

**RESOLUTION NO. 4-2015
OF THE
REDEVELOPMENT AGENCY OF FRANKLIN TOWNSHIP
AUTHORIZING EXECUTION OF REDEVELOPMENT AGREEMENT WITH
FRANKLIN JULIETTE, LLC FOR REDEVELOPMENT OF BLOCK 164, LOTS 1-26,
OF THE RENAISSANCE 2000 REDEVELOPMENT PLAN**

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A-12A-1 et seq. (hereinafter referred to as the “**Redevelopment Law**”) provides a process for municipalities to participate in the redevelopment and improvement of parcels of property that have been designated as “areas in need of redevelopment;” and

WHEREAS, pursuant to the process set forth in the Redevelopment Law, the Mayor and Council of the Township of Franklin (hereinafter referred to as the “**Governing Body**”) has established an “area in need of redevelopment” designated as the Renaissance 2000 Plan Area (“**Redevelopment Area**”) and in furtherance of its goals and objectives adopted a redevelopment plan for the area entitled the Renaissance 2000 Redevelopment Plan (“**Redevelopment Plan**”), pursuant to, and as defined in, the Redevelopment Law; and

WHEREAS, pursuant to the Redevelopment Law, the Governing Body designated the Redevelopment Agency of Franklin Township (the “**Agency**”) to act as the redevelopment entity in order to implement the Redevelopment Plan; and

WHEREAS, the Redevelopment Area includes Block 164, Lots 1-26, as shown and designated on the official tax maps of the Township of Franklin, having frontage on Route 27 (“**Project Site**”); and

WHEREAS, the Agency may exercise all powers, duties and functions relating to redevelopment in the manner of a redevelopment entity, which powers include contracting with redevelopers for the planning, replanning, construction, or undertaking of any project or redevelopment work under N.J.S.A. 40A:12A-8(f); and

WHEREAS, Franklin Juliette, LLC (“**FJ LLC**”) has submitted a request to the Agency to be designated as redeveloper for the purpose of implementing the redevelopment of the Project Site by constructing a Wawa convenience store with accompanying fuel dispensary (“**Project**”); and

WHEREAS, the Agency desires that the Project Site be redeveloped in the manner proposed by FJ LLC and with an amendment to the Redevelopment Plan which the Agency endorses; and

WHEREAS, the Agency, having reviewed FJ LLC's submission and presentation, has determined that FJ LLC has the relevant experience and financial capability to undertake the Project; and

WHEREAS, the Redevelopment Law requires the designated redeveloper to enter into an agreement with the Agency which sets forth the terms and conditions pursuant to which the Project Site is to be redeveloped; and

WHEREAS, redevelopment counsel for the Agency has prepared and negotiated a redevelopment agreement between the Agency and FJ LLC, which terms and conditions are acceptable to the Agency, in the form substantially as set forth in the redevelopment agreement attached hereto as Exhibit A ("**Redevelopment Agreement**"); and

WHEREAS, FJ LLC also has agreed to pay the costs and expenses incurred by the Agency including, without limitation, redevelopment counsel, as relates to the drafting and negotiation of the Redevelopment Agreement and the proposal to amend the Redevelopment Plan, and any other outside professional fees related to the proposed project which the Agency determines is appropriate.

NOW, THEREFORE BE IT RESOLVED, that the Agency hereby designates Franklin Juliette, LLC as redeveloper of those land parcels as identified as the Project Site for a period of one hundred eighty (180) days, conditioned upon the adoption of an appropriate amendment to the Redevelopment Plan.

BE IT FURTHER RESOLVED, that the Executive Director of the Agency, is authorized to execute the Redevelopment Agreement in substantially the form attached hereto, along with any other documents and/or agreement necessary to implement the Redevelopment Agreement in accordance with the Redevelopment Plan.

**REDEVELOPMENT AGENCY
OF FRANKLIN TOWNSHIP**

By: 

Mark Healey, Executive Director

DATED: March 23, 2015

| | YES | NO | ABSENT |
|---------------------------------|------------|-----------|---------------|
| Kimberly Francois, Deputy Mayor | X | | |
| Michael F. Gianotto, Chairman | X | | |
| Robert Mettler | X | | |
| Ike Agudosi | X | | |
| Dennis Sanders | X | | |
| Wayne Sellers | X | | |
| Carl Wright, Councilman | X | | |

EXHIBIT A

REDEVELOPMENT
AGREEMENT

BY AND BETWEEN

**THE REDEVELOPMENT AGENCY OF FRANKLIN TOWNSHIP,
Acting as Redevelopment Entity**

AND

**FRANKLIN JULIETTE, LLC
As Redeveloper**

EFFECTIVE DATE: _____, 2015

This Redevelopment Agreement (“Agreement”) entered into as of this ____ day of _____, 2015, by and between **THE REDEVELOPMENT AGENCY OF FRANKLIN TOWNSHIP**, a municipal redevelopment agency established by the Township of Franklin having its principal offices at 475 DeMott Lane, Somerset, New Jersey 08873 (hereinafter referred to as the “Agency”), and **FRANKLIN JULIETTE, LLC**, a Delaware limited liability company, having offices at 166 Nassau Street, 2nd Floor, Princeton, New Jersey 08542 (hereinafter, the “Redeveloper”).

RECITALS

WHEREAS, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), certain properties within the greater Renaissance 2000 Redevelopment Area along the Route 27 corridor have been designated as an area in need of redevelopment (“Redevelopment Area”) by Resolution of the Governing Body, adopted on _____, 19__; and

WHEREAS, on _____, _____, the Governing Body adopted Ordinance #_____ adopting the “2000 Renaissance Redevelopment Plan” as amended from time to time and as may be amended (“Redevelopment Plan”), which sets forth the plan for redevelopment of the Redevelopment Area; and

WHEREAS, Redeveloper is the contract purchaser of certain property within the Redevelopment Area known as Block 164, Lots 1-26, as shown on the official tax maps of the Township of Franklin (the “Project Site”); and

WHEREAS, The Dreher Group, LLC and ARC Property Trust, Inc., have created Redeveloper for the sole purpose of improving the Project Site in accordance with this Agreement and the Redevelopment Plan; and

WHEREAS, subject to the terms of this Agreement, Redeveloper agrees to develop on the Project Site an approximately 5,000 square foot building, consisting of a convenience store with accompanying fuel dispensary and parking (collectively, the “Project,” and being more fully described in Section 2.1 of this Agreement); and

WHEREAS, this Agreement shall be subject to and conditioned upon the Governing Body adopting a proposed amendment to the Redevelopment Plan permitting the development of a convenience store and accompanying service station at the Project Site, in accordance with Article 5 herein; and

WHEREAS, the parties desire to enter into this Agreement for the purpose of setting forth their respective undertakings, rights and obligations in connection with the redevelopment of the Project.

