

## SETTLEMENT AGREEMENT

This Settlement Agreement is made this 13<sup>th</sup> day of July, 2011, by and among KAPLAN AT HELMETTA, LLC, a New Jersey limited liability company with an address at 433 River Road, Highland Park, NJ 08904 (“Kaplan”), BOROUGH OF HELMETTA, a municipal corporation, having offices at 60 Main Street, Helmetta, NJ 08828 (the “Borough”), and BOROUGH OF HELMETTA PLANNING BOARD, a planning board constituted to act as such under the Municipal Land Use Law, also having offices 60 Main Street, Helmetta, NJ 08828 (the “Planning Board”)(collectively, the “Parties”).

WHEREAS, the Borough Council adopted a resolution determining that certain properties collectively known as the Helme Mill Redevelopment Area were an area in need of redevelopment under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “LRHL”) and thereafter adopted a redevelopment plan for this redevelopment area (as amended, the “Redevelopment Plan”); and

WHEREAS, on May 19, 2005, the Borough Council adopted a resolution conditionally designating Kaplan as the redeveloper for the Helme Mill Redevelopment Area, subject to negotiation of a redevelopment agreement between the Borough and Kaplan; and

WHEREAS, Kaplan subsequently acquired title to properties located within the Helme Mill Redevelopment Area designated on the Borough’s tax map as Block 17, Lot 1, Block 18, Lot 6.02 and Block 19, Lot 1.02 and a portion of Lot 1.03 (collectively, the “Property”); and

WHEREAS, on January 11, 2006, the Borough Council adopted a resolution authorizing the Borough’s entry into a redevelopment agreement with Kaplan and, on that same date, the Borough and Kaplan executed and entered into the redevelopment agreement (the “Redevelopment Agreement”); and

WHEREAS, both the Redevelopment Agreement and the Redevelopment Plan require that the Helme Mill Redevelopment Area be redeveloped through the construction of an age-restricted residential housing project; and

WHEREAS, in March of 2007, Kaplan obtained preliminary site plan approval from the Planning Board to construct 225 age-restricted residential units, an approximately 5,000 square foot recreation center and pool for the residents of

this proposed community on Parcels 1-4 of the Helme Mill Redevelopment Area (as such parcels are designated within the Redevelopment Plan), along with a community civic center of approximately 3,000 square feet for the Borough's ownership and use; and

WHEREAS, Kaplan subsequently filed an application with the Planning Board under and pursuant to the "Conversion Statute" (N.J.S.A. 45:22A-46.3 et seq.) to convert the preliminary site plan approval to allow for the construction of 200 non-age restricted residential units, with the same recreation facilities and community civic center (the "Conversion Application"); and

WHEREAS, in February of 2010, the Planning Board denied Kaplan's Conversion Application; and

WHEREAS, in March of 2010, Kaplan filed a Verified Complaint in the Superior Court of New Jersey, Law Division entitled Kaplan at Helmetta, LLC v. Borough of Helmetta Planning Board, Docket No. MID-L-2068-10 (the "Litigation") challenging the Planning Board's denial of the Conversion Application; and

WHEREAS, the Planning Board and the Borough (as an intervenor) filed Answers in the Litigation opposing Kaplan's challenge to the Planning Board's denial of the Conversion Application; and

WHEREAS, the Parties filed briefs asserting their respective positions in the Litigation; and

WHEREAS, in June of 2010, the Trial Court issued an Order affirming the decision of the Planning Board denying Kaplan's Conversion Application; and

WHEREAS, Kaplan filed an appeal from the Trial Court's Order to the Appellate Division under Docket No. A-5772-09 (the "Appeal"); and

WHEREAS, the Appeal has been briefed and argued by all Parties, but no decision has yet been rendered by the Appellate Division and the Appellate Division stayed the Appeal to allow the Parties time to negotiate and finalize the terms of a settlement; and

WHEREAS, the Parties have now reached a settlement of this dispute and wish to memorialize the terms of their settlement within this agreement (the "Settlement Agreement").

