

Execution Copy
10/31/03

REDEVELOPMENT AGREEMENT

between

**Township of Haddon
a New Jersey Municipal Corporation**

and

**FIELDSTONE ASSOCIATES, L.P.
a Pennsylvania Limited Partnership**

Dated: November 10th, 2003

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REDEVELOPMENT AGREEMENT
HADDON TOWNSHIP
and
FIELDSTONE ASSOCIATES, L.P.

REDEVELOPMENT AGREEMENT (this "Agreement"), dated as of November 10th 2003 (this "Agreement"), between the Township of Haddon, a municipal corporation of the State of New Jersey having offices at 135 Haddon Avenue, Westmont, New Jersey 08108-2319 (the "Township"), and Fieldstone Associates, L.P., a Pennsylvania limited partnership having offices at 906A Cross Keys Drive, Doylestown, Pennsylvania 18901 (the "Redeveloper").

PRELIMINARY STATEMENT

Pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. as amended and supplemented, (the "Act"), Township has undertaken a program for the reclamation of certain property identified on Exhibit A annexed hereto, consisting of approximately six (6+) acres of land (the "Project Site"). The Project Site currently is owned in fee simple by private parties. Township intends to secure high quality, cost-efficient redevelopment of the Project Site in as short a time frame as is practicable, with time being of the essence. The Township is committed to working with a redeveloper to locate, take advantage of and obtain all economic aid and assistance afforded by all relevant state and federal agencies and lending institutions.

The governing body of Township has determined that the reclamation and development of the Project Site in the manner specified in this Agreement will promote job creation and economic development within both the municipality and the County of Camden, and, therefore,

fulfills the purposes of the Act. On November 26, 2002, the governing body of Township duly adopted an Ordinance (Ordinance #1090) pursuant to the Act adopting the Redevelopment Plan prepared by Marc R. Shuster, A.I.C.P., P.P., dated September 25, 2002 and designating the Project Site within a "Redevelopment Area," as such term is defined therein, and authorizing the Board of Commissioners to act as a Redevelopment Entity to oversee the implementation of the Redevelopment Plan, which is attached hereto as Exhibit "B-1" and made a part hereof. Annexed hereto as Exhibit "B-2" is the proposed conceptual plan for redeveloping the Project Site which has been preliminary accepted by Township and Redeveloper (the "Site Concept Plan").

Redeveloper is in the business of developing real property for commercial and residential purposes and has the financial ability, experience and expertise to reclaim the Project Site and redevelop same in accordance with the provisions of this Agreement. The parties contemplate that Redeveloper will assist Township to acquire title to the Project Site, through negotiation and/or condemnation, and, thereafter, Township will convey title to the Redeveloper, in accordance with this Agreement. Redeveloper proposes to remediate properties within the Project Site, as necessary, in accordance with all lawfully imposed requirements of DEP, the USEPA and any other governmental agencies with jurisdiction over the Project Site. Redeveloper intends to redevelop the Project Site with a variety of market uses, which may include retail and restaurant space, public/commercial space, multi-story (maximum four stories) apartment/condo units, residential townhouses, structured parking and/or such other uses that are shown in the Site Concept Plan, as same may be modified by the Approved Concept Plan defined in Section 5.3, and which are consistent with the Redevelopment Plan as same may be amended during the Due Diligence Period, together with certain on-site and off-site improvements (the

"Project"). As described in this Agreement, the Project will be subject to local, county and state approvals.

On July 15, 2003 by Resolution #2003-097 Township Redeveloper was designated as the redeveloper of the Project Site. On November 26, 2003 the governing body of Township by Ordinance approved the execution and delivery of this Agreement by Township.

As a material inducement to Township, the Redeveloper has agreed to among other things, (1) create a project that is aesthetically pleasing; (2) commit to performing "A" type construction, as that term is currently defined in the construction industry, on the Project Site; (3) provide tax ratables and other remuneration to Township in accordance with the Financial Agreement, that will defer tax ratables for not more than thirty five (35) years from the date of this Agreement (the "PILOT Period"); (4) develop the Property in accordance with the Site Concept Plan (to the extent modified by the Approved Concept Plan) and the Redevelopment Plan; (5) reimburse costs paid by Borough as set forth in this Agreement; (6) clean-up existing environmental hazards pursuant to a DEP approved Remediation Work Plan; (7) make certain representations and warranties as set forth hereinbelow; (8) provide for community interaction and outreach activities in coordination and cooperation with other redevelopers named by the Township and the marketing survey performed for the Township as more fully described hereinbelow; and (9) payment of such escrow and deposits as set forth hereinbelow.

Township has agreed, among other things, (a) to authorize the Redeveloper to assist Township to acquire or condemn, at Township's initial cost and expense, the Project Site through negotiation or under its power of eminent domain, (b) to maintain and/or adopt zoning ordinances designed to implement the Redevelopment Plan, consistent with the Act and the New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., (c) to the extent permitted by law, to

cause to be issued one or more issues or series of tax exempt notes or bonds, the interest on which is exempt from taxation under the Internal Revenue Code of 1986, as amended, and the New Jersey Gross Income Tax Act (the "Tax Exempt Notes or Bonds"), and/or Non-Tax Exempt Notes or Bonds, for the purpose of financing the acquisition of the Project Site and the Related Properties, the Remediation Costs and the undertaking of demolition, sewer, road and other public infrastructure improvements during the Due Diligence Period ("Infrastructure Improvements") and (d) to the extent permitted by law, to adopt an Ordinance pursuant to the Act and N.J.S.A. 40A:20-1 et seq. providing for tax abatement of the eligible components of the Project in accordance with the Act and to enter into a Financial Agreement with Redeveloper for payments in lieu of real estate taxes ("PILOT") during such period of abatement.

