9.2(a) of this Agreement.

"Parties" means the City and the Redeveloper.

"Permitted Exceptions" shall have the meaning set forth within Section 3.2(e)(iii) of this Agreement.

"Plans and Specifications" mean all plans, drawings, specifications and related documents needed to implement and to Complete Construction of the Project in accordance with this Agreement and all applicable Governmental Approvals and will be a duplicate of the documents submitted to the Combined Planning and Zoning Board.

"Phase I" shall have the meaning as set forth within Section 2.4.A of this Agreement.
"Phase II" shall have the meaning as set forth within Section 2.4.B of this Agreement.

"Phase III" shall have the meaning as set forth within Section 2.4.C of this Agreement.

"Project" means the project to construct a phased development consisting of office, parking garage, and retail uses on the Properties as more specifically described within Section 2.4 of this Agreement.

"Project Improvements" means all buildings, structures, improvements, site preparation work and amenities necessary for the implementation and completion of the development specifically described on Exhibit B hereto.

"Project Schedule" shall mean the list of project tasks and completion dates set forth on Exhibit C hereto.

"Project Site" means those properties comprising the Redevelopment Area, as described on Exhibit A hereto.

"Properties" shall collectively mean the real properties identified on the official tax map of the City as Block 121, Lots 6, 6.01, 6.02, 7 and 7.01 and Block 122, Lots 1, 2, 3, 3.01, 3.04, 3.05, 3.06, 3.07, 7, 7.03, 7.04, 9 and 11.

"RAO" means a written remedial action outcome determination by a Licensed Site Remediation Professional pursuant to the SRRA, indicating that the Properties have been successfully Remediated and that no further action is necessary.

"Redeveloper" means SORA Northeast and its successors or assigns.

"Redevelopment Entity" means the City of Woodbury, New Jersey or its successors or assigns acting in the capacity of "redevelopment entity" for purposes of the LRHL.

"Redevelopment Plan" means the City of Woodbury Redevelopment Plan, as may be amended from time to time, and any other redevelopment plan adopted by the City of Woodbury, which in any way governs, concerns, relates to, and/or regulates the Project or the Properties.

"Remediation" or **"Remediate"** means 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 Properties, including, as necessary, preliminary assessment, site investigation, remedial investigation, and remedial action.

"SRRA" means the Site Remediation Reform Act, N.J.S.A 58:10C-1 et seq.

"Termination Notice" shall have the meaning set forth within Section 9.3 of this Agreement.

"Transfer" shall have the meaning set forth within Section 7.1 of this Agreement.

ARTICLE 2
REDEVELOPER DESIGNATION; TERM OF AGREEMENT; THE PROJECT

2.1 **Redeveloper Designation**. The City hereby designates and appoints the Redeveloper as the exclusive redeveloper of the Properties. In connection with such designation and appointment, the Redeveloper has the exclusive right and obligation to perform development and redevelopment activities on the Properties, under the framework and in accordance with the terms of this Agreement, the Redevelopment Plan and Applicable Laws.

2.2 **Redeveloper's Scope of Undertaking.** The services and responsibilities undertaken by the Redeveloper, as more particularly set forth in this Agreement, shall include the following: all aspects of the design; development; environmental remediation (if necessary); site preparation; construction and operation of the Project, including, without limitation, engineering, permitting, and the performance of or contracting for and administration and supervision of all construction required in connection with the Project; arrangement for interim and final inspections and any other actions required to satisfy the requirements of all Governmental Approvals necessary to develop the Properties; all aspects of the funding of the Project, including equity funding and construction, interim and permanent financing; and the ongoing maintenance of the Properties.

2.3 **Term of Agreement.** This Agreement shall commence on the Effective Date and shall expire upon the issuance of a Certificate of Completion for the Project.

2.4 **The Project.** The Project shall consist of a phased development on the Properties. At the conclusion of the Due Diligence Period, the Redeveloper shall submit a schedule of each Phase that should be acceptable to the City.

2.5 **Redeveloper Entity Review.** Prior to submission of any application for Governmental Approvals, Redeveloper shall be required to request and receive the approval of the Redevelopment Entity for the Concept Plan as well as for the Plans and Specifications for construction of the Project as provided within this Agreement. Each Application submitted by or on behalf of the Redeveloper shall conform in all material respects to the Redevelopment Plan that governs the Properties and all Applicable Laws.

ARTICLE 3
GENERAL REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties by Redeveloper.** Redeveloper hereby represents and warrants the following to the City for the purpose of inducing City to enter into this Redevelopment

Agreement and to consummate transactions contemplated hereby, all which shall be true as of the date hereof.

(a) SORA Northeast is a New Jersey limited liability company, and is qualified to do business and in good standing under the laws of the State of New Jersey, and has all requisite power and authority on its business as now and whenever conducted, and to enter into and perform its obligations under this Redevelopment agreement.

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

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

(d) Except as disclosed on Exhibit D, there are no pending, or to the best of Redeveloper's knowledge, threatened litigation that would prevent Redeveloper from performing its duties and obligations hereunder or have a material adverse affect on the financial condition of Redeveloper.

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

(f) All materials and documentation submitted by Redeveloper and its agents to City and its agents were, at the time of such submission, and as of the effective date, materially accurate, and Redeveloper shall continue to inform City of any material changes in the documentation submitted.

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

(h) No indictment has been returned against any officer of the Redeveloper.

(i) The Redeveloper is financially and technically capable of developing, designing, financing, constructing, operating and maintaining the Project.

(j) The party or parties signing the Redevelopment Agreement on behalf of the Redeveloper is or are fully authorized to sign on behalf of the current members of the Redeveloper and to bind it with respect thereto.

3.2 Representations and Warranties by City. City hereby represents and warrants the following to Redeveloper for the purpose of inducing Redeveloper to enter into this Redevelopment

Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof:

(a) City has the legal power, right and authority to enter into this Redevelopment Agreement, and the instruments and documents referenced herein to which City is a party, to consummate the transactions contemplated hereby, and to perform their obligations hereunder.

(b) This Redevelopment Agreement is duly executed by City, and is valid and legally binding upon City and enforceable in accordance with its terms on the legal basis of legal requirements presently in affect and the execution and delivery thereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which City is a party.