NOW THEREFORE, in consideration of the foregoing recitals and the covenants and agreements set forth herein, the Parties hereby covenant and agree as follows:

1. MODIFIED PROJECT.

1.1. Kaplan shall have the right to apply to the Planning Board to build up to 200 non-age restricted residential rental units on Parcels 3 and 4, together with a smaller recreation center and a pool; provided that 50% of the adaptive reuse units shall be one bedroom units and the other 50% of such units shall be two bedroom units; and provided further that Kaplan shall comply with the affordable housing requirements set forth within Section 1.6 of this Settlement Agreement (collectively, the "Modified Project"). Kaplan shall file an application for a final site plan approval for the Modified Project with the Planning Board within forty-five (45) days from the date upon which the amendments to the Redevelopment Plan required under this Settlement Agreement become unappealable.

1.2. As a condition of final major site plan approval of the Modified Project and as consideration for the entry of this Settlement Agreement, Kaplan shall convey fee simple title to Parcels 1 and 2 to the Borough. Kaplan shall be responsible, at its sole cost and expense, for all costs of conveyance of these parcels to the Borough, including but not limited to the costs of the preparation of deeds and other closing documents, the costs of any necessary title searches, and recording fees. Kaplan shall convey title to these parcels to the Borough as follows:

(a) Kaplan shall remove building foundations and materials from Parcel 1 as reasonably directed by the Borough Engineer. Once all such building foundations and material identified by the Borough Engineer have been removed, Kaplan shall convey title to Parcel 1 to the Borough on a mutually agreeable closing date. If requested to do so by the Borough prior to the date that title to Parcel 1 is conveyed to the Borough, Kaplan shall sign any consents reasonably requested by the Borough in support of any applications filed by the Borough for permits and approvals relating to the Borough's development of Parcel 1.

(b) Within (30) days of the date that Kaplan completes construction of the community center on Parcel 2 (as evidenced by the issuance of a certificate of occupancy for the community center), Kaplan shall convey title to Parcel 2 to the Borough.

1.3. Kaplan shall construct, at its sole cost and expense, an 8,000 square foot community civic center on Parcel 2 in accordance with the specifications set forth on Exhibit 1 to this Settlement Agreement. Kaplan shall commence construction of the community center within thirty (30) days from the date that it Substantially Completes one hundred ten (110) units within the Modified Project; provided, however, that Kaplan agrees that it shall commence construction of the Modified Project on Parcel 4 and that it shall continue with construction of units on Parcel 4 until it substantially completes one hundred (110) units. For the purposes of this Settlement Agreement, the term “Substantial Completion” shall mean the completion, inspection and approval of the specified number of units and of all necessary safety requirements to allow the building in which the units are located to operate and at least one certificate of occupancy has been issued for each building in which these units are located. Kaplan shall complete construction of the community center within fifteen (15) months of the date of commencement of construction.

1.4. It is the intention of Kaplan to create an urban renewal entity and to file an application for a tax abatement in accordance with the requirements of the the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “LTTE”). The Borough agrees that if (i) Kaplan forms an urban renewal entity in accordance with the requirements of the LTTE, (ii) Kaplan conveys title to the properties within the Modified Project to the urban renewal entity, (iii) Kaplan assigns its rights under the Redevelopment Agreement to the urban renewal entity in accordance with the process set forth within the Redevelopment Agreement, and (iv) if that urban renewal entity thereafter files an application for a long term tax exemption with the Borough which satisfies all of the statutory requirements set forth within the LTTE, then the Borough shall enter into a financial agreement with the urban renewal entity, in a form acceptable to the Borough and the urban renewal entity, providing for a long term tax exemption on the properties included within the Modified Project for a term of twenty-two (22) years and for the payment of annual service charges in accordance with the following schedule:

(a) for years one through fifteen of the financial agreement, the annual service charge shall be in an amount equivalent to 10% of annual gross revenue of the Modified Project; provided, however, that so long as a Certificate of Completion has been issued for the Modified Project, in no event shall the annual service charge for this phase be less than \$275,000.00;