NOW, THEREFORE, to effectuate the purposes of the Act, and for and in consideration of the premises, the mutual covenants and agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, Township and Redeveloper hereby agree as follows:

ARTICLE 1

DEFINITIONS; CONSTRUCTION

1.1 Definitions. As used in this Agreement, the following terms have the following respective meanings:

(a) "Act" shall mean N.J.S.A. 40A:12A-1, et seq.

(b) "Appeal Period" shall mean the period of time specified by statute or court rule within which an appeal may be taken by any party from the grant or denial of any of the Development Approvals and includes the period for filing an appeal to the first court of review or appellate body after entry of a judgment or decision by a lower court or administrative agency.

(c) "Approval Period" means, with respect to the Project, a period expiring eighteen (18) months from the commencement date of the Lease described in Paragraph 2 hereof, provided that, if at the expiration of any such period, the Appeal Period shall not have expired with respect to any of the Development Approvals or the Remediation Plans, the eighteen (18) month period shall automatically be extended until the Appeal Period has expired. During the Approval Period, Redeveloper shall obtain all Development Approvals necessary to construct the Project as shown in the Approved Concept Plan. Redeveloper shall have the right to extend the Approval Period for up to two (2) additional one (1) year periods upon written notice to Township ("Extension Notice"), provided that Redeveloper is actively and diligently pursuing the Development Approvals, is not otherwise in default of this Agreement, and further provided that Redeveloper pay the amount of \$50,000 to Township coincident with the Extension Notice as an additional deposit, which shall be non-refundable, but shall be applied against the Purchase Price at Closing.

(d) "Approved Concept Plan" has the meaning specified in Section 5.3.

(e) "Broker" has the meaning specified in Section 11.1.

(f) "Closing Date" has the meaning specified in Section 8.1.

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

(h) "Deposit" has the meaning specified in Subsection 3.2.

(i) "Development Approvals" means (i) unappealable final major subdivision approval subdividing the Project Site into the Lots required to implement the Redevelopment Plan; (ii) unappealable preliminary and final major planned development site plan approvals for the Project by the Township Planning Board; (iii) unappealable Camden County Planning Board approval of the Project components; (iv) written agreements with the governmental agency or utility company providing water service in Township for the construction, installation and operation of a potable water distribution system serving the Project components with an adequate supply of potable water; (v) a written agreement with the governmental agency or utility company providing sewage treatment service in the Township for extension of the existing sanitary sewer system to serve the Project components; (vi) "will serve" letters in form and substance acceptable to Redeveloper from the providers of electric, natural gas, telephone and cable television to furnish such utilities to the Project components; (vii) unappealable soil conservation review approvals and permits for the Project components; (viii) unappealable sewer extension and CP-1 permits for the construction and operation of sanitary sewer lines for the Project components; (ix) unappealable stream encroachment, wetlands or other permits, approvals, consents and waivers which may be required to be issued by the DEP for the Project components; (x) unappealable curb cut and access permits and approvals required to be issued by the State of New Jersey, the County of Camden and Township or any subdivision or agency thereof for the Project components; (xi) unappealable Remediation Permits from the

DEP if any are necessary to construct the Project components; (xii) any other unappealable approval, license, permit, consent or waiver required to be granted or issued by any federal, state, county or municipal agency, or any department, board, authority, agency official or officer thereof having jurisdiction as a prerequisite to securing building permits for all improvements (on or off-site) to be constructed in connection with the Project; and, (xiii) valid building permits from all governmental authorities having jurisdiction permitting the construction of the Project components and all on and off-site improvements required to be constructed in connection therewith, and (xiv) State approval for any development on the Project Site, if required. It shall be the Redeveloper's obligation to seek the Development Approvals at its expense.

(j) "Effective Date" means that date on which the last party executes this Agreement.

(k) "EPA" or "USEPA" means the United States Environmental Protection Agency.

(l) "Financial Agreement" has the meaning specified in Section 5.1.

(m) "Hazardous Substance" means any substance, chemical or waste that is listed as hazardous, toxic, a pollutant or dangerous under any applicable federal, state, county or local statute, rule, regulation, ordinance or order.

(n) "Infrastructure Financing Contingency" means the issuance of the Tax Exempt Notes or Bonds or the Non-Tax Exempt Notes or Bonds in accordance with Section 5.2 hereof.

(o) "Infrastructure Improvements" has the meaning specified in the Preliminary Statement.

(p) "ISRA" means the Industrial Site Recovery Act of the State of New Jersey, N.J.S.A.13:1k-6 et seq., as amended;

(q) "Legal Requirements" means all laws, statutes, codes, ordinances, orders, regulations and requirements of all federal, state, county and municipal governments, departments, boards, authorities, agencies, officials and officers.