(c) Except as disclosed on Exhibit E, there is no pending, or the best of City's knowledge, threatened litigation that would prevent City from performing its duties and obligations hereunder.

(d) To the extent the Project Site may be located in one or several specially designated districts conferred by various state or federal agencies, the Project is entitled to all benefits arising out of its location in the zone or such district to the extent available under the law or under such district requirements as may be applicable (which benefits Redeveloper may avail itself of at its sole option).

(e) There is no pending, or to the best of City's knowledge, threatened litigation that would prevent City from performing its duties and obligations hereunder.

(f) To the best of City's knowledge, there are no limits on availability of water or sewer capacity or restriction on the expansion of water and sewer infrastructure that would impact service to the Redevelopment Area site to support the minimum yield. The City covenants that it shall work with the Redeveloper to confirm the availability of water capacity with the water provider to the City, and the availability of sewer capacity with the Gloucester County Utilities Authority.

ARTICLE 4
REDEVELOPER COVENANTS;
DECLARATIONS OF COVENANTS AND RESTRICTIONS

4.1 **Redeveloper Covenants.** Redeveloper covenants and agrees that (collectively, "Redeveloper Covenants"):

(a) Redeveloper shall carry out the Project in accordance with the provisions of this Redevelopment Agreement and legal requirements.

(b) Redeveloper shall undertake with due diligence:

(i) the financing, construction and development of the Project;
(ii) to begin and complete the Project on or prior to the date set forth in the Project Schedule;

(iii) to seek tenants and purchasers, as applicable, with the Project improvements.

Redeveloper's Due Diligence Period shall be one hundred twenty (120) days from the signing of this agreement by both Parties. Redeveloper may terminate this agreement at the conclusion of the Due Diligence Period, which may be extended for a period of sixty (60) days upon mutual consent of both parties.

(c) Redeveloper shall, within one hundred twenty (120) days of the execution of this Agreement, prepare a preliminary pro forma analysis identifying the cost of the development projects proposed for the North Broad Redevelopment Project Area, and identifying incentives that may be requested of the City for the Project. The Redeveloper shall submit a final pro forma analysis within ninety (90) days of the expiration of the Due Diligence Period.

(d) Redeveloper shall submit a narrative explaining the projected timing of closings upon expiration of the Due Diligence Period. The delivery of said narrative may be extended for a period of ninety (90) days in the case of a property owner who is not cooperating with the Redeveloper with regard to purchase of a property.

(e) Until the issuance of the Certificate of Completion and Compliance, Redeveloper shall not use the Project Improvements, or any part thereof for which a Certificate of Completion and Compliance has not been issued, in a manner that is not consistent with Redevelopment Plan and this Redevelopment Agreement (excluding temporary construction and sales structures at the facilities).

(f) After the issuance of a Certificate of Completion and Compliance, Redeveloper, or any subsequent owner or lessee of any land within the Redevelopment Area, shall not use the Project Site, Project Improvements, or any part thereof for which a Certificate of Completion and Compliance has been issued, in a manner inconsistent with the Redevelopment Plan or, upon the expiration or termination of the Redevelopment Plan, with the City's Zoning and Land Use Code. Prior to the issuance of a Certificate of Completion and Compliance, Redeveloper shall not use the Project Site, Project Improvements, or any part thereof for which a Certificate of Completion and Compliance has not been issued, as collateral for any unrelated transaction.

(g) Redeveloper shall not discriminate or segregate any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, martial status, sex or sexual preference, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project Site.

(h) Redeveloper undertakings pursuant to this Redevelopment Agreement shall be for the purpose of redevelopment of the Project Site and not for speculation and land holdings. Accordingly, until the issuance of a Certificate of Completion and Compliance, Redeveloper shall not be permitted to transfer any portion of the Project Site, Project Improvement, or any part thereof for which a Certificate of Completion and Compliance has not been issued to any third party without written authorization from the City, except as may be otherwise provided for in this Redevelopment Agreement.

(i) in connection with its use or occupancy of the Project, not effect or execute any

covenant, agreement, lease, conveyance or other instrument whereby the Properties or the Project is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or familial status, and the Redeveloper, 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.

(j) comply with the applicable provisions and public purposes of the LRHL and all obligations under this Agreement and shall at all times develop, design, finance, construct and operate the Project or cause the Project to be developed, designed, financed, constructed and operated pursuant to the conditions and requirements of Applicable Laws, Governmental Approvals, this Agreement and the Redevelopment Plan until the Certificate of Completion is issued. Further, Redeveloper shall construct no other use except that established in the Redevelopment Plan, provided however, that Redeveloper shall not be deemed to be in breach if the Redeveloper diligently contests, in good faith and by appropriate proceedings, such compliance with any of the aforesaid Applicable Laws. All uses to which the Project may be devoted are controlled by the Redevelopment Plan, the Governmental Approvals, Applicable Laws and this Redevelopment Agreement and under no circumstances can the Redeveloper undertake any construction or development of the Project not in accordance with the Redevelopment Plan, the Governmental Approvals, Applicable Laws and this Agreement.

(k) in order to effectuate the purposes of this Agreement, make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or entities and in general do all things which may be requisite or proper for the construction and development of the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan, Governmental Approvals and Applicable Laws, provided however, that the Redeveloper shall not be deemed to be in breach of this covenant if the Redeveloper diligently contests, in good faith and by appropriate proceedings, such compliance with any of the aforesaid Applicable Laws.

(l) use diligent efforts to (i) obtain all Governmental Approvals requisite to the construction and development of the Project including evidence satisfactory to the City that the Redeveloper's use of the Project is in compliance with this Agreement, the Redevelopment Plan and all Applicable Laws, and (ii) ensure completion of the Project within the time periods specified in the Construction Schedule.

(m) use diligent efforts to obtain all Governmental Approvals authorizing the occupancy and uses of the Project for the purposes contemplated herein. The Redeveloper shall enter into such other agreements with respect to its development, construction and management and operation of the Project, containing such provisions as may be required by Applicable Law.

