

THIS FINANCIAL AGREEMENT (the "Agreement"), made this 20th day of November, 2018 (the "Effective Date") by and between **MEDFORD CORNERSTONE URBAN RENEWAL LLC**, a New Jersey limited liability company with offices c/o 150 Himmelein Road, Medford, New Jersey 08055 (the "Entity") 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 Block 2701.20, Lots 9.02, 9.02, 9.03 and 10.01 on the Official Tax Map of the Township (the "Property"), as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, the Township adopted a Redevelopment Plan for the Stokes Square Redevelopment Area and the Property (the "Redevelopment Plan"); and

WHEREAS, in order to implement the development, financing and renovation of the Redevelopment Area, by adoption of Resolution, the Township Council authorized the execution of a Redevelopment Agreement (the "Redevelopment Agreement") with Medford Cornerstone LLC, a New Jersey limited liability company ("Redeveloper") for construction of a redevelopment project (the "Project"), consisting of certain improvements on the Property, being 120 senior

market rate for-rent apartments age-restricted to residents age 62 or older in a single building with common area amenities, including, but not limited to a restaurant, lounges, an exercise facility and a game room (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 Law"), N.J.S.A. 40A:20-1, *et seq.*, as may be amended and supplemented; and

WHEREAS, the Redeveloper has assigned its rights and obligations under the Redevelopment Agreement to the Entity as permitted by its terms; and

WHEREAS, pursuant to the requirements of the LTTE Law, the Entity filed an application seeking approval of a long-term tax exemption for the Project Improvements with the Township on October 25, 2018 as required by N.J.S.A. 40A:20-8 of the LTTE Law; and

WHEREAS, in accordance with N.J.S.A. 40A:20-11, 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 is a significant inducement for the Entity to proceed with the Project, and more particularly finds that the Project would not have been available if the Financial Agreement was not authorized; and

WHEREAS, as a result thereof, on November 20, 2018, the Township Council adopted Ordinance No. 2018-18 (the "Exemption Ordinance"), which authorizes the Township to enter into this Agreement with the Entity granting a tax exemption from certain local real property taxes for the Project Improvements and this Financial Agreement provides for a long term tax-exemption in order to encourage the construction of the Project; and

WHEREAS, this Agreement is being entered into pursuant to the provisions of the LTTE Law.

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 Law, the Local Redevelopment and Housing Law and such other statutes as may be sources of relevant authority, if any.

SECTION 1.2 General Definitions. The following terms shall have the meanings assigned to such terms in the preamble hereof:

Agreement

Entity

Effective Date

Exemption Ordinance

Local Redevelopment and Housing Law

LTTE Law

Project

Project Improvements

Property

Redeveloper

Redevelopment Agreement

Redevelopment Area

Redevelopment Plan

Township

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

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

Allowable Profit Rate - The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of (x) twelve percent (12%) or (y) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the interest rate per annum that the Township determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

Annual Gross Revenue – Pursuant to N.J.S.A. 40A:20-3(a), the annual gross revenue shall be calculated as one hundred percent (100%) of the rent portion of the charges generated from the residential units comprising the Project but shall specifically exclude any pass-through costs associated with cleaning services, linen services, dining or food service charges, transportation, or other such costs that are paid through the rental fee but are merely passed through and paid for by tenants of the Project.

Annual Service Charge - The amount the Entity has agreed to pay the Township, or its designee, pursuant to Article 4 for municipal services supplied to the Project, which sum is in lieu

of any taxes on the Project Improvements, which amount shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Annual Service Charge Start Date – For each building comprising the Project, the Annual Service Charge Start Date shall be the date of the issuance of the Certificate of Occupancy for the first residential unit within the building.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Local Redevelopment and Housing Law and the LTTE Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, and applicable federal and State labor standards.

Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit as provided in N.J.S.A. 40A:20-3(c). The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - A permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

Clerk - The municipal clerk of the Township.

County – The County of Burlington.

County Share – Five percent (5%) of the Annual Service Charge, which shall be payable by the Township to the County in accordance with the provisions of N.J.S.A. 40A:20-12.

Default - A breach or the failure of either Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under Applicable Law, beyond any applicable grace or cure periods after written notice of such failure.

Default Notice – As defined in Article 14.

Entity – Means Evesboro Place Urban Renewal, LLC, a New Jersey urban renewal limited liability company, and any other duly qualified urban renewal entity which is purchaser or successor in interest to the ownership of the Property.

Exemption - Means the exemption from ad valorem taxation of the Project Improvements pursuant to the LTTE Law.

Financial Plan – The financial plan prepared pursuant to N.J.S.A. 40A:20-8(e) attached to the Exemption Application.