(r) "Preliminary Approvals" has the meaning specified in Section 5.3(a).

(s) "Project" means, collectively, the acquisition, remediation, planning and redevelopment of the Project Site, in accordance with this Agreement.

(t) "Project Site" has the meaning specified in the Preliminary Statement.

(u) "Purchase Price" has the meaning specified in Section 3.1.

(v) "Redeveloper" has the meaning specified in the Preliminary Statement and includes any approved assignee of the vendee's right, title and interest under this Agreement and any approved transferee of all or any portion of the Project Site.

(w) "Redeveloper Default" has the meaning specified in Section 10.1.

(x) "Redevelopment Entity" shall mean the governing body of the Township of Haddon.

(y) "Redevelopment Plan" has the meaning specified in the Preliminary Statement and includes all amendments and modifications thereto agreed upon between Township and Redeveloper and duly adopted.

(z) "Remediation Costs" means all costs associated with the preparation and implementation of the Remediation Plans, including environmental investigation, studies, design, purchase, financial assurances construction or maintenance and oversight of all measures required by the DEP or the USEPA in order to remedy, clean-up, prevent, minimize or monitor pollution or health hazards resulting from hazardous waste or substances on the Project Site (including, but not limited to, the cost of placement of earthen or vegetative cover, the installation of monitors and leachate monitoring wells or collection systems), the cost of general liability insurance, including environmental impairment insurance, in an amount sufficient to provide coverage, defense and indemnity for potential claims against Redeveloper and/or Township, other available insurance as is deemed necessary and appropriate by the parties, including, but not limited to, cost cap or remedial cost overrun insurance and Redeveloper's costs of financing any and all of the above, including issuance costs in connection with any bond issue, all costs associated with the investigation of the Project Site and its environs for the purpose of determining the presence of Hazardous Substances and all costs of implementing any Remediation Plans, or other matters required by any NJDEP or MOA or any other NJDEP or USEPA requirement. All such costs are the obligation of Redeveloper.

(aa) "Remediation Permits" means unappealable permits and MOA's included, from the DEP permitting the disturbance, cleanup and/or removal of the Hazardous Substances on the Project Site for purposes of regrading and constructing the Project.

(bb) "Remediation Plans" means all remediation plans prepared for, or required by, any governmental authority in connection with the presence, or suspected presence, of any Hazardous Substance on any part of the Project Site, and shall include Remediation Permits.

(cc) "Site Concept Plan" has the meaning specified in the Preliminary Statement.

(dd) "Township Default" has the meaning specified in Section 10.2.

(ee) "Survey" means a separate survey of the Project Site prepared by a licensed or registered surveyor of the State of New Jersey selected by Redeveloper and approved by Township, which approval shall not be unreasonably withheld, and certified to both Township and Redeveloper.

(ff) "Tax Exempt Notes or Bonds" and "Non-Tax Exempt Notes or Bonds" have the meaning specified in the Preliminary Statement.

(gg) "Title Insurer" means a title insurance company selected by Redeveloper which is licensed to do business in the State of New Jersey.

1.2 Drafting Ambiguities; Interpretation. In interpreting any provision of this Agreement, no weight shall be given to, nor shall any construction or interpretation be influenced by, the fact that counsel for one of the parties drafted this Agreement, each party acknowledging that it and its counsel have had an opportunity to review this Agreement and have contributed to the final form of same. Unless otherwise specified (a) whenever the singular is used in this Agreement, the same shall include the plural, and the plural shall include the singular; (b) the

words "consent" or "approve" or words of similar import, mean the prior written consent or approval of Township or Redeveloper, as the case may be; (c) the words "include" and "including", and words of similar import, shall be deemed to be followed by the words "without limitation" and (d) the Exhibits to this Agreement are incorporated herein by reference.

ARTICLE 2

CONDEMNATION; ACQUISITION; SALE OF PROJECT SITE; TITLE

2.1 Initial Acquisition of Project Site by Township. To the extent such designation is permitted by the Act, Township hereby designates Redeveloper to commence negotiations on behalf of Township with the owners of the property included within the Project Site for the purpose of acquiring fee simple title to such property. The purchase price and all other terms of the Agreement shall be subject to the approval of Township and the requirements of the Act, and, when in furtherance of condemnation, applicable provisions of New Jersey eminent domain law. Township makes no warranty nor representation concerning the Township's legal ability to make such designation. Any legal challenge to the Township's right to make such designation shall be defended by Redeveloper at its sole cost and expense, if Redeveloper elects to proceed with this Agreement. Subject to the conditions set forth in Section 4.1 hereinbelow, Township hereby assigns to Redeveloper Township's rights to enter onto and investigate any property within a Redevelopment Area as set forth in the Act. Redeveloper shall have a period of ninety (90) days from the Effective Date to negotiate and enter into agreements of sale for each property comprising the Project Site ("Individual Lot" or "Individual Lots", as appropriate). Any agreement to purchase the Individual Lots shall include a reasonable due diligence period (the

