

THIS SECOND AMENDED FINANCIAL AGREEMENT AND THE ORDINANCE ATTACHED HERETO AS EXHIBIT B SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREFTER RECORDED

Record and return to:

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

Second Amended Financial Agreement

By and Between

The Borough of Carteret

and

Gateway at Carteret Urban Renewal, L.L.C.

Dated: September 24, 2012

THIS SECOND AMENDED FINANCIAL AGREEMENT (hereinafter, the "Second Amended Agreement"), made as of this 24th day of September, 2012, by and between Gateway at Carteret Urban Renewal, L.L.C., an urban renewal entity, along with its successors and/or assigns (including Unit Purchasers (as defined herein)), qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1, *et seq.* (the "Long Term Tax Exemption Law"), with offices at 433 River Road, Highland Park, NJ 08904 (the "Entity") and the Borough of Carteret, a municipal corporation in the County of Middlesex and the State of New Jersey (the "Borough", and together with the Urban Renewal Entity, the "Parties").

WITNESSETH:

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

WHEREAS, pursuant to the Act, the Borough designated certain areas of the Borough, constituting Block 243, Lots 1-5, Block 252, Lots 1-5, Block 253, Lots 1-7, Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 6-10 and 12-14, Block 260, Lots 7-15, Block 261, Lots 1-8, Block 272, Lots 1-6, 6.01 and 7-16, Block 273, Lots 10-12 and Block 292, Lots 1-3, all as identified on the official tax maps of the Borough, as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, on February 6, 2003 the Governing Body adopted Ordinance No. 03-02, approving and adopting a redevelopment plan, entitled "The Lower Roosevelt Avenue Redevelopment Plan", superseding the provisions of the Borough's land development ordinance for the Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan provides for, among other things, the construction of mixed use improvements, consisting of for-sale and rental residential components and a retail component in the Redevelopment Area; and

WHEREAS, on February 18, 2003, the Borough adopted Resolution number 03-113, designating Kaplan at Carteret, L.L.C. (the "Redeveloper", and predecessor in interest to the Entity (as defined herein)) as the redeveloper of the Redevelopment Area and authorizing the negotiation of a redevelopment agreement with the Redeveloper; and

WHEREAS, pursuant to a redevelopment agreement by and between the Borough and the Redeveloper dated February 25, 2004, as amended by the First Amendment to the Redevelopment Agreement, dated July 13, 2004, the Second Amendment to the Redevelopment Agreement, dated February 16, 2005, the Third Amendment to the Redevelopment Agreement, dated February 16, 2005 and the Fourth Amendment to the Redevelopment Agreement dated as of August 31, 2007 (collectively, the "Redevelopment Agreement"), the Redeveloper agreed to redevelop the Redevelopment Area; and

Redevelopment Area comprised of Block 260, Lots 7-15, Block 261, Lots 1-8, Block 272, Lots 1-6 and 6.01, and Block 273, Lots 10-12 (hereinafter, the "Property"); and

WHEREAS, the provisions of the Long Term Tax Exemption Law and such other statutes as may be sources of relevant authority, authorize the Borough to accept, in lieu of real property taxes, annual service charges paid to the Borough as set forth in such laws ("Annual Service Charges"); and

WHEREAS, in accordance with the provisions of the Long Term Tax Exemption Law, on April 12, 2007, the Entity filed an application with the Borough seeking tax exemption in connection with the redevelopment of the Property (the "Initial Application"); and

WHEREAS, the Property was initially to be redeveloped, pursuant to the Gateway Financial Agreement (as defined herein), with various components including forty-eight (48) townhouses (the "Townhouse Component") and up to one hundred thirty eight (138) condominium units (the "Condominium Component" and, together with the Townhouse Component, the "Initial Project"); and

WHEREAS, the Borough agreed to grant such tax exemption to the Entity for the Initial Project and, pursuant to the Long Term Tax Exemption Law, such other statutes as may be sources of relevant authority and Ordinance No. 07-09, duly adopted by the Borough on July 12, 2007, the Borough approved the Initial Application and entered into a Financial Agreement with the Entity, dated as of July 31, 2007 (the "Gateway Financial Agreement"), to memorialize the terms and conditions by which the Entity will pay Annual Service Charges to the Borough in connection with the Initial Project; and