ARTICLE 1
DEFINITIONS

1.1 The following words and phrases shall have the meanings set forth below, which definitions shall be applicable to both singular and plural forms:

“Agency” shall mean the Redevelopment Agency of Franklin Township, having its principal offices at 475 DeMott Lane, Somerset, New Jersey 08873

“Agency Costs” shall have the meaning set forth in Section 2.13(a).

“Agency Indemnified Parties” shall mean the Agency its officers, elected officials, agents, employees, contractors and consultants as well as the Governing Body, including but not limited to, the Township and its officers, elected officials, agents, employees, contractors and consultants.

“Agreement” shall mean this Redevelopment Agreement.

“Authorized Holder” shall have the meaning set forth in Section 7.3(a).

“Certificate of Completion” shall have the meaning set forth in Section 2.6(e).

“Commence” or “Commencement,” shall mean undertaking substantial steps to initiate Construction by, among other things, commencing the mobilization of materials and labor for the commencement of construction.

“Construction” means the physical onsite and offsite work necessary to build and install as part of the Project any improvements requiring approval by the Planning Board of the Township of Franklin.

“Declaration” shall have the meaning set forth in Section 6.1.

“Default Notice” shall have the meaning set forth in Section 9.1(a).

“Effective Date” means, unless specifically stated herein, the date upon which all of the parties hereto have executed and delivered this Agreement.

“Environmental Law” or “Environmental Laws” means any and all federal, state, county, regional or local laws, statutes, ordinances, rules, regulations, codes, orders, decrees, directives, requirements and judgments, whether now existing or hereafter enacted or promulgated, together with all amendments and successors thereto and any and all rules and regulations promulgated thereunder, relating to public health or safety, pollution, damage to or protection of the environment, discharges or threatened discharges of hazardous substances or the presence, use, manufacture, processing, distribution, treatment, storage, generation, disposal, transport or handling of hazardous substances, including without limitation: (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (known as CERCLA or Superfund); (2) the Superfund Amendments and Reauthorization Act of 1986, Publ.L. No. 99499, 100 Stat. 1613 (known as SARA); (3) Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (known as RCRA); (4) Toxic Substances Control Act, 15 U.S.C. § 2601 et seq. (known as TSCA); (5) The Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq. (known as SDWA); (6) Clean Water Act, 33 U.S.C. § 1251 et seq.; (7) Clean Air Act, 42 U.S.C. § 7901 et seq.; (8) The Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq.; (9) New Jersey Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq.; (10) The Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq.; (11) The Hazardous Discharge Site Remediation Act, N.J.S.A. 58:10b-1 et seq.; (12) The Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq.; (13) The Spill Compensation and Control Act,

N.J.S.A. 58:10-23.11 et seq. (known as the “Spill Act”), (14) The Industrial Site Recovery Act, N.J.S.A. 13:1 K-6 et seq. (known as ISRA); (15) The Site Remediation Reform Act (known as SRRA), N.J.S.A. 58:10C-1 et seq., and any other judicial or administrative interpretation thereof, or any other law, including any judicial or administrative orders or judgments.

“Escrow Fund” shall have the meaning set forth in Section 2.14(b).

“Event of Default” shall have the meaning set forth in Section 9.1

“Force Majeure Events” shall mean any of the events set forth in Article 10.

“Governing Body” shall mean the Mayor and Council of the Township of Franklin.

“Governmental Applications” shall have the meaning set forth in Section 2.5(a).

“Governmental Approvals” shall have the meaning set forth in Section 2.5(a).

“Municipal Land Use Law” shall mean the New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

“Party” means either the Agency or Redeveloper.

“Permitted Transfers” shall have the meaning set forth in Section 7.3.

“Person” means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, urban renewal entity, institution, or any other entity.

“Planning Board” means the Planning Board of the Township of Franklin.

“Project” shall have the meaning set forth in the Recitals and, more fully, in Section 2.1.

“Project Costs” shall have the meaning set forth in Section 4.1.

“Project Site” shall have the meaning set forth in the Recitals.

“Redeveloper” shall mean Franklin Juliette, LLC, having offices at 166 Nassau Street, 2nd Floor, Princeton, New Jersey 08542.

“Redevelopment Law” shall have the meaning set forth in the Recitals.

“Redevelopment Plan” shall have the meaning set forth in the Recitals.

“Significant Modification” shall have the meaning set forth in Section 2.2.

“Site Plan” shall have the meaning set forth in Section 2.2.

“Substantial Completion” or “Substantially Complete” shall have the meaning set forth in Section 2.6(e).

“Status Report” shall have the meaning set forth in Section 2.7.

“Township” shall mean the Township of Franklin, a Municipal Corporation of the State of New Jersey, having its principal offices at 475DeMott Lane, Somerset, New Jersey 08873.

“Transfer” shall have the meaning set forth in Section 7.2.

ARTICLE 2 REDEVELOPER’S OBLIGATIONS

2.1 Agreement to Undertake Project. Redeveloper agrees to prepare the Project Site and to plan, develop, and construct the Project, as more fully described below, in conformity with the provisions of the Redevelopment Plan and in compliance with the terms and conditions of this Agreement and the Governmental Approvals. The Project shall consist of a Wawa convenience store with filling station consisting of:

- a. Approximately a 5,000 square foot convenience store; and
- b. Approximately six fuel dispensers within the service station; and
- c. Approximately 52 parking spaces; and
- d. All onsite and offsite improvements and infrastructure necessary to service the Project in accordance with the approved site plan and all other Governmental Approvals, including but not limited to environmental remediation if required, roadways, storm drainage, municipal water and sewer service, other utility services, buffers, and landscaping.

2.2 Site Plan. The Project shall be developed as a Wawa convenience store with filling station in a manner consistent with the conceptual site plan attached hereto as Exhibit “A” (the “Site Plan”). Redeveloper shall notify the Agency if it proposes to make an application to the Planning Board which constitutes a significant modification to the Site Plan, including without limitation, changes in the layout of the convenience store, service station or parking spaces and/or any other changes (“Significant Modification(s)”). Redeveloper’s notification shall include plans and descriptions of the Significant Modifications and, at the discretion of the Agency's Executive Director, Redeveloper shall appear before the Agency to present the Significant Modifications to the Site Plan before proceeding to the Planning Board.

2.3 Preparation of Project Site. Redeveloper represents that it owns or will own all of the property constituting the Project Site. Redeveloper shall undertake any activities that are required to prepare the Project Site for Construction of the Project, including but not limited to all work required pursuant to or as a condition of any Governmental Approval.