(n) except as otherwise permitted hereunder in the case of a Force Majeure Event, not suspend or discontinue the performance of its obligations under this Redevelopment Agreement (other than in the manner provided for herein) for any reason, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, or any damage to or destruction of the Project.

(o) diligently undertake the construction and development of each individual component of the Project throughout the Construction Period and use commercially reasonable efforts to complete each component of the Project on or before the timeframes set forth in the Project Schedule.

(p) during the Construction Period only, not encumber, hypothecate or otherwise use the Project, or any part thereof, as collateral for an unrelated transaction.

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

(r) cause the Project to be developed, designed, financed and constructed at its sole cost and expense, except as otherwise set forth in this Agreement.

(s) immediately notify the City of any material change in its financial condition from the information provided to the City by the Redeveloper, or any other material change in the Redeveloper's financial capability to design, develop, finance, construct and operate the Project in furtherance of the City's consideration in 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.

(t) keep and maintain in good condition any improvements required under the Governmental Approvals, including but not limited to any landscaping required to be planted or cause an entity in control of the Project (i.e. condominium or homeowner association) to maintain such improvements.

4.2 Declaration of Covenants and Restrictions. Redeveloper shall execute and record one or more Declaration of Covenants and Restrictions, approved by City ("Declaration") imposing on the Project Site Redeveloper covenants those matters indicated in this Redevelopment Agreement as to be included in the Declaration, and the provisions hereof relating to transfers, all as may be limited by the rights of a holder granted hereunder, which Declaration shall expire and be discharged upon issuance of the final Certificate of Completion and Compliance for the Project.

4.3 Effect and Duration of Redeveloper Covenants. Subject to the Provisions of ***Section 4.13*** hereof relating to termination of agreements and covenants, it is intended and agreed, the Declaration shall expressly provide, that the agreements and covenants set forth in Section 3.1 and those elsewhere in this Redevelopment Agreement designated for inclusion in the Declaration 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 City against Redeveloper, its successors and assigns and every successor in interest therein, in any party in possession or occupancy of the Project Site, or any part thereof; provided, however, that such covenants shall expire and no longer be enforceable with respect to property for which a Certificate of Completion has been issued.

4.4 Enforcement by City. In amplification, and not in restriction, of the provisions of this Article 4, it is intended and agreed that City shall be the beneficiary of the agreements and covenants set forth in Section 4.1 hereof, both for and in its own right, but also for the purposes of protecting

the public purposes established hereby in the interest of the community arising there from, it being specifically acknowledged, however, that no third party beneficiaries are created hereby and that any enforcement of the agreements and covenants set forth herein shall be carried out exclusively by the City.

ARTICLE 5
IMPLEMENTATION OF THE PROJECT

5.1 Implementation of the Project. For so long as this Agreement shall remain in effect, the Redeveloper shall have the exclusive right to redevelop or rehabilitate the Properties. The Redeveloper agrees to redevelop or rehabilitate the Properties in accordance with the terms and conditions of this Agreement, the Redevelopment Plan, Applicable Laws, and all Governmental Approvals applicable thereto. All redevelopment activities performed under this Agreement shall be performed timely and diligently, and provided in accordance with the level of skill and care ordinarily exercised by developers of comparable first class developments.

5.2 Predevelopment Activities and Governmental Approvals.

5.2(a) Construction Schedule. Within ninety (90) Days of the expiration of the Due Diligence Period, the Redeveloper shall submit a proposed construction schedule for the Project to the Director. The proposed construction schedule shall include, at a minimum, deadlines for the commencement and completion of the construction activities required to complete the Project. Ninety (90) days can be extended upon mutual consent of the Parties.

5.2(b) Governmental Approvals. The Redeveloper shall cause to be prepared and filed, at Redeveloper's sole cost and expense, all applications as may be necessary and appropriate for the purpose of obtaining all Governmental Approvals required to implement the Project consistent with the Construction Schedule. All of the applications shall be in conformity with the applicable Redevelopment Plan, this Redevelopment Agreement and Applicable Laws. At the request of the City, the Redeveloper shall provide the City with a copy of each application that is submitted to the governmental agency having jurisdiction over the same and promptly provide the City with copies of all correspondence to and from each governmental agency relating to these applications.

5.2(c) Diligent Pursuit of Governmental Approvals. The Redeveloper agrees to prosecute all of the Redeveloper's applications for Governmental Approvals diligently and in good faith. Subject to the requirements of Applicable Law and unless expressly provided otherwise in this Agreement, the Redeveloper shall determine when and in what order to file each specific application. The City shall sign consents or other documents required in connection with the Redeveloper's applications for Governmental Approvals and will supply information which is in the City's possession respective thereto. The City will otherwise cooperate with and support the Redeveloper in connection with the applications for Governmental Approvals as the Redeveloper and the Redeveloper's counsel may reasonably request. Notwithstanding any third party appeals of Governmental Approvals that may be filed, including but not limited to any third party appeals to site plan approval, Redeveloper may proceed at its own risk with redevelopment of the Properties and construction of the Project.

5.3 Commencement of Construction

5.3(a) Commencement of Construction. Except as otherwise provided herein, the Redeveloper shall Commence Construction of this Project within the time period set forth within the Construction Schedule, but no later than sixty (60) Days following issuance of building permits. Sixty (60) days may be extended upon mutual consent of the Parties.

5.3(b) Work to be Performed by Redeveloper. The Redeveloper at its sole cost and expense shall perform all demolition, environmental remediation, site preparation, construction, operation, administration and management of the Project. In addition, all performance or completion bonds provided by the Redeveloper's contractors shall name the City as an intended beneficiary thereof, as its interests may appear.

5.3(c) Progress Reports and Progress Meetings. From the Commencement of Construction until the date that the Certificate of Completion is issued for the Project, the Redeveloper shall make quarterly reports to the Director as to the actual progress of the Redeveloper with respect to the construction. If so requested by the Director, Redeveloper agrees to attend progress meetings during the period of implementation of the Project.

