April 8, 2008

TOWNSHIP OF MEDFORD

RESOLUTION 95-2008

AUTHORIZING THE EXECUTION OF AN AGREEMENT PROVIDING FOR PAYMENT IN LIEU OF TAXES

WHEREAS, pursuant to the Court's approval of the Township of Medford's Amended Fair Share Plan, at Fairness Hearings held on March 30, 2005 and June 15, 2005, in which Medford Township and Elizabeth Haddon Multi-Family Limited Partnership (hereinafter referred to as "Sponsor") agreed to enter into a PILOT Agreement pursuant to the terms of a Developer's Agreement dated December 22, 2004 executed by the parties; and

WHEREAS, Elizabeth Haddon Multi-Family Limited Partnership (hereinafter referred to as the "Sponsor") proposes to construct a housing project, pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 53:14K-1 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the Township of Medford on a site described as Block 805, Lot 22.02 as shown on the Official Assessment Map of the Township of Medford, Burlington County; and

WHEREAS, ML Housing, LLC, is the owner of aforesaid property; and

WHEREAS, ML Housing and the Sponsor have entered into a ground lease for the purpose of allowing the Sponsor to undertake the development of affordable residential housing, consisting of multi-family residential dwellings, to be known as the Creekside Apartments (hereinafter referred to as the "Project"); and

WHEREAS, the Sponsor will receive financing for the Project from the New Jersey Housing and Mortgage Finance Agency (the "Agency"); and

WHEREAS, the Township is authorized, pursuant to the HMFA Law to grant an exemption for real estate taxes to housing projects that meet an existing housing need if the

LAW OFFICE
PARKER McCAY
P.A.

project's owners agree to pay to the Municipality an annual charge for municipal services supplied to the project; and

WHEREAS, the Municipality has determined, pursuant to Resolution 47-2007 of the Medford Township Council (the "Resolution"), adopted on February 20, 2007, that the Project meets an existing housing need; and

WHEREAS, the Township has agreed to grant an exemption to the Project for real estate taxes and the Sponsor has agreed to make payments to the Township in lieu of real estate taxes; and

WHEREAS, the Sponsor and the Township desire to enter into this Agreement to memorialize the Sponsor's exemption from real property taxes and its obligation to make payments in lieu of such real property taxes; and

WHEREAS, the parties executed an Agreement to Accept Payment in Lieu of Taxes in February 2007 (the "Original Agreement"); and

WHEREAS, the Agency subsequently requested certain nonsubtantive revisions to the Original Agreement; and

WHEREAS, the parties desire to amend and restate the Original Agreement in its entirety in order to accommodate the Agency's request; and

WHEREAS, pursuant to the provisions of the HMFA Law, the Township Council of the Township of Medford hereby determines that there is a need for this housing project in the Municipality; and

WHEREAS, the Sponsor has presented to the Township Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Medford that:

1. The Township Council finds and determines that the proposed Project will meet an existing housing need; and

2. The Township Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon

in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and

3. The Township Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payment in lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payment in Lieu of Taxes attached hereto; and

4. The Township Council hereby authorizes and directs the Mayor and Township Clerk to execute, an behalf of the Township, the Agreement for Payment in Lieu of Taxes in substantially the form annexed hereto, subject to review, approval and finalization by the Township Solicitor; and

5. The Township Council understands and agrees that the revenue projections are estimates and that the actual payment in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement for Payment in Lieu of Taxes executed between the Sponsor and Municipality.

I hereby certify that the foregoing is a true copy of a Resolution adopted by the Township Council of the Township of Medford, at a meeting held on the 8th day of April, 2008.

Joyce F. Frenia, RMC

Joyce F. Frenia, Township Clerk

MEDFORD TOWNSHIP, BURLINGTON COUNTY, NEW JERSEY
AMENDED AND RESTATED AGREEMENT TO ACCEPT PAYMENT IN LIEU OF TAXES

THIS AMENDED AND RESTATED AGREEMENT FOR PAYMENT IN LIEU OF TAXES (this "Agreement"), is made as of this ____ day of May, 2008, between ELIZABETH HADDON MULTI-FAMILY LIMITED PARTNERSHIP, a limited partnership of the State of New Jersey, having its principal office at 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002 (hereinafter the "Sponsor") and the TOWNSHIP OF MEDFORD, a municipal corporation in the County of Burlington and State of New Jersey, with its offices at 17 North Main Street, Medford, NJ 08055 (hereinafter the "Municipality").

WITNESSETH

WHEREAS, ML Housing, LLC, a New Jersey limited liability company with an address of Route 70, Medford, New Jersey 08055 ("ML Housing") is the owner of all that real property, identified in Exhibit A, which is known and designated as Block 805, Lot 22.02 on the Tax Map of Medford Township, Burlington County, New Jersey (the "Property"); and

WHEREAS, ML Housing and the Sponsor have entered into a ground lease for the purpose of allowing the Sponsor to undertake the development of affordable residential housing, consisting of multi-family residential rental dwellings, to be known as the Creekside Apartments (the "Project"); and

WHEREAS, the Sponsor will receive financing for the Project from the New Jersey Housing and Mortgage Finance Agency (the "Agency"); and

WHEREAS, the Municipality is authorized, pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, *N.J.S.A.* 55:14K-1 *et seq.* (the "HMFA Law"), to grant an exemption for real estate taxes to housing projects that meet an existing housing need if the project's owner agrees to pay to the Municipality an annual charge for municipal services supplied to the project; and

WHEREAS, the Municipality has determined in a Resolution of the Township Council of the Municipality (the "Resolution"), adopted on February 20, 2007 that the Project meets an existing housing need; and

WHEREAS, the Municipality has agreed to grant an exemption to the Project for real estate taxes and the Sponsor has agreed to make payments to the Municipality in lieu of real estate taxes;

WHEREAS, the Sponsor and the Municipality desire to enter into this Agreement to memorialize the Sponsor's exemption from real property taxes and its obligation to make payments in lieu of such real property taxes;

WHEREAS, the parties executed an Agreement to Accept Payment in Lieu of Taxes in February 2007 (the "Original Agreement");

WHEREAS, the Agency subsequently requested certain non-substantive revisions to the Original Agreement;

WHEREAS, the Municipality agreed to make such requested revisions to the Original Agreement in a Resolution of the Township Council of the Municipality, adopted on March 25, 2008; and

WHEREAS, the parties desire to amend and restate the Original Agreement in its entirety in order to accommodate the Agency's request.

NOW, THEREFORE, the Sponsor and the Municipality, in consideration of the mutual undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the HMFA Law and the Resolution, and with the approval of the Agency, as required by the HMFA Law.

2. On the date that is the later of (with such later date being the "Tax Exemption Commencement Date") (a) the Sponsor's execution of a mortgage encumbering the Project with a mortgage lien in favor of the Agency (hereinafter referred to as the "Agency Mortgage") and (b) the date upon which the Municipality issues Certificates of Occupancy for all units in the Project, the land and improvements comprising the Project shall be exempt from all *ad valorem* real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from *ad valorem* real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall apply until the earlier of (a) satisfaction and discharge of the Agency Mortgage or (b) the expiration of fifty (50) years from the Tax Exemption Commencement Date (such earlier event being the "Tax Exemption Expiration Date").

3. The land comprising the Project shall be assessed in accordance with the rules and regulations governing the taxation of vacant land in the State of New Jersey and Sponsor agrees to pay the real estate taxes arising out of such assessment from the date of execution of this Agreement to the Tax Exemption Commencement Date, subject to Sponsor's statutory rights to appeal such assessment. From the time of the execution of this Agreement until the Tax Exemption Commencement Date, the Township agrees that no assessment shall be made upon any improvements constructed in connection with the Project, whether by added/omitted assessment, revaluation, interim assessment or any other manner permitted by law.

4. (a) From the Tax Exemption Commencement Date until the Tax Exemption Expiration Date, the Sponsor shall pay to the Municipality an annual service charge in lieu of

taxes to the Municipality in an amount equal to 6.28% of Project Revenues, as defined below (the "Annual Service Charge").

(b) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges and less vacancies if any. Project Revenues shall not include any subsidy contributions received from any federal or state program.

(c) The estimated amounts of the Annual Service Charge to be paid each year pursuant to this Agreement for the first fifteen (15) years this Agreement is in effect are set forth in Exhibit B attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit B and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of real estate taxes to be paid by the Sponsor shall be determined as set forth in this Agreement.

5. (a) Payments of the Annual Service Charge by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the chief financial officer of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon 6.28% of Project Revenues of the previous quarter.

(b) No later than three (3) months following the end of the Sponsor's fiscal year for each year that this Agreement is in effect after the Tax Exemption Commencement Date, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth (i) the Project Revenues for the previous year and (ii) the total Annual Service Charge due to the Municipality, calculated at 6.28% of Project Revenues, for the previous year (the "Audit Amount"). The Sponsor simultaneously with the submission of the Audit shall pay the difference, if any, between (i) the Audit Amount and (ii) the quarterly payments in lieu of real estate taxes made by the Sponsor to the Municipality for the preceding year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(c) All payments pursuant to this Agreement shall be in lieu of taxes and, subject to the provisions of this Agreement, the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if such payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes any Audit Amount, it may apply to the Superior Court, Chancery Division, Burlington County for an accounting of the Project Revenues in accordance with this Agreement and the HMFA Law. The Municipality must commence any such action to challenge an Audit Amount within one year of the receipt of the corresponding Audit.

(d) In the event of any delinquency in the payments required under this Agreement, the Municipality shall give notice of the delinquency to the Sponsor and the Agency in the manner set forth in Section 9(a) below and allow Sponsor or Agency thirty (30) days to cure the delinquency prior to taking any legal action.

6. The tax exemption herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and regulations made thereunder and the supervision of the Agency, but in no event after the Tax Exemption Expiration Date. The tax exemption provided herein shall remain in effect only so long as the Sponsor or its successors and assigns shall maintain a minimum of thirty-two (32) units for persons of low and moderate income so as to ensure compliance with the *Mount Laurel* Compliance Plan of the Township of Medford.

7. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, not including the sale or transfer of any partnership interest, this Agreement shall be assigned to the Sponsor's successor without the Municipality's consent and shall continue in full force and effect only if the successor entity assumes the Agency Mortgage and qualifies under the HMFA Law or any successor thereto for the tax exemption provided by this Agreement. In no event may this Agreement be voluntarily terminated without notice to and consent of the Agency.

8. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Property and the Project shall be taxed as omitted property in accordance with the law.

9. The Sponsor, and its successors and assigns, shall, upon request, permit duly authorized representatives of the Municipality to inspect and examine (a) the Project, (b) the equipment, buildings and other facilities of the Project, and (c) all documents and papers relating to the Project. Any such inspection or examination shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor, or its successors and assigns.

10. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Sponsor, c/o Ingerman Affordable Housing, Inc., 725 Cuthbert Boulevard, Cherry Hill, NJ 08002, attention: M. Brad Ingerman, President, or to such other address as the Sponsor may hereafter designate in writing and a copy of such notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Municipality, 17 North Main Street, Medford, NJ 08055, attention: Municipal Clerk, or to such other address as the Municipality may designate in writing and a copy of such notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

11. In the event of a breach of this Agreement by either party or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may

apply to the Superior Court, Chancery Division, Burlington County to relief in such fashion as will tend to accomplish the purposes of the HMFA Law.

12. This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto.

13. If any clause, sentence, subdivision, paragraph, section or part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part hereof directly involved in the controversy in which said judgment shall have been rendered.

14. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

16. This Agreement amends, replaces, and supersedes in its entirety the Original Agreement.

ATTEST

Name: M. B. INGERMAN
Title: SECT

SPONSOR: ELIZABETH HADDON MULTI-FAMILY LIMITED PARTNERSHIP

By: **CREEKSIDE GENERAL PARTNER, LLC,** its general partner

By: **INGERMAN AFFORDABLE HOUSING, INC.,** sole member

By: ______________________
M. Brad Ingerman, President

ATTEST

Joyce F. Frenia, RMC
Name: JOYCE F. FRENIA
Title: Municipal Clerk

MUNICIPALITY: MEDFORD TOWNSHIP

By: ______________________
Name: Christopher Myers
Title: Mayor

DMEAST #9720463 v5

EXHIBIT A

SURETY TITLE CORPORATION

TITLE INSURANCE COMMITMENT

File Number: 72860

LEGAL DESCRIPTION

ALL that certain land and premises situate in the Township of Medford, County of Burlington and the State of New Jersey, bounded and described as follows:

BEGINNING at a rod and cap found for a corner where the curved Northeasterly right of way line of New Jersey State Highway Route 70 (160.00 feet from the centerline) intersects the Southeasterly line of Tax Map Lot 22.01 in Block 805, said point being measured the following 2 courses from the intersection of the Northeasterly right of way line of New Jersey State Highway Route 70 (60.00 feet from the centerline) and the Southeasterly right of way of the former Medford, Lumberton, Mount Holly Railroad;

(a) Along the Northeasterly right of way of the New Jersey State Highway Route 70 along a curve bearing to the right in a Southeasterly direction having a radius of 5789.65 feet for an arc distance of 987.02 feet, parallel with and distance 60.00 feet from the center line, to an angle point in said right of way corner to the aforesaid Tax Map Lot 22.01; thence

(b) Along the radial line dividing said Tax Map Lot 22.01 and the expanded right of way of the said highway, North 19 degrees 57 minutes 35 seconds East, 100.00 feet to the point of beginning of the herein described parcel and extending; thence

(1) Along said Tax Map Lot 22.01, North 19 degrees 57 minutes 35 seconds East, 102.90 feet, to a point in the line of same corner to Tax Map Lot 17.03; thence

(2) Along said Tax Map Lot 17.03, North 74 degrees 36 minutes 00 seconds East, 62.78 feet, to a rod and cap found for an angle; thence

(3) Still along Tax Map Lot 17.03, North 73 degrees 46 minutes 00 seconds East, 157.74 feet, to a PK nail found for an angle in the base of a 36.00 foot gum tree; thence

(4) Still along the same, North 58 degrees 21 minutes 00 seconds East, 363.00 feet, to a rod and cap found for an angle; thence

(5) Still along the same, North 34 degrees 21 minutes 00 seconds East, 229.68 feet, to a point corner in or near the center of Sharps Run; thence

(6) In or along the center of Sharps Run, North 53 degrees 12 minutes 37 seconds East, 186.86 feet to a point for a corner at or near the intersection of the center of Sharps Run and the center of the Southwest Branch of the Rancocas Creek; thence in or along the center of the Southwest Branch of the Rancocas Creek, the Twelve (12) following courses and distances:

(7) South 36 degrees 36 minutes 42 seconds East, a distance of 44.70 feet to a point for an angle; thence

SURETY TITLE CORPORATION

TITLE INSURANCE COMMITMENT

File Number: 72860

LEGAL DESCRIPTION

(8) South 25 degrees 27 minutes 05 seconds East, a distance of 72.61 feet to a point for an angle; thence

(9) South 02 degrees 30 minutes 24 seconds West, a distance of 142.04 feet to a point for an angle; thence

(10) South 08 degrees 56 minutes 35 seconds East, a distance of 143.53 feet to a point for an angle; thence

(11) South 26 degrees 09 minutes 03 seconds West, a distance of 90.34 feet to a point for an angle; thence

(12) South 24 degrees 17 minutes 33 seconds West, a distance of 72.78 feet to a point for an angle; thence

(13) South 29 degrees 54 minutes 13 seconds West, a distance of 49.37 feet to a point for an angle; thence

(14) South 36 degrees 58 minutes 20 seconds West, a distance of 21.19 feet to a point for an angle; thence

(15) South 36 degrees 20 minutes 44 seconds West, a distance of 59.44 feet to a point for an angle; thence

(16) South 32 degrees 21 minutes 58 seconds West, a distance of 63.68 feet to a point for an angle; thence

(17) South 20 degrees 52 minutes 50 seconds West, a distance of 67.02 feet to a point for an angle; thence

(18) South 44 degrees 15 minutes 34 seconds West, a distance of 123.70 feet to a point for a corner in or near the shore of a creek; thence

(19) On or along the shore of the creek, South 86 degrees 24 minutes 48 seconds West, 59.04 feet to a point for an angle; thence

(20) Still on or along the shore of the creek, South 65 degrees 20 minutes 01 seconds West, 46.56 feet to a point for a corner in the aforementioned Northeasterly right of way of New Jersey State Highway Route 70 (160.00 feet Northeastwardly from the centerline); thence

SURETY TITLE CORPORATION

TITLE INSURANCE COMMITMENT

File Number: 72860

LEGAL DESCRIPTION

(21) Along the Northeasterly right of way line of New Jersey State Highway Route 70, parallel with and distance 160.00 feet from the center line, along a curve bearing to the left in a Northwesterly direction having a radius of 5889.65 feet for an arc distance of 565.71 feet with a central angle of 05 degrees 30 minutes 12 seconds and being subtended by a chord bearing North 67 degrees 17 minutes 19 seconds West, a chord distance of 565.49 feet to the first mentioned point and place of BEGINNING.

BEING known as Lot 22.02, Block 805 as shown on the Township of Medford tax map.

COMMONLY known as 235 Route 70.

EXHIBIT B

Creekside, Medford, NJ
9/7/2008
PILOT Calculation

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenues:																
Gross Rental Income		$321,852	$328,289	$334,855	$341,552	$348,383	$355,351	$362,458	$369,707	$377,101	$384,643	$392,336	$400,183	$408,186	$416,350	$424,677
Commercial Rent		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Misc. Income		$4,000	$4,080	$4,162	$4,245	$4,330	$4,416	$4,505	$4,595	$4,687	$4,780	$4,876	$4,973	$5,073	$5,174	$5,278
Vacancy		($16,293)	($16,618)	($16,951)	($17,290)	($17,636)	($17,988)	($18,348)	($18,715)	($19,089)	($19,471)	($19,861)	($20,258)	($20,663)	($21,076)	($21,498)
Net Income:		$309,559	$315,751	$322,066	$328,507	$335,077	$341,779	$348,614	$355,588	$362,698	$369,952	$377,351	$384,898	$392,596	$400,448	$408,457
Fuel Oil		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Natural Gas		$2,500	$2,575	$2,652	$2,732	$2,814	$2,898	$2,985	$3,075	$3,167	$3,262	$3,360	$3,461	$3,564	$3,671	$3,781
Electric		$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129	$7,343	$7,563
Water		$3,500	$3,605	$3,713	$3,825	$3,938	$4,057	$4,179	$4,305	$4,434	$4,567	$4,704	$4,845	$4,990	$5,140	$5,294
Sewer		$7,500	$7,725	$7,957	$8,195	$8,441	$8,695	$8,955	$9,224	$9,501	$9,786	$10,079	$10,382	$10,693	$11,014	$11,344
Utilities:		$18,500	$19,055	$19,627	$20,216	$20,822	$21,447	$22,090	$22,753	$23,435	$24,138	$24,862	$25,608	$26,377	$27,168	$27,983
Adjusted Income:		$291,059	$296,696	$302,439	$308,291	$314,255	$320,332	$326,524	$332,834	$339,263	$345,814	$352,489	$359,290	$366,220	$373,280	$380,474
PILOT	6.28%	$18,278	$18,632	$18,993	$19,361	$19,735	$20,117	$20,505	$20,902	$21,306	$21,717	$22,136	$22,563	$22,999	$23,442	$23,894

DMEAST #9722822 v1

December 17, 2019

Township of Medford

RESOLUTION 250-2019

AUTHORIZING EXECUTION OF AGREEMENT WITH THE ESTAUGH (D/B/A MEDFORD LEAS) TO AVOID TAX APPEAL LITIGATION

WHEREAS, the Estaugh, d/b/a Medford Leas, (hereinafter "Taxpayer"), with offices at 1 Medford Leas Way, Medford NJ 08055, previously filed tax appeals against the Township of Medford (hereinafter "Township") over its real property tax assessment on the following "Property": Block 805, Lots 17.01, 17.02, 15.01, 15.02, 18, 19 and 22.01; and

WHEREAS, the Parties resolved the tax appeal litigation to avoid costly litigation and uncertainty by entering into a Settlement Agreement that covered the resolution of the appeals and the taxation of the Property from 2014 through 2019; and

WHEREAS, the Parties have met and desire to continue the Settlement Agreement in its essential terms and have negotiated the attached Settlement Agreement, which is incorporated herein by reference; and

WHEREAS, the effect of this Agreement, as before, is to: (1) reduce the overall assessment, and (2) institute a percentage payment of the difference between the new assessment and old assessment as a payment to the Township in lieu.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Township Council of the Township of Medford, County of Burlington, State of New Jersey that the Mayor and Township Clerk, as may be required, are hereby authorized to execute the Settlement Agreement, subject to the final review and approval as to form by the office of the Township Attorney.

I hereby certify that the foregoing is a true copy of a Resolution adopted by the Township Council of the Township of Medford, at a meeting held on the 17th day of December, 2019.

Katherine E. Burger, Township Clerk

SETTLEMENT AGREEMENT

WHEREAS, the parties to this agreement are THE ESTAUGH, D/B/A MEDFORD LEAS, (hereinafter "Taxpayer"), with offices at 1 Medford Leas Way, Medford NJ 08055, and MEDFORD TOWNSHIP (hereinafter "Township"), with offices at 17 North Main Street, Medford, NJ 08055; and

WHEREAS, the subject of this agreement is the status of the real property at Block 805, Lots 17.01, 17.02, 15.01, 15.02, 18, 19 and 22.01 on the Medford Township Tax Map, such property also being known as 1 Medford Leas Way, Medford, NJ 08055 (such property is hereafter referred to as the Property or the Property in Question or the PIQ); and

WHEREAS, the Taxpayer filed tax appeals in New Jersey State Tax Court, more specifically under Docket Nos. 011370-2012 and 004798-2013; and

WHEREAS, the Taxpayer asserted claims relating to both valuation and charitable exemption arguments for the PIQ under the relevant provisions of N.J.S.A. 54-3.6; and

WHEREAS, the Township answered the litigation and asserted the assessment and exemption determinations in place are proper; and

WHEREAS, the overall assessment for all properties in 2012 was $42,227,000 and the 2013 assessment was $35,688,500; and

WHEREAS, the Taxpayer's expert, Charles McCullough, MAI, of Renwick & Associates, opined a value of $28,986,100; and

WHEREAS, the Taxpayers from 2013 and forward were making and have made significant revisions to the property by collapsing a series of two existing units into one unit, such that over the last five (5) years the number of units has been reduced or will be reduced by approximately 25 units; and

WHEREAS, the Parties previously met numerous times, and ultimately settled the tax appeal litigation resulting in a Settlement Agreement that ran for five years through 2019; and

WHEREAS, the Parties believe the Settlement Agreement remains an effective and cost efficient manner to deal with uncertainties related to tax assessment of the Property in light of exemption and related claims and defenses; and

WHEREAS, the Parties have reconvened and determined that a renewal of the Settlement Agreement is in the best interests of both Parties.

NOW, THEREFORE, BE IT AGREED between the Parties as follows:

1. Preamble: The preamble set forth above is important to the context of the Agreement reached in this matter and is incorporated herein as terms to the Agreement.

2. Reduction of Assessment. The Township will maintain the Tax Assessment on the PIQ for the year 2020 and going forward at $26,491,500.

3. Payment In Lieu. Because the Parties continue to differ on value between the current assessment and Taxpayer's expert's value, the Parties will continue an annual in lieu payment in accord with the following requirements:

~~a. The payments shall be made quarterly at the same time as the regular tax~~ payments are due.

b. The payments shall be based upon the actual tax rate and equate to a percentage of the assessment value for each year as follows:

Year	Assessment	Percentage
2020-24:	$8,300,000	50%

By way of example, using the 2019 tax rate to illustrate, an assessment of $8,300,000 at a rate of 0.03169 equates to $263,027, times 50% results in a projected payment of $131,513.50 in 2020. The precise payment will vary slightly due to the change in the actual tax rate each year.

c. All such in lieu payments shall be paid to the Medford Township Clerk, with a copy on the transmittal to the Tax Assessor. The Taxpayer shall contact the Assessor in advance of the payment deadline to confirm the calculation for the year in question. If an invoice is required, the Taxpayer must request same at least 15 days prior to the payment due. If tax rates are not known for the year, estimates and adjustments may be made accordingly.