"Acquisition Due Diligence Period") and a right of termination during each such Acquisition Due Diligence Period and may include other contingencies. On or before the expiration of the Acquisition Due Diligence Period for each Individual Lot under agreement, the Redeveloper shall notify the Township in writing of the Redeveloper's acceptance or rejection of any Individual Lot or, extension of the Acquisition Due Diligence Period. Redeveloper shall have no obligation to take title to any Lot until satisfactory completion of the Due Diligence Period set forth in Article 4. In no event shall any Acquisition Due Diligence Period exceed the Due Diligence Period defined in Section 4.1. Condemnation of the Property, if necessary, shall not be commenced until completion of the Acquisition Due Diligence Period for each property. In the event that Redeveloper is unable to negotiate private agreements to purchase the properties within the Project Site within ninety (90) days of the Effective Date of this Agreement, Township shall, upon request of the Redeveloper, proceed diligently to acquire fee simple title to the properties included in the Project Site by condemnation so that title to the Project Site can be conveyed to Redeveloper (or the Urban Renewal Entity) at Closing in accordance with this Agreement, provided that the three (3) month negotiation period may be extended with the consent of Township, which consent shall not be unreasonably withheld, or as a result of delays due to force majeure. Township shall designate Redeveloper to conduct all good faith negotiations required for the condemnation and Redeveloper shall (i) conduct said negotiations in accordance with the Act and N.J.S.A. 20:30-1 et seq., including, but not limited to, those statutory provisions relating to the quality of title to be conveyed, and proffering of fair market value as determined by appraisal; and (ii) provide Township with written updates on a bi-weekly basis of the status of negotiations with the Individual Lot owners, including purchase price negotiations and open issues relating to each Individual Lot. Township shall advise Redeveloper

of the status of any condemnation proceedings. Township agrees that the quality of title to be acquired to the Project Site Property shall be good, marketable and insurable and not subject to any liens or encumbrances. The cost of condemning or purchasing such Project Site shall be borne initially by Township, but shall be included in the Purchase Price paid by Redeveloper to Township at Closing. Redeveloper, prior to accessing any Individual Lot, at any time prior to conveyance of the Individual Lot to Redeveloper at Closing, whether during the Due Diligence Period or not, shall provide evidence of general liability insurance coverage, and worker's compensation coverage, to the Township and showing Township as an additional named insured thereon entitled to notice thirty (30) days prior to cancellation. Redeveloper shall require anyone acting on Redeveloper's behalf to provide similar evidence of insurance coverage under the same terms prior to their accessing any Individual Lot.

2.2 Replacement of Sentry Office Building Parking Lot. The parties shall cooperate to provide suitable alternative property to provide substitute parking area(s) for the Sentry Office Building, to replace the Lots in the Redevelopment Area currently utilized for Sentry Office Building Parking.

2.3 Acquisition of Related Properties by Township. Promptly after the request of Redeveloper, Township shall designate Redeveloper to commence negotiations on behalf of Township, to acquire fee simple title or valid easements to any property outside the Project Site, but within the Redevelopment Area and provided for in the Redevelopment Plan which is necessary to construct any on-site or off-site utility or other infrastructure improvements necessary or desirable to service the Project (the "Related Properties"). Such negotiations shall be conducted as set forth in Section 2.1. In the event that Township is unable to acquire fee

simple title or easements to such property by negotiation, Township shall, at the request of Redeveloper, proceed diligently to acquire fee simple title or valid easements to such property by condemnation after conclusion of the Due Diligence Period in accordance with Section 2.1. Township shall designate Redeveloper to conduct all negotiations and shall advise Redeveloper of the status of any condemnation proceedings. Township agrees that the quality of title to be acquired to such property or easements shall be good, marketable and insurable and not subject to any liens or encumbrances. Any property or easements acquired by Township pursuant to this Section 2.3 shall either be conveyed pursuant to the Redevelopment Plan to Redeveloper on the Closing Date (or as soon thereafter as possible), or retained by Township and dedicated to the uses specified therefor in the Redevelopment Plan or conveyed to another public authority to be dedicated to those utility or infrastructure uses specified therefor in the Redevelopment Plan. The cost (soft and hard) of condemning or purchasing any property or easement pursuant to this paragraph shall be borne initially by Township, subject to reimbursement by Redeveloper, if conveyed to Redeveloper, at Closing.

2.4 Procedure for Acquiring Project Site. Township agrees that it will not enter into any agreement to acquire the Project Site or the Related Properties without the prior written consent of Redeveloper, including without limitation, the price to be paid therefor. At the request of Redeveloper, Township, to the extent legally permitted, will dismiss any condemnation proceeding if Redeveloper advises Township in writing, that the Individual Lot subject to the condemnation proceeding is no longer required to construct the Project or if Redeveloper concludes, in its sole discretion, that the cost of the property is excessive, subject to Redeveloper indemnifying Township for all costs and expenses incurred and any damages

awarded due to the dismissal of the condemnation proceedings by Township. Said costs and expenses shall be paid to Township within thirty (30) days of termination of the condemnation proceedings. Any damages relating to the dismissal of the condemnation proceedings, including all legal fees incurred by the Township in defending against a claim arising out of the dismissal, shall be paid by Redeveloper within thirty (30) days of the award. Township shall in no event be required to appeal or otherwise challenge any damage award. All costs incurred by the Township or which the Township becomes otherwise obligated to pay in connection with condemnation or purchase of the Individual Lots, including the costs of any investigations or due diligence activities undertaken by Township, shall be added to the Purchase Price, except any legal costs referenced in Sections 2.1 and 4.1 which shall be paid by Redeveloper as they become due.