2.4 Environmental Compliance. Redeveloper agrees that, at its sole cost, it has obtained or will obtain all necessary environmental clearances and approvals and that it will satisfy all requirements of any Environmental Laws relating to the Project Site and any Governmental Approvals.

2.5 Governmental Applications and Governmental Approvals.

a. Redeveloper shall cause to be prepared and filed such additional plans, drawings, documentation, presentations and applications (collectively called “Governmental Applications”) as may be necessary and appropriate for the purpose of obtaining any and all governmental permits, licenses, consents and approvals required to complete the Project

(hereinafter collectively called the “Governmental Approvals”). All of the Governmental Applications shall be in conformity with this Agreement.

2.6 Schedule; Delays and Extensions; Financing.

a. Redeveloper shall make application to the Township Planning Board for site plan approval within six (6) months of the Effective Date of this Redevelopment Agreement or the effective date of the proposed amendment to the Redevelopment Plan, whichever shall occur later.

b. Redeveloper shall obtain all Governmental Approvals necessary to permit Commencement of Construction within eighteen (18) months of the Effective Date of this Redevelopment Agreement.

c. Within three (3) months after obtaining all Governmental Approvals necessary to permit Commencement of Construction, Redeveloper will Commence Construction of the Project, provided that the obligation to Commence Construction shall be dependent on the Township’s issuance of a building permit after submission of appropriate documentation in support of the application for the permit. Redeveloper shall diligently prosecute the Project to completion in accordance with the Governmental Approvals. Redeveloper shall be responsible for the letting of contracts, supervision of construction, and all other matters incidental to performance of the duties and powers expressly granted herein in connection with the construction of the Project. Time is of the essence with respect to Commencement of Construction.

d. Redeveloper shall Substantially Complete Construction of the Project within thirty (30) months of the Effective Date of this Redevelopment Agreement.

e. “Substantial Completion” is defined to mean completion of the development and Construction of the Project as evidenced by a certificate of completion from the Agency in recordable form, as provided in Section 2.12 of this Agreement (“Certificate of Completion”). In order to obtain the Certificate of Completion, the Redeveloper shall submit a certification stating that: (a) the Project has been completed in accordance with the final Site Plan approvals; and (b) Redeveloper has obtained a certificate of occupancy or temporary certificate of occupancy and any other permissions that may be required of any governmental authorities or agencies for the occupancy and use of the Project for the purposes contemplated by this Redevelopment Agreement. The Agency, upon review and acceptance of the representations in the Redeveloper’s certification, shall issue the Certificate of Completion. The Agency and Township respectively, shall not be required to issue a Certificate of Completion or certificate of occupancy for the Project until such time as Redeveloper has paid to the Agency all outstanding Agency Costs which are not in dispute. (If there are fees in dispute, the Redeveloper shall post the amount of the fees in an escrow account to be maintained by the Redeveloper’s title insurance company, to be disbursed upon resolution of the dispute). If the reason for the Agency’s refusal to issue a Certificate of Completion is limited to the provision of specific minor finish items, the Agency will issue the Certificate of Completion upon the Redeveloper’s posting of a bond or other security, reasonably satisfactory to the Agency, in an amount representing the fair value of the work not yet completed.

f. The time for completion of the Project may be extended for a period of time equal to any delay in Construction due to any Force Majeure Event(s) set forth in Article 10 of this Agreement. In no event, however, shall the deadline for completion of construction of the Project be extended beyond thirty six (36) months from the time of initial notice of occurrence of the Force Majeure event.

2.7 Monthly Status Reports. The Redeveloper shall provide a monthly status report to the Agency to report on the status of the Project (“Status Report”). The monthly Status Report shall consist of a narrative addressing the current status and any relative updates regarding the progress of the Project including but not necessarily limited to: the submission, review, and approval of the Governmental Applications; the financial commitments obtained for the Project; environmental remediation (to satisfy applicable environmental standards if required); site preparation; construction of improvements including infrastructure and utilities, compliance with the Redevelopment Plan; and any other matters that either Party may deem appropriate. The monthly Status Report shall be provided to the Executive Director via email no later than the end of the business day on the Wednesday preceding the Agency's monthly meeting. The Redeveloper agrees to attend and participate in status report meetings with the Agency, as may be requested from time to time, upon reasonable notice. The aforementioned status report meetings shall be held at such locations and times as determined by the Agency.

2.8 Access to Project. At any reasonable time, the Agency and its authorized representatives shall have the right to enter the Project Site to inspect the site and any and all work in progress. In no event shall the Agency’s inspection of the Project be deemed acceptance of the work or be deemed to waive any right the Agency has under this Agreement.

2.9 Insurance. From and after the date Redeveloper acquires title to the Project Site, Redeveloper shall provide and maintain, or cause to be maintained, insurance for the Project in the Redevelopment Area, as shall reasonably be required to conform to customary insurance practices for similar projects until a final Certificate of Completion has been issued with regard to the Project. Upon request, Redeveloper shall furnish the Agency with satisfactory proof that it has obtained the insurance described above from insurance companies or underwriters reasonably satisfactory to the Agency. The Agency and Township shall be named as an additional insured party under all such insurance policies, except the insurance for workers compensation.

2.10 Indemnification.

a. Redeveloper covenants and agrees, at its expense, to pay and to indemnify, protect, defend and hold the Agency Indemnified Parties harmless from and against all liability, losses, damages, demands, costs, claims, lawsuits, administrative proceedings, fines, penalties, and expenses (including reasonable attorneys’ fees and court costs) of every kind, character and nature resulting, wholly or partially, from (i) the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing, leasing or sale of the property on which the Project is to be developed or any improvements thereon and/or (ii) the performance or any failure or delay of performance of this Agreement, any of which is the result of action or inaction by Redeveloper, its agents, servants, employees or contractors, including but not limited to the death of any person or any accident, injury, loss, and damage whatsoever to any Person or to the property of any Person that shall occur on or adjacent to the

property on which the Project is being developed and that results, wholly or partially, from any negligence or willful misconduct of Redeveloper, its agents, servants, employees or contractors, unless the Agency Indemnified Parties are primarily responsible for the liability or (iii) any lawsuit or other proceeding commenced by any Person, except Redeveloper, because of action(s) or omissions of the Agency Indemnified Parties, its employees, agents, representatives and elected officials taken in good faith in fulfillment of its responsibilities in connection with the Project or this Agreement.

