

ORDINANCE 2023-17

**AN ORDINANCE OF THE TOWNSHIP OF WOOLWICH, COUNTY OF
GLOUCESTER, STATE OF NEW JERSEY APPROVING THE APPLICATION
AND FINANCIAL AGREEMENT FOR A LONG TERM TAX EXEMPTION
WITH PAULSBORO RD AP URBAN RENEWAL LLC
FOR BLOCK 14, LOT 2 ON THE OFFICIAL TOWNSHIP TAX MAP**

WHEREAS, the Township is empowered, pursuant to the provisions of the Local Redevelopment and Housing Law, as amended and supplemented, *N.J.S.A. 40A:12A-1 et seq.* ("the Redevelopment Law"), to declare certain properties located within the Township as areas in need of redevelopment, and to adopt and implement redevelopment plans, and carry out redevelopment projects; and

WHEREAS, on July 20, 2009 the Township Committee adopted Resolution R-2009-165 designating Block 14, Lots 2 and 4 an Area In Need of Redevelopment ("Redevelopment Area"); and

WHEREAS, thereafter, the Township Committee adopted a redevelopment plan entitled "Nike Missile Site Redevelopment Plan" via Ordinance 2017-03 on March 3, 2017 (the "Original Redevelopment Plan"); and

WHEREAS, by way of Ordinance 2021-23, adopted by the Township Committee on December 6, 2021, the Township Committee an amendment to the Original Redevelopment Plan ("Plan Amendment") (the Original Plan together with the Plan Amendment is the "Redevelopment Plan"); and

WHEREAS, the Paulsboro RD AP Urban Renewal Entity, LLC (the "Entity") proposes the construction of a 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building facade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements (the "Project") on the Property; and

WHEREAS, the Township has issue bonds to finance a portion of the Project pursuant to the Redevelopment Area Bond Financing Law, *N.J.S.A. 40A:12A-64 et seq.*, the Redevelopment Law or other applicable law; and

WHEREAS, the Long Term Tax Exemption Law ("LTTEL"), *N.J.S.A. 40A:20-1, et seq.* authorizes municipalities to grant long term tax exemptions and enter into financial agreements for projects located in areas in need of redevelopment; and

WHEREAS, in order to implement the development, financing and renovation of the Project, the Township Committee desire to enter into a Financial Agreement (the "Financial Agreement") with the Entity authorizing a long term-tax exemption pursuant to LTTEL; and

WHEREAS, pursuant to the requirements of the LTTEL, the Entity provided the Township with the information required by Section 8 of the LTTEL in the form of an application for long-term tax exemption (the "Application"); and

WHEREAS, such information in the Application provided the Township with the basis for determining to execute the Financial Agreement; and

WHEREAS, the Township Committee find that the relevant benefits of the redevelopment of the Property outweigh the loss, if any, of property tax revenue in granting the long term tax-exemption; and

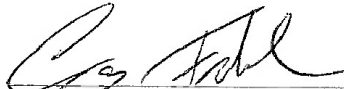
WHEREAS, the Township Committee has determined that the assistance provided to the Project pursuant to the Financial Agreement is a significant inducement for the Entity to proceed with the Project; and

WHEREAS, the Township and the Entity have agreed to execute a Financial Agreement.

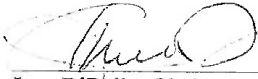
NOW, THEREFORE, BE IT ORDAINED, by the Township Committee of the Township of Woolwich, County of Gloucester, and State of New Jersey that:

1. The foregoing recitals are incorporated herein by reference as if fully set forth at length.
2. The Application for Long Term Tax Exemption filed by Paulsboro RD AP Urban Renewal Entity, LLC hereby be granted.
3. The Financial Agreement with Paulsboro RD AP Urban Renewal Entity, LLC hereby be approved, and the Mayor and the Clerk are hereby authorized to execute the Financial Agreement on behalf of the Township, upon the review and approval of its final form by the Township Administrator, Township Solicitor and Township Redevelopment Counsel, which such final form will be on file with the Township Clerk.
4. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.
5. In the event any clause, section or paragraph of this Ordinance is deemed invalid or unenforceable for any reason, it is the intent of the Mayor and Township Committee that the balance of the Ordinance remain in full force and effect to the extent it allows the Township to meet the goals of the Ordinance.
6. This Ordinance shall take effect after final passage and publication as required law.

TOWNSHIP OF WOOLWICH

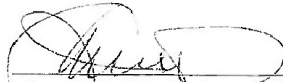

Craig Frederick, Mayor

ATTEST:


Jane DiBella, Clerk

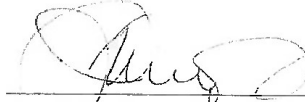
CERTIFICATION

The foregoing Ordinance was introduced upon first reading by the Township Committee of the Township of Woolwich at a meeting held on the 1st day of May, 2023. It will be further considered for final adoption upon a second reading and subsequent to a public hearing to be held on such ordinance at which time any interested person(s) may be heard. Said meeting is to be conducted on the 15th day of May, 2023 at the Woolwich Township Building, 120 Village Green Drive, Woolwich Township, New Jersey, commencing at 6:30 p.m.


Jane DiBella, Clerk

CERTIFICATION OF ADOPTION

The foregoing Ordinance was duly adopted by the Township Committee of the Township of Woolwich upon second reading and subsequent to a public hearing conducted on the same, at a meeting of the Woolwich Township Committee held on the 15th day of May, 2023.


Jane DiBella, Clerk

Record and return to:

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this "Agreement" or this "Financial Agreement"), made this 15 day of May, 2023, by and between **PAULSBORO RD AP URBAN RENEWAL LLC** (along with its successors and/or assigns, the "Entity"), an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, *N.J.S.A. 40A:20-1, et seq.* (the "Long Term Tax Exemption Law"), with offices located at 239 Washington Street, Suite 301, Jersey City, New Jersey 07302 and the **TOWNSHIP OF WOOLWICH**, a municipal corporation in the County of Gloucester and the State of New Jersey ("Township", as hereinafter defined), with offices at 120 Village Green Drive, Woolwich Township, New Jersey 08085.

WITNESSETH:

WHEREAS, the Township purchased property identified on the Tax Maps of the Township of Woolwich as Block 14, Lot 2 (the "Property") commonly known as the former Nike Missile Site from the United States of America, acting by and through the Administrator of the Government Services Administration on June 4, 2009, by way of Deed recorded in Deed Book 4666, Page 137 on June 29, 2009; and

WHEREAS, the Township is empowered, pursuant to the provisions of the Local Redevelopment and Housing Law, as amended and supplemented, *N.J.S.A. 40A:12A-1 et seq.* ("the Redevelopment Law"), to declare certain properties located within the Township as areas in need of redevelopment, and to adopt and implement redevelopment plans, and carry out redevelopment projects; and

WHEREAS, on July 20, 2009 the Township Committee adopted Resolution R-2009-165 designating Block 14, Lots 2 and 4 an Area In Need of Redevelopment ("Redevelopment Area"); and

WHEREAS, thereafter, the Township Committee adopted a redevelopment plan entitled "Nike Missile Site Redevelopment Plan" via Ordinance 2017-03 on March 3, 2017 (the "Original Redevelopment Plan"); and

WHEREAS, by way of Ordinance 2021-23, adopted by the Township Committee on December 6, 2021, the Township Committee an amendment to the Original Redevelopment Plan ("Plan Amendment") (the Original Plan together with the Plan Amendment is the "Redevelopment Plan"); and

WHEREAS, the Township Committee has executed a Redevelopment Agreement with the Entity to undertake redevelopment of the Property; and

WHEREAS, the Entity proposes the construction of a 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building facade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements (the "Project") on the Property; and

WHEREAS, pursuant to the Redevelopment Agreement, the Entity will acquire the Property, which is located within the Redevelopment Area, from the Township; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township will enter into this Agreement with the Entity, governing payments made to the Township in lieu of real estate taxes on the Project pursuant to the Long Term Tax Exemption Law; and

WHEREAS, the provisions of the Long Term Tax Exemption Law authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township based on the enumerated formulas set forth in such law; and

WHEREAS, the Entity has agreed to make payment of the Annual Service Charge (as defined herein) to the Township to be used by the Township for any lawful purpose in the exercise of the Township's sole discretion; and

WHEREAS, on November 2, 2022 the Entity filed an Application, which was amended on May 1, 2023 (the "Application"), attached hereto as Exhibit A, with the Township for approval of a long term tax exemption for the Improvements; and

WHEREAS, the Township made the following findings:

A. Relative Benefits of the Project:

i. The Project will provide necessary commercial development of a vacant property.

ii. The Project will provide significant construction jobs and permanent jobs in the Project and generally add to the economic viability of the Township.

iii. The Township will benefit from the payment in lieu of tax being made by the Entity during the term of this Agreement and other community benefits from the Project.

iv. The Project will further the redevelopment objectives of the

Redevelopment Plan; and

v. The Township has determined that the Project will result in significant economic and societal benefits and that such benefits are far greater to the Township than the costs, if any, associated with this Financial Agreement; and.

B. Assessment of the importance of the Tax Exemption in obtaining development of the Project and influencing the locational decisions of probable tenants:

i. Exemption permits better use of the Property, completion of significant infrastructure improvements and improvement of the Township.

ii. The relative stability and predictability of the Annual Service Charge will make the Project more attractive to (1) investors and lenders needed to finance the Project, and (2) probable tenants.

iii. The relative stability and predictability of the Annual Service Charge will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the improvements over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area and the locational decisions of probable tenants of the Project.

WHEREAS, the Township Committee on May 15, 2023 adopted Ordinance 2023-17 attached as Exhibit C, approving the tax exemption, the Application and this Financial Agreement, including the Annual Service Charge, and authorized the execution of this Financial Agreement; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the Township (the "Parties") shall carry out their respective obligations with respect to payment of the Annual Service Charge (as defined herein) by the Entity, in lieu of real property taxes, the Parties have determined to execute this Financial Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

Article I - General Provisions

Section 1.1 Long Term Tax Exemption Law and Application

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law as amended and supplemented (*N.J.S.A. 40A:20-1 et seq.*). The Township expressly relies upon the facts, data, and presentations contained in the Application in granting the tax exemption as set forth herein. The Entity represents that the facts and data contained in the application are true in all material respects as

of the date hereof.

Section 1.2 Incorporation of Recitals

The statements that are set forth in the Recitals above are true and accurate. All Recitals are repeated and are incorporated herein by this reference thereto and are made a part hereof as if each and every statement were set forth fully herein.

Section 1.3 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms, when used in this Financial Agreement, shall mean:

(a) Affiliate – With respect to the Entity, any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with the Entity, and shall include any parent company, subsidiary, or Person owning at least a 10% interest in the Entity as set forth in Exhibit H attached hereto, and as is updated in the annual Auditor’s Report. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(b) Agreement - This Financial Agreement.

(c) Annual Gross Revenue – The Gross Revenue calculated for a single Fiscal Year.

(d) Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to the provisions of *N.J.S.A. 40A:20-3.b*.

(e) Allowable Profit Rate - The allowable profit rate for the purpose of this Agreement and for computing Allowable Net Profit is the greater of 12% per year or 1.25% above the annual interest rate of the permanent financing for the Project per year in accordance with *N.J.S.A. 40A:20-3b*. The Allowable Profit Rate will be calculated as set forth in *N.J.S.A. 40A:20-3.b*.

(f) Annual Service Charge - The payment by the Entity pursuant to Article IV herein, which amount the Entity has agreed to pay in part for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, which amount shall be prorated in the year in which the Annual Service Charge Start Date occurs and the year in which the Annual Service Charge terminates and which amount subject to verification and review by the Chief Financial Officer and Tax Collector or other applicable municipal department or agency; provided, however, that in no event shall the Annual Service Charge be less than the Minimum Annual Service Charge.

(g) Annual Service Charge Start Date - The Annual Service Charge Start Date shall commence as of the first of the month following Substantial Completion.

(h) Application – The Application for a tax exemption filed by the Entity on November 2, 2022, and amended on May 1, 2023, which is attached hereto as Exhibit

A.

(i) Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), the contents of which have been prepared in a manner consistent with GAAP, including the Gross Revenue, Expenses, annual non-accrued Net Profit, the total accrued Net Profit, the Allowable Net Profit, all Distributions (as defined in Section 7.5 below) made during the Fiscal Year, a statement of retained earnings, and a cash flow statement and which fully details all items as required by the Long Term Tax Exemption Law, which has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State of New Jersey.

(j) Certificate of Occupancy - The document issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A. 52:27D-133*.

(k) County - The County of Gloucester, New Jersey.

(l) Debt Service - As defined in *N.J.S.A. 40A:20-3.m*.

(m) Default - The failure of the Entity or the Township to perform any obligation imposed upon the Entity or the Township by the terms of this Financial Agreement following the expiration of any applicable grace, notice or cure period established under this Agreement.

(n) Entity - Paulsboro Rd AP Urban Renewal LLC, and any Transferee duly qualified and approved pursuant to the Long Term Tax Exemption Law, which transfer is carried out in accordance with the terms of the Redevelopment Agreement and this Financial Agreement.

(o) Expenses - All operating and non-operating expenses of the Entity during the applicable Fiscal Year, all determined in accordance with GAAP, except as otherwise provided herein, and in accordance with the provisions of *N.J.S.A. 40A:20-3.c*, which includes, but is not limited to, an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the exemption granted pursuant to this Financial Agreement as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3.c*.

(p) Financial Agreement - This Financial Agreement.

(q) Financial Plan - as set forth in Exhibit B of this Agreement.

(r) Fiscal Year - The 12-month accounting period that the Entity uses to report its finances, as determined in accordance with the Entity's accounting system. The Fiscal Year may or may not coincide with the calendar year.

(s) GAAP - Generally accepted accounting principles as in effect from time to time in the United States of America.

(t) GAAS - Shall mean generally accepted auditing standards.

(u) Gross Revenue - Pursuant to *N.J.S.A. 40A:20-3.a.*, gross revenue shall be calculated as all rental income and other revenues generated or derived by or through the Entity, any direct or indirect owner or member of the Entity, or any Affiliate of the Entity, that arise out of or in connection with, or is attributable to the Project Improvements from any source during the applicable Fiscal Year(s) and before deductions for any Expenses. The Parties agree that customary operating and maintenance expenses of commercial tenants (including without limitation those paid

by a tenant in a triple net lease) such as taxes (including payments in lieu of taxes such as the Annual Service Charge), insurance, utilities and other operating and maintenance expenses shall not be included in Gross Revenue. To the extent that any such operating and maintenance expenses are excluded from Gross Revenue, same must also be excluded from Expenses. For the avoidance of doubt, income or revenue of any direct or indirect owner or Affiliate of the Entity shall not be treated as income or revenue of the Entity or otherwise included in Annual Gross Revenue if the income or revenue does not arise out of or in connection with, or is attributable to the Project Improvements. Pursuant to *N.J.S.A. 40A:20-3(a)*, any gain realized by the Entity on the sale of the Project, whether or not taxable under federal or state law, shall not be included in computing Gross Revenue. Additionally, there is expressly excluded from calculation of Gross Revenue: (i) proceeds from financing or refinancing of a mortgage or mortgages encumbering the Project or any portion thereof, but only to the extent that such funds are utilized solely for financing the Total Project Costs (it being the intent that funds not utilized solely to finance the Total Project Costs shall be included within Gross Revenue); (ii) insurance claim payments, but only to the extent such payments are utilized to reimburse for actual expenses incurred for the claim; (iii) proceeds of Incentive Grants, but only if the Total Project Costs are reduced by the full amount of the Incentive Grant, and (iv) any and all funds received pursuant to an agreement with a regulated utility service provider that are a contribution in the aid of construction or otherwise and refundable in the form of billing credits in accordance with the utility's "Tariff for Service", but only so long as the Expenses are reduced by an amount equal to the credit received.

(v) Improvements – A 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building facade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements, along with any other buildings, structures, fixtures, site work and municipal improvements permanently affixed to the Land.

(w) Improvement Taxes – The amount of taxes attributable to the Improvements, based upon the assessed value of the Improvements, following Substantial Completion, excluding the assessed value of the Land, as determined in any applicable Tax Year by the Tax Assessor and the Tax Collector in accordance with the Tax Laws.

(x) Incentive Grant. Shall mean State, federal or local award, payment, tax credit or other incentive to an Owner to develop, build, own or operate all or any portion of the Project. Incentive Grants include, without limitation, tax credits, grants and similar financial incentives that promote acquisition, construction and installation of renewable energy or energy efficient improvements, including without limitation, solar, wind, hydropower, biomass and biofuels. An Incentive Grant may be in a form where the benefit is received by an Owner prior to or in the course of development or at any later time.

(y) In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien of taxes due and owing by a tax sale. Said foreclosure is governed by *N.J.S.A. 54:5-1 et seq.*

(z) Land - The land, but not the Improvements, known as Block 14, Lot 2,

on the official tax maps of the Township of Woolwich, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement.

(aa) Land Taxes - The amount of property taxes attributable to the Land, based upon the assessed value of the Land, but excluding the assessed value of any Improvements related thereto, as determined in any applicable Tax Year by the Tax Assessor and Tax Collector in accordance with the Tax Laws.

(bb) Land Tax Payments - Payments made on the quarterly due dates for Land Taxes on the Land as determined by the applicable Tax Assessor and/or Tax Collector of the Township.

(cc) Long Term Tax Exemption Law - The Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*

(dd) Minimum Annual Service Charge - The amount of the total taxes levied against all real property in the area covered by the Project in the last full Tax Year in which the area was subject to taxation pursuant to *N.J.S.A. 40A:20-12b*.

(ee) Net Profit - The Annual Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined annually in accordance with GAAP and the provisions of the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-3(c)*, such that, for the avoidance of doubt, there shall be included among such expenses the items listed in *N.J.S.A. 40A:20-3(c)(l)*, including, without limitation, Annual Service Charges, payments under Section 7.5 of this Agreement (if any), and all Debt Service. In accordance with *N.J.S.A. 40A:20-15*, Net Profit shall be calculated as one accounting period commencing on the date of Substantial Completion and ending on the date of the last full fiscal year, except that in the event of a Transfer, the accounting period shall commence on the date of the Transfer and end on the last full fiscal year.

(ff) Ordinance - Ordinance No. 2023-17 adopted by the Township on May 15, 2023, attached herein as Exhibit C adopting the tax exemption.

(gg) Permitted Transfers: As defined in Section 8.1(d).

(hh) Project - The acquisition of the Property; site preparation of the Property; the financing, construction and completion of the Improvement; obtaining all Governmental Approvals (as defined in the Redevelopment Agreement) and operation of the Improvements.

(ii) Property - Block 14, Lot 2 on the official tax maps of the Township of Woolwich, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement.

(jj) Redevelopment Agreement - The Redevelopment Agreement entered into between the Township of Woolwich and the Entity, dated April 17, 2023.

(kk) Redevelopment Area - as defined in the recitals of this Agreement.

(ll) Redevelopment Law - The Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*

(mm) Redevelopment Plan - The redevelopment plan entitled "Nike Missile Site Redevelopment Plan" prepared by J. Timothy Kernan, Maser Consulting, adopted by the Township via Ordinance 2017-03 on March 3, 2017, together with the amendment to the same which was adopted via Ordinance 2021-23 on December 6, 2021.

(mn) Substantial Completion - The determination by the Township that the Project is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive the Certificate(s) of Occupancy for the entire Project.

(oo) Taxes Otherwise Due - The full amount of the Land Taxes and the Improvement Taxes in any given Tax Year during the Term, as if no tax exemption had been granted thereon, as determined by the Township tax assessor and the Township tax collector in accordance with the Tax Laws.

(pp) Tax Year - Shall mean the twelve-month period from January 1 to December 31.