2.5 Sale of Project Site to Redeveloper. Township hereby agrees to sell the Project Site to Redeveloper, (or its designated nominees which have been reasonably approved by Township and formally designated as a Redeveloper in accordance with the Act. Approval will not be withheld if the nominee is an affiliate, subsidiary or other entity related to Redeveloper) and Redeveloper hereby agrees to purchase and acquire from Township, subject to the terms and conditions contained herein, fee simple title to the Project Site, including all easements, privileges and appurtenances thereto. Title shall be conveyed by a metes and bounds description drawn in accordance with the Survey. This provision is subject to the provisions of N.J.S.A. 40A:12A-9, as applicable.

2.6 Title. Redeveloper shall, within fourteen (14) days of the Effective Date, provide Township with title reports for each Individual Lot, including documentation of any title exceptions, liens or encumbrances. Title to the Project Site and to all other property required to

be conveyed to Redeveloper shall be good, marketable and insurable at regular rates by the Title Insurer. Redeveloper and Township shall agree upon the permitted title exceptions prior to the acquisition of the property by Township. Thereafter, Redeveloper shall accept title subject only to those same permitted title exceptions.

2.7 Lease of the Property to Redeveloper. Township and Redeveloper agree to enter into a lease for the Project Site prior to the transfer of title to Redeveloper subject to the following conditions:

(a) The conveyance of title to Township in accordance with this Agreement, and

(b) The preparation and presentation of proposed demolition plans for the property by Redeveloper which are acceptable to Township; and

(c) The payment by Redeveloper to Township of the interest on the financing (bonds, bond anticipation, notes, etc.) utilized by Township for the purchase of the Project Site, the Remediation Costs or any Infrastructure Improvements agreed to be performed by the Township (the "Lease Consideration") in lieu of rent during the term of the Lease.

2.8 Lease Terms. The Parties agree that no other written document will be executed with respect to the Lease to Redeveloper (hereinafter "the Lease"). The terms of Paragraphs 2.7, 2.8 and 2.9 shall operate as the terms of the Lease. During the term of the lease, Redeveloper shall have the right, in addition to the activities permitted under Paragraph 2.9, to do the following:

(a) Negotiate and enter into leases with prospective tenants for all or any portion of the Property in furtherance of its plan for the redevelopment of the Property. Township hereby consents to such negotiations as owner of the Property prior to the time when title is conveyed to Redeveloper and will permit the execution of such leases, with its consent, which shall not be unreasonably withheld. Township further agrees to execute any documents that may be required to finalize such leases with prospective tenants, and

(b) Negotiate with other governmental entities or agencies for funding for the remediation or redevelopment of the property. Township agrees to cooperate with Redeveloper to the extent necessary to obtain and finalize such funding, provided however that Township shall not be under any obligation to request any loans from any funding source except as is explicitly set forth herein.

(c) Except for the remediation obligations set forth in this Agreement, Redeveloper shall have no obligations to remove, remediate or clean-up during the period of the Lease any hazardous waste or substance where such hazardous waste or substance was placed, released, stored or discharged on the Property by Township or its agents, employees or representatives.

(d) Redeveloper shall provide insurance coverage for the Project Site in such amounts and under such terms as shall be satisfactory to the Township, which coverage shall show Township as an additional named insurer entitled to receive thirty (30) days notice prior to cancellation and shall hold harmless and indemnify Township from and against any and all liability, claims and damages (including property damage, injury and death) arising out of or in connection with the Lease, the occupation of the Project Site, and any activities conducted on the Project Site by anyone other than the Township. The hold harmless/indemnification

provisions of this Section shall survive the expiration or termination of the lease. Redeveloper acknowledges and agrees that Township is making no representations or warranties concerning the Project Site or any conditions thereon (including, but not limited to, the presence or absence of Hazardous Substances), or the suitability of the Project Site for Redeveloper's intended activities or use.

2.9 Permitted Activities Under Lease to Redeveloper. Redeveloper shall be permitted under the Lease to do the following on the Property:

(a) Conduct any environmental remediation deemed necessary by any governmental entity or agency.

(b) Perform any and all activities it deems necessary to carry out the development of the Property in accordance with the Redevelopment Plan including but not limited to the following:

(1) inspections, surveys and other related activities;

(2) the presentation of planning and zoning applications to appropriate boards for the development of the Property, which applications shall be consented to by the Township to the extent such consent is required of Township in its capacity as the property owner;

(3) site preparation work necessary for demolition or construction;

(4) demolition of some or all of the existing buildings;

(5) construction of improvements on the Property and off the Property consistent with zoning and planning approvals which may be obtained;

(6) financing of the Property or any improvements thereon including but not limited to construction and permanent financing;

(7) the application for and the obtaining of any grants or loans for the remediation or development of the Property which shall be consented to by Township, or, if requested, such application shall be in the name of Township and duly executed with the proceeds to be funded to Redeveloper;

(8) the management of any portion of the property including the leasing of any improvements thereon;

(9) any and all other activity consistent with the development of the Property in accordance with the Redevelopment Plan; and

(10) all such activities shall be at no cost to Township.

