



SPRING STREET

PRELIMINARY INVESTIGATION

FOR AN AREA IN NEED OF REDEVELOPMENT

May 17, 2017

BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NJ

Clarke Caton Hintz



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BOROUGH OF FLEMINGTON, HUNTERDON COUNTY, NEW JERSEY

Designated by the Borough Council _____

Prepared By:

Clarke Caton Hintz



A handwritten signature in black ink, appearing to read "Elizabeth K. McManus", written over a light gray rectangular background.

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SECTION

1

Introduction

The Mayor and Council of the Borough of Flemington authorized the Planning Board to undertake a preliminary investigation to determine if 6 lots in the Borough meet the statutory requirements for designation as an area in need of redevelopment as a “non-condemnation” redevelopment area, pursuant to the Local Redevelopment and Housing Law (“LRHL”) (N.J.S.A. 40A:12A). This authorization was done on March 13, 2017 and was memorialized in Resolution 2017-66 (Appendix A.).

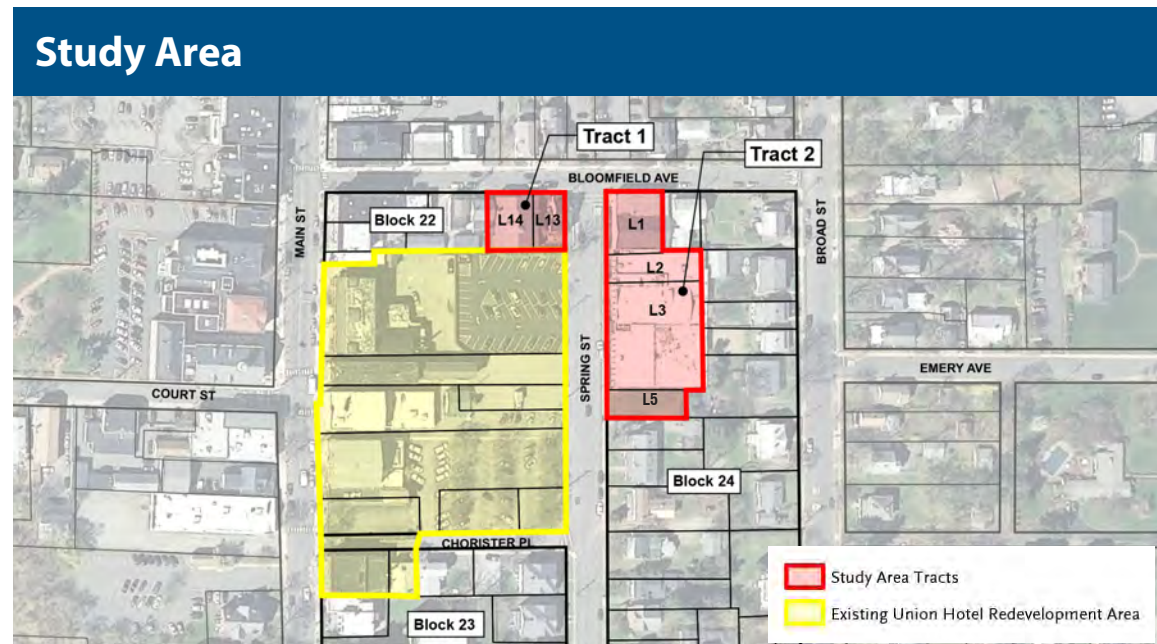
The Study Area is composed of two Tracts that include 6 lots totaling 0.9± acres. The lots are situated on Bloomfield Avenue and Spring Street and are located in the Borough’s DB Downtown Business zone district. The Study Area is adjacent to the Union Hotel Redevelopment Area and is being considered for inclusion in a comprehensive redevelopment proposal for that area. The addition of one or more lots in the Study Area would constitute an expansion of the Union Hotel Redevelopment Area.

The Borough’s downtown has a long history of redevelopment efforts. The Union Hotel Redevelopment Area, designated in 2010

subsequent to the Union Hotel’s 2008 vacancy, is the subject of two failed redevelopment efforts that took place between 2010 and 2015.

After review of a conceptual proposal, the Borough designated Flemington Center Urban Renewal, LLC the redeveloper for the Union Hotel Redevelopment Area. However the Concept Plan, dated August 22, 2016 (Appendix

D), depicts redevelopment of the existing Union Hotel Redevelopment Area, as well as the lands along Spring Street within the Study Area addressed herein. The Concept Plan, which includes the Study Area, is appended to the Redevelopment Agreement between the Borough and the Redeveloper, and has been conceptually approved by the Borough pursuant to the Redevelopment Agreement.



SECTION

2

Statutory Authority and Process

Under New Jersey's LRHL, municipalities are empowered to determine whether an area is in need of redevelopment, to adopt a redevelopment plan, and to implement redevelopment projects. The statute requires a multi-step process that must be adhered to in order for the municipal governing body and planning board to exercise these powers lawfully. This process is summarized below :

1. The governing body must authorize the planning board, by resolution, to undertake an investigation of the delineated area to determine whether it meets the criteria set forth in section 5 of the LRHL.
2. The planning board must then prepare a map showing the boundaries of the Study Area and the location of the various parcels therein.
3. The planning board must conduct a preliminary investigation and hold a duly noticed public hearing in order to discuss

the findings of the investigation and to hear persons who are interested in or would be affected by the contemplated action. The results and recommendations of the hearing are then referred to the governing body in the form of a planning board resolution.

4. Upon receipt of the recommendation from the planning board, the governing body may act to adopt a resolution designating the area in question, or any part thereof, as an area in need of redevelopment.
5. Upon designation, the planning board or governing body then prepares a redevelopment plan, which establishes the land development goals and objectives of the municipality and outlines the actions to be taken to accomplish these goals and objectives.
6. The redevelopment plan, after a public hearing and review by the planning board, is referred to the governing body.

7. Upon receipt of the redevelopment plan from the planning board, the governing body may act to adopt the plan by ordinance. The adopted redevelopment plan may become an amendment to the municipality's zoning district map and zoning ordinance or may be treated as an overlay to existing zoning.

Only after completion of this public process is a municipality able to exercise the powers granted under the LRHL for areas in need of redevelopment. These powers include but are not limited to

- Acquire land or building identified for redevelopment acquisition in the redevelopment plan through lease, purchase or eminent domain.
- Offer long-term tax abatements and exemptions for a period of up to 30 years from the completion of the project, or not more than 35 years from the execution of the financial agreement between the municipality and the urban renewal entity.

- Clearing an area, install, construct or reconstruct streets, facilities, utilities and site improvements.
- Negotiating and entering into contracts with private redevelopers or public agencies for the undertaking of any project or redevelopment work.
- Making loans to redevelopers to finance any project or redevelopment work.
- Entering buildings or property to conduct investigations or make surveys; contracting with public agencies for relocation of residents, industry or commerce.
- Enforcing laws, codes and regulations relating to use and occupancy; repairing, rehabilitating, demolishing or removing buildings.
- Exercising other powers, including the power to do all things necessary or convenient to carry out its plans.

This report meets the requirement listed under step 3, above, for a preliminary investigation and provides the Planning Board and Borough Council with the necessary information to determine the appropriateness of a redevelopment designation for the Spring Street Study Area.

SECTION

3

Study Area Conditions

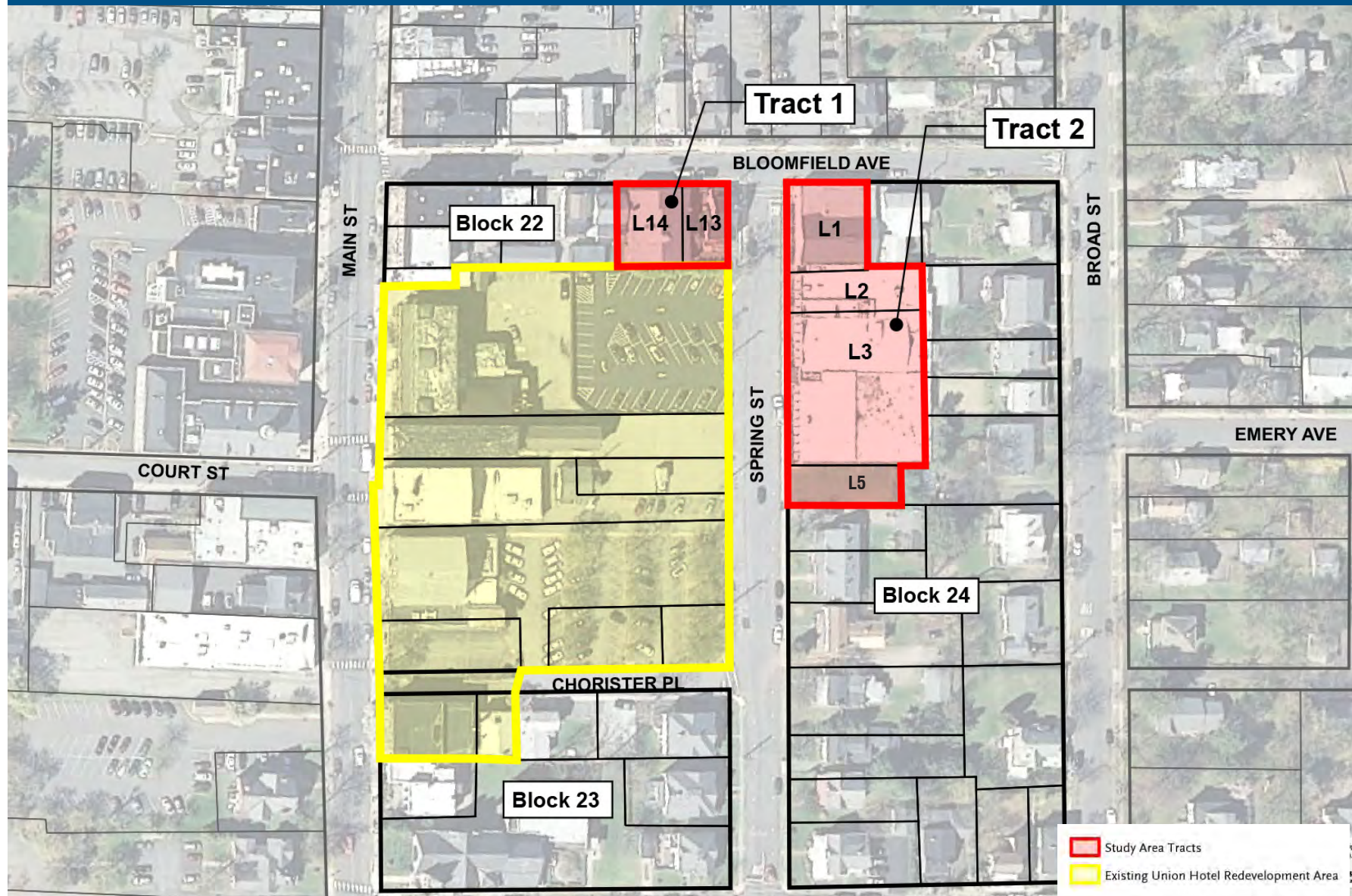
The 0.9± acre Study Area is located in the downtown and historic district of the Borough of Flemington. It is composed of 6 lots situated at the corner of Bloomfield Avenue and Spring Street. The majority of lots have frontage on Spring Street. All lots are owned by one entity - Flemington Fur Co LLC, whose retail store is the largest use in the Study Area. There are no environmental constraints, such as wetlands or special flood hazard areas, within the Study Area and none of the lots are listed on the NJDEP Known Contaminated Sites List.

The Study Area is adjacent to the Union Hotel Redevelopment Area. This Redevelopment Area is bound by Main Street to the west, Chorister Place to the south with the exception of two lots, and Spring Street to the east; it does not include any lots along Bloomfield Avenue.

Spring Street Study Area				
Tract	Block/Lot	Address	Owner	Acreage
1	B 22 / L 14 p/o	21 Bloomfield Ave	Flemington Fur Co. LLC	0.11
	B 22 / L 13	23 Bloomfield Ave	Flemington Fur Co. LLC	0.07
2	B 24 / L 1	2 Spring St	Flemington Fur Co. LLC	0.12
	B 24 / L 2 & 3	8 Spring St	Flemington Fur Co. LLC	0.51
	B 24 / L 5	12 Spring St	Flemington Fur Co. LLC	0.08
Total Area				0.89 acres

In 2011, a portion of Block 22, Lot 4, containing the surface parking lot at the rear of the Union Hotel building, was merged with Lot 14; resulting in a total lot area of 0.60 acres. The subdivided portion of Block 22, Lot 4 was previously included within the Union Hotel Redevelopment Area. Therefore, only the 0.11 acre portion of Block 22, Lot 14 with frontage on Bloomfield Avenue is included within this Study Area; the other 0.49 acres are included in the existing Union Hotel Redevelopment Area.

Study Area Tracts

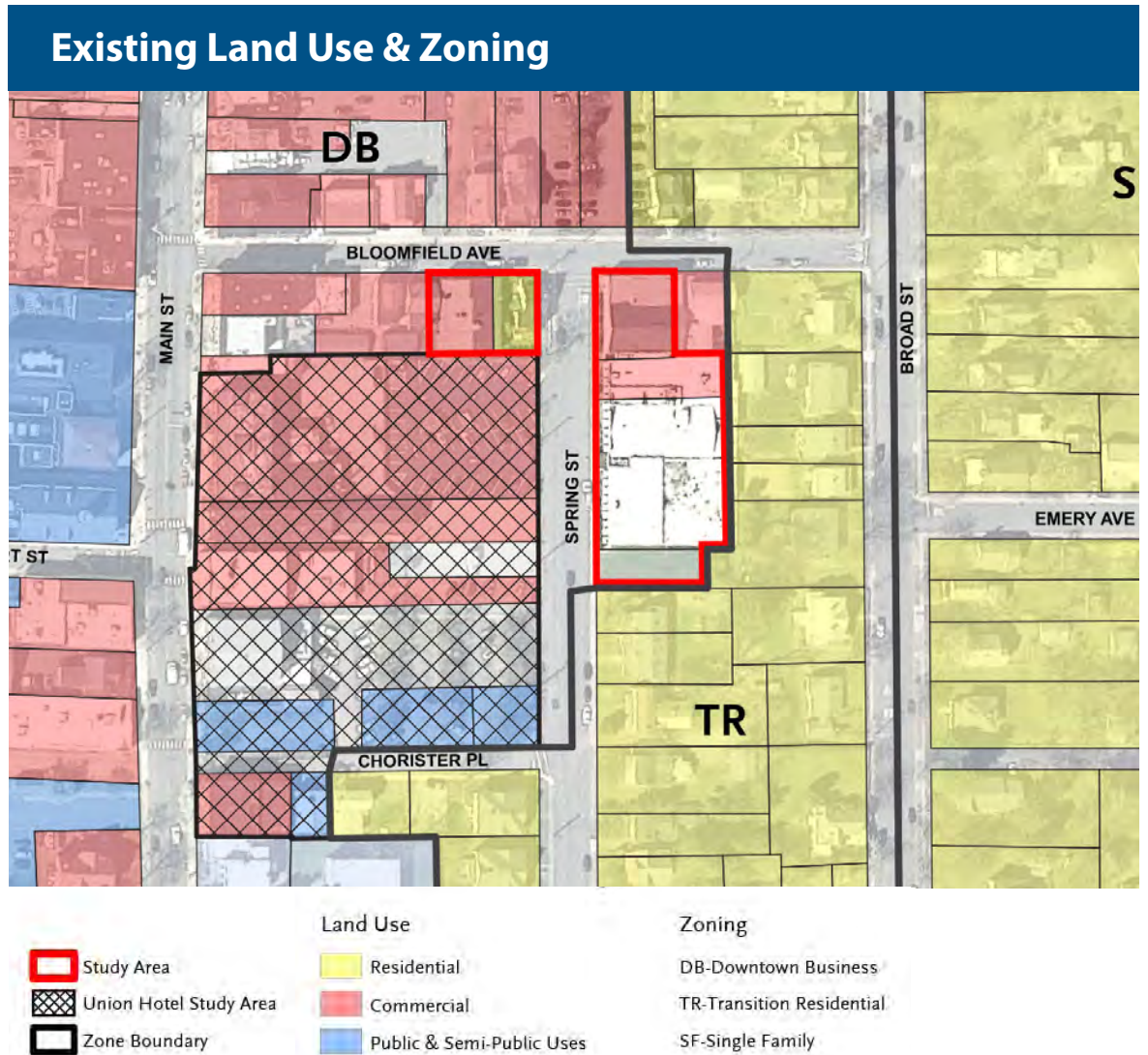


LAND USE & ZONING

The land uses in the Study Area are predominantly commercial. Tract 1 includes commercial as well as residential uses. Block 22, p/o Lot 14 is a mixed use property with the first floor consisting of commercial space unoccupied by a retail store and the upper story consists of residential units. Block 22, Lot 13 is a single family home. The buildings on Tract 2 are occupied by commercial uses. Block 24, Lots 1, 2, and 3 consists of the Flemington Furs retail store. Block 24, Lot 5 is a vacant lot.

The parking for the Tract 2 retail store, Flemington Furs, is the surface parking lot across Spring Street on Block 22, the portion of Lot 14 that is within the existing Union Hotel Redevelopment Area. This parking area within the existing Redevelopment Area is encumbered by an easement that requires it to be partially reserved for use by the Flemington Furs retail store.

All of the Study Area is located in the DB Downtown Business District. This zoning district represents the majority of Flemington's downtown commercial district. Permitted uses include a variety of retail sales, retail services, offices, restaurants and residential uses. Bulk standards include, but are not limited to a 7,000 s.f. minimum lot size, 3 story maximum building height, and 0.75 maximum impervious cover.



The Study Area is largely surrounded by commercial lots in the DB zone district. Lots to the west and the majority to the north are in the DB zone district. Lots to the east and a portion to the north and south are in the TR Transitional Residential district. The TR zone district is predominantly single-family dwellings and two-family dwellings in the vicinity of the Study Area.

HISTORIC DISTRICT

Pursuant to the Borough's 2010 Historic District Map, the Study Area is also located in the Flemington Historic District. The buildings on Block 22, Lots 13 and p/o 14 are identified as Contributing. The buildings on Block 24, Lots 2 and 3, and the rear portion of the building on Block 24, Lot 1 are identified as Encroaching. The front portion of the building on Block 24, Lot 1 are identified as Non-contributing Historic / Contemporary. Buildings no longer existing on Block 24, Lot 5 were previously identified as Contributing.

TRACT 1 PHOTOGRAPHS



Block 22, Lots 13 (white building) and 14 (brick building) along Bloomfield Avenue



Block 22, Lots 13 (white building) and 14 (brick building) along Bloomfield Avenue



Block 22, Lot 14 along Bloomfield Avenue



Bloomfield Avenue streetscape along Block 22, Lot 14



*Rear yard of Block 22, Lot 13 along Spring Street
MAY 17, 2017*

TRACT 2 PHOTOGRAPHS



Block 24, Lots 2 and 3 along Spring Street



Spring Street streetscape along Block 24, Lots 2 and 3



Block 24, Lot 5 along Spring Street



*Block 24, Lot 1 at the intersection of Bloomfield Avenue and
Spring Street*
SPRING STREET PRELIMINARY INVESTIGATION



*Block 24, Lot 1 at the intersection of Bloomfield Avenue and
Spring Street*

SECTION

4

Criteria for Designation of an Area in Need of Redevelopment

For the Study Area to be found to be in need of redevelopment, the Planning Board must recommend, and the Borough Council must find, that conditions meet any of the eight criteria that are specified under the Local Redevelopment and Housing Law (N.J.S. 40A:12A-5) (LRHL) or that the Study Area otherwise meets the requirement for inclusion in a Redevelopment Area.

- A.** The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or possess any of such characteristics, or are so lacking in light air, or space, as to be conducive to unwholesome living or working conditions.
- B.** The discontinuance of the use of buildings previously used for commercial manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair so as to be untenable.
- C.** Land that is owned by the municipality, the county, a local housing authority,

redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.

- D.** Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.
- E.** A growing lack or total lack of proper utilization of areas caused by the condition of title, diverse ownership of the real property caused therein or other conditions

resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety, and welfare.

- F.** Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.
- G.** In any municipality in which an enterprise zone has been designated pursuant to the "New Jersey Urban Enterprise Zones Act," P.L. 1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination

that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L. 1992, c.79(C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L. 1991, c.431 (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L. 1991, c.441 (C.40A:21-1 et seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L. 1992, c.79 (C.40A:12A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone.

- H. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

In addition to the criteria, the LRHL states:

A redevelopment area may include lands, buildings, or improvements, which of themselves are not detrimental to the public health, safety, or welfare, but the inclusion

of which is found necessary, with or without change in their condition, for the effective redevelopment of the area of which they are a part" (N.J.S.A. 40A:12-3).

The following sections of this report presents an evaluation of the conditions of the Spring Street Study Area with respect to the preceding criteria.

SECTION

5

Application of Criteria to the Study Area

An evaluation of the conditions of the Study Area and its location and relationship to the existing Union Hotel Redevelopment Area, as well as the history of failed redevelopment efforts in the Union Hotel Redevelopment Area leads to a finding that the Study Area is necessary for the effective redevelopment of the Union Hotel Redevelopment Area.

TIME LINE OF FAILED REDEVELOPMENT EFFORTS

The Union Hotel Redevelopment Area has a history of failed redevelopment efforts. Two attempts at redevelopment, both of which proposed to retain the existing buildings on the site and did not propose substantial new construction, failed and were not able to be successfully implemented. The first redevelopment effort (Cirquell, LLC) was terminated by the Borough because the redeveloper failed to purchase the property. The second redevelopment effort (Flemington Union Hotel, LLC) was terminated after redeveloper failed to obtain sufficient property to move forward with an economically viable project. In

this second effort case, the project was unable to move forward even though the Union Hotel had been acquired and the redevelopment area was expanded to include all of Block 22.

It is also noteworthy that redevelopment was unable to move forward while New Jersey, the County and similar municipalities experienced growth.

In 2008 the first floor of the Union Hotel was vacated; this was preceded by more than two decades of the upper stories being vacant. The following provides the history of the Union Hotel Redevelopment Area's redevelopment efforts (See Appendices B. and C. for additional detail on the redevelopment efforts).

- 2010, June 14: Borough Council declares Block 22, Lot 4 - the lot which the Union Hotel is located - an area in need of redevelopment (Resolution 2010-94).
- 2010, October 25: Union Hotel Redevelopment Plan adopted (Ordinance 2010-14).

First Redevelopment Effort: Cirquell, LLC

- 2011, March 28: Cirquell, LLC conditionally designated as redeveloper (Resolution 2011-57).
- 2011, June 27: Council extended the time for Cirquell LLC to negotiate a Redevelopers Agreement with the Borough until October 28, 2011 (Resolution 2011-83).
- 2011, October 24: Council extended the time for Cirquell, LLC to negotiate a Redevelopers Agreement for an additional three weeks.
- 2011, November 14: Council authorized execution of a Redevelopment Agreement and designated Cirquell, LLC as the Redeveloper of the Union Hotel Redevelopment Area (Resolution 2011-133). This Agreement required, among other items, that the redeveloper purchase

the Union Hotel property by February 8, 2012.

- 2012, March: Cirquell, LLC requested an additional 30 days to purchase the property.
- 2012, April: Cirquell, LLC requested an additional 30 days to purchase the property.
- 2012, June 4: Borough Council issued a Notice of Default to Cirquell, LLC after having learned the owners of the Union Hotel terminated the purchase agreement with Cirquell, LLC.
- 2012, July 5: Borough Council served Cirquell, LLC with Notice that the Redevelopment Agreement was terminated.
- 2012, July 9: Council ratified the termination of the Redevelopment Agreement between the Borough and Cirquell, LLC (Resolution 2012-122).

Second Redevelopment Effort: Flemington Union Hotel, LLC

- 2012, August 17: Borough issued a Request for Development Concepts for the Union Hotel property.

- 2012, November 26: Council conditionally designated Flemington Union Hotel, LLC as the redeveloper of the Union Hotel (Resolution 2012-193).
- 2013, January 27: Council extended the conditional designation of Flemington Union Hotel, LLC as the Redeveloper (Resolution 2013-27). At this time the redeveloper had acquired the property but not a liquor license and had not executed a redevelopment agreement with the Borough (Resolution 2013-27).
- 2013, May 24: Borough executed a Redevelopment Agreement with Flemington Union Hotel, LLC. This execution was authorized on May 13, 2013 (Resolution 2013-78).
- 2013, August 12: Borough Council authorized the Planning Board to conduct a Preliminary Investigation to determine whether lots south of the Union Hotel meet the statutory criteria for an area in need of redevelopment (i.e. the current Union Hotel Redevelopment Area). The expansion was contemplated because the “project proposed will include uses that will likely generate parking demands in excess of the amount of parking spaces that could feasibly be constructed on the Union Hotel property” and a solution to this challenge was found to be inclusion

of the remainder of Block 22.

- 2014, February 10: Borough Council expanded the Union Hotel Redevelopment Area to include all of Block 22, the current Redevelopment Area (Resolution 2014-47).
- 2014, April 16: Borough Council authorized the Redevelopment Committee to engage in negotiations with the Redeveloper (Resolution 2014-72).
- 2014, September 8: The Borough accepted the Flemington Union Hotel, LLC to purchase a building in the redevelopment area (90-100 Main Street), subject to full negotiation and other conditions (Resolution 2014-170). Note that the property was not subsequently purchased.
- 2015, June 8: Borough Council concluded the redeveloper had not made satisfactory progress toward developing the property (Resolution 2015-132).
- 2015, June 12: Borough served Flemington Union Hotel, LLC with Notice of default due to its “failure to comply with various obligations under the Redevelopment Agreement” and its involvement with “disputes that threaten[ed] its ownership and control

of the Union Hotel and other assets necessary to fulfill its obligations as redeveloper under the Redevelopment Agreement". These failures include lack of purchase of property at 90/100 Main Street and failure to purchase a liquor license.

- 2015, August 24: Council terminated the Redevelopment Agreement with Flemington Union Hotel, LLC (Resolution 2015-171).

The addition of Tract 1 and 2 of the Study Area, a total of 0.9 acres, will facilitate a larger project that is necessary for the economic success of the Redevelopment Area. The Borough Council finds that the Concept Plan for redevelopment of the Union Hotel Redevelopment Area and the Study Area, as set forth by the designated redeveloper, is "an essential element of [the] Borough's vision for the area and the Redeveloper's development proposal" (Appendix D.; 2017 Redevelopment Agreement). Furthermore, the Borough Council conceptually approved the Concept Plan (Appendix D.; 2017 Redevelopment Agreement). The Redevelopment Agreement states, on page 11, the Study Area lands and related expansion of the Union Hotel Redevelopment Area "is required for the Redeveloper to undertake its obligations hereunder". The Borough seeks to advance this vision for revitalization of its

downtown and does so in a manner informed by past failed redevelopment efforts that were unable to move forward with an economically viable project.

COMPARISON TO FAILED REDEVELOPMENT EFFORTS

The Concept Plan by designated Redeveloper, represents a significant departure from the previous redevelopment efforts in terms of land area, land use and intensity. The following provides a comparison of the current proposal by Flemington Center Urban Renewal, LLC, the designated redeveloper, and the previous redevelopment efforts.

First Redevelopment Effort: Cirquell, LLC

Cirquell, LLC (designated in 2011 and de-designated in 2012) proposed to renovate the Union Hotel building to include a hotel of only 30 rooms, conference and meeting space, restaurants, members only club, reading lounge, retail and a spa. More specifically, the proposal included the following:

- 30 hotel rooms and suites;
- Conference and catering facility for up to 300 people;
- Meeting rooms for 15-30 people each;

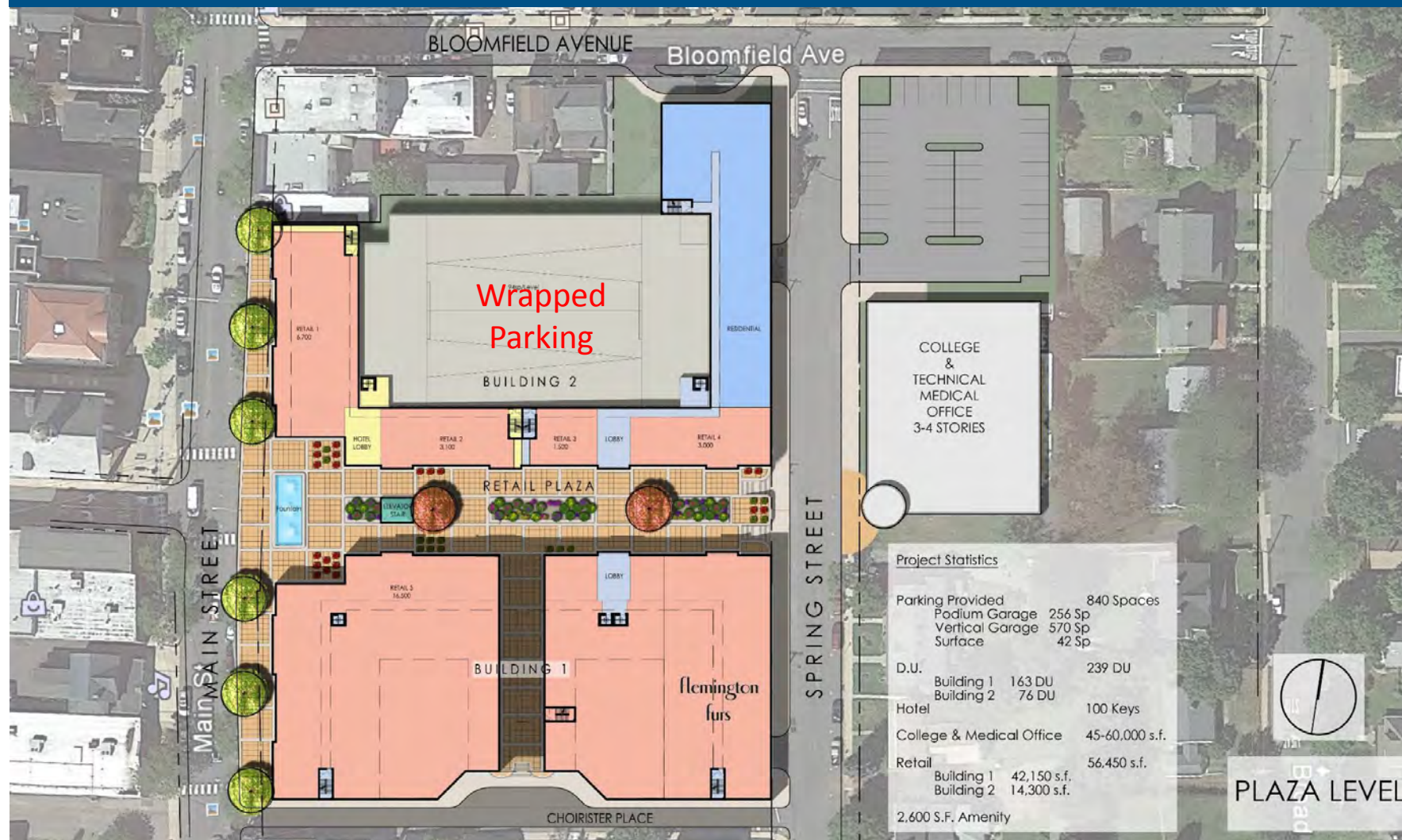
- Steakhouse restaurant for up to 85 people;
- Restaurant for up to 100 people;
- Members only private dining club with wine cellar;
- Reading lounge;
- Retail shops; and
- Spa.

Second Redevelopment Effort: Flemington Union Hotel, LLC

Flemington Union Hotel LLC (designated in 2012 and de-designated in 2015) proposed to renovate the Union Hotel building and construct additional floor area in order to host a hotel of 50-55 rooms, conference and meeting space, restaurants, retail and a spa. More specifically, the proposal included the following::

- 50-55 hotel rooms and suites;
- Conference and catering facility for up to 250 people;
- Meeting rooms for 15-30 people each;
- Steakhouse restaurant for up to 85 people;
- Three restaurants;

Flemington Center Urban Renewal, LLC Concept Plan (Excerpt)



- Retail shops; and
- Spa.

Flemington Center Urban Renewal, LLC Concept Plan

The Flemington Center Urban Renewal LLC (designated in 2016) concept plan includes removal of all buildings on the property and constructing a project much more substantial in size that includes more than 100 hotel rooms, more than 250 housing units, structured parking, and significantly more nonresidential floor area. The Concept Plan, which was conceptually approved by the Borough Council, includes the following:

- 255 dwelling units;
- 103 hotel rooms;
- 45,000 square feet educational/medical space;
- 49,600 square feet retail space;
- 2,600 square feet amenity space; and
- 840 parking spaces (including 826 structured parking spaces).

The Borough Council found that “in order for the redevelopment of the Redevelopment Area to be successful and have the desired impact on the Borough’s downtown, it must address

multiple uses beyond hotel and residential uses by including uses such as retail, educational, cultural and medical.” (Appendix D.; 2017 Redevelopment Agreement)

The concept plan by Flemington Urban Renewal, LLC is the only redevelopment effort that includes residential housing, educational / medical space and structured parking. The addition of 0.9 acres to the existing Union Hotel Redevelopment Area, which are the subject of this Preliminary Investigation, are necessary for the construction of the additional uses as part of a comprehensive redevelopment effort for the Union Hotel Redevelopment Area. These additional lands would constitute approximately 24% of the expanded Union Hotel Redevelopment Area.

TRACT 1 RELATIONSHIP TO THE EXISTING UNION HOTEL REDEVELOPMENT AREA

These lots, Block 22, Lots 13 and 14, constitute 0.18 acres located at the western corner of the Bloomfield Avenue and Spring Street intersection.

The remainder of Lot 14 is necessary because the majority of the lot - 0.49 of 0.60 acres - is already located within the existing Union Hotel Redevelopment Area. Inclusion of the entirety of Lot 14 will allow for the comprehensive planning and redevelopment of the property rather than

requiring subdivision or differing zoning or tax obligations (in the event tax abatement is provided to the portion currently designated as an area in need of redevelopment) across a single property of only 0.60 acres. Also, the addition of Lot 14 creates opportunity for an access point from Bloomfield Avenue, as shown in the Concept Plan.

The addition of Lot 13, the corner lot, to the Redevelopment Area allows for contiguous frontage along the west side of Spring Street for the redevelopment project. Its exclusion, presuming the designation of Lot 14, would create an awkward shaped redevelopment area with the “missing” corner. Furthermore, its inclusion creates opportunity for access from Bloomfield Avenue, as shown in the Concept Plan.

As shown in the Concept Plan, access to Bloomfield Avenue is necessary for the project since it will provide access, both pedestrian and vehicular drop-off/pick-up, to the residential units from an additional street and importantly one that connects to the Borough’s primary downtown thoroughfare - Main Street. This area along Bloomfield Avenue provides the “main lobby” for the residential portion of the project and provides access from the northern portion of site.

Accordingly, inclusion of Tract 1 is necessary for the effective redevelopment of the Study Area for the following reasons:

- Inclusion of the remainder of Lot 14, 0.11 of 0.60 acres, will allow for comprehensive planning and redevelopment of the entirety of the lot rather than necessitating subdivision or differing zoning or tax obligations across the small lot.
- Inclusion of the remainder of the remainder of Lot 14 creates opportunity for an access point from Bloomfield Avenue, as shown in the Concept Plan.
- Inclusion of Lot 13 allows for contiguous frontage along the west side of Spring Street for the redevelopment project.
- Inclusion of Lot 13, along with the remainder of Lot 14, creates opportunity for an access point from Bloomfield Avenue, as shown in the Concept Plan.

TRACT 2 RELATIONSHIP TO THE EXISTING UNION HOTEL REDEVELOPMENT AREA

Block 24, Lots 1, 2, 3 and 5, located on the east side of Spring Street and comprising 0.71 acres are also necessary for the effective redevelopment of the area. The parking on Lot 14, within the existing Union Hotel

Redevelopment Area, serves the retail use on Lots 1, 2, 3 and 5 via a perpetual easement that requires the parking area on Lot 14 for partial use by the customers and employees of the use on Block 22, Lot 3, Flemington Furs retail store (Appendix E.). Inclusion of the Block 24 lots is necessary to facilitate an arrangement where the retail use and the parking served by it can be planned and redeveloped in a comprehensive manner via a redevelopment plan.



Parking Lot in the Union Hotel Redevelopment Area (Block 22, Lot 14) indicating reservation for Flemington Furs use only

A redevelopment plan that applies to both sides of the street is mutually reinforcing in its advancement of the Borough's policies for infill development and redevelopment in the downtown. Additionally, inclusion of these lots allows for a substantial portion of the Spring Street corridor to be comprehensively redeveloped with uses and a streetscape that supports the Union Hotel Redevelopment Area, as depicted in the Concept Plan. Furthermore, inclusion of these lots facilitate the creation of a building with an architectural feature to serve

as a visual terminus at the end of the plaza that connects Main Street to Spring Street, as shown in the Concept Plan. This plaza is a significant component of the Concept Plan in that it is the primary public amenity and it provides pedestrian access to the uses that are located along the Plaza as well as the parking garage and Spring Street.

Accordingly, inclusion of Tract 2 is necessary for the effective redevelopment of the Study Area for the following reasons:

- Inclusion of Block 12, Lots 1, 2, 3 and 5 lots facilitates an arrangement where the retail use and the parking served by it and encumbered by a perpetual easement can be planned and redeveloped in a comprehensive manner via a redevelopment plan.
- Inclusion of Block 12, Lots 1, 2, 3 and 5 allows for a substantial portion of the Spring Street corridor to be comprehensively redeveloped with uses and a streetscape that supports the Union Hotel Redevelopment Area, as depicted in the Concept Plan.