5.4 Certificate of Occupancy and Certificate of Completion. The substantial completion of any building in Phase I, Phase II or, if constructed, Phase III, shall be evidenced by a certificate issued by the City (a "Certificate of Completion") accepting the terms of a written certification of a duly authorized officer of Redeveloper stating that: (a) the building/s that is the subject of the application for the certificate has been completed substantially in accordance with the approved final site plan; and (2) a Certificate of Occupancy has been issued for the applicable building. The Redeveloper shall apply to the appropriate governmental officer or body for a Certificate of Occupancy, as required under Applicable Laws. The Certificate of Completion shall be, in proper form for recording, which shall acknowledge that the Redeveloper has performed all of its duties and obligations under this Redevelopment Agreement and has completed construction of the applicable Phase in accordance with the requirements of this Redevelopment Agreement. Within thirty (30) Days after receipt of the Notice of Completion from the Redeveloper, the City shall provide the Redeveloper with the Certificate of Completion or a written statement setting forth in detail the reasons why it believes that the Redeveloper has failed to complete the applicable Phase in accordance with the provisions of this Redevelopment Agreement or is otherwise in Default under this Agreement, and what reasonable measures or acts will be necessary in the opinion of the City in order for the Redeveloper to be entitled to the Certificate of Completion. When issued, the Certificate of Completion shall constitute a recordable, conclusive determination of the satisfaction and termination of the agreements and covenants (as limited herein) in this Agreement and the Redevelopment Plan with respect to the obligations of the Redeveloper to construct the applicable Phase of the Project. Unless otherwise required within this Agreement, a Governmental Approval or Applicable Law, upon the issuance of the Certificate of Completion for Phase I, Phase II and, if constructed, Phase III, the provisions of this Agreement shall no longer encumber the Project or the Properties.

5.5 Estoppel Certificates (Prior to Issuance of Certificate of Completion). At any time and from time to time prior to the issuance of a Certificate of Completion, the City shall, within ninety (90) Days of its receipt of a written request by the Redeveloper or of any mortgagee, lender,

purchaser, tenant or other party having an interest in the Project, execute and deliver to (a) the Redeveloper, or (b) a third party (e.g., a prospective lender, purchaser, investor, tenant, etc.) designated by the Redeveloper, an instrument in which the City (i) certifies that this Agreement is unmodified and in full force and effect as to the Project (excepting only modifications which shall be set forth), (ii) states whether to the best knowledge of the City the Redeveloper is in Default under this Agreement, and, if so, specifying each such Default of which the City shall have knowledge; and (iii) confirms such other factual matters within the City's knowledge or control pertinent to this Agreement, as the same relate to, or might affect, the Project or the Property. The Redeveloper shall not request and the City shall not be required to issue more than four (4) Estoppel Certificates in any calendar year.

5.6 Escrow Account to Cover City Costs.

5.6(a) City Costs Generally. The Redeveloper shall be solely responsible to pay all costs and expenses incurred by the City in connection with this Agreement, or the Project, including but not limited to the reasonable attorney's fees (to be billed at City rates), engineering fees, or other outside consultants' fees (but specifically excluding compensation to the City for work performed internally by City employees) incurred by the City relating to the drafting and negotiation of this Agreement, the Project or to the defense of any litigation challenging 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. Within thirty (30) Days of the Effective Date of this Agreement, the Redeveloper shall establish an escrow account (the "City Costs Escrow") having an initial balance of twenty five thousand (25,000.00) dollars which may be utilized by the City to pay for the City Costs. If the City Costs Escrow is depleted so that there is only five thousand ($5,000.00) dollars or less remaining in the escrow and there are still qualified costs to be paid to the City, the City shall provide a reasonable accounting of the City Costs charged against the City Costs Escrow and written notice to the Redeveloper requiring the Redeveloper to replenish the City Costs Escrow to the full amount of $25,000.00 and, within fifteen (15) Days of its receipt of such written notice, the Redeveloper shall replenish the City Costs Escrow to the full amount of $25,000.00. Upon the completion of the Project or a written declaration by the Redeveloper to the Director that it will not be developing Phase III, or upon the termination of the Agreement, any funds remaining in the City Costs Escrow shall be first utilized to fully satisfy any qualified City Costs, and then any remaining funds shall be promptly returned by the City to the Redeveloper. Notwithstanding the foregoing provisions, in no event shall Redeveloper be obligated to pay the City more than $100,000.00 in City Costs, which may be exceeded upon mutual consent of the Parties.

5.6(b) City Costs Escrow Procedures

(i) City Costs Escrow. The City Costs Escrow is separate from and in addition to all other application fees and escrow deposits that may be required by the City in connection with applications for land use approvals to implement the Project.

(ii) Deposit and Administration of City Costs Escrow Funds. The City Costs Escrow shall be held by the City in a banking institution or savings and loan association in the State of New Jersey insured by an agency of the federal government, or in any other fund or depository approved

for such deposits by the State of New Jersey, in a segregated, interest-bearing account referenced to the Agreement.

(iii) Payments from City Costs Escrow.

(A) The City shall use the City Costs Escrow to pay City Costs in accordance with the provisions of the Redevelopment Agreement.

(B) City Costs paid out of the City Costs Escrow shall include all City Costs as defined in the Agreement.

(C) All professional staff, retained professionals and outside consultants shall bill their time in tenth (1/10) hour increments. City Costs shall be limited to the actual rates charged to the City by these professionals for their work with no mark-up.

(D) Each payment for professional services charged to the City Costs Escrow shall be pursuant to a voucher from the professional identifying the personnel performing the reimbursable service, each date the services were performed, the hours spent in not greater than one-tenth (1/10) hour increments, the hourly rate, and specifying properly reimbursable expenses. All professionals shall submit the required vouchers or statements to the City on a monthly basis in accordance with the schedule and procedures established by the City. The professional shall simultaneously send an informational copy of each voucher or statement submitted to the City to the Redeveloper.

(iv) Accounting. Quarterly during the term of the Redevelopment Agreement, the City shall prepare and send to the Redeveloper a statement which shall include an accounting of funds listing all deposits, interest earnings, disbursements and the cumulative balance of the City Costs Escrow. Quarterly during the term of the Redevelopment Agreement, Redeveloper shall have the right to review and audit the City Costs and supporting documentation. Any and all billing statements submitted by legal counsel to the City shall retain their attorney-client privileged status and Redeveloper shall not be entitled to review descriptions of work performed by legal counsel.