(b) for years sixteen through eighteen of the financial agreement, the annual service charge shall be an amount equal to 10% of annual gross revenue of the Modified Project or 20% of the amount of the taxes otherwise due on the value

of the land and improvements, whichever is greater; provided, however, that so long as a Certificate of Completion has been issued for the Modified Project, in no event shall the annual service charge for this phase be less than \$275,000.00;

(c) for years nineteen and twenty of the financial agreement, the annual service charge shall be an amount equal to 10% of annual gross revenue of the Modified Project or 40% of the amount of the taxes otherwise due on the value of the land and improvements, whichever is greater; provided, however, that so long as a Certificate of Completion has been issued for the Modified Project, in no event shall the annual service charge for this phase be less than \$275,000.00;

(d) for year twenty one of the financial agreement, the annual service charge shall be an amount equal to 10% of annual gross revenue of the Modified Project or 60% of the amount of the taxes otherwise due on the value of the land and improvements, whichever is greater; provided, however, that so long as a Certificate of Completion has been issued for the Modified Project, in no event shall the annual service charge for this phase be less than \$275,000.00;

(e) for year twenty-two of the financial agreement, the annual service charge shall be an amount equal to 10% of annual gross revenue of the Modified Project or 80% of the amount of the taxes otherwise due on the value of the land and improvements, whichever is greater; provided, however, that so long as a Certificate of Completion has been issued for the Modified Project, in no event shall the annual service charge for this phase be less than \$275,000.00; and

(f) notwithstanding anything to the contrary in subparagraphs (a) through (e) above, in the event that in any particular year the greater of 10% of the annual gross revenue or the Modified Project or the percentage of the taxes otherwise due on the value of the land and improvements under that phase is less than \$275,000, then any such differential shall be paid as a prepayment of a later year or years annual service charge, provided that any such prepayment can only be applied in a later year or years to the extent that the greater of 10% of the annual gross revenue or the percentage of the taxes otherwise due on the value of the land and improvements under that phase in that year or years exceeds the \$275,000 minimum annual charge.

1.5. The Borough agrees that to the extent that it can obtain New Jersey Department of Transportation (“NJDOT”) grant funds to do so, it shall repave the portion of John Street located within the existing cartway and right of way within the Modified Project area (the “John Street Improvements”). The John Street Improvements shall be subject to NJDOT review and approval. The Borough’s



obligation to make these improvements shall be limited to such improvements as can be made using NJDOT grant funds, if any, obtained by the Borough and allocated to the John Street portion of this project (as the Borough's grant application is seeking grant funds for the repaving of three Borough roads in allocated amounts).

1.6. (a) Except as otherwise provided herein, the Modified Project shall not contain any Affordable Housing Units. For the purposes of this Settlement Agreement, the term "Affordable Housing Units" shall mean housing units whose pricing shall be affordable to households of low or moderate income (as such terms are defined under New Jersey law applicable to affordable housing) and that are deed-restricted in accordance with applicable law so that they may only be occupied by low or moderate income residents.

(b) Notwithstanding the foregoing, in the event that the Borough, in order to obtain substantive certification from COAH or any successor state agency under current or future affordable housing law, or in order to obtain repose or protection from builder's remedy litigation under any current or future affordable housing law, is obligated to provide Affordable Housing Units within the Borough, excluding however any such obligation which arises as a result of the construction heretofore or hereafter of any other project in the Borough, and taking into consideration any bonus credits then available under law, Kaplan shall provide such Affordable Housing Units within the Modified Project; provided, however, that so long as Kaplan constructs at least 150 units within the Modified Project, Kaplan's obligation to provide Affordable Housing Units within the Modified Project shall not exceed 11.1% of the number of rental units actually constructed within the Modified Project; and further provided that Kaplan's obligations under this Section shall expire upon the issuance of the Certificate of Completion for the Modified Project unless the Borough provides written notice to Kaplan prior to issuance of the Certificate of Completion that Affordable Housing Units must be provided within the Modified Project in order to comply with the requirements of this Section. If Kaplan provides Affordable Housing Units within the Modified Project in accordance with the requirements of this paragraph, it shall provide the Borough with proof, in a form acceptable to the Borough, of the deed restriction of these units, and shall thereafter have a continuing obligation to provide the Borough, upon request, with such documents as are reasonably requested by the Borough to confirm that these units remain qualified as Affordable Housing Units.