(c) All improvements to the Project Site made by the Redeveloper during the lease period shall be the property of Township, until the Closing.

2.10 Lease Default. In the event that Redeveloper defaults under any of the terms and conditions defining Redeveloper's performance under the Lease, said default shall be a default of this Redevelopment Agreement and Township shall have the rights, after the notice and cure provisions, to terminate the Lease and this Agreement, all as set forth in Article 10.

2.11 Subsequent Conveyance by Redeveloper. Upon transfer of title to Redeveloper pursuant to this Agreement, Redeveloper shall have the right to subdivide, sell or lease all or any portion of the Property to one or more Third Parties in furtherance of this plan to redevelop the

Property in accordance with the Redevelopment Plan and the Approved Redevelopment Plan and subject to the provisions of N.J.S.A. 40A:12A-9. To the extent permitted by the Act, Township hereby gives its authorization for such sale or lease by Redeveloper to a Third Party, as long as such sale or lease is for purposes of developing or operating the Property in accordance with the Redevelopment Plan and, if a Certificate of Completion has not yet been issued, subject further to formal approval of such buyer or lessee as a redeveloper under the Act. Title or Leasehold interest shall be subject to the terms, limitations and requirements of this Agreement. In the event of such transfer, the Redeveloper and Township shall cooperate to designate said third party to be a redeveloper and/or Urban Renewal Entity to comply with applicable statutes.

ARTICLE 3

PURCHASE PRICE; PAYMENT TERMS; ESCROW

3.1 Purchase Price. The purchase price (the "Purchase Price") for the Project Site shall be equal to: (a) the sum of (i) the consideration paid by Township to the owner or owners of any Project Site property acquired by Township and all related costs of acquisition pursuant to Section 2.1 to acquire title thereto by condemnation, or by deed in lieu of condemnation; (ii) the consideration paid by Township for any fee title or easements to Related Properties conveyed to the Redeveloper for the exclusive use of the Project pursuant to Section 2.2; (iii) costs paid to date by the Township to investigate the Project Site as set forth on Exhibit "E" attached hereto and made a part hereof; and (vi) any other costs or expense incurred by the Township, including interest payments, related to the acquisition, holding or conveyance of the properties comprising the Project Site; (b) less any grants, awards, donations or stipends of any kind received by

Township from any source for the consideration paid by Township for the acquisition of the properties comprising the Project Site and all costs related thereto.

3.2 - Payment of Purchase Price. The Purchase Price shall be payable as follows:

(a) Upon the execution of this Agreement, Redeveloper shall pay to Township the sum of \$10,000.00 (the "Deposit"), which shall be refundable as expressly provided herein, which such sum shall be credited to the Purchase Price; and

(b) In the event that an agreement of sale is executed to purchase the Property from the current private owners, Redeveloper shall provide the deposits required for those agreements (the "Private Deposits") provided that the initial \$10,000.00 Deposit shall be applied to the Private Deposits.

(c) Upon the satisfaction of the Due Diligence Period, and closing with the private owners of the Property, the Private Deposit will be transferred to the Deposit for this Agreement and Redeveloper shall supplement the Deposit and pay to Township such additional sum to increase the Deposit to an amount equal to ten (10%) percent of the Purchase Price. Redeveloper may provide a bond, or letter of credit (reasonably acceptable to Township) in lieu of cash Deposit.

(d) Upon closing of title, a sum equal to the balance of the applicable Purchase Price, plus or minus any net closing adjustments provided herein, payable by certified, cashier's or attorneys' trust account check or by wire transfer of immediately available federal funds.

3.3 Escrow. Upon execution of this Agreement, the Redeveloper shall pay to Township the amount of \$10,000.00 to be held in escrow to pay all professional charges and fees incurred or imposed by the Township consistent with the provisions of the Municipal Land Use Law with regard to project review escrows in connection with the Township's oversight of the activities conducted by the Redeveloper. Such charges and fees shall include but not be limited to engineer, planner, consultant and attorney review fees on Township's behalf to oversee the Remediation Activities performed by the Redeveloper and review the Redevelopment activities to the extent deemed necessary by the Township to ensure compliance with Township ordinances and the Amended Redevelopment Plan. Said money shall be placed in a township trust account, and drawn upon by the Township as permitted by the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. The Township shall provide a monthly statement of account with regard to the escrow fund with copies of applicable invoices, as required by law. Redeveloper shall pay any additional sum required to pay charges and fees not covered by the escrow deposit within fifteen (15) days after receipt of a notice of deficiency and shall pay such sum notwithstanding any dispute as to the reasonableness of said fees and charges. Redeveloper shall replenish the fund upon request by Township. Any remaining balance of the escrow sum shall be returned to Redeveloper after the completion of the Redevelopment and Remediation Activities, as determined by Township. This Escrow Deposit shall be in addition to any escrow required of Redeveloper in connection with the Development Approval process. Nothing contained herein shall be construed as limiting the Redeveloper's obligation to pay for all costs, expenses and fees incurred by the Township in connection with this Redevelopment Agreement which are payable at Closing of the purchase of the properties comprising the Project Site or in the event of Redeveloper's Default, as hereinafter defined.