In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale in accordance with the provisions of the In Rem Tax Foreclosure Act and Tax Sale Law.

In Rem Tax Foreclosure Act – N.J.S.A. 54:5-104.29 et seq., as may be amended or supplemented from time to time.

Land – The real property, but not the Improvements, commonly known as Block 2701.20, Lots 9.01, 9.02, 9.03 and 10.01 on the official tax map of the Township, as more particularly described by the property description set forth in Exhibit A of this Agreement.

Land Taxes - The amount of taxes assessed on the value of the Land exclusive of the value of any Improvements related thereto, in accordance with Applicable Laws.

Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods, if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

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

Lot - Means the individual lot or lots which comprise the Property.

Material Conditions - As defined in Section 4.4.

Mayor - The Mayor of the Township.

Minimum Annual Service Charge - The total taxes levied against all real property constituting the Project Site in the last full tax year in which the Property was subject to taxation.

Net Profit - The Annual Gross Revenue of the Entity pertaining to the Property, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c), which includes, but is not limited to, an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the abatement granted pursuant to this Agreement as well as all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Notice of Termination - As defined in Section 3.2.

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.

Redeveloper - Medford Cornerstone LLC, a New Jersey limited liability company, or its lawful successors or assigns.

Redevelopment Approvals - As defined in the Redevelopment Agreement.

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.

State – The State of New Jersey.

Substantial Completion – Substantial Completion shall mean substantially ready for the intended use for which a building or structure is constructed, improved or converted as evidenced by the issuance of or eligibility for a Certificate of Occupancy for the first unit in such building.

Tax Assessor – The Township Tax Assessor.

Tax Collector – The Township Tax Collector.

Tax Sale Law – N.J.S.A. 54:5-1 et seq., as the same may be amended or supplemented from time to time.

Termination – Expiration of the term of this Agreement in accordance with Article 3 or any action or omission which by operation of the terms of this Agreement shall cause the Entity to relinquish or forfeit the tax exemption granted pursuant to this Agreement.

Total Project Cost – The total cost of construction and/or rehabilitation of the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are as defined in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred to construct the Project Improvements which are specifically described in the Exemption Application.

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 Exemption Ordinance authorizing the execution of this Agreement, the Project Improvements are entitled to and granted an Exemption from local property taxes for a specified term of years as further set forth herein. The Project shall be as described in the Redevelopment Agreement attached hereto as Exhibit A. Entity represents and covenants that the Project shall be owned, used, managed and operated for the purposes set forth in the Redevelopment Agreement and the land use approvals granted by the Township in connection with this Project. Attached to this Agreement as Exhibit C is the Entity's Exemption Application containing a good faith estimate of projected revenues and other representations and covenants concerning the Entity's use, management and operation of the Project, as required under N.J.S.A. 40A:20-9, which has been reviewed by the Township officials, including the Tax Assessor.

SECTION 2.2 Approval of Project to be Undertaken by the Entity. Entity shall obtain all required Redevelopment Approvals for the Project at its sole cost and expense together with 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 with and conform to the Redevelopment Approvals for 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 Exemption granted for the Project Improvements, shall commence for the Project

upon Substantial Completion of the Project and shall remain in effect for the sooner of thirty (30) full tax years from that date or thirty-five (35) years from the Effective Date unless sooner terminated pursuant to the terms of this Agreement ("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 Exemption for the Project Improvements shall expire and the Project 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 Entity shall terminate.

SECTION 3.2 Termination by Entity. At any time after the expiration of the one year after the date of Substantial Completion of the Project, Entity may, on not less than thirty (30) days written notice to the Township, voluntarily terminate this Agreement in accordance with N.J.S.A. 40A:20-13.

SECTION 3.3 Date of Termination. Upon any termination of the Exemption described in this Article 3, the date of such termination shall be deemed to be the end of the fiscal year of Entity.

ARTICLE 4

ANNUAL SERVICE CHARGE

SECTION 4.1 Annual Service Charge. The Entity shall pay to the Township, in addition to full taxes on the land component of the Property, an Annual Service Charge ("ASC") in an amount equal to the greater of the Minimum Annual Service Charge or a percentage of either the Annual Gross Revenue from the Project or 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. For tax years 1 – 15: An amount equal to ten percent (10%) of the Annual Gross Revenue.
2. For tax years 16 – 21: An amount equal to the greater of ten percent (10%) of the Annual Gross Revenue or twenty percent (20%) of the property taxes otherwise due on the approved, improved value of the land portion of the property and Project Improvements.
3. For tax years 22- 24: An amount equal to the greater of ten percent (10%) of the Annual Gross Revenue or forty percent (40%) of the property taxes otherwise due on the approved, improved value of the land portion of the property and Project Improvements.
4. From tax years 25 – 28: An amount equal to the greater of ten percent (10%) of the Annual Gross Revenue or sixty percent (60%) of the property taxes otherwise due on the approved, improved value of the land portion of the property and Project Improvements.
5. For tax years 29 – 30: An amount equal to the greater of ten percent (10%) of the Annual Gross Revenue or eighty percent (80%) of the property taxes otherwise due on the approved, improved value of the land portion of the property and Project Improvements.