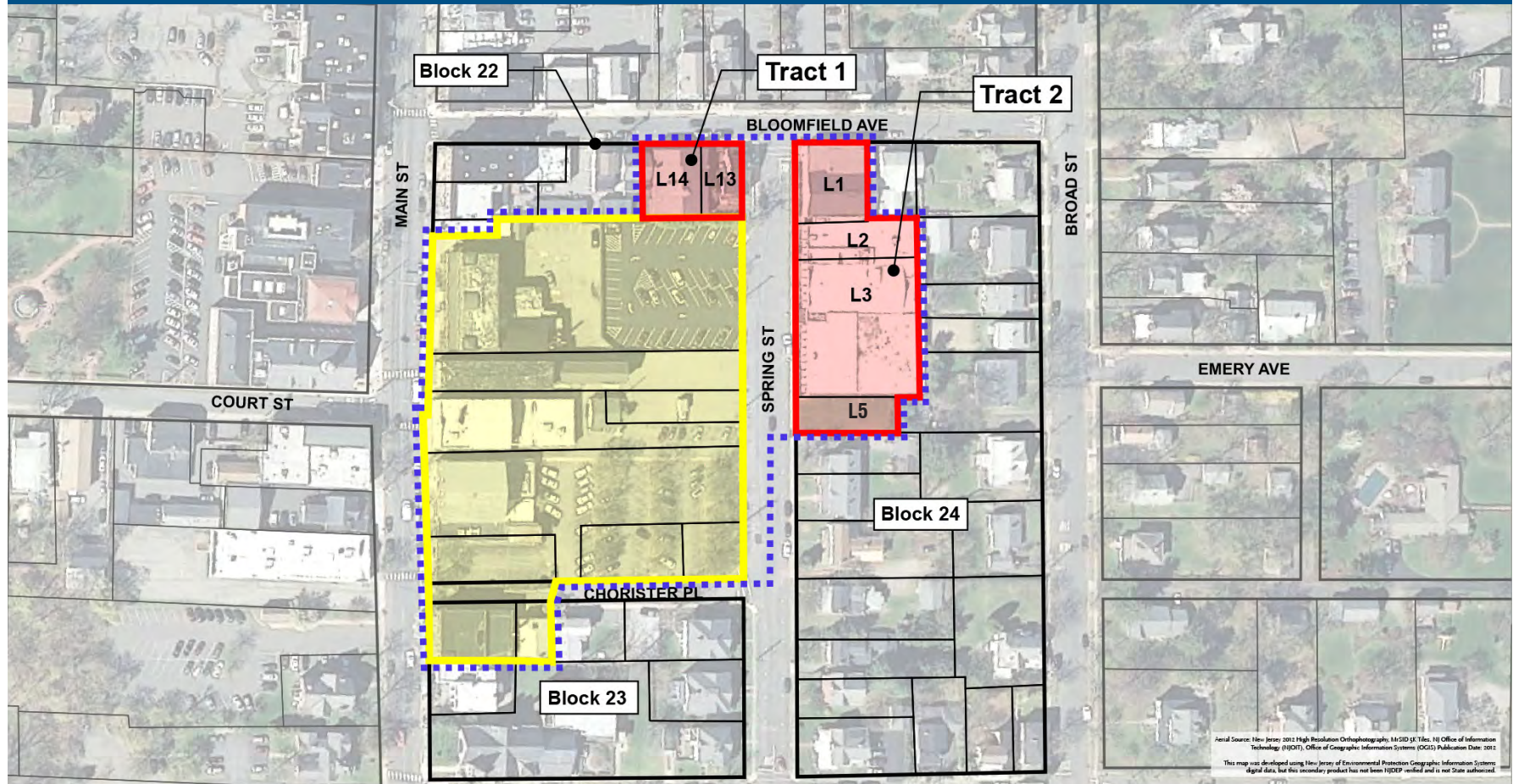
- Inclusion of Block 12, Lots 1, 2, 3 and 5 facilitates creation of a building with an architectural feature to serve as a visual terminus at the end of the plaza that connects Main Street and Spring Street, shown in the Concept Plan.

CONCLUSION

For the reasons set forth herein, Tracts 1 and 2 are necessary for the effective redevelopment of the Union Hotel Redevelopment Area, as provided for in the LRHL which states:

A redevelopment area may include lands, buildings, or improvements, which of themselves are not detrimental to the public health, safety, or welfare, but the inclusion of which is found necessary, with or without change in their condition, for the effective redevelopment of the area of which they are a part" (N.J.S.A. 40A:12-3).

Recommended Redevelopment Area



Tract	Block/Lot	Address	Owner	Acreage
1	B 22 / L 14 p/o	21 Bloomfield Ave	Flemington Fur Co. LLC	0.11
	B 22 / L 13	23 Bloomfield Ave	Flemington Fur Co. LLC	0.07
2	B 24 / L 1	2 Spring St	Flemington Fur Co. LLC	0.12
	B 24 / L 2 & 3	8 Spring St	Flemington Fur Co. LLC	0.51
	B 24 / L 5	12 Spring St	Flemington Fur Co. LLC	0.08
Total Area				0.89 acres

- Study Area Tracts
- Existing Union Hotel Redevelopment Area
- Recommended Redevelopment Area

SECTION

6

Subsequent Procedural Steps

As previously stated, the creation of a Redevelopment Plan is the second planning document in the redevelopment process. The Redevelopment Plan is required to be adopted by an ordinance of the Borough Council before any project is initiated. Under N.J.S.A. 40A-7.a, the Redevelopment Plan is required to address the following:

1. The plan's relationship to local objectives as to appropriate land uses, density of population, and improved traffic and public transportation, public utilities, recreational and community facilities and other public improvements.
2. Proposed land uses and building requirements in the project area.
3. Adequate provisions for temporary and permanent relocation, as necessary, of residents in the project area.
4. Identification of any property within the Redevelopment Area which is proposed to be acquired.
5. The relationship of the plan to the master plans of contiguous municipalities, the master plan of the county in which the municipality is located, and the State Development and Redevelopment Plan.
6. Pursuant to N.J.S.A. 40A:12A-7c, the Redevelopment Plan must also describe its relationship to pertinent municipal development regulations.

Appendix A.

Council Authorization of the herein
Preliminary Investigation: Resolution 2017-66

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 03/13/17 07:00 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman

Initiator: Sallie Graziano
Sponsors:

SCHEDULED

RESOLUTION 2017-66

DOC ID: 2443

Authorizing and Directing the Planning Board to Undertake a Preliminary Investigation to Determine Whether an Area of the Downtown in the Vicinity of the Union Hotel Meets the Statutory Criteria for a Redevelopment Area, Pursuant to the Local Development and Housing Law

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the **"Initial Redevelopment Area"**), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the **"Redevelopment Law"**); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan; and

WHEREAS, pursuant to Borough Council Resolution 2014-44, adopted February 10, 2014, the Borough Council designated the area south of the Union Hotel property, inclusive of properties located at 78 Main Street, 80 Main Street, 82 Main Street, 90-100 Main Street, 104 Main Street, 110 Main Street, 7 Spring Street, 19 Spring Street, 3 Chorister Place and 6 Chorister Place, identified on the Borough Tax Map as Block 22 Lots 5, 6, 7, 8, 9, 10 and 12 and Block 23, Lots 1 and 7 as an area in need of redevelopment pursuant to the Redevelopment Law (such properties, together with the Initial Redevelopment Area, is the **"Redevelopment Area"**); and, subsequently, on March 7, 2014, the Borough enacted an ordinance adopting a redevelopment plan for the Redevelopment Area (the **"2014 Redevelopment Plan"**); and

WHEREAS, two redevelopers had been designated to implement the redevelopment project to rehabilitate, restore and reopen the Union Hotel for restaurant and hotel uses, neither of which redevelopers was able to successfully finance and implement such projects; and

WHEREAS, the Union Hotel and other properties within the Redevelopment Area had been the subject of litigation that threatened to substantially complicate and delay any plans to proceed with redevelopment efforts for the Redevelopment Area; and

WHEREAS, the Borough has determined that, in order for the redevelopment of the Redevelopment Area to be successful and have the desired impact on the Borough's downtown, it must address multiple uses beyond hotel and residential uses by including uses such as retail, educational, cultural and medical (the **"Non-residential Uses"**); and

WHEREAS, such Non-residential Uses are critical to the Borough's efforts to arrest and reverse the lack of proper development in the Redevelopment Area and entire downtown as envisioned by the Redevelopment Law; and

WHEREAS, the inclusion of such Non-residential Uses was highlighted in the 2014 Hunterdon County Comprehensive Economic Development Strategy document which emphasized the need for niche retail services (personal services, restaurants, etc.), health care related uses and higher education facilities as key areas for growth in Hunterdon County; and

WHEREAS, the County and Borough have limited areas for developing such uses due to the scarcity of developable land not encumbered by the Highlands Area Master Plan; and

WHEREAS, the Borough further believes that the development of these uses should occur within its downtown where the infrastructure already exists; and

WHEREAS, the Borough, accordingly, has determined that it is necessary for the effective redevelopment of the Redevelopment Area to "square off" the portion of the Redevelopment Area located on Block 22 to include Lots 13 and 14 (23 Bloomfield Avenue and

21 Bloomfield Avenue) and add Lots 1, 2, 3 and 5 across the street therefrom on Block 24 (2 Spring Street, 8 Spring Street, 12 Spring Street) (the "Study Area"); and

WHEREAS, the Borough Council wishes to direct the Planning Board to undertake a preliminary investigation to determine whether the Study Area qualifies as a "Non-Condemnation Redevelopment Area," pursuant to *N.J.S.A. 40A:12A-5*.

NOW, THEREFORE, BE IT RESOLVED that the Borough Council hereby directs the Planning Board to conduct the necessary investigations and to hold a public hearing to determine whether the Study Area, comprised of the properties listed above herein, does or does not qualify as an area in need of redevelopment under the criteria set forth in *N.J.S.A. 40A:12A-1, et seq.*

BE IT FURTHER RESOLVED that a determination by the Borough Council resulting in the redevelopment designation of the Study Area shall authorize the Borough to use all those powers provided by the Legislature for use in a redevelopment area, except for the power of eminent domain, so the Study Area would be designated as a "Non-Condemnation Redevelopment Area."

BE IT FURTHER RESOLVED that prior to the public hearing on the matter, the Planning Board shall prepare a map showing the boundaries of the Study Area and the location of the parcel(s) of property included therein, and appended to the map shall be a statement setting forth the basis for the investigation, which can be by reference to this Resolution.

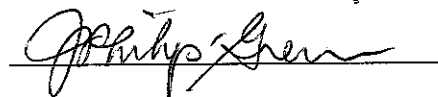
BE IT FURTHER RESOLVED that the Planning Board shall specify a date for and give notice of the hearing for the purpose of hearing persons who are interested in or would be affected by a determination that the Study Area is a redevelopment area, which notice shall specifically state that a redevelopment area determination by the Borough shall not authorize the municipality to exercise the power of eminent domain to acquire property in the delineated area.

BE IT FURTHER RESOLVED that the hearing notice shall set forth the general boundaries of the Study Area and state that a map has been prepared and can be inspected at the office of the Borough Clerk, and that a copy of the notice shall be published in a newspaper of general circulation in the Borough of Flemington once each week for two consecutive weeks, and the last publication shall be not less than ten (10) days prior to the date set for the hearing, and that a copy of the notice shall be mailed at least ten (10) days prior to the date set for the hearing to the last owner, if any, of each parcel of property within the Study Area according to the assessment records of the Borough of Flemington, as well as all persons at their last known address, if any, whose names are noted on the assessment records as claimants of an interest in any such parcel.

BE IT FURTHER RESOLVED that the Planning Board shall hear all persons who are interested in or would be affected by a determination that the Study Area qualifies under the redevelopment criteria. All objections to such a determination and evidence in support of those objections, given orally or in writing, shall be received and considered and made part of the public record.

BE IT FURTHER RESOLVED that the Planning Board shall submit its findings and recommendations to the Council in the form of a Resolution with supportive documentation.

Adopted: March 13, 2017



J. Philip Greiner, Mayor

Attest:


Sallie Graziano, Acting Borough Clerk

RESULT:	APPROVED (UNANIMOUS)
MOVER:	Brian Swingle, Councilman
SECONDER:	Marc Han, Council President
AYES:	Gorman, Han, Gebowitz, Swingle, Tilly
ABSENT:	Susan Peterson

Appendix B.
Documentation of 2011 - 2012
Circquell Redevelopment Efforts

RESOLUTION 2011 -57
RESOLUTION CONDITIONALLY DESIGNATING BANISCH, LOPICCOLO,
MCPHERSON AS THE REDEVELOPER FOR THE UNION HOTEL AND
AUTHORIZING THE REDEVELOPMENT COMMITTEE TO PURSUE THE
NEGOTIATION OF A REDEVELOPMENT AGREEMENT

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map, as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, the Borough Council formed a Redevelopment Plan Committee comprised of members of the Council, members of the Planning Board and members of the community who, with the services and participation of Clark Caton Hintz, a professional planning and architectural firm ("CCH"), engaged in the process of drafting a redevelopment plan for the Union Hotel Property; and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Council of the Borough of Flemington adopted the Union Hotel Redevelopment Plan; and

WHEREAS, The Redevelopment Plan Committee formed a sub-committee consisting of members of the Planning Board, the Borough Council, the Historic Preservation Commission and the public, which held a series of meetings to establish criteria for evaluating and selecting redevelopers; and

WHEREAS, a subcommittee consisting of the Mayor Erica Edwards, Councilman Marc Hain, Councilman Phil Greiner, and Planning Board Chair Todd Cook (the "Redeveloper Selection Subcommittee") was formed to interview, evaluate, and assess potential redevelopers

for the Union Hotel based upon the criteria established by the Redevelopment Plan Committee;
and

WHEREAS, the Redeveloper Selection Subcommittee engaged in such process if interviewing, evaluating and assessing proposals from potentially-interested developers; and

WHEREAS, the Redeveloper Selection Committee put together a report of its findings and assessments with respect to its evaluation of such potential redevelopers, dated March 1, 2011, a copy of which was published on the Borough website and made available to the public (the "Subcommittee Report"); and

WHEREAS, the top two redeveloper candidates presented public presentations of their respective plans on March 2, 2011; and

WHEREAS, public comment was taken concerning the redevelopers' proposals and the redeveloper selection during the March 14, 2011 regular Council meeting; and

WHEREAS, public comment on the redevelopers' proposals and the redeveloper selection was carried to the March 28, 2011 regular Council meeting, during which additional public comments were taken; and

WHEREAS, the Council posed questions to the redeveloper candidates concerning the proposals during the March 28, 2011 regular meeting; and

WHEREAS, the Council has reviewed the Subcommittee Report, has seen the redeveloper presentations, has had the opportunity to ask questions of the redeveloper candidates, and has heard substantial public comment concerning the respective proposals and the redeveloper selection; and

WHEREAS, based upon its consideration of all of the above, the Council has determined to conditionally-designate Banish, LoPiccolo, McPherson as the redeveloper of the Union Hotel Redevelopment.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Flemington that Banish, LoPiccolo, McPherson is hereby conditionally-designated as the redeveloper for the Union Hotel, pursuant to Section 12 of the Union Hotel Redevelopment Plan.

BE IT FURTHER RESOLVED that the Redevelopment Committee is hereby authorized engage in negotiations of a redevelopment agreement with Banish, LoPiccolo, McPherson, such redevelopment agreement subject to review, and approval by the Borough Council and the execution to be authorized by Council resolution.

BE IT FURTHER RESOLVED if the Redevelopment Committee is unable to successfully negotiate a satisfactory redevelopment agreement that meets all of the requirements and expectations of Section 12 of the Union Hotel Redevelopment Plan, and any other requirements and expectations to reasonable assure the successful completion of the Project, and present such proposed redevelopment agreement to the Borough Council within ninety (90) days from the date hereof, the Redevelopment Committee, prior to the expiration of such ninety (90) days, report the status of its negotiations to the Council and make recommendation to the Council, based upon which the Council shall determine, in its sole discretion, to either (a) extend the time for such negotiations for a reasonable period of time, if such extension is deemed likely to result in a satisfactory agreement, or (b) cease such negotiations and de-designate Mulligan Team as the conditional redeveloper for the Union Hotel.

BE IT FURTHER RESOLVED that this conditional-designation shall not be deemed to vest or secure any right or interest in the Union Hotel or the redevelopment of the Union Hotel to

Banish, LoPiccolo, McPherson, absent an executed redevelopment agreement setting forth any such rights of Banish, LoPiccolo, McPherson in the Union Hotel redevelopment. If no redevelopment agreement is executed and Mulligan Team is de-designated as the conditional redeveloper for the Union Hotel, Banish, LoPiccolo, McPherson shall have no rights or claims of interest with respect to the development of the Union Hotel.

Adopted: March 28, 2011

Offered: Sandy Borucki

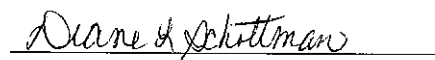
Second: Marc Hain

Approved: All Ayes



Erica Edwards, Mayor

Attest:


Diane L. Schottman, RMC/CMC
Municipal Clerk

**BOROUGH OF FLEMINGTON
COUNTY OF HUNTERDON**

RESOLUTION 2011 - 83

**RESOLUTION EXTENDING TIME FOR NEGOTIATIONS WITH THE
CONDITIONALLY DESIGNATED REDEVELOPER FOR THE UNION HOTEL**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map, as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, the Borough Council, by resolution adopted September 27, 2010, established a redevelopment committee to carry out and administer the regular and routine business, dealings with members of the community, potential developers, and other governmental agencies with respect to the Union Hotel Redevelopment Plan, consisting of the Mayor and two members of the Council ("The Redevelopment Committee"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Council of the Borough of Flemington adopted the Union Hotel Redevelopment Plan; and

WHEREAS, as a result of the redeveloper selection process carried out by the Borough, which process included review of proposals submitted by redeveloper candidates, interviews, public presentations by redeveloper candidates, and substantial public comments and input, the Council conditionally-designated Cirquell, LLC as the redeveloper of the Union Hotel, pursuant to Resolution # 2011-57, adopted March 28, 2011; and

The Resolution authorized the Redevelopment Committee to engage in negotiations of a redevelopment agreement with Cirquell, LLC, which redevelopment agreement would be subject

to review and approval by the Borough Council and the execution of the such agreement to be authorized by Council resolution; and

WHEREAS, the Resolution further provided that if the Redevelopment Committee was unable to successfully negotiate a satisfactory redevelopment agreement that meets all of the requirements and expectations of Section 12 of the Union Hotel Redevelopment Plan, and any other requirements and expectations to reasonably assure the successful completion of the Project, and present such proposed redevelopment agreement to the Borough Council within ninety (90) days from the date of the adoption of the Resolution, the Redevelopment Committee would report the status of the negotiations to the Council and make recommendation to the Council, based upon which the Council shall determine, in its sole discretion, to either (a) extend the time for such negotiations for a reasonable period of time, if such extension is deemed likely to result in a satisfactory agreement, or (b) cease such negotiations and de-designate Cirquell, LLC as the conditional redeveloper for the Union Hotel; and

WHEREAS, the Redevelopment Committee reported to the Council that since the conditional designation of Cirquell, LLC:

(1) a draft redevelopment agreement was provided by the Borough to Cirquell, LLC;

(2) there have been discussions between the parties concerning the redevelopment agreement and the Union Hotel project, which discussions have included, among various other things, the potential, feasibility, and desirability of expanding the project;

(3) Cirquell, LLC has provided comments to the draft redevelopment agreement; and

(4) Cirquell, LLC and the Redevelopment Committee have discussed commissioning a feasibility study to explore the prospect of an expanded project; and

WHEREAS, the Redevelopment Committee recommends that the Borough should explore the feasibility of such expanded project; and

WHEREAS, the Redevelopment Committee has advised Cirquell, LLC that while it agrees that it is in the best interest of the Borough to explore the feasibility of an expanded project, it does not want to lose site of the goal of redeveloping the Union Hotel; and

WHEREAS, Cirquell, LLC confirmed its commitment to the redeveloper of the Union Hotel, whether or not the project may be expanded; and

WHEREAS, the Redevelopment Committee recommends that the Council extend the time for negotiations with Cirquell, LLC for an additional 120 days with the goal of executing a redevelopment agreement for the Union Hotel, which may provide for the potential for an expanded project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Flemington that the time for negotiations of a redevelopment agreement for the Union Hotel with Cirquell, LLC is hereby extended for an additional 120 days and Cirquell, LLC's conditional-designation as the redeveloper for the Union Hotel shall remain effective for such additional 120 days.

BE IT FURTHER RESOLVED that this continuation of Cirquell, LLC's conditional-designation shall not be deemed to vest or secure any right or interest in the Union Hotel or the redevelopment of the Union Hotel to Cirquell, LLC, absent an executed redevelopment agreement setting forth any such rights of of Ciquell, LLC in the Union Hotel redevelopment.

BE IT FURTHER RESOLVED that if no redevelopment agreement is executed within 120 days and no more extensions are granted by the Council, Cirquell, LLC will be designated as the conditional redeveloper for the Union Hotel and shall have no rights or claims of interest with respect to the development of the Union Hotel.

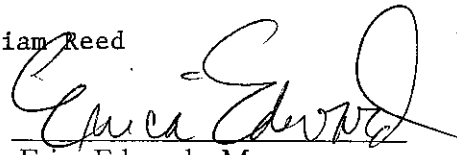
Adopted: June 27, 2011

Offered: Marc Hain


Second: John Gorman

Approved: Marc Hain, John Gorman, Phil Greiner

Absent: Sandra Borucki, Michelle Oberst, William Reed


Erica Edwards, Mayor

Attest:


Diane L. Schottman, RMC/CMC
Municipal Clerk

**BOROUGH OF FLEMINGTON
MAYOR AND COMMON COUNCIL
38 Park Avenue, Flemington, NJ
Work Session/Regular Meeting Minutes
OCTOBER 24, 2011**

This Meeting is Being Held In Conformance With The Open Public Meetings Act

ROLL CALL: Present MRS. BORUCKI, MR. GORMAN, MAYOR EDWARDS, MRS. OBERST, MR. GREINER, MR. REED, ATTORNEY GOODMAN Absent – MR. HAIN
FLAG SALUTE

Mayor Edwards called for a motion to Amend the October 24, 2011 Meeting Agenda and go directly into Executive Session to discuss contract negotiations related to the Union Hotel project and obtain legal advice. Action May Be Taken. **moved** by Ms. Oberst. **2nd** Mr. Greiner **AYES** (5) Greiner, Oberst, Gorman, Borucki, Reed **Nays** (0)

Motion to go into Executive Session – moved by Ms. Borucki **2nd** Ms. Oberst **Ayes**(5) Reed, Greiner, Oberst, Gorman, Borucki **Nays** (0) Action May Be Taken

Mayor Edwards asked the Public to step out of the room.

Regular Meeting reconvened (8:15 pm)

Mayor Erica Edwards noted for the Public that meeting recording device and video were not turned on until the Regular Meeting was called to order after Executive Session. The Agenda had been posted on the Borough website on Thursday and the need for an Executive Session arose late Friday afternoon. All recording devices are turned on.

Mayor Edwards called for the following changes/corrections to the Agenda as follows:

Councilman Mr. Greiner motioned to Amend Agenda delete Item #1 RESOLUTION 2011-127 and replace it with a RESOLUTION to extend the negotiation period for 3 weeks until next Council Meeting of Nov. 14, 2011 at which time we would expect to conclude these negotiations. Mayor Edwards explained to the public the need to postpone the finalization of the negotiations with The Union Hotel Developer.

Mr. Gorman motioned Item #23 ORDINANCE 2011-21 First Reading to be tabled to the Nov. 14, Meeting Agenda in order to make some wording changes. Mayor Edwards noted correction to Item#18 Resolution 2011-131 the first check amount should be \$28,187.33 as per the Tax Collector. The second amount of \$9,800.00 remains the same. Additionally, to table the Executive Session Minutes of Sept. 26, 2011 taken by Diane Schottman, to the Nov. 14 Agenda.

Roll Call Vote: Motion by Mayor Edwards to Amend the Agenda as stated **moved** by Ms. Oberst **2nd** Mr. Gorman **Ayes** (5) Reed, Greiner Oberst, Gorman Borucki **Nays** (0) Motion approved

Resolution 2011-127 **motion** to place on Nov. 14 agenda for reasons previously stated **moved** Mr. Greiner **2nd** Ms. Oberst **Ayes** (5) Reed, Greiner, Oberst Gorman Borucki **Nays** (0) motion approved.

Item #2 Red Light Camera discussion - Mayor Edwards would like to have additional discussion on this subject. Mr. Callari of American Traffic Solutions and Police Chief Becker are present to answer any additional questions. Mr. Callari stated that the cameras would be placed at the intersection of Reaville Ave. and RT. 202 North. The Borough would have to adopt an Ordinance, pass a resolution for the Police department to accept bids to do the work, and even at that time the Borough would have to wait for the State to approve placement of the cameras. **Mr. Reed:** is there a camera in both directions? Mr. Callari, cameras will face all four directions. **Mr. Reed:** how far from the camera is a "warning" sign placed. **Mr. Gorman:** Do you get a lot of negative comments from the public what's the impact. Callari: Impact has been minimal, motoring public has been very cooperative. **Ms. Borucki:** are most tickets issued to residents or commuters. Callari: it about a 60-40 split.

Mayor Edwards called for a motion to table "Red Light Camera" Resolution 2011-117 to the Nov. 14 meeting agenda. **Moved** Mr. Reed **2nd** Mr. Gorman **Ayes** (5) Reed, Greiner, Oberst, Gorman, Borucki **Nays** (0) Motion approved

Mayor's Report: Mayor Edwards spent quite a bit of time with new hires, Municipal Clerk, Deputy Clerk. Working on Union Hotel Negotiations.

Sandy Borucki: Samuel Fleming House meeting. Publishing cookbook will be out before the holidays. Most recipes are from Flemington residents. Had library meeting, received monetary trust used to revamp the men's room, made it ADA Accessible Shawn has moved upstairs to new office. There were many children's programs, cookies & juice, monster mash etc. Debbie Moore, co-coordinator of programs does a very good job.

**BOROUGH OF FLEMINGTON
COUNTY OF HUNTERDON**

RESOLUTION 2011-133

**AUTHORIZING THE MAYOR TO EXECUTE A REDEVELOPMENT
AGREEMENT WITH CIRQUELL, LLC, FOR THE REDEVELOPMENT OF
THE UNION HOTEL.**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, the Borough implemented a process to interview, evaluate, and assess potential redevelopers for the Property, which included a subcommittee interview and evaluation process culminating in a subcommittee report and recommendation as well as extensive public participation and input; and

WHEREAS, Cirquell, LLC ("Cirquell") was one of the redeveloper candidates who proposed a development concept to the Mayor and Council of the Borough and described its concept in several public forums held or hosted by the Borough; and

WHEREAS, based upon the selection process, the subcommittee report and recommendations and, particularly, substantial public input and support, the Borough determined to conditionally-designate Cirquell as the redeveloper of the Property, by Resolution 2011-57, adopted March 28, 2011; and

WHEREAS, the Council approved a resolution to extend the time frame in which to negotiate a Redevelopment Agreement with Cirquell to October 28, 2011; and

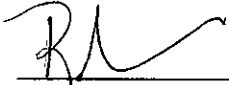
WHEREAS, at the October 24, 2011, Council meeting, the Council agreed to one additional extension of time for negotiations for three weeks; and

WHEREAS, the form of agreement annexed hereto and incorporated herein sets forth the rights and obligations between the Borough and Cirquell with respect to the Union Hotel redevelopment.

NOW THEREFORE, BE IT RESOLVED, by the Council of the Borough of Flemington that the Mayor of the Borough of Flemington be and hereby is authorized to execute the Redevelopment Agreement by and between the Borough of Flemington and Cirquell, LLC, annexed hereto and made a part hereof.

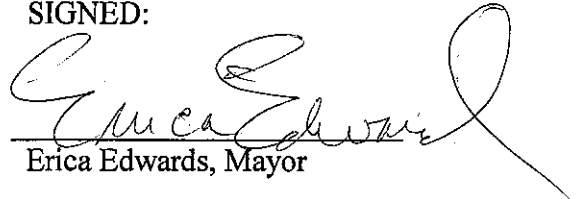
Adopted: November 14, 2011

ATTEST:



Rebecca P. Nemwan, RMC

SIGNED:



Erica Edwards, Mayor

Greenbaum Rowe
Smith & Davis LLP

COUNSELORS AT LAW

METRO CORPORATE CAMPUS ONE

P.O. BOX 5600

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FAX (973) 535-1698

June 4, 2012

Via Federal Express and Facsimile (201-521-0100)

Charles J. Harrington, III, Esq.
Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311

**Re: Redevelopment Agreement Between Cirquell,
LLC and Borough of Flemington**

Dear Chuck:

It has come to the Borough's attention that the Purchase and Sale Agreement between Cirquell, LLC, ("Redeveloper") and the owners of the Union Hotel, the subject property of the above-referenced Redevelopment Agreement, has been terminated by the Union Hotel owners. Pursuant to Section 5.1 of the Redevelopment Agreement, Redeveloper was required to complete the purchase and acquire title to the Union Hotel within (60) sixty days of the execution of the Redevelopment Agreement (by February 8, 2012). Since that time, Redeveloper has been in default of the Redevelopment Agreement due to its failure to acquire title to the Hotel.

While the Borough was aware that Redeveloper had failed to acquire title to the Hotel within sixty (60) days of execution of the Redevelopment Agreement, and has therefore been in default of the Agreement since that time, Redeveloper advised the Borough that the conveyance would be complete in April 2012, and then in April advised that the conveyance would be complete in May 2012. You will recall that Redeveloper's representation that it had a contract to obtain a liquor license and a contract to purchase the Hotel were materially-significant factors leading to the designation of Redeveloper for this Project.

Under the circumstances, however, the Borough has no reasonable alternative but to conclude that Redeveloper will not be able cure its current defaults and perform its obligations under the Redevelopment Agreement. The Borough has made every possible effort to facilitate

Charles J. Harrington, III, Esq.
June 4, 2012
Page 2

this Project, including going against the recommendation of the Redeveloper Selection Subcommittee to pursue a more financially viable project proposed by another redeveloper candidate in favor of Redeveloper's proposal due to the strong public support for this proposal, and delaying commencing of the Project while awaiting results of a market study, requested by Redeveloper, evaluating the potential for a larger project.

As Redeveloper is aware, the redevelopment of the Union Hotel is a matter of great importance to this community, which is the reason that the Mayor and Council were willing to take a chance on the vision of this project (despite its express concerns as to the financial viability of the proposed project) in response to the strongly voiced desire of the community that the Borough try to accomplish this project. Since the revitalization of the Union Hotel into an active and viable use remains vitally important, the Borough must proceed to move forward as expeditiously as possible to accomplish this goal.

Accordingly, the Borough hereby demands, pursuant to Section 5.1 of the Redevelopment Agreement, that Redeveloper cure its default of the Agreement and acquire title to the Union Hotel within thirty (30) days hereof. Redeveloper's failure to cure the Event of Default by acquiring title to the Union Hotel within thirty (30) days hereof shall result in the termination of the Redevelopment Agreement and Redeveloper shall be de-designated as Redeveloper for the Project. The Borough reserves all other rights and remedies available to it under the Redevelopment Agreement and under all applicable laws.

Very truly yours,



Robert Beckelman

Cc: *(via email and regular mail)*
Mayor Erica Edwards
Councilperson Phil Greiner
Councilperson Michelle Oberst
Barry S. Goodman, Esq.

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 07/09/12 07:00 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

SCHEDULED**RESOLUTION 2012-122**

DOC ID: 1119

**Ratifying the Decision of the Borough Council to Terminate
the Redevelopment Agreement Between the Borough of
Flemington and Cirquell, LLC and to De-Designate Cirquell,
LLC as the Union Hotel Redeveloper**

BOROUGH OF FLEMINGTON**COUNTY OF HUNTERDON**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, the Borough implemented a process to interview, evaluate, and assess potential redevelopers for the Property and, as a result of the selection process, particularly based upon substantial public input and support, representations that the Hotel was under contract for purchase, and representations that there was a letter of intent to purchase a liquor license for the Union Hotel property, the Borough determined to conditionally-designate Cirquell, LLC as the redeveloper of the Property, by Resolution 2011-57, adopted March 28, 2011; and

WHEREAS, Cirquell, LLC requested, and the Council approved, a resolution to extend the time frame in which to negotiate a Redevelopment Agreement with Cirquell to October 28, 2011; and

WHEREAS, at the October 24, 2011, Council meeting, the Council agreed to one additional extension of time for negotiations for three weeks; and

WHEREAS, by Resolution 2011-127, adopted November 14, 2011, the Council authorized the execution of a Redevelopment Agreement setting forth the rights and obligations between the Borough and Cirquell, LLC with respect to the Union Hotel redevelopment, by which Cirquell, LLC was designated as the redeveloper for the Union Hotel Project; and

WHEREAS, Cirquell, LLC was required to complete the purchase of the Union Hotel by February 8, 2012, which Cirquell, LLC failed to do, but stated in March 2012 and again in April 2012 that the purchase would be accomplished within approximately thirty days; and

WHEREAS, the Borough learned that the owners of the Hotel had terminated the purchase agreement with Cirquell, LLC in May 2012; and

Attachment: cirquell (2012-122 : Cirquell Resolution)

WHEREAS, on June 4, 2012, the Borough, through legal counsel, served Cirquell, LLC with a Notice of Default for its failure to purchase the Union Hotel, and provided Cirquell, LLC with thirty (30) days to cure such Default; and

WHEREAS, Cirquell, LLC failed to cure such Default and, on July 5, 2012, the Borough, through legal counsel, served Cirquell, LLC with Notice that the Redevelopment Agreement was terminated.

NOW THEREFORE, BE IT RESOLVED, by the Council of the Borough of Flemington that the Council hereby ratifies the termination of the Redevelopment Agreement between the Borough of Flemington and Cirquell, LLC, and ratifies the designation of Cirquell, LLC as the redeveloper for the Union Hotel.

MOVED: Greiner

SECONDED: Oberst

AND ADOPTED UPON THE FOLLOWING ROLE CALL:

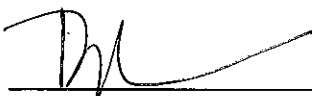
AYES: Velilla, Oberst, Swingle, Greiner

NAYES:

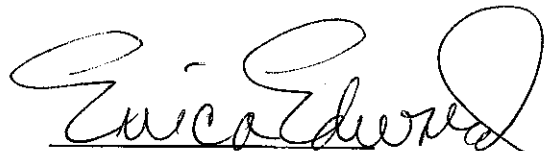
ABSENT: Gorman

ABSTAIN: HAIN

ATTEST:



Rebecca P. Newman, RMC



Erica Edwards, Mayor

Attachment: cirquell (2012-122 : Cirquell Resolution)

Appendix C.
Documentation of 2012-2015
Flemington Union Hotel, LLC Efforts

RESOLUTION 2012-193**RESOLUTION CONDITIONALLY DESIGNATING FLEMINGTON UNION HOTEL, LLC, AS THE REDEVELOPER FOR THE UNION HOTEL AND AUTHORIZING THE REDEVELOPMENT COMMITTEE TO PURSUE THE NEGOTIATION OF A REDEVELOPMENT AGREEMENT**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel Property"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Council of the Borough of Flemington adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, on August 17, 2012, the Borough issued a Request for Development Concept Proposals for the Union Hotel Property (the "RFP"); and

WHEREAS, on September 28, 2012, the Borough received four (4) proposals in response to the RFP (the "Proposals"); and

WHEREAS, the Proposals were made available to the public and were provided to the members of the Council; and

WHEREAS, the Redevelopment Committee of the Council, established by resolution adopted September 27, 2010, conducted interviews with each entity that submitted a Proposal and engaged in the process of evaluating and assessing the Proposals; and

WHEREAS, the Redevelopment Committee shared its assessments, comments and recommendations with respect to the Proposals with the members of the Council; and

WHEREAS, the Council has reviewed and considered the Proposals and the assessments, comments and recommendations from the Redevelopment Committee concerning the Proposals based upon its evaluations of the Proposals and the interviews of the redeveloper candidates that submitted the Proposals; and

WHEREAS, based upon its consideration of all of the above, the Council has determined that the Proposal submitted by Flemington Union Hotel, LLC (the “Flemington Union Hotel Proposal”), best reflects a project designed to achieve the goals and objectives of the Redevelopment Plan and that Flemington Union Hotel, LLC is most uniquely-qualified to implement a project for the Union Hotel Property, has already taken significant steps toward and made substantial investment in the implementation of project for the Union Hotel, and has presented a sound financial plan to implement the project; and

WHEREAS, Flemington Union Hotel, LLC has provided detailed representations as to the sums of monies already invested into the Proposal personally by its principals, has provided detailed representations as to the additional financing secured in amounts sufficient to acquire title to the Union Hotel Property, acquisition of a liquor license for transfer to the Union Hotel Property, and carry out the Proposal through the planning and approval stages; and

WHEREAS, based upon the foregoing, the Council wishes to conditionally-designate Flemington Union Hotel, LLC, as the redeveloper of the Union Hotel.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Flemington that Flemington Union Hotel, LLC is hereby conditionally-designated as the redeveloper for the Union Hotel, pursuant to Section 12 of the Union Hotel Redevelopment Plan, subject to and contingent upon the following conditions:

1. Flemington Union Hotel, LLC shall have acquired title to the Union Hotel Property within ninety (90) days hereof;
2. Flemington Union Hotel, LLC shall have acquired title to a liquor license transferable to the Union Hotel Property within ninety (90) days hereof;
3. Flemington Union Hotel, LLC shall execute a redevelopment agreement with the Borough within ninety (90) days hereof, which agreement shall set forth any other subsequent conditions and contingencies that are required by the Borough.

BE IT FURTHER RESOLVED that The Redevelopment Committee is hereby authorized engage in negotiations of such a redevelopment agreement with Flemington Union Hotel, LLC, such redevelopment agreement subject to review and approval by the Borough Council and the execution to be authorized by Council resolution.

BE IT FURTHER RESOLVED that if Flemington Union Hotel, LLC fails to comply with any of the conditions and contingencies set forth herein within the required time periods or meet any other requirements and expectations to reasonably assure the successful completion of the Project, and present such proposed redevelopment agreement to the Borough Council within ninety (90) days from the date hereof, Flemington Union Hotel, LLC's conditional-designation shall expire and be revoked, without need for further action or proclamation by the Council, unless, prior to the expiration of such ninety (90) days, the Council shall determine, in its sole discretion, to extend the time for the completion of any incomplete condition or contingency for a reasonable period of time, if such extension is deemed likely to result in completion of such condition or contingency.