(qq) Total Project Cost - The total project cost for purposes of this Agreement and for computing Allowable Net Profit shall include all the costs and items set forth in *N.J.S.A. 40A:20-3(h)*, including without limitation the total cost of constructing the Project through Substantial Completion and the cost of the Land, and shall not be reduced by any cost which may be excluded by the last paragraph of *N.J.S.A. 40A:20-3(h)*.

(rr) Township - The Township of Woolwich.

(ss) Transfer - As defined in Section 8.1.

(tt) Transferee - Any Person to whom a Transferor proposes to Transfer all or a portion of the Project Improvements, the Property, this Financial Agreement, or any interest in any of the foregoing.

(uu) Transferor - The Entity or other Person implementing a Transfer under Article 8.

(vv) Urban Renewal Entity - Shall have the meaning as such term is defined, used and applied in the Long Term Tax Exemption Law.

Section 1.4 Exhibits Incorporated

All Exhibits which are referred to in this Agreement and are attached hereto are incorporated herein and made a part hereof.

- Exhibit A – Tax Exemption Application
- Exhibit B – Financial Plan
- Exhibit C – Ordinance Approving Financial Agreement
- Exhibit D – Certificate of Formation
- Exhibit E – Annual Service Charge Calculations
- Exhibit F – Estimated Project Costs
- Exhibit G – Legal Description of the Land
- Exhibit H – Ownership Disclosure

Section 1.5 Interpretation and Construction

In this Financial Agreement, unless the context otherwise requires:

A. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Financial Agreement, refer to this Financial

Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Financial Agreement.

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

C. Words importing persons means and include firms, associations, partnerships (including limited partnerships), trusts, corporation, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

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

E. All exhibits referred to in this Financial Agreement and attached hereto are incorporated herein and made part hereof.

Article II – Approval and Representations

Section 2.1 Approval of Tax Exemption and Approval of the Project

Pursuant to the Ordinance (attached hereto as Exhibit C), the Township has approved and does hereby grant a tax exemption from real estate taxes for all the Improvements on the Property, constructed or acquired by the Entity pursuant to the Long Term Tax Exemption Law. This Financial Agreement, and all payments required hereunder shall constitute evidence of a lien securing the Entity’s obligation to pay the Annual Service Charge required to be paid under Article 4 hereof, which lien shall survive any expiration or termination of this Agreement, for all amounts then due and payable prior to expiration or termination. The Entity further acknowledges, understands and agrees that its obligation to pay Annual Service Charge shall constitute an automatic, continuous, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Bankruptcy Code. The Entity expressly consents to the lien created under the terms of this Agreement and the treatment of subsequent payments as set forth in *N.J.S.A. 40A:12A-68*. The Entity agrees to record both the Ordinance and this Financial Agreement within thirty (30) days of the adoption of the Ordinance.

The Entity represents and covenants that, effective upon completion of the Improvements, the Entity shall make application for a Certificate of Occupancy for the Improvements. It is expressly understood and agreed by the Parties hereto that the Township expressly relies upon the facts, data and presentations contained in the Application in granting this tax exemption and the representations made in this Agreement.

Section 2.2 Approval of Entity

Approval hereunder is granted to the Entity for the development, financing, acquisition, construction, management, operation and completion of the Project which shall in all respects comply and conform to: (a) any resolutions of the Woolwich Township Joint Land Use Board regarding the Project; (b) all applicable statutes of the State of New Jersey and Ordinances of the Township as amended and supplemented, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof; (c) the Redevelopment Plan and the Redevelopment Agreement; and (e) all other governmental approvals for the Project.

The Entity represents that it is a duly formed, organized and existing limited liability company of the State, organized pursuant to and in compliance with the New Jersey Limited Liability Company Act (*N.J.S.A. 42:2C-1 et seq.*) and the Long Term Tax Exemption Law, including *N.J.S.A. 40A:20-5*. The Entity represents that its Certificate of Formation as attached hereto as Exhibit D contains all the requisite provisions of the Long Term Tax Exemption Law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Department of the Treasury, all in accordance with *N.J.S.A. 40A:20-5*.

Section 2.3 Improvements to be Constructed

The Entity agrees to construct the Improvements in accordance with the Redevelopment Plan, the Application (attached hereto as Exhibit A), and the Redevelopment Agreement.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Improvements subject to and consistent with the terms of the Redevelopment Agreement, the Redevelopment Plan and this Agreement subject to force majeure provisions set forth in the Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it will be the owner of the Property which is the subject of this Agreement prior to commencement of construction of the Improvements. The Entity represents and covenants that upon completion, the Project, including the Land and the Improvements, shall be financed, used, managed and operated, including leasing to others for the purposes set forth in the Application and in accordance with the Redevelopment Agreement, this Financial Agreement, the Redevelopment Plan, all applications filed with and as approved by the Township in connection with the Project, all governmental approvals for the Project and applicable law.

Section 2.6 Financial Plan

The Entity represents that the Land and the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit B. The Financial Plan also sets forth estimated Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedule and lease terms to be used in the Project. The mortgage amortization, interest rate and principal amount of any Land and/or Project related financing shall be deemed updated upon any refinance(s) of Land and/or Project related debt or the incurrence of any additional debt from time to time, provided that notice of the same is given to the Township within thirty (30) days following closing of the same.

Section 2.7 Authority to Enter into this Agreement

The Entity represents and covenants to the Township that it has full authority to enter into this Agreement and perform all of the obligations on the part of the Entity to be performed. Further, the Entity represents and covenants that it has complied with all Applicable Law, including without limitation, the Long Term Tax Exemption Law in negotiating, entering into and will comply with the same in performing its obligations under this Agreement, and all governmental and agency authorizations and approvals required for the execution, delivery and performance of this Agreement have been or will be properly obtained, as applicable.

Article III - Duration of Agreement

Section 3.1 Term

So long as there is compliance with the Long Term Tax Exemption Law and this Agreement, this Agreement shall remain in effect for thirty (30) years from the Annual Service Charge Start Date, but in no event later than thirty-five (35) years from date of this Agreement, whichever shall occur earlier, subject to the further limitations and agreements contained herein (the "Term"). After the expiration of the Term: (i) the tax exemption for the Improvements shall expire, the Annual Service Charges shall terminate and the Land and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township, and (ii) all restrictions and limitations upon the Entity, including without limitation the profits and dividends restrictions under the Long Term Tax Exemption Law, shall terminate; provided that the Entity shall render the Entity's final accounting to the Township in accordance with *N.J.S.A. 40A:20-12* and this Financial Agreement. The following obligations shall survive termination of the tax exemption: (x) the requirement to make payment of any unpaid Annual Service Charge, (y) the requirement to render a final accounting to the Borough and to make payment to the Township of any reserves, or excess Net Profit, if applicable, in accordance with Article VII hereof, and (z) any and all related and available remedies of the Township concerning exceptions (x) and (y) of this provision.

Section 3.2 Voluntary Termination by Entity

A portion of the Project has been partially financed by bonds issued by governmental entities (the "Bonds"). The Township intends to use the Annual Service Charge from the Project to help repay the Bonds. Pursuant to *N.J.S.A. 40A:12A-66*, the provisions of *N.J.S.A. 40A:20-13* permitting the relinquishment of the tax exemption status under the Long Term Tax Exemption Law, shall not apply to redevelopment projects financed with Bonds. The Entity shall have no right to voluntarily terminate this Agreement.

Section 3.3 Other Termination

In the event that the Redevelopment Agreement is terminated prior to the issuance of a Certificate of Completion (as defined in the Redevelopment Agreement) for the Project, either Party may terminate this Financial Agreement upon ten (10) days advanced written notice.

Article IV - Annual Service Charge

Section 4.1 Payment of the Annual Service Charge

(a) Notwithstanding anything herein to the contrary, or the exercise by the Township of any right or remedy provided for herein or otherwise available with respect hereto, in consideration of the tax exemption, the Entity shall make payment to the Township each year of an amount equal to the greater of: the Minimum Annual Service Charge as defined in Section 1.3 or an Annual Service Charge as calculated in accordance with Section 4.2. All such payments shall accrue up through the end of the Term.

(b) The Minimum Annual Service Charge or Annual Service Charge shall commence and be calculated from the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will be prorated as of the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will also be prorated in the year this Agreement expires or terminates.

(c) By, execution hereof, Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens established in this Agreement, and the Entity shall not contest the validity or amount of any such lien subject to its right to contest the calculation of said amounts under the remedy provisions set forth herein. Notwithstanding anything herein to the contrary, and notwithstanding the Term of this Agreement or the duration of the tax exemption provided hereunder, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable New Jersey law and then being assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

(d) Notwithstanding anything herein to the contrary, or the exercise by the Township of any right or remedy provided for herein or otherwise available with respect hereto, the Entity also shall pay all Administrative Fees (as defined in Section 4.7 below) and other taxes, fees and charges, including but not limited to Land Taxes, that the Township is entitled to collect by law, under the Long Term Tax Exemption Law, and/or under this Financial Agreement.

Section 4.2 Calculation of Annual Service Charge

A portion of the Project has been partially financed by Bonds (as defined in Section 3.2). The Township intends to use the Annual Service Charge from the Project to help repay the Bonds. Pursuant to *N.J.S.A.* 40A:12A-66, the minimum or maximum annual service charge and the required staged increase do not apply to redevelopment projects financed with Bonds. As of the Annual Service Charge Start Date the Annual Service Charge each year shall be an amount equal to the amount set forth in Exhibit E, but in no event shall the Annual Service Charge in any Tax Year be greater than 80% of Taxes Otherwise Due.

Notwithstanding the foregoing, in no event shall the Annual Service Charge be less than the Minimum Annual Service Charge. The Township relies exclusively on this Agreement in determining the Annual Service Charge payable to the Township over the Term.

Section 4.3 Payment to Gloucester County

From the Annual Service Charge paid by the Entity, the Township shall annually remit five percent (5%) of the payment received to the County of Gloucester in accordance with the provisions of *N.J.S.A.* 40A:20-12.

Section 4.4 Quarterly Installments

The Entity expressly agrees that upon commencement of the Annual Service Charge, payments of the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or under payment after close of the Township's fiscal year. In the event that the Entity fails to timely pay any quarterly installment, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Property until paid.

Section 4.5 Land Tax Credit

Pursuant to *N.J.S.A.* 40A:20-12(b)(2) the Entity shall be entitled to a credit against the Annual Service Charge for the amount, without interest, of the Land Tax Payments paid by it, in the last four preceding quarterly installments.

Section 4.6 Material Conditions

All payments of Land Tax Payments, Annual Service Charges (including the methodology of computation thereof), Administrative Fees (as defined in Section 4.7), water and sewer charges, and any interest payments due, are material conditions of this Agreement. If any other term, covenant or condition of this Financial Agreement or the Exemption Application, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law. If any portion of this Financial Agreement shall be judicially declared to be invalid and unenforceable and provided that a default has not been declared pursuant to this Financial Agreement, the Parties shall cooperate with each other to take the actions reasonably required to restore this Financial Agreement in a manner contemplated by the Parties, including, but not limited to the authorization and amendment of this Financial Agreement in a form reasonably drafted to effectuate the original intent of the Parties.

The Entity's failure to make the requisite Land Tax Payments, Annual Service Charge payments, Administrative Fee Payments and/or sewer and water charge payments in a timely manner shall constitute a breach of this Agreement and the Township shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law, *N.J.S.A. 54:5-1 et. seq.* and the In Rem Tax Foreclosure Act (1948), *N.J.S.A. 54:5-104.29, et seq.*

The Land Taxes, Annual Service Charge, Administrative Fee and other related municipal charges shall be a continuous, municipal lien on the Land and Improvements and any subsequent Land Taxes, Annual Service Charge, and Administrative Fee, including any interest, penalties or costs of collection thereof, shall be added and shall relate back to and part of the initial municipal lien. The Entity hereby acknowledges, understands and agrees that the Land Taxes, Annual Service Charge, and Administrative Fee shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Federal bankruptcy code, regardless of whether the amount of thereof has been determined.

Section 4.7 Application Fee

The Township and the Entity agree there will be no application fee in regard to this Long Term Tax Exemption Law Application.

Section 4.8 Administrative Fee

The Entity shall also pay an annual administrative fee to the Township in addition to the Annual Service Charge and Land Tax Payments in the amount of two

(2%) percent of the Annual Service Charge before the application of the credit for Land Taxes (the “Administrative Fee”). This fee shall be payable and due each year and be collected in the same manner as the Annual Service Charge. In the event the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Land until paid.

Article V – Dispute Resolution

Section 5.1 Dispute Resolution

All disputes between the parties arising out of this Agreement shall be resolved by binding arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the Parties are unable to agree on a single Arbitrator, each Party shall designate an Arbitrator, and the designated Arbitrators shall agree upon a third Arbitrator, who shall preside over the resulting three Arbitrator Panel. Any award rendered in any such arbitration shall be final and binding on the parties and judgment thereon may be entered in a court of competent jurisdiction. The costs of such arbitration shall be borne equally by each party.

Article VI - Certificate of Occupancy

Section 6.1 Certificate of Occupancy

It shall be the obligation of the Entity to make application for and make all commercially reasonable efforts to obtain all Certificates of Occupancy in a timely manner as identified in the Application.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with the County Tax Assessor, the Township Tax Collector and the Chief Financial Officer of the Township a copy of any Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not mitigate against any action or non-action, taken by the Township, including, if appropriate, retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Article VII - Annual Audits - Profit

Limitations Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with GAAP and GAAS and as otherwise prescribed in the Long Term Tax Exemption Law while this Agreement is in effect. In addition, the Entity agrees to calculate: (i) Annual Gross Revenue pursuant to

N.J.S.A. 40A:20-3(a) and the definition of Gross Revenue set forth herein; (ii) its Net Profit pursuant to *N.J.S.A. 40A:20-3(c)* and the definition of Gross Revenue and Expenses set forth herein; and (iii) Allowable Net Profit and excess Net Profit pursuant to *N.J.S.A. 40A:20-15* and the definitions of Gross Revenue, Expenses, Total Project Cost.

Section 7.2 Periodic Reports

Within ninety (90) days after the close of each Fiscal year that this Agreement shall continue in effect, the Entity shall submit its Auditor's Report certified by a certified public accountant for the preceding fiscal or calendar year to the Clerk of the Township, the Township's Chief Financial Auditor and the Mayor (or any other representative of the Township as may be designated in a notice to the Entity), who shall advise those municipal officials required to be advised, as required under *N.J.S.A. 40A:20-9(d)*. Said Auditor's Report shall include, but not be limited for the Fiscal Year covered by such Auditor's Report, an itemization of the Annual Gross Revenue of the Entity, an itemization of the Expenses, the terms and interest rate on any mortgage(s) associated with the Project, the Allowable Net Profit, the calculation of the Allowable Net Profit, and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder as required by the Long Term Tax Exemption Law.

After completion of the Project, the Entity agrees to submit an audit report of the Total Project Cost for the Project within ninety (90) days, certified as to actual construction costs by a certified public accountant who is licensed to practice that profession in the State of New Jersey, in conformance with GAAS, except to the extent otherwise intended by the Long Term Tax Exemption Law.

In addition to the foregoing, on each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest of the Entity or the Project from the prior year's filing, the Entity shall submit to the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each, and such additional information as the Township may request from time to time. If no such change has occurred, the Entity shall provide written confirmation which reports the same.

Section 7.3 Inspection

The Entity shall, upon request, permit the inspection of the Project, the Property, equipment, buildings or other facilities of the Entity by the duly authorized representatives of the Township or the State of New Jersey. It also shall permit, upon request, examination and audit of its books, contracts, records, documents and papers that are relevant to the Project by representatives duly authorized by the Township or the State of New Jersey. Such examination or audit shall be made following reasonable advance written notice, during reasonable hours of the business day, in the presence of an officer or agent of the Entity. To the extent reasonably possible, the

examination or audit will not materially interfere with the construction or operation of the Project. All costs incurred by the Township to conduct such inspections and/or audits, including reasonable attorneys' fees if appropriate, shall be borne by the Township; provided, that if as a result of any such inspection, examination or audit, the Entity is found to have filed a fraudulent report or to be in breach of this Agreement or Applicable Law, the costs of such inspection, examination or audit shall be billed to the Entity and paid to the Township as an additional part of the Entity's Annual Service Charge.

Section 7.4 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to limitation on Allowable Net Profits and, if applicable, dividends payable pursuant to the provisions of *N.J.S.A. 40A:20-15*. The Township and the Entity acknowledge that such limitation shall apply solely to the Gross Revenue received by the Entity. Pursuant to *N.J.S.A. 40A:20-15*, the calculation of Net Profit and Allowable Net Profits shall be cumulative for the period commencing at the time of the Project Completion Date through the end of the last full Fiscal Year.

Pursuant to and in accordance with *N.J.S.A. 40A:20-15*, the Entity shall have the right, but not the obligation, to establish a reserve against unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding ten (10%) percent of the Gross Revenue of the Entity for the fiscal year preceding the year in which a determination is being made with respect to Allowable Net Profit as provided in *N.J.S.A. 40A:20-15* and to the extent permitted by *N.J.S.A. 40A:20-15* may retain such part of Allowable Net Profits as is necessary to eliminate a deficiency in that reserve. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level often (10%) percent of the preceding year's Gross Revenues as set forth above. Upon the expiration or termination of this Agreement, the amount of reserve, if any, shall be paid to the Township.

Section 7.5 Payment of Dividend and Excess Profit Charge

Pursuant to the Long Term Tax Exemption Law, in particular *N.J.S.A. 40A:20-15*, whenever the Net Profit of the Entity for the period, taken as one accounting period, commencing upon the Project Completion Date and terminating at the end of the last full Fiscal Year, should at any time exceed the Allowable Net Profits, the Entity shall, within ninety (90) days after the end of such Fiscal Year, pay such excess profit ("Excess Net Profit") to the Township as an additional service charge hereunder; provided, however, that the Entity may maintain any reserves permitted by *N.J.S.A. 40A:20-15*. In determining whether Net Profit for an accounting period exceeds Allowable Net Profits for such accounting period, as provided in *N.J.S.A. 40A:20-15*, Excess Net Profits shall be calculated annually but using a single accounting period beginning upon the Project Completion Date through the end of the Fiscal Year. By way of example: assume annual Allowable Net Profit for the Project

is \$1 million a year, while the Annual Revenue and Annual Expenses in the first 6 years is as follows:

Year 1	Annual Revenue = \$1,000,000	Expenses = \$500,000
Year 2	Annual Revenue = \$1,000,000	Expenses = \$500,000
Year 3	Annual Revenue = \$1,500,000	Expenses = \$500,000
Year 4	Annual Revenue = \$1,500,000	Expenses = \$500,000
Year 5	Annual Revenue = \$2,000,000	Expenses = \$500,000
Year 6	Annual Revenue = \$2,000,000	Expenses = \$500,000

In this example, in Year 6, the Excess Net Profit would be calculated as a single 6 year accounting period as follows: the total Allowable Net Profits would be \$6,000,000 (\$1 million each year); the total Expenses would be \$3,000,000 and the total Annual Revenue would be \$9,000,000; the total Net Profit would be \$6,000,000 (\$9,000,000 (total Annual Revenue) - \$3,000,000 (total Expenses) = \$6,000,000) and the total Excess Profit would be \$0 (\$6,000,000 (Allowable Net Profit) - \$6,000,000 (actual Net Profit) = \$0).