(v) Close Out Procedures. Upon the issuance of a Certificate of Completion for the Project, the Redeveloper shall send written notice by certified mail to the City requesting that the remaining balance of the City Costs Escrow be refunded or otherwise applied in accordance with the provisions of the Redevelopment Agreement. After receipt of such notice, and within thirty (30) Days of City's receipt of all outstanding invoices for City Costs, if any, the City shall pay all outstanding City Costs and shall render a written final accounting to the Redeveloper along with a check for any unexpended funds remaining in the City Costs Escrow.

(vi) Disputed Charges.

(A) Redeveloper may dispute the propriety or reasonableness of City Costs paid out of the City Costs Escrow by written notice to the City. A copy of such notice shall be sent simultaneously to any the entity(ies) whose charges or estimated costs are the subject of the dispute. Such written notice of a disputed charge shall be given within forty-five (45) Days from Redeveloper's receipt of the informational copy of a voucher or invoice, statement, bill or invoice,

except that if Redeveloper has not received an informational copy then the Redeveloper shall send notice within sixty (60) Days from receipt of the first statement of activity against the City Costs Escrow containing the disputed charge. Failure to dispute a charge in writing within the prescribed time shall constitute Redeveloper's acceptance of the charge and a waiver by Redeveloper of all objections to the charge and to payment thereof out of the City Costs Escrow.

(B) During the pendency of a dispute about any charge, the City may continue to pay undisputed charges out of the City Costs Escrow. If a dispute over a charge is resolved in Redeveloper's favor after having been paid, the City shall reimburse the City Costs Escrow in the amount determined to be properly disputed.

ARTICLE 6
REDEVELOPER'S FINANCIAL COMMITMENT AND PERFORMANCE SECURITY

6.1 Redeveloper's Financial Commitment. Redeveloper represents that it has obtained or can obtain, and will commit the requisite equity in an amount necessary to purchase the Properties on the terms and conditions set forth herein, and to perform all of the Redeveloper's obligations hereunder in order to Commence Construction and to Complete Construction of the Project within the time periods required under this Agreement.

ARTICLE 7
PROHIBITION AGAINST ASSIGNMENT AND TRANSFER

7.1 Prohibition Against Transfer of Interests in Redeveloper, The Agreement or The Properties. (a) The Redeveloper recognizes the importance of the City Lots to the general welfare of the community and that the identity of the Redeveloper and its qualifications are critical to the City in entering into this Agreement. The City considers that a transfer of the ownership in the Redeveloper or of a substantial part thereof (i.e., more than 80%), 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 the Redeveloper or the degree thereof, is for practical purposes a transfer or disposition of the Project. The Redeveloper recognizes that it is because of such qualifications and identity that the City is entering into this Agreement with the Redeveloper, and, in so doing, the City is relying on the obligations of the Redeveloper and not some other person or entity for the faithful performance of all undertakings and covenants to be performed by the Redeveloper hereunder.

As a result, prior to completion of the Project, as evidenced by the issuance of a Certificate of Completion, except with the express prior written consent of the Director, which consent shall not be unreasonably withheld by the Director, the Redeveloper agrees for itself and all successors in interest that there shall be no sale, transfer or assignment of (i) the City Lots; (ii) any equity interest in the Redeveloper, nor any direct or indirect change in control of the Redeveloper as it exists on the Effective Date, whether by changes in capitalization, merger, or otherwise; or (iii) the Agreement. With respect to this provision, the Redeveloper and the persons signing the Redevelopment Agreement on behalf of the Redeveloper represents that each has authority to agree to this provision on behalf of the current members of the Redeveloper and to bind it with respect thereto.

(b) In the event that the prior written consent of the Director is requested to a sale, transfer or assignment, the Redeveloper shall provide the Director with evidence of the proposed transferee and/or assignee's financial capacity and experience evidencing their ability to complete the Project. At a minimum, any such approval will be granted only if the Director reasonably determines that the assignee is capable of completing the Project and assuming all responsibilities of the Redeveloper. A copy of such a request and the Director's response thereto will be filed with City clerk.

7.2 **Exemption from Prohibited Transfers**. Notwithstanding the foregoing, with prior knowledge of the City by written notice from the Redeveloper, the following shall not constitute a prohibited transfer for purposes of § 8.1:

> Conveyance of the City Lots or an interest therein and/or assignment by the Redeveloper of its rights under this Redevelopment Agreement, but only upon the following conditions: (a) such conveyance or assignment must be to an Affiliate or an entity controlling, controlled by, or under common control of the Redeveloper, including but not limited to an urban renewal entity formed by the Redeveloper pursuant to N.J.S.A. 40A:20-4; (b) the successor and assignee of the Redeveloper shall assume all of the obligations of the Redeveloper hereunder, but the Redeveloper shall remain primarily liable for the performance of the Redeveloper's obligations; (c) a copy of the written instrument of conveyance and assignment and assumption of this Redevelopment Agreement shall be delivered to the Director for review and approval prior to execution, and once approved and executed, fully executed copies provided to the Director promptly; and (d) such conveyance or assignment does not violate any of the Government Approvals.

7.3 **Consent to Permitted Transfers**. The City hereby consents, without the necessity of further approvals from any entity, to the following Transfers: (a) a mortgage or related security granted by the Redeveloper to a mortgagee for the purpose of obtaining the financing necessary to enable the Redeveloper to perform its obligations under this Agreement provided, however, that: (i) the Redeveloper shall give the City at least fifteen (15) Days prior written notice of such Permitted Transfer, including a description of the nature of such Transfer, and the name(s) and address(es) of the transferee and any parties, individuals or entities involved in such Permitted Transfer; (ii) the Redeveloper shall simultaneously provide to the City true and complete copies of all construction schedules submitted to such mortgagee; and (iii) the amount of such mortgage, lien or other encumbrance does not exceed the Redeveloper's costs associated with the acquisition, development, construction or marketing of the Project; and (iv) except with regard to any mortgage related to acquisition costs, that any mortgage, lien or other encumbrance for such costs shall not attach until after that portion of the construction is completed; (b) a merger or consolidation of Redeveloper with another financially responsible company, and (c) the sale and/or lease of the residential units and/or the commercial/industrial space built as part of the Project.