b. Redeveloper shall defend, indemnify and hold harmless the Agency Indemnified Parties and their officers, agents, employees, contractors, and consultants from any liability, losses, damages, demands, costs, claims, lawsuits, administrative proceedings, fines, penalties, and expenses (including attorneys' fees and court costs) of every kind, character and nature resulting, wholly or partially, from (i) any failure by Redeveloper and/or its agents, servants, employees or contractors at the property on which the Project is to be developed or elsewhere to comply with Environmental Laws and, (ii) from any release or releases of any hazardous substance on, in, under or from the property on which the Project is being developed during or after the term of this Agreement resulting from any misperformance or failure of performance by Redeveloper, its agents, servants, employees, or contractors of Redeveloper's obligations under this Redevelopment Agreement unless the Agency Indemnified Parties are primarily responsible for the liability.

c. In any situation in which an Agency Indemnified Party is entitled to the indemnification by Redeveloper, Redeveloper shall resist and defend any action or proceeding on behalf of the Agency Indemnified Party, including the employment of counsel reasonably acceptable to the Agency Indemnified Party and the payment of all expenses. The Agency Indemnified Party shall have the right to consent to any other settlement negotiated by Redeveloper. These obligations of Redeveloper may be performed by an insurer of Redeveloper to the extent coverage has been acquired. Redeveloper shall have the right to settle any such action on terms it deems appropriate, provided that Redeveloper obtains a full release of the Agency Indemnified Party and no admission of liability by the Agency Indemnified Party is required.

d. This indemnity shall remain in effect during the period of the statute of limitations and the applicable appeal period remains open, as determined in accordance with applicable law, and shall survive the termination of this Agreement (if same is terminated prior to the expiration of the survival period) and/or the issuance of a Certificate of Completion for the Project. This indemnity shall run with the land and be referenced in the Declaration; provided however that in the event of a foreclosure or transfer in lieu of foreclosure the indemnity will run with the land only to the extent that the underlying act, omission or condition that gives rise to the indemnity occurs or first arises after the foreclosure or transfer in lieu of foreclosure.

2.11 Certificate(s) of Occupancy. Upon completion of the Project, Redeveloper shall apply to the Franklin Township Construction Department for a temporary certificate of occupancy or a certificate of occupancy, as appropriate under the circumstances according to the appropriate law or regulation. The certificate of occupancy, when issued, shall constitute evidence that Redeveloper has fully performed its obligations under applicable laws with respect to the construction of the Project. However, issuance of the certificate of occupancy shall not entitle Redeveloper to a Certificate of Completion pursuant to Sections 2.6(e) and 2.12 of this

Agreement. The Agency shall issue the Certificate of Completion only upon its reasonable determination that the Redeveloper has performed any and all obligations under this Agreement, whether or not required for the certificate of occupancy.

2.12 Certificate of Completion. The Certificate of Completion issued for the Project shall acknowledge that Redeveloper has completed performance of all of its duties and obligations under this Agreement with respect to the Project and has completed the Project in accordance with the requirements of this Agreement. The Certificate of Completion may be issued when all conditions have been met for completion of the Project. Upon issuance and recording of a Certificate of Completion with respect to the Project, (a) the Redeveloper shall be released from all obligations under this Agreement with respect to the Project; except as set forth in Section 2.10 of this Agreement, and (b) upon issuance of the Certificate of Completion for the Project, the conditions determined to exist at the time the Project Site was determined to be in need of redevelopment shall be deemed to no longer exist and the Project Site shall no longer be subject to eminent domain for the public purpose of redevelopment.

2.13 Affirmative Action; First Source Employment Requirement; Equal Employment Opportunities. Redeveloper will at all times conform to the laws, regulations, policies of the State of New Jersey, the Federal government, and other relevant governmental bodies with respect to affirmative action, first source employment requirements and equal employment opportunities requirements, and particularly those which are imposed as a condition to receipt of any government sponsored funding for the Project, notwithstanding any other provision of this Agreement to the contrary.

2.14 Agency Costs.

a. Reimbursement Obligation. Redeveloper agrees to reimburse the Agency in full for all direct costs paid to third parties in connection with the Project, including but not limited to legal and other professional fees (“Agency Costs”), provided that all such costs incurred by the Agency shall have been reasonably incurred. Agency Costs shall include costs incurred by the Agency prior to the execution of this Agreement and costs associated with the approval of any transfer of title pursuant to Article 7.

b. Escrow Fund. Within five (5) business days of the full execution of this Agreement, Redeveloper shall deposit Ten Thousand (\$10,000.00) Dollars with the Agency (hereinafter referred to as the “Escrow Fund”) and said Escrow Fund shall be maintained by the Agency in a separate, interest bearing escrow account and shall be drawn down by the Agency to pay the Agency Costs. Interest earned on the Escrow Fund shall accrue to the Redeveloper. Use of the proceeds of the Escrow Fund shall be subject to the same standards set forth in N.J.S.A. 40:55D-53.2 with respect to escrows under the Municipal Land Use Law. If the Escrow Fund drops below Five Thousand Dollars (\$5,000), the Agency shall notify Redeveloper in writing and Redeveloper shall replenish the Escrow Fund to the funding level of Ten Thousand (\$10,000.00) Dollars within ten (10) business days of the request made in writing by the Agency. Establishment of the Escrow Fund shall not supersede or in any way diminish Redeveloper’s obligations with respect to any escrow that may be required by the Planning Board pursuant to the Municipal Land Use Law. It is agreed that a Certificate of Completion will not be issued by the Agency for the Project unless the Agency Costs have been paid.

2.15 Remediation Obligation. To the extent environmental conditions exist and/or are discovered within the Project Site which require remediation or to the extent that any governmental agency with jurisdiction over the Project Site requires or recommends any mitigation or remediation as a condition to the sale or development of the Project, the Redeveloper shall have the sole obligation to remediate and satisfy all legal requirements of any governmental entity having jurisdiction concerning remediation on the Project Site and comply with all applicable federal, state and local environmental statutes, regulations and standards regarding the remediation of the Project Site.

2.16 Lease Obligation. Redeveloper agrees that prior to the issuance of a Certificate of Completion that it will enter into a "long-term lease" with Wawa Inc. as tenant to operate the Project Site. Such lease shall (i) contain an initial lease term for a minimum of twenty (20) years, (ii) be presented to the Agency, and (iii) be satisfactory to the Agency. Redeveloper acknowledges and agrees that the Agency has no obligation to issue a Certificate of Completion for the Project if Redeveloper is unable to obtain the aforementioned long-term lease.

ARTICLE 3 AGENCY'S OBLIGATIONS.

3.1 Cooperation with respect to Governmental Applications. The Agency will cooperate with Redeveloper's efforts to make timely Governmental Applications for the Project.

ARTICLE 4 FINANCING.

4.1 Financing.

It shall be exclusively the obligation of Redeveloper to finance the Project, which includes, but is not limited to, land acquisition, construction and soft costs ("Project Costs"). The Redeveloper represents that it will use all commercially reasonable efforts to obtain sufficient financing for the Project Costs.