Attached to Exemption Application as Exhibit 3 is the Entity's good faith estimate of projected revenues and other representations and covenants concerning the Entity's use, management and operation of the Project, as required under N.J.S.A. 40A:20-9, and prepared as

part of the Exemption Application, which has been reviewed by the Township officials, including the Tax Assessor.

In the event Entity fails to pay either taxes due, or the ASC 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 which shall become due and payable retroactive to the first day of the month in which default occurs.

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, Entity shall pay the ASC, the Special Assessments, if any, and any other municipal obligations to the Township for the duration of the Exemption provided for in Section 2.1 of this Agreement. Entity's obligation to pay the ASC shall be absolute and unconditional and not subject to any defense, set-off, recoupment or counterclaim under any circumstances.

SECTION 4.3 Quarterly Installments. Entity expressly agrees that the aforesaid ASC shall be paid quarterly in a manner consistent with Township's tax collection schedule commencing with the first day of the month following the date of Substantial Completion for the Project. In the event that Entity 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 in accordance with the procedures set forth in Article 14 hereof.

SECTION 4.4 Material Conditions. It is expressly agreed and understood that this Agreement shall not affect Entity's obligation to pay rollback taxes which may apply, if any, and the payment of all payments of rollback taxes, if any, the ASC, 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 ASC shall be a continuous, municipal lien on the Property.

SECTION 4.6 Land Taxes. The Entity is required to pay both the ASC and the land tax payments. The Entity 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 Entity shall be entitled to a credit for the amount of the land tax payments made in the last four proceeding quarterly installments against the ASC.

SECTION 4.7 County Share of Annual Service Charge. In accordance with the provisions of N.J.S.A. 40A:20-12, upon the payment of the ASC, the Township shall remit the County Share to the County.

ARTICLE 5

ANNUAL AUDITS

SECTION 5.1 Accounting System. The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed by Applicable Law.

SECTION 5.2 Periodic Reports.

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, for the duration of this Agreement, the Entity shall submit to the Mayor, Township Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the Department of Community Affairs, its Auditor's report for the preceding fiscal or calendar year pursuant to N.J.S.A. 40A:20-3(c). The report shall clearly identify and calculate all items comprising the ASC and the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the periodic reports.

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project, the Entity shall, unless this Agreement is terminated, submit to the Mayor, Township Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by the Entity's architect.

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

SECTION 5.3 **Inspection.** The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.A. 40A:20-9(e). The Entity shall also

permit, upon written request, examination and audit of its books, contracts, records, documents and papers relating to the Project by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.A. 40A:20-9(e). Such inspection shall be made upon ten (10) days' written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

SECTION 5.4 Limitation on Profits and Reserves. During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits and dividends pursuant to the provisions of N.J.S.A. 40A:20-15. Pursuant to N.J.S.A. 40A:20-3(b) and (c), this calculation shall be completed in accordance with generally accepted accounting principles.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve shall be noncumulative. The parties hereto acknowledge that this reserve shall not impact the calculation of the Annual Service Charge in Section 4.1.

There is expressly excluded from calculation of Annual Gross Revenue and from Net Profit as set forth in N.J.S.A. 40A:20-3 for the purpose of determining compliance with N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law.

SECTION 5.5 Payment of Dividend and Excess Profit Charge. In the event the Net Profits of the Entity in any fiscal year shall exceed the Allowable Net Profits for such period,

then the Entity, within ninety (90) days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned Section 7.04. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to N.J.S.A. 40A:20-3(c) and 40A:20-15.

The parties hereto agree that any excess Net Profit will be paid to the Township as additional ASC.

ARTICLE 6

REMEDIES

SECTION 6.1 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 7

CERTIFICATE OF OCCUPANCY

SECTION 7.1 Certificate of Occupancy. It is understood and agreed that Entity shall be 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. In such regard, the Township agrees to reasonably cooperate with Entity for the issuance of such Certificates of Occupancy.

SECTION 7.2 Filing of Certificate of Occupancy. It shall be the primary responsibility of the Entity to forthwith file with the Tax Assessor, the Tax Collector and the Chief Financial Officer of the Township a copy of such certificate once obtained.

SECTION 7.3 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 8

ASSIGNMENT AND/OR ASSUMPTION

SECTION 8.1 Transfer of Title or Interest.