3.4 Off-Site Improvements. Redeveloper shall be responsible for all costs of any off-site improvements required of Redeveloper by the Township Planning Board in its review of Redeveloper's site plan application for the Redevelopment project as permitted by the Municipal Land Use Law, which improvements may include, but not be limited to, installation of traffic signals, street lamps, streetscape landscaping or redesign, or similar improvements.

ARTICLE 4

DUE DILIGENCE AND TERMINATION RIGHTS;

REDEVELOPMENT PLAN

4.1 Due Diligence Period. To the extent Township is permitted by the Act to make an assignment of its rights to access privately held property located within a Redevelopment Area to Redeveloper, then during a two hundred seventy (270) day period from the date of this Agreement (the "Due Diligence Period"), Redeveloper, its representatives and consultants are granted the right to enter upon the Individual Lots, or any of them, to perform engineering, environmental and such other feasibility studies as Redeveloper determines in its sole discretion. Such assignment shall also be subject to any other applicable law limiting Township's ability to assign such rights. Redeveloper may enter into any agreement with the Individual Lot owner(s) which does not rely on the Township's right of access. Township makes no warranty nor representation concerning the Township's legal ability to make such assignment. Any legal challenge to the Township's right to make such assignment shall be defended by Redeveloper at

its sole cost and expense. Redeveloper and Township further agree that should Redeveloper, during the Due Diligence Period, determine not to purchase the Property as a result of such studies, or as a result of Redeveloper's dissatisfaction with the Project Site property based upon Redeveloper's investigation or for any other reason whatsoever, Redeveloper shall have the right to terminate this Agreement upon written notice to Township in which case the Deposit shall be returned to Redeveloper and there shall be no further liability of the parties hereunder. Failure to notify Township prior to the expiration of the Due Diligence Period shall act as Redeveloper's election to waive this contingency. Redeveloper may extend the Due Diligence Period for additional time to complete its due diligence provided that the due diligence period in the agreement to purchase from any Individual Lot owner is extended for an equivalent period, and subject to the Township's written approval. Notwithstanding any provision to the contrary herein, Township will not be required to take title to the Project Site until satisfactory completion of the Due Diligence Period and waiver of this contingency. It is intended that during the Due Diligence Period (i) the Remediation Plans shall have been approved by the DEP upon terms and conditions, along with a determination of the Remediation Costs, satisfactory to Redeveloper in its sole discretion and Redeveloper and Township shall have received such assurances as each deems necessary from the DEP confirming that Township, Redeveloper, its lenders, transferees and tenants will not be liable for any cleanup or remediation costs for existing contamination of the Project Site except as provided in the Remediation Plan; and (ii) the parties shall develop, and agree upon set of milestones for the Project and amendments to the Redevelopment Plan, which such approved amendments shall be adopted by Township as part of the Approved Redevelopment Plan described in Section 4.5 below. The Due Diligence Period may be extended only upon the agreement of the Township and Redeveloper to complete items (i) and

(ii) above provided that the Acquisition Due Diligence Period in the agreement to purchase from the respective Owner is extended for an equivalent period.

4.2 Termination of Agreement by Redeveloper. Redeveloper shall have the right to terminate this Agreement upon notice to Township given prior to the expiration of the Due Diligence Period, if the Redeveloper concludes in its absolute discretion that the Project Site is not suitable, appropriate or desirable for the Project, and provided that the agreements of sale negotiated by Redeveloper with any Individual Lot owner do not nonetheless obligate Township to purchase any Individual Lot. Failure to notify the Township in writing prior to the expiration of the Due Diligence Period shall act as Redeveloper's election to waive its right to terminate. After the conclusion of the Due Diligence Period, Redeveloper's only right to terminate this Agreement upon notice to Township shall be pursuant to the Closing Conditions set forth in Paragraph 8.2. In the event Redeveloper elects to terminate this Agreement pursuant to Section 4.2, or on account of a default by Township hereunder, the Deposit shall be refunded to Redeveloper. Upon any such termination under this Section 4.2, and repayment of the Deposit, if required, neither party shall have any further liability hereunder. Redeveloper shall have the right to waive its right to terminate this Agreement by reason of the failure to satisfy any of the conditions set forth in this Section 4.1 or elsewhere in this Agreement, but no such waiver shall release Township from any obligations hereunder.

4.3 Termination of Agreement by Township. Township shall also have the right to terminate this Agreement at any time on written notice if the Redeveloper is in default of any terms of this Agreement. In the event Township elects to terminate on account of a default by the Redeveloper, then Township shall keep the Deposits. The Redeveloper shall have a period of

thirty (30) days from notice of the said default to remedy any default and reinstate this Agreement; provided that if the remedy would require more than thirty (30) days, the time period shall be extended on condition that Redeveloper is proceeding diligently to remedy such default.

4.4 Documents to be Delivered on Termination. In the event this Agreement is terminated for any reason, except as a result of the default of Township, Redeveloper shall deliver to Township, within thirty (30) days after such termination, copies of all final reports, studies, data, plans, surveys, title reports, subdivision maps and specifications prepared by third parties with respect to the Project Site and all documents, reports, permits and approvals obtained by Redeveloper relating to the Remediation Plans relating to the Project Site. Township acknowledges that Redeveloper will not be assigning any claims against any third parties who prepared any of the foregoing documents for Redeveloper, that Redeveloper makes no representation or warranty in connection therewith.

