



# UNION COUNTY IMPROVEMENT AUTHORITY

1499 US Highway One, North, 3<sup>rd</sup> Floor  
Rahway, New Jersey, 07065  
www.ucimprovementauthority.org  
(732) 382-9400 (732) 382-5862 fax

Resolution No. 74-2017

Date: December 6, 2017

## RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING EXECUTION OF A PROPERTY MANAGEMENT AGREEMENT WITH NOBEL PROPERTY MANAGEMENT, LLC FOR THE PARK MADISON REDEVELOPMENT AREA IN PLAINFIELD, NEW JERSEY

APPROVED AS TO FORM:  
Lisa M. da Silva, RMC  
Clerk of the Authority

APPROVED AS TO SUFFICIENCY OF FUNDS  
☐ YES ☐ NO ☒ NONE REQUIRED  
UNION COUNTY IMPROVEMENT AUTHORITY

*Lisa M. da Silva*

*M. W. B. J. D.*

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Bornstad, Treasurer</i>	✓		✓				✓
<i>D'Elia</i>	✓		✓				
<i>Hockaday</i>	✓		✓				
<i>Huff</i>	✓		✓				
<i>Lattimore</i>		✓					
<i>Salerno, Secretary</i>	✓		✓				
<i>Szpond</i>	✓		✓			✓	
<i>Rountree, Vice Chairwoman</i>	✓		✓				
<i>Scutari, Chairman</i>	✓		✓				

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY  
AUTHORIZING EXECUTION OF A PROPERTY MANAGEMENT  
AGREEMENT WITH NOBEL PROPERTY MANAGEMENT, LLC FOR THE  
PARK MADISON REDEVELOPMENT AREA IN PLAINFIELD, NEW JERSEY**

**WHEREAS**, the **UNION COUNTY IMPROVEMENT AUTHORITY** (together with any successor thereto, the "Authority" or "UCIA"), has been duly created by an Ordinance of the Board of Chosen Freeholders (together with any successor legislative body, the "Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1950 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the City of Plainfield, New Jersey (the "City") has undertaken the redevelopment of an area of the City known as "The Park-Madison Redevelopment Area" (the "Redevelopment Area") as a Redevelopment Project (the "Redevelopment Project"); and

**WHEREAS**, the City designated the Authority as the Redevelopment Entity pursuant to the Redevelopment and Housing Law, N.J.S.A. 40A:12A-I et seq., for the Redevelopment Area (the "Redevelopment Entity"); and

**WHEREAS**, the Authority has agreed to act as Redevelopment Entity, and in accordance with a Redevelopment Plan approved by an Ordinance of the City adopted on July 10, 2000, undertook the development of certain office space, lower level commercial/retail space and parking facilities for use of the County, other public agencies and retail/commercial users (the "Office Project" ), and to develop separate commercial space, parking and other uses on a portion of the Redevelopment Area (the "Retail Project" and together with the Office Project, the "Project"); and

**WHEREAS**, the Authority solicited requests for proposals for a developer to undertake the Project for the Authority, and upon receipt and review of proposals, the Authority selected AST Development Corporation (the "Redeveloper") as the developer for the Project; and

**WHEREAS**, the Authority and the Redeveloper entered into a Redevelopment Agreement, as amended and supplemented, relating to the Project (the "Redevelopment Agreement"); and

**WHEREAS**, the City sold the land upon which the Project has been constructed (the, "Redevelopment Site") to the Authority; and

**WHEREAS**, the Authority has ground leased all rights, title and interest it acquired from the City in a portion of the Redevelopment Site to a non-profit urban redevelopment corporation ("Urban Renewal Entity") known as UCIA Plainfield Urban Renewal Corp. ("UCIA Plainfield") created and controlled by the Authority (the "Urban Renewal Ground Lease"), which Urban Renewal Entity, as lessee, has ground leased all its title, rights and interest to the Authority (the "Authority Ground Lease"), which has leased the Office Project to the County, pursuant to a lease between the Authority and the County in accordance with N.J.S.A. 40:37A-78 ("Lease Agreement"); and

**WHEREAS**, N.J.S.A. 40:37A-78 permits the County to enter into the lease with the Authority for public facilities such as the Office Project, and the County determined it is in the County's best interest to lease the Office Project from the Authority in accordance with the Lease Agreement; and

**WHEREAS**, the Authority owns, leases and operates the Office Project, subject to the Urban Renewal Ground Lease, the Authority Ground Lease and the Lease Agreement; and