In accordance with the *N.J.S.A. 40A:20-15*, during the period of tax exemption as provided herein, to the extent applicable, the Entity shall not make any distribution of profits or pay or declare any dividend or other distribution of any shares of any class of stock (“Distributions”), unless, after giving effect thereto, the Allowable Net Profit (which shall be cumulative for the period commencing at the time of the Project Completion Date through the date of the proposed distribution, as above provided) would otherwise equal or exceed the aggregate amount of all dividends and other distributions paid or declared on any shares of its stock or other distributions of profit since the Entity’s formation. Notwithstanding anything to the contrary herein, no Distribution shall be included in the calculation of Annual Expenses, and the Entity shall not make any Distributions if such Distributions would interfere with or prevent the Entity from performing its obligations under this Redevelopment Agreement, including but not limited to payment of the Annual Service Charge or any Municipal Charges, or operation of the Project.

Article VIII - Assignment and/or Assumption

Section 8.1 Restrictions on Transfers

(a) Except as provided herein, the Entity shall not, without the prior written consent of the Township: (a) assign or attempt to assign this Financial Agreement or any rights herein or in the Property or the Project, (b) make any total or partial sale, lease, transfer or conveyance of the whole of its interest in the Project or the Property; or (c) effect or permit any change, sale or transfer of a direct or indirect ownership

interest in or control of the Entity (collectively a “Transfer”). This Agreement is intended to account for all revenue (other than that of end-users) arising from the Project as if said revenue accrues to the benefit of the Entity. Notwithstanding anything to the contrary herein, the Entity is prohibited from entering into any lease, license, contract or other agreement, the direct or indirect effect of which is to interpose a third party between the Entity and the end-users or otherwise into the operation of the Project Improvements for the purpose of reducing the amount of Annual Gross Revenue to the Entity.

(b) As permitted by *N.J.S.A. 40A:20-10(a)*, it is understood and agreed that the Township, on written application by the Entity, may consent to a sale of the Project and the Transfer of this Agreement (and that the tax exemption for the Improvements shall continue and inure to the transferee urban renewal entity, its respective successors and assigns) provided: 1) the Transferee entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the Transferee entity is an urban renewal entity formed and eligible to operate under the Long Term Tax Exemption Law; 3) the Entity is not then in Default of this Agreement, the Redevelopment Agreement or the Long Term Tax Exemption Law; 4) the Entity's obligations under this Agreement are fully assigned to and assumed by the Transferee entity; and 5) the Transferee entity abides by all terms and conditions of this Agreement. The Township shall not unreasonably withhold, condition or delay its consent to any Transfer.

So long as the Entity is not in Default under this Agreement, nothing herein shall prohibit any transfer of ownership interest in the Entity provided that the transfer, if greater than 10%, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement.

(c) The Township may levy an administrative fee of two percent (2%) of the Annual Service Charge for the sale of the Project for the processing of a request to transfer as set forth in Section 8.1(b).

(d) Permitted Transfers: A transfer of more than 10% of ownership interest in the Entity to Dermody Properties or its Affiliate (“Dermody Transfer”) is contemplated following the execution of this Agreement. Notwithstanding anything to the contrary herein, the Township hereby consents to the Dermody Transfer, provided, however, the Entity shall disclose the Dermody Transfer to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement.

Section 8.2 Operation of Project

At all times while this Agreement is in effect, the Project shall be operated in accordance with the provisions of the Long Term Tax Exemption Law, this Financial Agreement, the Redevelopment Agreement and all applicable laws and Township Ordinances. The Township acknowledges that the Entity shall have the ability to lease

the Property to others as long as the use is in conformance with the use provided in the Application. The Entity shall ensure that the Property and the Improvements are to be maintained in good condition and free from debris. During the Term of this Agreement, the Entity shall comply, and shall require all end-users to comply with the requirements of Section 6.2.6 of the Redevelopment Agreement, and shall not allow the Project to become a nuisance to any adjacent residential properties.

Section 8.3 Subordination of Fee Title

It is expressly understood and agreed that the Entity shall have the right to encumber the fee title to the Property and may encumber or assign for security purposes the Entity's interest in this Agreement, and any such encumbrance or assignment shall not be deemed to be a Default under this Agreement; provided however, that the Entity must provide thirty (30) days advance written notice of any such encumbrance or assignment and, the Entity must retain ownership of the Improvements.

Article IX - No Waiver By Township

Section 9.1 No Waiver By Township

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township of any rights and remedies. Nothing herein shall be deemed to limit any right of recovery of any amount which the Township has under law, in equity, or under any provisions of this Agreement.

Article X - Notice

Section 10.1 Notice

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested, addressed as follows:

(a) When sent by the Township to the Entity it shall be addressed as follows:

Paulsboro Rd AP Urban Renewal LLC
239 Washington Street, Suite 301
Jersey City, NJ 07302

With copy to:

Jeffrey M. Gradone, Esquire
Archer & Greiner, P.C. 101 Carnegie Center Suite 300 - 3rd Floor
Princeton, New Jersey 08540

(b) When sent by the Entity to the Township, it shall be addressed to:

Jane DiBella, Municipal Administrator/Clerk
Woolwich Township
120 Village Green Drive
Woolwich Township, New Jersey 08085
(or current Township Clerk)

With a Copy to:

M. James Maley, Jr., Esquire
Maley Givens, P.C.
1150 Haddon Ave., Suite 210
Collingswood, New Jersey 08108
(or current Redevelopment Counsel)

with copies sent to the Township Tax Collector or Tax Assessor, and the Chief Financial Officer for the Township, unless prior to the giving of notice the Township shall have notified the Entity otherwise.

A party may change any address and recipient for notices to it hereunder by a notice sent by it in accordance with this Article X.

Article XI – Compliance

Section 11.1 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or termination of this Agreement to remain bound by the provisions of all applicable state statutes and municipal ordinances and regulations including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a Default under this Agreement.

Article XII – Construction

Section 12.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn, since counsel for both the Entity and the Township have combined in their review and approval of same.

Article XIII - Indemnification

Section 13.1 Indemnification

In the event the Township shall be named as party defendant in any action brought against the Entity by reason of the construction or operation of the Project, or by reason of any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law by the Entity, the Entity shall indemnify and hold harmless the Township, including payment of reasonable attorney's fees for separate counsel should the Township determine that a conflict of interest exists with respect to relying on the Entity's counsel, and the Entity agrees to defend the suit at its own expense and may employ counsel for the Entity of the Entity's choosing, provided that the Entity shall not have any indemnification or defense obligations with respect to any intentional misconduct or gross negligence by the Township or any of its officers, officials, employees or agents. Notwithstanding the foregoing, the Township maintains the right to retain separate counsel in its defense of any such action and/or to intervene as a party thereto, to which intervention the Entity hereby consents, the reasonable expense of any such separate counsel and/or intervention to be borne by the Entity. This indemnity shall survive termination of this Agreement.

Article XIV - Default

Section 14.1 Event of Default

Default by the Entity or the Township, as the case may be, shall be deemed to have occurred if the Entity or the Township: (a) fail to conform with the terms of this Agreement herein; (b) failure of such party to perform any material obligation imposed thereupon by statute, ordinance or lawful regulation; (c) breaches a representation or warranty contained in this Agreement or the Application; (d) makes a Transfer in violation of Article 8 hereof; or (e) Event of Default occurs under the Redevelopment Agreement which is not cured under the Redevelopment Agreement; provided however, that the defaulting party shall not be deemed to be in Default if the defaulting party diligently contests, in good faith and by appropriate proceedings, such compliance with any such material obligation imposed by statute, ordinance or lawful regulation.

Section 14.2 Cure Upon Default

Should the Entity or the Township be in Default, the non-defaulting party shall notify the defaulting party in writing of said Default, stating with specificity the basis of said Default. Other than a Default relating to a Transfer in violation of Article 8, the defaulting party shall have thirty (30) days to cure any Default (except for a payment Default which shall be fifteen (15) days), provided such Default is capable of cure within thirty (30) days ("Cure Period"). If the Default is not capable of cure within thirty (30) days, the defaulting party may extend the Cure Period for a reasonable period of time to cure such Default, not to exceed ninety (90) days. No

cure period shall be afforded to any Transfer in violation of Article 8. Subsequent to the expiration of any applicable Cure Period, the non-defaulting party will give final notice of Default ("Final Notice Period"). If the Default is the Entity's failure to pay a financial obligation to the Township and the Default is not cured before the Final Notice Period, the Township shall have the right to proceed against the Property pursuant to In Rem Tax Foreclosure. In addition, after the Final Notice Period, if the Default for which notice was given remains uncured, the non-defaulting party may proceed against the defaulting party for specific performance or any other remedy available at law or equity. In no event, however, does the Entity waive any defense it may have to contest the right of the Township to proceed by conventional or In Rem Tax Foreclosure just as it would have if the Entity were subject to municipal taxes.

Section 14.3 Remedies Upon Default Cumulative; No Waiver

In the event of a Default, the Township or the Entity shall have the right to exercise any rights and remedies, available by law and in equity, including but not limited to the right to proceed against the Property pursuant to applicable provisions of the law, including *N.J.S.A. 40A:12A-58* and *N.J.S.A. 40A:12A-68*, shall be cumulative and concurrent. No determination of invalidity of any provision within this Agreement shall deprive the Township or the Entity of any of their remedies or actions against the Entity or the Township because of its Default (after the expiration of any applicable grace, notice or cure period) under this Agreement. The bringing of an action for collection of Land Tax Payments, Annual Service Charges, Administrative Fee or other charges, or for any other Default hereunder, or the resort to any other remedy for the recovery of Land Tax Payments, Annual Service Charges, Administrative Fee water and sewer charges, or other charges, shall not be construed as a waiver of the right to terminate the tax exemption or proceed with In Rem Tax Foreclosure action or any other remedy.

Article XV - Final Accounting

Section 15.1 Final Accounting

Upon any termination or expiration of the tax exemption provided by this Agreement, the Land and Improvements shall be assessed and conventionally taxed according to general law, like other non-exempt property in the Township. At the same date, all restrictions and limitations upon the Entity shall terminate, and within ninety (90) days of the date of Termination or expiration of the Term of this Agreement, the Entity shall render a final accounting and pay to the Township the reserve, if any, maintained pursuant to *N.J.S.A. 40A:20-15*, as well as any excess net profits, if any, pursuant to the provisions of *N.J.S.A. 40A:20-13* and *15*. For purposes of rendering a final accounting, the date of termination of the tax exemption shall be deemed to be the end of the fiscal year for the Entity, except that in the event of a Transfer, the end of the Fiscal Year for the Entity shall be the date of the Transfer.

Article XVI - Miscellaneous

Section 16.1 Conflict

The parties agree that in the event of a conflict between the Application and this Agreement, the provisions of this Agreement shall govern and prevail.

Section 16.2 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Redevelopment Agreement, the Ordinance authorizing this Agreement, and the Application constitute the entire Agreement between the parties, and there shall be no modification thereto other than by a written instrument executed by all parties and delivered to each.

Section 16.3 Entire Document

This Agreement and all conditions in the Ordinance of the Governing Body of the Township approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 16.4 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the Township.

Section 16.5 Grammatical

The bracketing of the letter(s) at the end of a word such as unit(s) shall mean the singular or plural, as proper meaning requires, and all related verbs and pronouns shall be made to correspond.

Section 16.6 Filing with Local Government Services

In accordance with this Agreement, the Township shall cause this Agreement and the Ordinance to be filed with the Director of Local Government Services in the Department of Community Affairs of the State.

Section 16.7 Recording

Either this entire Agreement or a memorandum hereof may be filed and recorded with the Clerk of Gloucester County by any of the parties. If recorded, this Agreement shall subordinate to all financing provided Entity and to all financing, provided Entity is in compliance with the terms and conditions detailed herein and in the approving Ordinance. The Township shall issue a certificate evidencing the Entity's good standing and compliance with the terms of this Agreement within fifteen (15) days of Entity's request, and shall cause a discharge of this Agreement, in a form

acceptable to Entity and at Entity's cost to be recorded in the Gloucester County Clerk's Office within fifteen (15) days of the Termination of this Agreement.

Section 16.8 Financing Matters

The plans for financing the Project are as follows:

The Total Project Cost as defined in the statute is estimated to be \$30,651,839 as set forth in Exhibit F, which may be financed by debt instruments as determined by the Entity and the Total Project Costs are amortized in equal annual amounts over thirty (30) years. The source of the balance of the funds for the Project are as detailed in Exhibit B.

Section 16.9 Municipal Determinations

Pursuant to *N.J.S.A. 40A:20-11*, the Township hereby finds and determines that this Agreement is to the direct benefit of the health, welfare and financial well-being of the Township because it allows for redevelopment of the Property into productive, useful and job-creating property; and further:

a. The costs associated with the tax exemption granted herein are minimal compared to the estimated Total Project Cost of \$30,651,839 and the benefit by the creation of permanent new jobs and potential for additional new jobs over the life of this Agreement.

b. The tax exemption granted herein provides mutual benefits to the Township and the Entity and the relative stability and predictability of the Annual Service Charge will make the Project more attractive to (i) investors and lenders needed to finance the Project, and (ii) probable tenants.

Section 16.10 Invalidity

Except for a Material Condition, if any term, covenant or condition of this Financial Agreement or the Application shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the Application or the application of such term, covenant or condition to persons or circumstances other than those as to which is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Financial Agreement shall be valid and be enforced to the fullest extent permitted by Long Term Tax Exemption Law.

Section 16.11 Counterparts

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

Section 16.12 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of each party hereto.

Section 16.13 Headings

The section headings in this Agreement are for convenience only, and shall not be deemed to add or subtract to the meaning of the text of this Agreement.

Section 16.14 Municipal Services

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

*[Signature Page Immediately
Follows]*

IN WITNESS WHEREOF, the parties have caused this Financial Agreement to be executed the day and year first above written.

**PAULSBORO RD AP URBAN
RENEWAL LLC**
a New Jersey limited liability company

ATTEST:

By: _____

Name & Title _____

ATTEST:



JANE DiBELLA,
Township Clerk

TOWNSHIP OF WOOLWICH

BY:



CRAIG FREDERICK
Mayor

EXHIBIT A
Tax Exemption Application



Jeffrey M. Gradone
Also Member of New York
and Pennsylvania Bars
jgradone@archerlaw.com
609-580-3708 Direct
609-580-0051 Direct Fax

Archer & Greiner, P.C.
101 Carnegie Center, Suite 300
Princeton, NJ 08540
609-580-3700 Main
609-580-0051 Fax
www.archerlaw.com

November 22, 2022

VIA HAND DELIVERY

Honorable Craig Frederick
Woolwich Township
120 Village Green Drive
Woolwich Township, NJ 08085

**Re: Application for Long Term Tax Exemption
Paulsboro Rd AP Urban Renewal LLC**

Dear Mayor Frederick:

Enclosed please find an original and two (2) copies of an Application for Long Term Tax Exemption for the Paulsboro Rd AP Urban Renewal LLC. Please return a copy stamped "received" to our courier.

I appreciate your continued courtesy and assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to be "JMG", written over a horizontal line.

JEFFREY M. GRADONE

JMG/101
Enclosures

212874800v1

cc: M. James Maley, Jr., Esq. (via email)
Paulsboro Rd AP Urban Renewal LLC (via email)

225950791 v1

**APPLICATION FOR LONG TERM TAX EXEMPTION
PURSUANT TO N.J.S.A. 40A:20-1, et seq.**

This Application for long-term tax treatment pursuant to N.J.S.A. 40A:20-1, et seq. ("Application") is hereby made to the Township of Woolwich, County of Gloucester, New Jersey ("Township").

I/We Paulsboro Rd AP Urban Renewal LLC, having offices at

(name of Urban Renewal Entity applicant)

239 Washington Street, Suite 301, Jersey City, New Jersey 07302,

(address)

hereby make claim for a Long-term Tax Treatment/Financial Agreement for property located at 261 Paulsboro Road, Woolwich Township, Gloucester County, which is further described as Block 14, Lot 2 on the Tax Maps of the Township of Woolwich.

FURTHER INFORMATION REQUIRED:

1. **Application Date:** November 16, 2022
2. **Applicant Information:**
 - (a) **Applicant Name:** Paulsboro Rd AP Urban Renewal LLC
 - (b) **Applicant Address:** 239 Washington Street, Suite 301, Jersey City, NJ 07302
 - (c) **Applicant Telephone Number:** (617) 429-7900
 - (d) **Applicant Facsimile Number:** NA
 - (e) **Applicant Email Address:** bfarkas@arbokpartners.com
3. **Property Information:**
 - (a) **Street Address and all Lots and Blocks:** 261 Paulsboro Road, Woolwich Township, Gloucester County, which is further described as Block 14, Lot 2.
 - (b) **Lot Size:** 14.017+/- acres

4. **Project Description and Nature:**

- (a) **Describe the project ("Project") subject to this application. Please attach a conceptual site plan to this Application as Exhibit A.**

The proposed Project will be a 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building façade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements. See conceptual site plan attached to this Application as Exhibit A.

- (b) **By executing this Application, Applicant states that the Project will conform to the Borough's Master Plan, Redevelopment Plan, and all applicable Ordinances and any variances and/or exceptions therefrom.**
- (c) **Attach the statement of a qualified architect or engineer, setting forth Applicant's estimated cost of the Project as Exhibit B.**

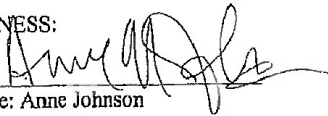
5. **List at Exhibit C attached hereto the source and amount of funds to be subject to the project through investment of private capital, setting forth the amount of securities to be issued therefor or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefor.**
6. **Attach a Conceptual Fiscal Plan for the Project to this Application as Exhibit D. The Conceptual Fiscal Plan shall include a schedule of gross revenue, estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments to the municipality to be made pursuant to a Financial Agreement acceptable to the Township.**
7. **Attach a proposed Financial Agreement for the Project to this Application as Exhibit E for the Township's consideration.**
8. **Provide proof that the Applicant is a New Jersey Urban Renewal Entity as Exhibit F.**

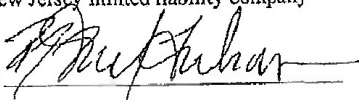
By signing below, Applicant hereby executes this Application as of the date set forth above.