4.5 Redevelopment Plan Amendments. Within sixty (60) days of the Effective Date, Redeveloper, in cooperation with Township shall prepare documentation for amendments to the Redevelopment Plan deemed necessary by the Redeveloper to develop the Project, and as, and to the extent, accepted by Township. The Redeveloper shall provide a conceptual land use plan with proposed Master Plan amendments, proposed development regulations, including planned development regulations and an illustrative site layout. In the event that Township determines that Redeveloper's proposed redevelopment for the Project Site is in compliance with the intent of the Redevelopment Plan, Township shall formally propose amending the Redevelopment Plan if deemed necessary by Township. In the event that Township determines that Redeveloper's proposed redevelopment for the Project Site is not in compliance with the intent of the

Redevelopment Plan, and the parties cannot agree on a mutually acceptable plan for the redevelopment of the Project Site, the Township shall not be under any obligation to amend the Redevelopment Plan and Township may terminate this Agreement.

4.6 Meetings with Governmental Agencies. Redeveloper has met with the State of New Jersey Smart Growth Team in Trenton, prior to execution of this Agreement. Redeveloper shall meet with all other state, county and local agencies having jurisdiction over the Redevelopment as soon as practicable and as often as appropriate and shall cooperate fully with all requests of each government agency.

ARTICLE 5

OTHER COVENANTS AND AGREEMENTS

5.1 Real Estate Tax Abatement; In Lieu Tax Agreement. Within the Due Diligence Period, and as part of the Revised Redevelopment Plan to be submitted by the Redeveloper, Redeveloper and Township shall prepare and finalize a Financial Agreement establishing payment in lieu of taxes agreement ("PILOT") for the Project. Based upon the Financial Agreement, an ordinance approving the Financial Agreement and PILOT shall be prepared and submitted to the Township for adoption. If the PILOT is not approved or adopted, Redeveloper may terminate this Agreement and receive a full refund of the Deposit.

5.2 Tax Exempt Notes or Bonds and/or Non-Tax Exempt Notes or Bonds. Provided the Township cannot or does not wish to fund the activities set forth in this Section 5.2 out of available cash, Township agrees to use its best efforts to cause to be issued Tax Exempt Notes or

Bonds and/or Non-Tax Exempt Notes or Bonds in one or more issues in a maximum principal amount outstanding at any time of \$5,000,000.00 to fund the following purposes: (i) acquisition of the Project Site, (ii) acquisition of the Related Properties, (iii) advancing funds for Remediation Costs pending receipt of government grants for such specific Remediation Costs and for which Township has received an irrevocable grant commitment and (iv) the undertaking of demolition and the Infrastructure Improvements. Only short-term notes shall be issued to finance purposes (i) and (iii) because (a) in the case of purpose (i), the Redeveloper shall pay Township the Purchase Price on the Closing Date which shall be used to retire the debt and (b) in the case of purpose (iii), the grant funds shall be used to retire the debt. Short-term notes shall be issued for purpose (ii) if the Related Properties are being conveyed to Redeveloper because the Redeveloper shall pay for the Related Properties on the Closing Date. Bonds may be issued for the acquisition of the Related Properties (if not being conveyed to Redeveloper) and for the Infrastructure Improvements for a term to be agreed to by the parties. Township, in its absolute discretion, may issue such notes or bonds as assessment notes or bonds payable entirely from assessments on the Project Site and the Related Properties (if conveyed to the Redeveloper). All costs related to the procurement of the financing set forth in this Section 5.2, other than interest paid in lieu of rent pursuant to Section 2.5, shall be payable by Redeveloper at Closing.

5.3 Approved Concept Plan.

(a) Redeveloper shall, at its sole cost, prepare and submit to Township, within thirty (30) days from Township acquiring title to the Project Site, any proposed modifications to the Site Concept Plan for the Project which are consistent with the Redevelopment Plan, and showing the location of all proposed improvements to be constructed

on the Project Site and the Infrastructure Improvements. Township shall have a period of thirty (30) calendar days after receipt thereof to approve or reject such plan. If Township rejects such plan, it shall do so in writing specifying the basis for such rejection and the changes and modifications required to render same in conformity with the Redevelopment Plan. Within thirty (30) days after receipt of such rejection notice, Redeveloper shall revise the concept plan as necessary to conform to the Redevelopment Plan, as amended, and shall submit to Township a revised concept plan (such revised concept plan, as amended from time to time with the consent of Township, being herein called the "Approved Concept Plan").

(b) Within one hundred twenty (120) calendar days after the Approved Concept Plan is completed and approved by Township, and the Township Planning Board, Redeveloper shall submit to the Township Planning Board and the Camden County Planning Board an application for preliminary/final site plan approval for the entire Project, along with preliminary/final subdivision application for the Project, together with such other documents as may be required by law to obtain approval of such applications. Redeveloper agrees to prosecute such applications in good faith and with due diligence and to promptly make any changes to the site plan and subdivision plat and other documents as may be required to render same consistent with the Redevelopment Plan, the Approved Concept Plan and other requirements of the Planning Board and other governmental authorities having jurisdiction over the application.

(c) Redeveloper shall, wherever commercially prudent and practicable, consider "green" building designs and standards for the Redevelopment into the plans and concept designs submitted to the Township.