7.4 **Prohibition Against Speculative Development**. Because of the importance of the development of the Properties to the general welfare of the community, the Redeveloper represents and agrees that its acquisition of the Properties and the Redeveloper's undertakings pursuant to this Redevelopment Agreement are, and will be used, for the purpose of the redevelopment or rehabilitation of the Properties as provided herein, and not for speculation in land holding.

7.5 Information as to Ownership of Redeveloper. In order to assist in the effectuation of the purpose of this Article 8, within seven (7) Days of the Effective Date the Redeveloper shall submit to the Director an incumbency certificate of the Redeveloper as of the Effective Date, subscribed and sworn to by an officer of the Redeveloper, setting forth the name(s) and address(es) of all entities owning at least a 10% interest in the Redeveloper, and, as to each such entity, all entities owning at least a 10% interest therein, such disclosure being intended to be the same disclosure that the Redeveloper will be required to make in connection with its Governmental Applications for land use approvals pursuant to N.J.S.A. 40:55D-48.2 and as is required under N.J.S.A. 52:25-24.2. Redeveloper shall provide an incumbency certificate for any entity affiliated with the Redeveloper.

(a) Redeveloper will immediately notify the Director in writing of any change of 10% or greater in the ownership of the Redeveloper, legal or beneficial change in ownership, 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 the Redeveloper or the degree thereof, of which it or any of its officers or members have been notified or otherwise have knowledge or information.

(b) Redeveloper shall, at such time or times as the Director may request, furnish the Director with a complete statement subscribed and sworn to by an officer of the Redeveloper, setting forth all owners of equity interests of Redeveloper and the extent of their respective holdings, and in the event any other parties have a beneficial interest in Redeveloper's entity, their names and the extent of such interest.

ARTICLE 8
MORTGAGE FINANCING AND RIGHTS OF MORTGAGEE

8.1 Notice to City. Prior to the completion of the Project as certified by the City by the issuance of a Certificate of Occupancy and Certificate of Completion, neither the Redeveloper nor any successor in interest to the Project Site or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Project whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to same, except for the purpose of obtaining funds in connection with the development and construction of the Project. The Redeveloper or other Qualified Entity shall immediately notify the City if any lien is placed upon the Property which the Redeveloper or other Qualified Entity believes will materially impair the ability to complete the construction of the Project, and shall advise the City of the steps the Redeveloper will take to resolve and remove the lien. If the holder of any mortgage obtained by Redeveloper under this Agreement reasonably requires any changes or modifications to the terms of this Agreement, the City shall reasonably cooperate with the holder of any such mortgage and the Redeveloper in reviewing and approving such proposed change(s) or modification(s); provided however, that the City, in its sole discretion, is able to make the determination that the proposal, change or modification does not materially alter any of the rights or obligations of the Redeveloper or the City under this Agreement.

8.2 Completion of Project. 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 (a "Holder") (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 (a) any other party who thereafter obtains title to the Project Site or such part from or through such holder or (b) any 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; nor shall any covenant or any other provision in the Deed be construed to so obligate such Holder. Except as otherwise provided in Section 5.04 herein, 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 improvements thereon, other than those uses or improvements provided or permitted under the Redevelopment Plan and this Agreement.

8.3 Notice to Mortgagee. Whenever the City shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper of its obligations or covenants under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Holder at the last known address of such Holder shown in the records of the City.

8.4 Mortgagee's Right to Cure Default and Assume Redeveloper's Obligations. After any breach or default referred to in Section 5.03 above, each Holder shall (insofar as the rights of the City are concerned) have the right, at its option, but not the obligation, to cure or remedy such breach or default, provided that, if the breach or default is with respect to construction of the Project, nothing contained in this Article or any other Article of this Agreement shall be deemed to permit or authorize such Holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the Holder's security, including the improvements or construction already begun) without first having been deemed qualified to do so in accordance with the Local Redevelopment and Housing Law, and having expressly assumed the obligation to the City, by written agreement satisfactory thereto, to complete, in the manner provided in this Agreement the Project on the Project Site or any phase thereof to which the lien or title of the Holder relates. Any Holder who shall properly complete the Project or applicable phase thereof shall be entitled, to receive any and all individual Certificates of Occupancy, the Certificate of Occupancy for the Project, and the Certificate of Completion, as hereinabove set forth herein.

ARTICLE 9
EVENTS OF DEFAULT

9.1 Default Related To Conveyance Of the Properties.

9.1(a) Default by the City. If title to the City Lots does not close because of an Event of Default on the part of the City, then the Redeveloper shall be entitled to pursue any remedies at law or equity available to it by reason of the City's Default; provided, however, the failure of the Municipal Council to authorize or approve the transaction shall not constitute a Default by the City, but only a failure of the condition precedent to the conveyance; and provided further, that under no circumstances shall the City be liable for consequential, indirect or special damages of any kind.

9.1(b) Default by Redeveloper. If title to the City Lots does not close due to an Event of Default on the part of the Redeveloper, the City shall be entitled to pursue any remedies at law or in equity. The City shall not, however, be entitled to consequential, indirect or special damages.

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

(a) Failure of the Redeveloper or the City to observe or perform any covenant, condition, representation, warranty or agreement hereunder, and any act or omission characterized elsewhere in this Agreement as a Default, and the continuance of such failure, act or omission 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, act or omission be remedied (a "Notice of Default"); provided, however, that if the Default is one that cannot be completely cured within thirty (30) Days after receipt of the Notice of Default, it shall not be an Event of Default as long as the defaulting party promptly begins to take actions to correct the Default upon its receipt of notice thereof and is proceeding with due diligence to remedy the Default as soon as practicable, but in no event longer than ninety (90) Days unless the non-defaulting party consents, in writing, to an extension of time to cure.

(b) (i) If 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) 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) Redeveloper has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; or (v) Redeveloper shall take any action for the purpose of effecting any of the foregoing; (vi) a petition in bankruptcy shall have been filed against the Redeveloper, and shall not have been dismissed for a period of ninety (90) consecutive Days; (vii) an Order for Relief shall have been entered with respect to or for the benefit of 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 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 ninety (90) consecutive Days; (ix) Redeveloper shall have suspended the transaction of its usual business.