The Redeveloper shall submit to the Agency at such times as may be required by the Agency, evidence satisfactory to the Agency that the Redeveloper continues to have the commitments for mortgage or other financing necessary for the Project Costs.

ARTICLE 5 REDEVELOPMENT PLAN AMENDMENT

5.1 Redevelopment Plan Amendment. Redeveloper and the Agency agree that the rights, obligations and liabilities of the Parties under this Agreement are conditioned upon the Governing Body adopting an ordinance amending the Redevelopment Plan to allow Redeveloper to redevelop the Project Site consistent with the Site Plan referenced in Section 2.2 of this Redevelopment Agreement. If such ordinance amending the Redevelopment Plan has not been adopted within six (6) months from the Effective Date of this Redevelopment Agreement, then this Agreement shall automatically terminate and be null and void and Redeveloper shall lose its status as redeveloper of the Project Site.

ARTICLE 6
COVENANTS AND RESTRICTIONS.

6.1 Declaration of Covenants and Restrictions. Redeveloper agrees to record a Declaration of Covenants and Restrictions (hereinafter called “Declaration”) with respect to the Project Site and the Project. Redeveloper agrees to execute the Declaration to signify consent to the encumbrance of its interests in the Project Site and the Project. The Declaration shall impose the agreements, covenants and restrictions required pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-9, and Section 2.09 and Section 6.3 and Article 7 of this Agreement.

6.2 Restrictions on Use. The Declaration shall set forth that the Redeveloper and its successors and assigns shall devote the Project Site exclusively to the uses established for the Project Site in the Redevelopment Plan, as described in this Agreement and as the Redevelopment Plan may be amended from time to time.

6.3 Nondiscrimination Covenants. The Declaration shall set forth that the Redeveloper and its successors and assigns shall:

a. Not discriminate upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status in the sale, lease, rental, use or occupancy of the Project or any buildings or structures erected or to be erected thereon, or any part thereof; and

b. In the sale, lease or occupancy of the Project, not effect or execute any covenant, agreement, lease, conveyance or other instrument whereby the Project Site or any building or structure erected or to be erected thereon, which may be used for residential, retail, commercial/office purposes, is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex or marital status, and that Redeveloper and its successors and assigns shall comply with all federal, State and local laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex or marital status.

6.4 Effect and Term of Covenants. The Declaration shall expressly provide that the agreements and covenants set forth in Sections 6.2 and 6.3 of this Agreement shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Township and Agency, their respective successors and assigns, against Redeveloper, and its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Project.

6.5 Enforcement by Agency. In amplification, and not in restriction of the provisions of this Article 6, it is intended and agreed (and the Declaration shall so state) that the Agency and/or its successors and assigns shall be deemed beneficiaries of the agreements and covenants set forth above, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants shall run in favor of the Agency for the entire period during which such agreements and covenants shall be in force and effect, without regard to

whether the Agency has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The Agency shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which they or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE 7

PROHIBITION AGAINST ASSIGNMENT AND TRANSFER.

7.1 Prohibition against Speculative Development. Because of the importance of the redevelopment of the Project to the general welfare of the community, Redeveloper represents and agrees that the Project Site and Redeveloper's undertakings pursuant to this Agreement are, and will be used for the purpose of the redevelopment of the Project as provided herein and not for speculation.

7.2 Prohibition against Transfers. Redeveloper recognizes that the Agency regards both the Project and the qualifications and identity of the Redeveloper and its principals as being of great importance to the general welfare of the community. The Agency and Redeveloper each acknowledges and agrees that a change in ownership of Redeveloper or any other act or transaction involving or resulting in a change with respect to the identity of the parties in ownership or control of Redeveloper is, for practical purposes, a transfer or disposition of the Project then owned by Redeveloper, including the right to redevelop the Project Site, and that no voluntary or involuntary successor in interest of the Redeveloper shall acquire any interest in or rights or powers under this Agreement. Except for Permitted Transfers, as set forth in Section 7.3, prior to the issuance of a final Certificate of Completion for the Project, Redeveloper shall not, without the prior written consent of the Agency: (a) effect or permit any change, directly or indirectly, in the ownership or control of Redeveloper, (b) assign or attempt to assign this Agreement or any rights herein or in the Project Site, or (c) make any total or partial sale, lease, transfer or conveyance of the whole or any part of its interest in the Project Site or the Project (each a "Transfer"). For the avoidance of doubt, the Agency consents to a transfer of title to an Authorized Holder upon a foreclosure or transfer in lieu of foreclosure, as and to the extent provided in Section 8.1 of this Agreement.

7.3 Permitted Transfers. The Redeveloper may affect the following Transfers, to which the Agency hereby consents upon receipt of notice thereof, without the necessity of further action by the Agency (the "Permitted Transfers"): (a) a mortgage and related security (including conditional assignments to mortgagees or holders of a mortgage interest on the Project Site required as a condition to the closing of the financing so secured) granted by Redeveloper to a holder of a mortgage interest for the purpose of financing the costs associated with, or incurred in connection with the development and construction of the Project ("Authorized Holder", it being expressly acknowledged that an affiliate of Redeveloper shall not be an Authorized Holder); (b) the Declaration, provided that such Declaration shall otherwise be in compliance and consistent with the Redevelopment Plan and this Agreement; and (c) utility and other development easements.

7.4 Notice of Permitted Transfers. With respect to any Permitted Transfer (except as described in Section 7.3(c), Redeveloper shall provide to the Agency written notice at least

twenty (20) days prior to any such Permitted Transfer, including a description of the nature of such Permitted Transfer, and the name(s) and address(es) of the transferee party and any parties, individuals and/or entities comprising the transferee party.

7.5 Transfers of Interests in Which Control is Transferred. With the express prior written consent of the Agency, Redeveloper may, prior to the issuance of a Certificate of Completion, effect a Transfer of title to all or a portion of the Project Site and/or the Project to a transferee that has the qualifications and financial responsibility necessary and adequate, as may be reasonably determined by the Agency, to fulfill the obligations to be undertaken in this Agreement by Redeveloper. As part of the Agency's consideration of any Transfer pursuant to this Section, the proposed transferee must provide all of the following information required by the "Redeveloper Submission Requirements for Potential Redevelopment Projects in the Redevelopment Area" attached hereto as Exhibit "B" and satisfy any other conditions as reasonably determined by the Agency.

a. Written documentation by the proposed transferee, in form and content reasonably satisfactory to the Agency, for itself and its successors and assigns, and for the benefit of the Agency, by which the proposed transferee (i) expressly assumes all of the obligations of Redeveloper under this Agreement applicable to the property interest conveyed with such sale, assignment or Transfer, and (ii) agrees to be subject to all the conditions and restrictions to which Redeveloper is subject under this Agreement, including restrictions regarding the right to subsequent Transfers.

b. Upon receipt of the above materials, in form and content satisfactory to the Agency, the Agency may approve the proposed transferee and give its consent to the transfer, which consent shall not be unreasonably withheld.

c. The provisions of this Section 7.5 shall apply to all voluntary and involuntary transfers for which the Agency's consent is required, excluding a transfer to an Authorized Holder upon foreclosure or transfer in lieu of foreclosure, and a transfer upon foreclosure to any other purchaser at the foreclosure sale, as provided in Section 8.1 of this Agreement.

d. The transfer rights granted pursuant to this Section are personal to Redeveloper and shall not run to any transferee unless this Agreement is formally amended to so provide.