4. Term. If at the end of five (5) years the Parties desire to continue this Agreement, the Assessment will remain at $26,491,500, and the in lieu of payment will continue to be calculated at an $8,300,000 assessed value with a 50% factor for every year thereafter unless one or both parties elect to modify or terminate.

If both or either party determines to end or modify the Agreement after the five (5) year term, subsequent to April 1, 2024 and prior to October 1, 2024, the Township and the Taxpayer shall consult with one another for the purpose of determining whether there should be a continuing settlement agreement in lieu of an appeal by either party and, if so, the extent of such payments.

5. Termination. Either party may terminate the Agreement provided written notice is provided to the other party prior to October 1st of the pre-tax year. The termination shall not take effect until January 1st following notice. If the taxpayer terminates under this provision, the

Township shall have the right to return the tax assessment to $34,791,500 prospectively, or such updated assessment as the Assessor feels is correct following his review. The Taxpayer shall then have the right to file an appeal for the year in question.

6. Appeal Rights. The Taxpayer recognizes that in reaching this Agreement, the Township is reducing the Assessment. In doing so, the Taxpayer cannot further appeal the base assessment set forth for each year in Paragraph 2 above without frustrating the basis of this agreement, and such an appeal is prohibited as long as this agreement is in place. Any appeal instituted by the Taxpayer while this agreement is in place will be treated as a breach of this Agreement, and the Township shall have the right to pursue all claims in equity and law.

7. Good Faith. The Parties, in resolving this litigation and reaching this settlement, have established better communication between the Parties and developed a partnership to resolve complex legal and valuation issues. The Parties hereby agree to continue to work in good faith with one another, and the event new issues arise or changes occur with the PIQ its development or use, the Parties will endeavor to communicate with regard to same with an eye toward partnership and resolution.

8. Notices. Notices hereunder shall be given to the Parties set forth below and shall be made by hand delivery, facsimile, overnight delivery or by regular mail. If given by regular mail, the notice shall be deemed to have been given within a required time if deposited in the U.S. Mail, postage prepaid, within the time limit. For the purpose of calculating time limits which run from the giving of a particular notice the time shall be calculated from actual receipt of the notice. Time shall run only on business days which, for purposes of this Agreement shall be any day other than a Saturday, Sunday or legal public holiday. Notices shall be addressed the Township Administrator at the addresses identified in this Agreement.

9. Choice of Law. Any dispute under the Agreement or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

10. Entire Agreement. This Agreement represents the entire Agreement between the parties and may not be changed orally, and may only be modified or amended by a written statement signed by both parties.

11. Severability. If part of this Agreement shall be held to be unenforceable or invalid the rest of the Agreement shall nevertheless remain in full force and effect.

12. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement at any one time shall not be deemed a waiver of such term, covenant, or condition at any other time nor shall any waiver or relinquishment of any right or power herein at any time be deemed a waiver or relinquishment of the same or any other right or power at any other time.

13. No Presumption Against Drafter. This Agreement is being entered into by a public entity and a corporate entity, both represented by counsel, and subject to full review by both parties. As such, there shall be no presumption against the drafter.

14. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

15. Mediation. In the event that a dispute arises out of this Agreement between the Parties, the Parties to agree to meet first to attempt to mediate a resolution to the dispute. Such mediation shall occur within 20 days of notice from either party.

IN WITNESS WHEREOF we have hereunto set our hands and seals this 16th day of December, 2019.

THE ESTAUGH D/B/A MEDFORD LEAS

By: CEO

TOWNSHIP OF MEDFORD

By:

March 11, 2008

TOWNSHIP OF MEDFORD

RESOLUTION 79-2008

AUTHORIZING THE EXECUTION OF JONES ROAD, LLC AGREEMENT PROVIDING FOR PAYMENT IN LIEU OF TAXES

WHEREAS, Jones Road, LLC, (hereinafter referred to as the "Sponsor") proposes to construct an affordable housing project (hereinafter referred to as the "Project"), pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 53:14K-1 et seq.), and the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the Township of Medford (hereinafter referred to as the "Municipality") on a parcel of land designated as Block 904, Lot 4.03 as shown on the Official Assessment Map of the Township of Medford; and

WHEREAS, the Project will be subject to the HMFA Law and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to the provisions of the HMFA Law, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality; and

WHEREAS, the Sponsor has presented to the Township Council a Revenue Projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Medford that:

1. The Township Council hereby finds and determines that the proposed Project will meet an existing housing need; and

2. The Township Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project;

2. The Township Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and

3. The Township Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payment in lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payment in Lieu of Taxes attached hereto; and

4. The Township Council hereby authorizes and directs the Mayor and Township Clerk to execute, an behalf of the Municipality, the Agreement for Payment in Lieu of Taxes in substantially the form annexed hereto, subject to review, approval and finalization by the Township Solicitor; and

5. The Township Council understands and agrees that the revenue projections set forth in the Agreement are estimates and that the actual payment in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement for Payment in Lieu of Taxes executed between the Sponsor and the Municipality.

I hereby certify that the foregoing is a true copy of a Resolution adopted by the Township Council of the Township of Medford, at a meeting held on the 11th day of March, 2008.

Joyce F. Frenia, RMC

Joyce F. Frenia, Township Clerk

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this 14th day of March, 2008, between **JONES ROAD LLC**, a limited liability company, of the State of New Jersey, having its principal office at 20000 Horizon Way, Suite 180, Mount Laurel, New Jersey, 08054 (hereinafter the "Sponsor") and the **TOWNSHIP OF MEDFORD,** a municipal corporation in the County of Burlington and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

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

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55: 14K-l et seq.) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated February 26, 2008, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 904, Lot 4.03 as shown on the Official Assessment Map of the Township of Medford, and more commonly referred to as Medford, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

   (1) From the date of the execution of the Agency Mortgage until the date of substantial completion of the Project, the Sponsor shall make payment to the municipality in an amount equal to $6,366.00 (pursuant to the HMFA Law, the annual amount may not exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.

   (2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make

payment to the Municipality in an amount equal to 6.28 percent of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 6.28 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the

Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and is obligated under the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

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

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Jones Road LLC, c/o Conifer Realty, 20000 Horizon Way, Suite 180, Mount Laurel, New Jersey 08054 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Township of Medford, c/o Lorraine O'Connell, 17 N. Main Street, Medford, New Jersey 08055 or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by

each party hereto.

ATTEST:

Thomas O'Keefe, Secretary

JONES ROAD LLC

By: ______________________

Matthew Reilly, President/CEO
Moorestown Ecumenical Neighborhood Development Inc.
its Managing Member

ATTEST:

Joyce F. Frenia, Township Clerk RMC

TOWNSHIP OF MEDFORD

By: ______________________

Christopher J. Myers, Mayor

MEND Jones Road Affordable Housing Project

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

EXHIBIT A

Projected Annual Gross Rents	$	256,000
Pro Forma Vacancy at 50/0	$	13,000
Projected Annual Utility Costs	$	70,000
"Project Revenues"	$	173,000
"Payment in Lieu" Percentage		6.28% of project revenue
Annual Payment in Lieu Amount	$	10,864

22-Feb-08

SECOND READING

ORDINANCE NO: 2018-13

ORDINANCE APPROVING THE APPLICATION AND FINANCIAL AGREEMENT FOR A LONG TERM TAX EXEMPTION WITH HARTFORD SQUARE URBAN RENEWAL, LLC FOR THE MEDICAL OFFICE BUILDING LOCATED ON BLOCK 401, LOT 14.01 ON THE OFFICIAL TOWNSHIP TAX MAP

WHEREAS, the Township of Medford (the "Township"), County of Burlington, State of New Jersey by Resolution designated, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq*., certain properties of the Township, including the property now known as Block401, Lot 14.01 on the Official Tax Map of the Township (the "Property"), as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, the Township by Ordinance 2017-19 adopted a Redevelopment Plan for the Redevelopment Area; and

WHEREAS, in order to implement the development, financing and renovation of the Redevelopment Area, by adoption of Resolution 91-2018, on May 22, 2018, the Mayor and Township Council authorized the execution of a Redevelopment Agreement (the "Redevelopment Agreement") with Hartford Square Urban Renewal, LLC, a New Jersey limited liability company ("Redeveloper") for construction of a redevelopment project (the "Project") consisting of certain improvements on the Property, being a medical office building (the "Project Improvements"), which Redevelopment Agreement specifies the rights and responsibilities of the Township and Redeveloper with respect to the Project Improvements and provides for a Financial and Tax Abatement Agreement between the Township and the Redeveloper (the "Financial Agreement") establishing a long term tax exemption pursuant to the Long Term Tax Exemption Law ("LTTE"), N.J.S.A 40A:20-1, *et seq*., and

WHEREAS, pursuant to the requirements of the LTTE, the Redeveloper provided the Township with the information required by Section 8 of the LTTE in order to constitute an application for long-term tax exemption; and

WHEREAS, such information provided the Township with the basis for determining that the relevant benefits of the redevelopment of the Redevelopment Area outweigh the loss, if any, of property tax revenue in granting the long term tax-exemption, and more particularly assisted the Township in meeting its constitutional obligation to provide for its fair share of the regions affordable housing; and

WHEREAS, the Township Council has determined that the assistance provided to the Project pursuant to the Financial Agreement are a significant inducement for the Redeveloper to proceed with the Project, and more particularly finds that the Project includes a lot that has been deed restricted for a 100% affordable housing project that would not have been available if the Financial Agreement was not authorized.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township Council of the Township of Medford, County of Burlington, State of New Jersey, that the Township Attorney is hereby directed to negotiate and prepare a Tax Abatement and Financial Agreement, subject to input from the Township Manager, Township Chief Financial Officer and Township Tax Assessor, with the Redeveloper for consideration and ultimate adoption by the Township Council by adoption of this Ordinance on Second Reading after public hearing as required by law.

AND BE IT FURTHER ORDAINED that the Tax Abatement and Financial Agreement contemplated herein shall be applicable by way of the provisions of the LTTE, pursuant to which, the Redeveloper shall pay to the municipality, full taxes on the land component of the property, and then, a separate payment in an amount equal to a percentage of the full property tax payments on the improved value of the property, which would otherwise be due, according to the following schedule:

1. In the first full Tax Years 1 – 6, after completion of the project, an amount equal to twenty percent (20%) of the income/rents received.

2. In Tax Year 7, after completion of the project, an amount equal to the greater of twenty percent (20%) of the income/rents received or 20% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

3. In Tax Year 8, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 40% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

4. In Tax Years 9 and 10, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 60% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

5. In Tax Years 11 - 15, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 70% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

6. In Tax Years 16 - 30, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 80% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes.

In the event Redeveloper fails to pay either taxes due, or the PILOT payment due, within thirty (30) days of notice of delinquency, the Financial Agreement may be declared null and void by the Township Council and the property shall be fully assessed and full ad valorem taxes shall become due and payable retroactive to the quarter of the year in which Redeveloper first defaults.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon final passage on second reading after public hearing, in accordance with the law, and that upon said adoption and passage, the Mayor and Clerk are hereby authorized to execute and deliver the Financial Agreement.

BE IT FURTHER ORDAINED that, within thirty (30) days after the execution of the Financial Agreement signed by and between the parties, the Township Clerk shall forward a copy of the Agreement to the Director of the Division of Local Government Services, the Department of Community Affairs and the County of Burlington.