**PAULSBORO RD AP URBAN RENEWAL
LLC**

a New Jersey limited liability company

WITNESS:


Name: Anne Johnson

By: 

Name & Title: Botond Farkas, Managing Partner

EXHIBIT A
CONCEPTUAL SITE PLAN

CAUTION: IF THIS SHEET IS NOT PRINTED AT A REDUCED PRINT

WARRE MALCOMB
LANDSCAPE ARCHITECTURE, INC.
115 North Park
P.O. Box 301
77000
77000

DATE: 08/11/10
PROJECT: 261 PAULSBORO ROAD REDEVELOPMENT
SHEET: 1 OF 4

261 PAULSBORO ROAD REDEVELOPMENT
261 PAULSBORO ROAD
WOOLACH TOWNSHIP, MONMOUTH COUNTY, NEW JERSEY

OVERALL SITE PLAN

NO.	DATE	DESCRIPTION
1	08/11/10	PRELIMINARY
2	08/11/10	REVISED
3	08/11/10	REVISED
4	08/11/10	REVISED
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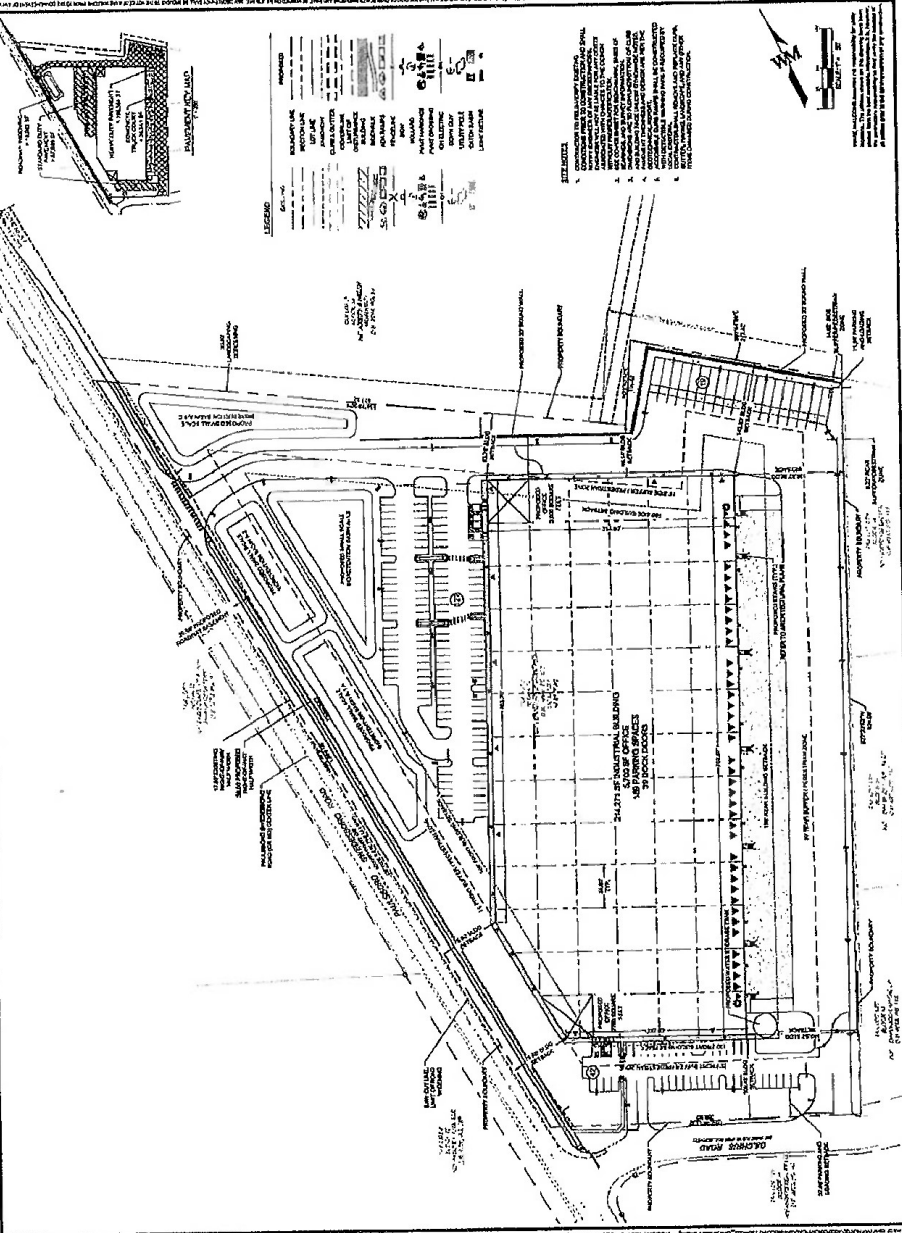



EXHIBIT B
ARCHITECT'S OR ENGINEER'S
STATEMENT OF ESTIMATED PROJECT COSTS

Estimated Project Cost

ENGINEER'S/ARCHITECT'S STATEMENT OF PROJECT COSTS

The undersigned principal, Ed Wilkes, PE of Ware Malcomb, hereby states that that the proect cost of the Project located at 261 Paulsboro Road in Woolwich Township is currently projected to be \$30,651,839, which includes hard construction costs, soft costs, financing costs, construction contingency, and the development management fee.

Date: 10/12/2022

BY:  _____
Name: Ed Wilkes, PE
Title: Director, Civil Engineering

TOTAL PROJECT COSTS

Land Purchase Price	\$	2,700,000
Offsite Costs	\$	250,000
Permits & Fees	\$	803,355
Site Costs	\$	7,405,862
Shell Construction Costs	\$	13,696,438
Tenant Improvements	\$	1,071,140
Hard Cost Contingency	\$	564,447
Total Hard Cost	\$	26,491,241
Design Cost	\$	560,000
Commissions	\$	975,267
Administrative	\$	276,920
OPEX Carry Prior to Stabilization	\$	50,000
Development Fees	\$	955,093
Closing / Transactional Costs	\$	108,000
Financing Costs	\$	212,080
Interest Carry (IO)	\$	922,979
Soft Cost Contingency	\$	100,258
Total Soft Cost	\$	4,160,598
Total Project Costs	\$	30,651,839

EXHIBIT C
SOURCES OF FUNDS

The Entity is intended to be a limited liability company. Funding is anticipated to be provided by the equity contributions of the Applicant's members and/or inter-company /related entity debt.

No third-party mortgage financing is anticipated at this time.

EXHIBIT D
FISCAL PLAN FOR THE PROJECT

EXHIBIT E
APPLICANT'S PROPOSED FINANCIAL AGREEMENT
FOR THE PROJECT

Record and return to:

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this "Agreement" or this "Financial Agreement"), made this _____ day of _____ 2022, by and between **PAULSBORO RD AP URBAN RENEWAL LLC** (along with its successors and/or assigns, the "Entity"), an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Long Term Tax Exemption Law"), with offices located at 239 Washington Street, Suite 301, Jersey City, New Jersey 07302 and the **TOWNSHIP OF WOOLWICH**, a municipal corporation in the County of Gloucester and the State of New Jersey ("Township", as hereinafter defined), with offices at 120 Village Green Drive, Woolwich Township, New Jersey 08085.

WITNESSETH:

WHEREAS, the Township purchased property identified on the Tax Maps of the Township of Woolwich as Block 14, Lot 2 (the "Property") commonly known as the former Nike Missile Site from the Government Services Administration in 2009; and

WHEREAS, on June 18, 2009 the Township Joint Land Use Board adopted Resolution R-2009-18 recommending that the Township Committee designate the Property an Area in Need of Redevelopment pursuant to N.J.S.A. 40A:12A-1 et. seq. (the "Redevelopment Law"); and

WHEREAS, on July 20, 2009 the Township Committee adopted Resolution R-2009-165 designating the Property an Area In Need of Redevelopment ("Redevelopment Area"); and

WHEREAS, thereafter, the Township Committee adopted a redevelopment plan entitled "Nike Missile Site Redevelopment Plan" via Ordinance 2017-03 on March 3, 2017 (the "Redevelopment Plan"); and

WHEREAS, the Township Committee designated Paulsboro Rd AP LLC as the redevelopment entity of the Redevelopment Area and authorizing execution of the Redevelopment Agreement, which permits the Redeveloper to assign its rights to a qualified urban renewal entity such as the Entity; and

WHEREAS, the Entity proposes the construction of a 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building façade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements (the "Project") on the Property; and

WHEREAS, prior to execution of this Agreement, the Entity will be the owner of or have the right to acquire the Property, which is located within the Redevelopment Area; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township will enter into this Agreement with the Entity, governing payments made to the Township in lieu of real estate taxes on the Project pursuant to the Long Term Tax Exemption Law; and

WHEREAS, the provisions of the Long Term Tax Exemption Law authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township based on the enumerated formulas set forth in such law; and

WHEREAS, the Entity has agreed to make payment of the Annual Service Charge (as defined herein) to the Township to be used by the Township for any lawful purpose in the exercise of the Township's sole discretion; and

WHEREAS, on _____, the Entity filed an Application attached hereto as Exhibit A (the "Application"), with the Township for approval of a long term tax exemption for the Improvements; and

WHEREAS, the Township made the following findings:

- A. Relative Benefits of the Project:
 - i. The Project will provide necessary commercial development of a vacant property.
 - ii. The Project will provide significant construction jobs and permanent jobs in the Project and generally add to the economic viability of the Township.
 - iii. The Township will benefit from the payment in lieu of tax being made by the Entity during the term of this Agreement.
 - iv. The Project's benefits outweigh the cost to the Township.
- B. Assessment of the importance of the Tax Exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:
 - i. Exemption permits better use of property, completion of significant infrastructure improvements and improvement of the Township.
 - ii. The relative stability and predictability of the Annual Service Charge will make the Project more attractive to (1) investors and lenders needed to finance the Project, and (2) probable occupants.

WHEREAS, the Township Committee on _____ adopted Ordinance _____ attached as Exhibit C, approving the tax exemption, the Application and this Financial Agreement, including the Annual Service Charge, and authorized the execution of this Financial Agreement; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the Township (the "Parties") shall carry out their respective obligations with respect to payment of the Annual Service Charge (as defined herein) by the Entity, in lieu of real property taxes, the Parties have determined to execute this Financial Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

Article I - General Provisions

Section 1.1 Long Term Tax Exemption Law and Application

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law as amended and supplemented (*N.J.S.A. 40A:20-1 et seq.*). The Township expressly relies upon the facts, data, and presentations contained in the Application in granting the tax exemption as set forth herein. The Entity represents that the facts and data contained in the application are true in all material respects as of the date hereof.

Section 1.2 General Definitions

(a) The following terms shall have the respective meanings ascribed to such terms in the preambles or Section 1.3 hereof:

Agreement
Annual Service Charge
Application
Entity
Financial Agreement
Improvements
Long Term Tax Exemption Law
Ordinance
Project
Property
Redevelopment Area
Redevelopment Law
Redevelopment Plan
State
Township

Section 1.3 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms, when used in this Financial Agreement, shall mean:

- (a) Allowable Net Profit - The Net Profit of the Entity that does not exceed the allowable net profits of the Entity calculated pursuant to the provisions of N.J.S.A. 40A:20-3(b) using the Allowable Profit Rate.
- (b) Allowable Profit Rate - The allowable profit rate for the purpose of this Agreement and for computing Allowable Net Profit is the greater of 12% per year or 1.25% above the annual interest rate of the permanent financing for the Project per year in accordance with N.J.S.A. 40A:20-3b.
- (c) Annual Service Charge - The payment by the Entity pursuant to Article IV herein, which amount the Entity has agreed to pay in part for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, which amount shall be prorated in the year in which the Annual Service Charge Start Date occurs and the year in which the Annual Service Charge terminates and which amount subject to verification and review by the Chief Financial Officer and Tax Collector or other applicable municipal department or agency; provided, however, that in no event shall the Annual Service Charge be less than the Minimum Annual Service Charge.
- (d) Annual Service Charge Start Date - The Annual Service Charge Start Date shall commence as of the first of the month following Substantial Completion.
- (e) Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), the contents of which have been prepared in a manner consistent with GAAP, and which fully details all items as required by the Long Term Tax Exemption Law, which has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State of New Jersey.
- (f) Certificate of Occupancy - The document issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.
- (g) County - The County of Gloucester, New Jersey.
- (h) Cumulative Allowable Net Profit - In accordance with the calculation set forth in the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-15, (a) with respect to the Entity, an amount equal to the sum of the Allowable Net Profit of the Entity in each year from and including the year that any Improvement is completed up to and including the year for which the Cumulative Allowable Net Profit is being calculated, and (b) with respect to any subsequent owner, an amount equal to the sum of the Allowable Net Profit of such subsequent owner from and including the year that such subsequent owner purchased, or otherwise obtained, title to the Project up to and including the year for which the Cumulative Allowable Net Profit is being calculated.
- (i) Cumulative Net Profit - In accordance with the calculation set forth in the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-15, (a) with respect to the Entity, an amount equal to the sum of the Net Profit of the Entity in each year from and including the year that any Improvement is completed up to and including the

- year for which the Cumulative Net Profit is being calculated, and (b) with respect to any subsequent owner, an amount equal to the sum of the Net Profit of such subsequent owner from and including the year that such subsequent owner purchased, or otherwise obtained, title to the Project up to and including the year for which the Cumulative Net Profit is being calculated.
- (j) Debt Service – The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage of other financing including returns on institutional equity financing and market rate related party debt for a project for a period equal to the term of the tax exemption granted by a financial agreement.
- (k) Default - The failure of the Entity or the Township to perform any obligation imposed upon the Entity or the Township by the terms of this Financial Agreement following the expiration of any applicable grace, notice or cure period established under this Agreement.
- (l) Entity – Paulsboro Rd AP Urban Renewal LLC, and any successors or assigns duly qualified and approved pursuant to the Long Term Tax Exemption Law and all purchasers, subsequent purchasers or successors in interest of the Project duly qualified and approved pursuant to the Long Term Tax Exemption Law, who shall engage in no other business other than the ownership, operation and management of the Project so long as such entity is bound by and enjoying the benefits of this Agreement.
- (m) Financial Agreement – as defined in the recitals hereto.
- (n) Financial Plan – as set forth in Exhibit B of this Agreement.
- (o) GAAP – Generally accepted accounting principles as in effect from time to time in the United States of America.
- (p) Gross Revenue and Annual Gross Revenue – Shall mean annual gross rents and other rental income of the Entity which is derived from or generated by the Project and shall be calculated annually by the Entity as provided in accordance with N.J.S.A. 40A:20-3(a) and the terms of this Financial Agreement. The Parties have considered and concluded that there are no insurance, operating, or maintenance expenses paid by a tenant which are ordinarily paid by a landlord contemplated. The Parties agree that customary operating and maintenance expenses of commercial tenants (including without limitation those paid by a tenant in a triple net lease) such as taxes (including payments in lieu of taxes such as the Annual Service Charge), insurance, utilities and other operating and maintenance expenses shall not be included in Annual Gross Revenue. In no event shall Annual Gross Revenue include any income or revenue of any affiliate of the Redeveloper or any other Person other than the Redeveloper. Pursuant to N.J.S.A. 40A:20-3(a), any gain realized by the Entity on the sale of the Project, whether or not taxable under federal or state law, shall not be included in computing Gross Revenue. In no event shall Gross Revenue or Annual Gross Revenue include any income or revenue of any affiliate of the Entity.
- (q) Improvements - the buildings, structures, fixtures, site work and municipal improvements permanently affixed to the Property, consistent with the Redevelopment Plan.

- (r) In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien of taxes due and owing by a tax sale. Said foreclosure is governed by N.J.S.A. 54:5-1 et seq.
- (s) Land - The land, but not the Improvements, known as Block 14, Lot 2, on the tax maps of the Township of Woolwich, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement.
- (t) Land Taxes - The amount of taxes assessed on the value of Land on which the Project is located, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement. Land Tax payments shall be applied as a credit against the Annual Service Charge.
- (u) Land Tax Payments - Payments made on the quarterly due dates for land taxes on the real property as determined by the applicable Tax Assessor and/or Tax Collector of the Township.
- (v) Minimum Annual Service Charge - The amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation pursuant to N.J.S.A. 40A:20-12b.
- (w) Net Profit - The Annual Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined annually in accordance with GAAP and the provisions of the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-3(c), such that, for the avoidance of doubt, there shall be included among such expenses the items listed in N.J.S.A. 40A:20-3(c)(1), including, without limitation, Annual Service Charges, payments under Section 7.5 of this Agreement (if any), and all Debt Service. Calculation of the net profit is cumulative as provided in N.J.S.A. 40A:20-3(c).
- (x) Ordinance - Ordinance No. _____ adopted by the Township on _____, attached herein as Exhibit C adopting the tax exemption.
- (y) Project - as defined in the recitals of this Agreement.
- (z) Property - as defined in the recitals of this Agreement.
- (aa) Redevelopment Area - as defined in the recitals of this Agreement.
- (bb) Redevelopment Law - as defined in the recitals of this Agreement.
- (cc) Redevelopment Plan - as defined in the recitals of this Agreement.
- (jj) Substantial Completion - The determination by the Township that the Project is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive the Certificate(s) of Occupancy for the entire Project.
- (hh) Termination - Any act or omission which by operation of the terms of this Agreement or pursuant to the Long Term Tax Exemption Law shall cause the Entity to relinquish its long term tax exemption.
- (ii) Total Project Cost - The total project cost for purposes of this Agreement and for computing Allowable Net Profit shall include all the costs and items set forth in N.J.S.A. 40A:20-3(h), including without limitation the total cost of constructing the Project through Substantial Completion and the cost of the Land, and shall not be reduced by any cost which may be excluded by the last paragraph of N.J.S.A. 40A:20-3(h).
- (jj) Township - The Township of Woolwich.

(kk) Urban Renewal Entity – Shall have the meaning as such term is defined, used and applied in the Long Term Tax Exemption Law.

Section 1.4 Exhibits Incorporated

All Exhibits which are referred to in this Agreement and are attached hereto are incorporated herein and made a part hereof.

Article II - Approval

Section 2.1 Approval of Tax Exemption

Pursuant to the Ordinance (attached hereto as Exhibit C), the Township has approved and does hereby grant a tax exemption from real estate taxes for all the Improvements, constructed or acquired by the Entity pursuant to the Long Term Tax Exemption Law. The Entity represents and covenants that, effective upon completion of the Improvements, the Entity shall make application for a Certificate of Occupancy for the Improvements.

Section 2.2 Approval of Entity

Approval hereunder is granted to the Entity for the contemplated Project which shall in all respects comply and conform to all applicable statutes of the State of New Jersey and Ordinances of the Township as amended and supplemented, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof.

The Entity represents that its Certificate of Formation as attached hereto as Exhibit D contains all the requisite provisions of the Long Term Tax Exemption Law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Department of the Treasury, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

The Entity agrees to construct the Improvements in accord with the Redevelopment Plan as more specifically described in the Application (attached hereto as Exhibit A).

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Improvements subject to and consistent with the terms of the Redevelopment Agreement, the Redevelopment Plan and this Agreement subject to reasonable modification as necessary to allow for the time required to obtain necessary governmental approvals and permits and other factors beyond the Entity's reasonable control.

Section 2.5 Ownership, Management and Control

The Entity represents that it will be the owner of the Property which is the subject of this Agreement prior to commencement of construction of the Improvements. The Entity represents

and covenants that upon completion, the Project, including the Land and the Improvements, shall be used, managed and operated, including leasing to others for the purposes set forth in the Application and in accordance with the Redevelopment Plan and applicable law.

Section 2.6 Financial Plan

The Entity represents that the Land and the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit B. The Financial Plan also sets forth estimated Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedule and lease terms to be used in the Project. The mortgage amortization, interest rate and principal amount of any Land and/or Project related financing shall be deemed updated upon any refinance(s) of Land and/or Project related debt or the incurrence of any additional debt from time to time.

Article III - Duration of Agreement

Section 3.1 Term

So long as there is compliance with the Long Term Tax Exemption Law and this Agreement, this Agreement shall remain in effect for thirty (30) years from the Annual Service Charge Start Date, but in no event later than thirty-five (35) years from date of this Agreement, whichever shall occur earlier, subject to the further limitations and agreements contained herein, and shall only be effective and in force during the period while the Improvements are owned by an "Urban Renewal" entity formed pursuant to N.J.S.A. 40A:20-5 of the New Jersey Statutes (the "Term"). After the expiration of the Term or Termination, including without limitation by the Entity pursuant to N.J.S.A. 40A:20-13: (i) the tax exemption for the Improvements shall expire, the Annual Service Charges shall terminate and the Property and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township, and (ii) all restrictions and limitations upon the Entity, including without limitation the profits and dividends restrictions under the Long Term Tax Exemption Law, shall terminate.

At any time after the expiration of one year from the date of Substantial Completion of the Project, the Entity may, upon not less than thirty (30) days prior written notice to the Township, voluntarily terminate this Agreement and relinquish its status as an urban renewal entity under the Long Term Tax Exemption Law. If that occurs, the date of termination shall be deemed to be the close of the fiscal year of the Entity and the procedure for the apportionment of any taxes and/or Annual Service Charges, as applicable, shall be the same as would otherwise be applicable to any other property located within the Township upon a change in the exemption or tax status of such property.