BE IT FURTHER RESOLVED that this conditional-designation shall not be deemed to vest or secure any right or interest in the Union Hotel Property or the redevelopment of the

Union Hotel Property to Flemington Union Hotel, LLC, absent an executed redevelopment agreement, and, if no redevelopment agreement is executed and Flemington Union Hotel, LLC is de-designated as the conditional redeveloper for the Union Hotel Property, it shall have no rights or claims of interest with respect to the development of the Union Hotel Property.


Offered: Velella

Second: Greiner

Approved: Velella, Gorman, Swingle Greiner

Abset: Oberst, Hain

ATTEST:


Rebecca P. Newman, Clerk


Erica Edwards, Mayor

RESOLUTION 2013-27**RESOLUTION EXTENDING TIME FOR NEGOTIATIONS AND EXTENDING
CONDITIONAL-DESIGNATION OF FLEMINGTON UNION HOTEL, LLC, AS THE
REDEVELOPER FOR THE UNION HOTEL**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel Property"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Council of the Borough of Flemington adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, on August 17, 2012, the Borough issued a Request for Development Concept Proposals for the Union Hotel Property (the "RFP"); and

WHEREAS, on September 28, 2012, the Borough received four (4) proposals in response to the RFP (the "Proposals"); and

WHEREAS, the Proposals were made available to the public and were provided to the members of the Council; and

WHEREAS, the Redevelopment Committee of the Council conducted interviews with each entity that submitted a Proposal and engaged in the process of evaluating and assessing the Proposals; and

WHEREAS, the Redevelopment Committee shared its assessments, comments and recommendations with respect to the Proposals with the members of the Council; and

WHEREAS, based upon its review and consideration of the Proposals and the assessments, comments and recommendations from the Redevelopment Committee concerning the Proposals, on November 26, 2012, the Council adopted Resolution 2012-193 (the "Resolution") conditionally-designating Flemington Union Hotel, LLC as the redeveloper of the Union Hotel Property; and

WHEREAS, the Resolution provided for a period of ninety (90) days for Flemington Union Hotel, LLC complete the following conditions of its conditional-designation:

1. acquire title to the Union Hotel Property;
2. acquire a liquor license for transfer to the Union Hotel Property; and
3. execute a redevelopment agreement with the Borough; and

WHEREAS, Flemington Union Hotel, LLC has completed the first condition of the Resolution and anticipates completing the second condition within the original ninety (90) day timeframe but the parties have not finalized the terms of the redevelopment agreement; and

WHEREAS Flemington Union Hotel, LLC has devoted and continues to devote substantial effort and time into investigating and seeking to secure additional capital financing, funding and potential grants for the Project; and

WHEREAS, the Resolution further provided that if prior to the expiration of such ninety (90) days, the Council shall determine, in its sole discretion, to extend the time for the completion of any incomplete condition or contingency for a reasonable period of time, if such extension is deemed likely to result in completion of such condition or contingency; and

WHEREAS, in recognition of the substantial accomplishments by Flemington Union Hotel, LLC toward this project the Council wishes to continue negotiations of the redevelopment agreement for this Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Flemington that the conditional-designation of Flemington Union Hotel, LLC as redeveloper for the Union Hotel is hereby extended for an additional ninety (90) days.

BE IT FURTHER RESOLVED that if Flemington Union Hotel, LLC fails to assure completion of any of the conditions and contingencies set forth in Resolution 2012-193 and execute a redevelopment agreement with the Borough Council within such ninety (90) day extension period, Flemington Union Hotel, LLC's conditional-designation shall expire and be revoked, without need for further action or proclamation by the Council.

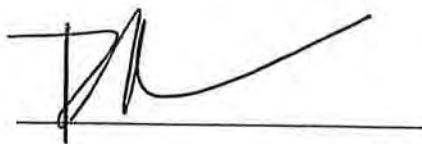
BE IT FURTHER RESOLVED that this conditional-designation shall not be deemed to vest or secure any right or interest in the Union Hotel Property or the redevelopment of the Union Hotel Property to Flemington Union Hotel, LLC, absent an executed redevelopment agreement and, if no redevelopment agreement is executed and Flemington Union Hotel, LLC is de-designated as the conditional redeveloper for the Union Hotel Property, it shall have no rights or claims of interest with respect to the development of the Union Hotel Property.

Offered:

Second:

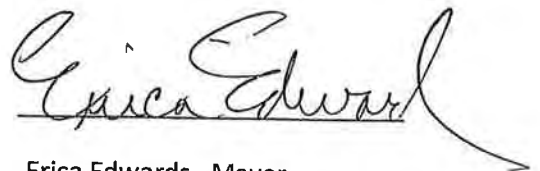
Approved:

Attest:



Rebecca P Newman, RMC

Borough Clerk



Erica Edwards, Mayor

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 05/13/13 07:00 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

DOC ID: 1225

SCHEDULED**RESOLUTION 2013-78**

Authorizing the Mayor and Clerk to Sign a Memorandum of Understanding Between the Borough of Flemington as the Redevelopment Entity and Union Hotel Hotel, LLC as the Redeveloper

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A REDEVELOPMENT AGREEMENT WITH FLEMINGTON UNION HOTEL, LLC, AS THE REDEVELOPER FOR THE UNION HOTEL

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel Property"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Council of the Borough of Flemington adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, on August 17, 2012, the Borough issued a Request for Development Concept Proposals for the Union Hotel Property (the "RFP"); and

WHEREAS, on September 28, 2012, the Borough received four (4) proposals in response to the RFP (the "Proposals"); and

WHEREAS, the Proposals were made available to the public and were provided to the members of the Council; and

WHEREAS, the Redevelopment Committee of the Council conducted interviews with each entity that submitted a Proposal and engaged in the process of evaluating and assessing the Proposals; and

WHEREAS, the Redevelopment Committee shared its assessments, comments and recommendations with respect to the Proposals with the members of the Council; and

WHEREAS, based upon its review and consideration of the Proposals and the assessments, comments and recommendations from the Redevelopment Committee concerning the Proposals, on November 26, 2012, the Council adopted Resolution 2012-193 (the

“Resolution”) conditionally-designating Flemington Union Hotel, LLC as the redeveloper of the Union Hotel Property; and

WHEREAS, the Resolution provided for a period of ninety (90) days for Flemington Union Hotel, LLC to acquire title to the Union Hotel Property, acquire a liquor license and execute a redevelopment agreement with the Borough; and

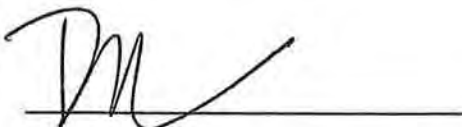
WHEREAS, by Resolution 2013-27, adopted February 11, 2013, the Council of the Borough of Flemington extended the conditional-designation of Flemington Union Hotel, LLC as redeveloper for the Union Hotel for an additional ninety (90) days through May 25, 2013; and

WHEREAS, Flemington Union Hotel, LLC has completed the first two conditions of its conditional-designation and is prepared to execute a redevelopment agreement with the Borough; and

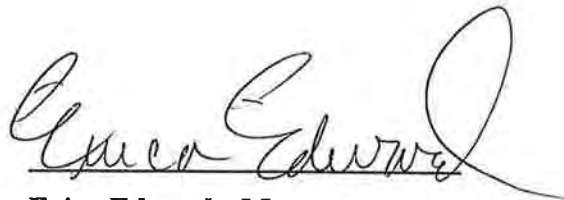
WHEREAS, the form of agreement annexed hereto and incorporated herein sets forth the rights and obligations between the Borough and Flemington Union Hotel, LLC with respect to the Union Hotel redevelopment.

NOW THEREFORE, BE IT RESOLVED, by the Council of the Borough of Flemington that the Mayor of the Borough of Flemington be and hereby is authorized to execute the Redevelopment Agreement by and between the Borough of Flemington and Flemington Union Hotel, LLC, annexed hereto and made a part hereof.

ATTEST:



Rebecca Newman, RMC
Borough Clerk



Erica Edwards, Mayor

Offered:

Resolution 2013-78

Meeting of May 13, 2013

Second:

Approved:

ATTACHMENTS:

- mou (PDF)

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 08/12/13 07:30 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

ADOPTED**RESOLUTION 2013-132**

DOC ID: 1303

Resolution Authorizing and Directing the Planning Board to Undertake a Preliminary Investigation to Determine Whether an Area of the Downtown to the South of the Union Hotel Meets the Statutory Criteria for "An Area in Need of Redevelopment" Pursuant to the Local Redevelopment and Housing Law

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan; and

WHEREAS, in May 2013, the Borough executed a Redevelopment Agreement with Flemington Union Hotel, LLC (the "Designated Redeveloper"), for the redevelopment of the Union Hotel;

WHEREAS, the Union Hotel Redevelopment Plan contemplated various alternative parking scenarios to address the increased demand that would likely result from such revitalization and reuse of the Union Hotel; and

WHEREAS, the Redevelopment Plan contemplated the possible inclusion and incorporation of certain properties surround the Union Hotel under a shared parking scenario by which the current owners and the Union Hotel would enter an arrangement to share parking to facilitate the respective uses; and

WHEREAS, the project proposed by the Designated Redeveloper will include uses that will likely generate parking demands in excess of the amount of parking spaces that could feasibly be constructed on the Union Hotel property; and

WHEREAS, one of the proposed parking solutions in the Union Hotel Redevelopment Plan was the inclusion of the remainder of Block 22 into a comprehensive parking plan to facilitate the redeveloped Union Hotel as well as existing businesses; and

WHEREAS, there exists an underutilized and largely vacant Borough-owned building within Block 22 to the south of the Union Hotel, separated by three additional privately-owned lots; and

BE IT FURTHER RESOLVED that the Planning Board shall specify a date for and give notice of the hearing for the purpose of hearing persons who are interested in or would be affected by a determination that the Study Area is a redevelopment area; and

BE IT FURTHER RESOLVED that the hearing notice shall set forth the general boundaries of the Study Area and state that a map has been prepared and can be inspected at the office of the Borough Clerk, and that a copy of the notice shall be published in a newspaper of general circulation in the Borough of Flemington once each week for two consecutive weeks, and the last publication shall be not less than ten (10) days prior to the date set for the hearing, and that a copy of the notice shall be mailed at least ten (10) days prior to the date set for the hearing to the last owner, if any, of each parcel of property within the Study Area according to the assessment records of the Borough of Flemington, as well as all persons at their last known address, if any, whose names are noted on the assessment records as claimants of an interest in any such parcel; and

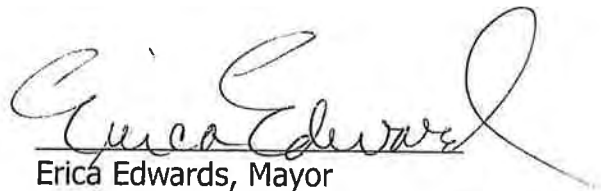
BE IT FURTHER RESOLVED that the Planning Board shall hear all persons who are interested in or would be affected by a determination that the Study Area qualifies under the redevelopment criteria. All objections to such a determination and evidence in support of those objections, given orally or in writing, shall be received and considered and made part of the public record; and

BE IT FURTHER RESOLVED that the Planning Board shall submit its findings and recommendations to the Council in the form of a Resolution with supportive documentation.

ATTEST:



Rebecca P. Newman, RMC
Borough Clerk



Erica Edwards, Mayor

RESULT: **ADOPTED [UNANIMOUS]**
MOVER: Phil Greiner, Councilman
SECONDER: Phil Velella, Council President
AYES: Swingle, Velella, Fine, Gorman, Novick, Greiner

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 02/24/14 07:30 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

DOC ID: 1471

SCHEDULED**RESOLUTION 2014-47**

**Designating an Area of the Downtown South of the Union
Hotel, as More Particularly Described Herein, as an Area in
Need of Redevelopment, Pursuant to the Local
Redevelopment and Housing Law ****AMENDED******

**BOROUGH OF FLEMINGTON
COUNTY OF HUNTERDON**

WHEREAS, on February 10, 2014 Resolution 2014-44 with the same title and body was adopted; and

WHEREAS, it was determined a block and lot needed to be amended; and

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (The "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan; and

WHEREAS, in May 2013, the Borough executed a Redevelopment Agreement with Flemington Union Hotel, LLC (the "Designated Redeveloper"), for the redevelopment of the Union Hotel;

WHEREAS, the Union Hotel Redevelopment Plan contemplated various alternative parking scenarios to address the increased demand that would likely result from such revitalization and reuse of the Union Hotel; and

WHEREAS, the Redevelopment Plan contemplated the possible inclusion and incorporation of certain properties surround the Union Hotel under a shared parking scenario by which the current owners and the Union Hotel would enter an arrangement to share parking to facilitate the respective uses; and

WHEREAS, the project proposed by the Designated Redeveloper will include uses that will likely generate parking demands in excess of the amount of parking spaces that could feasibly be constructed on the Union Hotel property; and

WHEREAS, one of the proposed parking solutions in the Union Hotel Redevelopment Plan was the inclusion of the remainder of Block 22 into a comprehensive parking plan to facilitate the redeveloped Union Hotel as well as existing businesses; and

WHEREAS, there exists an underutilized and largely vacant Borough-owned building within Block 22 to the south of the Union Hotel, separated by three additional privately-owned lots, as well as some other vacancies and underutilization in some surrounding buildings; and

WHEREAS, the Borough has been unable to successfully utilize the Borough-owned building and other buildings have remained vacant or partially vacant for extended time periods and have remained mostly vacant and underutilized; and

WHEREAS, in order to facilitate a comprehensive parking plan and address parking needs, which the Borough believes will be necessary to implement the Union Hotel Redevelopment Plan, and to address the underutilization and vacancies of the Borough-owned property and other surrounding properties, the Borough believes it is necessary and appropriate to investigate and consider the expansion of the Redevelopment Plan area to the south of the Union Hotel, and

WHEREAS, pursuant to Council Resolution 2013-132, adopted August 12, 2013, the Council of the Borough of Flemington directed the Planning Board to undertake a preliminary investigation to determine whether the following parcels of property located south of the Union Hotel, qualify as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1*, et seq. (The "Redevelopment Law"):

<u>Address</u>	<u>Block</u>	<u>Lot</u>
80 Main Street	22	5 & 12
82 Main Street	22	6
90-100 Main Street	22	7, 9, 10
104 Main Street	22	8
110 Main Street	23	1
3 Chorister Place	23	7

(the above properties collectively referred to as the "Study Area"); and

WHEREAS, the Planning Board retained the services of Clark Caton Hintz, a professional planning and architectural firm ("CCH") to assist in conducting the necessary investigations and analysis to determine whether the Study Area does or does not qualify an area in need of redevelopment under the criteria set forth in the Redevelopment Law; and

WHEREAS, CCH conducted such investigations and prepared a report of its investigations entitled "Preliminary Investigation For An Area In Need of Redevelopment", dated November 26, 2013 (the "Redevelopment Investigation Report"); and

WHEREAS, the Redevelopment Investigation Report concludes that the Study Area exhibits conditions which conform with several of the redevelopment criterion under Section 5 of the Redevelopment Law, *N.J.S.A. 40A:12A-5*; and

WHEREAS, on December 16, 2013, the Planning Board conducted a duly-noticed public hearing, pursuant to *N.J.S.A. 40A:12A-6*, at which time it heard a presentation of the Redevelopment Investigation Report by Carl E. Hintz, ASLA, CLA, PP, AICP, of CCH, as well as comments from members of the public in attendance; and

WHEREAS, the Redevelopment Investigation Report and evidence and testimony presented support a finding that the Study Area exhibits several conditions that meet the criteria for designation as an area in need of redevelopment, including but not limited to:

- a. substandard, unsafe, unsanitary, dilapidated and obsolescent conditions, and a lack of light, air and space leading to unwholesome living or working conditions, under criteria "a";
- b. physical abandonment, continued vacancy and lack of use constituting a discontinuance of a commercial use from which the building has fallen into a state of disrepair and tenantable, under criteria "b";
- c. dilapidation, obsolescence, faulty arrangement and design, lack of ventilation, light and sanitary facilities, and an obsolete layout, which constitute a detriment to the health, safety and welfare of the community, under criteria "d";
- d. the redevelopment of the Study Area in a designated Town Center is consistent with smart growth planning principals adopted by the State, under criteria "h"; and

WHEREAS, based upon the Redevelopment Investigation Study, the testimony of Carl E. Hintz concerning the Redevelopment Investigation Study and the comments from the public, the Planning Board adopted a resolution on _____, 2014, concluded that the Study Area meets the criteria for designation as an area in need of redevelopment under the Redevelopment Law and recommending that the Borough Council designate the Study Area as an area in need of redevelopment, pursuant to the Redevelopment Law; and

WHEREAS, the Council accepts the conclusions of the Redevelopment Investigation Study and Planning Board's recommendation and wishes to designate the Study Area as an area in need of redevelopment.

NOW, THEREFORE, BE IT RESOLVED by Borough Council of the Borough of Flemington that the Study Area described herein be and hereby is designated as a Non-Condemnation Redevelopment Area, pursuant to *N.J.S.A. 40A:12A-5* and *N.J.S.A. 40A:12A-6*.

Resolution 2014-47

Meeting of February 24, 2014

BE IT FURTHER RESOLVED that this amended Resolution replaces Resolution 2014-44 previously adopted on February 10, 2014.

I hereby certify that the above Resolution is a true copy of the Resolution adopted by the Council of the Borough of Flemington on February _____, 2014.

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 04/16/14 07:30 PM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:
DOC ID: 1531

SCHEDULED

RESOLUTION 2014-72

Authorizing the Governing Body's Redevelopment Committee for the Union Hotel Redevelopment Area, to Engage in Exclusive Negotiations with the Currently-Designated Union Hotel Redeveloper Concerning the Expanded Union Hotel Redevelopment Area

**BOROUGH OF FLEMINGTON
COUNTY OF HUNTERDON**

WHEREAS, pursuant to Council Resolution 2010-94, adopted June 14, 2010, the Council of the Borough of Flemington designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map, as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan; and

WHEREAS, in May 2013, the Borough executed a Redevelopment Agreement with Flemington Union Hotel, LLC (the "Designated Redeveloper"), for the redevelopment of the Union Hotel;

WHEREAS, on February 10, 2014, the Borough adopted Resolution No. 2014-44, designating an area in the downtown south of the Union Hotel as an area in need of redevelopment under the Redevelopment Law (the "Expanded Redevelopment Area");

WHEREAS, on April 16, 2014 via Ordinance 2014-2 the Borough adopted a redevelopment plan for the Expanded Redevelopment Area (the "Expanded Redevelopment Area");

WHEREAS, the Borough believes that it is appropriate as a first step following the adoption of the redevelopment plan for the Expanded Redevelopment Area, to engage in discussions with the Designated Redeveloper for the Union Hotel about the redevelopment of the Expanded Redevelopment Area, prior to considering or discussing potential redevelopment with any other parties, which potential redevelopment may conflict with or be inconsistent with redevelopment plans for the Union Hotel which remains of critical importance to the overall goals and objectives of the redevelopment efforts in the original and Expanded Redevelopment Area.

WHEREAS, the period for exclusive discussions and negotiations with the Designated Redeveloper for the Union Hotel shall extend until June 30, 2014, which time period may be extended by the governing body in the best interests of the community.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Borough of Flemington, County of Hunterdon, State of New Jersey, that the governing body's Redevelopment Committee for the Union Hotel Redevelopment Area is hereby authorized to engage in exclusive discussions and negotiations with Flemington Union Hotel, LLC concerning the redevelopment of the Expanded Union Hotel Redevelopment Area, including but not limited to negotiations concerning the use and/or sale of public property therein.

BE IT FURTHER RESOLVED that the Redevelopment Committee shall report the results and progress of its discussions and/or negotiations to the governing body prior to engaging in discussions with prospective redevelopers other than Flemington Union Hotel, LLC.

BE IT FURTHER RESOLVED, that the Redevelopment Committee shall not engage in discussions and negotiations with anyone other than Flemington Union Hotel, LLC concerning the redevelopment of the Expanded Redevelopment Area, including but not limited to negotiations concerning the use and/or sale of public property therein, unless and until it is so directed by the Borough Council.

Adopted: April 16, 2014

ATTEST:

Rebecca P. Newman, RMC
Borough Clerk

Erica Edwards, Mayor

I hereby certify that the above Resolution is a true copy of the Resolution adopted by the Council of the Borough of Flemington on April 16, 2014.

Rebecca P. Newman, RMC

Greenbaum Rowe
Smith & Davis LLP

COUNSELORS AT LAW

METRO CORPORATE CAMPUS ONE

P.O. BOX 5600

WOODBIDGE, NJ 07095-0988

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June 12, 2015

Via Federal Express and Email

Matthew McPherson

Liam Burns

c/o Matt's Red Rooster

ATTN: Flemington Union Hotel, LLC

22 Bloomfield Avenue

Flemington, New Jersey 08822

**Re: NOTICE OF DEFAULT
Redevelopment Agreement Between Flemington Union Hotel, LLC and
Borough of Flemington**

Dear Matt and Liam:

I am writing with respect to the status of Flemington Union Hotel, LLC's ("FUH") obligations under the above-referenced redevelopment agreement for the proposed redevelopment of the Union Hotel (the "Redevelopment Agreement"), and certain defaults of certain obligation thereunder. The Borough is aware that certain litigation has been filed against FUH that threatens FUH's ownership of the Union Hotel and interferes with FUH's control of the Hotel and ability to pursue the redevelopment of the Hotel. The Borough is further aware there is litigation that threatens FUH's control and ownership of the liquor license.

The execution of the Redevelopment Agreement was contingent upon FUH acquiring title to the Union Hotel and the liquor license. See 11th Whereas Clause. The loss of the Property would render FUH's performance impossible and the loss of the liquor license would be a material deviation from FUH's representations relied upon by the Borough. FUH represented "that it has the financial capability and necessary financing in place to acquire the Property, purchase the Liquor License, and to secure all Governmental Approvals for the construction of the Project without any public financing." Redevelopment Agreement, § 4.6.

FUH also made various representations and covenants under the Redevelopment Agreement which it has violated, including that there were no lawsuits "which could have a material adverse effect upon Redeveloper's performance under this Agreement or the financial condition or business of

Matthew McPherson
Liam Burns
June 12, 2015
Page 2

Redeveloper" (§ 6.1(d)) and that it would "Commence Construction of the Improvements within the Project Schedule as set forth in Exhibit B" (§ 6.3(b)(iv)). As noted above, the pending litigation threatens to render FUH's performance impossible.

With respect to FUH's failure to comply with the Project Schedule, under which FUH should have commenced construction in April 2014, this also constitutes a default under Section 2.2 (the "Project ... will be developed in accordance with the Project Schedule set forth in Exhibit B"); Section 2.5 ("Redeveloper shall construct the Project or cause the Project to be constructed in accordance with the Project Schedule attached hereto as Exhibit B"); and Section 4.2 ("Redeveloper shall not suspend or discontinue the performance of its obligations under this 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 or Property").

The violations of the covenants and restrictions as well as the failure to comply with the Project Schedule are also specifically defined as events of default under Sections 7.1(c) and (d). The defaults of the mortgage for the Property as well as the filing of the lawsuits in connection therewith and the liens imposed in the lawsuits also constitute a specifically defined default under Sections 7.1(e) and (h).

Accordingly, the Borough hereby demands, pursuant to Section 7.2 of the Redevelopment Agreement, that FUH cure its default of the Redevelopment Agreement within sixty (60) days hereof. FUH's failure to cure the Events of Default as outlined herein within sixty (60) days hereof shall result in the termination of the Redevelopment Agreement and FUH shall be de-designated as Redeveloper for the Project. The Borough reserves all other rights and remedies available to it under the Redevelopment Agreement and under all applicable laws.

Please be advised that Lee B. Roth, Esq. is copied as counsel for Steven Romanowski, who is entitled to notice as a "Holder," under Section 11.4 of the Redevelopment Agreement.

Very truly yours,



ROBERT BECKELMAN

RB/rmn
cc: Lee B. Roth, Esq.
Daniel Eliades, Esq.
Mayor Phil Greiner
Councilperson Brian Swingle
Barry S. Goodman, Esq.
(all via e-mail and regular mail)

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 06/08/15 12:00 AM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

ADOPTED

RESOLUTION 2015-132

DOC ID: 1900

**Authorizing the Borough's Redevelopment Attorney to
Provide Notice to the Union Hotel Developers Regarding
Status of the Project**

**BOROUGH OF FLEMINGTON
COUNTY OF HUNTERDON**

WHEREAS the Flemington Borough Council has deliberated about the current status of the Union Hotel redevelopment project, and

WHEREAS Council has concluded that satisfactory progress toward developing the property has not been forthcoming as specified in the redevelopment agreement, and

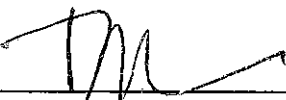
WHEREAS Council has further concluded that the developer should be notified that it is considered to be in default of the terms of the redevelopment agreement,

THEREFORE BE IT RESOLVED that Council authorizes the borough's redevelopment attorney to notify the hotel developers in writing that they are considered to be in default of the redevelopment agreement, and that such written notice should be sent to the developers as soon as practical upon approval of this resolution.

Adopted: June 8, 2015


Philip Greiner, Mayor

Attest:


Rebecca Newmar, RMC
Municipal Clerk

RESULT:	ADOPTED [4 TO 0]
MOVER:	Dorothy Fine, Councilwoman
SECONDER:	Carla Tabussi, Council Vice President
AYES:	Dorothy Fine, John Gorman, Joey Novick, Carla Tabussi
ABSTAIN:	Brooke Liebowitz
ABSENT:	Brian Swingle

Mayor and Common Council

38 Park Avenue
Flemington, NJ 08822

Meeting: 08/24/15 12:00 AM
Department: Clerk of the Borough
Category: Board Policy
Prepared By: Rebecca Newman
Initiator: Rebecca Newman
Sponsors:

ADOPTED

RESOLUTION 2015-171

DOC ID: 1967

De Designating Union Hotel Redevelopers

**RESOLUTION AUTHORIZING THE TERMINATION OF REDEVELOPMENT
AGREEMENT AND DE-DESIGNATING FLEMINGTON UNION HOTEL, LLC AS
THE REDEVELOPER FOR THE UNION HOTEL**

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel Property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the "Union Hotel"), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, on August 17, 2012, the Borough issued a Request for Development Concept Proposals for the Union Hotel Property (the "RFP"); and

WHEREAS, on September 28, 2012, the Borough received four (4) proposals in response to the RFP (the "Proposals"); and

WHEREAS, based upon review and consideration of the Proposals and the assessments, comments and recommendations from the Redevelopment Committee concerning the Proposals, on November 26, 2012, the Council adopted Resolution 2012-193 (the "Resolution") conditionally-designating Flemington Union Hotel, LLC as the redeveloper of the Union Hotel Property; and

WHEREAS, by Resolution 2013-27, adopted February 11, 2013, the Council of the Borough of Flemington extended the conditional-designation of Flemington Union Hotel, LLC as redeveloper for the Union Hotel for an additional ninety (90) days through May 25, 2013; and

WHEREAS, on May 24, 2013, the Borough executed a Redevelopment Agreement with Flemington Union Hotel, LLC pursuant to which Flemington Union Hotel, LLC, was designated as redeveloper for the Union Hotel; and

WHEREAS, Flemington Union Hotel, LLC has failed to timely comply with various obligations under the Redevelopment Agreement and has become involved in disputes that threaten its ownership and control of the Union Hotel and other assets necessary to fulfill its obligations as redeveloper under the Redevelopment Agreement; and

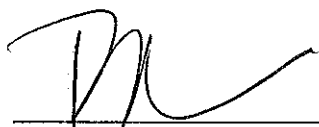
WHEREAS, on June 12, 2015, the Borough, through legal counsel, served Flemington Union Hotel, LLC with a Notice of Default outlining such defaults in detail and providing Flemington Union Hotel, LLC with sixty (60) days to cure such Defaults; and

WHEREAS, as of this date Flemington Union Hotel, LLC has failed to cure such Defaults.

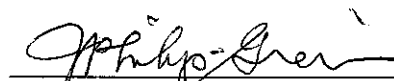
NOW THEREFORE, BE IT RESOLVED, by the Council of the Borough of Flemington that the Council acknowledges and confirms that the Redevelopment Agreement between Flemington Union Hotel, LLC and the Borough of Flemington is terminated and Flemington Union Hotel, LLC is De-Designated as the redeveloper for the Union Hotel.

Adopted: 8/24/15

ATTEST:



Rebecca P. Newman, RMC
Borough Clerk



Phil Greiner, Mayor

COMMENTS - Current Meeting:

Mayor Greiner summarized the resolution stating that the developers had 60 days to respond to the last resolution that was passed and the Borough has heard nothing. The next step would be to have the Council approve this resolution if they desired. Mayor Greiner stated the hotel was still owned by the development group and those owners can still develop it, however de-designating them allows the Borough to begin discussions with other potential developers.

Councilman Gorman stated that he greatly respected both of the investors involved and that he still has hope that they will do something positive with this property.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John Gorman, Council President
SECONDER:	Carla Tabussi, Council Vice President
AYES:	Dorothy Fine, John Gorman, Carla Tabussi
ABSENT:	Brooke Liebowitz, Joey Novick, Brian Swingle

Appendix D.

Redevelopment Agreement By and Between
Borough of Flemington and Flemington Center
Urban Renewal, LLC (includes Concept Plan)

REDEVELOPMENT AGREEMENT

BY AND BETWEEN

BOROUGH OF FLEMINGTON
as Redevelopment Entity

AND

FLEMINGTON CENTER URBAN RENEWAL, LLC
as Redeveloper

THIS REDEVELOPMENT AGREEMENT (“**Agreement**”) is entered into this 12th day of April, 2017 (the “**Effective Date**”), by and between **THE BOROUGH OF FLEMINGTON** (the “**Borough**”), a municipal corporation and body politic of the State of New Jersey, having its offices at 38 Park Avenue, Flemington, New Jersey 08822 and **FLEMINGTON CENTER URBAN RENEWAL, LLC**, a limited liability company authorized to conduct business within the State of New Jersey and having a business office located at 5 Bartles Corner Road, Flemington, New Jersey 08822 (the “**Redeveloper**”) (together the “**Parties**” and individually a “**Party**”).

WHEREAS, pursuant to Borough Council Resolution 2010-94, adopted June 14, 2010, the Borough Council designated the Union Hotel property, located at 70-76 Main Street, Flemington, and identified as Block 22, Lot 4 on the Borough of Flemington Tax Map (the “**Initial Redevelopment Area**”), as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the “**Redevelopment Law**”); and

WHEREAS, pursuant to Ordinance 2010-14, adopted on October 25, 2010, the Borough Council adopted the Union Hotel Redevelopment Plan; and

WHEREAS, pursuant to Borough Council Resolution 2014-44, adopted February 10, 2014, the Borough Council designated the area south of the Union Hotel property, inclusive of properties located at 78 Main Street, 80 Main Street, 82 Main Street, 90-100 Main Street, 104 Main Street, 110 Main Street, 7 Spring Street, 19 Spring Street, 3 Chorister Place and 6 Chorister Place, identified on the Borough Tax Map as Block 22 Lots 5, 6, 7, 8, 9, 10 and 12 and Block 23, Lots 1 and 7 as an area in need of redevelopment pursuant to the Redevelopment Law (such properties, together with the Initial Redevelopment Area, is the “**Redevelopment Area**”) and, subsequently, on March 7, 2014, the Borough enacted an ordinance adopting a redevelopment plan for the Redevelopment Area (the “**2014 Redevelopment Plan**”); and

WHEREAS, two redevelopers had been designated to implement the redevelopment project to rehabilitate, restore and reopen the Union Hotel for restaurant and hotel uses, neither of which redevelopers was able to successfully finance and implement such projects; and

WHEREAS, the Union Hotel and other properties within the Redevelopment Area had been the subject of litigation that threatened to substantially complicate and delay any plans to proceed with redevelopment efforts for the Redevelopment Area; and

WHEREAS, the Borough has determined that, in order for the redevelopment of the Redevelopment Area to be successful and have the desired impact on the Borough’s downtown, it must address multiple uses beyond hotel and residential uses by including uses such as retail, educational, cultural and medical (the “**Non-residential Uses**”); and

WHEREAS, such Non-residential Uses are critical to the Borough’s efforts to arrest and reverse the lack of proper development in the Redevelopment Area and entire downtown as envisioned by the Redevelopment Law; and

WHEREAS, the inclusion of such Non-residential Uses was highlighted in the 2014 Hunterdon County Comprehensive Economic Development Strategy document which emphasized the need for niche retail services (personal services, restaurants, etc.), health care related uses and higher education facilities as key areas for growth in Hunterdon County; and

WHEREAS, the County and Borough have limited areas for developing such uses due to the scarcity of developable land not encumbered by the Highlands Area Master Plan; and

WHEREAS, the Borough further believes that the development of these uses should occur within its downtown where the infrastructure already exists; and

WHEREAS, the Borough has directed the Redeveloper to incorporate all of such uses in the redevelopment project; and

WHEREAS, in furtherance of such direction, and in order to limit the potential for continued litigation and litigation delays, the Redeveloper has been negotiating with various parties involved in the litigation and with interests in Union Hotel and other properties in the Redevelopment Area toward the potential acquisition of such properties in the Redevelopment Area and interests relevant to the redevelopment of the Redevelopment Area; and

WHEREAS, Redeveloper's efforts could avert a significant loss of further time and effort that could result from continuing disputes and litigation and more expeditiously enable a project for the redevelopment of the Redevelopment Area without being further delayed by litigation; and

WHEREAS, in addition to such efforts the Borough and Redeveloper have determined that it is necessary for the effective redevelopment of the Redevelopment Area to "square off" the portion of the Redevelopment Area located on Block 22 to include Lots 13 and 14 (23 Bloomfield Avenue and 21 Bloomfield Avenue) and add Lots 1, 2, 3 and 5 across the street therefrom on Block 24 (2 Spring Street, 8 Spring Street, 12 Spring Street) (collectively, the "**Additional Property**" and, together with the Redevelopment Area, the "**Expanded Redevelopment Area**"); and

WHEREAS, as described above the Additional Property is an essential element of Borough's vision for the area and the Redeveloper's development proposal and therefore it is critical that the Additional Property be designated as an area in need of redevelopment and included in an amendment to the 2014 Redevelopment Plan; and

WHEREAS, Redeveloper has proposed a Project for the Expanded Redevelopment Area that meets the Borough's goals for the redevelopment of the Redevelopment Area; and

WHEREAS, Redeveloper's efforts described above demonstrate a high level of commitment and seriousness to pursue implementation of its proposed development concepts for the Expanded Redevelopment Area; and

WHEREAS, *N.J.S.A.* 40A:12A-8 (e) and (f) authorize the Borough Council, as the redevelopment entity, to enter into contracts or agreements for the planning, construction and undertaking of development projects and redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, on February 22, 2016 and August 22, 2016, Redeveloper appeared before the Mayor and Council of the Borough and the public and discussed its proposal for the development of the Expanded Redevelopment Area and its credentials to demonstrate its ability to perform as a redeveloper for the Expanded Redevelopment Area; and

WHEREAS, it is now the intention of the Parties to enter into this Agreement to further define and memorialize the respective obligations of the Parties with regard to proceeding with the redevelopment of the Expanded Redevelopment Area.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATIONS

1.1 Defined Terms.

The Parties agree that, unless the context otherwise specifies or requires, in addition to the terms defined above, the following terms shall have the respective meanings specified below and such definitions shall be applicable equally to the singular and plural forms of such terms.

2014 Redevelopment Plan is defined in the recitals to this Agreement.

Additional Property is defined in the recitals to this Agreement.

Affected Party is defined in Section 7.8.

Affiliate means with respect to any Person, any other Person directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with, such Person.

Agreement is defined in the preamble to this Agreement.

Applicable Law means any and all federal, state, county and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, Governmental Approvals, and similarly binding authority, applicable to the Project or the performance by the Parties of their respective obligations or the exercise by the Parties of their respective rights in connection with this Agreement.

Application is defined in Section 3.2(a).

Borough is defined in the preamble to this Agreement.

Borough Costs is defined in Section 4.6(a).

Borough Ordinances means the ordinances of the Borough of Flemington.

Business Day means any day other than a Saturday, a Sunday, or a day on which banks generally and public offices are not open under the laws of the State of New Jersey.

Certificate of Completion means a written certificate issued by the Borough in accordance with Section 4.3, which shall acknowledge that Redeveloper has performed all of its duties and obligations pursuant to this Agreement relative to a certain Phase of the Project or the entire Project, as applicable, whose issuance shall serve to release the relevant Phase of the Project or the entire Project, as applicable, and Redeveloper from all terms, obligations and conditions contained in this Agreement and in the Applicable Law.

Certificate of Occupancy is as defined in the Uniform Construction Code at *N.J.A.C.* 5:23.1.4, and as may be issued by the Borough relative to a particular Phase of the Project or the entire Project, as applicable, indicating that such Phase of the Project or the entire Project, as

applicable, has been Completed in accordance with the construction permit, the Uniform Construction Code and any Applicable Law.

Claims is defined in Section 9.1.

Commencement of Construction means the beginning of vertical construction.

Completion, Complete or Completed means (i) that all work related to a Phase or the entire Project, has been Completed, acquired and installed in accordance with the terms of this Agreement, the Redevelopment Plan and any amendments thereto, and in compliance with all Applicable Law so that the developed Expanded Redevelopment Area may be used and operated under the applicable provisions of this Agreement, and (ii) that all Governmental Approvals required for the Expanded Redevelopment Area are in full force and effect. Completion shall be evidenced by the issuance of a Certificate of Completion.

Concept Plan is as shown in **Exhibit A**.

Control (including the correlative meanings of the terms “Controlled by” and “under common Control with” and “Controlling”) means with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

Declaration is defined in Section 6.3(a).