Certification:

Hartford Square @ 20%
20-40-60-70-80 w/ Land Credit

Year	Land	Improvement	Total	Total Tax - annual Increase @1.5%	Municipal total tax retention @14%	Net Tax PSF	Net Tax PSF Municipal retention	Stage %	Net PILOT Tax as a % regarding Stages	Annual Service Charge as a %	SF of Unit	PPSF net rent	Annual Revenue	Net Revenue	Land Tax - annual Increase @1.5%- Land Credit	Total Tax Paid to PILOT	Municipal Land Tax retention @14%	Municipal retention @ 95%	Municipal retention @ 95%	Municipal retention Land & PILOT	Net Tax PSF w/PILOT
1	800,000	2,900,000	3,700,000	114,774.00	16,068	6.86	0.96			20.00%	16720	$18.00	300,960.00	60,192.00	24,816.00	35,376.00	3,474.24	35,607.00		37,081.24	$ 2.22
2	800,000	2,900,000	3,700,000	116,495.61	16,309	6.97	0.98			20.00%	16720	$18.80	314,336.00	62,867.20	25,188.24	37,678.96	3,526.35	35,785.00		39,321.35	$ 2.35
3	800,000	2,900,000	3,700,000	118,243.04	16,554	7.07	0.99			20.00%	16720	$19.00	317,680.00	63,536.00	25,566.06	37,969.94	3,579.25	36,071.00		39,650.25	$ 2.37
4	800,000	2,900,000	3,700,000	120,016.69	16,802	7.18	1.00			20.00%	16720	$20.20	337,744.00	67,548.80	25,949.55	41,599.25	3,632.94	39,519.00		43,151.94	$ 2.58
5	800,000	2,900,000	3,700,000	121,816.94	17,054	7.29	1.02			20.00%	16720	$21.00	351,120.00	70,224.00	26,338.80	43,885.20	3,687.43	41,691.00		45,378.43	$ 2.71
6	800,000	2,900,000	3,700,000	123,644.19	17,310	7.39	1.04			20.00%	16720	$21.80	364,496.00	72,899.20	26,733.88	46,165.32	3,742.74	43,857.00		47,599.74	$ 2.85
7	800,000	2,900,000	3,700,000	125,498.86	17,570	7.51	1.05	[redacted]	25,100	20.00%	16720	$22.60	377,872.00	75,574.40	27,134.89	48,439.51	3,798.88	46,018.00		49,816.88	$ 2.98
8	800,000	2,900,000	3,700,000	127,381.34	17,833	7.62	1.07	[redacted]	50,953	20.00%	16720	$23.20	387,904.00	77,580.80	27,541.91	50,038.89	3,855.87	47,537.00		51,392.87	$ 3.07
9	800,000	2,900,000	3,700,000	129,292.06	18,101	7.73	1.08	60%	77,575	20.00%	16720	$24.00	401,280.00	80,256.00	27,955.04	52,300.96	3,913.71	49,886.00		53,599.71	$ 3.21
10	800,000	2,900,000	3,700,000	131,231.44	18,372	7.85	1.10	60%	78,739	20.00%	16720	$24.80	414,656.00	82,931.20	28,374.37	54,556.83	3,972.41	51,829.00		55,801.41	$ 3.34
11	800,000	2,900,000	3,700,000	133,199.91	18,648	7.97	1.12	[redacted]	[redacted]	20.00%	16720	$22.70	379,544.00	75,908.80	28,799.98	64,439.96	4,032.00		[redacted]	65,250.00	$ 3.90
12	800,000	2,900,000	3,700,000	135,197.91	18,928	8.09	1.13	[redacted]	[redacted]	20.00%	16720	$22.70	379,544.00	75,908.80	29,231.98	65,406.56	4,092.48		[redacted]	66,228.48	$ 3.96
13	800,000	2,900,000	3,700,000	137,225.88	19,212	8.21	1.15	[redacted]	[redacted]	20.00%	16720	$23.38	390,913.60	78,182.72	29,670.46	66,387.66	4,153.86		[redacted]	67,221.86	$ 4.02
14	800,000	2,900,000	3,700,000	139,284.27	19,500	8.33	1.17	[redacted]	[redacted]	20.00%	16720	$23.38	390,913.60	78,182.72	30,115.52	67,383.47	4,216.17		[redacted]	68,230.17	$ 4.08
15	800,000	2,900,000	3,700,000	141,373.53	19,792	8.46	1.18	[redacted]	[redacted]	20.00%	16720	$24.08	402,617.60	80,523.52	30,567.25	68,394.22	4,279.42		[redacted]	69,254.42	$ 4.14
16	800,000	2,900,000	3,700,000	143,494.14	20,089	8.58	1.20	80%	114,795	20.00%	16720	$24.08	402,617.60	80,523.52	31,025.76	83,769.55	4,343.61		79,581.00	83,924.61	$ 5.02
17	800,000	2,900,000	3,700,000	145,646.55	20,391	8.71	1.22	80%	116,517	20.00%	16720	$24.80	414,656.00	82,931.20	31,491.15	85,026.09	4,408.76		80,775.00	85,183.76	$ 5.09
18	800,000	2,900,000	3,700,000	147,831.25	20,696	8.84	1.24	80%	118,265	20.00%	16720	$24.80	414,656.00	82,931.20	31,963.51	86,301.48	4,474.89		81,986.00	86,460.89	$ 5.17
19	800,000	2,900,000	3,700,000	150,048.71	21,007	8.97	1.26	80%	120,039	20.00%	16720	$25.54	427,028.80	85,405.76	32,442.97	87,596.01	4,542.02		83,216.00	87,758.02	$ 5.25
20	800,000	2,900,000	3,700,000	152,299.44	21,322	9.11	1.28	80%	121,840	20.00%	16720	$25.54	427,028.80	85,405.76	32,929.61	88,909.95	4,610.15		84,464.00	89,074.15	$ 5.33
21	800,000	2,900,000	3,700,000	154,583.94	21,642	9.25	1.29	80%	123,667	20.00%	16720	$26.31	439,903.20	87,980.64	33,423.55	90,243.60	4,679.30		85,731.00	90,410.30	$ 5.41
22	800,000	2,900,000	3,700,000	156,902.70	21,966	9.38	1.31	80%	125,522	20.00%	16720	$26.31	439,903.20	87,980.64	33,924.91	91,597.25	4,749.49		87,017.00	91,766.49	$ 5.49
23	800,000	2,900,000	3,700,000	159,256.24	22,296	9.52	1.33	80%	127,405	20.00%	16720	$27.10	453,112.00	90,622.40	34,433.78	92,971.21	4,820.73		88,323.00	93,143.73	$ 5.57
24	800,000	2,900,000	3,700,000	161,645.08	22,630	9.67	1.35	80%	129,316	20.00%	16720	$27.10	453,112.00	90,622.40	34,950.29	94,365.78	4,893.04		89,647.00	94,540.04	$ 5.65
25	800,000	2,900,000	3,700,000	164,069.76	22,970	9.81	1.37	80%	131,256	20.00%	16720	$27.91	466,655.20	93,331.04	35,474.54	95,781.26	4,966.44		90,992.00	95,958.44	$ 5.74
26	800,000	2,900,000	3,700,000	166,530.80	23,314	9.96	1.39	80%	133,225	20.00%	16720	$27.91	466,655.20	93,331.04	36,006.66	97,217.98	5,040.93		92,357.00	97,397.93	$ 5.83
27	800,000	2,900,000	3,700,000	169,028.76	23,664	10.11	1.42	80%	135,223	20.00%	16720	$28.75	480,700.00	96,140.00	36,546.76	98,676.25	5,116.55		93,742.00	98,858.55	$ 5.91
28	800,000	2,900,000	3,700,000	171,564.20	24,019	10.26	1.44	80%	137,251	20.00%	16720	$28.75	480,700.00	96,140.00	37,094.96	100,156.40	5,193.29		95,149.00	100,342.29	$ 6.00
29	800,000	2,900,000	3,700,000	174,137.66	24,379	10.41	1.46	80%	139,310	20.00%	16720	$29.61	495,079.20	99,015.84	37,651.39	101,658.74	5,271.19		96,576.00	101,847.19	$ 6.09
30	800,000	2,900,000	3,700,000	176,749.72	24,745	10.57	1.48	80%	141,400	20.00%	16720	$29.61	495,079.20	99,015.84	38,216.16	103,183.62	5,350.26		98,024.00	103,374.26	$ 6.18
			Total Tax	4,308,465																	
				Municipal Retention w/o PILOT	603,185														Municipal Retention w/PILOT	2,199,019.39	

Township of Medford

Ordinance 2018-13

"Ordinance Approving the Application and Financial Agreement for a Long Term Tax Exemption with Hartford Square Urban Renewal, LLC for Medical Office Building Located on Block 401, Lot 14.01 on the Official Township Tax Map"

The above entitled ordinance was passed on first reading at a meeting of the Township Council of the Township of Medford on June 6, 2018. It will be further considered for final passage after a public hearing at the regularly scheduled meeting to be held on June 19, 2018 at the Public Safety Building, 91 Union Street, Medford, New Jersey at 7:00 PM, at which time and place any persons desiring to be heard upon the same will be given the opportunity to be heard. Copies of this ordinance will be made available at the Municipal Clerk's office to members of the general public who shall request them.

Katherine Burger, RMC
Municipal Clerk

Township of Medford

Notice of Final Adoption

Ordinance 2018-13

"Ordinance Approving the Application and Financial Agreement for a Long Term Tax Exemption with Hartford Square Urban Renewal, LLC for Medical Office Building Located on Block 401, Lot 14.01 on the Official Township Tax Map"

Notice is hereby given that the Ordinance as entitled above was adopted following second reading and public hearing at a regular meeting of the Township Council of the Township of Medford, County of Burlington, State of New Jersey, held at the Public Safety Building, 91 Union Street, Medford, New Jersey on June 19, 2018.

Katherine E. Burger
Township Clerk

THIS FINANCIAL AND TAX ABATEMENT AGREEMENT (the "Agreement"), made this 19th day of June, 2018 by and between the **HARTFORD SQUARE URBAN RENEWAL, LLC**, a New Jersey limited liability company with offices c/o Richard Ragan, Suite C-3, 30 Jackson Road, Medford, New Jersey 08055 ("Redeveloper") and the **TOWNSHIP OF MEDFORD**, a municipal corporation in the County of Burlington and the State of New Jersey, with offices at 17 North Main Street, Medford, New Jersey 08055 (the "Township").

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Local Redevelopment and Housing Law"), as amended and supplemented provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, the Township of Medford (the "Township"), County of Burlington, State of New Jersey by Resolution designated, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, certain properties of the Township, including the property now known as Block401, Lot 14.01 on the Official Tax Map of the Township (the "Property"), as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, the Township by Ordinance 2017-19 adopted a Redevelopment Plan for the Redevelopment Area and the Property; and

WHEREAS, in order to implement the development, financing and renovation of the Redevelopment Area, by adoption of Resolution 91-2018, on May 22, 2018, the Mayor and Township Council authorized the execution of a Redevelopment Agreement (the "Redevelopment Agreement") with Hartford Square Urban Renewal, LLC, a New Jersey limited liability company ("Redeveloper") for construction of a redevelopment project (the "Project") consisting of certain improvements on the Property, being a medical office building (the "Project Improvements"), which Redevelopment Agreement specifies the rights and responsibilities of the Township and Redeveloper with respect to the Project Improvements and provides for a Financial and Tax Abatement Agreement between the Township and the Redeveloper (the "Financial Agreement") establishing a long term tax exemption pursuant to the Long Term Tax Exemption Law ("LTTE"), N.J.S.A 40A:20-1, *et seq.*, and

WHEREAS, pursuant to the requirements of the LTTE, the Redeveloper provided the Township with the information required by Section 8 of the LTTE in order to constitute an application for long-term tax exemption; and

WHEREAS, such information provided the Township with the basis for determining that the relevant benefits of the redevelopment of the Redevelopment Area outweigh the loss, if any, of property tax revenue in granting the long term tax-exemption, and more particularly assisted the Township in meeting its constitutional obligation to provide for its fair share of the regions affordable housing; and

WHEREAS, the Township Council has determined that the assistance provided to the Project pursuant to the Financial Agreement are a significant inducement for the Redeveloper to proceed with the Project, and more particularly finds that the Project includes a lot that has been deed restricted for a 100% affordable housing project that would not have been available if the Financial Agreement was not authorized.