**WHEREAS**, the County entered into a Management Services Agreement with the Authority (the "Management Services Agreement"), pursuant to which the Authority constructed, manages, operates and maintains the Office Project, and on behalf of the County, sub-leased all portions of the Office Project not utilized by the County; and

**WHEREAS**, the Authority desires to enter into a Property Management Agreement with Nobel Property Management, LLC in order to operate the Park Madison Office Project; and

**WHEREAS**, the Authority now authorizes the Executive Director to execute a Property Management Agreement between the Authority and Nobel Property Management, LLC in substantially the form annexed hereto and made a part hereof, a copy of which is attached hereto as **Exhibit A**.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

1. The foregoing recitals are incorporated herein as if set forth at length; and
2. The Executive Director is hereby authorized and directed to execute a Property Management Agreement between the Authority and Nobel Property Management, LLC to perform property management services related to the Park Madison Project in accordance with the Property Management Agreement, a copy of which is attached hereto as **Exhibit A**; and
3. The Executive Director is hereby authorized and directed to take any and all actions necessary to execute the Agreement; and
4. The Executive Director is hereby authorized to take any and all actions necessary to implement the Agreement; and
5. This resolution shall take effect immediately.

MANAGEMENT AGREEMENT  
BY AND BETWEEN  
THE UNION COUNTY  
IMPROVEMENT AUTHORITY  
AND  
NOBEL PROPERTY MANAGEMENT, LLC

DATED AS OF 2017

**THIS MANAGEMENT AGREEMENT**, (as the same may be amended from time to time in accordance with the terms hereof, the "Management Agreement") is a contract made for good, valuable and sufficient consideration as of the \_\_\_\_ day of \_\_\_\_\_, 2017 by and between the following parties with the respective principal corporate offices:

**THE UNION COUNTY  
IMPROVEMENT AUTHORITY**  
1499 Route 1 and 9  
Rahway, New Jersey 07065

**HEREINAFTER REFERRED TO AS "UCIA" OR "AUTHORITY" AND**

**NOBEL PROPERTY MANAGEMENT, LLC**  
111 Magee Avenue  
Lavallette, New Jersey 08735

**HEREINAFTER REFERRED TO AS THE "MANAGEMENT AGENT".**

**WITNESSETH:**

**WHEREAS**, the **UNION COUNTY IMPROVEMENT AUTHORITY** (together with any successor thereto, the "Authority" or "UCIA"), has been duly created by an Ordinance of the Board of Chosen Freeholders (together with any successor legislative body, the "Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1.950 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the City of Plainfield, New Jersey (the "City") has undertaken the redevelopment of an area of the City known as "The Park-Madison Redevelopment Area" (the "Redevelopment Area") as a Redevelopment Project (the "Redevelopment Project"); and

**WHEREAS**, the City designated the Authority as the Redevelopment Entity pursuant to the Redevelopment and Housing Law, N.J.S.A. 40A:12A-I et seq., for the Redevelopment Area (the "Redevelopment Entity"); and

**WHEREAS**, the Authority has agreed to act as Redevelopment Entity, and in accordance with a Redevelopment Plan approved by an Ordinance of the City adopted on July 10, 2000, undertook the development of certain office space, lower level commercial/retail space and parking facilities for use of the County, other public agencies and retail/commercial users (the "Office Project"), and to develop separate commercial space, parking and other uses on a portion of the Redevelopment Area (the "Retail Project" and together with the Office Project, the "Project"); and

**WHEREAS**, the Authority solicited requests for proposals for a developer to undertake

the Project for the Authority, and upon receipt and review of proposals, the Authority selected AST Development Corporation (the "Redeveloper") as the developer for the Project; and

**WHEREAS**, the Authority and the Redeveloper entered into a Redevelopment Agreement, as amended and supplemented, relating to the Project (the "Redevelopment Agreement"); and

**WHEREAS**, the Authority financed the acquisition of the Redevelopment Site (hereinafter defined) and Office Project (collectively, hereinafter the "Initial Project") through the issuance of its Lease Revenue Bonds, Series 2003A (Tax-Exempt) and Series 2003B (Taxable) (collectively, hereinafter the "Initial Bonds") in an aggregate principal amount of \$28,000,000; and

**WHEREAS**, the City sold the land upon which the Project has been constructed (the, "Redevelopment Site") to the Authority; and

**WHEREAS**, the Authority has ground leased all rights, title and interest it acquired from the City in a portion of the Redevelopment Site to a non-profit urban redevelopment corporation ("Urban Renewal Entity") known as UCIA Plainfield Urban Renewal Corp. ("UCIA Plainfield") created and controlled by the Authority (the "Urban Renewal Ground Lease"), which Urban Renewal Entity, as lessee, has ground leased all its title, rights and interest to the Authority (the "Authority Ground Lease"), which has leased the Office Project to the County, pursuant to a lease between the Authority and the County in accordance with N.J.S.A. 40:37A-78 ("Lease Agreement"); and