Article IV - Annual Service Charge

Section 4.1 Annual Service Charge

(a) In consideration of the tax exemption, the Entity shall make payment to the Township each year of an amount equal to the greater of: the Minimum Annual Service Charge as provided in Section 1.3 or an Annual Service Charge as provided for in Section 4.2.

(b) The Minimum Annual Service Charge or Annual Service Charge shall commence and be calculated from the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will be prorated as of the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will also be prorated in the year this Agreement terminates.

(c) By, execution hereof, Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens established in this Agreement, and the Entity shall not contest the validity or amount of any such lien subject to its right to contest the calculation of said amounts under the remedy provisions set forth herein. Notwithstanding anything herein to the contrary, and notwithstanding the Term of this Agreement or the duration of the tax exemption provided hereunder, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable New Jersey law and then being assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

Section 4.2 Calculation of Annual Service Charge

(a) Annual Service Charge

As of the Annual Service Charge Start Date the Annual Service Charge each year shall be an amount equal to the greater of (A) the total project square footage actually constructed for the Project multiplied by \$1.25, increasing 2% annually, the estimated total of which is the amount shown on Exhibit B for the applicable year, or (B) ten percent (10%) of the Entity's Annual Gross Revenue for years one (1) through fifteen (15), and fifteen percent (15%) of the Entity's Annual Gross Revenue for years sixteen (16) through thirty (30), and shall be prorated as stated in Section 4.1 for the first year and shall be subject to the staging as set forth in Section 4.2(b) below.

(b) Schedule of Staged Adjustments

The Annual Service Charge for each year as provided in Section 4.2(a) shall be adjusted in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: Commencing on the Annual Service Charge Start Date and continuing for a period of fifteen (15) years (or until Termination of the Agreement), the Annual Service Charge shall be the amount stated in Section 4.2(a).

ii. Stage Two: Notwithstanding the Annual Service Charge set forth above, commencing in the 16th year after the Annual Service Charge Start Date and continuing for a period of six (6) years (years 16-21 inclusive) (or until Termination of the Agreement), the Annual Service Charge shall be (i) the amount stated in Section 4.2(a), or twenty percent (20%) of the amount of taxes otherwise due to the Township on the value of the Improvements and the Land that remain subject to the exemption in this Agreement, whichever shall be greater.

iii. Stage Three: Notwithstanding the Annual Service Charge set forth above, commencing in the 22nd year after the Annual Service Charge Start Date and continuing for a period of six (6) years (years 22-27 inclusive) (or until Termination of the Agreement), the adjusted Annual Service Charge shall be (i) the amount stated in Section 4.2(a), or forty percent (40%) of the amount of taxes otherwise due to the Township on the value of the Improvements and the Land that remain subject to the exemption in this Agreement, whichever shall be greater.

iv. Stage Four: Notwithstanding the Annual Service Charge set forth above, commencing in the 28th year after the Annual Service Charge Start Date and continuing for a period of two (2) years (years 28-29 inclusive) (or until Termination of this Agreement), the Annual Service Charge shall be (i) the amount stated in Section 4.2(a) or sixty percent (60%) of the amount of taxes otherwise due to the Township on the value of the Improvements and the Land that remain subject to the exemption in this Agreement, whichever shall be greater.

v. Stage Five: Notwithstanding the Annual Service Charge set forth above, commencing in the 30th year after the Annual Service Charge Start Date and continuing through Termination of this Agreement (year 30 inclusive), the adjusted Annual Service Charge shall be (i) the amount stated in Section 4.2(a) or eighty percent (80%) of the amount of taxes otherwise due to the Township on the value of the Improvements and the Land that remain subject to the exemption in this Agreement, whichever shall be greater. Nothing in this Section alters the understanding of the parties that this Agreement shall be in effect for not more than thirty (30) years from the Annual Service Charge Start Date or for more than thirty-five (35) years from the execution date of this Agreement.

Section 4.3 Payment to Gloucester County

From the Annual Service Charge paid by the Entity, the Township shall annually remit five percent (5%) of the payment received to the County of Gloucester in accordance with the provisions of N.J.S.A. 40A:20-12.

Section 4.4 Quarterly Installments

The Entity expressly agrees that upon commencement of the Annual Service Charge, payments of the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or under payment after close of the Township's fiscal year. In the event that the Entity fails to timely pay any quarterly installment, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Property until paid.

Section 4.5 Land Tax Credit

Pursuant to N.J.S.A. 40A:20-12(b)(2) the Entity shall be entitled to a credit against the Annual Service Charge for the amount, without interest, of the Land Tax Payments paid by it, in the last four preceding quarterly installments.

Section 4.6 Material Conditions

All payments of Land Tax Payments, Annual Service Charges (including the methodology of computation thereof), water and sewer charges, and any interest payments due, are material conditions of this Agreement. The Township relies exclusively on this Agreement in determining the Annual Service Charge payable to the Township over the Term.

The Entity's failure to make the requisite Annual Service Charge payment and/or sewer and water charge payments in a timely manner shall constitute a breach of this Agreement and the Township shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law, N.J.S.A. 54:5-1 *et. seq.* and the In Rem Tax Foreclosure Act (1948), N.J.S.A. 54:5-104.29, *et seq.*

The Annual Service Charge and other related municipal charges shall be a continuous, municipal lien on the Land and Improvements and any subsequent Annual Service Charge, including any interest, penalties or costs of collection thereof, shall be added and shall relate back to and part of the initial municipal lien. The Entity hereby acknowledges, understands and agrees that the Annual Service Charge shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Federal bankruptcy code, regardless of whether the amount of the Annual Service Charge has been determined.

Section 4.7 Application Fee

The Township and the Entity agree there will be no application fee in regard to this Long Term Tax Exemption Law Application.

Article V - Dispute Resolution

Section 5.1 Dispute Resolution

All disputes between the parties arising out of this Agreement shall be resolved by binding arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the Parties are unable to agree on a single Arbitrator, each Party shall designate an Arbitrator, and the designated Arbitrators shall agree upon a third Arbitrator, who shall preside over the resulting three Arbitrator Panel. Any award rendered in any such arbitration shall be final and binding on the parties and judgment thereon may be entered in a court of competent jurisdiction. The costs of such arbitration shall be borne equally by each party.

Article VI - Certificate of Occupancy

Section 6.1 Certificate of Occupancy

It shall be the obligation of the Entity to make application for and make all commercially reasonable efforts to obtain all Certificates of Occupancy in a timely manner as identified in the Application.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with the County Tax Assessor, the Township Tax Collector and the Chief Financial Officer of the Township a copy of any Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not mitigate against any action or non-action, taken by the Township, including, if appropriate, retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Article VII - Annual Audits - Profit Limitations

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed in the Long Term Tax Exemption Law while this Agreement is in effect. In addition, the Entity agrees to calculate: (i) Annual Gross Revenue pursuant to N.J.S.A. 40A:20-3(a); (ii) its Net Profit pursuant to N.J.S.A. 40A:20-3(c); and (iii) Allowable Net Profit and excess Net Profit pursuant to N.J.S.A. 40A 20-15.

Section 7.2 Periodic Reports

Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Agreement shall continue in effect, the Entity shall submit its Auditor's Report certified by a certified public accountant for the preceding fiscal or calendar year to the Clerk of the Township (or any other representative of the Township as may be designated in a notice to the Entity), who shall advise those municipal officials required to be advised, as required under N.J.S.A. 40:A:20-9(d). Said Auditor's Report shall include, but not be limited for the fiscal or calendar year covered by such Auditor's Report, Gross Revenue of the Entity, the terms and interest rate on any mortgage(s) associated with the Project, the Allowable Net Profit and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder as required by the Long Term Tax Exemption Law.

After completion of the Project, the Entity agrees to submit a report of the Total Project Cost for the Project within ninety (90) days.

In addition to the foregoing, on each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest of the Entity or the Project from the prior year's filing, the Entity shall submit to the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each, and such additional information as the Township may request from time to time.

Section 7.3 Inspection

The Entity shall, upon request, permit the inspection of the Project, the Property, equipment, buildings or other facilities of the Entity by the duly authorized representatives of the Township or the State of New Jersey. It also shall permit, upon request, examination and audit of its books, contracts, records, documents and papers that are relevant to the Project by representatives duly authorized by the Township or the State of New Jersey. Such examination or audit shall be made following reasonable advance written notice, during reasonable hours of the business day, in the presence of an officer or agent of the Entity. To the extent reasonably possible, the examination or audit will not materially interfere with the construction or operation of the Project. All costs incurred by the Township to conduct such inspections and/or audits, including reasonable attorneys' fees if appropriate, shall be borne by the Township; provided, that if as a result of any such inspection, examination or audit, the Entity is found to have filed a fraudulent report or to be in breach of this Agreement or Applicable Law, the costs of such inspection, examination or audit shall be billed to the Entity and paid to the Township as an additional part of the Entity's Annual Service Charge.

Section 7.4 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to limitation of its profits and, if applicable, dividends payable pursuant to the provisions of N.J.S.A. 40A:20-15. The Township and the Entity acknowledge that such limitation shall apply solely to the Gross Revenue received by the Entity.

Pursuant to and in accordance with N.J.S.A. 40A:20-15, the Entity shall have the right, but not the obligation, to establish a reserve against unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding ten (10%) percent of the Gross Revenue of the Entity for the fiscal year preceding the year in which a determination is being made with respect to permitted Net Profit as provided in N.J.S.A. 40A:20-15 and to the extent permitted by N.J.S.A. 40A:20-15 may retain such part of excess net profits as is necessary to eliminate a deficiency in that reserve, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of ten (10%) percent of the preceding year's gross revenues as set forth above. Upon the termination of this Agreement, the amount of reserve, if any, shall be paid to the Township.

Section 7.5 Payment of Dividend and Excess Profit Charge

In the event the Cumulative Net Profit of the Entity should at any time exceed the Cumulative Allowable Net Profits, the Entity shall, within ninety (90) days after the end of such

fiscal year, pay such excess profit to the Township as an additional service charge hereunder; provided, however, that the Entity may maintain any reserves permitted by N.J.S.A. 40A:20-15.

Article VIII - Assignment and/or Assumption

Section 8.1 Sale of Project

The Entity shall be permitted to transfer all or any portion of the Project as follows:

(a) As permitted by N.J.S.A. 40A:20-10(a), it is understood and agreed that the Township, on written application by the Entity, shall consent to a sale of the Project and the transfer of this Agreement (and that the tax exemption for the Improvements shall continue and inure to the transferee urban renewal entity, its respective successors and assigns) provided: 1) the transferee entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the transferee entity is an urban renewal entity formed and eligible to operate under the Long Term Tax Exemption Law; 3) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; 4) the Entity's obligations under this Agreement are fully assumed by the transferee entity; and 5) the transferee entity abides by all terms and conditions of this Agreement. Nothing herein shall prohibit any transfer of ownership interest in the Entity provided that the transfer, if greater than 10%, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement.

(b) The Township may levy an administrative fee of two percent (2%) of the Annual Service Charge for the sale of the Project for the processing of a request to transfer as set forth in Section 8.1(a).

Section 8.2 Operation of Project

At all times while this Agreement is in effect, the Project shall be operated in accordance with the provisions of the Long Term Tax Exemption Law. The Township acknowledges that the Entity shall have the ability to lease the Property to others as long as the use is in conformance with the use provided in the Application.

Section 8.3 Subordination of Fee Title

It is expressly understood and agreed that the Entity shall have the right to encumber the fee title to the Property and may encumber or assign for security purposes the Entity's interest in this Agreement, and any such encumbrance or assignment shall not be deemed to be a Default under this Agreement.

Article IX - No Waiver By Township

Section 9.1 No Waiver By Township

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township of any rights and remedies. Nothing herein shall be deemed to limit any right of recovery of any amount which the Township has under law, in equity, or under any provisions of this Agreement.

Article X – Notice

Section 10.1 Notice

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested, addressed as follows:

- (a) When sent by the Township to the Entity it shall be addressed as follows:

Paulsboro Rd AP Urban Renewal LLC
239 Washington Street, Suite 301
Jersey City, NJ 07302

With copy to:

Jeffrey M. Gradone, Esquire
Archer & Greiner, P.C.
101 Carnegie Center
Suite 300 – 3rd Floor
Princeton, New Jersey 08540

- (b) When sent by the Entity to the Township, it shall be addressed to:

Jane DiBella, Municipal Administrator Clerk
Woolwich Township
120 Village Green Drive
Woolwich Township, New Jersey 08085

With a Copy to:

with copies sent to the Township Tax Collector or Tax Assessor, and the Chief Financial Officer for the Township, unless prior to the giving of notice the Township shall have notified the Entity otherwise.

A party may change any address and recipient for notices to it hereunder by a notice sent by it in accordance with this Article X.

Article XI - Compliance

Section 11.1 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or Termination of this Agreement to remain bound by the provisions of all applicable state statutes and municipal ordinances and regulations including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a Default under this Agreement.

Article XII - Construction

Section 12.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn, since counsel for both the Entity and the Township have combined in their review and approval of same.

Article XIII - Indemnification

Section 13.1 Indemnification

In the event the Township shall be named as party defendant in any action brought against the Entity by reason of any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law by the Entity, the Entity shall indemnify and hold harmless the Township, including payment of reasonable attorney's fees for separate counsel should the Township determine that a conflict of interest exists with respect to relying on the Entity's counsel, and the Entity agrees to defend the suit at its own expense and may employ counsel for the Entity of the Entity's choosing, provided that the Entity shall not have any indemnification or defense obligations with respect to any intentional misconduct or gross negligence by the Township or any of its officers, officials, employees or agents. Notwithstanding the foregoing, the Township maintains the right to retain separate counsel in its defense of any such action and/or to intervene as a party thereto, to which intervention the Entity hereby consents, the reasonable expense of any such separate counsel and/or intervention to be borne by the Entity. This indemnity shall survive termination of this Agreement.

Article XIV - Default

Section 14.1 Event of Default

Default by the Entity or the Township, as the case may be, shall be failure of the Entity or the Township to conform with the terms of this Agreement herein and failure of such party to perform any material obligation imposed thereupon by statute, ordinance or lawful regulation, after notice and opportunity to cure, provided however, that the defaulting party shall not be deemed to be in Default if the defaulting party diligently contests, in good faith and by appropriate proceedings, such compliance with any such material obligation imposed by statute, ordinance or lawful regulation.

Section 14.2 Cure Upon Default

Should the Entity or the Township be in Default, the non-defaulting party shall notify the defaulting party in writing of said Default, stating with specificity the basis of said Default. The defaulting party shall have thirty (30) days to cure any Default (except for a payment Default which shall be fifteen (15) days), provided such Default is capable of cure within thirty (30) days. If the Default is not capable of cure within thirty (30) days, the defaulting party shall have a reasonable period of time to cure such Default, not to exceed ninety (90) days (the "Cure Period"). Subsequent to the expiration of the Cure Period, the non-defaulting party will give final notice of Default requiring the defaulting party to cure the Default within twenty (20) days ("Final Notice Period"). If the Default is the Entity's failure to pay a financial obligation to the Township and the Default is not cured after the Final Notice Period, the Township shall have the right to proceed against the Property pursuant to In Rem Tax Foreclosure. In addition, after notice and expiration of the Final Notice Period, if the Default for which notice was given remains uncured, the non-defaulting party may terminate this Agreement or proceed against the defaulting party for specific performance or any other remedy available at law or equity. In no event, however, does the Entity waive any defense it may have to contest the right of the Township to proceed by conventional or In Rem Tax Foreclosure just as it would have if the Entity were subject to municipal taxes.

Section 14.3 Remedies Upon Default Cumulative; No Waiver

All of the remedies granted to the Township or the Entity by this Agreement, or available by law and in equity, shall be cumulative and concurrent. No determination of invalidity of any provision within this Agreement shall deprive the Township or the Entity of any of their remedies or actions against the Entity or the Township because of its Default (after the expiration of any applicable grace, notice or cure period) under this Agreement. The bringing of an action for collection of Land Tax Payments, Annual Service Charges, or other charges, or for any other Default hereunder, or the resort to any other remedy for the recovery of Land Tax Payments, Annual Service Charges, water and sewer charges, or other charges, shall not be construed as a waiver of the right to terminate the tax exemption or proceed with In Rem Tax Foreclosure action or any other remedy.

Article XV - Final Accounting

Section 15.1 Final Accounting

Upon any Termination or expiration of the tax exemption provided by this Agreement, whether by affirmative action of the Entity, by virtue of the provisions of the Long Term Tax Exemption Law, or pursuant to the terms of this Agreement, the date of such Termination or expiration shall be deemed to be the end of the fiscal year of the Entity. At the end of the period of tax exemption granted, the Property shall be assessed and taxed according to general law, like other property in the Township. At the same date, all restrictions and limitations upon the Entity shall terminate, and within ninety (90) days of the date of Termination or expiration of the Term of this Agreement, the Entity shall render a final accounting and pay to the Township the reserve, if any, maintained pursuant to N.J.S.A. 40A:20-15, as well as any excess net profits, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15. For purposes of rendering a final accounting, the Termination date or expiration date shall be deemed to be the end of the fiscal year for the Entity.

Article XVI – Miscellaneous

Section 16.1 Conflict

The parties agree that in the event of a conflict between the Application and this Agreement, the provisions of this Agreement shall govern and prevail.

Section 16.2 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing this Agreement, and the Application constitute the entire Agreement between the parties, and there shall be no modification thereto other than by a written instrument executed by all parties and delivered to each.

Section 16.3 Entire Document

This Agreement and all conditions in the Ordinance of the Governing Body of the Township approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 16.4 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the Township.

Section 16.5 Grammatical

The bracketing of the letter(s) at the end of a word such as unit(s) shall mean the singular or plural, as proper meaning requires, and all related verbs and pronouns shall be made to correspond.

Section 16.6 Filing with Local Government Services

In accordance with this Agreement, the Township shall cause this Agreement and the Ordinance to be filed with the Director of Local Government Services in the Department of Community Affairs of the State.

Section 16.7 Recording

Either this entire Agreement or a memorandum hereof may be filed and recorded with the Clerk of Burlington County by any of the parties. If recorded, this Agreement shall subordinate to all financing provided Entity and to all financing, provided Entity is in compliance with the terms and conditions detailed herein and in the approving Ordinance. The Township shall issue a certificate evidencing the Entity's good standing and compliance with the terms of this Agreement within fifteen (15) days of Entity's request, and shall cause a discharge of this Agreement, in a form acceptable to Entity and at Entity's cost to be recorded in the Burlington County Clerk's Office within fifteen (15) days of the Termination of this Agreement.

Section 16.8 Financing Matters

The plans for financing the Project are as follows:

The Total Project Cost as defined in the statute is estimated to be \$ _____ as set forth in Exhibit F, which may be financed by debt instruments as determined by the Entity and the Total Project Costs are amortized in equal annual amounts over thirty (30) years. The source of the balance of the funds for the Project are as detailed in Exhibit B.

Section 16.9 Municipal Determinations

Pursuant to N.J.S.A. 40A:20-11, the Township hereby finds and determines that this Agreement is to the direct benefit of the health, welfare and financial well-being of the Township because it allows for redevelopment of the Property into productive, useful and job-creating property; and further:

- a. The costs associated with the tax exemption granted herein are minimal compared to the estimated Total Project Cost of \$ _____ and the benefit by the creation of permanent new jobs and potential for additional new jobs over the life of this Agreement.
- b. The tax exemption granted herein provides mutual benefits to the Township and the Entity and the relative stability and predictability of the Annual Service Charge will make the Project more attractive to (i) investors and lenders needed to finance the Project, and (ii) probable occupants.

Section 16.10 Invalidity

If any term, covenant or condition of this Financial Agreement or the Application shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the Application or the application of such term, covenant or condition to persons or circumstances other than those as to which is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Financial Agreement shall be valid and be enforced to the fullest extent permitted by Long Term Tax Exemption Law.