A. As permitted by N.J.S.A. 40A:20-10(a), it is understood and agreed that the Township, on written application by the Entity after completion of the Project, may consent to a

sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the LTTE Law; (iii) the Entity is not then in Default of this Agreement or the LTTE Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; (v) the transferee entity agrees to abide by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to N.J.S.A. 40A:20-8, and any other terms and conditions of the Township in regard to the Project; and (vi) the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage and complete the Project. In the event that the transfer contemplated in this Section 7.01(A) is for less than the whole of the Project, the ASC to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the land area being transferred compared to the total land area for the Project.

B. Prior to the completion of the Project, the Township hereby approves any transfer of the ownership interest in the Entity that is approved pursuant to the requirements of Section 8 of the Redevelopment Agreement. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity of ten percent (10%) or less, provided that any such transfer shall be disclosed to the Township Council in the next Auditor's Report or in correspondence sent to the Township Clerk in advance of the next Auditor's Report.

C. If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement and the Township has consented thereto pursuant to the provisions of this Article 8, then, pursuant to N.J.S.A. 40A:20-6, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the LTTE Law. The

date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that date of the transfer of title, the Entity shall pay to the Township the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to N.J.S.A. 40A:20-15. If the transferee is a mortgage lender that is not an Urban Renewal Entity as defined in the LTTE Law, such mortgage lender may either request a transfer or conveyance to an Urban Renewal Entity or terminate this agreement as permitted by law.

SECTION 8.2 Operation of Project. The Project shall be operated in accordance with Law.

SECTION 8.3 Subordination of Fee Title. It is expressly understood and agreed that Entity has the right, subordinate to the lien of the ASC 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 9

WAIVER

SECTION 9.1 Waiver. Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township or Entity 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 Entity has under law, in equity, or under any provision of this Agreement.

ARTICLE 10

NOTICE

SECTION 10.1 **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:

If to Entity:

Medford Cornerstone Urban Renewal LLC
150 Himmelein Road
Medford, NJ 08055
Phone: (609) 654-4030

Copies to:

Jong Sook Nee, Esq.
101 Eisenhower Parkway, Ste 101
Roseland, NJ 07608
Email: jong.nee@nplawus.com
Phone: (973) 358-2500

If to Township:

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

Copies to:

Timothy M. Prime, Esquire
Prime Law
14000 Horizon Way, Suite 325
Mount Laurel, New Jersey 08054
E-mail: tim@primelaw.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 11

COMPLIANCE

SECTION 11.1 **Statutes and Ordinances.** Entity 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 LTTE Law. Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Agreement.

ARTICLE 12

CONSTRUCTION

SECTION 12.1 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 both Entity and the Township have had the benefit of the advice of competent counsel on the preparation of this Agreement.

ARTICLE 13

INDEMNIFICATION

SECTION 13.1 Indemnification. It is understood and agreed that in the event the Township shall be named as party defendant in any action brought against Entity 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 LTTE Law by Entity, Entity 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 Entity 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 Entity.

ARTICLE 14

DEFAULT

SECTION 14.1 Default. A Default shall be deemed to have occurred if Entity fails to conform with the terms of this Agreement or fails to perform any obligation imposed upon Entity by statute, ordinance or lawful regulation.

SECTION 14.2 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 14.3 Remedies Upon Default Cumulative; No Waiver. Subject to the provisions of Section 14.1 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 Entity because of Entity's failure to pay the ASC, 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 ASC, Special Assessments or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of ASC, 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 15

MISCELLANEOUS

SECTION 15.1 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 15.2 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 15.3 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 15.4 **Good Faith.** In their dealings with each other, the parties agree that they shall act in good faith.

SECTION 15.5 **Municipal Services.** Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Annual Service Charge, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

SECTION 15.6 **Financing Matters.** The financial information required under N.J.S.A. 40A:20-1 et seq. is set forth in the Exemption Application.

SECTION 15.7 **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 15.8 **Amendments.** This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

SECTION 15.9 **Filing of Agreement.** In accordance with the applicable provisions of the LTTE 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.

{Signatures Contained on next page. Remainder of page left intentionally blank}

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

Witness or Attest:

MEDFORD CORNERSTONE
URBAN RENEWAL LLC

Nancy Dooli
Name:

Robert J. Meyer
Robert J. Meyer
Manager

Witness or Attest:

MEDFORD CORNERSTONE
URBAN RENEWAL LLC

Felicia B. Rucker
Name: Felicia B. Rucker

Cindy Yingling manager
Cindy Yingling
Manager

Witness or Attest:

TOWNSHIP OF MEDFORD

Kathy Burger
Kathy Burger, Township Clerk

Charles Watson
Charles Watson, Mayor