(c) Redeveloper (i) fails to perform its obligations with respect to the implementation of the Project in accordance with this Agreement and the Construction Schedule, the Redevelopment Plan, Governmental Approvals or Applicable Laws, including but not limited to failure to Commence Construction in accordance with the Construction Schedule; or (ii) abandons the Project or substantially suspends construction work without the prior knowledge and consent of the Director (unless such suspension arises out of a Force Majeure Event), and any such failure, abandonment or suspension shall not be cured, ended, or remedied within thirty (30) Days after receipt by the Redeveloper of a Notice of Default; provided, however, that if the Default is one that cannot be completely cured within thirty (30) Days after receipt of the Notice of Default, it shall not be an Event of Default as long as the Redeveloper promptly began to take actions to correct the Default

upon its receipt of notice thereof and is proceeding with due diligence to remedy the Default as soon as practicable, but in no event longer than ninety (90) Days unless the non-defaulting party consents, in writing, to an extension of time to cure.

(d) There is a prohibited Transfer.

(e) Material breach of any warranty or representation made by the Redeveloper.

(f) Violation by the Redeveloper of any covenant or restriction contained in the Declaration of Covenants and Restrictions, which violation is not cured within thirty (30) Days after receipt by the Redeveloper of a Notice of Default from the City; provided, however, that if the Default is one that cannot be completely cured within thirty (30) Days after receipt of the Notice of Default, it shall not be an Event of Default as long as the defaulting party promptly begins to take actions to correct the Default upon its receipt of notice thereof and is proceeding with due diligence to remedy the Default as soon as practicable, but in no event longer than ninety (90) Days unless the non-defaulting party consents, in writing, to an extension of time to cure.

(g) Redeveloper's failure to pay or delinquency in the payment of real property taxes or assessments applicable to the Properties 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 Notice of Default from the City.

(h) Redeveloper's failure to refresh the City Costs Escrow or to reimburse the City for properly reimbursable City Costs which is not cured within thirty (30) Days of written notice by the City.

9.3 **Remedies Upon Event of Default.** Whenever any Event of Default of the Redeveloper shall have occurred, the City may, on written notice to the Redeveloper (a "Termination Notice"), terminate this Agreement and the Redeveloper's designation as the exclusive redeveloper for the Properties 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, remedies, obligations, agreements, or covenants of the Redeveloper under this Agreement. Whenever any Event of Default of the City shall have occurred, the Redeveloper, after issuance of a Termination Notice to the City, may take whatever action at law or in equity as may appear necessary or desirable to enforce the terms of this Agreement.

9.4 **Force Majeure Extension.** For the purposes of this Agreement, neither the City nor the Redeveloper shall be considered in breach or in Default with respect to its obligations hereunder because of a delay in performance arising from a Force Majeure Event. It is the purpose and intent of this provision that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the City or the Redeveloper shall be extended for the period of the delay; provided, however, that such delay is actually caused by or results from the Force Majeure Event. The time for completion of any specified obligation hereunder shall be tolled for a period of time up to but not exceeding the period of delay resulting from the occurrence of a Force Majeure Event. To invoke the tolling provisions hereunder, the party invoking the provisions hereof must give written notice to the other party of the occurrence of a Force Majeure Event as soon as practicable but in no event more than ninety (90) Days after the occurrence thereof.

9.5 **No Waiver**. Except as otherwise expressly provided in this Redevelopment Agreement, any failure or delay by the City in asserting any of its rights or remedies as to any Default by Redeveloper, shall not operate as a waiver of such Default, or of any such rights or remedies, or to deprive the City 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.

9.6 **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.

9.7 **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 as established by this Agreement.

9.8 **City's Right of Reverter**. In the event that the City terminates this Agreement due to an Event of Default by the Redeveloper after the Redeveloper has acquired title to the City Lots but prior to the issuance of the Certificate of Completion for the Project, the City Lots (or, if a Certificate of Occupancy or a temporary Certificate of Occupancy has been issued for any portions of the City Lots, then those portions of the City Lots for which a Certificate of Occupancy or a temporary Certificate of Occupancy has not yet been issued) shall, upon sixty (60) Days prior written notice by 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 revest in the City. However, any reversion of title as a result of the aforementioned termination due to the occurrence of an Event of 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; and (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.

ARTICLE 10
INSURANCE

10.1 **Insurance – General Requirements**. Prior to the date that the Redeveloper enter onto the City Lots, and at all times thereafter during the Due Diligence Period, the Remediation, and/or 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 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 million dollars; and

(f) 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 Completion.

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. The certificates shall be submitted promptly prior to the date that the Redeveloper enter onto the Properties pursuant to the license granted under Article 3 of this Agreement and the Redeveloper shall not be entitled to enter onto the City Lots or to exercise any other rights hereunder until the certificate has been received and verified. 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.

10.2 **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 11.1 (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 Redevelopers to the City as aforesaid, together with satisfactory evidence of payment of the premium thereon. All policies referred to in Section 11.1 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) 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 Properties.

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

10.4 **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 Properties; provided, however, that any such policy of insurance provided for under Section 11.1 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 10.1 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.

10.5 **Deductibles**. All insurance provided under this Article 11 may contain loss deductible clauses in such maximum amounts as the City approves in its reasonable discretion.

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

ARTICLE 11
OTHER REDEVELOPER OBLIGATIONS

11.1 (deleted)

11.2 **Defense/Indemnification.**

(a) 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 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, or any other activities of the Redeveloper during the construction of the Project, unless caused by the negligent or intentional wrongful acts of the City, its employees, agents or contractors. 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 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 intentional or willful acts of the City.

(b) The Redeveloper, at its own cost and expense, shall defend any and all claims, suits and actions, as described more fully within Section 11.2(a), 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.

(c) 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.

(d) 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.

(e) 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.

11.3 **Construction of Project in Manner Promoting Energy Conservation.** The Redeveloper covenants and agrees to construct all buildings and other structures for this Project in a manner consistent with Leadership in Energy and Environmental Design ("LEED") where feasible.