Deeds means the deeds transferring title to the Expanded Redevelopment Area or any portion thereof.

Effective Date is defined in the preamble to this Agreement.

Event of Default is defined in Section 7.1.

Event of Force Majeure is defined in Section 7.8.

Expanded Redevelopment Area is defined in the recitals to this Agreement.

Financial Agreement means an agreement entered into in accordance with *N.J.S.A. 40A:20-1, et seq.* or *N.J.S.A. 40A:21-1, et seq.*

Force Majeure is defined in Section 7.8.

Foreclosure means that event in which a Holder forecloses its mortgage secured by the Expanded Redevelopment Area, or part thereof, or takes title to the Expanded Redevelopment Area, or part thereof, by deed-in-lieu of foreclosure or similar transaction.

Governmental Approval(s) means any approvals, authorizations, permits, licenses or certificates required and issued or granted by any Governmental Body having jurisdiction necessary

to implement and Complete the Project or any Phase in accordance with the Redevelopment Plan, Applicable Law and this Agreement.

Governmental Body means any federal, state, county or local agency, department, commission, authority, court, or tribunal and any successor thereto, exercising executive, legislative, judicial, or administrative functions of or pertaining to government.

Historic Sites Council is defined in *N.J.A.C. 7:4-1.3*.

Holder means a mortgagee or its Affiliate providing financing secured by a mortgage or other lien instrument which it proposes to enter into with respect to the Project or any Phase.

Impositions means all taxes, payments in lieu of taxes, assessments (including, without limitation, all assessments for Public Improvements or benefits), water, sewer or other rents, rates and charges, connection fees, license fees, permit fees, inspection fees and other authorization fees and charges, in each case, whether general or special, which are levied upon any portion of the Expanded Redevelopment Area or on any of the Improvements constructed thereon.

Improvements means all buildings, structures and appurtenances including, without limitation, facilities and amenities, telecommunications equipment, surface parking or a structured parking facility, infrastructures, roads, fill, utilities, catch basins, curbs, site lighting, traffic striping, signage and demarcations, fire hydrants, retaining walls, sidewalks, walkways, landscaping, open space treatments and all other improvements constructed on or installed upon or within, or to be constructed on or installed upon or within, the Expanded Redevelopment Area and the streets immediately abutting the Expanded Redevelopment Area.

Indemnified Parties is defined in Section 9.1.

Initial Redevelopment Area is defined in the recitals to this Agreement.

LSRP is defined in Section 6.1(i).

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

NJDEP means the New Jersey Department of Environmental Protection established pursuant to *N.J.S.A. 13:1D-9, et seq.*

New Jersey State Historic Preservation Office means the Historic Preservation Office as defined in *N.J.A.C. 7:4-1.3*.

Non-residential Uses is defined in the recitals to this Agreement.

Notice of Default is defined in Section 7.1(a).

Option A is defined in Section 4.4(c).

Option B is defined in Section 4.4(c).

Party and Parties are defined in the preamble to this Agreement.

Permitted Transfer is defined in Section 13.2.

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

Phase means a building or component of the Project as set forth in **Exhibit A** or as determined pursuant to any approved phasing plan.

Planning Board means the Borough of Flemington Planning Board, pursuant to *N.J.S.A. 40:55D-23*.

Preliminary and Final Site Plan Approval means Preliminary Approval as defined in *N.J.S.A. 40:55D-6* and Final Approval as defined in *N.J.S.A. 40:55D-4*.

Progress Meeting is defined in Section 4.1.

Progress Report is defined in Section 4.1.

Project means the development of the Improvements, as more specifically described in the Concept Plan and in Redeveloper's Application for Site Plan approval to be filed with the Planning Board pursuant to the terms set forth in this Agreement.

Project Schedule means the schedule attached hereto as **Exhibit B**.

Public Improvements means streets, grading, pavement, gutters, curbs, sidewalks, street lighting, surveyors' monuments, water mains, culverts, storm and sanitary sewers, drainage structures, erosion control and sedimentation devices, open space, and landscaping required under Site Plan approval memorialized by the Planning Board that will be dedicated to the Borough pursuant to Applicable Law.

Qualified Entity is defined in Article 2.6.

Redeveloper is defined in the recitals to this Agreement.

Redevelopment Area is defined in the recitals to this Agreement.

Redevelopment Law is defined in the recitals to this Agreement.

Redevelopment Plan means the 2014 Redevelopment Plan and any amendments thereto as provided for in this Agreement including any amendments required upon the expansion of the Redevelopment Area to be the Expanded Redevelopment Area.

Site Plan is defined in *N.J.S.A. 40:55D-7*.

Spill Act means the Spill Compensation and Control Act pursuant to *N.J.S.A. 58:10-23.11*, *et seq.*

Uniform Commercial Code means *N.J.S.A. 12A:1-101*, *et seq.*

United State Bankruptcy Code means 1 *U.S.C. 1*, *et seq.*

1.2 Interpretation and Construction. In this Agreement, unless the context otherwise requires:

(a) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after the Effective Date.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Unless otherwise noted, the terms “include,” “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation.”

(d) Any headings preceding the texts of the several Articles and Sections of this 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 Agreement, nor shall they affect its meaning, construction or effect. Any references to Articles and Sections in this Agreement shall be deemed to be references to the Articles and Sections in this Agreement except or unless the context or express terms of this Agreement may otherwise provide, specify or dictate.

(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, which shall not be less than ten (10) days nor more than thirty (30) days, unless the context dictates otherwise.

(f) The word “days” as used in this Agreement shall mean calendar days unless a contrary intention is stated, provided that if the final date of any period provided in this Agreement for the performance of an obligation or for the taking of any action falls on a day other than a Business Day, then the time of such period shall be deemed extended to the next Business Day.

(g) Any reference to Applicable Law shall be read to mean as the Applicable Law, as amended from time to time, except where Redeveloper’s obligation to comply was satisfied prior to the amendment.

(h) The recitals hereto contain statements of fact and/or expressions of intention and are incorporated into and made part of the substance of this Agreement.

ARTICLE 2

DESCRIPTION OF PROJECT

2.1 Redevelopment Area and Expansion of Redevelopment Area. Redeveloper and Borough agree and acknowledge that effective redevelopment of the Redevelopment Area requires that the Redevelopment Area be expanded to include the Additional Property and that such expansion of the Redevelopment Area is required for the Redeveloper to undertake its obligations hereunder. Accordingly, the Parties will cooperate to expand the Redevelopment Area and amend the Redevelopment Plan to include the Expanded Redevelopment Area. It is expressly understood and acknowledged by the parties, however, that the execution of this Agreement does not apply to or impact any properties in the Expanded Area unless and until such properties are duly-designated as an area in need of redevelopment and a redevelopment plan is adopted, pursuant to the Redevelopment Law.

2.2 Purpose; Designation as Redeveloper. The purpose of this Agreement is to set forth the respective rights, obligations, conditions and agreements of the Borough and Redeveloper in connection with the development of the Expanded Redevelopment Area by Redeveloper. The Borough hereby affirms and agrees that Redeveloper is designated and appointed as the exclusive redeveloper of the Redevelopment Area and shall be designated as the Redeveloper of the Expanded Redevelopment Area, upon the adoption of a redevelopment plan for the Expanded Area. In connection with such designation and appointment, Redeveloper has the exclusive right to perform and to have others perform any and all redevelopment activities on and about the Redevelopment Area and, once designated, shall have the exclusive right to perform and to have others perform any and all redevelopment activities on and about the Expanded Redevelopment Area as permitted in the Redevelopment Plan. Each of the Parties agrees that all redevelopment on and about the Expanded Redevelopment Area will only be authorized and may only be undertaken by Redeveloper under the framework and in accordance with the terms of this Agreement and the Redevelopment Plan. Further, the Borough agrees that, absent an Event of Default by Redeveloper or with respect to any Holder's rights, it will not negotiate for the provision of another redeveloper or developer for the Expanded Redevelopment Area or any portion thereof.

2.3 The Project. The Project encompasses the entire Expanded Redevelopment Area. The Project shall be designed in accordance and conformance with the Concept Plan, the Redevelopment Plan and Applicable Law. In the event of a conflict between the Concept Plan and the Redevelopment Plan, the latter shall be controlling.

2.4 Phases and Project Schedule. The Project may be developed in Phases, subject to the Borough's approval, which shall not be unreasonably withheld. The Borough hereby approves the Phases set forth in **Exhibit A**.

2.5 Development Milestones. Redeveloper shall construct the Project or cause the Project to be constructed in accordance with the Project Schedule, subject to relief resulting from (a) mutually agreed upon extensions to the Project Schedule by the Redeveloper and the Borough or (b) by an Event of Force Majeure. If Redeveloper intends to claim reliance upon an Event of Force Majeure as a basis for its failure to comply with the Project Schedule, Redeveloper shall

give written notice to the Borough pursuant to Section 7.9, setting forth in detail the reasons for delay and requesting an extension of such date, which extension the Borough shall not unreasonably deny if it determines that the alleged Event of Force Majeure exists in accordance with Article 7. The Borough shall consider requests by Redeveloper to extend the Project Schedule or any portion thereof for reasons that do not constitute an Event of Force Majeure, such as significantly adverse market conditions, which request the Borough shall not unreasonably deny upon satisfaction that requiring Redeveloper to proceed under the circumstances would be economically or practically infeasible.

2.6 Qualified Entities.

(a) Redeveloper of Project. The Project or any Phase will, at Redeveloper's option, be developed, in whole or in part, by (i) Redeveloper, (ii) any Person to which Redeveloper and/or any Affiliate of Redeveloper is the sole beneficial owner, or (iii) any Person to which Redeveloper and/or any Affiliate of Redeveloper are collectively the sole beneficial owners, subject to the review of the Borough.

(b) Qualified Entity Defined. A "**Qualified Entity**" is a Person which has demonstrated to the satisfaction of the Borough that it meets the following:

- (i) It is able to comply with the terms of this Agreement and expressly assumes all the obligations hereunder;
- (ii) No petition under federal bankruptcy laws or any state insolvency law has been filed by or against, nor has a receiver, fiscal agent or similar officer been appointed by a court for the business or property of such Person, or any partnership in which such Person was or is a general partner or any Person in which such Person was or is an officer or principal manager and the holder, directly or indirectly of an ownership interest in excess of ten percent (10%) (and, in the case of an involuntary proceeding, such proceeding has not been terminated within sixty (60) days of its commencement) within the ten (10) full calendar years preceding the date of submission of such Person's application for consideration as a Qualified Entity;
- (iii) Such Person and its principals, directors, officers, partners, shareholders, and members, individually, have not been convicted in a criminal proceeding, and none of them are a named subject in a pending criminal proceeding, (excluding traffic violations or other similar minor offenses), and, to the best of the knowledge and belief of the principals, directors, officers, partners, shareholders, and members of such Person, is not a target of or a potential witness in a criminal investigation;

- (iv) Such Person and its principals, directors, officers, partners, shareholders, and members, individually, have not been, directly or beneficially, a party to or beneficiary of any contract or agreement with the Borough or Redeveloper which has been terminated due to an Event of Default by such Person or which is currently the subject of a dispute in which the Borough or Redeveloper alleges such Event of Default, nor is such Person an adverse party in any currently pending litigation involving the Borough or Redeveloper;
- (v) Such Person and its principals, directors, officers, partners, shareholders, and members, individually, have not been found in any civil or criminal action in or by a court or agency of competent jurisdiction to have violated any Federal or State law or regulation relating to the sale of securities or commodities or been enjoined from engaging in any trade or business for any reason other than the violation of a contractual non-competition provision;
- (vi) Such Person and its principals, directors, officers, partners, shareholders, and members, individually, have not violated any Borough, state, or federal ethics law and entering into this Agreement will not cause any such violation or result in a conflict of interest; and
- (vii) Such Person shall comply with any other conditions that the Borough may find reasonably necessary in order to achieve and safeguard the purposes of the Redevelopment Plan.

(c) Redeveloper as Qualified Entity. Redeveloper represents and warrants herein that it meets the above criteria for a Qualified Entity and, based upon such representations and warranties, upon which the Borough relies in entering into this Agreement, Redeveloper is hereby deemed a Qualified Entity.

(d) Qualified Entity Approval Process. In the event that the Redeveloper seeks to assign or transfer any interest in any Phase or the Project that is not deemed a permitted transfer under Section 13.2, Redeveloper shall provide written notice to the Borough of any Person which Redeveloper desires be approved by the Borough as a Qualified Entity. Within thirty (30) calendar days after the date of such notice from Redeveloper, the Borough shall provide written notice to Redeveloper either (i) requesting additional information concerning the proposed Person, (ii) approving such Person as a Qualified Entity, or (iii) refusing to approve of such Person as a Qualified Entity, setting forth the basis for such denial. Approval by the Borough of a Person as a Qualified Entity shall authorize such Person to be considered a Redeveloper or hold a beneficial interest in Redeveloper. In the event of a denial by the Borough of a Person as a Qualified Entity as provided above, or in the event the Borough requests additional information, Redeveloper may resubmit its request to the Borough that the subject Person be approved as a Qualified Entity and Redeveloper shall in such resubmitted request set forth additional information

and/or such reasons that demonstrate why Redeveloper believes the subject Person to be a Qualified Entity. Within fifteen (15) calendar days after the date of such further request from Redeveloper, the Borough shall provide written notice to Redeveloper stating whether the Borough approves of such Person as a Qualified Entity and, if the Borough does not approve of such Person as a Qualified Entity, the basis for such denial.

ARTICLE 3
**PROCEDURES GOVERNING REVIEW AND APPROVAL OF APPLICATIONS FOR
REDEVELOPMENT OF PROJECT**

3.1 Procedures; General. In order to facilitate the development and implementation of a mutually acceptable design, Site Plan and technical approach for the Project, the Parties have established the procedures set forth in this Article 3 for the following review and approval process. The process shall consist of an Application to the Borough and the Planning Board for review and approval of a Site Plan for the Project or any Phase, as set forth in detail below. The development process shall be in accordance with the Redevelopment Law and the Municipal Land Use Law. Nothing herein is intended to restrict the exercise of the Planning Board's governmental authority with respect to applications for Site Plan approval under duly adopted rules and regulations or to in any way alter the procedures established for challenging the exercise of such authority pursuant to the Land Use Law. This procedure shall be used for all development applications by Redeveloper. As of the Effective Date, the Borough has conceptually approved the Concept Plan and, absent any deviations or waivers approved by the Borough pursuant to Section 3.2, the Application shall be consistent with the Concept Plan. Notwithstanding the foregoing, Redeveloper shall have the right to begin cleanout work, environmental and structural studies and testing upon the Expanded Redevelopment Area; this shall not include the right or authorization to demolish any structures within the Expanded Redevelopment Area, except as otherwise expressly authorized hereunder in Article 12.

3.2 Application for Project.

(a) Application. Redeveloper shall submit first to the Borough for a pre-application review pursuant to Section 3.2(c) and, after Borough approval of same, to the Planning Board an application for Site Plan approval of a proposed development pursuant of this Agreement (the "**Application**"), which Application must be deemed Complete by the Planning Board in accordance with its checklist and Borough Ordinances. The Application shall consist of submission of a report and required architectural and civil engineering plans.

(b) Redevelopment Plan Application Requirements. The Application shall also include information sufficient to determine compliance with applicable provisions of the Redevelopment Plan encompassing the following:

- (i) Plans depicting existing rights-of-way and easements in the portions of the Expanded Redevelopment Area that are the subject of the Application.
- (ii) Architectural renderings of the proposed development.
- (iii) Plans noting the use, location, plan area, setbacks, height and bulk of all existing and proposed structures within the portions of the Expanded Redevelopment Area that are the subject of the Application and their consistency with the Redevelopment Plan.

- (iv) Plans showing vehicular parking and loading areas and a layout of pedestrian and vehicular circulation patterns in relation to the buildings that are the subject of the Application.
- (v) Landscape plans sufficient to show general design concepts, including but not limited to lighting and signage design.
- (vi) A schedule that generally reflects the phasing of construction, as necessary and within the time period(s) set forth in the Project Schedule.
- (vii) A list of any requirements in the Redevelopment Plan from which Redeveloper seeks design waiver relief and the basis upon which such relief is requested.
- (viii) Such other information as may be reasonably required of the professionals employed by the Planning Board in writing no later than five (5) calendar days prior to any hearing before the Board on the Application, so as to afford Redeveloper an adequate opportunity to review and respond to such reports prior to the aforesaid Board hearing.

(c) Concept Review. Prior to making formal Site Plan Application to the Planning Board, the Redeveloper shall submit to the Borough, in concept form, the items in Sections 3.2(b)(i) through (vii) so that the Borough may confirm that same is consistent with the Redevelopment Plan. The Borough, within thirty (30) days of submission of the plans by the Redeveloper, shall conduct a review and advise Redeveloper in writing as to whether the submission is consistent with the Redevelopment Plan or whether revisions must be made in accordance with the Redevelopment Plan.

(d) Cooperative Technical Review. In order to proceed with the Project as expeditiously as possible, and to minimize the costs to both Parties, as well as avoid duplication in the review process and unnecessary delay, there shall be one technical review, which shall be performed by the Borough and its professional staff at the time of the Concept Review on behalf of the Borough and the Planning Board. Additional technical reviews may occur if revisions are made to the Site Plan. Redeveloper shall, prior to submission of an Application and in the course of preparing the plans and reports referred to in Section 3.2(b), consult with the consultants and/or professionals of the Borough to review the Application(s). Such consultation may occur by way of conferences, written inquiries or informal communications and shall occur as frequently as is reasonably necessary to assure that such plans and reports comply with the Redevelopment Plan, Borough Ordinances, regulations, zoning, and all other criteria that will be used by the Planning Board to determine whether the Application(s) will receive Preliminary and Final Site Plan Approval.

(e) Development and Design Concepts. It is acknowledged by Redeveloper that certain specific exterior elements of the Project as shall be approved by the Borough and its consultants, including but not limited to exterior building materials, quality of exterior finishes and designs, exterior architectural elements, and landscaping features, are material consideration for the Borough's approval of the Project and Redeveloper is obligated under this Agreement to construct the Project in accordance with such specific or similar/equivalent exterior elements and/or materials as have been approved. Redeveloper shall not deviate in any substantial way from such specific exterior elements or substitute any such specific materials without the Borough's express written approval, which shall not be unreasonably withheld.

Design concepts for the Project may be modified by Redeveloper from time to time, as approved by the Borough, to reflect additional detail and information, as such detail and information becomes available, or to reflect or accommodate the requirements of any Applicable Law, or to take into account engineering/construction considerations which render the then-existing design concepts physically or economically impractical. Any substantial modifications shall be subject to the review and approval of the Borough, which approval shall not be unreasonably withheld. Any modification which triggers the need to amend any site plan and/or subdivision approval secured by Redeveloper shall be reviewed by the Borough for consistency with the Redevelopment Plan and approved by the Borough prior to filing for same before the Planning Board.

3.3 Other Governmental Approvals. It is acknowledged by both Parties that it may be necessary for Redeveloper to obtain Governmental Approvals or permits from other Governmental Bodies in order to undertake the development of the Project. Redeveloper agrees that it will take all necessary steps to prepare and apply for and proceed diligently to attempt to obtain any needed permits and Governmental Approvals for the Project in a timely fashion and utilizing commercially reasonable efforts. The Borough agrees to provide any pertinent information in its possession and to provide any reasonable assistance which may be required of it to enable Redeveloper to properly apply for and obtain such permits or Governmental Approvals in a timely fashion, including making applications in the name of the Borough if deemed necessary for such approval or permit or if required by Applicable Law. The Borough agrees to support and endorse any applications for any Governmental Approvals required for the Project. Redeveloper shall report to the Borough on a monthly basis the status of such applications and Governmental Approvals.

3.4 New Jersey State Historic Preservation Office Approval. Redeveloper shall be responsible for preparation of the materials and application for project authorization on behalf of the Borough for approval of demolition of any structures that may be subject to review and authorization of the New Jersey State Historic Preservation Office and/or the Historic Sites Council, as may be required under Applicable Law. Such application(s) may be submitted either by the Borough or, in the Borough's discretion, by the Redeveloper after receipt of the Borough's written authorization to proceed. The Borough agrees to submit written or oral testimony in support of the application when the application is heard before the Historic Sites Council and to otherwise cooperate with Redeveloper's efforts in this regard.

ARTICLE 4

CONSTRUCTION OF PROJECT

4.1. Progress Reports and Progress Meetings. Redeveloper shall submit to the Borough a quarterly report in writing concerning the actual progress of Redeveloper with respect to the implementation and construction of the Project, including ongoing updates concerning efforts to market and lease portions of the Project to tenants and end users and Redeveloper's progress toward leasing of residential and nonresidential space (the "**Progress Report**"). Other than statutorily required Uniform Commercial Code construction inspections, employees or representatives of the Borough shall not enter onto the Expanded Redevelopment Area or inspect the Project without prior written consent of the Redeveloper, which consent shall not be unreasonably withheld. Notwithstanding, the Borough shall have the right, upon reasonable notice, to inspect any work including deviations approved pursuant to Section 3.2. Upon the request of the Borough, Redeveloper and any necessary consultants and professionals shall meet with the Borough to report on its progress or to address any concerns the Borough has based upon its review of any Progress Report (the "**Progress Meeting**").

4.2. Suspension of Construction. Redeveloper shall not suspend or discontinue the performance of its obligations under this 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 or Expanded Redevelopment Area, except for the occurrence of an Event of Force Majeure, as set forth in Article 7.

If Redeveloper shall abandon or substantially suspend construction activities on the Project for a period in excess of one hundred twenty (120) consecutive days for reasons other than an Event of Force Majeure, and the suspension or abandonment is not cured, remedied or explained to the satisfaction of the Borough, in its sole discretion, in writing within fifteen (15) calendar days after written demand by the Borough to do so, then such shall constitute an Event of Default by Redeveloper under this Agreement and the Borough shall have the right to seek any remedies pursuant of this Agreement.

4.3. Certificates of Occupancy and Certificate of Completion.

(a) Certificate of Occupancy. Upon Completion of the construction of the Project and/or Phase, as may be applicable, in accordance with the Governmental Approvals, Redeveloper may apply to the Borough for a Certificate of Occupancy for the Project or Phase that has been Completed.

(b) Certificate of Completion. Upon Completion of the entire Project and/or a Phase, for purposes of releasing the restrictions referenced in this Agreement, and under the Applicable Law, the Borough shall issue a Certificate of Completion in proper form for recording, which shall acknowledge that Redeveloper has performed all of its duties and obligations under this Agreement and has Completed construction of the Project or Phase in accordance with the requirements of the Applicable Law, the Redevelopment Plan and this Agreement. The Certificate of Completion shall constitute a recordable

conclusive determination of the satisfaction and termination of the restrictions, obligations and covenants contained in this Agreement and in the Redevelopment Plan with respect to Redeveloper's construction of the Project or Phase. Upon issuance of a Certificate of Completion (a) the agreements, restrictions, and covenants set forth in Section 6 shall cease and terminate, except for those covenants and restrictions set forth in Section 6 which shall survive in accordance with the terms of Section 6 for the Project and/or a Phase, (b) the conditions determined to exist at the time the Expanded Redevelopment Area was designated as in need of redevelopment shall be deemed to no longer exist for the Project and/or a Phase, and (c) the land and Improvements constituting the Completed Project and/or a Phase within the Expanded Redevelopment Area shall no longer be subject to eminent domain based upon such conditions. If the Borough shall fail or refuse to provide the Certificate of Completion within twenty (20) days after written request by Redeveloper, the Borough shall provide to Redeveloper a written statement setting forth in detail the respects in which it believes that Redeveloper has failed to Complete the Project or Phase, or portion thereof, in accordance with the provisions of this Agreement or otherwise has committed an Event of Default under this or any other applicable agreement and what reasonable measures or acts shall be necessary in order for Redeveloper to be entitled to a Certificate of Completion. Upon receipt of the Certificate of Completion, Redeveloper may record it in the Hunterdon County Clerk's office.

4.4 Utility and Public Improvements.

(a) On-Site Utilities. On-site utility services, including but not limited to telecommunications, water, sewer, gas and electric shall be the sole responsibility of Redeveloper. The cost for utility upgrades and installations required as a result of the construction of the Project shall be the sole responsibility of Redeveloper.

(b) Public Improvements. The Project will require some Public Improvements. The Parties agree that the Redeveloper shall be solely responsible to undertake, install and/or construct such Public Improvements that are included in the plans submitted for Preliminary and Final Site Plan Approval and any additional Public Improvements required by the Preliminary and Final Site Plan Approval.

(c) Water and Sewer. The Borough represents that it currently has sufficient water and sewer capacity and necessary easements to support the Phase I Block 22 portion the Project but the construction of the Project will utilize the current reserved capacity and the remainder of the Project will require construction of additional wells and infrastructure. The Redeveloper shall be responsible for up to Two Million Dollars (\$2,000,000.00) of the cost to increase the amount of available water by the amount required for the Project. By way of example, if the Project requires Eighty-Five Thousand gallons per day (85,000 GPD) the Redeveloper shall be responsible for up to Two Million Dollars (\$2,000,000.00) of the cost to generate an additional Eighty-Five Thousand gallons per day (85,000 GPD). The Borough shall use its best efforts to obtain financing through the New Jersey Environmental Trust to finance the water and sewer improvements. If the Borough is successful the Borough and Redeveloper shall use a special assessment or similar mechanism to secure the repayment of such New Jersey

Environmental Trust loan by the Redeveloper up to the amounts for which the Redeveloper is obligated hereunder.

The Parties acknowledge that there are two options for water service to the Project: location of lines along Spring Street (the “**Option A**”) or location of lines along Main Street (the “**Option B**”). The Borough wishes to implement Option B, but acknowledges that this poses additional costs to Redeveloper than Option A. The Parties agree to discuss and explore in good-faith cost saving options, reimbursement mechanisms or other concepts to facilitate Option B. In the event that the Parties cannot reach a mutual agreement to provide for Option B, after engaging in such good-faith negotiations, Option A may be implemented.

Redeveloper shall receive a dollar for dollar credit for all Public Improvements to the water distribution system and sewer collection systems undertaken, installed and/or constructed against all water and sewer connection fees. Additionally, Redeveloper shall reimburse the Borough for the costs or fees, if any, imposed by the Raritan Township Municipal Utilities Authority.

4.5 Design Elements.

(a) Streetscape Improvements. All costs for streetscape improvements that are shown on the approved Site Plan are the responsibility of Redeveloper. This includes landscaping, lighting, public furniture and all other on-site Improvements located between the curb and the Improvements.

(b) Green and Sustainable Design Elements. The Redeveloper shall make good faith efforts to include and incorporate certain “green” or sustainable design elements, consistent with any objective standards set forth in the Sustainable Design Element of the Borough Master Plan, as adopted by the Borough Planning Board in June, 2011, where in Redeveloper’s sole opinion it is cost-effective and economically feasible.

(c) Historic Preservation. Redeveloper shall make good-faith efforts to preserve and salvage, for reincorporation and re-use into the Project, where in Redeveloper’s opinion it is cost-effective and economically feasible, any artifacts, architectural elements or other historically relevant objects or elements. Redeveloper shall respond to all Borough inquiries concerning any particular opportunities for preservation or salvage, such elements and make good faith and commercially reasonable efforts to fulfill any such Borough goals. Redeveloper shall cooperate with the Borough so that the Borough may fully-document the buildings and any historic artifacts prior to demolition, destruction or removal of same and the Borough’s efforts shall not unreasonably delay or interfere with Redeveloper’s implementation of the Project.

(d) Coordination of Projects. Streetscape improvements are being made by the Borough in 2017 pursuant to the \$1M Transportation Alternatives Program (TAP) grant. Redeveloper will use good-faith efforts to match the architectural and design aesthetic of the Project regarding material and block choices, to the extent practical and

permissible, to the streetscape improvements made under the TAP grant. Redeveloper shall be responsible to repair or replace any portions of such streetscape improvements that are damaged in connection with the construction of the Project. Redeveloper acknowledges that new sidewalks and curbs may not be intentionally removed or damaged to place new utility lines into the Project. Accordingly, the Borough shall work with Redeveloper to locate and coordinate conduits and utilities so as to avoid damage to or destruction of such streetscape improvements.

4.6 Contribution To Costs, Financial and Approval Obligations.

(a) Administrative Costs. The Parties acknowledge that there have been and will be various administrative costs associated with the redevelopment of the Expanded Redevelopment Area and the Project, including, but not limited to, professional costs, personnel time and expenses related to negotiations, development of the Proposed Redevelopment Area, meetings between the Redevelopment principals and Borough officials, public meetings, telephone conferences, staff scheduling of meetings, staff and secretarial work in preparation for said meetings and/or negotiations, and the like. In furtherance of the objectives of the Redevelopment Plan and this Agreement, and to alleviate the continuing and unique administrative burden and costs to the Borough associated with redevelopment initiatives, Redeveloper has executed an escrow agreement and made payment to the Borough in the amount of Fifteen Thousand Dollars (\$15,000.00) which the Borough has deposited into an escrow account established by it for the payment of its reasonable and necessary third-party interim costs in connection with the Project (the "**Borough Costs**"). If, when and as often as may occur that the escrow account is drawn down to Five Thousand Dollars (\$5,000.00) then the Redeveloper, upon the Borough's written request, shall within fifteen (15) Business Days thereafter, provide to the Borough for deposit funds sufficient to replenish the escrow account to the amount of Fifteen Thousand Dollars (\$15,000.00) for use in accordance with these terms, unless such time period shall be extended for good reason by the Borough in its sole discretion. The Borough shall provide the Redeveloper with copies of all invoices to be paid from the escrow account at least thirty (30) days prior to payment. The Redeveloper shall have fifteen (15) days from the receipt of the invoices to provide comments to the Borough or appeal the charges. In the event this Agreement either expires or is lawfully terminated by the Borough, then all escrowed monies and the interest earned thereon shall be returned to the Redeveloper following the payment from the fund of the Borough Costs incurred up to the time of said expiration or cancellation.

(b) Grants, Loans and Other Financing. Upon the execution of this Agreement, the Borough will reasonably assist Redeveloper as requested in applying for and securing any and all available grants, loans and other types of financing available from public entities at all levels of government to assist in the construction of the Project. Any expenses incurred by the Borough will be deemed Borough Costs.

(c) Redevelopment Project Financial Tools. Redeveloper has determined that it will be necessary for the Borough to enter into a Financial Agreement and issue **NON-RECOURSE** redevelopment area bonds pursuant to *N.J.S.A. 40A:12A-65 et seq.* in order

to undertake the Project. Such redevelopment area bonds shall be issued in an amount not anticipated to exceed One Million Dollars (\$1,000,000.00) and shall be secured by the Project and the Financial Agreement. The Borough shall NOT be required to pledge its full faith and credit OR taxing power to the repayment of such bonds. The bondholders shall only look to the Project for repayment of such bonds. Redeveloper will present to the Borough, for its consideration, a request for a Financial Agreement and bond financing, pursuant to *N.J.S.A. 40A:12A-65 et seq.* The Borough agrees to consider such requests in good faith on terms acceptable to the Borough. Redeveloper represents that it has the financial capability to finance the acquisition of the Expanded Redevelopment Area, purchase a liquor license and construct the Project provided the Borough executes a Financial Agreement and issues such bonds. Notwithstanding the above, the Borough and Redeveloper may agree to issue redevelopment area bonds as a part of any New Jersey Environmental Trust Financing as described in Section 4.4(c).

(d) Approval Process. The Borough shall coordinate with the Planning Board to provide, to the extent that it can be provided, for an expedited review process by the Planning Board, including provisions for special meetings, if necessary, to expedite the approval process for the Project.

4.7 Groundbreaking. Prior to Commencement of Construction, Redeveloper shall sponsor and host a groundbreaking ceremony at the Expanded Redevelopment Area, to which the public will be invited and at which a principal of Redeveloper and the Mayor, and a representative of the Borough Council, as well as any other Person agreed upon by the Parties, will be invited to speak. The Parties shall confer and mutually agree upon all other details concerning the groundbreaking.

4.8. 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 Borough 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 Borough (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 Borough the Redeveloper is in an Event of Default under this Agreement, and, if so, specifying each such Event of Default of which the Borough shall have knowledge; and (iii) confirms such other factual matters within the Borough's knowledge or control pertinent to this Agreement, as the same relate to, or might affect, the Project or the Expanded Redevelopment Area. The Redeveloper shall not request and the Borough shall not be required to issue more than two estoppel certificates in any calendar year. Any costs incurred by the Borough in connection with preparing such estoppel certificate shall be reimbursable Borough Costs, pursuant to Section 4.6(a).

4.9 Affordable Housing. Redeveloper shall address the affordable housing obligation created by the Project through the construction, at its sole cost and expense, of affordable housing units within the Expanded Redevelopment Area equal to the greater of 14

units or five percent (5%) of the total number of residential units constructed, whichever is greater. Notwithstanding, the Parties acknowledge that the Borough's housing obligations have not been finally-determined and are the subject matter of a proceeding pending in the Superior Court, the outcome of which may or may not impact the Project and the number of affordable units required therein. In the event that the proceeding results in a requirement to construct more affordable housing units than agreed to herein, the Parties shall confer and work in good faith to meet such obligations but, in the event that Redeveloper determines that meeting such obligation would render the Project economically unfeasible, Redeveloper shall have the right to request modifications to the Project to render compliance feasible, which requests shall not be unreasonably denied by the Borough. In the event that the Parties cannot agree upon revisions to the Project that are necessary to meet the housing obligation so as to render the Project economically feasible, Redeveloper shall have the right to terminate this Agreement.

ARTICLE 5
**PURCHASE, ACQUISITION, AND CONTROL OF THE EXPANDED
REDEVELOPMENT AREA AND RELATED EASEMENTS**

5.1 Purchase of the Expanded Redevelopment Area. Redeveloper shall use its best efforts to acquire title to the Expanded Redevelopment Area in accordance with the Project Schedule. Should Redeveloper be unable to acquire title to the Expanded Redevelopment Area or establish site control of the Expanded Redevelopment Area as required to submit an Application for Preliminary and Final Site Plan Approval within the time period set forth in the Project Schedule, the Borough may make written demand for completion of the purchase(s) or site control. Redeveloper shall provide an explanation for its inability to complete the transaction by such date and request such additional time as may be necessary to complete the transaction, which additional time the Borough may grant or deny in its sole and absolute discretion. Alternatively, the Borough may determine to exercise eminent domain, if permitted by Applicable Law, to acquire the Expanded Redevelopment Area, pursuant to the Redevelopment Law. In the event that the Borough does not grant an extension or determine to exercise its power of eminent domain, either Party may terminate this Agreement.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Redeveloper's Representations, Warranties and Covenants. Redeveloper hereby represents and warrants to, and covenants with the Borough that:

(a) Organization. Redeveloper is a limited liability company duly formed under the laws of the State of New Jersey and validly existing and in good standing under the laws of the State of New Jersey with all requisite power and authority to enter into this Agreement. Redeveloper's ownership structure is attached hereto as **Exhibit C**.

(b) Authorization; No Violation. The execution, delivery and performance by Redeveloper of this Agreement has been duly authorized by all necessary action and will not violate the certificate of formation, operating agreement or any other formation or operating document of Redeveloper or constitute an Event of Default under any loan or credit agreement, or other material agreement to which Redeveloper is a party or by which Redeveloper may be bound or affected.

(c) Valid and Binding Obligations. The Person executing this Agreement on behalf of Redeveloper has been duly authorized and empowered and this Agreement has been duly executed and delivered by Redeveloper and constitutes the valid and binding obligation of Redeveloper.

(d) Litigation. No suit is pending against Redeveloper which could have a material adverse effect upon Redeveloper's performance under this Agreement or the financial condition or business of Redeveloper. There are no outstanding judgments against Redeveloper that would have a material adverse effect upon Redeveloper or which would materially impair or limit of the ability of Redeveloper to enter into or carry out the transactions contemplated by this Agreement.

(e) No Conflicts. This Agreement is not prohibited by and does not conflict with any other agreements, instruments, judgments or decrees to which Redeveloper is a party or is otherwise subject.

(f) No Violation of Laws. As of the Effective Date, Redeveloper has not received any notices asserting any noncompliance in any material respect by Redeveloper with applicable statutes, rules and regulations of the United States, the State of New Jersey or of any agency having jurisdiction over and with respect to the transactions contemplated in and by this Agreement, which would have a material adverse effect on Redeveloper's ability to perform its obligations under this Agreement. Redeveloper is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other Governmental Body which is in any respect material to the transactions contemplated hereby.

(g) Qualifications of Redeveloper. Redeveloper is fully experienced and properly qualified to undertake the responsibilities and perform the work provided for in,

or contemplated under, this Agreement and it is properly equipped, organized and in good financial standing so as to perform all such work and undertake all such responsibilities hereunder.

(h) Limited Undertakings. Redeveloper covenants that its undertakings pursuant to this Redevelopment Agreement shall be for the sole purpose of redevelopment of the Expanded Redevelopment Area and not for speculation in land holding.

(i) Environmental Contamination. In the event of discovery of environmental contamination within the Expanded Redevelopment Area which is not historic fill and which requires remediation, which shall include but not be limited to any type of active remedial treatment of soil and/or groundwater, engineering and site controls, a cap, a deed notice, a remedial action permit, and/or a classification exception area for groundwater and monitored natural attenuation, Redeveloper, who and/or which the Borough acknowledges is not a responsible party and is not in any way responsible for any discharges under the Spill Act, may terminate this Agreement in his or its sole discretion if the estimated cost of the remediation by a licensed site remediation professional (the "LSRP") reduces the return on Redeveloper's investment to the point that the project is economically and practically infeasible. In that case, Redeveloper shall provide written notice of termination of this Agreement within forty-five (45) days of the receipt of the LSRP's estimate of the cost of remediation. Should Redeveloper choose to construct the Project or any Phase regardless of any remediation requirement and cost, the Redeveloper's sole obligation to the Borough is to bring the Expanded Redevelopment Area into compliance with respect to reporting obligations to NJDEP. If other Persons are responsible, or in any way responsible, or alleged to be so, for the environmental contamination on-site, Redeveloper may pursue legal, administrative, enforcement or contribution action(s) against such Persons at Redeveloper's sole cost and expense. Redeveloper may also agree by contract with another Person that shall assume some or all of any remediation responsibility at its or their cost and expense. The Borough agrees to cooperate with Redeveloper's efforts to obtain any necessary Governmental Approvals from the NJDEP, and any other agencies to facilitate remediation and/or compliance. The Borough shall assist Redeveloper in applying for and obtaining any grants or loans that may facilitate environmental investigation or remediation efforts. It is understood and agreed that should Redeveloper choose to remediate the Expanded Redevelopment Area, Redeveloper may utilize any Remediation method acceptable to the NJDEP. As of the Effective Date, it is understood by the Parties that the Redeveloper is not a responsible Person for any discharges or for remediation of the Expanded Redevelopment Area and any remediation that is being conducted, or will be conducted, is being or will be conducted by or on behalf of the responsible Persons.