2. AMENDED REDEVELOPMENT PLAN AND REDEVELOPMENT AGREEMENT

2.1. The Redevelopment Plan shall be further amended to designate and authorize the use of the Property as and for the Modified Project as a permitted use. The Borough shall refer these proposed amendments to the Redevelopment Plan to the Planning Board for its review and recommendation as soon hereafter as practicable, and the Borough shall then act to formally adopt these proposed amendments to the Redevelopment Plan as soon thereafter as practicable.

2.2. The Redevelopment Agreement shall be further amended to (i) delete all references to the Project and to substitute in lieu thereof the Modified Project, and any and all references to Project Improvements shall refer to the improvements for the Modified Project, (ii) delete the Detailed Concept Plan attached thereto as Exhibit D and to substitute in lieu thereof a Modified Detailed Concept Plan reflecting the Modified Project which will be identified as Exhibit D-1 to the Redevelopment Agreement, (iii) delete the Project Schedule set forth on Exhibit C thereto and to substitute in lieu thereof the Modified Project Schedule attached hereto as Exhibit 2 (which will be identified as Exhibit C-1 to the Redevelopment Agreement), (iv) delete the Project Improvements set forth on Exhibit B thereto and to substitute in lieu thereof the Modified Project Improvements attached hereto as Exhibit 3 (which will be identified as Exhibit B-1 to the Redevelopment Agreement); (v) delete Section 11.8 regarding affordable housing obligations and substitute in lieu thereof the affordable housing obligations set forth within Section 1.6 of this Settlement Agreement, (vi) include provisions regarding the operation of the apartments on the Property by Kaplan and prohibiting assignment of the Property or any of the units thereon to any other person/entity without Borough approval, (vii) revise the procedures for Kaplan to reimburse the Borough for Borough Costs under the Redevelopment Agreement, and (viii) incorporate any other necessary provisions of this Settlement Agreement, including but not limited to the provisions regarding the conveyance of Parcels 1 and 2 to the Borough after completion of certain activities thereon by Kaplan.

### 3. DISMISSAL OF APPEAL

3.1. Upon the full execution of this Settlement Agreement by the Parties and the grant of the amended preliminary approval of the Modified Project by the Planning Board, Kaplan shall dismiss its appeal, without prejudice to its right to enforce the terms of this Settlement Agreement and/or to seek to reinstate the Appeal if any of the Parties breach the terms of the Settlement Agreement.

### 4. MISCELLANEOUS

4.1. The Parties hereto hereby represent and warrant to each other that the execution and delivery of this Settlement Agreement by the designated signatories hereto has been duly authorized by all necessary and appropriate actions and that this Settlement Agreement is therefore binding upon each of the Parties hereto.

4.2. The Parties hereto hereby covenant and agree to cooperate with each other in good faith and in a timely manner to implement the provisions of this Settlement Agreement and to satisfy the contingencies set forth herein.

4.3 This Settlement Agreement may only be modified by a writing signed by authorized representatives of each of the Parties hereto.

4.4 This Settlement Agreement shall be governed by and construed and enforced pursuant to the laws of the State of New Jersey, without regard to its conflict of laws principles. Any action hereunder shall be brought exclusively in a court of the State of New Jersey sitting in Middlesex County, New Jersey, and the Parties hereby waive all objections to such venue.