7.6 Transfers Void. Any Transfer of Redeveloper's interest in violation of this Article 7 shall be an Event of Default of Redeveloper and shall be null and void ab initio. Any such Event of Default shall entitle the Agency to seek all remedies available under the terms hereof, and those available pursuant to law or equity, including termination of this Agreement. In the absence of Permitted Transfers or specific written consent by the Agency, no such sale, Transfer, conveyance or assignment of the Project Site or Project shall be deemed to relieve Redeveloper from any obligations under this Agreement. The Declaration shall contain a restriction against transfers as set forth in this Agreement. In addition, in the event of any attempted Transfer in violation of the restrictions in this Article 7, the Agency shall be entitled to the ex parte issuance of an injunction restraining such Transfer, and the award of legal fees and related expenses of the Agency in connection with any such legal action, and the Declaration

shall also provide for same. Upon the recording of the Declaration in the Office of the Somerset County Clerk, the provision affording such injunctive relief shall have the same force and effect as a Notice of Lis Pendens. Upon recording of each final Certificate of Completion for the Project, the provisions of this Article 7 and the Declaration, as set forth in this Article 7, shall be thereby terminated.

ARTICLE 8

MORTGAGE FINANCING.

8.1 Notice of Default to the Redeveloper and Right to Cure.

a. Whenever the Agency shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper under this Redevelopment Agreement, the Agency shall at the same time deliver to each Authorized Holder a copy of such notice or demand, provided that the Redeveloper has delivered to the Agency a written notice of the name and address of such Authorized Holder. Each such Authorized Holder shall (insofar as the rights of the Agency are concerned) have the right at its option within ninety (90) days after the receipt of such notice (and the expiration of all applicable cure periods), to cure or remedy, or to commence to cure or remedy, any such default which is subject to being cured and to add the cost thereof to the debt and the lien which it holds.

b. To the extent that any Authorized Holder is required to foreclose against any lien it has with respect to the Project Site and/or Project improvements (as a result of a Redeveloper Event of Default or a default by the Redeveloper under any agreements executed by the Redeveloper and its lenders), the Agency agrees to forebear from the enforcement of any remedies provided under this Redevelopment Agreement that it may have against the Redeveloper in order to permit such Authorized Holder to assume the obligations of the Redeveloper under this Redevelopment Agreement, provided however, that the Agency shall not be obligated to forebear from the exercise of any remedies available to it hereunder if such forbearance will result (or may result, in the reasonable judgment of the Agency) in a waiver of the Agency's rights under this Redevelopment Agreement or a material and adverse effect on the Agency's rights or performance obligations hereunder or any material increase in the Agency's financial obligations hereunder.

8.2 No Guarantee of Construction of Completion by Authorized Holder.

a. An Authorized Holder shall in no manner be obligated by the provisions of this Redevelopment Agreement to construct or complete the Project, or to guarantee such construction or completion; nor shall any covenant or any other provisions be construed so to obligate an Authorized Holder. Nothing contained in this Redevelopment Agreement shall be deemed to permit or authorize such Authorized Holder to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the Authorized Holder's security, including the improvements or construction already made) without the Authorized Holder or affiliate of an Authorized Holder first having expressly assumed the Redeveloper's obligations to the Agency with respect to the Project by written agreement reasonably satisfactory to the Agency.

b. If an Authorized Holder forecloses its mortgage secured by the Project Site or Project improvements, or takes title (in its name or the name of an affiliate) to the Project Site or Project improvements by deed-in-lieu of foreclosure or similar transaction (collectively a “Foreclosure”), the Authorized Holder or its affiliate shall have the option to either (i) sell the Project Site or Project improvements, as applicable, to a responsible Person reasonably acceptable to the Agency, which Person shall expressly assume the obligations of the Redeveloper under this Redevelopment Agreement, and/or (ii) itself, or its affiliate, expressly assume the obligations of the Redeveloper under this Redevelopment Agreement. In the event of a Foreclosure and provided that the Authorized Holder or the purchaser is in compliance with this Redevelopment Agreement, the Agency shall not seek to enforce against the Authorized Holder or purchaser of such parcel any of the remedies available to the Agency pursuant to the terms of this Redevelopment Agreement available in connection with the events preceding the Foreclosure. The Authorized Holder, or the entity assuming the obligations of the Redeveloper as to the parcel affected by such Foreclosure or sale, in that event must agree to complete the Project in the manner provided in this Redevelopment Agreement, but subject to reasonable extensions of the Completion Date, and shall submit evidence reasonably satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such Authorized Holder, or other entity assuming such obligations of the Redeveloper, properly completing the Project shall be entitled, upon written request made to the Agency, to Certificates of Completion. Nothing in this Redevelopment Agreement shall be construed or deemed to permit or to authorize any Authorized Holder, or such other entity assuming such obligations of the Redeveloper, 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 for or authorized by this Redevelopment Agreement. The Authorized Holder or such other entity that assumes the obligations of the Redeveloper shall be entitled to develop the Project Site or Project in accordance herewith.

ARTICLE 9

DEFAULT, CURE, REMEDIES AND TERMINATION.