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

(k) Reasonable Efforts to Complete. Developer shall use commercially reasonable efforts to Complete each Phase of the Project on or before the timeframes set forth in the Project Schedule.

6.2 Borough's Representations, Warranties and Covenants. The Borough hereby represents and warrants to, and covenants with, Redeveloper that:

(a) Organization. The Borough is a public body corporate and politic and a political subdivision of the State of New Jersey. The Borough has all requisite power and authority to enter into this Agreement.

(b) Authorization; No Violation. The execution, delivery and performance by the Borough of this Agreement are within the authority of the Borough under, and will not violate, the statutes, rules and regulations establishing the Borough and governing its activities, have been duly authorized by all necessary Resolution(s) and/or Ordinances and will not result in the breach of any material agreement to which the Borough is a party or, to the best of its knowledge and belief, any other material agreement by which the Borough or its material assets may be bound or affected.

(c) Valid and Binding Obligations. The Person executing this Agreement on behalf of the Borough has been duly authorized by Resolution to execute this Agreement, has been duly executed and delivered by the Borough and constitutes the valid and binding obligation of the Borough.

(d) Litigation. No suit is pending against or affects the Borough which could have a material adverse effect upon the Borough's performance under this Agreement or the financial condition or business of the Borough. There are no outstanding judgments against the Borough that would have a material adverse effect upon the Borough or which would materially impair or limit of the ability of the Borough to enter into or carry out the transactions contemplated by this Agreement.

(e) No Conflicts. This Agreement is not prohibited by and does not conflict with any other agreements, instruments, judgments or decrees to which the Borough is a party or is otherwise subject.

(f) No Violation of Laws. As of the Effective Date, the Borough has not received any notices asserting any noncompliance in any material respect by the Borough with applicable statutes, rules and regulations of the United States of America, the State of New Jersey or any agency having jurisdiction over and with respect to the transactions contemplated in and by this Agreement which would have a material adverse effect on the Borough's ability to perform its obligations under this Agreement. The Borough is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority which is in any respect material

to the transactions contemplated hereby. The Borough shall comply with all Applicable Law in fulfilling its obligations under this Agreement.

(g) Water and Sewer Infrastructure. Subject to Section 4.4 herein, to the best of the Borough'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 Expanded Redevelopment Area site to support the Project. The Borough covenants that it shall work with the Redeveloper to confirm the availability of water and sewer capacity with the providers of those services to the Borough.

(h) Adoption of Redevelopment Plan. The Redevelopment Plan has been duly adopted in compliance with all Applicable Law and is currently in full force and effect.

(i) Borough Authorization. All requisite action has been taken by the Borough and all requisite consents have been obtained in connection with the entering into this Agreement and the instruments and documents referenced herein to which the Borough is a party, and the consummation of the transaction contemplated hereby, are to the best of the Borough's knowledge and belief authorized by all Applicable Law. To the best knowledge of the Borough there are no writs, injunctions, orders or decrees of any court or Governmental Body that would be violated by the Borough entering into or performing its obligations under this Agreement;

(j) Amendment to Redevelopment Area. The Borough shall proceed to amend the Redevelopment Area to include the Additional Property and thereafter to amend the Redevelopment Plan to include the Additional Property. The Borough acknowledges that taking such action is necessary to the viability of the Project and the successful redevelopment of the Redevelopment Area.

(k) Extinguishment of All Public Access Easements. The Borough agrees to extinguish any and all public access easements or interests located within the Expanded Redevelopment Area that will impede the development or operation of the Project.

6.3 Redeveloper Declaration of Covenants.

(a) Recording. Redeveloper agrees to record, and provide a recorded copy to the Borough, a Declaration of Covenants and Restrictions (the "**Declaration**"), with respect to the Expanded Redevelopment Area that shall run with the land to all subsequent holders of title, imposing upon said lands the agreements, covenants and restrictions required to be inserted in the Deeds. All provisions hereinafter with respect to the insertion in or the application to the Deeds of any covenants, restrictions and agreements shall apply equally to the Declaration and such covenants, restrictions and agreements shall be inserted in and apply to the Declaration, whether or not so stated in such provisions.

(b) Description of Covenants and Restrictions. The Covenants and Restrictions to be imposed upon Redeveloper for so long as the Redeveloper is a party of this Agreement, its successors and assigns, herein and recorded in the Deeds and the Declaration, shall set forth that the Redeveloper and its successors, transferees and assigns shall:

- (i) Devote the Expanded Redevelopment Area to the uses specified in the Redevelopment Plan, as may be amended, and as agreed herein, and shall not devote the Expanded Redevelopment Area to any other uses absent an amendment to the Redevelopment Plan;
- (ii) Pursuant to the Applicable Law, not discriminate upon the basis of age, race, color, creed, religion, ancestry, national origin, sex, disability or marital status in the sale, lease, rental, use or occupancy of the Expanded Redevelopment Area or any buildings or structures erected or to be erected thereon, or any part thereof;
- (iii) In the sale, lease or occupancy of the Expanded Redevelopment Area or any part thereof, not effect or execute any covenant, agreement, lease, conveyance or other instrument whereby the land or any building or structure erected or to be erected thereon is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex, disability or marital status, and Redeveloper, its successors and assigns shall comply with all State and local laws prohibiting discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex, disability or marital status to the extent required by the Applicable Law;
- (iv) Commence Construction of the Improvements within the Project Schedule provided that the Governmental Approvals and permitting are not delayed by the actions or inactions of the Borough, or an Event of Force Majeure; and
- (v) Not sell, lease or otherwise transfer the Expanded Redevelopment Area, or any part thereof, without the written consent of the Borough, except for permitted transfers to a Qualified Entity as set forth in Section 2.6(b).

(c) Effect and Term of the Covenants and Restrictions. Subject to the provisions of Section 6 it is intended and agreed, and the Deeds and the Declaration shall so expressly provide to the extent permitted by Applicable Law, that the Covenants and Restrictions set forth in Section 6 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 Borough, its successors and assigns, and any successor in interest to the Expanded Redevelopment Area, or any part thereof, against Redeveloper, its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Expanded Redevelopment Area or any part thereof. It is further intended and agreed that the Covenants and Restrictions set forth in Section 6 shall remain in effect until the issuance by the Borough of a Certificate of Completion for the Project or any Phase, as provided in Section 4.3 (at which time all agreements, obligations, Covenants and Restrictions shall cease and terminate for the Project or any Phase, as applicable), except, however, that the Covenants and Restrictions provided in Sections 6.3(b)(ii) and (iii) shall remain in effect without limitation as to time; provided that, until their termination as provided above, such Covenants and Restrictions shall be binding on Redeveloper itself, each successor in interest to the Project and/or any Phase, the Expanded Redevelopment Area, or any part thereof, and each party in possession or occupancy, respectively, only for such period as Redeveloper or such successors, transferees or party shall have title to, or an interest in, or possession or occupancy of the Expanded Redevelopment Area, and the Improvements constructed thereon or any part thereof.

(d) Enforcement by Borough. In amplification, and not in restriction of the provisions of this Article 6, it is intended and agreed that the Borough and its successors and assigns shall be deemed beneficiaries of the Covenants and Restrictions set forth in Section 6(b) both for and in their own right but also for the purposes of protecting the interests of the community and other Persons, public or private, in whose favor or for whose benefit such agreements and covenants shall run in favor of the Borough for the entire period during which such Covenants and Restrictions shall be in force and effect, without regard to whether the Borough has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such Covenants and Restrictions relate. The Borough shall have the right, in the event of any breach of any such Covenants and Restrictions, 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 such Covenants and Restrictions, to which they or any other beneficiaries of such Covenants and Restrictions may be entitled.

ARTICLE 7

DEFAULT

7.1 Events of Default. Each of the following shall constitute an Event of Default by the applicable party, respectively:

(a) **Failure to Perform.** Failure of the Redeveloper or the Borough to observe or perform any covenant, condition, representation, obligation, warranty or agreement hereunder, and any act or omission characterized elsewhere in this Agreement as an Event of 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 (the “**Notice of Default**”); provided, however, that if the Event of 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 Event of Default upon its receipt of notice thereof and is proceeding with due diligence to remedy the Event of 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. It shall not be deemed to be an Event of Default if the Redeveloper diligently contests, in good faith, and by appropriate proceedings, such compliance with any Applicable Law.

(b) **Default in Payment.** Redeveloper is in default in the payment of any sum payable to the Borough hereunder or associated with the Project, as the same shall become due and payable, and such Event of Default shall have continued for a period of thirty (30) days after receipt of written notice specifying such Event of Default, and demanding that same be remedied;

(c) **Failure to Construct.** In the event Redeveloper shall fail to implement or construct the Project pursuant to the Project Schedule, subject to the occurrence of an Event of Force Majeure and the provisions hereto, or shall abandon or substantially suspend construction of the Project for a continuous period in excess of one hundred twenty (120) days, unless such suspension arises out of an Event of Force Majeure, and any such Event of Default, violation, abandonment, or suspension shall not be cured within thirty (30) days after written demand by the Borough to do so, or such longer period if incapable of cure within such thirty (30) day period and Borough agrees to extend such time to cure, provided that Redeveloper has commenced and is diligently prosecuting such cure; or

(d) **Failure to Pay Impositions.** Redeveloper or its successor in interest shall fail to pay any Impositions when due, or shall suffer any levy or attachment to be made, or any material men’s or mechanics’ lien, or any other unauthorized encumbrance or lien to attach and such Imposition shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Borough made for such payment, removal, or discharge, within thirty (30) days after written demand by the Borough to do

so, to the extent not otherwise provided for herein, up to the issuance of a Certificate of Completion; or

(e) Transfers. There is, in violation hereto, any transfer of the fee title to the Expanded Redevelopment Area or a portion thereof, except for Permitted Transfers as provided in Section 13.2, and such violation shall not be cured within thirty (30) days after written demand served upon the Redeveloper by the Borough; or

(f) Redeveloper Dissolved or Bankrupt. Redeveloper is dissolved, or files a voluntary petition in bankruptcy or for reorganization or for an arrangement pursuant to the Bankruptcy Act or any similar law, federal or state, now or hereafter in effect, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, or suspends payment of its obligations, or takes any action in furtherance of the foregoing; or Redeveloper consents to the appointment of a receiver, or an answer proposing the adjudication of Redeveloper as bankrupt or its reorganization pursuant to the Bankruptcy Act or any similar law, federal or state, now or hereafter in effect, is filed in and approved by a court of competent jurisdiction and the order approving the same shall not be vacated or set aside or stayed within sixty (60) days from entry thereof, or the Redeveloper consents to the filing of such petition or answer.

(g) Court Action. A decision or order determination by a court of competent jurisdiction that Redeveloper has engaged in fraud in the inducement of, or willful misconduct in connection with the Project.

7.2. Right to Cure Upon Event of Default. Except as otherwise provided in this Agreement, in the Event of Default by any party hereto or any successor to such party, such party (or successor) shall, within thirty (30) days (or such longer, or shorter, period to the extent expressly provided above) of receiving written notice from another, proceed to cure or remedy such Event of Default. In case such action is not taken or diligently pursued, or the Event of Default shall not be cured or remedied within such proscribed time, or any extension of such time granted at the discretion of the non-defaulting party, the non-defaulting party may pursue its remedies in accordance with this Agreement.

7.3 Borough's Remedies. If Redeveloper shall fail to timely cure any Event of Default by Redeveloper as set forth in Section 7.1, the Borough shall have the right to:

- (a) terminate this Agreement and de-designate Redeveloper; and
- (b) retain any payments already made by Redeveloper hereunder for Public Improvements; and
- (c) pursue all other remedies available to it at law or equity.

7.4 Redeveloper's Remedies. If the Borough shall fail to timely cure any Event of Default by Borough as set forth in Section 7.1, Redeveloper shall be entitled, in its sole and

absolute discretion, to terminate this Agreement and/or seek any other remedies available to it at law or equity.

7.5 Limitation of Liability. The Parties agree that if an Event of Default occurs, the Parties shall look solely to the Parties hereto and/or their respective property interest in the Project for the recovery of any judgment or damages, and agree that no member, manager, officer, principal, employee, representative or other person affiliated with such party shall be personally liable for any such judgment or damages. In no event shall either Party be responsible for any consequential or punitive damages.

7.6. No Waiver of Rights and Remedies by Delay. Any delay by the aggrieved party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate as a waiver of such rights and shall not deprive the aggrieved party of or limit the aggrieved party's rights in any way (it being the intent of this provision that the aggrieved party should not be constrained so as to avoid the risk of being deprived or limited in the exercise of the remedies provided herein by those concepts of waiver, laches, or otherwise) to exercise such rights at a time when, the aggrieved party may still resolve the problems by the Event of Default involved; nor shall any waiver in fact made by the aggrieved party with respect to any specific Event of Default by the other party under this Agreement be considered or treated as a waiver of the rights of the aggrieved party with respect to any other Event of Default by the other party under this Agreement or with respect to the particular Event of Default except to the extent specifically waived in writing.

7.7. Rights and Remedies Cumulative. The rights and remedies of the Parties to the Agreement, whether provided by law or by the Agreement, shall be cumulative and, except as otherwise specifically provided by this Agreement, the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same Event of Default or of any of its remedies for any other Event of Default by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition to its own obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

7.8 Force Majeure. For purposes of this Article and as otherwise used in this Agreement, "**Event of Force Majeure**" shall mean any of the events or conditions set forth below, or any combination thereof, that has had or may reasonably be expected to have a material and adverse effect on the ability of a party to perform its obligations (an "**Affected Party**") under this Agreement:

(a) **Acts of God.** An act of God including severe natural conditions such as landslide, lightning, earthquake, flood, hurricane, blizzard, tornado or other severe weather conditions, severe sea conditions affecting delivery of materials or similar cataclysmic occurrence, nuclear catastrophe, an act of public enemy, terrorism, war, blockade, insurrection, riot, general arrest or general restraint of government and people,

or any other similar act or event outside the Control of the Affected Party; provided however, that any question as to whether any such conditions should be deemed to constitute an Event of Force Majeure shall be considered in light of good engineering practice and industry standards to protect against reasonably foreseeable severe natural weather conditions, taking into account the geographic location and topographic and geotechnical conditions of the Project;

(b) Condemnation or Taking. The condemnation, taking, seizure, involuntary conversion or acquisition of title to or use of the Expanded Redevelopment Area, or any material portion or part thereof, by the action of any federal, state or local government or governmental agency or authority;

(c) Governmental or Utility Approvals. Delays incurred in obtaining Governmental Approvals or approvals by utilities caused solely by the approving agency or utility after the Affected Party has taken all required action in obtaining such Governmental Approval and the continued delay is outside and beyond the Control of the Affected Party;

(d) Legal Challenges. Delays resulting from legal challenges brought to challenge any permit and/or Governmental Approval related to this Project by third-parties over whom the Affected Party has no Control that have a material and adverse effect upon the Affected Party's ability to perform its obligations under this Agreement;

(e) Labor Union Actions. Labor union strikes or similar labor union action by equipment manufacturers, suppliers of materials, employees or transporters of same, to the extent that such labor union strikes relate to general labor disputes that are non-specific to the Project of Redeveloper and have a material and adverse effect upon the Affected Party's ability to perform its obligations under this Agreement;

(f) Unavailability of Materials. The unavailability of suitable fill or materials required for performance of the work related to the Project due to fluctuations in the historically reasonable commercial rates for fill or materials, shortages of same in the market place and/or the inability to obtain transportation services for transporting fill or materials to the Expanded Redevelopment Area or the Project area as a result of a public or private labor dispute;

7.9 Notice of Event of Force Majeure. If an Event of Force Majeure has occurred and is continuing, the Affected Party wishing to suspend its performance as a result of such Event of Force Majeure shall provide written notice thereof to the other party as promptly as is reasonably possible under the circumstances and in all events within five (5) days following such party's knowledge of the occurrence of such Event of Force Majeure. The party receiving such notice may contest and/or reject the claim of an Event of Force Majeure in writing, setting forth its bases for such rejection and demanding that the Affected Party proceed with its obligations under this Agreement. If the Affected Party intends to continue to rely upon the condition claimed to result in an Event of Force Majeure, it may request, in writing, a neutral professional review.

The Parties shall then mutually select and designate a local member of the profession to which the Event of Force Majeure relates and agree to permit such individual to arbitrate and decide the reasonableness of the claim of Force Majeure and the appropriate extension of time to be granted to the Affected Party.

7.10 Effect on Obligations.

(a) Extension Equal to Delay Caused by Event of Force Majeure. In the event of an Event of Force Majeure, the applicable deadline, obligation or term affected by such Event of Force Majeure shall be extended for a period of time equal to the delay caused by the Event of Force Majeure, provided that timely notice was provided by the Affected Party.

(b) Not an Event of Default. The performance, non-performance or delay in performance by the Parties or either of them of any obligation, requirement, commitment or responsibility set forth in this Agreement shall not be deemed to be an Event of Default where such performance, failure of performance or delay in performance is/are the result of an Event of Force Majeure, provided, however, that the Event of Force Majeure (a) was not invoked in bad faith or intentionally by a Party (b) was not the result of any unlawful action or non-action of the Affected Party as justification for the performance, failure of performance or delay in performance of the subject obligation, requirement, commitment or responsibility, and (c) the Affected Party takes all reasonable efforts within its power to timely mitigate the Event of Force Majeure.

(c) Mitigation of Event of Force Majeure. Each party shall diligently and in good faith seek to mitigate the effect of such Event of Force Majeure and to perform its obligations to the extent practicable notwithstanding the occurrence of an Event of Force Majeure and to overcome such Event of Force Majeure as soon as is possible or practicable.

(d) Reinstatement of Performance Obligations. The performance by the Parties of any obligation under this Agreement excused as aforesaid shall be recommenced as promptly as is legally and reasonably practicable after the occurrence of an Event of Force Majeure and, in the case of the party not seeking to delay its performance based upon such Event of Force Majeure, after receipt by such party from the Affected Party of written notice that the Event of Force Majeure is no longer occurring and that such party can resume performance of its obligations under this Agreement.

7.11 Defense of Governmental Approvals. Except as set forth herein or below, Redeveloper shall assume the defense to any challenge to any Governmental Approval it requires to proceed with the Project without cost to the Borough so as to continue to move forward with the Project. Notwithstanding the above, the Borough shall assume the defense of any and all actions taken by the Borough in furtherance of the Project including the establishment of the Redevelopment Area and Expanded Redevelopment Area, adoption of the Redevelopment Plan and amendments thereto, authorization and execution of any and all agreements including this Agreement and the Financial Agreement and the issuance of any debt related to the Project.

Redeveloper shall be solely responsible for its own costs and attorneys' fees if it is named in or chooses to intervene in any such actions.

ARTICLE 8

INSURANCE

8.1 Insurance Requirements. During the term hereto, or as required prior to any construction at the Expanded Redevelopment Area, Redeveloper shall provide and maintain adequate insurance including the types of coverage and in amounts reflecting industry standards for adequate insurance against risk of loss and casualty in connection with the type, extent and magnitude of work to be performed under this Agreement until such work has been Completed and furnish the Borough with a copy of certificates of insurance evidencing that Redeveloper has obtained such insurance. This coverage shall be primary to any other policies of the Borough and shall not be contributing with any other insurance or similar protection available to the Borough whether other available insurance be primary, contributing or excess.

ARTICLE 9

INDEMNITY

9.1 Obligation to Indemnify. Redeveloper and the Borough (collectively the “Parties”) agree to indemnify and hold each other and their respective officials, members, agents, servants, employees and consultants (collectively, the “**Indemnified Parties**”) harmless from and against any and all demands, suits, causes of action, recoveries, judgments, losses, and costs and expenses in connection therewith of any kind or nature, however arising, imposed by law or otherwise (including reasonable attorneys’ fees and expenses and experts’ fees and expenses) (collectively, “**Claims**”) which the Indemnified Parties may sustain, be subjected to or be caused to incur, by reason of personal injury, death or damage to property, arising from or in connection with the condition, use, possession, conduct, management, planning, design, financing, implementation, construction, inspection, or maintenance of the Project, marketing, leasing or sale of the Expanded Redevelopment Area or the Project or any activities of or on behalf of Redeveloper or Borough within the Expanded Redevelopment Area, except that to the extent that any such claim or suit arises from the intentional or willful wrongful acts or omissions of the Indemnified Parties. The Redeveloper or Borough shall provide notice to the other Party of the subject Claims as soon as reasonably possible after their occurrence but in any case within ten (10) days of the Redeveloper or Borough receiving actual notice of the subject Claims, provided, however, that in the event such notice is not timely received, Redeveloper or Borough shall only be excused of its obligations hereunder to the extent it is prejudiced by the failure to timely receive said notice.

9.2 Notice of Claims. In any situation in which the Indemnified Parties are entitled to receive and desire defense and/or indemnification, the Indemnified Parties shall give prompt notice of such situation to Redeveloper or Borough, as the case may be. Failure to give prompt notice shall not relieve Redeveloper or Borough of any liability to indemnify the Indemnified Parties, unless such failure to give prompt notice materially impairs Redeveloper’s or Borough’s ability to defend. Upon receipt of such notice, Redeveloper or Borough shall resist and defend any action or proceeding on behalf of the Indemnified Parties, including the employment of counsel reasonably acceptable to the Redeveloper or Borough, the payment of all expenses and the right to negotiate and consent to settlement. The Redeveloper and Borough shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of the Redeveloper or Borough unless the employment of such counsel is specifically authorized by Redeveloper or Borough, which authorization shall not be unreasonably withheld or delayed, provided, however, that if the defense of such action is assumed by Redeveloper’s or Borough’s insurance carrier, employment of such separate counsel by the Redeveloper or Borough shall be at the sole discretion of such carrier. Redeveloper or the Borough shall not be liable for any settlement of any such action effected without their respective consent, but if settled with the consent of Redeveloper or the Borough, or if there is a final judgment against Redeveloper party or Borough party in any such action, Redeveloper or the Borough, as the case may be, shall indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment for which the Indemnified Parties are entitled to indemnification hereunder.

9.3 Survival of Indemnity. The provisions of this Article 9 shall survive the termination of this Redevelopment Agreement due to an Event of Default and shall run with the land and be referenced in the Declaration until such time as the Declaration is discharged as a result of the recording of a Certificate of Completion, provided, however, that such indemnity shall be binding on each successor in interest to the Project, the Expanded Redevelopment Area, or any part thereof, 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 Expanded Redevelopment Area, the Project or any part thereof.

ARTICLE 10
CONSUMPTION OF LIQUOR WITHIN PROJECT

10.1 Liquor License. The Project shall require a liquor license for use with the hotel and restaurant portions of the Project. Redeveloper may secure a liquor license in connection with the construction of the hotel with at least one hundred (100) rooms. The redeveloper has secured another liquor license in the Borough which liquor license shall be utilized for the Project in the event that Redeveloper does not secure another liquor license in connection with the 100 room hotel or otherwise. So long as this Agreement remains effective and has not been terminated, Redeveloper shall not sell or convey the liquor license it currently owns unless and until it has fully-secured another liquor license for use in the Project. This shall not preclude Redeveloper from use of the current liquor license during the implementation of this Project so long as it is reserved for the Project for use in the Completed Project pursuant to this Agreement. This provision shall not survive the termination of this Agreement.

ARTICLE 11
NOTICES AND DEMANDS

11.1 Notices. 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 national overnight courier with delivery confirmation, or by facsimile transmission (evidenced by printed confirmation of receipt specifying the receiving telephone number) or delivered personally (with written acknowledgment of receipt) to the Parties at the following respective addresses or facsimile numbers:

If to the Borough, to:	Borough Clerk Borough of Flemington Borough Hall 38 Park Avenue Flemington, New Jersey 08822
With a copy to:	Robert Beckelman, Esq. Greenbaum Rowe Smith & Davis LLP 99 Wood Avenue South Iselin, New Jersey 08830-2712
and if to Redeveloper, to:	John J. Cust, Jr., CPA 5 Bartles Corner Road Flemington, New Jersey 08822
with a copy to:	George Dilts, Esq. Dilts and Koester 167 Main Street Flemington, New Jersey 08822

Either party may from time to time by written notice given to the other pursuant to the terms of this Section 11.1 change the address, facsimile number or persons to which notices shall be sent.

ARTICLE 12
CONSTRUCTION AND PROJECT FINANCING

12.1 Redeveloper's Commitment to Finance Construction of the Project.

Redeveloper represents that it has obtained or can obtain, and will commit the requisite equity in an amount necessary to purchase the Expanded Redevelopment Area on the terms and conditions set forth herein, and to perform all of Redeveloper's obligations hereunder in order to Commence Construction and to Complete Construction of the Project within the time periods required under this Agreement. Redeveloper shall provide the Borough with evidence that it has closed on the debt and equity required to build the Phase I Block 22 portion of the Project prior to the demolition of any structures required to be demolished for Phase I.

12.2 Rights of Institutional Mortgagee. Any financial institution lending money on the security of the real Expanded Redevelopment Area in the Project shall be entitled to the protection of *N.J.S.A. 55:17-1, et seq.* providing for notification, right to cure, right to possession, right to assume Control of mortgagor, right to enter into possession of and operate premises, right to the entry of a judgment of strict foreclosure, right to recover on the underlying loan obligation without first proceeding with Foreclosure, right to proceed to Foreclosure, separately from or together with suit on the underlying obligation, and such other rights all as specifically provided in *N.J.S.A. 55:17-8*.

(a) Continuation. This Agreement as a financial arrangement made by a Governmental Body or agency of the State of New Jersey pursuant to statutes in connection with a project for redevelopment, renewal or rehabilitation, shall continue in full force and effect beyond any Event of Default in or Foreclosure of any mortgage loan made to finance the project, as though such Event of Default or Foreclosure had not occurred, subject to the provision of *N.J.S.A. 55:17-1, et seq.*

(b) Subordination and Attornment. To the extent necessary, the Borough agrees to execute subordination and attornment documents that may reasonably be required by an institutional lender and further to make any technical, non-substantive, modifications to this Agreement that may be required by an institutional lender.

12.3 Rights of Mortgagees. Notwithstanding any other provision hereto, the Holder of any mortgage (including any such Holder who obtains title to the Expanded Redevelopment Area or any part thereof), or any other party who thereafter obtains title to the Expanded Redevelopment Area or such part from or through such Holder or any purchaser at Foreclosure sale or through other court proceedings or action in lieu thereof shall in no way be obligated by the provisions of this Agreement to construct or complete the Project except to secure and make the Project site and Expanded Redevelopment Area safe, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement or any Deeds conveying the Expanded Redevelopment Area to Redeveloper be construed to so obligate such Holder, provided that nothing in this Agreement shall be deemed or construed to permit or authorize any such Holder to devote the Expanded Redevelopment Area 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 or otherwise approved by the Borough.

12.4 Notice to Mortgagee. Whenever the Borough shall deliver any notice or demand to Redeveloper with respect to any Event of Default by Redeveloper of its obligations or covenants under this Agreement, the Borough shall at the same time forward a copy of such notice or demand to each Holder of any mortgage at the last known address of such Holder shown in the land records of the County. Notice that such Event of Default subsequently has been cured shall also be provided by the Borough to each such Holder of any mortgage.

12.5 Mortgagee's Right to Cure Event of Default and Assume Redeveloper's Obligations. After any Event of Default referred to in Section 7, each Holder shall have the right, at its option, to cure or remedy such Event of Default (if the Holder shall opt to cure or remedy the Event of Default, the times to cure provided herein shall be extended for such a period of time equal to the time otherwise applicable to Redeveloper for cure) and to add the cost thereof to its mortgage. If the Event of Default is with respect to construction of the Project or Phase, nothing contained in this Agreement shall be deemed to require the Holder to obtain the Borough's approval, either before or after Foreclosure or action in lieu thereof, to undertake or continue the construction or Completion of the Project or Phase. Any such Holder who shall properly Complete the Project or Phase shall be entitled, upon written request made to the Borough, to receive the Certificate of Occupancy for the Project, Phase or portion thereof and the Certificates of Completion as set forth in Section 4.3, and such Certificate shall mean and provide that any remedies or rights that Borough shall have or to be entitled to due to the failure of Redeveloper or any successor in interest to the Expanded Redevelopment Area, or any part thereof, to cure or remedy any Event of Default with regard to construction of the Project or Phase, or due to any other Event of Default by Redeveloper or such successor, shall not apply to the part or unit of the Expanded Redevelopment Area to which such Certificate relates.

12.6 Mortgage Modifications. If the Holder of any mortgage obtained by the Redeveloper under this Agreement reasonably requires any changes or modifications to the terms of this Agreement, the Borough shall reasonably cooperate with the Holder of any such mortgage(s).

ARTICLE 13
RESTRICTIONS ON TRANSFERS

13.1 Restrictions on Transfer. The Redeveloper recognizes the importance of the Borough Lots to the general welfare of the community and that the reputation of the Redeveloper and its qualifications are critical to the Borough in entering into this Agreement. The Redeveloper recognizes that it is because of such qualifications and identity that the Borough is entering into this Agreement with the Redeveloper, and, in so doing, the Borough is relying on the obligations of the Redeveloper and not some other Person for the faithful performance of all undertakings and covenants to be performed by the Redeveloper hereunder. Accordingly, so long as the Agreement is effective, prior to the issuance of a Certificate of Completion for the Project or Phase, pursuant to *N.J.S.A. 40A:12A-9(a)*, except as otherwise permitted by this Agreement, Redeveloper shall be without power to sell, otherwise transfer title to or ownership of the Project or Phase, without the written consent of the Borough, which consent shall not be unreasonably withheld, delayed or conditioned. The prohibition in this Section 13.1 shall apply to any sale, transfer, pledge, or hypothecation by Redeveloper of all or substantially all of its assets "in bulk" (but not to sales in the ordinary course of business) or all or substantially all of its stock, or the sale, transfer, pledge, or hypothecation of fifty percent (50%) or more of the stock of Redeveloper if Redeveloper's stock is not publicly traded; or the sale, transfer, pledge, or hypothecation of fifty percent (50%) or more of the beneficial ownership interest in Redeveloper if Redeveloper is a partnership, except in the event of the death of a partner or member. Any of the foregoing cases whether or not accomplished by one or more related or unrelated transactions, constitute a prohibited assignment. The foregoing shall not apply, however, to a change of form of the Redeveloper, provided that there is no change in the beneficial ownership of Redeveloper which is prohibited by the third sentence of this Section. The restrictions in this Section 13.1 shall not apply to conveyances set forth in Section 13.2 and these restrictions shall no longer apply to any individual unit or Phase for which a Certificate of Occupancy or Certificate of Completion has been issued.

As a result, prior to completion of the Project or Phase, as evidenced by the issuance of a Certificate of Completion, except with the express prior written consent of the Borough, which consent shall not be unreasonably withheld by the Borough, the Redeveloper agrees for itself and all successors in interest that there shall be no sale, transfer or assignment of (i) the Expanded Redevelopment Area; (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.

13.2 Consent to Permitted Transfers. The Borough hereby consents, without the necessity of further approvals from the Borough, 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;

(b) a merger or consolidation of Redeveloper with another financially responsible Person;

(c) the sale and/or lease of the residential units and/or the commercial/industrial space built as part of the Project;

(d) the conveyance of driveways, roads, infrastructure, or open space;

(e) utility and other necessary easements;

(f) a conveyance of the Expanded Redevelopment Area or any portion thereof to the Holder of any mortgage authorized under this Agreement, whether through Foreclosure, deed-in-lieu of Foreclosure, or otherwise;

(g) a conveyance of any properties in the Expanded Redevelopment Area or an interest therein and/or assignment by the Redeveloper of its rights under this Agreement, but only upon the following conditions: (i) such conveyance or assignment must be to an Affiliate or an Person 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*; (ii) 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; (iii) a copy of the written instrument of conveyance and assignment and assumption of this Agreement shall be delivered to the Borough for review; and (iv) such conveyance or assignment does not violate any of the Government Approvals; or

(h) the sale, transfer, pledge or hypothecation of any percent of stock or beneficial ownership interest so long as the original members of the Redeveloper shall maintain a Controlling management interest, including an Affiliated urban renewal entity.

13.3 Prohibition Against Speculative Development. Because of the importance of the development of the Expanded Redevelopment Area to the general welfare of the community, the Redeveloper represents and agrees that its acquisition of the Expanded Redevelopment Area 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 Expanded Redevelopment Area as provided herein, and not for speculation in land holding.

13.4 Information as to Ownership of Redeveloper. In order to assist in the effectuation of the purpose of this Article 13, simultaneously with the execution hereto and as a condition thereto, the Redeveloper shall submit to the Borough 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 Persons owning at least a ten percent (10%), interest in the Redeveloper, and, as to each such Person, all Persons owning at least a ten percent (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 Person affiliated with the Redeveloper.

(a) Notice of Change in Ownership. Redeveloper will immediately notify the Borough in writing of any change of ten percent (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 Persons 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) Provision of Statement of Ownership Upon Borough's Request. Redeveloper shall, at such time or times as the Borough may request, furnish the Borough 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 Persons have a beneficial interest in Redeveloper, their names and the extent of such interest.

13.5 Conveyance to a Qualified Entity. Upon a conveyance of all rights and obligations hereunder to a Qualified Entity, pursuant to Section 2.6, Redeveloper shall be relieved of its right and obligations hereunder.

13.6 Subsequent Conveyance by Redeveloper. Upon issuance of a Certificate of Completion for the Project or any Phase, the Redeveloper shall have the right to sell, lease or otherwise transfer, convey or encumber any such Phase or the Project, as applicable, without the consent of the Borough and free of any restrictions imposed by this Agreement, except the Declarations that expressly survive such transfer or conveyance.

ARTICLE 14

MISCELLANEOUS

14.1 Term. This Agreement shall terminate upon the sooner of (1) the Completion of the Project, evidenced by a Certificate of Completion for the entire Project, (2) eight (8) years from the Effective Date of this Agreement, inclusive of any events of Force Majeure, subject to a reasonable extension in the Boroughs sole discretion (3) termination by either Party as may be provided for in this Agreement. If the Additional Property is not designated as an area in need of redevelopment and included in the Redevelopment Plan, and a Financial Agreement is not executed by the Parties after a reasonable period of time to be determined mutually by the Parties in good faith and the exercise of reasonable judgment, the Parties may mutually agree to terminate this Agreement.

14.2 No Third-Party Beneficiaries. The provisions of this Agreement are for the exclusive benefit of the Parties hereto and not for the benefit of any third person, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third person.

14.3 Amendment; Waiver. No alteration, amendment or modification hereto shall be valid unless executed by an instrument in writing by the Parties to this Agreement with the same formality as this Agreement, including approval by Resolution of the Borough. The failure of the Borough or Redeveloper to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election contained in this Agreement shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by the Borough or 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 the Borough or Redeveloper.

14.4 Consents. Unless otherwise specifically provided herein, no consent or approval by the Borough or Redeveloper permitted or required under the terms hereto shall be valid or be of any force whatsoever unless the same shall be in writing, signed by an authorized representative of the party by or on whose behalf such consent is given.

14.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to any principle of choice of or conflicts of laws. Any lawsuit filed by either Party to this Agreement shall be filed in either the Superior Court of New Jersey, Hunterdon County, or in the United States District Court for the District of New Jersey in accordance with their respective rules of court.

14.6 Severability. If any Article, Section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Section, subsection, term or provision of this Agreement or the application of same to the Parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining Article, Section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent

permitted by law, provided that no such severance shall serve to deprive either party of the enjoyment of its substantial benefits under this Agreement.

14.7 Binding Effect. Except as may otherwise be provided in this Agreement to the contrary, this Agreement and each of the provisions hereof shall be binding upon and inure to the benefit of Redeveloper, the Borough and their respective successors and assigns.

14.8 Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Redeveloper and the Borough, their relationship being solely as contracting parties under this Agreement.

14.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute, in connection with each of such agreements, one and the same instrument.

14.10 Prior Agreements Superseded. This Agreement supersedes any prior understanding or written or oral agreements (express or implied) between the Parties respecting the within subject matter. This Agreement, together with any other documents executed by the Parties contemporaneously herewith or therewith, contains the entire understanding between the Parties with respect thereto.

14.11 Exhibits. All Exhibits referred to herein shall be considered a part of this Agreement as fully and with the same force and effect as if such Exhibits had been included within the text of this Agreement in full.

14.12 Affirmative Action. Should Redeveloper use any public funding or financing for the Project which requires compliance with affirmative action requirements set forth in P.L. 1975, C. 127 (*N.J.S.A. 17:27*), Redeveloper agrees to comply with said requirements and cause its contractors and subcontractors to comply with same.

14.13 Non-Discrimination. The Redeveloper shall not discriminate against or segregate any person, a group of persons, on account of race, color, religion, creed, national origin, ancestry, physical handicap, age, marital status, sex, affectional or sexual orientation of the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Expanded Redevelopment Area; nor shall the Redeveloper itself, or any person claiming under or through the Redeveloper, establish or permit any such practice or practices of discrimination or segregation, with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sub lessees or vendees on the Expanded Redevelopment Area.

14.14 Construction. Both of the Parties acknowledge that this Agreement has been extensively negotiated with the assistance of competent counsel for each Party and agree that no provision of this Agreement shall be construed in favor of or against either Party by virtue of the fact that such Party or its counsel have provided an initial or any subsequent draft of this Agreement or of any portion hereto.