WHEREAS, pursuant to the Bond Financing Law and such other statutes as may be sources of relevant authority, the Borough pledged in the Gateway Financial Agreement, to the extent required, the Annual Service Charges paid to the Borough by the Entity to pay Debt Service; and

WHEREAS, the Borough and the Entity agreed that any portion of the Annual Service Charges paid by the Entity to the Borough in excess of the amount needed to pay Debt Service shall be returned to the Borough and retained and used by the Borough for any lawful purpose; and

WHEREAS, as a result of certain conditions in the for-sale residential real estate market, the Entity proposed to amend the Condominium Component and construct one hundred thirty (130) condominiums, rather than one hundred thirty-eight (138) condominiums, and to offer same for rent (the "Amended Condominium Component" and, together with the Townhouse Component, the "Gateway Project") until the for-sale residential real estate market will permit the sale of such units to third-party purchasers at reasonable prices (the "Rental Period"); and

WHEREAS, the Entity proposed to retain ownership of the Amended Condominium Component during the Rental Period until the units thereof can be sold to third-party purchasers; and

WHEREAS, the Entity submitted an application to the Borough (the "First Amended Application") requesting that the Gateway Financial Agreement be revised to set forth the manner in which the Annual Service Charges to be paid by the Entity will be calculated for the Amended Condominium Component during and after the Rental Period and for the Townhouse Component during the term of the Gateway Financial Agreement; and

WHEREAS, the Entity also submitted a proposed amended Gateway Financial Agreement (the "First Amended Gateway Financial Agreement") to the Mayor for review; and

WHEREAS, the Mayor submitted the Amended Application and First Amended Gateway Financial Agreement to the Borough Council with his recommendation of approval, a copy of which is on file with the Borough Clerk; and

WHEREAS, the Borough Council, on December 18, 2008, adopted Ordinance 08-38(a) approving the Amended Application and authorizing the execution of this First Amended Gateway Financial Agreement; and

WHEREAS, the Borough and the Entity executed the First Amended Gateway Financial Agreement as of May 26, 2009; and

WHEREAS, as a result of certain conditions in the for-sale residential real estate market, the Entity now proposes to construct fifty-six (56), rather than forty-eight (48) townhouses, and to offer same for sale, and/or to offer same for rent during the Rental Period, after which it will make commercially reasonable efforts to sell such units to third-party purchasers (the "Amended Townhouse Component" and, together with the Amended Condominium Component, the "Amended Gateway Project"); and

WHEREAS, except for units within the Amended Townhouse Component that have already been sold to third-party purchasers, the Entity proposes to retain ownership of the Amended Townhouse Component and the Amended Condominium Component during the Rental Period until the units thereof can be sold to third-party purchasers; and

WHEREAS, the Entity submitted another amended application to the Borough (the "Second Amended Application") requesting that the First Amended Gateway Financial Agreement be further revised to set forth the manner in which the Annual Service Charges to be paid by the Entity will be calculated for the Amended Townhouse Component and the Amended Condominium Component; and

WHEREAS, the Entity also submitted this Second Amended Agreement to the Mayor for review, a copy of which is on file with the Borough Clerk; and

WHEREAS, the Mayor submitted the Second Amended Application and this Second Amended Agreement to the Borough Council with his recommendation of approval (the "Mayor's Recommendation"), a copy of which is on file with the Borough Clerk; and

WHEREAS, this Second Amended Agreement contemplates that the Annual Service Charges will be dedicated to Debt Service pursuant to the Bond Financing Law; and

WHEREAS, in order to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to payment of the Annual Service Charges by the Entity, in lieu of real property taxes in connection with the Amended Gateway Project and with the issuance of the Obligations by the Redevelopment Agency, the Parties desire to enter into this Second Amended Agreement; and

WHEREAS, the Borough Council, on June 7, 2012 adopted Ordinance No. 12-9 (the "Ordinance") approving the Second Amended Application and authorizing the execution of this Second Amended Agreement.