**WHEREAS**, N.J.S.A. 40:37A-78 permits the County to enter into the lease with the Authority for public facilities such as the Office Project, and the County determined it is in the County's best interest to lease the Office Project from the Authority in accordance with the Lease Agreement; and

**WHEREAS**, the Authority owns, leases and operates the Office Project, subject to the Urban Renewal Ground Lease, the Authority Ground Lease and the Lease Agreement; and

**WHEREAS**, the County entered into a Management Services Agreement with the Authority (the "Management Services Agreement"), pursuant to which the Authority constructed, manages, operates and maintains the Office Project, and on behalf of the County, sub-leased all portions of the Office Project not utilized by the County; and

**WHEREAS**, the proceeds of the Initial Bonds were applied to payment of the acquisition of the Redevelopment Site, costs of the Office Project, the costs of issuing the Initial Bonds, capitalized interest on the Initial Bonds, a debt service reserve fund to secure the Initial Bonds, if necessary, and any other costs set forth in the Bond Resolution; and

**WHEREAS**, the Initial Bonds have such other terms as set forth in a certain resolution authorizing the issuance of the Lease Revenue Bonds, Series 2003A (Tax Exempt) and Series 2003B (Taxable) (City of Plainfield-Park Madison Redevelopment Project) and Additional Bonds of Union County Improvement Authority to be adopted by the Authority prior to the issuance of the Initial Bonds (the "Initial Bond Resolution;" the Initial Bond Resolution, and any amendments

or supplements thereto in accordance with the terms thereof may be collectively referred to as the "Bond Resolution" ); and

**WHEREAS**, the payment of the principal and redemption premium, if any, of and interest on the Initial Bonds is secured by rental payments made under the Lease Agreement by the County; and

**WHEREAS**, the Initial Bonds designated as Series 2003A Bonds (the "Tax-Exempt Bonds"), issued as Tax-Exempt bonds under the Code, the interest on which shall be excludable from the gross income of the holders thereof for federal income tax purposes; and

**WHEREAS**, the Initial Bonds designated as Series 2003B Bonds (the "Taxable Bonds"), issued as taxable bonds under the Code, the interest on which shall be includable in the gross income of the holders thereof for federal income tax purposes; and

**WHEREAS**, the County, as a party obligated to pay more than ten percent (10%) of the debt service on the Initial Bonds entered into that certain "Continuing Disclosure Agreement, (City of Plainfield Park Madison Redevelopment Project)" dated as of the first day of the month of issuance of the Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "Continuing Disclosure Agreement") with the Authority and the Trustee in order to satisfy the secondary market disclosure requirements of Rule 15c2-12; and

**WHEREAS**, the Authority desires to enter into a Management Agreement with Management Agent in order to operate the Office Project;

**NOW THEREFORE, IN CONSIDERATION OF** the preamble hereof and certain other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto express their mutual understanding with respect to the Project as follows:

## **ARTICLE I. GENERAL CONDITIONS**

**Section 1.** The following terms set forth in this Management Agreement shall have the meanings specified in the recitals hereto:

Act  
Authority  
Authority Ground Lease  
Board of Freeholders  
Bonds  
Bond Resolution  
City  
Continuing Disclosure Agreement  
Initial Bond Resolution  
Initial Project  
Lease Agreement  
Management Agreement

Management Services Agreement  
Office Project  
Project  
Project Site  
Redeveloper  
Redeveloper Ground Lease  
Redevelopment Agreement  
Redevelopment Area  
Redevelopment Entity  
Redevelopment Project  
Redevelopment Site  
Retail Project  
Section 13  
State  
Tax Exempt Bonds  
Taxable Bonds  
Urban Renewal Ground Lease

**Section 2.** In addition, terms not otherwise defined herein, unless the context requires otherwise, shall have the meanings ascribed to such terms in the Bond Resolution of the Authority or the Lease Agreement between the Authority and the County, copies of which are located at the Authority's office.

**Section 3.** In addition, as used in this Management Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

- a. "Redeveloper" shall mean AST Development Corp.; and
- b. "Management Agent" shall mean Nobel Property Management, LLC under this Management Agreement.
- c. "Project Plan" shall mean the plans and specifications for the development of the Office Project, prepared by the Redeveloper as approved by the Authority.
- d. "Project Property" shall mean that portion of the Redevelopment Site located within the City which is identified on Exhibit 1 attached hereto and which is identified on the Tax Map of the City as a portion of Lot 1 in Block 246 (i.e., Parcel 2).