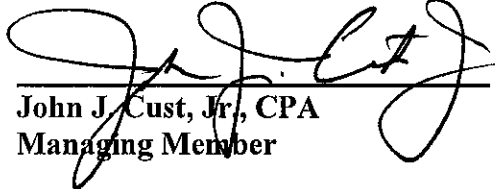
14.15 Cooperation. The Parties agree to cooperate with each other and to provide all necessary and reasonable documentation, certificates, consents in order to satisfy the terms and conditions hereof and the terms and conditions of this Agreement. The Borough further agrees to cooperate as may be reasonably requested by any mortgagee of the Redeveloper in connection with obtaining financing for the Project. The Borough further agrees to take all actions reasonably requested by Redeveloper to expedite the Project, including without limitation agreeing to modify or amend this Agreement, designating Borough staff liaisons to assist the Redeveloper in interacting with Borough 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. Any costs incurred by the Borough in connection therewith shall be deemed Borough Costs, reimbursable pursuant to Section 4.6(a).

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of Effective Date.

FLEMINGTON CENTER URBAN
RENEWAL, LLC

Betsy K Stevens
Witness BETSY K STEVENS

By: 
John J. Cust, Jr., CPA
Managing Member

BOROUGH OF FLEMINGTON

Sallie Graziano
Sallie Graziano, Borough Clerk

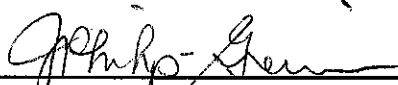
By: 
Hon. Phil Greiner, Mayor

EXHIBIT LIST

Exhibit A: Concept Plan

Exhibit B: Project Schedule

Exhibit C: Ownership Structure of the Redeveloper

EXHIBIT A
PROJECT DESCRIPTION

Phase One: The development of the portion of the Project to be located on Block 22 on the Borough tax map.

Phase Two: The development of the portion of the Project to be located on Block 24 on the Borough tax map.

*The drawings attached in Exhibit A consist of the plan as presented to the public at the Borough Council meeting on August 22, 2016 and titled "The Future of Flemington, August 22, 2016, 2nd presentation," which are incorporated into this Agreement and shall be attached to the original copies of this Agreement to be maintained in the Borough Clerks Office. These drawings are solely for purposes of reference to the Project Concept and Design details but do not represent any analysis or determination of compliance with any applicable zoning and development requirements and standards, such as parking, height, coverage, setbacks, density, etc., all of which shall be set forth and determined pursuant to the Redevelopment Plan, as may be amended, and the Project will be required to comply with such zoning and development requirements and standards.

The Future of Flemington



August 22, 2016
2nd Presentation

Introduction

As the Hunterdon County seat, the Borough of Flemington is a reflection on the entire County and should be looked at as the gold standard of municipalities as it relates to the State of New Jersey.

Downtown Flemington is in need of revitalization and our goal is to Redevelop the heart of Main Street and create a vibrant and Dynamic Mixed-Use, Lifestyle Community that will be attractive to our local Community, while promoting Tourism and Higher Education which will help Flemington become a fabulous place to Live, Work and Enjoy!

These Objectives are aligned with the Hunterdon County Comprehensive Economic Development Study (CEDS). The plan has the full endorsement of Roger Brooks, who was retained by Flemington to provide guidance on the rebranding initiatives of Flemington.

Our Follow Up

The overall feedback we received during and after our original presentation in February was very positive. We listened and heard all the comments, opinions and suggestions. While the initial drawings were preliminary in nature and subject to change, we did recognize the need to reflect a streetscape that was more consistent with the architecture of Historic Flemington. As a result, our architects have changed the overall design and now includes a new Union Hotel.

It is important to understand that simply restoring a few buildings will not provide enough of an economic impact to sustain Flemington. Comprehensive and significant changes are necessary to compete within the marketplace to attract people who will want to live, work and visit Flemington.

Understanding the emotion and passion surrounding the revitalization plan, we encourage you to view this information with a fresh perspective of what the future of Flemington could become.

The updated plans and information provided in this presentation are being made available to the public and will be available online at the Flemington Borough website.

Criteria For Development

- To create a vibrant downtown community that will be desirable to live, work and visit
- To attract higher education to the only remaining county in New Jersey without a 2 or 4 year college
- To attract millennials and new residents
- To provide efficient and optimum parking and traffic circulation
- To maintain and respect a historic looking streetscape
- To have a significant net positive impact to the Borough of Flemington operating budget
- To become a catalyst for additional revitalization and development

Proposed Redevelopment

The Proposed Redevelopment area will provide the following components:

- College / Education / Technology / Medical
- Retail
- Hotel
- Restaurants
- Residential
- Parking

Proposed Development

College: A two or four year college will become the catalyst for attracting people of all ages to enjoy advanced Educational opportunities. Hunterdon is the only county in New Jersey without higher education and it is a vital component for our future. The new academic facility will be constructed on the Flemington Fur site and will also be available to medical, technology and professional offices as needed. Discussions are underway to achieve this goal.

Retail: Anchored by Flemington Fur we anticipate the ability to attract a variety of stores and shops that will significantly impact and invigorate our community.

Hotel: A new 100 room hotel to be built designed to transition the past history of the Union Hotel incorporating new and improved modern amenities while keeping many of the same characteristics where possible.

Restaurants: Great restaurants will be a key component of the lifestyle center. The liquor license that was purchased will enable multiple restaurants to share the license providing opportunity for a broader customer experience.

Residential: There will be 230 – 250 high quality residential units built above the first floor retail and restaurants.

Parking: There will be ample parking with approximately 900 spaces in the form of deck and underground parking to service the lifestyle center.

Medical: Having a medical component to the project is an enormous benefit to Flemington residents and continues to enhance Hunterdon Counties rating as the healthiest county in New Jersey. Collaboration efforts are underway with Hunterdon Healthcare to achieve this goal.

Hunterdon Healthcare

“Hunterdon Medical Center opened our doors over 60 years ago to a community that was predominantly farmland. We have seen many changes over the years including the entry and exit of many services. As we continue to grow and change, Hunterdon Healthcare is supportive of the revitalization plan for Flemington Borough.

“We recognize the importance of bringing in new business and energizing the center of Flemington while maintaining the character and history of Main Street. There is tremendous value in being part of this transition and in continuing to build our community. Hunterdon Healthcare is committed to providing needed services for our residents, like our newly-opened urgent care center on Church Street.

“We see great opportunity in being part of Mr. Cust's Town Plaza revitalization plan and furthering our mission to improve the health of Flemington's residents and those in the surrounding communities.”

Bob Wise, President & CEO

Hunterdon County Board of Chosen Freeholders

"This remarkable project could well be the jewel of Hunterdon County. It has the potential to be the much needed change capable of returning Flemington to its former viable center of community and commerce. Providing higher education in the County seat offers lifelong learning as a critical benefit to our citizens. I applaud Mr. Cust's creativity and his intent to serve Flemington and Hunterdon County. I encourage the residents of Flemington to join me in embracing this exciting development to ensure a great future for all of us."

Suzanne Lagay, Director

Roger Brooks International

“We are in full support of the plan presented by Mr. Jack Cust, which will create an amazing catalyst for Flemington’s rebranding and redevelopment efforts. Combining this with higher education facilities, a year round public market, and programmed plaza, Flemington will quickly become the showcase downtown that the local residents, their visitors, and new visitors will fall in love with.”

Roger Brooks, President & CEO

Flemington Furs

"It's time. If Flemington's going to have a future, it has to change, and we need to embrace this change. Jack Cust and his team have developed a plan that ensures a better quality of life and makes Flemington an important destination once again."

Bob Benjamin, Flemington Furs

Aerial



Main Street View



Aerial View of Plaza from Courthouse



View to the South in Front of Hotel



Main Street View of Hotel



View From Spring Street & Bloomfield Avenue



View From Spring Street & Chorister Place



Restaurants



Café Dining



A Place to Be



View East Down Plaza at Eye Level



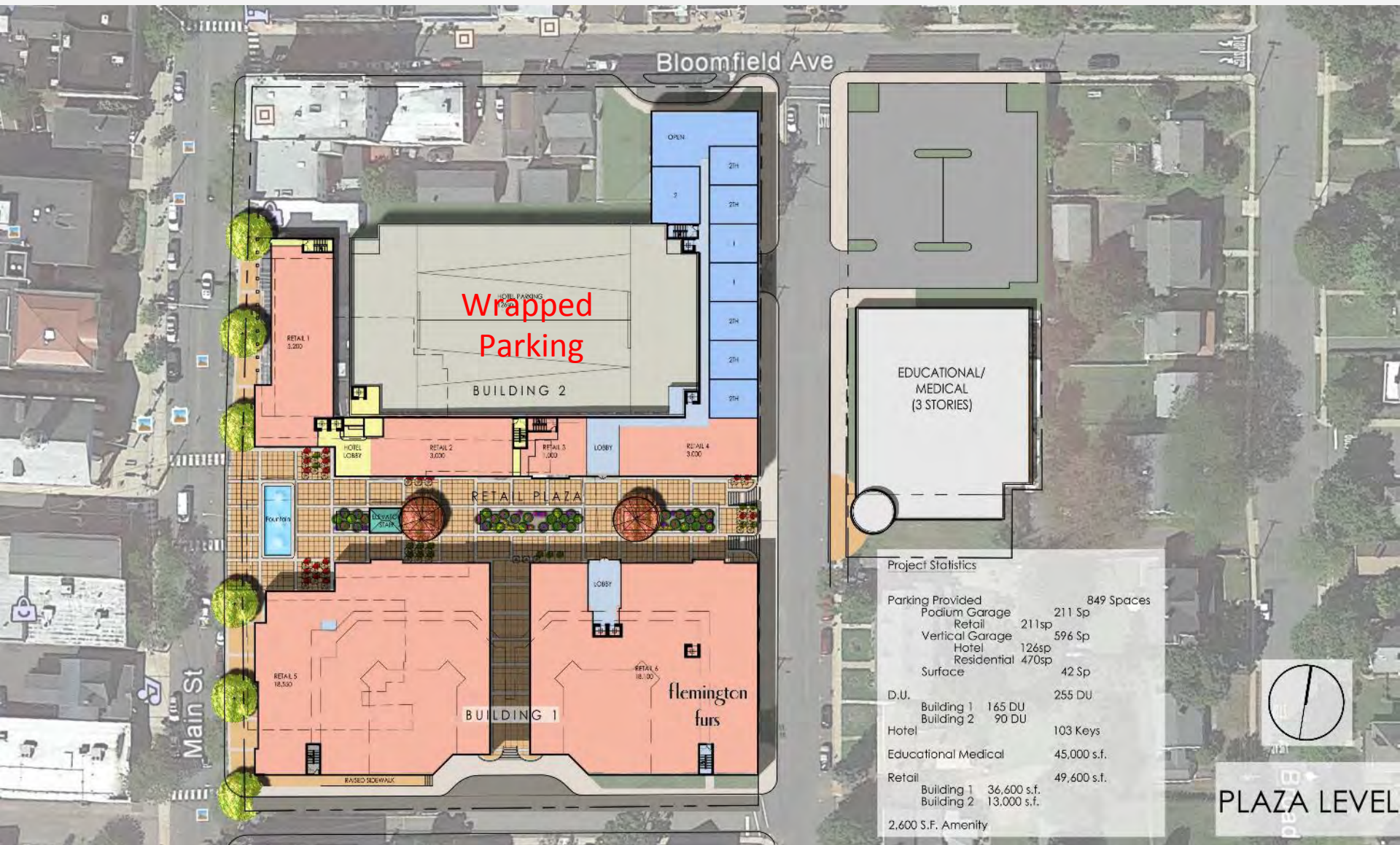
View East of Medical Office/College



Campus Life



Plaza Level



Project Statistics

Parking Provided	849 Spaces
Podium Garage	211 Sp
Retail	211sp
Vertical Garage	596 Sp
Hotel	126sp
Residential	470sp
Surface	42 Sp
D.U.	
Building 1	165 DU
Building 2	90 DU
Hotel	103 Keys
Educational Medical	45,000 s.f.
Retail	49,600 s.f.
Building 1	36,600 s.f.
Building 2	13,000 s.f.
2,600 S.F. Amenity	

PLAZA LEVEL

Upper Floors



Top Floor



Parking Garage

This aerial map illustrates the proposed 'Podium Garage Level' for a development. The building footprint is outlined in black, showing a large central parking area with numbered stalls (1-32) and several peripheral service areas. Key features include:

- Entrances:** 'HOTEL/RESIDENTIAL GARAGE ENTRANCE' at the top right and 'PUBLIC GARAGE ENTRANCE' at the bottom right.
- Interior Spaces:** 'MAIN LOBBY', 'LEASING', 'LOBBY', '2BH' (two-bedroom units), '3BH' (three-bedroom units), and 'FLEMINGTON PARS STORAGE 10,000 SF'.
- Adjacent Structures:** 'EDUCATIONAL/MEDICAL (3 STORIES)' to the east and existing residential buildings to the west.
- Streets:** 'BLOOMFIELD AVENUE' to the north, 'Main St' to the west, and 'SPRING STREET' to the east.
- Other Labels:** 'CHOIRISTER PLACE' at the bottom, 'Bloomfield Ave' and 'Spring Street' along their respective roads, and a north arrow in the bottom right corner.



EXHIBIT B
PROJECT SCHEDULE

The Project implementation tasks and completion dates set forth below shall be adhered to by Redeveloper and Borough, as applicable, in accordance with the terms and condition of this Redevelopment Agreement.

“Designation of the Additional Property” as an “area in need of redevelopment” pursuant to the Redevelopment Law shall be completed within 6 months of the Effective Date

“Adoption of an Amendment to the Redevelopment Plan” that includes the Additional Property pursuant to the Redevelopment Law shall be completed within 90 days of “Designation of the Additional Property”

“Concept Plan Review Application” for the first Phase shall be submitted to the Borough pursuant to Section 3.2(c) of the Agreement within 60 days of the execution of the Financial Agreement

“Execution of a Financial Agreement” by the Parties shall be completed within 60 days of “Adoption of an Amendment to the Redevelopment Plan”

Planning Board Application for Final Site Plan Approval for the first Phase and applications for all other Governmental Approvals for the first Phase shall be submitted to Planning Board and other applicable Governmental Bodies within 30 days after Borough’s approval pursuant to Section 3.2(c) of the Agreement

“Closing on Financing” for first Phase shall be completed with 90 days of receipt of all Government Approvals and the expiration of all applicable appeal periods

“Acquisition of Property” required for first Phase shall be completed within 60 days of “Closing on Financing”

Application for demolition permits for first Phase shall be submitted within 30 days of closing on “Acquisition of Property” for first Phase

Application for building permits shall be submitted within 30 days after completion of demolition

“Commencement of Construction” of first Phase shall occur within 30 days after receipt of building permits for first Phase

Application for Certificate of Occupancy for first Phase shall be submitted to Borough within 24 months of Commencement of Construction for first Phase

Application for Certificate of Occupancy for last Phase shall be submitted within 36 months of “Commencement of Construction” for first Phase

Request to Borough for Certificate of Completion for entire Project shall be submitted within 8 years from the Effective Date of this Agreement, inclusive of any events of Force Majeure, subject to a reasonable extension in the Boroughs sole discretion

EXHIBIT C
OWNERSHIP STRUCTURE OF REDEVELOPER

Flemington Center Urban Renewal, LLC is owned 100% by John J. Cust, Jr.

Appendix E.

Block 22 Lot 14 (formerly Lot 4) Deed

7

BARGAIN & SALE DEED

THIS DEED is made on December 13 , 2011

BETWEEN

FLEMINGTON FUR COMPANY, LLC

whose post office address is 8 Spring Street, Flemington, NJ 08822

referred to as the GRANTOR,

AND

FLEMINGTON FUR COMPANY, LLC

whose post office address is 8 Spring Street, Flemington, NJ 08822

referred to as the GRANTEES.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of ONE and 00/100 (\$1.00) DOLLAR.

The Grantor acknowledges receipt of this money.

2. Tax Map Reference. (N.J.S.A. 46:15-1.1) Municipality of Borough of Flemington Block No. 22, Lot No. 14 (after merger of portion of Block 22, Lot 4)



3. Property. The Property consists of the land and all the buildings and structures on the land in the Borough of Flemington, County of Hunterdon and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof.

Being the same lands and premises conveyed to the said Flemington Fur Company, LLC by the following deeds:

1. Deed from Flemington Fur Co., Inc. dated January 1, 2001 and recorded in the Hunterdon County Clerk's Office on January 29, 2001 in Book 2002 of Deeds at page 264.
2. Deed from M.E.J.J. dated December 9 , 2011 and about to be recorded simultaneously herewith.

The purpose of the within deed is to perfect the minor subdivision approved by the Flemington Borough Planning Board by Resolution No. 2011-17 approved on June 6, 2011 and adopted on June 28, 2011.

<p>Prepared by: (print signer's name below signature)</p>  <p>GEORGE M. DILTS, ESQUIRE</p>	<p>(For Recorder's Use Only)</p>  <p>20111229000280510 1/7 12/29/2011 03:33:35 PM D Bk: 2280 Pg: 928 Mary H. Melfi Hunterdon County Clerk</p>
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Heritage Consulting Engineers

- Deed Description
Tax Map Block 22, Lot 14
Flemington Borough
Hunterdon County, New Jersey

4 Beginning at an iron pipe found along the southerly right-of-way line of Bloomfield Avenue, common corner to lands now or formerly Frederick and Joan Cronic (Block 22, Lot 15), said beginning point marks the point of beginning as set forth in Deed Book 2002, Page 265, filed in the Hunterdon County Clerk's office and running; thence

1. Along the southerly right-of-way line of Bloomfield Avenue, South 89° 01' 03" East, a distance of sixty and zero one-hundredths feet (60.00') to an iron pipe found along the same, common corner to lands now or formerly Flemington Fur Company, LLC (Block 22, Lot 13); thence
2. Along lands now or formerly Flemington Fur Company, LLC (Block 22, Lot 13), South 00° 57' 00" West, a distance of seventy-four and seventy-three one-hundredths feet (74.73') to a capped pin set, corner to the same; thence
3. Along the same, South 89° 48' 00" East, a distance of forty-six and zero one-hundredths feet (46.00') to an iron pipe found, corner to the same along the westerly right-of-way line of Spring Street; thence
4. Along the westerly right-of-way line of Spring Street, South 01° 37' 00" West, a distance of one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a PK nail set along the same, common corner to lands now or formerly Lynn Property Management Group, LLC (Block 22, Lot 5); thence
5. Along lands now or formerly Lynn Property Management Group, LLC (Block 22, Lot 5), North 88° 59' 15" West, a distance of one hundred fifty-three and ninety one-hundredths feet (153.90') to a railroad spike set along the same, common corner to lands now or formerly M.E.J.J. Realty, LLC (Block 22, Proposed Lot 4); thence
6. Along lands now or formerly M.E.J.J. Realty, LLC (Block 22, Proposed Lot 4), North 01° 09' 05" East, a distance of one hundred thirty-eight and seventy-six one-hundredths feet (138.76') to a capped pin set, corner to the same, in line of lands now or formerly Frederick and Joan Cronic (Block 22, Lot 15); thence
7. Along lands now or formerly Frederick and Joan Cronic (Block 22, Lot 15), South 89° 15' 01" East, a distance of forty-nine and four one-hundredths feet (49.04') to a capped pin set, corner to the same; thence
8. Along the same, North 00° 57' 00" East, a distance of seventy-four and ninety-seven one-hundredths feet (74.97') to the point and place of beginning and containing 0.596 acres (25,989 SF) more or less as surveyed by Heritage Consulting Engineers in December 2010.

4

Subject to a proposed sight easement to the Borough of Flemington described as follows:

Beginning at the termination of Course No. 3 in the above described 0.596 acre parcel and running; thence.

1. Along the westerly right-of-way line of Spring Street, South 01° 37' 00" West, a distance of one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a PK nail set along the same; thence
2. Along lands now or formerly Lynn Property Management Group, LLC (Block 22, Lot 5), North 88° 59' 15" West, a distance of zero and twenty-one one-hundredths feet (0.21') to a sight easement corner along the same; thence
3. Through Block 22, Lot 4, North 09° 41' 22" West, a distance of one hundred and ninety-two one-hundredths feet (100.92') to a sight easement corner; thence
4. Through the same, North 12° 55' 36" East, a distance of forty-one and forty-seven one-hundredths feet (41.47') to a sight easement corner along lands now or formerly Flemington Fur Company, LLC (Block 22, Lot 13); thence
5. Along lands now or formerly Flemington Fur Company, LLC (Block 22, Lot 13), North 89° 48' 00" East, a distance of eleven and eighty-seven one-hundredths feet (11.87') to the point and place of beginning and containing a sight easement area of 0.038 acres more or less.

Subject to the proposed reservation of a 15' wide sanitary sewer easement described as follows:

Beginning at a point along the westerly right-of-way line of Spring Street, said beginning point being located, North 01° 37' 00" East, a distance of thirty-three and twenty-three one-hundredths feet (33.23') from a PK nail set along the same at the termination of Course No. 4 in the above described 0.596 acre parcel and running; thence

1. Through Block 22, Lot 14, South 89° 14' 43" West, a distance of sixty-four and sixty-six one-hundredths feet (64.66') to an easement corner; thence
2. Through the same, South 58° 17' 03" West, a distance of fifty-seven and seventy-seven one-hundredths feet (57.77') to an easement corner along lands now or formerly Lynn Property Management Group, LLC (Block 22, Lot 5); thence
3. Along lands now or formerly Lynn Property Management Group, LLC (Block 22, Lot 5), North 88° 59' 15" West, a distance of twenty-seven and seventy-four one-hundredths feet (27.74') to an easement corner along the same; thence
4. Through Block 22, Lot 14, North 58° 17' 03" East, a distance of fifty-six and eleven one-hundredths feet (56.11') to an easement corner; thence

Page 3

Tax Map Block 22, Lot 14

Hunterdon County, New Jersey


- c:\descriptions\lbflemington\lbf22-proposed\4-12-15-10 rev 11-10-11

*The street address of the Property is 21 Bloomfield Avenue, Flemington, NJ 08822

4. **Promises by Grantor.** The Grantor promises that the Grantor has done no act to encumber the Property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

5. **Signatures.** The Grantor signs this Deed as of the date at the top of the first page. (Print name below each signature.)

Witnessed By:


JOAN HANSON

FLEMINGTON FUR COMPANY, LLC


By ROBERT E. BENJAMIN, Managing Member

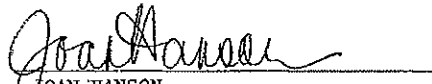
STATE OF NEW JERSEY

: SS.

COUNTY OF HUNTERDON

I CERTIFY that on Dec. 13, 2011, Robert E. Benjamin, Managing Member of Flemington Fur Company, LLC, personally came before me and stated to my satisfaction, that this person (or if more than one, each person):


- (a) was the maker of this Deed;
- (b) executed this Deed as his or her own act; and
- (c) made this Deed for \$1.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

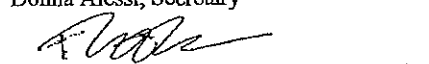

JOAN HANSON
Notary Public of New Jersey
My comm. exp. 4/12/15

RECORD AND RETURN TO:
GEORGE M. DILTS, ESQ.
Dilts & Koester
167 Main Street
Flemington, NJ 08822

Approved by the Borough of Flemington
Planning Board as a minor subdivision by
Resolution No. 2011-17 on June 28, 2011;
deed for the above is void if
not recorded within one hundred ninety (190)
of the date hereof.

Dated: 11-23-11


Donna Alessi, Secretary


Todd Cook, Chairman

746 PAGE 364

315 (504) — N. J. DEED — Bargain and Sale, on (Returns From Local Publicity, Partly Acre, in a 1968
Cor. vs. Or. Indiv. to Indiv. or Corp.) Rev. June 3, 1968 Tax-Exempt Land Parcel Trade Mark Registered

Unit Deed, made the 29 day of June,

in the year One Thousand Nine Hundred and Seventy-one,

Between MARIE SCHAFER McKIERNAN, Executrix and Trustee under the Last Will and Testament of Henry X. Schafer, deceased,

PO Address: 130 Mountain Avenue, Somerville, N.J.

of the County of Somerset and State of New Jersey

party of the first part, hereinafter known as the grantor;

And FLEMINGTON PUR COMPANY, a corporation of the State of New Jersey, with principal offices at 8 Spring Street, Flemington, New Jersey,

of the County of Hunterdon and State of New Jersey

party of the second part, hereinafter known as the grantee;

Witnesseth, That the said grantor, for and in consideration of

\$175,000.00

lawful money of the United States of America, to herin hand well and truly paid by the said grantee, at or before the sealing and delivery of these presents, the receipt whereof to heroby acknowledged, and the said grantor being therewith fully satisfied, contented and paid, has given, granted, bargained, sold, aliened, released, conveyed and confirmed, and by these presents does give, grant, bargain, sell, alien, release, convey and confirm unto the said grantee, and to

its successors and assigns, forever,

All that certain tract or parcel of land and premises, hereinafter particularly described, situate, lying and being in the Borough of Flemington in the County of Hunterdon and State of New Jersey:

BEGINNING at a point in Main Street which point is 23 feet from the Easterly curb line and running thence (1) along land of Howard Higgins, South eighty nine degrees 03 minutes East, a distance of one hundred seven and fourteen one-hundredths feet (107.14') to a corner, to the same; thence (2) along the same, North one degree twenty eight minutes East, a distance of seventeen and sixteen one-hundredths feet (17.16') to a corner the same, said corner being in line of land of the Flemington National Bank and Trust Company; thence (3) along the same, and land of S. Molinari, Hedrick and Morris, South eighty nine degrees forty eight minutes East, a distance of two hundred fifty three and twenty five one-hundredths feet (253.25') to an old iron corner to land of Morris, said corner being in the Westerly line of Spring Street; thence (4) along the Westerly line of Spring Street, South one degree thirty seven minutes West, a distance of one hundred thirty nine and ninety two one-hundredths feet (139.92') to a corner in the same, corner also to land of Nevius Brothers' Inc.; thence (5) along their line and along a joint alley, North eighty nine degrees sixteen minutes West, a distance of three hundred sixty two and sixty two one-hundredths feet (362.62') to a corner in Main Street, thence (6) along said street, North two degrees forty three minutes East, a distance of one hundred twenty and seventy eight one-hundredths feet (120.78') to the Place of Beginning and containing one and eleven one-hundredths acres (1.11 A. be the same more or less as surveyed by Bohren, Bogart and Van Closs Engineering Associates Inc., June, 1971.

All bearings herein refer to those of the adjoining survey of Robert Morrin.

Excepting and reserving the rights of the public as the same now exist in Main Street and along the alleyways on the North side and on the South side of said described lot, together with the rights of adjoining land owners, if any, in said alley ways.

COUNTY OF HUNTERDON
CONSIDERATION \$175,000.00
DEED TRANSFER TAX \$175.00
DATE JUNE 29, 1971 BY 364

73376

39.2-

SUBJECT to the rights of existing tenants.

Vol. 748 p. 365

BEING the same premises conveyed to Henry Y. Schafer by deed of Samuel B. Skillman, Sheriff of the County of Hunterdon, dated October 21, 1918 and recorded August 7, 1936 in Book 407 of Deeds for Hunterdon County at page 421.

BEING also premises of which Henry Y. Schafer died testate, a resident of Somerset County, on November 30, 1944, and in and by his Last Will and Testament probated in Somerset County Surrogate's Office, recorded in Will Book LL page 202, he appointed Marie Schafer McKiernan, executrix and trustee, with full power to sell and convey real estate.

Together with all and singular the houses, buildings, trees, ways, waters, profits, privileges, and advantages, with the appurtenances to the same belonging or in anywise appertaining;

Alas all the estate, right, title, interest, property, claim and demand whatsoever, of the said grantor, of, in and to the same, and of, in and to every part and parcel thereof.

We have and in full all and singular the above described land and premises, with the appurtenances, unto the said grantee, its successors and assigns, to the only proper use, benefit and behoof of the said grantee, its successors and assigns, forever,

And the said grantor Marie Schafer McKiernan, executrix and trustee,

for herself, her heirs, executors, administrators, successors and assigns, does covenant, promise and agree to and with the said grantee, its successors and assigns, that she has not made, done, committed, executed or suffered any act or acts, thing or things, whatsoever whereby or by means whereof the above mentioned and described premises, or any part or parcel thereof, now are, or at any time hereafter shall or may be impeached, charged or encumbered, in any manner or way whatsoever.

In Witness Whereof the said grantor has hereunto set her hand and seal the day and year first above written.

Signed, Drafted and Delivered
In the Presence of

(Signature)
(Marie Schafer McKiernan)
Executrix and Trustee under the
Last Will and Testament of Henry
Y. Schafer, deceased.

Date of this Entry,

County of HUNTERDON

We all them entered, that on this 29th day of June
in the year of Our Lord One Thousand Nine Hundred and Seventy-one, before me,
a Master of the Superior Court of New Jersey
personally appeared MARIE SCHAFFER MCKIERNAN, Executrix and Trustee
under the Last Will and Testament of Henry Y. Schafer, deceased,

who, I am satisfied, is the grantor mentioned in the within instrument,
and thereupon she acknowledged that she
signed, sealed and delivered the same as her act and deed, for the
uses and purposes therein expressed, and that the full and actual consideration paid or to be paid
for the transfer of title to realty evidenced by the within deed, so much consideration so stated
in P.L. 1908, c. 69, Sec. 1 (c), is \$ 175,000.00.

This Deed prepared by *(Signature)* Ryman Herr, Esq.,
Flemington, N.J. a Master of the Superior Court of New Jersey

Deed # 73376-Recorded June 29, 1971 at 3:15 P.M.

This Deed, made the 1st day of September 1971

Between FLEMINGTON FUR COMPANY, a corporation of the State of New Jersey, with principal offices at 8 Spring Street, Flemington, New Jersey.

Hunterdon and State of New Jersey in the County of
herein designated as the Grantor

FEL REALTY INC., a corporation of the State of New Jersey,
with principal offices at 8 Spring Street, Flemington, New Jersey

Hunterdon and State of New Jersey in the County of
herein designated as the Grantee

Witnesseth: That in consideration of One hundred seventy-five thousand
Dollars (\$175,000.00)

the Grantor do es grant and convey, unto the Grantee, its successors and assigns.

that certain tract
or parcel of land and premises, situate, lying and being in the
Borough of Flemington
County of Hunterdon and State of New Jersey, more particularly described as follows:

BEGINNING at a point in Main Street which point is 23 feet from the Easterly curb line and running thence (1) along land of Howard Higgins South eighty nine degrees 06 minutes East, a distance of one hundred seven and fourteen one-hundredths feet (107.14') to a corner, to the same; thence (2) along the same, North one degree twenty eight minutes East, a distance of seventeen and sixteen one-hundredths feet (17.16') to a corner the same, said corner being in line of land of the Flemington National Bank and Trust Company; thence (3) along the same, and land of W. Molinari, Hedrick and Morris, South eighty nine degrees forty eight minutes East, a distance of two hundred fifty three and twenty five one-hundredths feet (253.25') to an old iron corner to land of Morris; said corner being in the Westerly line of Spring Street; thence (4) along the Westerly line of Spring Street, South one degree thirty seven minutes West, a distance of one hundred thirty nine and ninety two one-hundredths feet (139.92') to a corner in the same, corner also to land of Nevius Brothers' Inc., thence (5) along their line and along a joint alley, North eighty nine degrees sixteen minutes West, a distance of three hundred sixty two and sixty two one-hundredths feet (362.62') to a corner in Main Street, thence (6) along said street, North two degrees forty three minutes East, a distance of one hundred twenty and seventy eight one-hundredths feet (120.78') to the Place of Beginning and containing one and eleven one-hundredths acres (1.11 A.) be the same more or less as surveyed by Schren, Bogart and Van Cleaf Engineering Associates Inc., June, 1971.

ALL bearings herein refer to those of the adjoining survey of Robert Morris.

Excepting and reserving the rights of the public if any as the same now exist in Main Street and along the alleyways on the North side and on the South side of said described lot, together with the rights of adjoining land owners, if any, in said alley ways.

COUNTY OF HUNTERDON
CONSIDERATION \$175,000.00
REALTY TRANSFER FEE \$175.00
DATE SEP 22 71 BY 74446

49.22

SUBJECT to the rights of existing tenants.

BEING the same premises, conveyed to Flemington Fur Company from Marie Schafer McKiernan, Executrix, by Deed dated June 29, 1971 and recorded in Book 746 of Deeds for Hunterdon County at page 364.

The within conveyance is further subject to the lien and obligation of a certain mortgage executed and delivered by the said grantor, Flemington Fur Company to Marie Schafer McKiernan, Executrix and Trustee under the Last Will and Testament of Henry Y. Schafer, deceased, dated June 29, 1971, recorded June 29, 1971, in Book 466 of Mortgages, page 549, securing \$135,000.00, which mortgage with interest due thereon from September 1, 1971, the said FEC Realty Inc, the grantee herein, hereby assumes and agrees to pay and discharge as and for part of the above express consideration.

Can
9/15/87

To Have and to Hold, all and singular the land described herein, unto the Grantee and to Grantee's proper use and benefit forever.

And the said Grantor

Covenant B that, except as may be herein set forth:

1. Grantor is lawfully seized of the land described herein.
2. Grantor has the right to convey the said land to the Grantee
3. The Grantee shall have quiet possession of the said land free from all encumbrances.
4. Grantor will execute such further assurances of the said lands as may be requisite.
5. Grantor will warrant generally the property hereby conveyed.

In Witness Whereof, the Grantor ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~ has caused these presents to be signed by its proper corporate officers and its
corporate seal to be affixed hereto, the day and year first above written.

Signed, Sealed and Delivered

for the presence of

Flemington Fur Company / X03M

Not Aligned, by

By: Sidney R. Benjamin
Sidney R. Benjamin, President

State of New Jersey, County of _____) ss.: Me It Remembered,
that on _____, 19____, before me, the subscriber,

personally appeared

to, I, I am satisfied, the person named in and who executed the within instrument, and thereupon acknowledged that signed, sealed and delivered the same as act and deed, for the uses and purposes therein expressed, and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within deed, as such consideration is defined in P.L. 1968, c. 49, Sec. 1 (c), is \$

State of New Jersey, County of _____ } ss.: We all Remembered,
that on September _____ 1911, before me, the subscriber, an Attorney at

personally appeared HERMAN BIRNBAUM

who, being by me duly sworn on his oath, deposes and makes proof to my satisfaction, that he is the Secretary of Flemington Fur Company

that Sidney R. Benjamin, ... is the President of said Corporation; that the execution, as well as the making of this instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of said Corporation; and that the seal affixed to said instrument is the proper corporate seal and was thereto affixed and said instrument signed and delivered by said President as and for the voluntary act and deed of said Corporation, in presence of deponent, who thereupon subscribed his name thereto as attesting witness; and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within deed, as such consideration is defined in P.L. 1968, c. 4, §§ 48(c), is \$75,000.00

Sworn to and subscribed before me,
the date aforesaid.

Philip J. Albert, Attorney at
Law of New Jersey

Prepared by: Philip J. Albart, Esquire

Doc #74446--Recorded September 22, 1971 at 1:14 P. M.

See Modification

Recorded 11-4-99

Vol. 1225 Page 109

11683812

BOOK 1088 PAGE 0187

COUNTY OF HUNTERDON
CONSIDERATION \$60,000.00
RIGHT PURCHASE
DATE 4/13/99 BY [Signature]

Prepared by

GEORGE M. DIETS, ESQUIRE
167 Main St., Flemington, New Jersey 08822
(908) 782-8200

PERPETUAL EASEMENT

THIS INDENTURE made this 6th day of April, 1993, between F.F.C. REALTY, INC., a New Jersey corporation, whose mailing address is: 8 Spring Street, Flemington, N.J. 08822 (hereinafter referred to as the "Grantor"), and FLEMINGTON FUR COMPANY, INC., a New Jersey corporation, having a place of business at 8 Main Street, Flemington, N.J. 08822 (hereinafter referred to as the "Grantee").

W I T N E S S E T H:

WHEREAS, Grantor is the owner of premises designated as Tax Lot 4, Block 22 on the official tax map of the Borough of Flemington, Hunterdon County, New Jersey;

NOW, THEREFORE, in consideration of the sum of Sixty Thousand (\$60,000.00) Dollars, payable to Grantor by Grantee in installments of \$1,000.00 each on or before the first day of the ensuing month, and continuing to be payable in this manner for a period of five (5) years, Grantor hereby grants unto Grantee, its successors and assigns forever, a continuous and perpetual easement of ingress and egress to and the right to use and utilize that portion of Grantor's property known as Tax Lot 4, Block 22 in the Borough of Flemington, Hunterdon County, New Jersey, more particularly described in Schedule A annexed hereto and made a part hereof, as a parking lot and/or for any lawful use or purpose.

Additionally, the Grantor and Grantee, for themselves, their successors and assigns, AGREE AS FOLLOWS:

1. The Grantor and Grantee shall exercise their best efforts to obtain separate tax assessments for the premises used by each of them, and thereafter be responsible for their separate assessed tax bills.
2. Until such time as separate tax assessments are obtained, Grantee shall pay all taxes assessed and levied by the state, city, and county or other municipal corporation against the premises described in Schedule A (agreed to be 35% of the present bill for the land) and on any improvements on the easement now or hereafter constructed. In addition, Grantee shall pay all special or local assessments that may be levied against the premises by reason of improvements made on said easement or of the streets or sidewalks surrounding the easement.
3. The Grantee shall have the right to apply and prosecute any tax appeal pertaining to the premises described in Schedule A, and Grantor shall cooperate and execute any and all necessary documents pertaining thereto.
4. The Grantee shall have the right to apply for and seek a subdivision of the premises described in Schedule A and to obtain such approval from all necessary government entities and agencies at any time after full payment of the Sixty Thousand (\$60,000.00) Dollars referred to above has been made. Grantor shall cooperate in all respects and execute any and all necessary and reasonable documentation and, upon successful subdivision thereof, shall execute a deed into the Grantee, its successors or assigns for a consideration of One (\$1.00) Dollar.