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

ARTICLE 1 GENERAL PROVISIONS

Section 1.01 Governing Law – This Second Amended Agreement shall be governed by the laws of the State of New Jersey, including the provisions of the Long Term Tax Exemption Law, the Act, the Bond Financing Law and such other statutes as may be the sources of relevant authority, if any. It is expressly understood and agreed by the Parties that the Borough expressly relies upon the facts, data, and representations contained in the Second Amended Application in granting this tax exemption.

Section 1.02 General Definitions – The following terms shall have the meaning assigned to such term in the preambles hereof:

<u>Act</u>	<u>Long Term Tax Exemption Law</u>
<u>Amended Application</u>	<u>Mayor's Recommendation</u>
<u>Amended Condominium Component</u>	<u>Obligations</u>
<u>Amended Gateway Project</u>	<u>Ordinance</u>
<u>Amended Townhouse Component</u>	<u>Parties</u>
<u>Annual Service Charges</u>	<u>Property</u>
<u>Bond Financing Law</u>	<u>Redeveloper</u>
<u>Borough</u>	<u>Redevelopment Agency</u>
<u>Borough Pre-Development Cost Contribution</u>	<u>Redevelopment Agreement</u>
<u>Condominium Component</u>	<u>Redevelopment Area</u>
<u>Entity</u>	<u>Redevelopment Plan</u>
<u>First Amended Gateway Financial Agreement</u>	<u>Rental Period</u>
<u>Gateway Financial Agreement</u>	<u>Second Amended Agreement</u>
<u>Gateway Project</u>	<u>Second Amended Application</u>
<u>Initial Application</u>	<u>Shared Pre-Development Costs</u>
<u>Initial Project</u>	<u>Townhouse Component</u>

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

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

Allowable Profit Rate – The Allowable Profit Rate is the greater of (i) 12%, or (ii) the percentage per annum arrived at by adding 1 1/4% to the annual interest percentage rate on the Entity's initial permanent private mortgage financing. If there is no permanent mortgage financing, the percentage per annum under (ii) above shall be arrived at by adding 1 1/4 % per annum to the interest rate that the Borough determines to be the prevailing rate on mortgage financing on comparable improvements in the area.

Annual Service Charges – The payment by the Entity to the Borough pursuant to Section 4.01 hereof.

Auditor's Report – A complete financial statement outlining the financial status of the Amended Gateway Project (for a period of time as indicated by context), the contents of which have been prepared in a manner consistent with generally accepted accounting principles and that fully details all items as required by the applicable statutes, including the Allowable Net Profit for the period as defined in *N.J.S.A. 40A:20-15*, and that has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State.

Bondholder – Any person who is the registered owner of any outstanding Obligations.

Certificate of Completion – shall mean a certificate or certificates, issued by the Borough authorizing occupancy of a building, in whole or in part, and certifying that the Redeveloper has performed its duties and obligations under the Redevelopment Agreement and the Redevelopment Plan with respect to the Amended Gateway Project, or any portion thereof.

Certificate of Occupancy – A permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code, issued by the Borough authorizing occupancy of a building, in whole or in part upon completion of the Amended Gateway Project, or any portion thereof, pursuant to *N.J.S.A. 52:27D-133*.

Chief Financial Officer – shall mean the Borough's chief financial officer.

County – shall mean the County of Middlesex.

Debt Service – The installments of principal and interest due on the Obligations.

Debt Service Fund – shall mean the Debt Service Fund established under the Trust Indenture for the payment of Debt Service.

Default – The failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Second Amended Agreement after notice and opportunity to cure as provided herein.

Gross Revenue – The annual gross revenue of the Entity as defined as Gross Revenue in N.J.S.A. 40A:20-3(a).

In Rem Tax Foreclosure – A summary proceeding by which the Borough may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by the Tax Sale Law (as defined herein).