**Section 4. Term.**

This Management Agreement shall be in effect as of January 1, 2017 until December 31, 2022 (the "Term"), subject to the right of termination set forth in Section 15, or until it is terminated by either of the parties in the manner set forth in this Management Agreement. The Authority shall have the option to extend the Term of this Management Agreement for two (2) additional periods



of six (6) years each (the “Renewal Option(s)”). The first renewal term, if exercised, would commence January 1, 2023 and end December 31, 2027 (the “First Renewal Term”). The second renewal term, if exercised, would commence January 1, 2028 and end December 31, 2034 (the “Second Renewal Term”). The Renewal Option for the First Renewal Term shall be deemed to have been automatically exercised by the Authority unless this Management Agreement has previously been terminated pursuant to the terms of this Management Agreement, or the Authority serves the Management Agent with written notice by no later than June 30, 2022 that it elects not to exercise its Renewal Option. The Renewal Option for the Second Renewal Term shall be deemed to have been automatically exercised by the Authority unless this Management Agreement has previously been terminated pursuant to the terms of this Management Agreement, or the Authority serves the Management Agent with written notice by no later than June 30, 2027 that it elects not to exercise its Renewal Option.

**Section 5. Notices.**

All notices, certificates or other communications hereunder shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the UCIA or the Management Agent at the following addresses:

- a. The Union County Improvement Authority  
1499 Route 1 and 9  
Rahway, New Jersey 07065
- b. Nobel Property Management, LLC  
111 Magee Avenue  
Lavallette, New Jersey 08735

With copy to: Robert S. Goldsmith, Esq.  
Greenbaum, Rowe, Smith & Davis LLP  
75 Livingston Avenue  
Roseland, New Jersey 07068

Either of the parties may designate any further or different address to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the other in accordance with this section.

**Section 6. Binding Effect.**

This Management Agreement shall inure to the benefit of and shall be binding upon the UCIA and the Management Agent and their respective successors and assigns.

**Section 7. Severability.**

In the event any provision of this Management Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof

**Section 8. Amendments, Supplements and Modifications.**

This Management Agreement may only be amended, supplemented or modified upon the prior written consent of UCIA and Management Agent, Nobel Property Management, LLC.

**Section 9. Execution in Counterparts.**

This Management Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

## **Section 10. Applicable Law and Regulations.**

This Management Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

## **Section 11. Consents and Approvals.**

Whenever the written consent or approval of the UCIA shall be required under the provisions of this Management Agreement, such consent and approval may only be given by UCIA unless otherwise provided by law or by rules, regulations or resolutions of UCIA. Written consent by Management Agent shall be given by approvals of an authorized officer of Management Agent.

## **Section 12. Captions.**

The captions or headings in this Management Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Management Agreement.

## **Section 13. Compliance with Bond Documents.**

This Management Agreement is executed, among other reasons, to provide for the management of the Office Project which is financed with Tax-Exempt Bonds. Accordingly, all duties, covenants, obligations and agreements of Management Agent contained herein are hereby declared to be for the benefit of and are enforceable by the holders of such Bonds, the UCIA, and/or the Trustee appointed under the Bond Resolution.

## **Section 14. Controlling Provisions.**

This Management Agreement has been entered into pursuant to the Bond Resolution, and such other agreements as related to, among other things, the Office Project.

## **Section 15. Termination.**

The Authority may, for good cause shown and upon two (2) months' prior written notice terminate and cancel the Management Agreement, provided however that prior to such termination, the Authority provided the Management Agent with a period of at least thirty (30) days, or for as long is reasonable necessary, to cure the acts or omissions which formed the basis of the Authority's cause to terminate (the "Cure Period") and the Management Agent was unable to cure or remedy such acts or omissions during the Cure Period. The Management Agent shall further be entitled to reasonable extension(s) of the Cure Period upon a showing that good faith efforts have been taken to cure such acts or omissions but that additional time is necessary to complete such cure. Upon the Authority's exercise of the right granted under this provision of the Management Agreement, same shall be deemed terminated, and neither party shall have any claim related to this Management Agreement for additional payment or services

The Management Agent may, upon six (6) months' prior written notice, terminate and

cancel this Management Agreement, and upon the Management Agent's exercise of the right granted under this provision of the Management Agreement, same shall be deemed terminated and neither party shall have any claim related to this Management Agreement for additional payment or services.