ARTICLE 12
MISCELLANEOUS

12.1 Cooperation. The Parties hereto agree to cooperate with each other and to provide all necessary and reasonable documentation, certificates, consents in order to satisfy the terms and conditions hereof and the terms and conditions of this Agreement. The City further agrees to cooperate as may be reasonably requested by any mortgagee of the Redeveloper in connection with obtaining financing for the Project; provided, however, that all costs and expenses of such cooperation by the City shall constitute City Costs. The City further agrees to take all actions reasonably requested by Redeveloper to expedite the Project, including without limitation designating City staff liaisons to assist the Redeveloper in interacting with City departments, commissions, boards, authorities and the like and granting of special meetings and other expedited processing of Redeveloper's applications, submissions and the like to the extent authorized under Applicable Law.

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

12.3 No Consideration for Agreement. The 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. 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.

12.4 Non-Liability of Officials and Employees of the City. No member, official or employee of the 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.

12.5 Non-Liability of Officials and Employees of the Redeveloper. Unless otherwise obligated hereunder as a guarantor, no member, officer, shareholders, director, partner or employee of the Redeveloper, and no member, officer, shareholders, director, partner or employee of the members of the Redeveloper or the members of the 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 their successors, on any obligation under the terms of this Redevelopment Agreement.

12.6 Inspection of Books and Records. (a) The City shall have the right, upon reasonable written notice to the Redeveloper, to inspect the books and records of the Redeveloper pertinent to the purposes of this Redevelopment Agreement.

(b) The Redeveloper shall have the right, upon reasonable written notice to the City, to inspect the books and records of the City pertinent to the purposes of this Redevelopment Agreement.

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

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

12.7 **Modification of Agreement**. This Agreement represents the entire agreement by and between the Parties with respect to the development of the Project, the construction of the Project and the conveyance of the City Lots. 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 City 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. No waiver by the City or the Redeveloper of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of both the City and the Redeveloper. Notwithstanding the foregoing, any amendment to this Agreement must be approved as to form and legality by the City's Redevelopment Counsel and attested to and acknowledged by the City Clerk and all Material Amendments to this Agreement must be approved by the City Council of the City of Woodbury. A Material Amendment shall include, but not be limited to, any amendment to the sales price, parties, identity or use of the Properties to be redeveloped and/or sold, or any change that would adversely affect the interests of the City of Woodbury, or constitute an unlawful delegation of legislative authority.

12.8 **Notices and Demands**. A notice, demand or other communication under this Redevelopment Agreement by any party to the other shall be sufficiently given or delivered if dispatched by United States Registered or Certified Mail, postage prepaid and return receipt requested, or delivered by overnight courier or delivered personally (with receipt acknowledged), or by facsimile transmission (with receipt acknowledged) to the Parties at their respective addresses set forth herein, or at such other address or addresses with respect to the Parties or their counsel as any party may, from time to time, designate in writing and forward to the others as provided in this Section.

As to the City:

CITY OF WOODBURY
Roy A. Duffield, City Clerk
33 Delaware Street
Woodbury, New Jersey 08096

with copies to:

Randi Woerner
Economic Development Director

City of Woodbury
33 Delaware Street
Woodbury, New Jersey 08096

and

Louis Cappelli, Jr., Esquire
City of Woodbury Redevelopment Counsel
Florio Perrucci Steinhardt & Fader, LLC
1010 Kings Highway South, Building 2
Cherry Hill, New Jersey 08034

As to the Redeveloper:

SORA NORTHEAST
Gregory B. Filipek, Principal / CEO
123 Egg Harbor Road, Suite 800
Sewell, New Jersey 08080

with a copy to:

Albert K. Marmero, Esq.
Long Marmero & Associates, LLP
44 Euclid Street
Woodbury, NJ 08096

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.

12.9 Titles of Articles and Sections. The titles of the several Articles and Sections of this Redevelopment Agreement, as set forth at the heads of said Articles and Sections, are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

12.10 Severability. The validity of any Articles and Sections, clauses or provisions of this Redevelopment Agreement shall not affect the validity of the remaining Articles and Sections, clauses or provisions hereof.

12.11 Successors Bound. This Redevelopment Agreement shall be binding upon the respective Parties hereto and their permitted successors and assigns.

12.12 Governing Law; Jurisdiction and Venue. This Redevelopment Agreement shall be governed by and construed and enforced pursuant to the laws of the State of New Jersey, without

regard to its conflict of laws principles. Any action hereunder shall be brought exclusively in a court of the State of New Jersey or in a United States Court having jurisdiction in the District of New Jersey, in either case sitting in Gloucester County, New Jersey, and the Redeveloper hereby waives all objections to such venue. Notwithstanding the above, the Parties may, upon mutual written consent, pursue alternate dispute resolution (such as mediation or binding arbitration) to attempt to resolve any issues or disputes arising from this Agreement.

12.13 Counterparts. This Redevelopment Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

12.14 Exhibits. Any and all Exhibits annexed to this Redevelopment Agreement are hereby made a part of this Redevelopment Agreement by this reference thereto.

12.15 Entire Agreement. This Redevelopment Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof.

12.16 Waiver. No waiver made by any party with respect to any obligation of any other party under this Redevelopment Agreement shall be considered a waiver of any other rights of the party making the waiver beyond those expressly waived in writing and to the extent thereof.

12.17 Authorization. Each of the Parties hereto which are business entities represent and warrant that each has complied with all necessary formalities and the undersigned signatory has been duly authorized to execute this Agreement on behalf of such entity.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Redevelopment Agreement to be properly executed and their corporate seals affixed and attested as of the date first written above.

APPROVED AS TO FORM & LEGALITY:

Louis Cappelli, Jr., Redevelopment Counsel

CITY OF WOODBURY (Seal)

By: _____
William J. Volk, Mayor

ATTEST:

Roy A. Duffield, City Clerk

Randi Woerner
Director of Economic Development

Albert K. Marmero, Esquire
Long Marmero & Associates, LLP

ATTEST:

SORA NORTHEAST

By: _____
Gregory Filipek
Principal / CEO