79347

5. The Grantor shall cooperate with any and all applications made by Grantee to local, state, county, federal or other governmental entities for approvals, including but not limited to signage, site plan, variance, etc., pertaining to the premises described in Schedule A.

6. The Grantee shall be permitted to assign this easement without informing and/or obtaining the consent of the Grantor.

7. The Grantee, at its own cost and expense, shall obtain or provide and keep in full force for the benefit of the Grantor as long as title is in Grantor's name, general public liability insurance, insuring Grantor against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident or otherwise in or about the premises described in Schedule A, for injuries to any person or persons, for limits determined by Grantee in its absolute discretion.

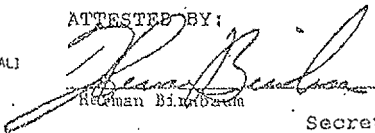
8. The Grantor and Grantee shall indemnify, save, hold and keep each other harmless from and for any and all payments, expenses, costs, attorney fees and from any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by them, their agents, employees, guests, licensees and invitees, or for any cause or reason whatsoever arising out of or by reason of this easement and/or the use of the property and the conduct of Grantor or Grantee's business.

9. The Grantor shall cooperate in the execution of any documents necessary for any future mortgage which Grantee may secure on the premises herein described.

IN WITNESS WHEREOF, the parties have caused these presents to be signed by their proper corporate officers, and their proper corporate seal to be hereto affixed, the day and year first above written.

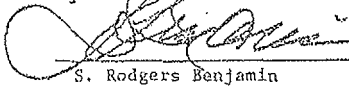
ATTESTED BY:

(SEAL)


Herman Birnbaum
Secretary

F.F.C. REALTY, INC.

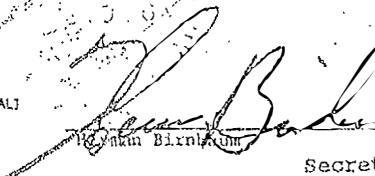
By:


S. Rodgers Benjamin
President

GRANTOR

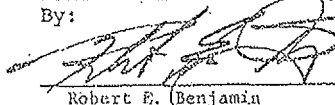
GRANTOR

(SEAL)


Herman Birnbaum
Secretary

FLEMINGTON FUR COMPANY, INC.

By:


Robert E. Benjamin
President

GRANTEE

GRANTEE

SCHEDULE A

EASEMENT
BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY

METES AND BOUNDS DESCRIPTION

Beginning at an iron pipe found, said pipe being the southeast corner to lands of N/F Flemington Fur Co., Inc. (Tax Map Lot 13), said pipe being in the westerly side of Spring Street, said pipe also being the beginning of the fourth course of which this easement is a portion as described in Deed Book 749, Page 216, said point also being seventy-three and seventy-five one-hundredths feet (73.75') from the intersection of the southerly side of Bloomfield Avenue right-of-way and the westerly side of Spring Street and from said beginning point running thence

(1) along the westerly side of Spring Street South $01^{\circ}37'00''$ West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being in the northerly side of an alley way leading from Spring Street to Main Street and also in the northerly line of lands of N/F N & W Realty Inc. (Tax Map Lot 5) thence

(2) along a portion of the northerly side of Lot 5 North $88^{\circ}59'15''$ West one hundred fifty-three and ninety one-hundredths feet (153.90') to a point thence

(3) along the westerly side of a fence line and a wooden barrier North $01^{\circ}09'05''$ East one hundred thirty-eight and forty-two one-hundredths feet (138.42') to a point, said point being in the southerly line of lands of N/F Louis L. Zuegner, et al (Tax Map Lot 15) thence

(4) along a portion of the southerly line of Lot 15 and the southerly line of lands of N/F Flemington Fur Co., Inc. (Tax Map Lot 14) South $89^{\circ}14'45''$ East one hundred nine and five one-hundredths feet (109.05') to a point, said point being the southeasterly corner of Lot 14 and also the southwest corner of lands of Lot 13 thence

(5) along the southerly line of Lot 13 North $89^{\circ}45'35''$ East forty-six and zero one-hundredths feet (46.00') to the point of beginning containing a total calculated area of 0.49+/- acres (21,453 S.F.) of land as calculated by Thomas L. Yager, New Jersey P.L.S. No. 26790 in November 1992.

Being a portion of the lands as described in Deed Book 749, Page 216.

As further shown on a certain survey prepared by Thomas L. Yager, NJPLS No. 26790, captioned "PARKING AREA EASEMENT, BLOCK 22, LOT 4, FLEMINGTON FUR COMPANY, BOROUGH OF FLEMINGTON, NEW JERSEY," dated November, 1992.

STATE OF NEW JERSEY, COUNTY OF HUNTERDON) ss.:

I CERTIFY that on April 6, 1993, HERMAN BIRNBAUM

personally came before me, and this person acknowledged under oath, to my satisfaction, that: (a) this person is the Secretary of F.F.C. REALTY, INC., a New Jersey corporation, the GRANTOR named in this document; (b) this person is the attesting witness to the signing of this document by the proper corporate officer, who is S. Rodgers Benjamin the President of the corporation; (c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors; (d) this person knows the proper seal of the corporation which was affixed to this document; and (e) this person signed this proof to attest to the truth of these facts.

Signed and Sworn to before
on April 6, 1993.

Herman Birnbaum

(SEAL)

A Notary Public of New Jersey
My Commission Expires:

JOAN R. HANSON
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAR. 3, 1995

JOAN R. HANSON
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAR. 3, 1995

RECORDED
APR 12 2 56 PM '93

HUNTERDON COUNTY
CLERK

STATE OF NEW JERSEY, COUNTY OF HUNTERDON) ss.:

I CERTIFY that on April 6, 1993, HERMAN BIRNBAUM

personally came before me, and this person acknowledged under oath, to my satisfaction, that: (a) this person is the Secretary of FLEMINGTON FUR COMPANY, INC., a New Jersey corporation, the GRANTEE named in this document; (b) this person is the attesting witness to the signing of this document by the proper corporate officer, who is Robert E. Benjamin the President of the corporation; (c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors; (d) this person knows the proper seal of the corporation which was affixed to this document; and (e) this person signed this proof to attest to the truth of these facts.

Signed and Sworn to before
on April 6, 1993.

Herman Birnbaum

Secretary

(SEAL)

A Notary Public of New Jersey
My Commission Expires:

JOAN R. HANSON
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAR. 3, 1995

END OF DOCUMENT

Lease Agreement

This Agreement is made ~~on~~ as of June 1, 1997
BETWEEN

FFC REALTY, INC.

residing or located at 8 Spring Street, Flemington, NJ 08822

herein designated as the "Landlord,"
AND

MARSHALL HIGGINS

residing or located at 68 Main Street, Flemington, NJ 08822

herein designated as the "Tenant."

1. Premises. The Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord the following described premises: The two-story shed or barn located directly behind Higgins' News Agency (a/k/a Higgins' Newspaper Store), together with vehicular access to and from same.

2. Term. The term of this lease is for ninety-nine (99) years commencing on June 1, 1997, and ending on May 31, 2097.

3. Use. The premises are to be used and occupied only and for no other purpose than any lawfully permitted use.

4. Rent. The Tenant agrees to pay \$ 480.00 per year as rent, to be paid as follows:
\$40.00 per month, due on the first (1st) day of each month. The first payment rent and any security deposit is due upon the signing of the Lease by the Tenant. The Tenant must pay a late charge of \$5.00 as additional rent for each payment that is more than 10 days late. This late charge is due with the monthly rent payment. The Tenant must also pay a fee of \$25.00 as additional rent for any dishonored check. Rent, late charges and dishonored check fees shall increase by ten (10%) on June 1, 2007 and thereafter on each and every ten (10) year anniversary of the commencement date of this lease.

5. Repairs and Care. The Tenant has examined the premises and has entered into this lease without any representation on the part of the Landlord as to the condition thereof. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice.

*the same condition as existed at the commencement date of this lease.

6. Compliance with Laws etc. The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their use and occupancy, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the said premises, during the term hereof; and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters or similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the said premises and its contents, for the prevention of fire or other casualty, damage or injury, at the Tenant's own cost and expense.

*Tenant's particular use of

7. Assignment. The Tenant shall not assign, mortgage or hypothecate this lease, nor sublet or sublease the premises or any part thereof; nor occupy or use the leased premises or any part thereof, nor permit or suffer the same to be occupied or used for any purposes other than as herein limited, nor for any purpose deemed unlawful, disreputable, or extra hazardous, on account of fire or other casualty.

8. Fire and Other Casualty. In case of fire or other casualty, the Tenant shall give immediate notice to the Landlord. If the premises shall be partially damaged by fire, the elements or other casualty, the Landlord shall repair the same as speedily as practicable, but the Tenant's obligation to pay the rent hereunder shall not cease. If, in the opinion of the Landlord, the premises be so extensively and substantially damaged as to render them untenable, then the rent shall cease until such time as the premises shall be made tenable by the Landlord. However, if, in the opinion of the Landlord, the premises be totally destroyed or so extensively and substantially damaged as to require practically a rebuilding thereof, then the rent shall be paid up to the time of such destruction and then and from then forth this lease shall come to an end. In no event however, shall the provisions of this clause become effective or be applicable, if the fire or other casualty and damage shall be the result of the carelessness, negligence or improper conduct of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, the Tenant's liability for the payment of the rent and the performance of all the covenants, conditions and terms hereof on the Tenant's part to be performed shall continue and the Tenant shall be liable to the Landlord for the damage and loss suffered by the Landlord. If the Tenant shall have been insured against any of the

risks herein covered, then the proceeds of such insurance shall be paid over to the Landlord to the extent of the Landlord's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against the Landlord for reimbursement.

9. Alterations and/or Improvements. No alterations, additions or improvements shall be made, and no climate regulating, air conditioning, cooling, heating or sprinkler systems, television or radio antennas, heavy equipment, apparatus and fixtures, shall be installed in or attached to the leased premises, without the written consent of the Landlord. * Unless otherwise provided herein, all such alterations, additions or improvements and systems, when made, installed in or attached to the said premises, shall belong to and become the property of the Landlord and shall be surrendered with the premises and as part thereof upon the expiration or sooner termination of this lease, without hindrance, molestation or injury.

*, which consent shall not be unreasonably withheld, conditioned or delayed

10. Inspection and Repair. The Tenant agrees that the Landlord and the Landlord's agents, employees or other representatives, shall have the right to enter into and upon the said premises or any part thereof, at all reasonable hours, for the purpose of examining the same or making such repairs or alterations therein as may be necessary for the safety and preservation thereof. This clause shall not be deemed to be a covenant by the Landlord nor be construed to create an obligation on the part of the Landlord to make such inspection or repairs.

*, following reasonable notice under the circumstances,

11. Right to Exhibit. The Tenant agrees to permit the Landlord and the Landlord's agents, employees or other representatives to show the premises to persons wishing to rent or purchase the same, and Tenant agrees that on and after sixty (60) ^{days} next preceding the expiration of the term hereof, the Landlord or the Landlord's agents, employees or other representatives shall have the right to place notices on the front of said premises or any part thereof, offering the premises for rent or for sale; and the Tenant hereby agrees to permit the same to remain thereon without hindrance or molestation.

12. Glass, etc. Damage, Repairs. In case of the destruction of or any damage to the glass in the leased premises, or the destruction of or damage of any kind whatsoever to the said premises, caused by the carelessness, negligence or improper conduct on the part of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, the Tenant shall repair the said damage or replace or restore any destroyed parts of the premises, as speedily as possible, at the Tenant's own cost and expense.

*which is not covered by insurance

13. Signs. The Tenant shall not place nor allow to be placed any signs of any kind whatsoever, upon, in or about the said premises or any part thereof, except of a design and structure and in or at such places as may be indicated and consented to by the Landlord in writing. * In case the Landlord or the Landlord's agents, employees or representatives shall deem it necessary to remove any such signs in order to paint or make any repairs, alterations or improvements in or upon said premises or any part thereof, they may be so removed, but shall be replaced at the Landlord's expense when the said repairs, alterations or improvements shall have been completed. Any signs permitted by the Landlord shall at all times conform with all municipal ordinances or other laws and regulations applicable thereto.

*, which consent shall not be unreasonably withheld, conditioned

14. Non-Liability of Landlord. The Landlord shall not be liable for any damage or injury which may be sustained by the Tenant or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, steam, sewer, waste or soil pipes, roof, drains, leaders, gutters, valleys, down-spouts or the like or of the electrical, gas, power, conveyor, refrigeration, sprinkler, air-conditioning or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct on the part of any other Tenant or of the Landlord or the Landlord's or this or any other Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors; or attributable to any interference with, interruption of or failure, beyond the control of the Landlord, of any services to be furnished or supplied by the Landlord.

*Tenant or

15. Mortgage Priority. This lease shall not be a lien against the said premises in respect to any mortgages that may hereafter be placed upon said premises. The recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this lease, irrespective of the date of recording and the Tenant agrees to execute any instruments, without cost, which may be deemed necessary or desirable, to further effect the subordination of this lease to any such mortgage or mortgages. A refusal by the Tenant to execute such instruments shall entitle the Landlord to the option of canceling this lease, and the term hereof is hereby expressly limited accordingly.

~~16. Security. The Tenant has this day deposited with the Landlord the sum of \$~~
as security for the payment of the rent hereunder and the full and faithful performance by the Tenant of the covenants and conditions on the part of the Tenant to be performed. Said sum shall be returned to the Tenant, without interest, after the expiration of the term hereof, provided that the Tenant has fully and faithfully performed all such covenants and conditions and is not in arrears in rent. During the term hereof, the Landlord may, if the Landlord so elects, have recourse to such security, to make good any default by the Tenant, in which event the Tenant shall, on demand, promptly restore said security to its original amount. Liability to repay said security to the Tenant shall run with the reversion and title to said premises, whether any change in ownership thereof be by voluntary alienation or as the result of judicial sale, foreclosure or other proceedings, or the exercise of a right of taking or entry by any mortgagee. The Landlord shall assign or transfer said security, for the benefit of the Tenant, to any subsequent owner or holder of the reversion or title to said premises, in which case the assignee shall become liable for the repayment thereof as herein provided, and the assignor shall be deemed to be released by the Tenant from all liability to return such security. This provision shall be applicable to every alienation or change in title and shall in no wise be deemed to permit the Landlord to retain the security after termination of the Landlord's ownership of the reversion or title. The Tenant shall not mortgage, encumber or assign said security without the written consent of the Landlord.

17. Increase of Insurance Rates. If for any reason it shall be impossible to obtain fire and other hazard insurance on the buildings and improvements on the leased premises, in an amount and in the form and in insurance companies * acceptable to the Landlord, the Landlord may, if the Landlord so elects at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant fifteen days notice in writing of the Landlord's intention so to do, and upon



the giving of such notice, this lease and the term thereof shall terminate. If by any reason of the use to which the premises are put by the Tenant or character of or the manner in which the Tenant's business is carried on, the insurance rates for fire and other hazards shall be increased, the Tenant shall upon demand, pay to the Landlord, as rent, the amounts by which the premiums for such insurance are increased. Such payment shall be paid with the next installment of rent but in no case later than one month after such demand, whichever occurs sooner.

18. Utilities. The Tenant shall pay when due all the rents or charges for water or other utilities used by the Tenant, which are or may be assessed or imposed upon the leased premises or which are or may be charged to the Landlord by the suppliers thereof during the term hereof, and if not paid, such rents or charges shall be added to and become payable as additional rent with the installment of rent next due or within 30 days of demand therefor, whichever occurs sooner.

19. Condemnation Eminent Domain. If the land and premises leased herein, or of which the leased premises are a part, or any portion thereof, shall be taken under eminent domain or condemnation proceedings, or if suit or other action shall be instituted for the taking or condemnation thereof, or if in lieu of any formal condemnation proceedings or actions, the Landlord shall grant an option to purchase and or shall sell and convey the said premises or any portion thereof, to the governmental or other public authority, agency, body or public utility, seeking to take said land and premises or any portion thereof, then this lease, at the option of the Landlord, shall terminate, and the term hereof shall end as of such date as the Landlord shall fix by notice in writing; and the Tenant shall have no claim or right to claim or be entitled to any portion of any amount which may be awarded as damages or paid as the result of such condemnation proceedings or paid as the purchase price for such option, sale or conveyance in lieu of formal condemnation proceedings; and all rights of the Tenant to damages, if any, are hereby assigned to the Landlord. The Tenant agrees to execute and deliver any instruments, at the expense of the Landlord, as may be deemed necessary or required to expedite any condemnation proceedings or to effectuate a proper transfer of title to such governmental or other public authority, agency, body or public utility seeking to take or acquire the said lands and premises or any portion thereof. The Tenant covenants and agrees to vacate the said premises, remove all the Tenant's personal property therefrom and deliver up peaceable possession thereof to the Landlord or to such other party designated by the Landlord in the aforementioned notice. Failure by the Tenant to comply with any provisions in this clause shall subject the Tenant to such costs, expenses, damages and losses as the Landlord may incur by reason of the Tenant's breach hereof.
reasonably

20. Remedies Upon Tenant's Default. If there should occur any default on the part of the Tenant in the performance of any conditions and covenants herein contained, or if during the term hereof the premises or any part thereof shall be or become abandoned or deserted, vacated or vacant, or should the Tenant be evicted by summary proceedings or otherwise, the Landlord, in addition to any other remedies herein contained or as may be permitted by law, may either by force or otherwise, without being liable for prosecution therefor, or for damages, re-enter the said premises and the same have and again possess and enjoy; and as agent for the Tenant or otherwise, re-let the premises and receive the rents therefor and apply the same, first to the payment of such expenses, reasonable attorney fees and costs, as the Landlord may have been put to in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due hereunder. The Tenant shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the re-entry by the Landlord, to the extent of the difference between the rents reserved, hereunder and the rents, if any, received by the Landlord during the remainder of the unexpired term hereof, after deducting the aforementioned expenses, fees and costs; the same to be paid as such deficiencies arise and are ascertained each month. Landlord shall be obligated to mitigate damages.

21. Termination on Default. Upon the occurrence of any of the contingencies set forth in the preceding clause, or should the Tenant be adjudicated as bankrupt, insolvent or placed in receivership, or should proceedings be instituted by or against the Tenant for bankruptcy, insolvency, receivership, agreement of composition or assignment for the benefit of creditors, or if this lease or the estate of the Tenant hereunder shall pass to another by virtue of any court proceedings, writ of execution, levy, sale, or by operation of law, the Landlord may, if the Landlord so elects, at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant or to any trustee, receiver, assignee or other person in charge of or acting as custodian of the assets or property of the Tenant, five days notice in writing, of the Landlord's intention so to do. Upon the giving of such notice, this lease and the term hereof shall end on the date fixed in such notice as if the said date was the date originally fixed in this lease for the expiration hereof; and the Landlord shall have the right to remove all persons, goods, fixtures and chattels therefrom, by force or otherwise, without liability for damages.

22. Removal of Tenant's Property. Any equipment, fixtures, goods or other property of the Tenant, not removed by the Tenant upon the termination of this lease, or upon any quitting, vacating or abandonment of the premises by the Tenant, or upon the Tenant's eviction, shall be considered as abandoned and the Landlord shall have the right, without any notice to the Tenant, to sell or otherwise dispose of the same, at the expense of the Tenant, and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

23. Reimbursement of Landlord. If the Tenant shall fail or refuse to comply with and perform any conditions and covenants of the within lease, the Landlord may, if the Landlord so elects, carry out and perform such conditions and covenants, at the cost and expense of the Tenant, and the said cost and expense shall be payable on demand, or at the option of the Landlord shall be added to the installment of rent due immediately thereafter but in no case later than one month after such demand, whichever occurs sooner, and shall be due and payable as such. This remedy shall be in addition to such other remedies as the Landlord may have hereunder by reason of the breach by the Tenant of any of the covenants and conditions in this lease contained.

24. Non-Performance by Landlord. This lease and the obligation of the Tenant to pay the rent hereunder and to comply with the covenants and conditions hereof, shall not be affected, curtailed, impaired or excused because of the Landlord's inability to supply any service or material called for herein, by reason of any rule, order regulation or preemption by any governmental entity, authority, department, agency or subdivision or for any delay which may arise



by reason of negotiations for the adjustment of any fire or other casualty loss or because of strikes or other labor trouble or for any cause beyond the control of the Landlord.

25. **Validity of Lease.** The terms, conditions, covenants and provisions of this lease shall be deemed to be severable. If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provision shall remain in full force and effect.

26. **Non-Waiver by Landlord.** The various rights, remedies, options and elections of the Landlord, expressed herein, are cumulative, and the failure of the Landlord to enforce strict performance by the Tenant of the conditions and covenants of this lease or to exercise any election or option or to resort or have recourse to any remedy herein conferred or the acceptance by the Landlord of any installment of rent after any breach by the Tenant, in any one or more instances, shall not be construed or deemed to be a waiver or a relinquishment for the future by the Landlord of any such conditions and covenants, options, elections or remedies, but the same shall continue in full force and effect.

27. **Notices.** All notices required under the terms of this lease shall be given and shall be complete by mailing such notices by certified or registered mail, return receipt requested, to the address of the parties as shown at the head of this lease, or to such other address as may be designated in writing, which notice of change of address shall be given in the same manner.

28. **Title and Quiet Enjoyment.** The Landlord covenants and represents that the Landlord is the owner of the premises herein leased and has the right and authority to enter into, execute and deliver this lease; and does further covenant that the Tenant on paying the rent and performing the conditions and covenants herein contained, shall and may peaceably and quietly have, hold and enjoy the leased premises for the term aforementioned.

29. **Entire Contract.** This lease contains the entire contract between the parties. No representative, agent or employee of the Landlord has been authorized to make any representations or promises with reference to the within letting or to vary, alter or modify the terms hereof. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Landlord and the Tenant.

30. **Conformity with Laws and Regulations.** The Landlord may pursue the relief or remedy sought in any invalid clause, by conforming the said clause with the provisions of the statutes or the regulations of any governmental agency in such case made and provided as if the particular provisions of the applicable statutes or regulations were set forth herein at length.

31. **Number and Gender.** In all references herein to any parties, persons, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require. All the terms, covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective parties hereto, and their heirs, executors, administrators, personal or legal representatives, successors and assigns.

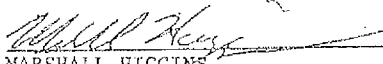
32. **Insurance.** Tenant shall obtain and maintain throughout the term of this lease such insurance as Landlord may reasonably require and shall provide certificates of insurance (naming Landlord as an additional insured) evidencing same together with receipts for prepaid premiums.

33. **Option to Terminate.** Tenant shall have the right, exercised upon sixty (60) days prior written notice to Landlord, to terminate this Lease as of the date set forth in such notice, provided such termination date shall be no less than sixty (60) days from the date of said notice.

In Witness Whereof, the parties hereto have hereunto set their hands and seal, or caused these presents to be signed by their proper corporate officers and their proper corporate seal to be hereto affixed, the day and year first above written.

TENANT:

~~Witnessed by~~

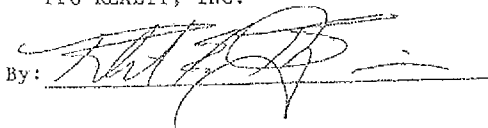
 (Seal)
MARSHALL HIGGINS

LANDLORD

~~Witnessed by~~

 (Seal)
FFC REALTY, INC.

By:





B1225 P0109

Prepp and:

Paul L. Zeleny, Esq.
Paul L. Zeleny, Esq.
Graham, Curtin & Sheridan
A Professional Association
4 Headquarters Plaza
Morristown, NJ 07962

MODIFICATION OF
PERPETUAL EASEMENT
AGREEMENT

203327-
116838 1/2

THIS AGREEMENT entered into as of December 1, 1998 by and between F.F.C. REALTY, INC., a New Jersey corporation with offices at 8 Spring Street, Flemington, NJ 08822 ("Grantor") and FLEMINGTON FUR COMPANY, INC., a New Jersey corporation with offices at 8 Spring Street, Flemington, NJ 08822 ("Grantee").

WITNESSETH:

WHEREAS, Grantor and Grantee are parties to that certain Perpetual Easement dated April 6, 1993 and recorded on April 12, 1993 in the Hunterdon County Clerk's Office in Deed Book 1088, Page 187 (the "Original Easement"); and

WHEREAS, Grantor and Grantee have reached agreement with respect to the modification and/or clarification of certain of the terms and conditions of the Original Easement and wish to memorialize said agreement.

NOW, THEREFORE, in consideration of the sum of TEN (\$10.00) DOLLARS and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. In the event of any inconsistency between the Original Easement and this Agreement, this Agreement shall control.
2. Grantor acknowledges receipt in full of the consideration required to be paid by Grantee pursuant to the Original Easement.
3. Grantor hereby confirms, regrants, rebuys, resells, releases, retransfers and reconveys to Grantee, its successors and assigns, forever, a continuous and perpetual easement for pedestrian and vehicular ingress and egress and the right to use and utilize that portion of the property described on Exhibit A annexed hereto and made a part hereof (the "Burdened Property") for parking and any other lawful use or purpose as is described on Exhibit B annexed hereto and made a part hereof (the "Easement Area").

B1225 P0110

EXHIBIT A

Sheet 1. of 2

TLYA
3/23/99

BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY

METES AND BOUNDS DESCRIPTION

Beginning at a point on or about the centerline of Main Street (66' wide right-of-way), said point being twenty-three and zero one-hundredths feet (23.00') from the easterly curb line of Main Street, and from said point running thence

(1) along the southerly line of Block 22 Lot 3, lands of N/F Marshall and Patricia Higgins, South 89°02'05" East one hundred seven and fourteen one-hundredths feet (107.14') to a point thence

(2) along the easterly line of the same North 00°57'53" East seventeen and sixteen one-hundredths feet (17.16') to a point, said point being along the southerly line of Block 22 Lot 2, lands of N/F Flemington National Bank & Trust Co. thence

(3) along a portion of the southerly line of said Flemington National Bank and then Block 22 Lot 15, lands of N/F Louis L. Zuegner et al, and Block 22 Lot 14, lands of N/F Flemington Fur Co. Inc., South 89°14'45" East two hundred seven and twenty-four one-hundredths feet (207.24') to a point, said point being the southwesterly corner of Block 22 Lot 13, lands of N/F Flemington Fur Co. Inc. thence

(4) along the southerly line of said Flemington Fur Co. Inc. North 89°45'35" East forty-six and zero one-hundredths feet (46.00') to an iron pin found, said point being along the westerly line of Spring Street (55' wide right-of-way) thence

(5) along the westerly line of Spring Street South 01°37'00" West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being the northeasterly corner of Block 22 Lot 5, lands of N/F N&W Realty Inc. thence

(6) along the northerly line of said N&W Realty Inc. North 88°59'15" West three hundred sixty-two and sixty-two one-hundredths feet (362.62') to a point on or about the center of Main Street thence

(7) along Main Street North 02°46'55" East one hundred twenty and seventy-eight one-hundredths feet (120.78') to the point of beginning containing a total area of 1.11+/- acres as calculated by Thomas L. Yager, Professional Land Surveyor, New Jersey License No. 26790 in March 1999.

B1225 P0111

Block 22 Lot 4
Borough of Flemington
Hunterdon County, NJ

TLVA
3/23/89
Sheet 2 of 2

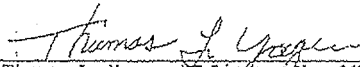
Subject to a perpetual easement as described in Deed Book 1088 Page 187, located on the easterly portion of the above-described tract and containing an area of 0.49+/- acres.

Subject to the rights of the public along the above-described Course No. 7 in Main Street.

Subject to all easements, restrictions, covenants, ordinances, and agreements of record, if any.

Being that Block 22 Lot 4 as shown on Tax Map Sheet No. 4, and as described in Deed Book 749, Page 216.

Subject to the rights (if any and as they may appear) of others for the use of an alleyway running in an East and West direction at the northerly and southerly portions of the on-site three-story frame building (Union Hotel).


Thomas L. Yager, NJ License No. 26790
Professional Land Surveyor

B1225 P0112

EXHIBIT A

EASEMENT
BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY

METES AND BOUNDS DESCRIPTION

Beginning at an iron pipe found, said pipe being the southeast corner to lands of M/F Flemington Fur Co., Inc. (Tax Map Lot 13), said pipe being in the westerly side of Spring Street, said pipe also being the beginning of the fourth course of which this easement is a portion as described in Deed Book 749, Page 214, said point also being seventy-three and seventy-five one-hundredths feet (73.75') from the intersection of the southerly side of Bloomfield Avenue right-of-way and the westerly side of Spring Street and from said beginning point running thence

(1) along the westerly side of Spring Street South 01°27'00" West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being in the northerly side of an alley way leading from Spring Street to Main Street and also in the northerly line of lands of M/F H & W Realty Inc. (Tax Map Lot 5) thence

(2) along a portion of the northerly side of Lot 5 North 88°59'15" West one hundred fifty-three and ninety one-hundredths feet (153.90') to a point thence

(3) along the westerly side of a fence line and a wooden barrier North 01°09'05" East one hundred thirty-eight and forty-two one-hundredths feet (138.42') to a point, said point being in the southerly line of lands of M/F Louis L. Ziegner, et al (Tax Map Lot 13) thence

(4) along a portion of the southerly line of Lot 15 and the southerly line of lands of M/F Flemington Fur Co., Inc. (Tax Map Lot 16) South 89°14'45" East one hundred nine and five one-hundredths feet (109.05') to a point, said point being the southeasterly corner of Lot 14 and also the southwest corner of lands of Lot 13 thence

(5) along the southerly line of Lot 13 North 89°45'15" West forty-six and zero one-hundredths feet (46.00') to the point of beginning containing a total calculated area of 0.49+/- acres (21,453 S.F.) or land as calculated by Thomas L. Yager, New Jersey P.L.S. No. 26790 in November 1992.

Being a portion of the lands as described in Deed Book 749, Page 214.

As further shown on a certain survey prepared by Thomas L. Yager, N.J.P.L.S. No. 26790, captioned "FLEMING AREA EASEMENT, BLOCK 22, LOT 4, FLEMINGTON FUR COMPANY, BOROUGH OF FLEMINGTON, NEW JERSEY," dated November, 1992.

4. Paragraphs 1, 2 and 3 of the Original Easement are modified to provide that Grantor and Grantee shall exercise their best efforts to obtain separate tax assessments for the Easement Area and the balance of the Burdened Property. If and when such separate tax assessments are obtained, Grantee shall be solely responsible for the real property taxes assessed to the Easement Area and Grantor shall be solely responsible for the real property taxes assessed to the balance of the Burdened Property. Until such time as the aforementioned separate tax assessments are completed, Grantee covenants and agrees to pay its Proportionate Share of all real property taxes assessed against the land portion of the Burdened Property. Grantee's Proportionate Share shall be equal to a fraction, the numerator of which shall be the square footage of the Easement Area and the denominator shall be the square footage of the entire Burdened Property. All real property taxes assessed against existing improvements on the Burdened Property (including those on the Easement Area) shall be the sole responsibility of Grantee. If and when material improvements are constructed upon the Easement Area by Grantee, Grantee shall be responsible for all real property taxes assessed with respect to such improvements. Grantee shall have the right to initiate and prosecute any tax appeal pertaining to the Easement Area and shall have the right to participate in any tax appeal pertaining to the Burdened Estate should same affect or potentially affect Grantee's obligations hereunder.

5. Paragraph 4 of the Original Easement is modified to provide that Grantee shall have the right at any time, and from time to time, to apply for and seek a subdivision of the Easement Area or any portion thereof and upon such subdivision good, marketable and insurable fee simple title to the Easement Area, or such portion thereof as the case may be, shall be immediately conveyed by Grantor to Grantee free of all liens and encumbrances and without additional consideration.

6. Paragraphs 5 and 9 of the Original Easement are modified to provide that Grantor covenants and agrees to cooperate with Grantee in connection with any application for development, development and/or alienation by Grantee with respect to all or any portion of the Easement Area. This provision is intended to be construed in the broadest possible manner such that Grantor shall not be entitled to object to any such application for development, development and/or alienation by virtue of this easement or Grantor's retention of the fee interest in and to the Burdened Property. The foregoing shall not be construed as creating, by implication or otherwise, any right of approval in favor of Grantor or the necessity for Grantor's consent to any such application for development, development and/or alienation.

7. Paragraph 7 of the Original Easement is deleted in its entirety.

8. Paragraph 8 of the Original Easement is amended to read as follows:

"Grantor and Grantee hereby agree to indemnify, save, hold and keep the other harmless from and for any and all payments, expenses, costs, attorneys' fees and from any and all claims and liability for losses or damages to property or

B1225 P0114

injuries to persons occasioned wholly or in part by or resulting from any acts or omissions of the indemnifying party and/or such party's agents, employees, guests, licensees and invitees, and arising out of this easement and/or the use of the Easement Area by Grantee and/or Grantee's agents, employees, guests, licensees and invitees, and/or the use of the Burdened Property by Grantor and/or Grantor's agents, employees, guests, licensees and invitees, as the case may be."

9. This Agreement and the Original Easement, as modified by this Agreement, shall be binding upon and inure to the benefit of the successors and assigns of Grantor and Grantee.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date and year first set forth above.

ATTESTED:

By:

MARY H. MOULTON, ASSISTANT SECRETARY

F.F.C. REALTY, INC.

By:

S. Rodgers Benjamin, President

By:

MARY H. MOULTON, ASSISTANT SECRETARY

FLEMINGTON FUR COMPANY, INC.

By:

Robert E. Benjamin, President

B1225 P0115

RECORDED

Nov 4 9 58 AM '99

HUNTERDON COUNTY
CLERK

STATE OF NEW JERSEY

COUNTY OF HUNTERDON

I CERTIFY that on December 1, 1998, S. Rodgers Benjamin personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person executed and delivered the attached document as Executive President of F.P.C. Realty, Inc., a New Jersey corporation; and

(b) this document was executed and delivered by said corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

MARY H. MELFI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES AUGUST 30, 2000

STATE OF NEW JERSEY

COUNTY OF HUNTERDON

I CERTIFY that on December 1, 1998, Robert Benjamin personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person executed and delivered the attached document as Executive President of Flemington Fur Company, Inc., a New Jersey corporation; and

(b) this document was executed and delivered by said corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

MARY H. MELFI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES AUGUST 30, 2000

113 - FFOEASEMENTAGK

- 4 -

END OF DOCUMENT



State of New Jersey

Christine Todd Whitman
Governor

Department of Environmental Protection

Robert C. Shinn, Jr.
Commissioner

Bureau of Field Operations-Northern Field Office
2 Babcock Place
West Orange, New Jersey 07052
(973) 669-3960

October 22, 1999

S.R. Benjamin, Chairman
FFC Realty Inc.
8 Spring Street
Flemington, NJ 08822

Re: Unrestricted Use No Further Action (NFA) Letter and Covenant Not to Sue
Area of Concern: 1000 gallon #2 Fuel Oil Underground Storage Tank
The Union Hotel
Location: 76 Main Street
Flemington, Hunterdon County
Block: 22 Lot: 4
KCSL#: NJL800483950
Case # 99-0412-1135-50

Dear Mr. Benjamin:

Pursuant to N.J.S.A. 58:10B-13.1 and N.J.A.C. 7:26C, the New Jersey Department of Environmental Protection (Department) makes a determination that no further action is necessary for the area of concern referenced above, except as noted below, so long as S.R. Benjamin/FFC Realty Inc. did not withhold any information from the Department. This action is based upon information in the Department's case file and S.R. Benjamin/FFC Realty Inc.'s final certified report dated August 1999. In issuing this No Further Action Determination and Covenant Not to Sue the Department has relied upon the certified representations and information provided to the Department.

By issuance of this No Further Action Determination, the Department acknowledges the completion of a Remedial Action and accompanying report pursuant to the Technical Requirements for Site Remediation (N.J.A.C. 7:26E) for the removal of a 1000 gallon underground storage tank containing #2 fuel oil, associated piping and impacted soil and no other areas. Soil sample analytical results were below cleanup criteria developed for the site. Bedrock was encountered during the course of the remedial activities and ground water

NFA/CNS - 10/22/99
The Union Hotel/Flemington, Hunterdon City

New Jersey is an Equal Opportunity Employer
Recycled Paper

was evaluated. Ground water was determined to meet Ground Water Quality Standards, N.J.A.C. 7:9-6, for all criteria with the exception of Carbon Tetrachloride and chloroform which are not associated with fuel oil or the area of concern described herein (see paragraph under heading "NOTICES").

NO FURTHER ACTION CONDITIONS

As a condition of this No Further Action Determination S.R. Benjamin/FFC Realty Inc. as well as each subsequent owner, lessee and operator (collectively "Successors") shall comply with the following:

Name and Address Changes for Persons Responsible Under the Spill Act

Pursuant to N.J.S.A. 58:10B-12, S.R. Benjamin/FFC Realty Inc. and the Successors shall inform the Department in writing whenever their name or address changes within 14 calendar days after the change. Any notices submitted pursuant to this paragraph shall reference the above case numbers and be sent to: Director, Division of Responsible Party Site Remediation, PO Box 28, Trenton, NJ 08625.

Well Sealing

Upon completion of anticipated sampling by NJDEP's BEMQA/EMSA section necessary to investigate regional ground water contamination and pursuant to N.J.S.A. 58:4A, S.R. Benjamin/FFC Realty Inc. and the Successors shall properly seal all monitoring wells installed as part of a remediation that will no longer be used for ground water monitoring. Wells shall be sealed by a certified and licensed well driller in accordance with the requirements of N.J.A.C. 7:9-9. The well abandonment forms shall be completed and submitted to the Bureau of Water Allocation. Please call 609-984-6831 for forms and information. Please also contact Mr. Dave Triggs of BEMQA/EMSA at 609-584-4289 or by mail at PO Box 407, Trenton, NJ 08625-0407 to arrange for sampling access.