WHEREAS, as a result thereof, on June 19, 2018, the Township Council adopted Ordinance No. 2018-13 (the "Long Term Tax Exemption Ordinance"), which authorizes the Township to enter into this Agreement with Redeveloper and the provision of a tax Exemption of certain local real property taxes in order to encourage the construction of new commercial structures; and

WHEREAS, this Agreement is being entered into pursuant to the provisions of the Long Term Tax Exemption Law, as may be amended and supplemented (N.J.S.A. 40A:20-1 et seq.) ["LTTE"]; and

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 1

GENERAL PROVISIONS

SECTION 1.1 **Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey, including the provisions of the LTTE, the Local Redevelopment and Housing Law and such other statutes as may be sources of relevant authority, if any.

SECTION 1.2 **General Definitions.** Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

1.2.1 Annual Service Charge - has the meaning outlined in Article 4 herein.

1.2.2 Assessor - means the officer of a taxing district charged with the duty of assessing real property for the purpose of general taxation.

1.2.3 Certificate of Occupancy - means a permanent "Certificate of Occupancy", as such term is defined in the New Jersey Administrative Code, N.J.A.C. 5:23-2.3, issued with respect to all or a portion of the Project upon Completion of all or a portion of the Project.

1.2.4 Completion - means substantially ready for the intended use for which a building or structure is constructed, improved or converted.

1.2.5 Construction - means the provision of a new dwelling, multiple dwelling or commercial or industrial structure, but shall not mean the conversion of an existing building or structure to another use.

1.2.6 Default - The failure of Redeveloper to perform any obligation imposed upon Redeveloper by the terms of this Agreement after notice and opportunity to cure as provided herein.

1.2.7 Exemption - means that portion of the Assessor's full and true value of any improvement, conversion, alteration, or construction not regarded as increasing the taxable value of a property pursuant to the Long Term Tax Exemption Law.

1.2.8 Exemption Application – The lease and other financial information filed by Redeveloper with the Township pursuant to N.J.S.A. 40A:20-8, for a tax Exemption for the Project.

1.2.9 Exemption Ordinance - Ordinance No. 2018-13 adopted by the Township Council on __________, 2018, attached hereto as Exhibit B, approving this Agreement.

1.2.10 Improvements - means a modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness of the building or structure as a place for human habitation or work, and which does not change its permitted use, which includes the Project Improvements. In the case of a multiple dwelling, it includes only improvements which affect common areas or elements, or three or more dwelling units within the multiple dwelling. In the case of a multiple dwelling or commercial or industrial structure, it shall not include ordinary painting, repairs and replacement of maintenance items, or an enlargement of the volume of an existing structure by more than 30%. In no case shall it include the repair of fire or other damage to a property for which payment of a claim was received by any person from an insurance company at any time during the three year period immediately preceding the filing of an application pursuant to this act.

1.2.11 In Rem Tax Foreclosure Act - N.J.S.A. 54:5-104.29 et seq.

1.2.12 In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by the In Rem Tax Foreclosure Act.

1.2.13 Land - The land, but not the Improvements, on the property identified on the Township's official tax map as Block 4.01, Lot 14.01.

1.2.14 Local Improvement Law - N.J.S.A. 40:56-1 et seq.

1.2.15 Local Redevelopment and Housing Law - N.J.S.A. 40A:12A-1 et seq.

1.2.16 Long Term Tax Exemption Law – N.J.S.A. 40A:20-1 et seq.

1.2.17 Lot – means the indivual lots, together which comprise the Property, each of which shall be entiteld to a tax Exemption and abatement as set forth in this Agreement.

1.2.18 Project - As defined in the Redevelopment Agreement.

1.2.19 Project Improvements - All buildings, structures, Improvements, site preparation work, and amenities necessary for the implementation and Completion of the Project as more specifically described in the Redevelopment Agreement.

1.2.20 Property – As defined in the preambles to this Agreement.

1.2.21 Redeveloper – means Hartford Square Urban Renewal, LLC, a New Jersey limited liability company, and any other purchaser or successor in interest to the ownership of the Property.

1.2.22 Redevelopment Agreement – That certain agreement between the Township and Redeveloper, dated June ___, 2018, attached hereto as Exhibit A.

1.2.23 Redevelopment Approvals – As defined in the Redevelopment Agreement.

1.2.24 Special Assessments - The assessment by the Township against the Property with the consent of Redeveloper as authorized by the Local Improvement Law and Redevelopment Area Bond Financing Law.

1.2.25 State - The State of New Jersey.

1.2.26 Township - The Township of Medford, in the County of Burlington, New Jersey, a municipal corporation of the State.

SECTION 1.3 **Exhibits Incorporated.** All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

ARTICLE 2

APPROVAL

SECTION 2.1 **Approval of Tax Exemption.** Pursuant to the Ordinance authorizing the execution of this Agreement, the Improvements are entitled to an Exemption of local property taxes as further set forth herein. The Project shall be as described in the Redevelopment Agreement attached hereto as Exhibit A. Redeveloper represents and covenants that, effective as of the Completion of the Project, the Project shall be used, managed and operated for the purposes set forth in the Redevelopment Agreement and the land use applications to be filed with, and as approved by, the Township in connection with this Project. It is expressly understood and agreed by the parties hereto that the Township expressly relies upon the facts, data and presentations, including the lease for the medical office building, in granting this tax Exemption.

SECTION 2.2 **Approval of Project to be Undertaken by the Redeveloper.** Redeveloper shall be required to obtain Redevelopment Approvals necessary at its sole cost and expense for the Project and all other Governmental Approvals as defined in the Redevelopment Agreement, the Municipal Land Use Law and any other applicable statutes. The subdivision and site plan shall materially comply and conform to the Project Improvements, which Project Improvements are more particularly described in the Redevelopment Agreement

ARTICLE 3

DURATION OF AGREEMENT

SECTION 3.1 **Term.** It is understood and agreed by the parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article 4 hereof and the tax Exemption granted for the Property, shall commence upon the issuance of a

Certificate of Occupancy, or a Temporary Certificate of Occupancy for the Project and shall remain in effect for thirty (30) full tax years ("Term"). This Agreement shall constitute evidence of a lien securing such obligation, which lien shall survive any termination hereof. At the expiration of the Term, or earlier termination of this Agreement, the tax Exemption for the Improvements shall expire and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township. After expiration of the Term hereof, or earlier termination of this Agreement, all restrictions and limitations upon Redeveloper shall terminate.

SECTION 3.2 **Date of Termination.** Upon any termination of the tax Exemption described in Section 3.1 hereof, the date of such termination shall be deemed to be the end of the fiscal year of Redeveloper.

ARTICLE 4

ANNUAL SERVICE CHARGE

SECTION 4.1 **Annual Service Charge.** Redeveloper shall pay to the municipality, full taxes on the land component of the property, and then, a separate payment in an amount equal to a percentage of the full property tax payments on the improved value of the property, which would otherwise be due, according to the following schedule:

1. In the first full Tax Years 1 – 6, after completion of the project, an amount equal to twenty percent (20%) of the income/rents received.

2. In Tax Year 7, after completion of the project, an amount equal to the greater of twenty percent (20%) of the income/rents received or 20% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

3. In Tax Year 8, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 40% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

4. In Tax Years 9 and 10, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 60% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

5. In Tax Years 11 - 15, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 70% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;

6. In Tax Years 16 - 30, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 80% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes.

In the event Redeveloper fails to pay either taxes due, or the PILOT payment due, within thirty (30) days of notice of delinquency, the Financial Agreement may be declared null and void by the Township Council and the property shall be fully assessed and full ad valorem taxes shall become due and payable retroactive to the quarter of the year in which Redeveloper first defaults.

SECTION 4.2 Payment of the Annual Service Charge. 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, Redeveloper shall pay the Annual Service Charge, the Special Assessments, if any, and any other municipal obligations to the Township for the duration of the tax Exemption provided for in Section 2.1 of this Agreement. Redeveloper's obligation to make the Annual Service Charge shall be absolute and unconditional and not subject to any defense, set-off, recoupment or counterclaim under any circumstances.

SECTION 4.3 Quarterly Installments. Redeveloper expressly agrees that installments of the aforesaid Annual Service Charge shall be paid quarterly in a manner consistent with Township's tax collection schedule commencing with the first full tax year after the Completion of the Construction. In the event that Redeveloper fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under State law in the case of unpaid taxes or tax liens on the Land until paid. Township also has the right to declare this Agreement canceled and null and void.

SECTION 4.4 **Material Conditions.** It is expressly agreed and understood that this Agreement shall not affect Redeveloper's obligation to pay rollback taxes which may apply, if any, and the payment of all payments of rollback taxes, if any, the Annual Service Charge, Special Assessments, if any and any interest payments, penalties or costs of collection due thereon, are material conditions of this Agreement ("Material Conditions"). If any other term, covenant or condition of this Agreement or the Exemption Application, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this 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 Agreement shall be valid and enforced to the fullest extent permitted by law.

SECTION 4.5 **Annual Service Charge as Municipal Lien.** The Annual Service Charge shall be a continuous, municipal lien on the Property.

SECTION 4.6 **Land Taxes.** The Redeveloper is required to pay both the Annual Service Charge and the land tax payments. The Redeveloper is obligated to make timely land tax payments in order to be entitled to a land tax credit against the Annual Service Charge for the subsequent year. Pursuant to N.J.S.A. 40A:20-12, the Redeveloper shall be entitled to a credit for the amount of the land tax payments made in the last four proceeding quarterly installments against the Annual Service Charge.

ARTICLE 5
REMEDIES

SECTION 5.1 **Remedies.** In the event of a breach of this Agreement by any of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, other than those items specifically included as Material Conditions herein, any party may file an action with the Superior Court of New Jersey and seek any remedies available therein. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on the Land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on the Land.

ARTICLE 6
CERTIFICATE OF OCCUPANCY

SECTION 6.1 **Certificate of Occupancy.** It is understood and agreed that Redeveloper shall remain obligated to make application for and make all good faith efforts which are reasonable to obtain Certificates of Occupancy for the Project in a timely manner as identified in the Exemption Application. In such regard, the Township agrees to reasonably cooperate with Redeveloper for the obtainment of such Certificates of Occupancy.

SECTION 6.2 **Filing of Certificate of Occupancy.** It shall be the primary responsibility of the Redeveloper to forthwith file with the Tax Assessor, the Tax Collector and the Chief Financial Officer of the Township a copy of such certificate.

SECTION 6.3 **Certification regarding Tax Exemption.** The Township Clerk shall certify to the Township Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that a Financial Agreement with an urban renewal entity, for the development of the Property, has been entered into and is in effect as required by N.J.S.A. 40A:20-1, et seq. Delivery by the Township Clerk to the Township Tax Assessor of a certified copy of the Ordinance adopted by the Township governing body approving the tax exemption described herein and this Financial Agreement shall constitute the required certification. Upon the delivery of the certification as required hereunder, the Township Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Township Clerk until the expiration of the entitlement to exemption by the terms of this Financial Agreement or until the Township Tax Assessor has been duly notified by the Township Clerk that the exemption has been terminated. Further, upon the adoption of this Financial Agreement, a certified copy of the Ordinance adopted by the Township governing body approving the tax exemption described herein and this Financial Agreement shall be transmitted to the Director of the Division of Local Government Services State of New Jersey Department of Community Affairs by the Township Clerk.

ARTICLE 7

ASSIGNMENT AND/OR ASSUMPTION

SECTION 7.1 **Approval.** Redeveloper may sell all or a portion of the Project provided that the sale is (i) in accordance with the provisions of the Redevelopment Agreement and (ii) the new owner of he Property will continue to use the Property pursuant to the conditions which qualified the Property for the Exemption and abatement. Upon such conditions being met and subject to satisfaction of the provisions of the Redevelopment Agreement, Township will consent to a transfer of the Project by Redeveloper to another of their successors and assigns. Further, Township will consent that upon assumption by the transferee entity of all of Redeveloper's obligations, to the extent those obligations relate to the portion of the Property acquired by the transferee under this Agreement, the Exemption for the Property shall continue and inure to the transferee entity and its respective successors or assigns. Any such transfer by Redeveloper to a transferee entity shall be subject to this Agreement.

SECTION 7.2 **Operation of Project.** The Project shall be operated in accordance with law.