Land Taxes – The amount of taxes assessed on the value of the land portion of the Property.

Majority of Bondholders – Bondholders owning more than a certain percentage of the aggregate principal amount of all outstanding Obligations, which term will be defined in more detail and which percentage will be established in the Trust Indenture.

Minimum Annual Service Charges – shall be as defined in Section 4.02 hereof.

Net Profit – The Gross Revenue of the Entity 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). There is expressly excluded from calculation of Gross Revenue and from net profit, for purposes of determining compliance with the Long Term Tax Exemption Law, any gains on the sale of the Amended Gateway Project, in whole or any part, or any gain realized by the Entity on the sale of a Unit, whether or not taxable under Federal or State law.

Project Completion Date – The date on which the Amended Gateway Project, in its entirety, shall be completed, as evidenced by the issuance of a Certificate of Completion.

Special Assessments – shall mean the assessment by the Borough against the Property with the consent of the Entity as authorized by the New Jersey Local Improvements Law, N.J.S.A. 40:56-1 *et seq.*, as amended and supplemented.

State – shall mean the State of New Jersey.

Tax Assessor – shall mean the Borough tax assessor.

Tax Collector – shall mean the Borough 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.

Temporary Certificate of Occupancy – shall mean a document issued by the Borough authorizing temporary occupancy of a building on the Property.

Total Project Cost – The sales price of each individual Unit, which shall be the true consideration paid for a deed to the Unit in fee simple in a bona fide arm's length transaction between the Entity and the initial Unit Purchaser, but not less than the assessed valuation of the Unit in fee simple assessed at 100 percent of true value at the time of such sale.

Trust Indenture – shall mean the Indenture of Trust to be executed by the Redevelopment Agency and the Trustee in connection with the Obligations, as amended or supplemented, as more particularly described in Section 5.03 hereof.

Trustee – shall mean the bank named in the Trust Indenture, which shall initially be Capital One Bank, Jersey City, New Jersey.

Unit – Any of the condominiums or townhouses constructed by the Entity under the terms of this Second Amended Agreement and subject to a master deed filed under the provisions of the New Jersey Condominium Act, N.J.S.A. 46:8B-1 *et seq.*

Unit Purchaser – Any third-party purchaser of any Unit, including such purchaser's successors and assigns, to whom the tax exemption for that Unit will be transferred and who will be responsible pursuant to this Second Amended Agreement to pay the applicable portion of the Annual Service Charges.

To the extent that terms are used in this Second Amended Agreement and are not defined herein, they shall have the meaning ascribed to such terms in the Redevelopment Agreement.

Section 1.03 Exhibits Incorporated – All exhibits referred to in this Second Amended Agreement and attached hereto are incorporated herein and made part hereof.

ARTICLE 2 APPROVAL

Section 2.01 Approval of Tax Exemption - Pursuant to the Ordinance, the Amended Gateway Project shall be exempt from taxation as provided in the Long Term Tax Exemption Law. The Amended Gateway Project shall be as described in the Amended Application. The Entity represents and covenants that, effective as of the completion of the Amended Gateway Project, the Amended Gateway Project shall be used, managed and operated for the purposes set forth in the Amended Application, and the land use applications filed with, and as approved by, the Borough in connection with the Amended Gateway Project.

Section 2.02 Approval of Project to be Undertaken by the Entity – Approval hereunder is granted to the Entity for the contemplated Amended Gateway Project, which shall in all respects materially comply and conform to all applicable statutes of the State, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof, and which Amended Gateway Project is more particularly described in the Second Amended Application.

Section 2.03 Improvements to be Constructed – The Entity represents that it will construct the Amended Gateway Project in accordance with the Redevelopment Plan, the Redevelopment Agreement and the Second Amended Application attached hereto as Exhibit A.

Section 2.04 Construction Schedule – The Entity agrees to make commercially reasonable efforts to complete the Amended Gateway Project in accordance with the schedule set forth in the Second Amended Application.