Section 16.11 Counterparts

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

Section 16.12 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of each party hereto.

Section 16.13 Headings

The section headings in this Agreement are for convenience only, and shall not be deemed to add or subtract to the meaning of the text of this Agreement.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the parties have caused this Financial Agreement to be executed the day and year first above written.

**PAULSBORO RD AP URBAN RENEWAL
LLC**
a New Jersey limited liability company

ATTEST:

By: _____

Name & Title _____

ATTEST:

, Township Clerk

TOWNSHIP OF WOOLWICH

BY: _____
, Mayor

EXHIBIT F
AMENDED AND RESTATED CERTIFICATE OF FORMATION

**AMENDED & RESTATED
CERTIFICATE OF FORMATION
OF
PAULSBORO RD AP LLC**

RST
FILED
SEP 22 2021
STATE TREASURER
0450561668

THE UNDERSIGNED, pursuant to the provisions of N.J.S.A. Section 17:27, hereby executes the following Amended & Restated Certificate of Formation and certifies that:

1. The name of the limited liability company is PAULSBORO RD AP LLC (the "Company").
2. The New Jersey Business Identification number of the Company is 0450561668.
3. This Amended & Restated Certificate of Formation will be effective upon filing.
4. The Certificate of Formation is hereby amended and restated in its entirety as follows:

1. The name of the limited liability company is PAULSBORO RD AP URBAN RENEWAL LLC (the "Company").

2. The Company's registered agent and registered address in the State of New Jersey are Botond Farkas, 239 Washington Street, Suite 301, Jersey City, New Jersey 07302.

3. The purpose for which this Company shall be to operate under P.L. 1991, c. 431 (C. 40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas or low and moderate income housing projects, and, when authorized by a financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain, or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational, or welfare projects, or any combination of two or more of these types of improvements in a single project under such conditions as to use, ownership, management, and control, as regulated under P.L. 1991, c. 431 (C. 40A:20-1 et seq.)

4. So long as the Company is obligated under a financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation, and management of the project.

5. The Company has been organized to serve a public purpose, that its operations shall be directed toward; (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C.40A:20-1 et seq.); and (3) the Company shall be subject to regulation by the municipality in which its project is situated, and to a limitation or

prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c.431 (C.40A:20-1 et seq.).

6. The Company shall not voluntarily transfer more than 10 percent of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c.431 (C.40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The Company shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

7. The Company is subject to the provisions of section 18 of P.L.1991, c.431 (C.40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

8. Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and the rules adopted by, the Commissioner of Community Affairs.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the undersigned has executed this certificate on this 6 day of May, 2021.

PAULSBORO RD AP LLC

By: [Signature]
Name: ANTONIO FORTEA
Title: MANAGER

221021803v1



Jeffrey M. Gradone
Also Member of New York
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May 1, 2023

VIA HAND DELIVERY

Honorable Craig Frederick
Woolwich Township
120 Village Green Drive
Woolwich Township, NJ 08085

**Re: Application for Long Term Tax Exemption
Paulsboro Rd AP Urban Renewal LLC**

Dear Mayor Frederick:

Enclosed please find an original and two (2) copies each of revised documents in connection with the Application for Long Term Tax Exemption for the Paulsboro Rd AP Urban Renewal LLC, previously filed on November 22, 2022. Specifically, the enclosed are a revised Exhibit D-Fiscal Plan, and a revised Exhibit E-Financial Agreement. Please return a copy stamped "received" to our courier.

I appreciate your continued courtesy and assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "JMG", with a stylized flourish at the end.

JEFFREY M. GRADONE

JMG/101
Enclosures

cc: M. James Maley, Jr., Esq. (via email)
Paulsboro Rd AP Urban Renewal LLC (via email)

227118506 v1

Fiscal Year-end Projections

2006-07 Financial Plan

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
FISCAL YEAR																															
Annual Service Revenue (ASR)	\$1,258,518	\$2,247,438	\$2,175,817	\$2,185,005	\$2,262,371	\$2,247,438	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371	\$2,262,371
Annual Service Costs (ASC)	\$ 403,879	\$ 417,403	\$ 418,281	\$ 426,306	\$ 434,870	\$ 443,084	\$ 451,934	\$ 461,528	\$ 468,120	\$ 475,574	\$ 483,028	\$ 491,134	\$ 499,340	\$ 507,546	\$ 515,752	\$ 523,958	\$ 532,164	\$ 540,370	\$ 548,576	\$ 556,782	\$ 564,988	\$ 573,194	\$ 581,400	\$ 589,606	\$ 597,812	\$ 606,018	\$ 614,224	\$ 622,430	\$ 630,636	\$ 638,842	\$ 647,048
Annual Service Profit (ASP)	\$ 854,639	\$ 1,828,035	\$ 1,757,536	\$ 1,758,699	\$ 1,827,501	\$ 1,824,354	\$ 1,810,844	\$ 1,799,852	\$ 1,793,850	\$ 1,786,797	\$ 1,779,744	\$ 1,772,691	\$ 1,765,638	\$ 1,758,585	\$ 1,751,532	\$ 1,744,479	\$ 1,737,426	\$ 1,730,373	\$ 1,723,320	\$ 1,716,267	\$ 1,709,214	\$ 1,702,161	\$ 1,695,108	\$ 1,688,055	\$ 1,681,002	\$ 1,673,949	\$ 1,666,896	\$ 1,659,843	\$ 1,652,790	\$ 1,645,737	\$ 1,638,684
Operating Expenses	\$271,437	\$327,833	\$328,201	\$331,178	\$334,155	\$337,132	\$340,109	\$343,086	\$346,063	\$349,040	\$352,017	\$354,994	\$357,971	\$360,948	\$363,925	\$366,902	\$369,879	\$372,856	\$375,833	\$378,810	\$381,787	\$384,764	\$387,741	\$390,718	\$393,695	\$396,672	\$399,649	\$402,626	\$405,603	\$408,580	
Net Service	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518	\$1,258,518
Net Profit/Operating Profit (Net Profit)	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200	\$113,200
Profit Calculations (PAC)	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100

The net profit is the amount reported on the Profit and Loss Statement.

Record and return to:

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this "Agreement" or this "Financial Agreement"), made this _____ day of ___ 2023, by and between **PAULSBORO RD AP URBAN RENEWAL LLC** (along with its successors and/or assigns, the "Entity"), an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, *N.J.S.A. 40A:20-1, et seq.* (the "Long Term Tax Exemption Law"), with offices located at 239 Washington Street, Suite 301, Jersey City, New Jersey 07302 and the **TOWNSHIP OF WOOLWICH**, a municipal corporation in the County of Gloucester and the State of New Jersey ("Township", as hereinafter defined), with offices at 120 Village Green Drive, Woolwich Township, New Jersey 08085.

WITNESSETH:

WHEREAS, the Township purchased property identified on the Tax Maps of the Township of Woolwich as Block 14, Lot 2 (the "Property") commonly known as the former Nike Missile Site from the United States of America, acting by and through the Administrator of the Government Services Administration on June 4, 2009, by way of Deed recorded in Deed Book 4666, Page 137 on June 29, 2009; and

WHEREAS, the Township is empowered, pursuant to the provisions of the Local Redevelopment and Housing Law, as amended and supplemented, *N.J.S.A. 40A:12A-1 et seq.* ("the Redevelopment Law"), to declare certain properties located within the Township as areas in need of redevelopment, and to adopt and implement redevelopment plans, and carry out redevelopment projects; and

WHEREAS, on July 20, 2009 the Township Committee adopted Resolution R-2009-165 designating Block 14, Lots 2 and 4 an Area In Need of Redevelopment ("Redevelopment Area"); and

WHEREAS, thereafter, the Township Committee adopted a redevelopment plan entitled "Nike Missile Site Redevelopment Plan" via Ordinance 2017-03 on March 3, 2017 (the "Original Redevelopment Plan"); and

WHEREAS, by way of Ordinance 2021-23, adopted by the Township Committee on December 6, 2021, the Township Committee an amendment to the

Original Redevelopment Plan (“Plan Amendment”) (the Original Plan together with the Plan Amendment is the “Redevelopment Plan”); and

WHEREAS, the Township Committee has executed a Redevelopment Agreement with the Entity to undertake redevelopment of the Property; and

WHEREAS, the Entity proposes the construction of a 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building facade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements (the "Project") on the Property; and

WHEREAS, pursuant to the Redevelopment Agreement, the Entity will acquire the Property, which is located within the Redevelopment Area, from the Township; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township will enter into this Agreement with the Entity, governing payments made to the Township in lieu of real estate taxes on the Project pursuant to the Long Term Tax Exemption Law; and

WHEREAS, the provisions of the Long Term Tax Exemption Law authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township based on the enumerated formulas set forth in such law; and

WHEREAS, the Entity has agreed to make payment of the Annual Service Charge (as defined herein) to the Township to be used by the Township for any lawful purpose in the exercise of the Township's sole discretion; and

WHEREAS, on November 2, 2022 the Entity filed an Application attached hereto as Exhibit A (the "Application"), with the Township for approval of a long term tax exemption for the Improvements; and

WHEREAS, the Township made the following findings:

- A. Relative Benefits of the Project:
 - i. The Project will provide necessary commercial development of a vacant property.
 - ii. The Project will provide significant construction jobs and permanent jobs in the Project and generally add to the economic viability of the Township.
 - iii. The Township will benefit from the payment in lieu of tax

- being made by the Entity during the term of this Agreement and other community benefits from the Project.
- iv. The Project will further the redevelopment objectives of the Redevelopment Plan; and
 - v. The Township has determined that the Project will result in significant economic and societal benefits and that such benefits are far greater to the Borough than the costs, if any, associated with this Financial Agreement; and.
- B. Assessment of the importance of the Tax Exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:
- i. Exemption permits better use of property, completion of significant infrastructure improvements and improvement of the Township.
 - ii. The relative stability and predictability of the Annual Service Charge will make the Project more attractive to (1) investors and lenders needed to finance the Project, and (2) probable occupants.
 - iii. The relative stability and predictability of the Annual Service Charge will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the improvements over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area and the locational decisions of probable occupants of the Residential Project.

WHEREAS, the Township Committee on _____ adopted Ordinance _____ attached as Exhibit C, approving the tax exemption, the Application and this Financial Agreement, including the Annual Service Charge, and authorized the execution of this Financial Agreement; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the Township (the "Parties") shall carry out their respective obligations with respect to payment of the Annual Service Charge (as defined herein) by the Entity, in lieu of real property taxes, the Parties have determined to execute this Financial Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

Article I - General Provisions

Section 1.1 Long Term Tax Exemption Law and Application

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law as amended and supplemented (*N.J.S.A. 40A:20-1 et seq.*). The Township expressly relies upon the facts, data, and presentations contained in the Application in granting the tax exemption as set forth herein. The Entity represents that the facts and data contained in the application are true in all material respects as of the date hereof.

Section 1.2 Incorporation of Recitals

The statements that are set forth in the Recitals above are true and accurate. All Recitals are repeated and are incorporated herein by this reference thereto and are made a part hereof as if each and every statement were set forth fully herein.

Section 1.3 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms, when used in this Financial Agreement, shall mean:

- (a) **Affiliate** – With respect to the Entity, any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with the Entity, and shall include any parent company, subsidiary, or Person owning at least a 10% interest in the Entity as set forth in Exhibit H attached hereto, and as is updated in the annual Auditor’s Report. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.
- (b) **Agreement** - This Financial Agreement.
- (c) **Annual Gross Revenue** – The Gross Revenue calculated for a single Fiscal Year.
- (d) **Allowable Net Profit** - The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to the provisions of *N.J.S.A. 40A:20-3.b*.
- (e) **Allowable Profit Rate** - The allowable profit rate for the purpose of this Agreement and for computing Allowable Net Profit is the greater of 12% per year or 1.25% above the annual interest rate of the permanent financing for the Project per year in accordance with *N.J.S.A. 40A:20-3b*. The Allowable Profit Rate will be calculated as set forth in *N.J.S.A. 40A:20-3.b*.
- (f) **Annual Service Charge** - The payment by the Entity pursuant to Article

IV herein, which amount the Entity has agreed to pay in part for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, which amount shall be prorated in the year in which the Annual Service Charge Start Date occurs and the year in which the Annual Service Charge terminates and which amount subject to verification and review by the Chief Financial Officer and Tax Collector or other applicable municipal department or agency; provided, however, that in no event shall the Annual Service Charge be less than the Minimum Annual Service Charge.

- (g) Annual Service Charge Start Date - The Annual Service Charge Start Date shall commence as of the first of the month following Substantial Completion.
- (h) Application – The Application for a tax exemption filed by the Entity on November 2, 2022, and amended on _____, which is attached hereto as Exhibit A
- (i) Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), the contents of which have been prepared in a manner consistent with GAAP, including the Gross Revenue, Expenses, annual non-accrued Net Profit, the total accrued Net Profit, the Allowable Net Profit, all Distributions made during the Fiscal Year, a statement of retained earnings, and a cash flow statement and which fully details all items as required by the Long Term Tax Exemption Law, which has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State of New Jersey.
- (j) Certificate of Occupancy - The document issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A. 52:27D-133*.
- (k) County - The County of Gloucester, New Jersey.
 - (l) Debt Service – As defined in *N.J.S.A. 40A:20-3.m.*
- (n) (m) Default - The failure of the Entity or the Township to perform any obligation imposed upon the Entity or the Township by the terms of this Financial Agreement following the expiration of any applicable grace, notice or cure period established under this Agreement. Entity- Paulsboro Rd AP Urban Renewal LLC, and any Transferee duly qualified and approved pursuant to the Long Term Tax Exemption Law, which transfer is carried out in accordance with the terms of the Redevelopment Agreement and this Financial Agreement.
- (o) Expenses – All operating and non-operating expenses of the Entity during the applicable Fiscal Year, all determined in accordance with GAAP, except as otherwise provided herein, and in accordance with the provisions of *N.J.S.A. 40A:20-3.c*, which includes, but is not limited to, an annual amount sufficient to amortize (utilizing the

straight line method-equal annual amounts) the Total Project Cost over the term of the exemption granted pursuant to this Financial Agreement as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3.c.*

- (p) Financial Agreement - This Financial Agreement.
- (q) Financial Plan- as set forth in Exhibit B of this Agreement.
- (r) Fiscal Year – The 12-month accounting period that the Entity uses to report its finances, as determined in accordance with the Entity’s accounting system. The Fiscal Year may or may not coincide with the calendar year.
- (s) GAAP - Generally accepted accounting principles as in effect from time to time in the United States of America.
- (t) GAAS – Shall mean generally accepted auditing standards.
- (u) Gross Revenue- Gross Revenue- Pursuant to *N.J.S.A. 40A:20-3.a.*, gross revenue shall be calculated as all rental income and other revenues generated or derived by or through the Entity, any direct or indirect owner or member of the Entity, or any Affiliate of the Entity, that arise out of or in connection with, or is attributable to the Project Improvements from any source during the applicable Fiscal Year(s) and before deductions for any Expenses. The Parties agree that customary operating and maintenance expenses of commercial tenants (including without limitation those paid by a tenant in a triple net lease) such as taxes (including payments in lieu of taxes such as the Annual Service Charge), insurance, utilities and other operating and maintenance expenses shall not be included in Gross Revenue. To the extent that any such expenses are excluded from Gross Revenue, same must also be excluded from expenses. For the avoidance of doubt, income or revenue of any direct or indirect owner or Affiliate of the Entity shall not be treated as income or revenue of the Entity or otherwise included in Annual Gross Revenue if the income or revenue does not arise out of or in connection with, or is attributable to the Project Improvements. Pursuant to *N.J.S.A. 40A:20-3(a)*, any gain realized by the Entity on the sale of the Project, whether or not taxable under federal or state law, shall not be included in computing Gross Revenue.
- (v) Improvements – A 214,271 +/- square foot warehouse distribution center together with 168 +/- passenger vehicle parking spaces, trailer parking spaces, 39 loading bays, two freestanding signs, 2 building facade signs, a sound attenuation wall, landscaping, stormwater management facilities, and related site improvements, along with any other buildings, structures, fixtures, site work and municipal improvements permanently affixed to the Land.
- (w) Improvement Taxes – The amount of taxes attributable to the Improvements, based upon the assessed value of the Improvements, following Substantial Completion, excluding the assessed value of the Land, as determined in any applicable Tax Year by the Tax Assessor

and the Tax Collector in accordance with the Tax Laws.

- (x) In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien of taxes due and owing by a tax sale. Said foreclosure is governed by *N.J.S.A. 54:5-1 et seq.*
- (y) Land - The land, but not the Improvements, known as Block 14, Lot 2, on the official tax maps of the Township of Woolwich, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement.
- (z) Land Taxes - The amount of property taxes attributable to the Land, based upon the assessed value of the Land, but excluding the assessed value of any Improvements related thereto, as determined in any applicable Tax Year by the Tax Assessor and Tax Collector in accordance with the Tax Laws.
- (aa) Land Tax Payments - Payments made on the quarterly due dates for Land Taxes on the Land as determined by the applicable Tax Assessor and/or Tax Collector of the Township.
- (bb) Long Term Tax Exemption Law - The Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*
- (cc) Minimum Annual Service Charge - The amount of the total taxes levied against all real property in the area covered by the Project in the last full Tax Year in which the area was subject to taxation pursuant to *N.J.S.A. 40A:20-12b.*
- (dd) Net Profit - The Annual Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined annually in accordance with GAAP and the provisions of the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-3(c)*, such that, for the avoidance of doubt, there shall be included among such expenses the items listed in *N.J.S.A. 40A:20-3(c)(l)*, including, without limitation, Annual Service Charges, payments under Section 7.5 of this Agreement (if any), and all Debt Service. In accordance with *N.J.S.A. 40A:20-15*, Net Profit shall be calculated as one accounting period commencing on the date of Substantial Completion and ending on the date of the last full fiscal year, except that in the event of a Transfer, the accounting period shall commence on the date of the Transfer and end on the last full fiscal year.
- (ee) Ordinance - Ordinance No. _____ adopted by the Township on _____, attached herein as Exhibit C adopting the tax exemption.
- (ff) Project - The acquisition of the Property; site preparation of the Property; the financing, construction and completion of the Improvement; obtaining all Governmental Approvals (as defined in the Redevelopment Agreement) and operation of the Improvements.
- (gg) Property - Block 14, Lot 2 on the official tax maps of the Township of Woolwich, and more particularly described by the metes and bounds description as set forth in Exhibit G of this Agreement.
- (hh) Redevelopment Agreement - The Redevelopment Agreement entered

into between the Township of Woolwich and the Entity, dated April 17, 2023.

- (ii) Redevelopment Area - as defined in the recitals of this Agreement.
- (ij) Redevelopment Law - The Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*
- (kk) Redevelopment Plan - The redevelopment plan entitled “Nike Missile Site Redevelopment Plan” prepared by J. Timothy Kernan, Maser Consulting, adopted by the Township via Ordinance 2017-03 on March 3, 2017, together with the amendment to the same which was adopted via Ordinance 2021-23 on December 6, 2021.
Substantial Completion - The determination by the Township that the Project is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive the Certificate(s) of Occupancy for the entire Project.
- (ll) Taxes Otherwise Due - The full amount of the Land Taxes and the Improvement Taxes in any given Tax Year during the Term, as if no tax exemption had been granted thereon, as determined by the Township tax assessor and the Township tax collector in accordance with the Tax Laws.
- (mm) Tax Year – Shall mean the twelve-month period from January 1 to December 31.
- (nn) Total Project Cost - The total project cost for purposes of this Agreement and for computing Allowable Net Profit shall include all the costs and items set forth in *N.J.S.A. 40A:20-3(h)*, including without limitation the total cost of constructing the Project through Substantial Completion and the cost of the Land, and shall not be reduced by any cost which may be excluded by the last paragraph of *N.J.S.A. 40A:20-3(h)*.
- (oo) Township - The Township of Woolwich.
- (pp) Transfer - As defined in Section 8.1.
- (qq) Transferee - Any Person to whom a Transferor proposes to Transfer all or a portion of the Project Improvements, the Property, this Financial Agreement, or any interest in any of the foregoing.
- (rr) Transferor – The Entity or other Person implementing a Transfer under Article 8.
- (ss) Urban Renewal Entity Shall have the meaning as such term is defined, used and applied in the Long Term Tax Exemption Law.