## **ARTICLE II. OFFICE PROJECT**

### **Section 1. Administration and Management of the Project.**

Subject to the terms of this Management Agreement, Management Agent shall have the authority and responsibility to do or cause to be done the following:

- a. Such other matters as further set forth in this Management Agreement.
- b. **SUBJECT TO THE FOREGOING, ALL CONTRACTS OR SUBCONTRACTS EXCEEDING FIFTY THOUSAND (\$50,000.00) DOLLARS IN THE AGGREGATE TO BE AWARDED BY MANAGEMENT AGENT TO A SERVICE PROVIDER, CONTRACTOR OR A VENDOR PURSUANT HERETO SHALL BE SUBJECT TO THE PRIOR APPROVAL OF UCIA. ALL SUCH SERVICE PROVIDERS, CONTRACTORS OR VENDORS MAY BE REQUIRED, AT THE DISCRETION OF UCIA, TO PROVIDE A PERFORMANCE BOND.**

### **Section 2. Office Project Operation.**

UCIA hereby retains and contracts with the Management Agent as the sole and exclusive management agent (except as set forth herein) of the Office Project, and Management Agent shall have the following duties relating thereto:

- a. UCIA shall advise Management Agent, in writing, from time to time of its then current intention to seek and obtain tenants for any such space described on Exhibit A as the same may be modified from time to time. UCIA shall provide to Management Agent a copy of any lease it enters into with such tenant(s), which lease shall contain a provision requiring tenant(s) to provide copies of plans to Management Agent for all work associated with tenant fit-out for review and approval by Management Agent prior to commencement of said work. If any tenant fit-out exceeds a total cost of \$250,000, the UCIA agrees to pay to Management Agent a construction management fee of five percent (5%) of the total tenant fit-out cost within thirty (30) days of receiving an invoice from the Management Agent for same.
- b. Management Agent shall be responsible, from the period commencing with execution of this Management Agreement until the termination thereof, for the provision of all services necessary to efficiently operate the Office Project, to maintain it in a state of good repair and to reasonably secure it against damage; provided, that the costs thereof shall be treated as Operating Expenses and billed to the UCIA.

c. Subject to Article I, Section (1) (c) and (d), Management Agent is authorized and required to purchase necessary supplies; to make contracts for electricity, gas, stream, telephone, window cleaning, refuse disposal, vermin extermination and for "all other utilities or services" which Management Agent shall reasonably consider advisable; and to make ordinary repairs and alterations necessary for the operation of the building, all of which are herein considered Operating Expenses. However, as applicable, the cost of such services, on a pro rata basis, shall be included as a portion of the rent to be paid by all tenants who rent space in the Office Project, including the County, and the County, in accordance with the Management Services Agreement, shall be responsible for any shortfall in such collection. All rents, with the exception of rent from the County, shall be collected by Management Agent and the net amount after the deduction of the Operating Expenses and after the Operating Reserve (as hereinafter defined) has been fully funded shall be either: (1) billed to the UCIA; or (2) any excess funds shall be remitted to the UCIA's Trustee for the Project, as requested but in no event more frequently than on a quarterly basis, to be held in an account separate and apart from all others, Management Agent shall invoice the Trustee monthly for Operating Expenses and Management Agent's monthly portion of the annual management fee (as contemplated by Section 11(d) below). UCIA and/or its rental agent shall include a provision for the collection of said amount in all leases, except that Management Agent on behalf of UCIA shall bill the County monthly, for its pro rata share of said Operating Expenses, as an item separate from the Lease Payments (as defined in the Lease Agreement) payable by the County under the Lease Agreement. The Management Agent shall maintain an operating reserve account in an amount not to exceed \$200,000.00 to be funded out of the rents collected by the Management Agent (the "Operating Reserve").

d. Any rebate or discount obtained by Management Agent in connection with any of the foregoing expenditures shall be credited to the account of the UCIA.

e. Management Agent shall employ, discharge, supervise, and pay, all servants, employees, or contractors considered by the Management Agent as necessary for the efficient management of the Office Project; provided, that the costs thereof shall be treated as Operating Expenses..

f. When necessary, Management Agent may recommend the institution of legal actions by the UCIA or County and shall fully cooperate and participate in such actions on the UCIA's or County's behalf to the extent necessary, however any legal actions taken with respect to the Office Project, including to enforce the collection of rent or other income from the Office Project, or to dispossess tenants or other person from the Office Project, shall be initiated by counsel for the UCIA and/or County.