COVENANT NOT TO SUE

The Department issues this Covenant Not to Sue pursuant to N.J.S.A. 58:10B-13.1. That statute requires a covenant not to sue with each no further action letter. However, in accordance with N.J.S.A. 58:10B-13.1, nothing in this Covenant shall benefit any person who is liable, pursuant to the Spill Compensation and Control Act (Spill Act), N.J.S.A. 58:10-23.11, for cleanup and removal costs and the Department makes no representation by the issuance of this Covenant, either express or implied, as to the Spill Act liability of any person.

The Department covenants, except as provided in the preceding paragraph, that it will not bring any civil action against the following:

- (a) the person who undertook the remediation;
- (b) subsequent owners of the subject property;
- (c) subsequent lessees of the subject property; and
- (d) subsequent operators at the subject property,

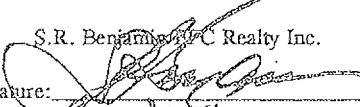
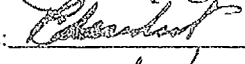
for the purposes of requiring remediation to address contamination which existed prior to the date of the final certified report for the real property at area of concern identified above, or payment of

cleanup and removal costs for such additional remediation.

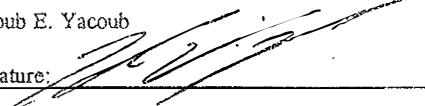
Pursuant to N.J.S.A. 58:10B-13.1d, this Covenant does not relieve any person from the obligation to comply in the future with laws and regulations. The Department reserves its right to take all appropriate enforcement for any failure to do so.

The Department may revoke this Covenant at any time after providing notice upon its determination that either:
(a) any person with the legal obligation to comply with any condition in this No Further Action Letter has failed to do so; or,
(b) any person with the legal obligation to maintain or monitor any engineering or institutional control has failed to do so.

This Covenant Not to Sue, which the Department has executed in duplicate, shall take effect immediately once the person who undertook the remediation has signed and dated the Covenant Not to Sue in the lines supplied below and the Department has received one copy of this document with original signatures of the Department and the person who undertook the remediation.

S.R. Benjamin & C Realty Inc.
Signature: 
Title: 
Dated: 10/25/99

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

Yacoub E. Yacoub
Signature: 
Section Chief, Bureau of Field Operations
Dated: 10-21-99

NOTICES

Off-site Contamination

Please be advised that pollution in ground water at this site exists above Ground Water Quality Standards (N.J.A.C. 7:9-6) which may limit ground water use at the site. It has been determined that this contamination

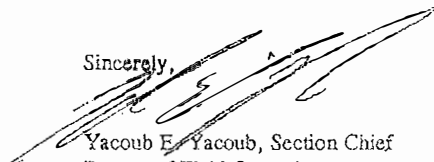
is from a source unrelated to this site. This ground water contamination is being investigated by NJDEP's BEMQA/EMSA section.

Direct Billing

Please be advised that pursuant to the Procedures for Department Oversight of the Remediation of Contaminated Sites (N.J.A.C. 7:26C at 222) S.R. Benjamin/FPC Realty Inc. is required to reimburse the Department for oversight of the remediation. The Department will be issuing a bill within the next four months.

Thank you for your attention to these matters. If you have any questions, please contact, Gloria T. Grant at (973) 669-3960.

Sincerely,



Yacoub E. Yacoub, Section Chief
Bureau of Field Operations

c: Local Health Department
File # 10-21-47
Vince Krisak, BFO/CAS
Boswell Engineering
NJDEP Bureau of Water Allocation
Dave Triggs, EMSA
Paul L. Zelenty, Esq.

NFA/CNS - 10/22/99
The Unica Hotel/Flemington, Hunterdon Cty

B1226 P0043

Prepared by:

Paul L. Zeleny
Paul L. Zeleny, Esq.
GRAHAM, CURTIN & SHERIDAN

DEED

COUNTY OF HUNTERDON
CONSIDERATION 1,000,000
REALTY TRANSFER TAX 57.25
DATE 11/17/99 BY 488

This Deed is made as of November 9, 1999,

BETWEEN FFC REALTY INC., a New Jersey corporation with offices located at Number 8 Spring Street, Flemington, NJ 08822, referred to as the Grantor,

AND M.B.J.J. REALTY, LLC, a New Jersey limited liability company with offices about to be located at 70 Main Street, Flemington, NJ 08822, referred to as the Grantee.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of One Million and 00/100ths (\$1,000,000.00) Dollars. The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Flemington, Block 22, Lot 4.

☐ No property tax identification number is available on the date of this Deed. (Check box if applicable).

Property. The property consists of the land and all the buildings and structures on the land in the Borough of Flemington, County of Hunterdon and State of New Jersey. The legal description is set forth on EXHIBIT A attached hereto.

BEING the same premises conveyed to the Grantor herein by Deed dated September 1, 1971 from Flemington Fur Company and recorded September 22, 1971 in Deed Book 749, Page 216 in the Clerk's Office of the County of Hunterdon.

THIS CONVEYANCE is expressly made subject to the ordinances of the Borough of Flemington, such matters as would be disclosed by an accurate survey and inspection of the premises, all easements, restrictions, rights-of-way and other matters of public record and the terms and conditions set forth in the following documents:

- (i) Perpetual Easement between F.F.C. Realty, Inc. and Flemington Fur Company, Inc., dated April 6, 1993 and recorded in the Hunterdon County Clerk's Office on April 12, 1993 in Deed Book 1088, Page 0187;
- (ii) Modification of Perpetual Easement between FFC Realty, Inc. and Flemington Fur Co., Inc., dated as of December 1 1998 and recorded in the Hunterdon County Clerk's Office on November 4, 1999;
- (iii) Lease Agreement between FFC Realty Inc., as Landlord, and Marshall Higgins, as Tenant, dated as of June 1, 1997; and
- (iv) Lease Agreement between FFC Realty Inc., as Landlord, and Spirits of Flemington, Inc., as Tenant, dated May 19, 1996.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

B1226 P0044

EXHIBIT A
(Legal Description of the Property)

BEGINNING at a point in Main Street which point is 23 feet from the Easterly curb line and running thence (1) along land of Howard Higgins, South eighty nine degrees 06 minutes East, a distance of one hundred seven and fourteen one-hundredths feet (107.14') to a corner, to the same; thence (2) along the same, North one degree twenty eight minutes East to a corner the same, said corner being in line of land of the Flemington National Bank and Trust Company; thence (3) along the same, and land of W. Molinari, Hedrick and Morris, South eighty nine degrees forty eight minutes East, a distance of two hundred fifty three and twenty five one-hundredths feet (253.25') to an old iron corner to land of Morris; said corner being in the Westerly line of Spring Street; thence (4) along the Westerly line of Spring Street, South one degree thirty seven minutes West, a distance of one hundred thirty nine and ninety two one-hundredths feet (139.92') to a corner in the same, corner also to land of Nevius Brothers' Inc., thence (5) along their line and along a joint alley, North eighty nine degrees sixteen minutes West, a distance of three hundred sixty two and sixty two one-hundredths feet (362.62') to a corner in Main Street, thence (6) along said street, North two degrees forty three minutes East, a distance of one hundred twenty and seventy eight one-hundredths feet (120.78') to the Place of Beginning and containing one and eleven one-hundredths acres (1.11 A.) be the same more or less as surveyed by Bohren, Bogart and Van Cleaf Engineering Associates Inc., June, 1971.

ALL bearings herein refer to those of the adjoining survey of Robert Morris.

BEING the same premises conveyed by Marie Schafer McKiernan, Executrix, to Flemington Fur Company by Deed dated June 29, 1971 and recorded in Deed Book 746 of Deeds for Hunterdon County at page 364.

Said premises being alternatively described as follows:

BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY

METES AND BOUNDS DESCRIPTION

Beginning at a point on or about the centerline of Main Street (66' wide right-of-way), said point being twenty-three and zero one-hundredths feet (23.00') from the easterly curb line of Main Street, and from said point running thence

(1) along the southerly line of Block 22 Lot 3, lands of N/F Marshall and Patricia Higgins, South 89°02'05" East one hundred seven and fourteen one-hundredths feet (107.14') to a point thence

(2) along the easterly line of the same North 00°57'55" East seventeen and sixteen one-hundredths feet (17.16') to a point, said point being along the southerly line of Block 22 Lot 2, lands of N/F Flemington National Bank & Trust Co. thence

(3) along a portion of the southerly line of said Flemington National Bank and then Block 22 Lot 15, lands of N/F Louis L. Zuegner et al, and Block 22 Lot 14, lands of N/F Flemington Fur Co. Inc., South 89°14'45" East two hundred seven and twenty-four one-hundredths feet (207.24') to a point, said point being the southwest corner of Block 22 Lot 13, lands of N/F Flemington Fur Co. Inc. thence

(4) along the southerly line of said Flemington Fur Co. Inc. North 89°45'35" East forty-six and zero one-hundredths feet (46.00') to an iron pin found, said point being along the westerly line of Spring Street (55' wide right-of-way) thence

(5) along the westerly line of Spring Street South 01°37'00" West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being the northeast corner of Block 22 Lot 5, lands of N/F N&W Realty Inc. thence

(6) along the northerly line of said N&W Realty Inc. North 88°59'15" West three hundred sixty-two and sixty-two one-hundredths feet (362.62') to a point on or about the center of Main Street thence

(7) Along Main Street North 02°46'55" East one hundred twenty and seventy-eight one-hundredths feet (120.78') to the point of beginning containing a total area of 1.11+/- acres as calculated by Thomas L. Yager, Professional Land Surveyor, New Jersey License No. 25790 in March 1999.

B1226 P0045

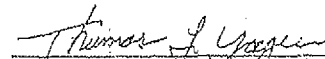
Subject to a perpetual easement as described in Deed Book 1088 Page 187, located on the easterly portion of the above-described tract and containing an area of 0.49+/- acres.

Subject to the rights of the public along the above-described Course No. 7 in Main Street.

Subject to all easements, restrictions, covenants, ordinances, and agreements of record, if any.

Being that Block 22 Lot 4 as shown on Tax Map Sheet No. 4, and as described in Deed Book 749, Page 216.

Subject to the rights (if any and as they may appear) of others for the use of an alleyway running in an East and West direction at the northerly and southerly portions of the on-site three-story frame building (Union Hotel).


Thomas L. Yager, NJ License No. 26790
Professional Land Surveyor

Said description is based upon a survey prepared by Thomas L. Yager, Professional Land Surveyor, New Jersey License No. 26790 in March 1999.

B1226 P0046

Signatures. This Deed is signed and attested to by the Grantor's proper corporate officers as of the date and year first set forth above.

Attest:

By:

Heriman Birnbaum, Secretary

FFC REALTY INC.

By:

S. Rodgers Benjamin, President

STATE OF NEW JERSEY :

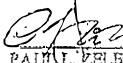
COUNTY OF Hudson :

I CERTIFY that on November 2, 1999, S. Rodgers Benjamin personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person executed and delivered the attached document as President of FFC REALTY INC., the corporation named herein;

(b) this document was executed and delivered by said corporation as its voluntary act and deed by virtue of authority from its Board of Directors; and

(c) the full and actual consideration paid or to be paid for the transfer of title is \$1,000,000. (Such consideration is defined in N.J.S.A. 46:15-5.)


PAUL L. FELEUTY
Attorney at Law
State of New Jersey

RECORDED

Nov 17 12 36 PM '99

HUNTERDON COUNTY
CLERK'S OFFICE

END OF DOCUMENT

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") is made as of the 7 day of November, 1999 by and between FFC Realty Inc., a New Jersey corporation having an office at No.8 Spring Street, Flemington, NJ 08822 ("FFC") and Flemington Fur Co., Inc., a New Jersey corporation having an office at No.8 Spring Street, Flemington, NJ 08822 ("Licensor") and M.E.J.J. Realty, LLC, a New Jersey limited liability company having an office at 70 Main Street, Flemington, NJ 08822 (the "Licensee").

RECITALS:

WHEREAS, FFC and Licensee are parties to that certain Agreement of Sale dated as of March 23, 1999 (the "Agreement of Sale") pursuant to which Assignor agreed to sell and convey and Assignee agreed to acquire and purchase all Assignor's right, title and interest in and to a certain parcel of land and the improvements located thereon known as 70 Main Street, Flemington, NJ and more particularly described in the Agreement of Sale (the "Property");

WHEREAS, Licensor controls, through easement, fee simple title and/or lease, the parking facilities at the following locations: (i) Block 18, Lot 17 on the Official Tax Maps of the Borough of Flemington which fronts on Bloomfield Avenue (the "Bloomfield Avenue Lot"); and (ii) Block 22, Lot 4 on the Official Tax Maps of the Borough of Flemington (fronting on Spring Street (the "Spring Street Lot");

WHEREAS, FFC and Licensor are affiliated entities and, as such, Licensor stands to gain pecuniary benefit from the consummation of the transactions contemplated in the Agreement of Sale, which consummation will not occur without the execution and delivery of this Agreement; and

WHEREAS, FFC agreed, pursuant to the Agreement of Sale, to cause Licensor to grant the licenses described herein to Licensee.

NOW, THEREFORE, in consideration of the premises, the terms and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound hereby agree as follows:

1. **Incorporation of Recitals.** Each of the foregoing recitals is incorporated herein by reference as if fully set forth herein at length.

2. **Grant of License and Conditions.** Licensor hereby grants to Licensee, subject to the terms and conditions set forth herein, the right to use the existing parking facilities located on the Bloomfield Avenue Lot and the Spring Street Lot for the parking of passenger automobiles only during the hours of 6:00 P.M. and 2:00 A.M., seven (7) days a week, provided, said use shall be (i) limited to customers and employees of the existing building located at 70 Main Street, Flemington, NJ; (ii) limited such that a nuisance is not permitted, suffered or otherwise created; and (iii) subject to all applicable laws.

3. **Further Conditions as to Bloomfield Avenue Lot.** The rights granted herein to Licensee with respect to use of the Bloomfield Lot are expressly made subject and subordinate to the terms and conditions set forth in that certain Mutual Lease Agreement by and between Licensor, as Landlord, and Flemington National Bank & Trust Company, as Tenant, dated July 14, 1978. Licensee shall not, by virtue of this Agreement, become or be deemed to become a third party beneficiary to the aforesaid Mutual Lease Agreement.

4. **Further Conditions as to Spring Street Lot.** The rights granted herein to Licensee with respect to use of the Spring Street Lot are expressly made subject and subordinate to the terms and conditions set forth in that certain Perpetual Easement between FFC and Licensor dated April 6, 1993 and recorded in the Hunterdon County Clerks Office, as the same may be amended from time to time. Licensee shall not, by virtue of this Agreement, become or be deemed to become a third party beneficiary to the aforesaid Perpetual Easement.

5. **Maintenance; Security; Insurance.** Throughout the term of this License, Licensee shall, at its sole cost and expense (i) cause the prompt removal of trash, debris, snow and ice as shall accumulate during (or in the case of snow and ice, prior to) the hours described in Section 2 above, and (ii) with respect to the Licensee's use of the Bloomfield Avenue Lot and/or the Spring Street Lot: (x) arrange and maintain continuous and adequate security for patrons of the parking lot, (y) arrange and maintain continuous and uninterrupted insurance coverage against all perils and general liability with limits of not less than \$1,000,000 which insurance shall name Licensor as an additional insured, and (z) provide Licensor with a certificate of insurance and receipt for prepaid premiums evidencing same. *

6. **Indemnification.** Licensee shall indemnify and hold Licensor and FFC harmless from and against all costs, expenses, claims, damages, liabilities and obligations including, but not limited to, reasonable attorneys' fees and costs arising in connection with or otherwise related to this Agreement or the licenses granted hereby ("Claims") and shall upon notice from Licensor, and/or FFC defend such Claims with legal counsel approved by Licensor and FFC.

7. **Transferability.** The License shall not be transferred, assigned, mortgaged or otherwise alienated by Licensee and shall be terminable by either party on thirty (30) calendar days' notice.

8. **Miscellaneous.**

a. All notices, requests or other communication required or permitted hereunder shall be given in writing by certified mail, return receipt requested, personal delivery or via nationally recognized overnight courier addressed to the party intended at the address set forth hereinabove, or to such other address as may be designated by such party in writing in accordance with the terms hereof. Notices shall be effective two (2) days after deposit in the U.S. mail, or upon delivery in the case of personal delivery or nationally recognized overnight courier.

b. This Agreement shall be binding upon, inure to the benefit of and be enforceable by each of the parties and their respective successors and assigns, provided that no rights shall accrue to any successor or assign of Licensee without the prior express written consent of FFC and Licensor (which consent may be withheld by FFC and/or Licensor in their sole and absolute discretion).

c. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to conflict of laws principles.

d. Section titles and captions contained in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit or intend to describe the scope of this Agreement or the intent of any of the provisions hereof.

e. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. There are no other agreements, express or implied. Any oral representations, undertakings or agreements are expressly merged herein. Except as expressly set forth herein to the contrary, this Agreement may not be changed, amended or modified except by an agreement in writing signed by the parties hereto and no waiver of any provision hereunder shall be effective unless expressly set forth in writing and signed by the party against whom such waiver is claimed.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

Attest:

By: 

By: 

DOUGLAS EHRENWORTH
ATTORNEY AT LAW OF
THE STATE OF NEW JERSEY

LICENSOR:

Flemington Fur Co., Inc.

By: 

S. Rodgers Benjamin, President

LICENSEE:

M.E.J.J. REALTY, LLC

By: 

John Blaws, Manager

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS (this "Agreement") is entered into as of the 14 day of November, 1999 by and between FFC REALTY INC., a New Jersey corporation with offices located at Number 8 Spring Street, Flemington, NJ 08822 ("Assignor") and M.E.J.J. REALTY, LLC, a New Jersey limited liability company with offices at 70 Main Street, Flemington, NJ 08822 ("Assignee").

WITNESSETH:

WHEREAS, Assignor and Assignee are parties to that certain Agreement of Sale dated as of March 23, 1999 (the "Agreement of Sale") pursuant to which Assignor agreed to sell and convey and Assignee agreed to acquire and purchase all of Assignor's right, title and interest in and to a certain parcel of land and the improvements located thereon known as 70 Main Street, Flemington, NJ and more particularly described in the Agreement of Sale (the "Property");

WHEREAS, the Property is subject to (i) that certain Lease Agreement between Assignor, as Landlord, and Marshall Higgins, as Tenant, dated as of June 1, 1997, a copy of which is attached hereto and made a part hereof, and (ii) that certain Lease Agreement between Assignor, as Landlord, and Spirits of Flemington, Inc., as Tenant, dated May 19, 1996, a copy of which is attached hereto and made a part hereof (collectively the "Leases"), neither of which require or has had posted a security deposit; and

WHEREAS, Assignee agreed, pursuant to the Agreement of Sale, to take title to the Property subject to the terms and conditions of the Leases.

NOW, THEREFORE, in consideration of the premises, the terms and conditions set forth herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound hereby agree as follows:

1. **Incorporation of Recitals.** Each of the foregoing recitals is incorporated herein by reference as if fully set forth herein at length.
2. **Assignment.** Assignor does hereby assign to Assignee all of Assignor's right, title and interest as Landlord in and to the Leases other than Assignor's rights with respect to removal of the large wall clock described in Section 4 below.
3. **Assumption.** Assignee does hereby accept said assignment and covenants and agrees to be bound by, and to perform, all duties and obligations of the Landlord under the terms and provisions of each of the Leases. Assignee further releases Assignor from liability for all obligations under the Leases and indemnifies Assignor from all liability arising from and after the date hereof.

4. **Wall Clock.** Notwithstanding anything herein or in the Leases to the contrary, Assignor and Assignee acknowledge and agree that the large wall clock in the lobby of the hotel referenced in paragraph 31st of the Spirits of Flemington, Inc. lease has been or will, upon reasonable prior notice, be removed from the Hotel by Assignor and that Assignor shall be free to elect, upon such reasonable prior notice, to remove same. Assignee hereby waives any and all claims to said clock.

5. **Benefit.** All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by each of the parties and their respective successors and assigns.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to conflict of laws principles.

7. **Captions and Exhibits.** Section titles and captions contained in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit or intend to describe the scope of this Agreement or the intent of any of the provisions hereof. All exhibits annexed hereto and referred to herein are made a part hereof as fully as though set forth herein at length.

8. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. There are no other agreements, express or implied. Any oral representations, undertakings or agreements are expressly merged herein. Except as expressly set forth herein to the contrary, this Agreement may not be changed, amended or modified except by an agreement in writing signed by the parties hereto and no waiver of any provision hereunder shall be effective unless expressly set forth in writing and signed by the party against whom such waiver is claimed.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date and year first set forth above.

Attest:

By: 

Assignor:

FFC REALTY INC.

By: 

S. Rodgers Benjamin, President

Assignee:

M.E.J.J. REALTY, INC.

By: _____

By: _____

Prepared by:

JoAnne C. Gerber
JoAnne C. Gerber, Esq.

CANCELLATION OF MEMORANDUM OF LEASE

THIS CANCELLATION OF MEMORANDUM OF LEASE is made by the parties hereto as of this 9th day of November, 1999 with respect to a certain Lease dated May 19, 1986 (the "Lease") between FFC REALTY, INC., a New Jersey corporation, as Landlord, and SPIRITS OF FLEMINGTON, INC., a New Jersey corporation, as Tenant, for a portion of property designated and shown on the Borough of Flemington Tax Map as Block 22, Lot 4.

WHEREAS, M.E.J.J. REALTY, L.L.C., as successor-in-interest to Landlord, UH, L.L.C., M.E.J.J., L.L.C. and Tenant have agreed to the following in connection with the closing of a certain Asset Sale and Purchase Agreement, dated November 11, 1998, for the sale to UH, L.L.C. of the business assets of Tenant, as well as of the sale to M.E.J.J. LIQUOR, L.L.C. of liquor license no. 1009-32-003-006 by Tenant on this date:

1. *TERM*: Effective as of the date hereof, the Lease is terminated and of no further force and effect. Landlord and Tenant are hereby released of any and all obligations and liabilities with respect to said Lease as of the date hereof.

2. *PREMISES*: The demised premises are known as the "Union Hotel" on Main Street, Flemington, New Jersey with the appurtenances, including two stores designated as 70 Main Street, excluding the two-story building occupied by Higgin's News Agency or Higgin's Newspaper Store, excepting the parking area. The alleyways leading to Main Street and a portion of the paved area behind the building remain available as a common driveway and a method of

ingress and egress and for a hotel parking space, which are 20 spaces at the rear of the hotel building. Said demised premises are described in the Lease.

3. **CANCELLATION:** The parties have agreed in connection with the termination of Lease described herein to cancel and release a certain Memorandum of Lease, dated March 30, 1999, recorded March 31, 1999 at Book 1207 of Deeds, Page 84 in the office of the County Clerk of Hunterdon County, New Jersey.

4. **BINDING EFFECT:** This Cancellation of Memorandum of Lease is effective as of the date hereof and shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned parties being duly authorized have signed this Agreement as of the date set forth above.

WITNESS (as to both)

DOUGLAS EMMERTH
ATTORNEY AT LAW
THE STATE OF NEW JERSEY

M.E.J.J. REALTY, L.L.C.

By: John Blanos
John Blanos, Manager

By: Joseph Barra
Joseph Barra, Member

WITNESS (as to both)

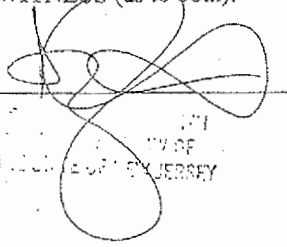
DOUGLAS EMMERTH
ATTORNEY AT LAW
THE STATE OF NEW JERSEY

UM, L.L.C.

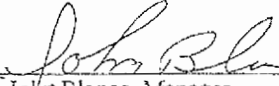
By: John Blanos
John Blanos, Manager

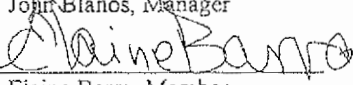
By: Joseph Barra
Joseph Barra, Member

WITNESS (as to both):

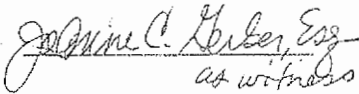

JOHN BLANOS
MANAGER
M.E.J.J. LIQUOR, L.L.C.

M.E.J.J. LIQUOR, L.L.C.

By: 
John Blanos, Manager

By: 
Elaine Barra, Member

WITNESS:

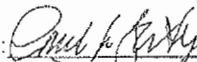

John C. Horton, Esq.
as witness

SPIRITS OF FLEMINGTON, INC.

By: 
Susan Kolodziej, President

Accepted and agreed:

As to Paragraphs 1, 3 & 4 only
FFC Realty, Inc.

By: 
Name: John C. Horton, Esq.
Counsel to FFC Realty, Inc.

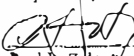
Record and Return to:
Carella, Byrne, Bain, Gilfillan,
Cecchi, Stewart & Olstein
6 Becker Farm Road
Roseland, NJ 07068

#47809



Instr# 8304422 Dorothy K. Tirpok
Recorded/Filed NF Hunterdon County Clerk
01/29/2001 15:59 Bk 2002 Pg 245 #Pg 5 EASEME

Prepared by:


Paul D. Zienty, Esq.
Graham, Curtin & Sheridan, P.A.

DEED OF EASEMENT

This Deed is made as of January 1, 2001,

BETWEEN FLEMINGTON FUR COMPANY, INC., with an address c/o Flemington Fur Company, 8 Spring Street, Flemington, NJ 08822 ("Grantor")

AND FLEMINGTON FUR COMPANY, LLC, a New Jersey limited liability company, with an address c/o Flemington Fur Company, 8 Spring Street, Flemington, NJ 08822 ("Grantee").

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of ONE (\$1.00) DOLLAR. The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Flemington Borough, Part of Block No. 22, Lot No. 4, Account No. _____

☐ No property tax identification number is available on the date of this Deed. (Check box if applicable).

Property. The property consists of a perpetual easement with respect to a portion of the land in the Borough of Flemington, County of Hunterdon and State of New Jersey more particularly described on Exhibit A attached hereto and made a part hereof. The easement area itself is described on Exhibit B attached hereto and made a part hereof.

BEING the same perpetual easement conveyed to the Grantor named herein pursuant to that certain Perpetual Easement between F.F.C. Realty, Inc. and the Grantor named herein, dated April 6, 1993, recorded April 12, 1993 in Deed Book 1088 at Page 187 of the Hunterdon County Clerk's Office, as the same was modified by that certain Modification of Perpetual Easement Agreement between F.F.C. Realty, Inc. and the Grantor named herein, dated December 1, 1998, recorded November 4, 1999 in Deed Book 1225 at Page 109 of the Hunterdon County Clerk's Office.

THIS conveyance is made subject to (i) restrictions, easements and rights of way of record, (ii) such facts as an accurate survey of the property would disclose, and (iii) the laws and ordinances of the Borough of Flemington.


Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Signatures. The Grantor signs this Deed as of the date and year first set forth above.

Witness:

FLEMINGTON FUR COMPANY, INC.


By: _____
S. Rodgers Benjamin, Secretary


By: _____
Robert B. Benjamin, President

BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY

METES AND BOUNDS DESCRIPTION

Beginning at a point on or about the centerline of Main Street (66' wide right-of-way), said point being twenty-three and zero one-hundredths feet (23.00') from the easterly curb line of Main Street, and from said point running thence

(1) along the southerly line of Block 22 Lot 3, lands of N/F Marshall and Patricia Hightins, South 89°02'05" East one hundred seven and fourteen one-hundredths feet (107.14') to a point thence

(2) along the easterly line of the same North 00°57'55" East seventeen and sixteen one-hundredths feet (17.16') to a point, said point being along the southerly line of Block 22 Lot 2, lands of N/F Flemington National Bank & Trust Co. thence

(3) along a portion of the southerly line of said Flemington National Bank and then Block 22 Lot 15, lands of N/F Louis L. Zuegner et al, and Block 22 Lot 14, lands of N/F Flemington Fur Co. Inc., South 89°14'45" East two hundred seven and twenty-four one-hundredths feet (207.24') to a point, said point being the southwesterly corner of Block 22 Lot 13, lands of N/F Flemington Fur Co. Inc. thence

(4) along the southerly line of said Flemington Fur Co. Inc. North 89°45'35" East forty-six and zero one-hundredths feet (46.00') to an iron pin found, said point being along the westerly line of Spring Street (55' wide right-of-way) thence

(5) along the westerly line of Spring Street South 01°37'00" West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being the northeasterly corner of Block 22 Lot 5, lands of N/F N&W Realty Inc. thence

(6) along the northerly line of said N&W Realty Inc. North 83°59'15" West three hundred sixty-two and sixty-two one-hundredths feet (362.62') to a point on or about the center of Main Street thence

(7) along Main Street North 02°46'55" East one hundred twenty and seventy-eight one-hundredths feet (120.78') to the point of beginning containing a total area of 1.11+/- acres as calculated by Thomas L. Yager, Professional Land Surveyor, New Jersey License No. 26790 in March 1999.

Block 22 Lot 4
Borough of Flemington
Hunterdon County, NJ

TLXA
3/23/99
Sheet 2 of 2

Subject to a perpetual easement as described in Deed Book 1088 Page 187, located on the easterly portion of the above-described tract and containing an area of 0.49+/- acres.

Subject to the rights of the public along the above-described Course No. 7 in Main Street.

Subject to all easements, restrictions, covenants, ordinances, and agreements of record, if any.

Being that Block 22 Lot 4 as shown on Tax Map Sheet No. 4, and as described in Deed Book 749, Page 216.

Subject to the rights (if any and as they may appear) of others for the use of an alleyway running in an East and West direction at the northerly and southerly portions of the on-site three-story frame building (Union Hotel).

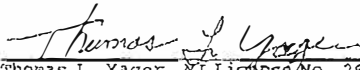

Thomas L. Yager, NJ License No. 26790
Professional Land Surveyor

EXHIBIT B

EASEMENT
BLOCK 22 LOT 4
BOROUGH OF FLEMINGTON
HUNTERDON COUNTY, NEW JERSEY
METES AND BOUNDS DESCRIPTION

Beginning at an iron pipe found, said pipe being the southeast corner to lands of N/F Flemington Fur Co., Inc. (Tax Map Lot 17), said pipe being in the westerly side of Spring Street, said pipe also being the beginning of the fourth course of which this easement is a portion as described in Deed Book 749, Page 216, said point also being seventy-three and seventy-five one-hundredths feet (73.75') from the intersection of the southerly side of Bloomfield Avenue right-of-way and the westerly side of Spring Street and from said beginning point running thence

(1) along the westerly side of Spring Street South 01°27'00" West one hundred thirty-nine and ninety-two one-hundredths feet (139.92') to a point, said point being in the northerly side of an alley way leading from Spring Street to Main Street and also in the northerly line of lands of N/F H & W Realty Inc. (Tax Map Lot 5) thence

(2) along a portion of the northerly side of Lot 5 North 88°59'15" West one hundred fifty-three and ninety one-hundredths feet (153.90') to a point thence

(3) along the westerly side of a fence line and a wooden barrier North 01°09'05" East one hundred thirty-eight and forty-two one-hundredths feet (138.42') to a point, said point being in the southerly line of lands of N/F Louis L. Zuegner, et al (Tax Map Lot 15) thence

(4) along a portion of the southerly line of Lot 15 and the southerly line of lands of N/F Flemington Fur Co., Inc. (Tax Map Lot 14) South 89°14'45" East one hundred nine and five one-hundredths feet (109.05') to a point, said point being the southeasterly corner of Lot 14 and also the southwest corner of lands of Lot 13 thence

(5) along the southerly line of Lot 13 North 89°15'35" East forty-six and zero one-hundredths feet (46.00') to the point of beginning containing a total calculated area of 0.494/- acres (21,453 S.F.) of land as calculated by Thomas L. Veger, New Jersey P.L.S. No. 26790 in November 1992.

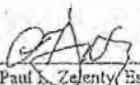
Being a portion of the lands as described in Deed Book 749, Page 216.

As further shown on a certain survey prepared by Thomas L. Veger, N.J.P.L.S. No. 26790, captioned "PARKING AREA EASEMENT, BLOCK 22, LOT 4, FLEMINGTON FUR COMPANY, BOROUGH OF FLEMINGTON, NEW JERSEY," dated November, 1992.

STATE OF NEW JERSEY :
: ss.
COUNTY OF *MERLIS* :

I CERTIFY that on January 25, 2001, Robert E. Benjamin, personally came before me,
and this person acknowledged under oath, to my satisfaction that:

- (a) this person is named in and personally signed this Deed of Easement as President
of Flemington Fur Company, Inc.;
- (b) the person signed, sealed and delivered this Deed of Easement as his act and deed
in his capacity as President of Flemington Fur Company, Inc.; and
- (c) made this Deed of Easement for a sum of \$1.00 as the full and actual
consideration paid or to be paid for the transfer of title. (Such consideration is
defined in N.J.S.A. 46:15-5).



Paul A. Zelenty, Esq.
Attorney At Law, State of New Jersey



No. 122009

Certificate of Sale

FOR UNPAID MUNICIPAL LIENS

Questions? Call 215-761-9397
Please Record & Return to:
U.S. Bank - Tax Lien Services Group
50 South 16th Street - Suite 1950
Philadelphia, PA 19102

CATHERINE L. PARK, COLLECTOR OF TAXES of the taxing district of
FLEMINGTON BORO in the COUNTY of HUNTERDON and the State of New Jersey, do hereby
certify that on the 21ST day of October 2009 at a public sale of lands for delinquent municipal liens,
pursuant to the Revised Statutes of New Jersey, 1937, Title 54, Chapter 5, and the amendments and supplements thereto,
sold to U.S.BANK-CUST/SASS MUNI V DTR
whose address is 50 S.16th St- Suite 1950 Philadelphia Pa. 19102
for the amount of FIFTY-TWO THOUSAND TWO HUNDRED NINETY-THREE DOLLARS and 66 CENTS
the land in said taxing district described as BLOCK No. 22, LOT No. 4
and known as 70-74 MAIN ST on the tax duplicate there of and assessed thereon to
M.E.J.J. REALTY, LLC

THE AMOUNT OF THE SALE WAS MADE UP OF THE FOLLOWING ITEMS:

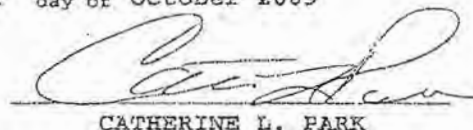
	AMOUNT	INTEREST	TOTAL
UNPAID TAXES (12/31/2008 and PRIOR)	34,195.20	8,056.48	42,251.68
UNPAID SEWER (12/31/2008 and PRIOR)	8,542.82	1,349.16	9,891.98

COST OF SALE: P.L.1983, CHAP.478, APPROVED 1/12/84
The cost of sale shall be 2% of existing lien
Total of items above including interest) but
not less than \$15.00 and not more than \$100.00.

TOTAL COST OF SALE: 150.00
TOTAL AMOUNT OF SALE: 52,293.66
PREMIUM (IF ANY) PAID: .00

This sale is subject to redemption on repayment of the amount of the sale, together with interest at the rate of
18 per centum per annum from the date of sale, and the costs incurred by the purchaser as defined by statute.
This sale is subject to municipal liens accruing after 12/31/2008 and assessment installments
not due yet, amounting to \$0.00 dollars and interest thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 21ST day of October 2009


CATHERINE L. PARK

State of New Jersey, County of HUNTERDON

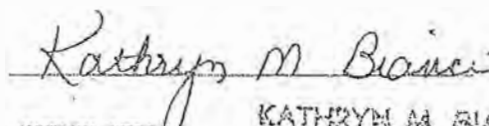
COLLECTOR OF TAXES

BE IT REMEMBERED that on this 21ST day of October 2009 before me a Notary Public of New Jersey, personally
appeared CATHERINE L. PARK Collector of Taxes of the taxing district of FLEMINGTON BORO
in the County of HUNTERDON who, I am satisfied, is the individual described herein, and executed the above
Certificate of Sale; and I having made known to him the contents thereof, he thereupon acknowledged to me that he signed,
sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

PREPARED BY:


CATHERINE L. PARK

NOTARY PUBLIC


KATHRYN M. BIANCI

KATHRYN M. BIANCI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES NOV. 7, 2010

NOTE: NJSA 46:15-3, All signatures appearing on the certificate, those of the Collector and Notary Public who takes his
acknowledgement shall be printed, type or stamped underneath such signature the name of the person signed.

AUTHORIZATION FOR CANCELLATION OF RECORD

The within certificate has been duly paid and satisfied and the County Recording Officer is hereby authorized to cancel the same of record.

Name of Municipality

BY: _____ ATTEST: _____
Mayor (NJSA 46: 18-6 & 54: 5-55) Municipal Clerk

(Seal of Municipality
to be affixed)



20091230000320540 1/2
12/30/2009 02:45:16 PM TSC
Bk: 3413 Pg: 838
Mary H. Melfi
Hunterdon County Clerk

No. 12-2009

Tax Sale Certificate

Catherine L. Park
Tax Collector

Municipality of Hunterdon Borough

Hunterdon County, New Jersey

To U.S. Bank Costly Sales Agent V.D.R.

Entered Compared Checked

RECEIVED in the Register Office of the

County of

New Jersey

on the _____ day of _____

A.D., 20 _____, at _____ o'clock in the _____ noon

and Recorded in Book _____ for said County on pages _____

20091230000320540 2/2
12/30/2009 02:45:16 PM TSC
Recording Fee: \$40.00
Tax Fee: \$.00
Consideration: \$.00
Buyers Fee: \$.00
MSB:1

AUTHORIZATION FOR CANCELLATION OF RECORD BY A PRIVATE CORPORATION

The within certificate has been fully paid and satisfied and the County Recording Officer is hereby authorized to cancel the same of record.

Name of Corporation

BY: _____ ATTEST: _____
President Secretary

(Corporate Seal to be affixed)

AUTHORIZATION FOR CANCELLATION OF RECORD BY AN INDIVIDUAL

The within certificate has been fully paid and satisfied and the County Recording Officer is hereby authorized to cancel the same of record.

Signature of Holder of Certificate

The above signature is certified to as genuine.