9.1 Events of Default. Occurrence of any one or more of the following events shall constitute an “Event of Default” hereunder, unless such event results from the occurrence of a Force Majeure Event:

a. Redeveloper fails to observe and perform any obligation, covenant, condition or other provision of this Agreement in a material respect, and such failure continues for a period of fifteen (15) days as to a monetary breach and sixty (60) days as to a non-monetary breach, after receipt by the Redeveloper of written notice specifying the nature of such failure and requesting that such failure be remedied (the “Default Notice”). However, if the breach of any such covenant, condition or agreement is one which cannot be completely remedied within fifteen (15) days in the event of a monetary breach or sixty (60) days in the event of a non-monetary breach, after such Default Notice has been given, it shall not be an Event of Default as long as the Redeveloper is proceeding with due diligence to remedy the same and the default is fully remedied not later than one hundred twenty (120) days after mailing of the Default Notice. If the Redeveloper is unable to cure the default within one hundred twenty (120) days after the mailing of the Default Notice, but has commenced to cure such default and diligently proceeds to

prosecute such cure to completion, the Agency will not unreasonably withhold its approval of the Redeveloper's request for a further extension.

b. Redeveloper experiences financial reversals such that any of the following events occurs:

- (1) Redeveloper applies for or consents to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets;
- (2) Redeveloper (a) makes a general assignment for the benefit of creditors, or (b) files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or takes advantage of any insolvency law;
- (3) Redeveloper files an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding;
- (4) Redeveloper takes any action for the purpose of effecting any of the foregoing;
- (5) A petition in bankruptcy is filed against Redeveloper and is not dismissed for a period of sixty (60) consecutive days;
- (6) An Order for Relief is entered with respect to or for the benefit of Redeveloper under the Bankruptcy Code;
- (7) An order, judgment or decree is entered, with or without the application, approval or consent of Redeveloper, by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of Redeveloper or a substantial part of its assets and such order, judgment or decree continues unstayed and in effect for any period of sixty (60) consecutive days; or
- (8) Redeveloper suspends the transaction of its usual business.

c. A complaint in foreclosure is filed against the Redeveloper or action in lieu thereof is issued for any financing in connection with the Project.

d. Redeveloper or its successor in interest:

- (1) Fails to pay any real estate taxes on the land or assessments on the Project Site thereof when due and, within ten (10) days after written demand by Agency to do so, fails to pay such real estate taxes or assessments, or make provision satisfactory to the Township for such payment, including but not limited to the provision of a surety bond satisfactory to the Township; provided, however, that this shall not abrogate the right of Redeveloper to contest in good faith such assessments and taxes, so long as

adequate reserves have been posted to the reasonable satisfaction of the Township, or

- (2) Places any encumbrance or lien unauthorized by this Redevelopment Agreement on the Project Site.

e. Redeveloper implements a transfer in violation of this Agreement that has not been approved by the Agency as set forth in this Agreement.

9.2 Agency's Remedies. Upon the occurrence of any Event of Default, the Agency shall have the right to terminate this Agreement (but no such termination shall terminate the rights of an Authorized Holder under this Agreement) and the Agency may institute whatever action, at law or in equity, it may deem desirable to cure and remedy such default, including the seeking of damages. If this Agreement is terminated by the Agency, the Agency shall terminate the Redeveloper's designation as the Redeveloper of the Project Site. Upon termination of the Agreement and in addition to any other remedies available to the Agency at law or in equity, the Agency shall be reimbursed for all outstanding Agency Costs associated with the Project. The Escrow Fund may be used for this purpose, but Redeveloper shall be responsible for reimbursing all outstanding Agency Costs, regardless of the amount remaining in the Escrow Fund at the time of termination. This provision shall survive termination of this Agreement. In the event this Agreement is terminated for any reason except as a result of the Agency's fault, Redeveloper shall deliver to the Agency, within ten (10) days after such termination, copies of all reports, studies, data, plans, surveys, title reports, subdivision maps and specifications prepared by Redeveloper and third parties with respect to the Project Site and the Project and all documents, reports, permits and approvals obtained by Redeveloper relating to the Project Site and the Project that are not subject to privilege and/or are confidential in nature.

9.3 Replacement of Redeveloper. Upon termination of Redeveloper's rights under this Agreement pursuant to Section 9.2, at the Agency's sole discretion, the Agency shall use its best efforts to designate a replacement redeveloper for the Project (subject to such permitted Mortgage as may exist against the Project), provided that the acquisition of property for the Project is acknowledged to require an exercise of eminent domain by the Agency, unless the property can be acquired by voluntary transfer. Nothing in this Section shall impair any of (a) the liens of the Authorized Holder; or (b) if default is with respect to completion of construction, the right of the Authorized Holder to complete construction of the Project and obtain Certificates of Completion, as provided in Article 8. The replacement redeveloper shall be designated in such manner as the Agency shall find feasible and consistent with the Agency's objectives and the Redevelopment Plan. The replacement redeveloper shall be a qualified and responsible party or parties as determined by the Agency, who will assume the Redeveloper's obligation of completing the Project in its stead as shall be satisfactory to the Agency and in accordance with the uses specified in this Agreement and the Redevelopment Plan.

9.4 No Waiver by Delay. The failure of the Agency to avail itself of any remedy provided for in this Agreement, or the Agency's delay in seeking such remedy, shall not be deemed a waiver of the rights to be enforced thereby or of any right of enforcement that may accrue in the future.

ARTICLE 10
FORCE MAJEURE.

10.1 Force Majeure Events. Performance by either Party hereunder shall not be deemed to be in default where delays or failure to perform are the result of any of the following acts, events or conditions or any combination thereof (“Force Majeure Events”) that (i) have had or may be reasonably expected to have a direct, material, adverse effect on the rights or obligations of the parties to this Redevelopment Agreement and (ii) are beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Agreement:

a. An act of God, lightning, blizzards, earthquake, acts of a public enemy, war, terrorism, blockade, freight embargoes, epidemics, insurrection, riot or civil disturbance, sabotage or similar occurrence; but not including reasonably anticipated weather conditions for the geographic area of the Project other than those set forth above (such events being required to physically affect a Party’s ability to fulfill its obligations hereunder); the consequential effect of such events (e.g., impact on market conditions) shall not be considered a Force Majeure Event.

b. A landslide, fire, explosion, flood, nuclear radiation or similar occurrence not created by an act or omission of the Party relying thereon;

c. The order, judgment, action and/or determination of any federal, State or local court, administrative agency or governmental authority with jurisdiction within the Township, excepting decisions interpreting federal, State and local laws generally applicable to all business taxpayers, adversely affecting the construction of the Project; provided, however, that such order, judgment, action and/or determination shall not be the result of the willful, intentional or negligent action or inaction of the Party relying thereon and that neither the contesting of any such order, judgments, action and/or determination, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such Party;

d. The suspension, termination, interruption, denial or failure of or delay in renewal or issuance of any Governmental Approval which is essential to the implementation of the Project (as evidenced by written notices from the governmental authority having jurisdiction over such matter), or a third party challenge to the approval of any Governmental Approval, but (i) any such suspension, termination, interruption, denial or failure of renewal or issuance, or any third party appeal of an approval shall not be the result of the action or inaction of the Party relying thereon and (ii) neither the contesting of any such suspension, termination, interruption, denial or failure of renewal or issuance, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such Party;

e. Strikes or similar labor action by equipment manufacturers, suppliers of material and/or transporters of same;

f. Acts or omissions of the other Party, except in conformance with this Redevelopment Agreement.