ARTICLE 3 DURATION OF AGREEMENT

Section 3.01 Term - It is understood and agreed by the Parties that this Second Amended Agreement, including the obligation to pay the Annual Service Charges required under Article 4 hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in full force and effect until the earlier of (i) July 31, 2042 (thirty-five (35) years from the date of execution of the Gateway Financial Agreement), or (ii) thirty (30) years from the date the Amended Gateway Project is completed. In the event that such date is later than the date on which no Obligations remain “outstanding” within the meaning of the Trust Indenture, the Annual Service Charges shall no longer be pledged to the Trustee but shall be paid directly to and retained by the Borough. This Second Amended Agreement shall constitute evidence of a lien securing such obligation, which lien shall survive any termination hereof. At the expiration of the term hereof the tax exemption for the Amended Gateway Project shall expire and the Amended Gateway Project shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Borough. After expiration of the term hereof, all restrictions and limitations upon the Entity shall terminate upon the Entity’s rendering and the Borough’s acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-13, if applicable.

Section 3.02 No Voluntary Termination - Neither the Entity nor the Borough may terminate this Second Amended Agreement during the period when any Obligation remains “outstanding” within the meaning of the Trust Indenture. At such time as the Obligations are no longer “outstanding”, the Entity shall have such termination rights as are provided under the Long Term Tax Exemption Law.

Section 3.03 Date of Termination - Upon any Termination of the tax exemption described in Section 3.01 hereof, the date of such Termination shall be deemed to be the end of the fiscal year of the Entity.

ARTICLE 4 ANNUAL SERVICE CHARGES

Section 4.01 Annual Service Charges – The “Annual Service Charges” that the Entity shall pay to the Borough shall be as follows:

(a) In connection with the Amended Townhouse Component, for Units that were completed and sold to Unit Purchasers prior to the effective date of this Second Amended Agreement, (i) for each of years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost; and (ii) for each of years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the respective Units multiplied by the then current tax rate effective in the Borough.

(b) In connection with the Amended Townhouse Component, for Units not sold by the Entity as of the effective date of this Second Amended Agreement, during the Rental Period (i) for each year prior to the expiration of the Permanent Loan Period (as defined in Section 4.08 hereof), fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Townhouse Component; and (ii) from the end of the Permanent Loan Period until the expiration of the term of this Second Amended Agreement, the greater of (A) fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Townhouse Component and (B) the amount equal to the Land Taxes, plus the then assessed value of the Amended Townhouse Component multiplied by the then current tax rate effective in the Borough

(c) In connection with the Amended Townhouse Component for Units not sold by the Entity as of the effective date of this Second Amended Agreement, upon the sale of any portion thereof to Unit Purchaser(s) (i) during years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost for the portion of the Amended Townhouse Component so sold; and (ii) during years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the Amended Townhouse Component multiplied by the then current tax rate effective in the Borough.

(d) in connection with the Amended Condominium Component not sold by the Entity as of the Effective Date of this Second Amended Agreement, during the Rental Period (i) for each year prior to the expiration of the Permanent Loan Period (as defined in Section 4.08 hereof), fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Condominium Component; and (ii) from the end of the Permanent Loan Period until the expiration of the term of this Second Amended Agreement, the greater of (A) fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Condominium Component and (B) the amount equal to the Land Taxes, plus the then assessed value of the Amended Condominium Component multiplied by the then current tax rate effective in the Borough.

(e) In connection with the Amended Condominium Component, upon the sale of any portion thereof to Unit Purchaser(s) (i) during years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost for the portion of the Amended Condominium Component so sold; and (ii) during years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the Amended Condominium Component multiplied by the then current tax rate effective in the Borough.

The Annual Service Charges shall be paid to the Borough (but which payment shall be directed to the Trustee in accordance with Section 5.02 hereof).