4.5 Within thirty (30) days of the date that this Settlement Agreement is fully executed by the Parties, Kaplan shall pay the Borough the sum of \$8,295.00 to compensate the Borough for the professional services performed by GluckWalrath, LLP through July 7, 2011 on behalf of the Borough in the preparation of this Settlement Agreement and its exhibits, the amendment to the Redevelopment Agreement, and in the implementation of the settlement and of the amendments to this redevelopment project and the sum of \$1,750.00 to compensate the Borough/Planning Board for the professional services performed by Clarkin & Vignuolo through July 11, 2011 on behalf of the Borough/Planning Board in connection with this settlement (fees incurred in connection with Planning Board applications hereafter shall be addressed through the normal Planning Board escrow account). These payments shall be without prejudice to Kaplan's right to challenge the validity of any billing entries and to seek a credit therefore against future payments for Borough Costs and without prejudice to the Borough's right to seek reimbursement of eligible Borough Costs from Kaplan, whether performed prior to or after July 7, 2011, in accordance with the procedure that will be established within the Second Amendment to the Redevelopment Agreement.

4.6 In the event of a default by any party as to any term or condition of this Settlement Agreement, the other parties shall have the right to pursue all remedies that they may have law or in equity against the defaulting party, including but not limited to specific performance. The failure of a non-defaulting party to immediately pursue such remedies upon the occurrence of an event of

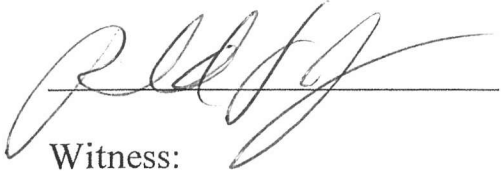


default shall not constitute a waiver of the non-defaulting parties' right to take such actions as it deems necessary to pursue remedies based upon such default.

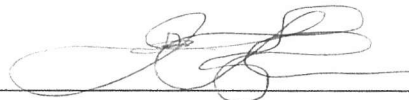
IN WITNESS WHEREOF the Parties hereto have caused this Settlement Agreement to be executed, all as of the day and year first above written.

Attest:

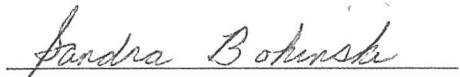
KAPLAN AT HELMETTA, LLC

  
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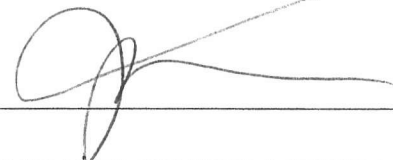
Witness:

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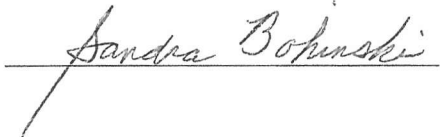
BOROUGH OF HELMETTA

  
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Witness:

By:   
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BOROUGH OF HELMETTA  
PLANNING BOARD

  
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# **EXHIBIT 1**

## Specifications

### Helmetta Community Building

The following specifications are for a typical 8,000 square foot community facility with one meeting room, a service kitchen and men's and ladies restrooms for Use Group A3 Community Hall using Construction Type 5A.

#### **Size:**

- Total square foot under roof to be 8,000 SF

#### **Foundation:**

- Exterior footings shall be 16" x 28" trench footings with one 8" block and one 8" shoe block
- The exterior footing bottom shall be 36" minimum below grade
- Interior bearing wall support shall be 16" x 8" thickened concrete slab with two #4 reinforcing bars continuous
- Interior column footings shall be 36" x 36" x 12" with four #4 reinforcing bars each way
- All foundation concrete shall be 3,000#

#### **Slab:**

- 4" thick 3,000# concrete slab
- The slab shall be reinforced with 6x6-10/10 WWF
- The slab shall be installed over 4" of porous stone covered by a 6 mil vapor barrier
- There shall be 24" x 2" horizontal closed cell insulation along the exterior perimeter of the slab with an R value of 6
- The slab shall have a trowel finish to accept VCT and ceramic tile