All Operating Expenses shall be paid from Operating Revenues (as defined in the Management Services Agreement). Notwithstanding the foregoing, if, at any time during or applicable to the Term of this Agreement, Operating Revenues are insufficient to pay all Operating Expenses and/or sufficient sums to pay Operating Expenses are not delivered to the Management Agent by the Trustee or by UCIA, the Management Agent may, but shall have, no obligation to advance funds therefor.

### **Section 3. Inspection and Repairs.**

Management Agent shall do everything reasonably necessary for proper maintenance of the Office Project. Such duties include, without limitation, making or arranging for periodic inspections, and arranging for and supervising all required maintenance and repair. Management Agent shall also be responsible for such improvements, alterations, and repair as may be required by UCIA or the County. No extraordinary maintenance, repairs, or other work costing more than Fifty Thousand Dollars (\$50,000) shall be made by the Management Agent without the prior written authorization of UCIA. In the case of an emergency that requires repairs or maintenance to protect the Office Project, and/or the health and safety of tenants in excess of said amount, Management Agent shall, after making all reasonable attempts to contact a representative of UCIA and/or the County, use reasonable discretion to make any such repairs as necessary to prevent damage to the Office Project, or to protect the safety and health of tenants.

#### **Section 4. Negotiations of Lease.**

As to all space set forth on Exhibit A and the first (or ground) floor of the Office Project, UCIA shall have the authority and exclusive right to negotiate leases and month to month tenancies with existing and prospective tenants. All leases shall be signed by UCIA.

#### **Section 5. Tenants.**

Management Agent shall handle all tenant maintenance and/or repair requests (including requests by the County to the extent not covered by the Lease Agreement) that may arise from time to time. Management Agent shall provide a monthly log of such requests to the UCIA.

#### **Section 6. Records.**

Management Agent shall maintain accurate records of all moneys received and disbursed by Management Agent in connection with the management of the Office Project. Such records shall be opened for inspection by the UCIA at all reasonable times. Management Agent shall also render to UCIA a monthly statement showing all receipts and disbursements together with supporting vouchers.

In order to facilitate the monitoring and audit of financial operations, Management Agent agrees to segregate all financial operations and activity into a single department on its books of accounts. All revenues and expenses shall be recorded within the books for that department, which shall not contain records of financial activity for any other purpose or function of Management Agent.

#### **Section 7. Payment to UCIA.**

Management Agent shall collect the full amount of rent and tenants' pro-rata share of fees and expenses (except rent and tenants' share of pro-rata fees and expenses under the Lease Agreement between the County and UCIA, which shall be paid in accordance with the terms of such Agreement). On the 25th day of each month, the Management Agent shall submit to the UCIA an invoice representing the gross receipts of Rent and fees collected by Management Agent, minus

Operating Expenses for the operation of the Office Project. The invoice shall represent the net amount due, or, if an excess exists after payment of all Operating Expenses and after fully funding the Operating Reserve, the Management Agent shall remit payment to the UCIA when requested by the UCIA, but in no event more frequently than quarterly. On a quarterly basis, the Management Agent shall send an advice bill to the County of Union for the County's pro-rata share of common expenses. Management Agent shall have the responsibility for the collection of all revenues (except revenue under the Lease Agreement between the County and UCIA, which shall be paid in accordance with the terms of such Agreement). Management Agent shall then remit all funds collected by Management Agent after Operating Expenses, to the UCIA. Management Agent shall only invoice for purposes of paying expenses for the operation and management of the Office Project. In carrying out this responsibility, the Management Agent shall maintain detailed and accurate records of all revenues collected by Management Agent and expenses paid by Management Agent. The UCIA shall cause records to be audited annually by an independent, outside auditor. Management Agent shall reasonably cooperate with UCIA and/or its chosen auditor(s) for this purpose. A copy of such annual audit shall be filed with the UCIA and the Clerk of the Board of Freeholders of the County after its completion.

#### **Section 8. Prohibition of Encumbrances of Property by Management Agent.**

Management Agent shall not execute or file for recording any instrument that imposes a restriction on the sale, leasing, or occupancy of the Office Project.

#### **Section 9. Compliance with Governmental Orders.**

Management Agent shall take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the property, whether imposed by federal, state, county, or local authority. The Management Agent shall have no liability or responsibility for non-compliance of such governmental orders or other requirements affecting the property, however, if the reason for such noncompliance is directly attributable to the act(s), omission(s), negligence, or control of the UCIA or County. Nevertheless, Management Agent shall take no such action so long as UCIA is contesting, or has affirmed its intention to contest, any such order or requirement. Management Agent will notify UCIA in writing of all notices of such orders or other requirements within twenty-four (24) hours from the time of their receipt.