Section 4.02 Minimum Annual Service Charges – In the event that the Amended Gateway Project is unable to generate sufficient Annual Service Charges to meet the Debt Service, the Entity hereby expressly agrees and covenants to make payments to the Borough of Minimum Annual Service Charges. The Minimum Annual Service Charges shall be the difference between the Annual Service Charges then being collected from the Amended Gateway Project and the amount needed to make the requisite Debt Service Payments. Such payments made by the Entity shall be credited against the total amount due hereunder as Annual Service Charges in successive years (but which shall not relieve the Entity from paying successive installments as and when they come due). The obligation to make such payments and the right to any such credits arising therefrom shall be the Entity's obligation and right, and the Unit Purchasers shall have no obligations or rights with respect to such pre-payments or credits. Any credit given pursuant to the immediately preceding sentence shall only be applied when adequate funds are available under this Second Amended Agreement and/or any other financial agreement (which utilizes annual service charges for Debt Service) to satisfy Debt Service. The Parties hereto acknowledge that Camelot at Carteret, LLC ("Camelot"), an Urban Renewal Entity formed and wholly owned by the Redeveloper, will construct retail and rental improvements under the Redevelopment Agreement and a financial agreement between the Borough and Camelot (the "Camelot Financial Agreement"). In the event that the Entity makes such Minimum Annual Service Charge payments under this Section, such payments shall be credited against the total amount due under the Camelot Financial Agreement to the same extent that such payments are credited hereunder. In the event that Camelot makes such payments under the Camelot Financial Agreement, such payments shall be credited against the total amount due hereunder to the same extent that such payments are credited under the Camelot Financial Agreement.

Section 4.03 Quarterly Installments – The Entity expressly agrees that installments of the aforesaid Annual Service Charges shall be paid quarterly in a manner consistent with the Borough's tax collection schedule. The first installment of the Annual Service Charges shall be paid on the date of substantial completion of the Amended Gateway Project, or any portion thereof if the Amended Gateway Project is completed in phases or units. In the event that no Units have been substantially completed, or if any Unit has been substantially completed but not yet rented or sold, as applicable, by the Entity by the time the requirement to pay Debt Service commences, or as otherwise provided in the Redevelopment Agreement, the Entity shall pre-pay installments of the Annual Service Charges to the extent required to cover Debt Service ("Pre-Paid Annual Service Charges"). Pre-Paid Annual Service Charges will be paid in accordance with Article V hereof and will be due no less than thirty (30) days before any principal and/or interest payments, as applicable, are due. Such pre-payment shall be credited against the total amount due hereunder as Annual Service Charges (but which shall not relieve the Entity from paying successive installments as and when they come due). The obligation to make such pre-payments and the right to any such credits arising therefrom shall be the Entity's obligation and right, and the Unit Purchasers shall have no obligations or rights with respect to such pre-payments or credits. Any credit given pursuant to the immediately preceding sentence shall only

be applied when adequate funds are available under this Second Amended Agreement and/or any other financial agreement (which utilizes annual service charges for Debt Service) to satisfy Debt Service. In the event that the Entity pre-pays quarterly installments under this Section, such pre-payments shall be credited against the total amount due under the Camelot Financial Agreement to the same extent that such pre-payments are credited hereunder. In the event that Camelot makes such pre-payments under the Camelot Financial Agreement, such pre-payments shall be credited against the total amount due hereunder to the same extent that such pre-payments are credited under the Camelot Financial Agreement. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under New Jersey law in the case of unpaid taxes or tax liens on the land until paid.

Section 4.04 Land Taxes – It is the intent of the parties that the land portion of the Property shall be exempt from taxation pursuant to the terms of this Second Amended Agreement and as permitted by N.J.S.A. 40A:20-12.

Section 4.05 Material Conditions - It is expressly agreed and understood that all payments of Annual Service Charges, Special Assessments and any interest payments, penalties or costs of collection due thereon, are material conditions of this Second Amended Agreement (“Material Conditions”). If any other term, covenant or condition of this Second Amended Agreement or the Second Amended Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Second Amended 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 Second Amended Agreement shall be valid and enforced to the fullest extent permitted by law.

Section 4.06 Payments – Neither the Entity nor the Borough may alter the amounts or dates as established by Section 4.01, 4.02 or 4.03 hereof.