10.2 Force Majeure Events Strictly Construed. The parties acknowledge that the acts, events or conditions set forth in Section 10.1 above are intended to be the only acts, events or conditions which may (upon satisfaction of the conditions specified above) constitute Force Majeure Events. During the pendency of any Force Majeure Event that affects the Project, Redeveloper shall continue to perform its obligations with respect to the remainder of the Project. The existence of a Force Majeure Event shall not prevent a Party from declaring the occurrence of an Event of Default by the Party relying on such Force Majeure Event, as long as the Event of Default is not the result of Force Majeure. Except for Force Majeure Events resulting from acts or omissions of the Agency, all Force Majeure Events will be deemed to have ceased to exist as of a date thirty-six (36) months from its initial notice of occurrence.

ARTICLE 11 REPRESENTATIONS AND WARRANTIES.

11.1 Redeveloper's Representations. Redeveloper represents and warrants the following to the Agency for the purpose of inducing the Agency to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the Effective Date of this Agreement:

a. Redeveloper is a limited liability company organized under the laws of the State of Delaware, is authorized to do business in the State of New Jersey, is in good standing under the laws of the State of Delaware and State New Jersey, and has all requisite power and authority to carry on its business as now and whenever conducted, and to enter into and perform its obligations under this Agreement.

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

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

d. The Redeveloper has not been declared ineligible to do business with any state or the federal government.

e. There is no pending, or to the best of Redeveloper's knowledge, threatened litigation which would prevent Redeveloper from performing its duties and obligations hereunder or have a material adverse effect on its financial condition.

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

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

h. No indictment has been returned against any members or officers or principals of Redeveloper with respect to any transaction related to the transactions contemplated by the terms of this Agreement or otherwise.

i. 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 effect on Redeveloper's financial condition.

j. All materials and documentation submitted by Redeveloper and its agents to the Agency and its agents were, at the time of such submission, and as of the date of this Agreement unless subsequently modified, materially accurate, and Redeveloper shall continue to inform the Agency of any material and adverse changes in the documentation submitted. Redeveloper acknowledges that the facts and representations contained in the submitted information are a material factor in the Agency's decision to enter into this Agreement.

k. Redeveloper is financially and technically capable of developing, designing, financing and constructing the Project.

l. Redeveloper's principals, The Dreher Group, LLC and ARC Property Trust, Inc., have consented to and will cooperate with Redeveloper's activities required to fulfill Redeveloper's obligations under this Agreement, including but not limited to recording the Declaration.

m. Redeveloper has not made any contributions that would violate provisions of the Township's Pay to Play legislation.

11.2 Delivery of Documents by Redeveloper. Simultaneously with the execution of this Agreement, Redeveloper shall deliver to the Agency certified copies of the Redeveloper's Certificate of Formation and Certificates of Good Standing.

11.3 Agency's Representations. The Agency represents and warrants the following to Redeveloper for the purpose of inducing Redeveloper to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the Effective Date of this Agreement:

a. The Agency is a redevelopment entity authorized to exercise certain powers pursuant to the Redevelopment Law.

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

c. This Agreement is duly executed by the Agency and is valid and legally binding upon the Agency and enforceable in accordance with its terms on the basis of laws

presently in effect 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 the Agency is a party.

d. There is no pending, or to the best of the Agency's knowledge, threatened litigation which would prevent the Agency from performing its duties and obligations hereunder.

ARTICLE 12
NOTICE.

12.1 A notice, demand or other communication under this 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 (and 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 Article 12.

TO THE TOWNSHIP:

Franklin Township Redevelopment Agency
475 DeMott Lane
Somerset, NJ 08873
Attention: Mark Healey, Executive Director

With copies to:

Anne S. Babineau, Esq., General Counsel
Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive
Woodbridge, New Jersey 07095

TO REDEVELOPER:

Franklin Juliette LLC
166 Nassau Street, 2nd Floor
Princeton, New Jersey 08542
Attention: Richard Dreher

With copies to:

Law office of Peter U. Lanfrit
3000 Hadley Road
So. Plainfield, NJ 07080

ARTICLE 13
MISCELLANEOUS.

13.1 Title of Articles. The titles of the several Articles and Sections of this 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 this Agreement.

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

13.3 Successors Bound. All agreements and covenants required under this Agreement shall be binding on Redeveloper itself, each owner and successor in interest to the Project Site and each party in possession or occupancy, respectively, only for such period as Redeveloper or such successor or party shall have title to, or an interest in, or possession or occupancy of the Project Site and/or the buildings and structures thereon. Additionally, this Agreement shall be binding upon the Agency and the Agency's successors in interest.

13.4 Waiver. No waiver made by the Agency or Redeveloper with respect to the performance (including the manner or time of performance) of any obligation of any other Party, or with respect to the satisfaction of any condition to the waiving Party's own obligations under this Agreement, shall be considered a waiver of any rights of the Party making the waiver, except with respect to those rights expressly waived in writing. Moreover, no such written waiver shall constitute a waiver with respect to any other rights of the waiving party or any other obligations of any other Party.

13.5 Cooperation and Compliance. The parties agree to cooperate with each other and to provide, when applicable, all necessary and reasonable documentation, certificates, and consents in order to satisfy the terms and conditions hereof and the terms and conditions of this Agreement. The reasonable cost of any such action shall be borne by the Redeveloper.

13.6 Governing Law. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

13.7 Counterparts. This 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.

13.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties, except as otherwise provided herein.

ARTICLE 14
Interpretation and Construction.

14.1 All statements in the Recitals are hereby repeated in their entirety as if set forth at length herein.

14.2 In this Agreement, unless the context otherwise requires:

a. Gender-specific words mean and include every other gender and words that are singular in number mean and include the plural number and vice versa.

b. Words connoting persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

c. Any headings preceding the texts of the several Articles and Sections of this Redevelopment Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Redevelopment Agreement, nor shall they affect its meaning, construction or effect.

d. Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any Person or Party hereunder shall not be unreasonably withheld, conditioned, or delayed.

e. All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time.

[SIGNATURES ON FOLLOWING PAGE]

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

ATTEST:

Township:

THE REDEVELOPMENT AGENCY OF
FRANKLIN TOWNSHIP(Acting as the
Redevelopment Entity of the Township of
Franklin)

Name:
Title: Township Clerk

By:_____
Name: Mark Healey
Title: Executive Director

ATTEST:

REDEVELOPER:

FRANKLIN JULIETTE LLC

Name:
Title:

By:_____
Name:
Title:

Exhibit A

Exhibit B