#### **Section 11. Responsibilities of UCIA.**

UCIA assumes the following responsibilities:

a. Furnishing of documents. UCIA shall promptly furnish to Management Agent all documents and records required for proper management of the property, including but not limited to, the current leases (including amendments and pertinent correspondence relating thereto), status of rental payments, loan payment information, and copies of existing service contracts.

b. Insurance policies. UCIA shall furnish to Management Agent copies of all insurance policies that concern the property or Management Agent's management activities and

that are carried by UCIA during the Term of this Agreement. UCIA shall also furnish Management Agent with a copy of the endorsement required hereunder.

c. Reimbursement of advances by UCIA. UCIA, upon receipt of funds from tenants or the County for such purpose shall reimburse Management Agent to the full extent of all funds advanced by Management Agent for the account of UCIA in carrying out this Agreement.

d. Compensation of Management Agent. UCIA shall pay to Management Agent for management services the sum of Ten Thousand (\$10,000.00)] per month in arrears (the "Management Fee"), commencing as of the first month in which the Management Agent provides any services hereunder (the "Compensation Commencement Date"). The Management Fee shall be subject to increase annually commencing upon the second (2<sup>nd</sup>) anniversary hereof by an amount equal to the greater of the Increase in the CPI (as hereinafter defined) or three (3%) of the Management Fee in the immediate preceding year. The "Increase in the CPI" shall mean a fraction, the denominator of which shall be the CPI as of the Compensation Commencement Date and the numerator of which shall be the CPI on the first and every subsequent anniversary date of the Compensation Commencement Date; provided, that no adjustment required hereby shall ever result in a reduction in the compensation payable hereunder below that paid in the preceding year. The compensation payable hereunder (and as increased annually pursuant hereto) shall be invoiced by Management Agent to UCIA and to the Trustee monthly, and paid as an Operating Expense. For the purposes of this provision, "CPI" means the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, known as the "Consumer Price Index for All Urban Consumers, New York-No. New Jersey, 1982-84-100;" provided, that if such index is not then available, Management Agent shall select a replacement index, which selection shall be subject to the approval of UCIA, which approval shall not be unreasonably withheld or delayed.

e. Conformity with law. UCIA agrees that Management Agent shall manage the property in full compliance with the requirements of all applicable laws, and that Management Agent is authorized to take such action as Management Agent deems appropriate to comply with such laws.

### **Section 12.1 Insurance Coverage for the Office Project.**

The UCIA, as owner of the Office Project, at its own expense shall procure and maintain, or cause to be procured and maintained throughout the Term of this Management Agreement, public liability insurance, including without limitation bodily injury and property damage coverage, with an aggregate annual limit of at least \$2,000,000.00, naming the Management Agent as an additional insured under such policy with respect to and to the extent of liability obligation under this Management Agreement.

### **Section 12.2. Commercial General Liability Insurance.**

The Management Agent shall procure and maintain or cause to be procured and maintained throughout the Term of this Management Agreement, a standard comprehensive general liability insurance policy. Said policy or policies shall provide for indemnification against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage



which may occur as a direct result of Management Agent's negligent act(s) or omission(s) in the management and operation of the Office Project. Said policy or policies shall provide coverage in the minimum liability limits of: \$2,000,000.00 for the general aggregate and \$1,000,000.00 for a single accident or event. Such commercial general liability insurance may, however, be in the form of a single limit policy in the amount of \$2,000,000.00 covering all such risks. Such commercial general liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Management Agent. The cost of such policy to the Management Agent, including any deductible amount(s), shall be considered an Operating Expense.

### **Section 12.3. Auto Liability Insurance.**

The Management Agent shall procure and maintain or cause to be procured and maintained, throughout the Term of this Management Agreement, a standard comprehensive automobile liability insurance policy or policies in protection of the Management Agent, the UCIA, the County and the Trustee on all vehicles used or operated by the Management Agent in relation to the Project. Said policy or policies shall be written in a comprehensive form and shall comply with N.J.S.A. 39:6b-1 et seq., and all local regulations and case law with regard to the scope and effect of the New Jersey Compulsory Motor Vehicle Insurance Statute and shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage arising from the maintenance, use or operation of any owned or non-owned vehicle used in or in connection with, the Office Project. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000.00 (subject to a deductible clause not to exceed \$250,000.00 for any one loss when the Management Agent is procuring and maintaining such insurance, or \$50,000.00 for any one loss when any other entity, including any contractor, is procuring or maintaining such insurance) resulting from a single accident or event. Such auto liability insurance may, however, be in the form of a single limit policy in the amount of \$1,000,000.00 covering all such risks. Such auto liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Management Agent. The cost of such policy to the Management Agent, including any deductible amount(s), shall be considered an Operating Expense.