Section 4.07 Annual Service Charges as Municipal Lien – As provided in the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, and such other statutes as may be sources of relevant authority, if any, the Annual Service Charges shall be a continuous, municipal lien (as such term is defined and used in the Tax Sale Law) on the Property and the Amended Gateway Project.

Section 4.08 Construction Loan Period; Permanent Loan Period – The Entity contemplates that it will undertake a financing for the period during which it will construct the Gateway Project (the “Construction Loan Financing”), which period end no later than May 26, 2012 (the “Construction Loan Period”). The Entity further contemplates that it will permanently finance the Construction Loan Financing (the “Permanent Loan Financing”) prior to the expiration of the Construction Loan Period, and that the Permanent Loan Financing shall be effective for not more than ten (10) years after the expiration of the Construction Loan Period (the “Permanent Loan Period”). If the for-sale residential real estate marketplace will permit the absorption of the Units of the Amended Townhouse Component (to the extent applicable) and the Amended Condominium Component into the marketplace, nothing herein shall prevent the

offering, by the Entity, of the Units comprising the Amended Townhouse Component (to the extent applicable) and the Amended Condominium Component for sale at any time. Upon such sale, the Annual Service Charges to be paid in connection therewith shall be paid in accordance with Section 4.01(c) and (e) hereof, as applicable.

ARTICLE 5

PLEDGE OF ANNUAL SERVICE CHARGE TO OBLIGATIONS

Section 5.01. Entity's Consent - The Entity hereby consents and agrees to the amount of the Annual Service Charges and/or Special Assessments and to the liens established in this Second Amended Agreement, and the Entity shall not contest the validity or amount of any such Annual Service Charges or lien. The Entity's remedies shall be limited to those specifically set forth herein and as otherwise as provided by law.

Section 5.02. Security for the Obligations - As security for the full and timely payment of Debt Service, the Borough and the Entity agree to and hereby assign all of their interest in each payment of the Annual Service Charges and any Special Assessments, including interest, penalties and costs of collection, to the extent necessary and for the purpose of meeting their obligations to the Trustee. Each installment payment of the Annual Service Charges, as set forth in Section 4.02 hereof, is to be made to the Trustee and clearly identified as the "Annual Service Charge Payment for the Lower Roosevelt Redevelopment Area Gateway Project".

If any installment of the Annual Service Charges is not paid to the Trustee in accordance with this Second Amended Agreement, the Entity hereby waives any objection or right to challenge the use by the Borough (or the Trustee as assignee and agent of the Borough) of the enforcement of remedies to collect such installment of the Annual Service Charges as are afforded the Borough by law, including the Tax Sale Law, provided, however, that in no event shall there be any acceleration of any amounts due and owing to repay the Obligations, and such remedies shall be limited solely to the collection of delinquent and unpaid amounts past due for payment, including interest, penalties and costs of collection provided for by the Tax Sale Law.

Other than as set forth in this section, the Borough hereby pledges and assigns the installments of the Annual Service Charges and any Special Assessment to the Trustee, to secure payment of the Obligations. This pledge constitutes an absolute unconditional assignment of the Annual Service Charges or Special Assessments. There shall not be any pledge of the Annual Service Charges or Special Assessments to the extent same are required for Debt Service by the Borough to any person other than the Trustee.

Pursuant to the Bond Financing Law and such other statutes as may be sources of relevant authority, if any, the Annual Service Charges and/or the Special Assessments to the extent same are required for Debt Service shall not be included within the general funds of the Borough. The Borough's pledge of the Annual Service Charges and/or the Special Assessments to the Trustee for the Obligations shall be a limited obligation of the Borough payable to the extent of payments received from the Entity and shall not constitute a general obligation of the Borough.

If received by the Borough, the Borough's Chief Financial Officer shall forward all installments of the Annual Service Charge and/or Special Assessments to the Trustee in accordance with this Second Amended Agreement.

Any payment of the Annual Service Charges that is in excess of the amount required to be paid to the Trustee for Debt Service in any Bond Year (as defined in the Trust Indenture) shall be returned to the Borough and retained and used by the Borough for any lawful purpose.