SECTION 7.3 **Subordination of Fee Title.** It is expressly understood and agreed that Redeveloper has the right, subordinate to the lien of the Annual Service Charge and Special Assessment, and to the rights of the Township, to encumber the fee title to the Property, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

ARTICLE 8

WAIVER

SECTION 8.1 **Waiver.** Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township or Redeveloper of any rights and remedies provided by law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Agreement and Exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Township or Redeveloper has under law, in equity, or under any provision of this Agreement.

ARTICLE 9

NOTICE

SECTION 9.1 **Notice.** Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to Redeveloper it shall be addressed as follows:

Hartford Square Urban Renewal, LLC
Suite C-3
30 Jackson Road
Medford, New Jersey 08055
Attn: Richard R. Ragan
rick@ragandesign.com

With copies sent to:

M. James Maley, Jr., Esquire

Maley & Associates
A Professional Corporation
1150 Haddon Avenue, Suite 210
Collingswood, New Jersey 08108
Phone: (856) 854-1515
Fax: (856) 858-2944
jmaley@maleyassociates.com

When sent to the Township, it shall be addressed as follows:

Kathy Burger Township Manager
Medford Township
17 North Main Street
Medford, New Jersey 08055
E-mail: kburger@medfordtownship.com
Phone: (609) 654-2608

With copies sent to:

Timothy M. Prime, Esquire
Prime Law
14000 Horizon Way, Suite 325
Mt. Laurel, New Jersey 08054
E-mail: timprime@lawyerprime.com
Phone: (856) 273-8300

(Note: The notice to the Township shall identify the subject with the tax account numbers of the tax parcels comprising the Property")

ARTICLE 10
COMPLIANCE

SECTION 10.1 **Statutes and Ordinances.** Redeveloper hereby agrees at all times prior to the expiration or other termination of this Agreement to remain bound by the provisions of Federal and New Jersey law and any lawful ordinances and resolutions of the Township, including, but not limited to, the Five-Year Tax Exemption Law. Redeveloper's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Agreement.

ARTICLE 11

CONSTRUCTION

SECTION 11.1 **Construction.** This Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both Redeveloper and the Township have combined in their review and approval of same.

ARTICLE 12

INDEMNIFICATION

SECTION 12.1 **Indemnification.** It is understood and agreed that in the event the Township shall be named as party defendant in any action brought against Redeveloper related to the enforcement of this Agreement 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 Redeveloper, Redeveloper shall indemnify and hold the Township and its officials and representatives harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction or Redeveloper by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq. by virtue of the action or inaction of Redeveloper.

ARTICLE 13

DEFAULT

SECTION 13.1 **Default.** A Default shall be deemed to have occurred if Redeveloper fails to conform with the terms of this Agreement or fails to perform any obligation imposed upon Redeveloper by statute, ordinance or lawful regulation.

SECTION 13.2 Cure Upon Default. Should the Entity be in Default of any obligation under this Financial Agreement, the Township shall notify the Entity and any mortgagee of the Entity in writing of said default. Said notice shall set forth with particularity the basis of said default. Except as otherwise limited by law, the Entity shall have thirty (30) days to cure any default (other than a default in payment of any installment of the Annual Service Charge or Special Assessments in which case there shall be no cure period); provided, however, that if the default cannot be cured in thirty (30) days, the Entity shall have a total of sixty (60) days to cure if the

Entity diligently initiates and pursues such cure. Subsequent to the thirty (30) days or sixty (60) days, as applicable, the Township shall have the right to proceed against the Property pursuant to applicable provisions of the law, including N.J.S.A. 40A:12A-58 and -68, but subject to the aforementioned limitations on acceleration, including as set forth in 5.1 hereof. No default hereunder by the Entity shall terminate the long term tax exemption described herein and its obligation to make Annual Service Charges, which shall continue in effect for the duration of this Financial Agreement (other than a default in payment of any installment of the Annual Service Charge or Special Assessments in which case the long term tax exemption described herein shall be terminated).

SECTION 13.3 **Remedies.** Upon Default Cumulative; No Waiver. Subject to the provisions of Section 13.1 hereof and the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to the Township and all rights and remedies granted to them by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Township of any of their remedies or actions against Redeveloper because of Redeveloper's failure to pay the Annual Service Charge, the Special Assessments, if any, and/or any applicable water and sewer charges and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Annual Service Charge, Special Assessments or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Annual Service Charge, Special Assessments or other charges shall not be construed as a waiver of the right to proceed with In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

ARTICLE 14

MISCELLANEOUS

SECTION 14.1 **Conflict.** The parties agree that in the event of a conflict between the Exemption Application and this Agreement, the language in this Agreement shall govern and prevail.

SECTION 14.2 **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 Exemption Ordinance of the Township authorizing this Agreement, and the Exemption Application constitute the entire agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

SECTION 14.3 **Entire Document.** All conditions in the Exemption Ordinance of the Township Council approving this Agreement are incorporated in this Agreement and made a part hereof.

SECTION 14.4 **Good Faith.** In their dealings with each other, the parties agree that they shall act in good faith.

SECTION 14.5 **Municipal Services.** Redeveloper 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 Charge, as required by law. Nothing herein is intended to release Redeveloper from its obligation to make such payments.

SECTION 14.6 **Financing Matters.** The financial information required under N.J.S.A. 40A:20-1 et seq. is set forth in the Exemption Application.

SECTION 14.8 **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 14.9 **Amendments.** This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

SECTION 14.10 **Filing of Agreement.** In accordance with the applicable provisions of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-12 in particular), within ten (10) days from the date of execution of this Agreement, a copy thereof shall be forwarded to the Chief Financial Officer of Burlington County, as well as Burlington County Counsel, for informational purposes.

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

Witness or Attest:

Name: Michelle Dermo

HARTFORD SQUARE URBAN RENEWAL, LLC

Richard Ragan
Manager/Member

Witness or Attest:

Kathy Burger, Township Clerk

TOWNSHIP OF MEDFORD

Charles Watson, Mayor

TOWNSHIP OF MEDFORD

ORDINANCE 2019-11

AN ORDINANCE APPROVING THE APPLICATION AND AUTHORIZING THE EXECUTION OF THE FINANCIAL AGREEMENT FOR A LONG-TERM TAX EXEMPTION WITH VOADV PROPERTY, INC. FOR THE HARTFORD VILLAGE AGE RESTRICTED AFFORDABLE HOUSING DEVELOPEMENT TO BE KNOWN AS HARTFORD VILLAGE IN HARTFORD SQUARE TO BE LOCATED ON BLOCK 401, LOT 14.04, MEDFORD TOWNSHIP

WHEREAS, VOADV Property Inc. (hereinafter referred to as the "Sponsor") proposes to construct 71 units (70 units plus a caretaker unit) of age restricted affordable rental housing for low and moderate income persons known as Hartford Village (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq., and all applicable guidelines (the foregoing hereinafter referred to as the "HMFA Requirements") in Medford Township (hereinafter referred to as the "Township") on a site described as Lot 14.04, Block 401 as shown on the Official Assessment Map of the Medford Township, Burlington County; and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to the HMFA Requirements, the governing body of the Township hereby determines that there is a need for this affordable housing project in the Township; and

WHEREAS, the Sponsor has presented to the Township Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof as Exhibit B.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Medford, County of Burlington and State of New Jersey, as follows:

SECTION ONE: The Township Council finds and determines that the proposed Project will meet or meets an existing affordable housing need.

SECTION TWO: The Township Council does hereby adopt the within Ordinance and makes the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the HMFA Requirements with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and shall construct, own and operate the Project.

SECTION THREE: The Township Council does hereby adopt the within Ordinance with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Requirements, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the township in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes attached hereto as Exhibit "A".

SECTION FOUR: The Township Council hereby authorizes the Mayor and Clerk to execute and deliver, on behalf of the Township, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "A".

SECTION FIVE: The Township Council understands and agrees that the revenue projections set forth in Exhibit "B" are 5% estimates of the gross shelter rents and that the actual payments in lieu of taxes to be paid by the Sponsor to the Township shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the Sponsor and the Township.

SECTION SIX: All Ordinances and provisions thereof inconsistent with the provisions of this Ordinance shall be and are hereby repealed to the extent of such inconsistency

SECTION SEVEN: If any section, paragraph, subdivision, clause or provision of this Ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subdivision, clause or provision and the remainder of this Ordinance shall be deemed valid and effective.

SECTION EIGHT: This Ordinance shall take effect immediately upon final passage and publication according to law.

Township of Medford

Notice of Final Adoption

Ordinance 2019-11

"An Ordinance Approving the Application and Authorizing the Execution of the Financial Agreement for a Long-Term Tax Exemption with VOADV Property, Inc. for the Hartford Village Age Restricted Affordable Housing Development to be Known as Hartford Village in Hartford Square to be Located on Block 401, Lot 14.04, Medford Township"

Notice is hereby given that the Ordinance as entitled above was adopted following second reading and public hearing at a regular meeting of the Township Council of the Township of Medford, County of Burlington, State of New Jersey, held at the Public Safety Building, 91 Union Street, Medford, New Jersey on August 20, 2019.

Katherine E. Burger
Township Clerk

THIS FINANCIAL AGREEMENT (the "Agreement"), made this 20th day of August, 2019 (the "Effective Date") by and between VOADV PROPERTY, INC., a New Jersey Corporation Not for Profit, with offices at 531 Market Street, Camden, New Jersey 08102 (the "Sponsor") and the TOWNSHIP OF MEDFORD, a municipal corporation in the County of Burlington and the State of New Jersey, with offices at 17 North Main Street, Medford, New Jersey 08055 (the "Township").

WITNESSETH:

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

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and an Ordinance adopted by the Medford Township Council dated August 20, 2019, (the "Ordinance") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.
2. The Project is or will be situated on that parcel of land designated as Block 401, Lot 14.04, as shown on the Official Assessment Map of Medford Township, and will be known as Hartford Village.
3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Township as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.
4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Township of an annual service charge in lieu of taxes in such amount as follows:

1) From the date of the execution of the Agency Mortgage until the date of substantial completion of the Project, the Sponsor shall make payment to the Township in an amount equal to Five percent (5.00%) of the gross shelter rents (pursuant to the HMFA Law, the annual amount may not exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Township issues the Certificate of Occupancy for all units in the Project.

(2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Township in an amount equal to 5.00 percent of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Township in an amount equal to Five percent (5.00%) of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge and other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Township as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Township in the same manner and on the same dates as real estate taxes are paid to the Township and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage

(for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Township a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Township calculated at 5.00 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Township for the preceding fiscal year. The Township may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Township shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Township shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Township. If, however, the Township disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Township, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Township.