#### **Framing:**

- Exterior walls shall be 2 x 6 – 9' precut studs at 16" on center with single bottom and double top plate
- Interior walls shall be 2 x 4 – 9' precut studs at 16" on center with single bottom plate and double top plate
- Roof shall be prefabricated wood trusses at 24" centers with a 4 on 12 pitch as designed by the truss manufacturer
- Exterior wall sheathing shall be 7/16" oriented strand board
- Roof sheathing shall be ½" CDX plywood with "H" clips at the mid span points
- All framing material shall be SPF #2 or better

#### **Roofing:**

- Roof shall be IKO Marathon 25 Year Eastern USA three tab asphalt impregnated fiberglass shingles

- 15# roofing felt below the shingles with Weather Watch, or equal, waterproofing membrane to a point at least 24" inside the exterior wall line of the building
- "Cobra Vent" continuous roll ridge vent with shingle capping

**Siding:**

- Variform ® Contractors Choice Double 4" Builders Select .040" Vinyl Siding over Tyvek® with drip cap over all doors; starter strips; inside corners and 3-1/2" wide outside corners, caulking in matching color at all penetrations by utilities and where required
- All rakes and fascia to be wrapped with vinyl coated aluminum coil

**Brick:**

- The building shall receive a brick wainscot with standard size brick at an allowance cost of \$300/1000 brick
- The wainscot shall be 30" high including the brick rowlock

**Doors and Windows:**

- The front entry shall be a 6' x 6'-8" commercial glazed aluminum double door with panic hardware and closers
- Additional emergency exit doors shall be insulated steel with steel frames and panic hardware and closers
- All interior doors shall be hollow core Masonite Craftmaster with wooden frames and Schlage Accent Lever hardware
- The windows shall be 3' x 5' Silverline Series 2900 single hung vinyl with low E glazing
- Screens shall be supplied for all windows

**Interior:**

- The exterior walls shall receive R-19 craft faced fiberglass batt insulation
- R-30 12" Blown in fiberglass in all flat ceilings exposed to cold with vents at all eaves
- Latex caulk at exterior sills, corners and t-posts
- 5/8" FC sheetrock at all walls and ceilings with three coats of spackle ready for paint
- Base to be 3" finger joint colonial, casing to be 2-1/4" finger joint colonial, windows to receive pine or particle board sill with 4" nominal depth, nosing at face and return 1" at each end, apron under sill to be 2-1/4" finger joint colonial casing with ends face cut at 22-1/2 degree angle and 11/16" shoe molding at all VCT floor areas
- One coat of primer and two coats of latex flat paint on all interior walls and ceilings
- One coat of primer and two coats of latex semi-gloss paint on all interior doors and trim
- 4-1/4" square ceramic floor tile in all bathrooms with 4" ceramic base tile

- All other areas are to receive 12" square by 1/8" Armstrong Excelon commercial VCT floor tile
- Composite bath partitions, mirrors and bath accessories will be supplied in the restrooms
- 40 lineal feet of upper and lower kitchen cabinets model Hammond recessed panel oak with wheat finish as manufactured by Aristokraft
- Kitchen counters shall be square edged plastic laminate
- Kitchen appliances shall be one 20cf refrigerator, one 20 cf freezer, one dishwasher one 36" range with vented hood and one microwave oven all as manufactured by GE Appliances
- All signage shall be installed per code requirements
- Fire extinguishers shall be install per code requirements

**Plumbing:**

- All waste lines shall be PVC
- All water lines shall be PEX
- The toilets, urinals and ceramic bath sinks shall be Pro Flo manufactured by Ferguson
- The kitchen shall receive a single bowl stainless steel sink manufactured by Kohler
- There shall be one floor mounted janitors slop sink
- All faucets shall be manufactured by Kohler
- There shall be one 40 gallon electric hot water heater
- All gas pipe to be black iron with malleable black iron fittings

**HVAC:**

- The system shall be designed to deliver 70 degrees indoors at 0 degrees outdoors with 15 MPH prevailing winds on the heat cycle and at 95 degrees outdoors the system will maintain 75 degrees indoors with a relative humidity of 50% on the cooling cycle
- It will be a split system with natural gas fired heating
- There shall be a heat recovery ventilation unit
- The bathrooms and janitors closet shall receive exhaust fans