Section 1.4 Exhibits Incorporated

All Exhibits which are referred to in this Agreement and are attached hereto are incorporated herein and made a part hereof.

Exhibit A – Tax Exemption Application

Exhibit B – Financial Plan

Exhibit C – Ordinance Approving Financial Agreement

- Exhibit D – Certificate of Formation
- Exhibit E – Annual Service Charge Calculations
- Exhibit F – Estimated Project Costs
- Exhibit G – Legal Description of the Land
- Exhibit H – Ownership Disclosure

Section 1.5 Interpretation and Construction

In this Financial Agreement, unless the context otherwise requires:

A. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Financial Agreement, refer to this Financial Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Financial Agreement.

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

C. Words importing persons means and include firms, associations, partnerships (including limited partnerships), trusts, corporation, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

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

E. All exhibits referred to in this Financial Agreement and attached hereto are incorporated herein and made part hereof.

Article II – Approval and Representations

Section 2.1 Approval of Tax Exemption and Approval of the Project

Pursuant to the Ordinance (attached hereto as Exhibit C), the Township has approved and does hereby grant a tax exemption from real estate taxes for all the Improvements on the Property, constructed or acquired by the Entity pursuant to the Long Term Tax Exemption Law. This Financial Agreement, and all payments required hereunder shall constitute evidence of a lien securing the Entity’s obligation to pay the Annual Service Charge required to be paid under Article 4 hereof, which lien shall survive any expiration or termination of this Agreement,

for all amounts then due and payable prior to expiration or termination. The Entity further acknowledges, understands and agrees that its obligation to pay Annual Service Charge shall constitute an automatic, continuous, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Bankruptcy Code. The Entity expressly consents to the lien created under the terms of this Agreement and the treatment of subsequent payments as set forth in *N.J.S.A. 40A:12A-68*. The Entity agrees to record both the Ordinance and this Financial Agreement within thirty (30) days of the adoption of the Ordinance.

The Entity represents and covenants that, effective upon completion of the Improvements, the Entity shall make application for a Certificate of Occupancy for the Improvements. It is expressly understood and agreed by the Parties hereto that the Township expressly relies upon the facts, data and presentations contained in the Application in granting this tax exemption and the representations made in this Agreement.

Section 2.2 Approval of Entity

Approval hereunder is granted to the Entity for the development, financing, acquisition, construction, management, operation and completion of the Project which shall in all respects comply and conform to: (a) any resolutions of the Woolwich Township Joint Land Use Board regarding the Project; (b) all applicable statutes of the State of New Jersey and Ordinances of the Township as amended and supplemented, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof; (c) the Redevelopment Plan and the Redevelopment Agreement; and (e) all other governmental approvals for the Project.

The Entity represents that it is a duly formed, organized and existing limited liability company of the State, organized pursuant to and in compliance with the New Jersey Limited Liability Company Act (*N.J.S.A. 42:2C-1 et seq.*) and the Long Term Tax Exemption Law, including *N.J.S.A. 40A:20-5*. The Entity represents that its Certificate of Formation as attached hereto as Exhibit D contains all the requisite provisions of the Long Term Tax Exemption Law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Department of the Treasury, all in accordance with *N.J.S.A. 40A:20-5*.

Section 2.3 Improvements to be Constructed

The Entity agrees to construct the Improvements in accordance with the Redevelopment Plan, the Application (attached hereto as Exhibit A), and the Redevelopment Agreement.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and

complete the Improvements subject to and consistent with the terms of the Redevelopment Agreement, the Redevelopment Plan and this Agreement subject to force majeure provisions set forth in the Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it will be the owner of the Property which is the subject of this Agreement prior to commencement of construction of the Improvements. The Entity represents and covenants that upon completion, the Project, including the Land and the Improvements, shall be financed, used, managed and operated, including leasing to others for the purposes set forth in the Application and in accordance with the Redevelopment Agreement, this Financial Agreement, the Redevelopment Plan, all applications filed with and as approved by the Township in connection with the Project, all governmental approvals for the Project and applicable law.

Section 2.6 Financial Plan

The Entity represents that the Land and the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit B. The Financial Plan also sets forth estimated Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedule and lease terms to be used in the Project. The mortgage amortization, interest rate and principal amount of any Land and/or Project related financing shall be deemed updated upon any refinance(s) of Land and/or Project related debt or the incurrence of any additional debt from time to time, provided that notice of the same is given to the Township within thirty (30) days following closing of the same.

Section 2.7 Authority to Enter into this Agreement

The Entity represents and covenants to the Township that it has full authority to enter into this Agreement and perform all of the obligations on the part of the Entity to be performed. Further, the Entity represents and covenants that it has complied with all Applicable Law, including without limitation, the Long Term Tax Exemption Law in negotiating, entering into and will comply with the same in performing its obligations under this Agreement, and all governmental and agency authorizations and approvals required for the execution, delivery and performance of this Agreement have been or will be properly obtained, as applicable.

Article III - Duration of Agreement

Section 3.1 Term

So long as there is compliance with the Long Term Tax Exemption Law and this Agreement, this Agreement shall remain in effect for thirty (30) years from the Annual Service Charge Start Date, but in no event later than thirty-five (35) years

from date of this Agreement, whichever shall occur earlier, subject to the further limitations and agreements contained herein (the "Term"). After the expiration of the Term: (i) the tax exemption for the Improvements shall expire, the Annual Service Charges shall terminate and the Land and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township, and (ii) all restrictions and limitations upon the Entity, including without limitation the profits and dividends restrictions under the Long Term Tax Exemption Law, shall terminate; provided that the Entity shall render the Entity's final accounting to the Borough in accordance with *N.J.S.A. 40A:20-12* and this Financial Agreement. The following obligations shall survive termination of the tax exemption: (x) the requirement to make payment of any unpaid Annual Service Charge, (y) the requirement to render a final accounting to the Borough and to make payment to the Borough of any reserves, or excess Net Profit, if applicable, in accordance with Article VII hereof, and (z) any and all related and available remedies of the Borough concerning exceptions (x) and (y) of this provision.

Section 3.2 Voluntary Termination by Entity

A portion of the Project has been partially financed by bonds issued by governmental entities (the "Bonds"). The Township intends to use the Annual Service Charge from the Project to help repay the Bonds. Pursuant to *N.J.S.A. 40A:12A-66*, the provisions of *N.J.S.A. 40A:20-13* permitting the relinquishment of the tax exemption status under the Long Term Tax Exemption Law, shall not apply to redevelopment projects financed with Bonds. The Entity shall have no right to voluntarily terminate this Agreement.

Section 3.3 Other Termination

In the event that the Redevelopment Agreement is terminated prior to the issuance of a Certificate of Completion (as defined in the Redevelopment Agreement) for the Project, either Party may terminate this Financial Agreement upon ten (10) days advanced written notice.

Article IV - Annual Service Charge

Section 4.1 Payment of the Annual Service Charge

(a) Notwithstanding anything herein to the contrary, or the exercise by the Township of any right or remedy provided for herein or otherwise available with respect hereto, in consideration of the tax exemption, the Entity shall make payment to the Township each year of an amount equal to the greater of: the

Minimum Annual Service Charge as defined in Section 1.3 or an Annual Service Charge as calculated in accordance with Section 4.2. All such payments shall accrue up through the end of the Term.

(b) The Minimum Annual Service Charge or Annual Service Charge shall commence and be calculated from the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will be prorated as of the Annual Service Charge Start Date. The Annual Service Charge or Minimum Annual Service Charge will also be prorated in the year this Agreement expires or terminates.

(c) By, execution hereof, Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens established in this Agreement, and the Entity shall not contest the validity or amount of any such lien subject to its right to contest the calculation of said amounts under the remedy provisions set forth herein. Notwithstanding anything herein to the contrary, and notwithstanding the Term of this Agreement or the duration of the tax exemption provided hereunder, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable New Jersey law and then being assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

(d) Notwithstanding anything herein to the contrary, or the exercise by the Township of any right or remedy provided for herein or otherwise available with respect hereto, the Entity shall also shall pay all Administrative Fees (as defined in Section 4.7 below) and other taxes, fees and charges, including but not limited to Land Taxes, that the Township is entitled to collect by law, under the Long Term Tax Exemption Law, and/or under this Financial Agreement.

Section 4.2 Calculation of Annual Service Charge

A portion of the Project has been partially financed by Bonds (as defined in Section 3.2). The Township intends to use the Annual Service Charge from the Project to help repay the Bonds. Pursuant to *N.J.S.A. 40A:12A-66*, the minimum or maximum annual service charge and the required staged increased do not apply to redevelopment projects financed with Bonds. As of the Annual Service Charge Start Date the Annual Service Charge each year shall be an amount equal to the amount set forth in Exhibit E, but in no event shall the Annual Service Charge in any Tax Year be greater than 80% of Taxes Otherwise Due.

Notwithstanding the foregoing, in no event shall the Annual Service Charge be less than the Minimum Annual Service Charge. The Township relies exclusively on this Agreement in determining the Annual Service Charge payable

to the Township over the Term.

Section 4.3 Payment to Gloucester County

From the Annual Service Charge paid by the Entity, the Township shall annually remit five percent (5%) of the payment received to the County of Gloucester in accordance with the provisions of N.J.S.A. 40A:20-12.

Section 4.4 Quarterly Installments

The Entity expressly agrees that upon commencement of the Annual Service Charge, payments of the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or under payment after close of the Township's fiscal year. In the event that the Entity fails to timely pay any quarterly installment, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Property until paid.

Section 4.5 Land Tax Credit

Pursuant to N.J.S.A. 40A:20-12(b)(2) the Entity shall be entitled to a credit against the Annual Service Charge for the amount, without interest, of the Land Tax Payments paid by it, in the last four preceding quarterly installments.

Section 4.6 Material Conditions

All payments of Land Tax Payments, Annual Service Charges (including the methodology of computation thereof), Administrative Fees (as defined in Section 4.7), water and sewer charges, and any interest payments due, are material conditions of this Agreement. If any other term, covenant or condition of this Financial Agreement or the Exemption Application, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law. If any portion of this Financial Agreement shall be judicially declared to be invalid and unenforceable and provided that a default has not been declared pursuant to this Financial Agreement, the Parties shall cooperate with each other to take the actions reasonably required to restore this Financial Agreement in a manner contemplated by the Parties, including, but not limited to the authorization and amendment of this Financial Agreement in a form reasonably drafted to effectuate the original intent of the Parties.

The Entity's failure to make the requisite Land Tax Payments, Annual Service Charge payments, Administrative Fee Payments and/or sewer and water charge payments in a timely manner shall constitute a breach of this Agreement and the Township shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law, N.J.S.A. 54:5-1 et. seq. and the In Rem Tax Foreclosure Act (1948), N.J.S.A. 54:5-104.29, et seq.

The Land Taxes, Annual Service Charge, Administrative Fee and other related municipal charges shall be a continuous, municipal lien on the Land and Improvements and any subsequent Land Taxes, Annual Service Charge, and Administrative Fee, including any interest, penalties or costs of collection thereof, shall be added and shall relate back to and part of the initial municipal lien. The Entity hereby acknowledges, understands and agrees that the Land Taxes, Annual Service Charge, and Administrative Fee shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Federal bankruptcy code, regardless of whether the amount of thereof has been determined.

Section 4.7 Application Fee

The Township and the Entity agree there will be no application fee in regard to this Long Term Tax Exemption Law Application.

Section 4.7 Administrative Fee

The Entity shall also pay an annual administrative fee to the Township in addition to the Annual Service Charge and Land Tax Payments in the amount of two (2%) percent of the Annual Service Charge before the application of the credit for Land Taxes (the "Administrative Fee"). This fee shall be payable and due each year and be collected in the same manner as the Annual Service Charge. In the event the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the Land until paid.

Article V – Dispute Resolution

Section 5.1 Dispute Resolution

All disputes between the parties arising out of this Agreement shall be resolved by binding arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the Parties are unable to agree on a single Arbitrator, each Party shall designate an Arbitrator, and the designated Arbitrators shall agree upon a third Arbitrator, who shall preside over the resulting three Arbitrator Panel. Any award rendered in any such arbitration shall be final and binding on the parties and judgment thereon may be entered in a court of competent jurisdiction. The costs of such arbitration shall be

borne equally by each party.

Article VI - Certificate of Occupancy

Section 6.1 Certificate of Occupancy

It shall be the obligation of the Entity to make application for and make all commercially reasonable efforts to obtain all Certificates of Occupancy in a timely manner as identified in the Application.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with the County Tax Assessor, the Township Tax Collector and the Chief Financial Officer of the Township a copy of any Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not mitigate against any action or non-action, taken by the Township, including, if appropriate, retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Article VII - Annual Audits - Profit

Limitations Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with GAAP and GAAS and as otherwise prescribed in the Long Term Tax Exemption Law while this Agreement is in effect. In addition, the Entity agrees to calculate: (i) Annual Gross Revenue pursuant to N.J.S.A. 40A:20-3(a) and the definition of Gross Revenue set forth herein; (ii) its Net Profit pursuant to N.J.S.A. 40A:20-3(c) and the definition of Gross Revenue and Expenses set forth herein; and (iii) Allowable Net Profit and excess Net Profit pursuant to N.J.S.A. 40A:20-15 and the definitions of Gross Revenue, Expenses, Total Project Cost.

Section 7.2 Periodic Reports

Within ninety (90) days after the close of each Fiscal year that this Agreement shall continue in effect, the Entity shall submit its Auditor's Report certified by a certified public accountant for the preceding fiscal or calendar year to the Clerk of the Township, the Township's Chief Financial Auditor and the Mayor (or any other representative of the Township as may be designated in a notice to the Entity), who shall advise those municipal officials required to be advised, as required under N.J.S.A. 40:A:20-9(d). Said Auditor's Report shall include, but not be limited for the Fiscal Year covered by such Auditor's Report, an itemization of the Annual Gross Revenue of the Entity, an itemization of the Expenses, the terms and interest rate on any mortgage(s) associated with the Project, the Allowable Net

Profit, the calculation of the Allowable Net Profit, and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder as required by the Long Term Tax Exemption Law.

After completion of the Project, the Entity agrees to submit an audit report of the Total Project Cost for the Project within ninety (90) days, certified as to actual construction costs by a certified public accountant who is licensed to practice that profession in the State of New Jersey, in conformance with GAAS, except to the extent otherwise intended by the Long Term Tax Exemption Law.

In addition to the foregoing, on each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest of the Entity or the Project from the prior year's filing, the Entity shall submit to the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each, and such additional information as the Township may request from time to time. If no such change has occurred, the Entity shall provide written confirmation which reports the same.

Section 7.3 Inspection

The Entity shall, upon request, permit the inspection of the Project, the Property, equipment, buildings or other facilities of the Entity by the duly authorized representatives of the Township or the State of New Jersey. It also shall permit, upon request, examination and audit of its books, contracts, records, documents and papers that are relevant to the Project by representatives duly authorized by the Township or the State of New Jersey. Such examination or audit shall be made following reasonable advance written notice, during reasonable hours of the business day, in the presence of an officer or agent of the Entity. To the extent reasonably possible, the examination or audit will not materially interfere with the construction or operation of the Project. All costs incurred by the Township to conduct such inspections and/or audits, including reasonable attorneys' fees if appropriate, shall be borne by the Township; provided, that if as a result of any such inspection, examination or audit, the Entity is found to have filed a fraudulent report or to be in breach of this Agreement or Applicable Law, the costs of such inspection, examination or audit shall be billed to the Entity and paid to the Township as an additional part of the Entity's Annual Service Charge.

Section 7.4 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to limitation on Allowable Net Profits and, if applicable, dividends payable pursuant to the provisions of *N.J.S.A.* 40A:20-15. The Township and the Entity acknowledge that such limitation shall apply solely to the Gross Revenue received by the Entity. Pursuant to *N.J.S.A.* 40A:20-15, the calculation of Net Profit and Allowable Net Profits shall be cumulative for the period commencing at the time

of the Project Completion Date through the end of the last full Fiscal Year.

Pursuant to and in accordance with N.J.S.A. 40A:20-15, the Entity shall have the right, but not the obligation, to establish a reserve against unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding ten (10%) percent of the Gross Revenue of the Entity for the fiscal year preceding the year in which a determination is being made with respect to Allowable Net Profit as provided in N.J.S.A. 40:A:20-15 and to the extent permitted by N.J.S.A. 40:A:20-15 may retain such part of Allowable Net Profits as is necessary to eliminate a deficiency in that reserve. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level often (10%) percent of the preceding year's Gross Revenues as set forth above. Upon the expiration or termination of this Agreement, the amount of reserve, if any, shall be paid to the Township.

Section 7.5 Payment of Dividend and Excess Profit Charge

Pursuant to the Long Term Tax Exemption Law, whenever the Net Profit of the Entity for the period, taken as one accounting period, commencing upon the Project Completion Date and terminating at the end of the last full Fiscal Year, should at any time exceed the Allowable Net Profits, the Entity shall, within ninety (90) days after the end of such fiscal year, pay such excess profit to the Township as an additional service charge hereunder; provided, however, that the Entity may maintain any reserves permitted by N.J.S.A. 40A:20-1 5.

In accordance with the Long Term Tax Exemption Law, during the period of tax exemption as provided herein, to the extent applicable, the Entity shall not make any Distribution of profits, unless, after giving effect thereto, the Allowable Net Profit (which shall be cumulative for the period commencing at the time of the Project Completion Date through the date of the proposed distribution) would otherwise equal or exceed the amount of all Distributions of profit since the Entity's formation. Notwithstanding anything to the contrary herein, no Disbursement shall be included in the calculation of Annual Expenses, and the Entity shall not make any Distributions if such Distribution(s) would interfere with or prevent the Entity from performing its obligations under this Redevelopment Agreement, including but not limited to payment of the Annual Service Charge or any Municipal Charges, or operation of the Residential Project.

Article VIII - Assignment and/or Assumption

Section 8.1 Restrictions on Transfers

- (a) Except as provided herein, the Entity shall not, without the prior written consent of the Borough: (a) assign or attempt to assign this Financial Agreement or any rights herein or in the Property or the Residential Project,

(b) make any total or partial sale, lease, transfer or conveyance of the whole of its interest in the Residential Project or the Property; or (c) effect or permit any change, sale or transfer of a direct or indirect ownership interest in or control the Entity (collectively a “Transfer”). This Agreement is intended to account for all revenue (other than that of end-users) arising from the Project as if said revenue accrues to the benefit of the Entity. Notwithstanding anything to the contrary herein, the Entity is prohibited from entering into any lease, license, contract or other agreement, the direct or indirect effect of which is to interpose a third party between the Entity and the End-Users or otherwise into the operation of the Project Improvements for the purpose of reducing the amount of Annual Gross Revenue to the Entity.