### **Section 12.4. Workers Compensation Insurance.**

The Management Agent shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Management Agreement, Worker's Compensation Insurance covering all of its employees on, in, near or about the Office Project, and upon request, shall furnish to the UCIA certificates evidencing such coverage. The cost of such policy to the Management Agent, including any deductible amount(s), shall be considered an Operating Expense. To the extent that any other entity is procuring or maintaining such insurance, such insurance shall be provided under a policy written by an insurance company approved by the State, which policy is in a minimum amount as required by State law.

### **Section 12.5. Other Insurance and Requirements for All Insurance.**

All insurance required hereunder by Sections 12.1 through 12.4 may be carried under a

separate policy or a rider or endorsement; shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in this State or may be maintained as part of any insurance pool permitted under the laws of the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the UCIA and the Trustee or to the Management Agent, as applicable, at least thirty (30) days before the cancellation or revision becomes effective; and shall name the Management Agent, the UCIA, the County and the Trustee, as insured parties as their respective interests may appear. The Management Agent shall deposit with the Trustee and the UCIA shall deposit with the Management Agent original policies evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy, the party obligated under the terms of this Management Agreement to maintain such insurance shall furnish to the other party and to the Trustee evidence that the policy has been renewed or replaced by another policy conforming to the provisions hereof, unless such insurance is no longer obtainable in which event such party shall notify the other parties, the Trustee, and the County of this fact and the said party shall thereafter self insure.

#### **Section 12.6. Indemnification.**

To the fullest extent permitted by law, the Management Agent shall indemnify and hold harmless the UCIA from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from, or alleged to arise out of or resulting from the performance of Management Agent's Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Office Project, itself), including loss of use resulting therefrom, caused in whole or in part by negligent acts or omissions of the Management Agent.

**Section 12.7. Waivers of Subrogation.** The Management Agent and the UCLA waive all rights against each other for claims, damages, losses or expenses covered by any policy of insurance provided under this Management Agreement.

### **ARTICLE III. MISCELLANEOUS**

#### **Section 1. Standards.**

The Office Project shall be managed, operated and maintained in accordance with standards, consistent with standards applied to similar buildings in the North Jersey area, as may be imposed by UCIA from time to time during the Term of this Agreement.

#### **Section 2. Binding Actions.**

Any action undertaken by the Management Agent that is not expressly permitted under this Management Agreement shall not bind UCIA.

#### **Section 3 Ongoing Obligations.**

3.1. The Management Agent shall disclose any ownership or management interest which it may have in any other Union County office building to the UCIA

3.2. The Management Agent shall have the ongoing obligation to provide a written list of any of its employees or agents accessing the Office Project to the UCIA

**Section 4 No Assignment.** Except to an Affiliate of Management Agent, this Management Agreement and all rights hereunder, shall not be assignable by either party hereto without the other party's prior written consent.

**Section 5. No Third Party Beneficiaries.** No person not an express party to this Agreement, or any assignee of such party, is intended to be a third party beneficiary hereof nor shall any such person otherwise have the right to enforce any provision hereof.

**Section 6 Complete Agreement.** This Management Agreement supersedes and takes the place of any and all previous management agreements entered into between the Parties hereto relating to the Office Project, and represents all of the understandings and agreements of whatever so or kind existing, of which Management Agent is a party, with respect to Management Agent's operation and management of the Office Project.

**Section 7 Governing Law.** This Management Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

**Section 8 Sale of Property.** Nothing herein contained shall be deemed to constitute Management Agent as the agent of UCIA with respect to the sale, mortgaging or other financing of the Office Project, and Management Agent shall have no such rights or authority.

**Section 9 Further Assurances.** The Parties agree to execute, acknowledge and deliver such further certificates, instruments, agreements and other documents, and to take all such further action as may be required by law or deemed by the Parties to be necessary or useful in furtherance of the objectives and intentions underlying this Management Agreement and not inconsistent with the terms hereof.

**Section 10 Execution.** This Management Agreement may be executed via facsimile or original versions, in any number of counterparts, and each such counterpart will, for all purposes, be deemed an original instrument, but all such counterparts together will constitute but one and the same Agreement.

**SIGNATURES TO FOLLOW**

IN WITNESS WHEREOF, the parties hereto have set forth their signatures and affixed their corporate seals as of the first day above written.

**THE UNION COUNTY  
IMPROVEMENT AUTHORITY**

By:

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**NOBEL PROPERTY  
MANAGEMENT, LLC**

By:

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