**Fire Alarm and Sprinkler System:**

- A licensed contractor shall design and install a fire sprinkler system in accordance with NFPA 13 Standard for Installation of Sprinkler Systems latest adopted edition and the 2000 International Building Code (IBC), all other applicable codes included as part of NFPA 13 shall be included in this work
- Sprinkler heads shall be white recessed pendant
- Electronic fire alarm system to be installed with central station alarm and monitoring equipment and all horns and strobes and pull stations as required

**Electrical:**

- One 300 amp service panel in mechanical or electric closet



- Interior lighting per code levels to be supplied by 2 x 4 surface mounted fluorescent fixtures
- All devices shall be standard toggle switches and outlets with over size cover plates, all in white
- All emergency and exit lighting shall be installed per code

# **EXHIBIT 2**

## EXHIBIT C-1

### MODIFIED PROJECT SCHEDULE

The Modified Project tasks and completion dates set forth below shall be adhered to by the Borough and the Redeveloper in accordance with the terms and conditions of this Agreement

<u>TASK</u>	<u>COMPLETION DATE</u>
1. Redeveloper shall submit application to Planning Board for final site plan approval for the Modified Project.	Not later than 45 days following the date upon which the amendment of the Redevelopment Plan authorizing the Modified Project becomes unappealable.
2. Redeveloper shall apply for all Governmental Approvals required to construct the Modified Project.	Not later than 45 days following the date that the Planning Board's resolution granting the amended preliminary and final site plan approval for the Modified Project becomes unappealable.
3. Redeveloper shall commence construction of the Modified Project.	Not later than 90 days following the Redeveloper's receipt of the Governmental Approvals.
4. Redeveloper shall complete removal from Parcel 1 of the building foundations/materials as reasonably directed by the Borough Engineer.	Within time period established by Borough Engineer.
5. Redeveloper shall commence construction of community center on Parcel 2.	Not later than 30 days from the date that it Substantially Completes 110 units with the Modified Project

6. Redeveloper shall complete construction of community center on Parcel 2.	Not later than 15 months from the date of commencement of construction of the community center.
7. Redeveloper shall complete construction of the Modified Project	Not later than 36 months from the date of commencement of construction of the Modified Project.

# **EXHIBIT 3**



## **EXHIBIT B-1**

### **PROJECT IMPROVEMENTS**

1. The Redeveloper shall construct, at its sole cost and expense, an 8,000 square foot community civic center upon Parcel 2 in accordance with the specifications set forth within Exhibit G to the Redevelopment Agreement and shall thereafter convey title in Parcel 2 to the Borough. The Redeveloper shall be responsible for all costs associated with transferring Parcel 2 to the Borough including, but not limited to, attorneys fees, title insurance and premiums, and recording fees.
2. The Redeveloper, at its sole cost and expense, shall remove the building foundations and materials from Parcel 1 as reasonably directed by the Borough Engineer and shall thereafter transfer title to Parcel 1 to the Borough. The Redeveloper shall be responsible for all costs associated with transferring Parcel 1 to the Borough including, but not limited to, attorneys fees, title insurance and premiums, and recording fees.
3. Redeveloper shall pay all fees associated with the connection of water and sewer to the Project at the prevailing rate at the time that building permits are issued (the current estimated cost is \$1,475.25 per unit for water and \$1,560.00 per unit for sewer connections), subject to the Redeveloper's right to request credits for off-site improvements. Redeveloper acknowledges that there may be extra charges assessed by the Monroe MUA to increase the capacity of sewer service to the Project. Subject to Redeveloper's right to request credits, Redeveloper shall pay for all improvements to the system serviced by the Borough and the Monroe MUA to increase capacity sewer service to the Project.
4. Redeveloper to pay its fair share of fees associated with the Borough's water tower. The current estimated payment is \$1,500.00 per unit.
5. Redeveloper shall be responsible to construct and pay for the extension of the water lines required to service the Project.