- (b) As permitted by N.J.S.A. 40A:20-10(a), it is understood and agreed that the Township, on written application by the Entity, may consent to a sale of the Project and the Transfer of this Agreement (and that the tax exemption for the Improvements shall continue and inure to the transferee urban renewal entity, its respective successors and assigns) provided: 1) the Transferee entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the Transferee entity is an urban renewal entity formed and eligible to operate under the Long Term Tax Exemption Law; 3) the Entity is not then in Default of this Agreement, the Redevelopment Agreement or the Long Term Tax Exemption Law; 4) the Entity's obligations under this Agreement are fully assigned to and assumed by the Transferee entity; and 5) the Transferee entity abides by all terms and conditions of this Agreement. The Township shall not unreasonably withhold, condition or delay its consent to any Transfer.

So long as the Entity is not in Default under this Agreement, nothing herein shall prohibit any transfer of ownership interest in the Entity provided that the transfer, if greater than 10%, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement.

- (c) The Township may levy an administrative fee of two percent (2%) of the Annual Service Charge for the sale of the Project for the processing of a request to transfer as set forth in Section 8.1(b).

Section 8.2 Operation of Project

At all times while this Agreement is in effect, the Project shall be operated in accordance with the provisions of the Long Term Tax Exemption Law, this Financial Agreement, the Redevelopment Agreement and all applicable laws and Township Ordinances. The Township acknowledges that the Entity shall have the ability to lease the Property to others as long as the use is in conformance with the

use provided in the Application. The Entity shall ensure that the Property and the Improvements are be maintained in good condition and free from debris. During the Term of this Agreement, the Entity shall comply, and shall require all end-users to comply with the requirements of Section 6.2.6 of the Redevelopment Agreement, and shall not allow the Project to become a nuisance to any adjacent residential properties.

Section 8.3 Subordination of Fee Title

It is expressly understood and agreed that the Entity shall have the right to encumber the fee title to the Property and may encumber or assign for security purposes the Entity's interest in this Agreement, and any such encumbrance or assignment shall not be deemed to be a Default under this Agreement; provided however, that the Entity must provide thirty (30) days advanced written notice of any such encumbrance or assignment and, the Entity must retain ownership of the Improvements.

Article IX - No Waiver By Township

Section 9.1 No Waiver By Township

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township of any rights and remedies. Nothing herein shall be deemed to limit any right of recovery of any amount which the Township has under law, in equity, or under any provisions of this Agreement.

Article X - Notice

Section 10.1 Notice

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested, addressed as follows:

(a) When sent by the Township to the Entity it shall be addressed as follows:

Paulsboro Rd AP Urban Renewal LLC
239 Washington Street, Suite 301
Jersey City, NJ 07302

With copy to:

Jeffrey M. Gradone, Esquire
Archer & Greiner,
P.C. 101 Carnegie
Center Suite 300 -

3rd Floor
Princeton, New Jersey 08540

- (b) When sent by the Entity to the Township, it shall be addressed to:

Jane DiBella, Municipal Administrator/Clerk
Woolwich Township
120 Village Green Drive
Woolwich Township, New Jersey 08085
(or current Township Clerk)

With a Copy to:

M. James Maley, Jr., Esquire
Maley Givens, P.C.
1150 Haddon Ave., Suite 210
Collingswood, New Jersey 08108
(or current Redevelopment Counsel)

with copies sent to the Township Tax Collector or Tax Assessor, and the Chief Financial Officer for the Township, unless prior to the giving of notice the Township shall have notified the Entity otherwise.

A party may change any address and recipient for notices to it hereunder by a notice sent by it in accordance with this Article X.

Article XI – Compliance

Section 11.1 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or termination of this Agreement to remain bound by the provisions of all applicable state statutes and municipal ordinances and regulations including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a Default under this Agreement.

Article XII – Construction

Section 12.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn, since counsel for both the Entity and the Township have combined in their

review and approval of same.

Article XIII - Indemnification

Section 13.1 Indemnification

In the event the Township shall be named as party defendant in any action brought against the Entity by reason of the construction or operation of the Project, or by reason of any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law by the Entity, the Entity shall indemnify and hold harmless the Township, including payment of reasonable attorney's fees for separate counsel should the Township determine that a conflict of interest exists with respect to relying on the Entity's counsel, and the Entity agrees to defend the suit at its own expense and may employ counsel for the Entity of the Entity's choosing, provided that the Entity shall not have any indemnification or defense obligations with respect to any intentional misconduct or gross negligence by the Township or any of its officers, officials, employees or agents. Notwithstanding the foregoing, the Township maintains the right to retain separate counsel in its defense of any such action and/or to intervene as a party thereto, to which intervention the Entity hereby consents, the reasonable expense of any such separate counsel and/or intervention to be borne by the Entity. This indemnity shall survive termination of this Agreement.

Article XIV - Default

Section 14.1 Event of Default

Default by the Entity or the Township, as the case may be, shall be deemed to have occurred if the Entity or the Township: (a) fail to conform with the terms of this Agreement herein; (b) failure of such party to perform any material obligation imposed thereupon by statute, ordinance or lawful regulation; (c) breaches a representation or warranty contained in this Agreement or the Application; (d) makes a Transfer in violation of Article 8 hereof; or (e) Event of Default occurs under the Redevelopment Agreement which is not cured under the Redevelopment Agreement; provided however, that the defaulting party shall not be deemed to be in Default if the defaulting party diligently contests, in good faith and by appropriate proceedings, such compliance with any such material obligation imposed by statute, ordinance or lawful regulation.

Section 14.2 Cure Upon Default

Should the Entity or the Township be in Default, the non-defaulting party shall notify the defaulting party in writing of said Default, stating with specificity the basis of said Default. Other than a Default relating to a Transfer in violation of Article 8, the defaulting party shall have thirty (30) days to cure any Default (except for a payment Default which shall be fifteen (15) days), provided such

Default is capable of cure within thirty (30) days ("Cure Period"). If the Default is not capable of cure within thirty (30) days, the defaulting party may extend the Cure Period for a reasonable period of time to cure such Default, not to exceed ninety (90) days. No cure period shall be afforded to any Transfer in violation of Article 8. Subsequent to the expiration of any applicable Cure Period, the non-defaulting party will give final notice of Default ("Final Notice Period"). If the Default is the Entity's failure to pay a financial obligation to the Township and the Default is not cured before the Final Notice Period, the Township shall have the right to proceed against the Property pursuant to In Rem Tax Foreclosure. In addition, after the Final Notice Period, if the Default for which notice was given remains uncured, the non-defaulting party may proceed against the defaulting party for specific performance or any other remedy available at law or equity. In no event, however, does the Entity waive any defense it may have to contest the right of the Township to proceed by conventional or In Rem Tax Foreclosure just as it would have if the Entity were subject to municipal taxes.

Section 14.3 Remedies Upon Default Cumulative; No Waiver

In the event of a Default, the Township or the Entity shall have the right to exercise any rights and remedies, available by law and in equity, including but not limited to the right to proceed against the Property pursuant to applicable provisions of the law, including *N.J.S.A.* 40A:12A-58 and *N.J.S.A.* 40A:12A-68, shall be cumulative and concurrent. No determination of invalidity of any provision within this Agreement shall deprive the Township or the Entity of any of their remedies or actions against the Entity or the Township because of its Default (after the expiration of any applicable grace, notice or cure period) under this Agreement. The bringing of an action for collection of Land Tax Payments, Annual Service Charges, Administrative Fee or other charges, or for any other Default hereunder, or the resort to any other remedy for the recovery of Land Tax Payments, Annual Service Charges, Administrative Fee water and sewer charges, or other charges, shall not be construed as a waiver of the right to terminate the tax exemption or proceed with In Rem Tax Foreclosure action or any other remedy.

Article XV - Final Accounting

Section 15.1 Final Accounting

Upon any termination or expiration of the tax exemption provided by this Agreement, the Land and Improvements shall be assessed and conventionally taxed according to general law, like other non-exempt property in the Township. At the same date, all restrictions and limitations upon the Entity shall terminate, and within ninety (90) days of the date of Termination or expiration of the Term of this Agreement, the Entity shall render a final accounting and pay to the Township the reserve, if any, maintained pursuant to *N.J.S.A.* 40A:20-15, as well as any excess net profits, if any, pursuant to the provisions of *N.J.S.A.* 40A:20-13 and 15. For purposes of rendering a final accounting, the date of termination of the tax exemption shall be deemed to be

the end of the fiscal year for the Entity, except that in the event of a Transfer, the end of the Fiscal Year for the Entity shall be the date of the Transfer.

Article XVI - Miscellaneous

Section 16.1 Conflict

The parties agree that in the event of a conflict between the Application and this Agreement, the provisions of this Agreement shall govern and prevail.

Section 16.2 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Redevelopment Agreement, the Ordinance authorizing this Agreement, and the Application constitute the entire Agreement between the parties, and there shall be no modification thereto other than by a written instrument executed by all parties and delivered to each.

Section 16.3 Entire Document

This Agreement and all conditions in the Ordinance of the Governing Body of the Township approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 16.4 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the Township.

Section 16.5 Grammatical

The bracketing of the letter(s) at the end of a word such as unit(s) shall mean the singular or plural, as proper meaning requires, and all related verbs and pronouns shall be made to correspond.

Section 16.6 Filing with Local Government Services

In accordance with this Agreement, the Township shall cause this Agreement and the Ordinance to be filed with the Director of Local Government Services in the Department of Community Affairs of the State.

Section 16.7 Recording

Either this entire Agreement or a memorandum hereof may be filed and recorded with the Clerk of Burlington County by any of the parties. If recorded,

this Agreement shall subordinate to all financing provided Entity and to all financing, provided Entity is in compliance with the terms and conditions detailed herein and in the approving Ordinance. The Township shall issue a certificate evidencing the Entity's good standing and compliance with the terms of this Agreement within fifteen (15) days of Entity's request, and shall cause a discharge of this Agreement, in a form acceptable to Entity and at Entity's cost to be recorded in the Burlington County Clerk's Office within fifteen (15) days of the Termination of this Agreement.

Section 16.8 Financing Matters

The plans for financing the Project are as follows:

The Total Project Cost as defined in the statute is estimated to be \$_____ as set forth in Exhibit F, which may be financed by debt instruments as determined by the Entity and the Total Project Costs are amortized in equal annual amounts over thirty (30) years. The source of the balance of the funds for the Project are as detailed in Exhibit B.

Section 16.9 Municipal Determinations

Pursuant to N.J.S.A. 40A:20-11, the Township hereby finds and determines that this Agreement is to the direct benefit of the health, welfare and financial well-being of the Township because it allows for redevelopment of the Property into productive, useful and job-creating property; and further:

- a. The costs associated with the tax exemption granted herein are minimal compared to the estimated Total Project Cost of \$_____ and the benefit by the creation of permanent new jobs and potential for additional new jobs over the life of this Agreement.
- b. The tax exemption granted herein provides mutual benefits to the Township and the Entity and the relative stability and predictability of the Annual Service Charge will make the Project more attractive to (i) investors and lenders needed to finance the Project, and (ii) probable occupants.

Section 16.10 Invalidity

Except for a Material Condition, if any term, covenant or condition of this Financial Agreement or the Application shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the Application or the application of such term, covenant or condition to persons or circumstances other than those as to which is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Financial Agreement shall be

valid and be enforced to the fullest extent permitted by Long Term Tax Exemption Law.

Section 16.11 Counterparts

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

Section 16.12 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of each party hereto.

Section 16.13 Headings

The section headings in this Agreement are for convenience only, and shall not be deemed to add or subtract to the meaning of the text of this Agreement.

Section 16.14 Municipal Services

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

*[Signature Page Immediately
Follows]*

IN WITNESS WHEREOF, the parties have caused this Financial Agreement to be executed the day and year first above written.

**PAULSBORO RD AP URBAN
RENEWAL LLC**
a New Jersey limited liability company

ATTEST:

By: _____

Name & Title _____

ATTEST:

TOWNSHIP OF WOOLWICH

**, Township
Clerk**

BY: _____
, Mayor
227118462 v1

EXHIBIT E
ANNUAL SERVICE CHARGE

Tax Year	ASC Price Per S.F. (multiplied by 214,271 s.f.)
1	\$1.88
2	\$1.92
3	\$1.96
4	\$1.99
5	\$2.03
6	\$2.08
7	\$2.12
8	\$2.16
9	\$2.20
10	\$2.70
11	\$2.75
12	\$3.04
13	\$3.10
14	\$3.40
15	\$3.47
2	\$3.79
17	\$3.87
18	\$4.11
19	\$4.19
20	\$4.27
21	\$4.47
22	\$4.56
23	\$4.65
24	\$4.74
25	\$4.84
26	\$4.93
27	\$5.03
28	\$5.13
29	\$5.24
30	\$5.34

EXHIBIT B
FINANCIAL PLAN

Four Point for Project

2004717524_P14.rpt

Point Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Annual Gross Revenue (M\$)	12,025,245	12,779,238	13,571,812	14,402,108	15,268,173	16,174,738	17,120,286	18,105,236	19,129,105	20,192,405	21,295,646	22,439,230	23,623,567	24,848,168	26,113,543	27,419,292	28,766,025	30,153,352	31,580,883	33,049,228	34,558,097	36,107,100	37,705,856	39,354,984	41,055,004	42,806,536	44,609,190	46,463,576	48,369,203	50,326,578	
Annual Net Profit (M\$)	4,071,808	4,414,482	4,768,871	5,135,269	5,514,393	5,905,644	6,309,526	6,727,556	7,159,243	7,605,105	8,065,752	8,541,704	9,033,478	9,541,604	10,066,621	10,609,079	11,168,528	11,745,527	12,339,636	12,950,415	13,577,524	14,220,623	14,889,372	15,583,431	16,303,470	17,049,159	17,820,168	18,616,167	19,436,826	20,281,814	
Assumptions: Fee (% of AMT)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
Construction Schedule	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Operating Expenses	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783	11,284,783
Net Profit (M\$)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

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EXHIBIT D

Entity Certificate of Formation

AMENDED & RESTATED
CERTIFICATE OF FORMATION
OF
PAULSBORO RD AP LLC

RST
FILED
SEP 22 2021
STATE TREASURER
0450561668

THE UNDERSIGNED, pursuant to the provisions of N.J.S.A. Section 42:30A, hereby executes the following Amended & Restated Certificate of Formation and certifies that:

1. The name of the limited liability company is PAULSBORO RD AP LLC (the "Company").
2. The New Jersey Business Identification number of the Company is 0450561668.
3. This Amended & Restated Certificate of Formation will be effective upon filing.
4. The Certificate of Formation is hereby amended and restated in its entirety as follows:

1. The name of the limited liability company is PAULSBORO RD AP URBAN RENEWAL LLC (the "Company").

2. The Company's registered agent and registered address in the State of New Jersey are Botond Farkas, 239 Washington Street, Suite 301, Jersey City, New Jersey 07302.

3. The purpose for which this Company shall be to operate under P.L. 1991, c. 431 (C. 40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas or low and moderate income housing projects, and, when authorized by a financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain, or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational, or welfare projects, or any combination of two or more of these types of improvements in a single project under such conditions as to use, ownership, management, and control, as regulated under P.L. 1991, c.431 (C. 40A:20-1 et seq.)

4. So long as the Company is obligated under a financial agreement with a municipality made pursuant to P.L. 1991, c.431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation, and management of the project.

5. The Company has been organized to serve a public purpose, that its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.); and (3) the Company shall be subject to regulation by the municipality in which its project is situated, and to a limitation or

prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c.431 (C.40A:20-1 et seq.).

6. The Company shall not voluntarily transfer more than 10 percent of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c.431 (C.40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The Company shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

7. The Company is subject to the provisions of section 18 of P.L.1991, c.431 (C.40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

8. Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and the rules adopted by, the Commissioner of Community Affairs,

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the undersigned has executed this certificate on this 6 day of May, 2021.

PAULSBORO RD AP LLC

By: [Signature]
Name: BUTOND FORTAS
Title: MANAGER

221021803v1

EXHIBIT E
ANNUAL SERVICE CHARGE

Tax Year	ASC Price Per S.F. (multiplied by 214,271 s.f.)
1	\$1.88
2	\$1.92
3	\$1.96
4	\$1.99
5	\$2.03
6	\$2.08
7	\$2.12
8	\$2.16
9	\$2.20
10	\$2.70
11	\$2.75
12	\$3.04
13	\$3.10
14	\$3.40
15	\$3.47
2	\$3.79
17	\$3.87
18	\$4.11
19	\$4.19
20	\$4.27
21	\$4.47
22	\$4.56
23	\$4.65
24	\$4.74
25	\$4.84
26	\$4.93
27	\$5.03
28	\$5.13
29	\$5.24
30	\$5.34

EXHIBIT F
Estimate Project Costs

TOTAL PROJECT COSTS

Land Purchase Price	\$	2,700,000
Offsite Costs	\$	250,000
Permits & Fees	\$	803,355
Site Costs	\$	7,405,862
Shell Construction Costs	\$	13,696,438
Tenant Improvements	\$	1,071,140
Hard Cost Contingency	\$	564,447
Total Hard Cost	\$	26,491,241
Design Cost	\$	560,000
Commissions	\$	975,267
Administrative	\$	276,920
OPEX Carry Prior to Stabilization	\$	50,000
Development Fees	\$	955,093
Closing / Transactional Costs	\$	108,000
Financing Costs	\$	212,080
Interest Carry (IO)	\$	922,979
Soft Cost Contingency	\$	100,258
Total Soft Cost	\$	4,160,598
Total Project Costs	\$	30,651,839

EXHIBIT G

Legal Description of the Land

EXHIBIT "A"

PROPERTY/PROJECT SITE

LEGAL DESCRIPTION

All that certain lot, tract or parcel of land situated in the Township of Woolwich, County of Gloucester, State of New Jersey, being graphically shown on a Plan of Survey for Lot 2, Block 14, Plate 5, Industrial Site, prepared by Federici and Akin, PA, dated 9/8/2008, revised to 3/20/09 as Job No. 08243, and being further described as follows:

Beginning at a point in the centerline of Paulsboro-Swedesboro Road (County Route No. 653; 35.00' wide per tax map) at its intersection with the northeasterly line of Gilchris Drive (variable width), extended to centerline, and extending; thence

1. N06°09'44"E along said centerline, a distance of 1,102.65' to a point in the line of Lot 3, Block 14, extended to centerline; thence
2. S47°03'52"E along the line of said Lot 3, passing over a rebar set 38.00' from centerline (measured at right angles) a total distance of 693.50' to a rebar set, corner to said Lot 3; thence
3. N40°34'00"E continuing along same, a distance of 106.63' to a rebar set, corner to same; thence
4. S41°56'00"E still along the line of Lot 3, Block 14, a distance of 272.42' to a rebar set in the line of Lot 1.09, Block 14; thence
5. S36°21'00"W along the line of said Lot 1.09 and along the line of Lots 1.07 and 1.08, Block 14, a distance of 924.06' to a rebar set in the northeasterly line of Gilchris Drive; thence
6. N54°44'03"W along the northeasterly line of Gilchris Drive, a total distance of 409.93', passing over a rebar set 38.00' from the centerline of Paulsboro-Swedesboro Road (measured at right angles), to the POINT AND PLACE OF BEGINNING.

Containing 629,882 square feet or 14.46 acres of land, more or less.

Subject to Parcel No. A-103-E-4 and Parcel No. A-104-E, both a 30 ft. wide Drainage Easement as shown on the abovementioned Plan of Survey.

(**NOTE: Above Plan of Survey Recorded 6/4/09 as Docket #25624 8 Map #4338)

EXHIBIT H

Entity's Ownership Structure

The Paulsboro RD AP Urban Renewal, LLC ownership structure consisting of:

- 1. ARBOK Partners LLC individuals holding a greater than 10% interest**
 - a. Botond Farkas**
 - b. Anne Johnson**
- 2. LPR Holdings LLC individuals holding a greater than 10% interest**
 - a. Ryan Lowry**
 - b. Philip Lowry**