(c) In the event of any delinquency in the aforesaid payments, the Township shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and is obligated under the Agency Mortgage. Upon the payment in full of the Agency

Mortgage, the Sponsor or its successor, as applicable, shall give notice to the Township within ten (10) business days of the date that the Agency Mortgage is paid.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Township. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

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

(a) When sent by the Township to the Sponsor, it shall be addressed to VOADV Property, c/o Owen McCabe, 531 Market Street, Camden, NJ 08102 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Township to the Sponsor shall be sent by the Township to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Township, it shall be addressed to Katherine E. Burger, Township Manager, or to such other address as the Township may designate in writing; and a copy of said notice or communication by the Sponsor to the Township shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or

account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

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

Witness or Attest:	VOADV PROPERTY, INC.
Dolores Goldstein	
Name: Dolores Goldstein	Daniel L. Lombardo, President
Witness or Attest:	TOWNSHIP OF MEDFORD
Kathy Burger, Township Clerk	Charles Watson, Mayor

EXHIBIT A

PILOT REVENUE PROJECTIONS

HARTFOR
MEDFORD
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EXH

Rental Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Rental Income	$ 522,636	$ 533,089	$ 543,750	$ 554,626	$ 565,718	$ 577,032
Less: Vacancy	$ (36,585)	$ (37,316)	$ (38,063)	$ (38,824)	$ (39,600)	$ (40,392)
Net Rental Income	$ 486,051	$ 495,773	$ 505,688	$ 515,802	$ 526,118	$ 536,640
Less: Owner-pd Utilities	$ (70,000)	$ (72,100)	$ (74,263)	$ (76,491)	$ (78,786)	$ (81,149)
Basis for PILOT Calc.	$ 416,051	$ 423,673	$ 431,425	$ 439,311	$ 447,332	$ 455,491
PILOT Rate	5%	5%	5%	5%	5%	5%
PILOT Payment Estimate	$ 20,803	$ 21,184	$ 21,571	$ 21,966	$ 22,367	$ 22,775

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) TOWNSHIP
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Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
$ 588,573	$ 600,344	$ 612,351	$ 624,598	$ 637,090	$ 649,832	$ 662,829	$ 676,085	$ 689,607
$ (41,200)	$ (42,024)	$ (42,865)	$ (43,722)	$ (44,596)	$ (45,488)	$ (46,398)	$ (47,326)	$ (48,272)
$ 547,373	$ 558,320	$ 569,487	$ 580,877	$ 592,494	$ 604,344	$ 616,431	$ 628,759	$ 641,335
$ (83,584)	$ (86,091)	$ (88,674)	$ (91,334)	$ (94,074)	$ (96,896)	$ (99,803)	$ (102,797)	$ (105,881)
$ 463,789	$ 472,229	$ 480,813	$ 489,542	$ 498,420	$ 507,448	$ 516,628	$ 525,962	$ 535,453
5%	5%	5%	5%	5%	5%	5%	5%	5%
$ 23,189	$ 23,611	$ 24,041	$ 24,477	$ 24,921	$ 25,372	$ 25,831	$ 26,298	$ 26,773

EXHIBIT B

EXEMPTION ORDINANCE APPROVING FINANCIAL AGREEMENT

Township of Medford

Notice of Final Adoption

Ordinance 2019-11

"An Ordinance Approving the Application and Authorizing the Execution of the Financial Agreement for a Long-Term Tax Exemption with VOADV Property, Inc. for the Hartford Village Age Restricted Affordable Housing Development to be Known as Hartford Village in Hartford Square to be Located on Block 401, Lot 14.04, Medford Township"

Notice is hereby given that the Ordinance as entitled above was adopted following second reading and public hearing at a regular meeting of the Township Council of the Township of Medford, County of Burlington, State of New Jersey, held at the Public Safety Building, 91 Union Street, Medford, New Jersey on August 20, 2019.

Katherine E. Burger
Township Clerk

TOWNSHIP OF MEDFORD

RESOLUTION 117-2002

AUTHORIZING THE EXECUTION OF AN AGREEMENT PROVIDING FOR PAYMENT IN LIEU OF TAXES

WHEREAS, in the litigation encaptioned, Medford Village East Associates v. Township of Medford, BUR-L-1507-96, the Township Council has been Ordered to enter into this PILOT Agreement pursuant to the terms of April 17, 1995 Settlement Agreement between the parties to that litigation; and

WHEREAS, Ingerman Affordable Housing. Inc., (hereinafter referred to as the "Sponsor") proposes to construct a housing project (hereinafter referred to as the "Project"), pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 53:14K-1 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the Township of Medford (hereinafter referred to as the "Municipality") on a site described as Block 4107, Lot 1 and Block 4108, Lot 1 as shown on the Official Assessment Map of the Township of Medford, Burlington County; and

WHEREAS, the Project will be subject to the HMFA Law and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to the provisions of the HMFA Law, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality, and

WHEREAS, the Sponsor has presented to the Township Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Medford that:

LAW OFFICE
Parker, McCay & Criscuolo, P.A.

1. The Township Council finds and determines that the proposed Project will meet an existing housing need; and

2. The Township Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and

3. The Township Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payment in lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payment in Lieu of Taxes attached hereto as Exhibit "B"; and

4. The Township Council hereby authorizes and directs the Mayor and Township Clerk to execute, an behalf of the Municipality, the Agreement for Payment in Lieu of Taxes in substantially the form annexed hereto as Exhibit "B", subject to review, approval and finalization by the Township Solicitor; and

5. The Township Council understands and agrees that the revenue projections set forth in Exhibit "A" are estimates and that the actual payment in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement, for Payment in Lieu of Taxes executed between the Sponsor and Municipality.

I hereby certify that the foregoing is a true copy of a Resolution adopted by the Township Council of the Township of Medford, at a meeting held on the 28th day of May, 2002.

Janet K. Ballinger

Janet K. Ballinger, Township Clerk

Exhibit "A"

Samost							
Projected 15 Year Income Statement							
			Revenue Increase:		3%		
Revenue:			2003	2004	2005	2006	2007
Gross Rental Income			$474,624	$488,863	$503,529	$518,634	$534,193
Miscellaneous Income			$11,280	$11,731	$12,200	$12,688	$13,196
Vacancy	5%		($24,295)	($24,443)	($25,176)	($25,932)	($26,710)
Effective Gross Income:			$461,609	$476,151	$490,553	$505,391	$520,680
		Per Unit Expenses		Expense Inc.	4%		
Expense:							
Marketing		$83	$5,000	$5,250	$5,513	$5,788	$6,078
Management Fee	6%	$462	$27,697	$28,569	$29,433	$30,323	$31,241
Legal		$92	$5,500	$5,720	$5,949	$6,187	$6,434
Audit		$117	$7,000	$7,280	$7,571	$7,874	$8,189
Telephone		$83	$5,000	$5,200	$5,408	$5,624	$5,849
Office Supplies		$50	$3,000	$3,120	$3,245	$3,375	$3,510
Misc. Adm.		$17	$1,000	$1,040	$1,082	$1,125	$1,170
Total Admin. Expense:		$903	$54,197	$56,178	$58,200	$60,296	$62,470
Fuel Oil			$0	$0	$0	$0	$0
Natural Gas		$125	$7,500	$7,800	$8,112	$8,436	$8,774
Electric (Common Space Only)		$250	$15,000	$15,600	$16,224	$16,873	$17,548
Water		$250	$15,000	$15,600	$16,224	$16,873	$17,548
Sewer		$250	$15,000	$15,600	$16,224	$16,873	$17,548
Veh/Equip. Oper		$33	$2,000	$2,080	$2,163	$2,250	$2,340
Janitor Supp.		$83	$5,000	$5,200	$5,408	$5,624	$5,849
Exterminating		$83	$5,000	$5,200	$5,408	$5,624	$5,849
Rubbish Removal		$263	$15,800	$16,432	$17,089	$17,773	$18,484
Total Operating Expense:		$1,338	$80,300	$83,512	$86,852	$90,327	$93,940
Parking Area		$83	$5,000	$5,200	$5,460	$5,733	$6,020
Landscaping Main.		$250	$15,000	$15,600	$16,224	$16,873	$17,548
Snow Removal		$83	$5,000	$5,200	$5,408	$5,624	$5,849
Painting/Decorating		$125	$7,500	$7,800	$8,112	$8,436	$8,774
Structural Repairs		$25	$1,500	$1,560	$1,622	$1,687	$1,755
HVAC Maintenance		$33	$2,000	$2,080	$2,163	$2,250	$2,340
Plumbing Maintenance		$50	$3,000	$3,120	$3,245	$3,375	$3,510
Electrical Maint.		$50	$3,000	$3,120	$3,245	$3,375	$3,510
Elevator Maint.		$0	$0	$0	$0	$0	$0
Maintenance Supplies		$33	$2,000	$2,080	$2,163	$2,250	$2,340
Misc. Maint/Repairs		$42	$2,500	$2,600	$2,704	$2,812	$2,925
Total Maintenance Expense:		$775	$46,500	$48,360	$50,346	$52,415	$54,569
Office Admin Payroll (Full Time)		$500	$30,000	$31,200	$32,448	$33,746	$35,096
Office Admin Asst. Payroll (Part Time)		$250	$15,000	$15,600	$16,224	$16,873	$17,548
Maint. Payroll (Part Time)		$442	$26,500	$27,560	$28,662	$29,809	$31,001
Maint. Asst. Payroll (Part Time)		$0	$0	$0	$0	$0	$0
Janitor Payroll (Full Time)		$0	$0	$0	$0	$0	$0
Employer Payroll Tax		$133	$8,000	$8,320	$8,653	$8,999	$9,359
Worker's Comp		$238	$14,300	$14,872	$15,467	$16,088	$16,729
Fringe Benefits		$179	$10,725	$11,154	$11,600	$12,064	$12,547
Total Payroll Expense:		$1,742	$104,525	$108,706	$113,054	$117,576	$122,279
Payment In Lieu Of Taxes @ 6.28% EGI		$483	$28,989	$29,902	$30,807	$31,739	$32,699
Property & Liability Insurance		$150	$9,000	$9,360	$9,734	$10,124	$10,529
Total R/E Taxes & Insurance:		$633	$37,989	$39,262	$40,541	$41,862	$43,227
City Administrative Fee		$0	$0	$0	$0	$0	$0
Replacement Reserve		$350	$21,000	$21,840	$22,714	$23,622	$24,567
Equip. Purchase		($1,250)	($75,000)	($78,000)	($81,120)	($84,365)	($87,739)
Capital Improvements		$300	$18,000	$18,720	$19,469	$20,248	$21,057
Capital Reserves & Expenditures:		($600)	($36,000)	($37,440)	($38,938)	($40,495)	($42,115)
Total Operating Disb.:		$4,792	$287,511	$298,579	$310,057	$321,981	$334,371
Net Operating Income:			$174,098	$177,571	$180,496	$183,410	$186,309
NJHMFA Monitoring Fees			$0	$0	$0	$0	$0
NJHMFA Servicing Fees @ .65%			$9,750	$9,750	$9,750	$9,750	$9,750
Debt Service Payment			$130,111	$130,111	$130,111	$130,111	$130,111
Total Debt Service & Fees:			$139,861	$139,861	$139,861	$139,861	$139,861
Available for Equity Distribution:			$34,237	$37,710	$40,635	$43,549	$46,448
DCA Payment			$15,000	$20,000	$20,000	$20,000	$20,000
Net to LP			$19,237	$17,710	$20,635	$23,549	$26,448
90% to GP			$17,313	$15,939	$18,571	$21,194	$23,803
Debt Service Coverage:			124%	127%	129%	131%	133%

		2008	2009	2010	2011	2012
Revenue:						
Gross Rental Income		$550,219	$566,726	$583,728	$601,239	$619,277
Miscellaneous Income		$13,724	$14,273	$14,844	$15,437	$16,055
Vacancy	5%	($27,511)	($28,336)	($29,186)	($30,062)	($30,964)
Effective Gross Income:		$536,432	$552,662	$569,386	$586,615	$604,368
Expense:						
Marketing		$6,381	$6,700	$7,036	$7,387	$7,757
Management Fee	6%	$32,186	$33,160	$34,163	$35,197	$36,262
Legal		$6,692	$6,959	$7,238	$7,527	$7,828
Audit		$8,517	$8,857	$9,212	$9,580	$9,963
Telephone		$6,083	$6,327	$6,580	$6,843	$7,117
Office Supplies		$3,650	$3,796	$3,948	$4,106	$4,270
Misc. Adm.		$1,217	$1,265	$1,316	$1,369	$1,423
Total Admin. Expense:		$64,725	$67,065	$69,491	$72,008	$74,620
Fuel Oil		$0	$0	$0	$0	$0
Natural Gas		$9,125	$9,490	$9,869	$10,264	$10,675
Electric (Common Space Only)		$18,250	$18,980	$19,739	$20,529	$21,350
Water		$18,250	$18,980	$19,739	$20,529	$21,350
Sewer		$18,250	$18,980	$19,739	$20,529	$21,350
Veh/Equip. Oper		$2,433	$2,531	$2,632	$2,737	$2,847
Janitor Supp.		$6,083	$6,327	$6,580	$6,843	$7,117
Exterminating.		$6,083	$6,327	$6,580	$6,843	$7,117
Rubbish Removal		$19,223	$19,992	$20,792	$21,623	$22,488
Total Operating Expense		$97,697	$101,605	$105,669	$109,896	$114,292
Parking Area		$6,321	$6,637	$6,968	$7,317	$7,683
Landscaping Main.		$18,250	$18,980	$19,739	$20,529	$21,350
Snow Removal		$6,083	$6,327	$6,580	$6,843	$7,117
Painting/Decorating		$9,125	$9,490	$9,869	$10,264	$10,675
Structural Repairs		$1,825	$1,898	$1,974	$2,053	$2,135
HVAC Maintenance		$2,433	$2,531	$2,632	$2,737	$2,847
Plumbing Maintenance		$3,650	$3,796	$3,948	$4,106	$4,270
Electrical Maint.		$3,650	$3,796	$3,948	$4,106	$4,270
Elevator Maint.		$0	$0	$0	$0	$0
Maintenance Supplies		$2,433	$2,531	$2,632	$2,737	$2,847
Misc. Maint/Repairs		$3,042	$3,163	$3,290	$3,421	$3,558
Total Maintenance Expense:		$56,812	$59,147	$61,580	$64,113	$66,750
Office Admin Payroll (Full Time)		$36,500	$37,960	$39,478	$41,057	$42,699
Office Admin Asst. Payroll (Part Time)		$18,250	$18,980	$19,739	$20,529	$21,350
Maint. Payroll (Part Time)		$32,241	$33,531	$34,872	$36,267	$37,718
Maint. Asst. Payroll (Part Time)		$0	$0	$0	$0	$0
Janitor Payroll (Full Time)		$0	$0	$0	$0	$0
Employer Payroll Tax		$9,733	$10,123	$10,527	$10,949	$11,386
Worker's Comp		$17,398	$18,094	$18,818	$19,571	$20,353
Fringe Benefits		$13,049	$13,571	$14,113	$14,678	$15,265
Total Payroll Expense:		$127,171	$132,257	$137,548	$143,050	$148,772
Payment In Lieu Of Taxes @ 6.28% EGI		$33,688	$34,707	$35,757	$36,839	$37,954
Property & Liability Insurance		$10,950	$11,388	$11,843	$12,317	$12,810
Total R/E Taxes & Insurance:		$44,638	$46,095	$47,601	$49,157	$50,764
City Administrative Fee		$0	$0	$0	$0	$0
Replacement Reserve		$25,550	$26,572	$27,635	$28,740	$29,890
Equip. Purchase		($91,249)	($94,899)	($98,695)	($102,643)	($106,748)
Capital Improvements		$21,900	$22,776	$23,687	$24,634	$25,620
Capital Reserves & Expenditures:		($43,800)	($45,551)	($47,374)	($49,268)	($51,239)
Total Operating Disb.:		$347,243	$360,618	$374,515	$388,955	$403,959
Net Operating Income:		$189,189	$192,044	$194,870	$197,660	$200,409
NJHMFA Monitoring Fees		$0	$0	$0	$0	$0
NJHMFA Servicing Fees @ .35%		$9,407	$9,407	$9,407	$9,407	$9,407
Debt Service Payment		$125,532	$125,532	$125,532	$125,532	$125,532
Total Debt Service & Fees:		$134,939	$134,939	$134,939	$134,939	$134,939
Available for Equity Distribution:		$54,250	$57,105	$59,931	$62,721	$65,470
DCA Payment		$36,000	$36,000	$36,000	$36,000	$36,000
Net to LP		$18,250	$21,105	$23,931	$26,721	$29,470
90% to GP		$16,425	$18,995	$21,538	$24,049	$26,523
Debt Service Coverage:		140%	142%	144%	146%	149%

		2013	2014	2015	2016	2017
Revenue:						
Gross Rental Income		$637,855	$656,991	$676,700	$697,001	$717,911
Miscellaneous Income		$16,697	$17,365	$18,060	$18,782	$19,533
Vacancy	5%	($31,893)	($32,850)	($33,836)	($34,850)	($35,896)
Effective Gross Income:		$622,659	$641,506	$660,925	$680,933	$701,549
Expense:						
Marketing		$8,144	$8,552	$8,979	$9,428	$9,900
Management Fee	6%	$37,360	$38,490	$39,655	$40,856	$42,093
Legal		$8,141	$8,467	$8,808	$9,158	$9,524
Audit		$10,362	$10,776	$11,207	$11,656	$12,122
Telephone		$7,401	$7,697	$8,005	$8,325	$8,658
Office Supplies		$4,441	$4,618	$4,803	$4,995	$5,195
Misc. Adm.		$1,480	$1,539	$1,601	$1,665	$1,732
Total Admin. Expense:		$77,329	$80,140	$83,057	$86,083	$89,224
Fuel Oil		$0	$0	$0	$0	$0
Natural Gas		$11,102	$11,546	$12,008	$12,488	$12,988
Electric (Common Space Only)		$22,204	$23,092	$24,015	$24,976	$25,975
Water		$22,204	$23,092	$24,015	$24,976	$25,975
Sewer		$22,204	$23,092	$24,015	$24,976	$25,975
Veh/Equip. Oper		$2,960	$3,079	$3,202	$3,330	$3,463
Janitor Supp.		$7,401	$7,697	$8,005	$8,325	$8,658
Exterminating.		$7,401	$7,697	$8,005	$8,325	$8,658
Rubbish Removal		$23,388	$24,323	$25,296	$26,308	$27,360
Total Operating Expense:		$118,364	$123,616	$128,563	$133,705	$139,054
Parking Area :		$8,067	$8,470	$8,894	$9,338	$9,805
Landscaping Main.		$22,204	$23,092	$24,015	$24,976	$25,975
Snow Removal		$7,401	$7,697	$8,005	$8,325	$8,658
Painting/Decorating		$11,102	$11,546	$12,008	$12,488	$12,988
Structural Repairs		$2,220	$2,309	$2,402	$2,498	$2,598
HVAC Maintenance		$2,960	$3,079	$3,202	$3,330	$3,463
Plumbing Maintenance		$4,441	$4,618	$4,803	$4,995	$5,195
Electrical Maint.		$4,441	$4,618	$4,803	$4,995	$5,195
Elevator Maint.		$0	$0	$0	$0	$0
Maintenance Supplies		$2,960	$3,079	$3,202	$3,330	$3,463
Misc. Maint/Repairs		$3,701	$3,849	$4,003	$4,163	$4,329
Total Maintenance Expense:		$69,497	$72,358	$75,337	$78,439	$81,670
Office Admin Payroll (Full Time)		$44,407	$46,184	$48,031	$49,952	$51,950
Office Admin Asst. Payroll (Part Time)		$22,204	$23,092	$24,015	$24,976	$25,975
Maint. Payroll (Part Time)		$39,226	$40,796	$42,427	$44,124	$45,889
Maint. Asst. Payroll (Part Time)		$0	$0	$0	$0	$0
Janitor Payroll (Full Time)		$0	$0	$0	$0	$0
Employer Payroll Tax		$11,842	$12,316	$12,808	$13,321	$13,853
Worker's Comp		$21,167	$22,014	$22,895	$23,811	$24,763
Fringe Benefits		$15,876	$16,511	$17,171	$17,858	$18,572
Total Payroll Expense:		$154,723	$160,911	$167,348	$174,042	$181,003
Payment In Lieu Of Taxes @ 6.28% EGI		$39,103	$40,287	$41,506	$42,763	$44,057
Property & Liability Insurance		$13,322	$13,855	$14,409	$14,986	$15,585
Total R/E Taxes & Insurance:		$52,425	$54,142	$55,915	$57,748	$59,642
City Administrative Fee		$0	$0	$0	$0	$0
Replacement Reserve		$31,085	$32,329	$33,622	$34,967	$36,365
Equip. Purchase		($111,018)	($115,459)	($120,077)	($124,881)	($129,876)
Capital Improvements		$26,644	$27,710	$28,819	$29,971	$31,170
Capital Reserves & Expenditures:		($53,289)	($55,420)	($57,637)	($59,943)	($62,340)
Total Operating Disb.:		$419,549	$435,749	$452,583	$470,075	$488,253
Net Operating Income:		$203,110	$205,757	$208,342	$210,858	$213,296
NJHMFA Monitoring Fees		$0	$0	$0	$0	$0
NJHMFA Servicing Fees @ .65%		$9,407	$9,407	$9,407	$9,407	$9,407
Debt Service Payment		$125,532	$125,532	$125,532	$125,532	$125,532
Total Debt Service & Fees:		$134,939	$134,939	$134,939	$134,939	$134,939
Available for Equity Distribution:		$68,172	$70,818	$73,403	$75,919	$78,357
DCA Payment		$36,000	$36,000	$36,000	$36,000	$36,000
Net to LP		$32,172	$34,818	$37,403	$39,919	$42,357
90% to GP		$28,954	$31,336	$33,663	$35,927	$38,122
Debt Service Coverage:		151%	152%	154%	156%	158%

Exhibit "B"

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this _______ day of _________________, 2002, between INGERMAN AFFORDABLE HOUSING, INC., a corporation of the State of New Jersey, having its principal office at 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002 (hereinafter the "Sponsor") and the TOWNSHIP OF MEDFORD, a municipal corporation in the County of Burlington and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration. it to mutually covenanted and agreed as follows.

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Township Council of the Municipality dated April 29, 2002, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 15.14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 4107, Lot 1 and 4107, Lot 8 as shown on the Official Assessment Map of the Township of Medford.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of

taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

> 1. From the date of the execution of the Agency Mortgage until the date of substantial Completion of the Project the Sponsor shall make payment to the municipality in an amount equal to the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage. As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.
>
> 2. From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the cost of meals and services furnished by the Project and less the cost of utilities furnished by the Project, which shall include the coats of gas, electricity, heating fuel, water supplied, and sewage charges, if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood

Bill bus Tax paid qtrly to Twp.

and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5 (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial Statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 6.28 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the

Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, the Municipality may apply to the Superior Court, Chancery Division, for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality,

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. The tax exemption provided herein shall remain in effect only so long as the Sponsor or its successors and assigns shall maintain a minimum of fifty-five (55) units for persons of low and moderate income and shall in all other respects comply with the Developer's Agreement entered into between the Township of Medford and Ingerman Affordable Housing, Inc., so as to ensure compliance with the Mt. Laurel Compliance Plan of the Township of Medford. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to that Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this agreement and assumes the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any

other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

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

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Ingerman Affordable Housing, Inc., 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002 or to such other address as the Sponsor may hereinafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the municipality to the New Jersey Housing and Mortgage Finance Agency, 697 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Medford Township Manager, 17 North Main Street, Medford, New Jersey 08055 or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein,

either party may apply to the Superior Court, Chancery Division, Burlington County, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law and the Mt. Laurel Compliance Plan of the Township.

ATTEST:

By: ____________________

INGERMAN AFFORDABLE HOUSING, INC.

By: ____________________

ATTEST:

JANET K. BALLINGER, RMC
Township Clerk

TOWNSHIP OF MEDFORD

WALTER M. URBAN, JR., Mayor

STATE OF NEW JERSEY :
: SS
COUNTY OF BURLINGTON :

I CERTIFY that on June 6, 2002 M. Brad Ingerman personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Secretary of INGERMAN AFFORDABLE HOUSING, INC. the corporation named in the attached document;

(b) this person is the attesting witness to the signing of this document y the proper corporate officer who is the President of the corporation;

(c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;

(d) this person knows the proper seal of the corporation which was affixed to this document; and

(e) this person signed this proof to attest to the truth of these facts.

____

Sworn to and subscribed
before me this 6th day
of June, 2002.

____
Notary Public

DENNIS S. GREENSTEIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 5, 2004

STATE OF NEW JERSEY :
: SS
COUNTY OF BURLINGTON :

I CERTIFY that on June 11, 2002 Walter M. Urban personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the attesting witness to the signing of this document by the proper corporate officer who is WALTER M. URBAN, JR., the Mayor of the municipal corporation;

(b) this document was signed and delivered by the municipal corporation as its voluntary act duly authorized by a proper resolution of its Township Council;

(c) this person knows the proper seal of the corporation which was affixed to this document; and

(d) this person signed this proof to attest to the truth of these facts.

Janet K. Ballinger
JANET K. BALLINGER, RMC, Township Clerk

Sworn to and subscribed
before me this 11th day
of June, 2002.

Joyce F. Frenia
Notary Public

JOYCE F. FRENIA
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 2/6/2003