After the Obligations are retired, the Borough shall receive, retain and use the installments of the Annual Service Charges or Special Assessments, if any, for any lawful purpose.

Section 5.03 Use of Annual Service Charge, Including the Payment of Debt Service –
Flow of Funds under the Trust Indenture – In connection with the Obligations, the Redevelopment Agency and the Trustee have entered into the Trust Indenture, dated as of November 1, 2008, as supplemented, including by a First Supplemental Indenture of Trust, dated as of November 1, 2009 and a Second Supplemental Indenture of Trust, dated as of November 1, 2010, in order to establish, among other things, the terms and conditions for the application of the Annual Service Charges, payment of Debt Service, and the relative rights and responsibilities of the Borough to the holders of the Obligations. Upon receipt of the Annual Service Charges, the same shall be transmitted to the Trustee, who shall apply the Annual Service Charges as provided in the Trust Indenture. The Trust Indenture shall, in accordance with this Section, provide for the application of the amounts on deposit under the Trust Indenture in the following order, priority and rank:

- (1) *First*, to the Debt Service Fund, in an amount equal to the Annual Debt Service on the Obligations;
- (2) *Second*, to replenish any reserves, but not including such amounts as are released to the Borough as a result of a reduction in the amounts on deposit in the debt service reserve by reason of amortization of the principal amount of the Obligations;
- (3) *Third*, to pay any other necessary amounts due under the Trust Indenture, or other agreements to be negotiated (including trustee fees and any federal income tax rebate obligation); and
- (4) *Fourth*, the balance to the Borough, to be utilized for any lawful government purpose, in the Borough's sole discretion.

ARTICLE 6 REMEDIES

SECTION 6.01. Remedies - In the event of a breach of this Second Amended 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 apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Long Term Tax Exemption Law and the Bond Financing Law, as amended and supplemented. In the event the Superior Court shall not entertain jurisdiction or, in the event of a breach of Material Condition, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said laws. Costs for said arbitration shall be paid by the non-prevailing party. In the event of a default on the part of the Entity to pay any installment of the Annual Service Charges, and/or any Special Assessment required by Article IV above, the Borough, the Trustee acting as assignee and agent of the Borough or the Redevelopment Agency, as third-party beneficiary of this Second Amended Agreement, in addition to their other remedies, reserve the right to proceed against the Entity's land and premises, in the manner provided by law, including the Tax Sale Law, and any act supplementary or amendatory thereof; provided, however, that in no event shall there be any acceleration of any future Annual Service Charges or Special Assessments. Whenever the word "taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Second Amended Agreement, as if the Annual Service Charges were taxes or municipal liens on land.

ARTICLE 7 CERTIFICATE OF OCCUPANCY

Section 7.01 Certificate of Occupancy - It is understood and agreed that the Entity shall remain obligated to make application for and make all good faith efforts which are reasonable to obtain Certificates of Occupancy for the Amended Gateway Project in a timely manner as identified in the Second Amended Application.

Section 7.02 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 Borough a copy of each Certificate of Occupancy.

ARTICLE 8 ANNUAL AUDITS

Section 8.01 Accounting System - The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles consistently applied, and as otherwise prescribed in the Long Term Tax Exemption Law during the term of this Second Amended Agreement.

Section 8.02 Periodic Reports - If the Entity is still responsible to pay the Annual Service Charges (i.e., if the Amended Gateway Project has not yet been divided into Units and sold to Unit Purchasers), then, within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Second Amended Agreement shall continue in effect, the Entity shall submit its Auditor's Report certified by an independent certified public accountant for the preceding fiscal or calendar year to the Mayor, the Borough Council and the Borough Clerk, who shall advise those municipal officials required to be advised, and to the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(d)*. The Auditor's Report shall include, but not be limited to, the terms and interest rate on any mortgage(s) associated with the Amended Gateway Project, the Allowable Net Profit for the period shown, and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Long Term Tax Exemption Law and this Second Amended Agreement.

Section 8.03 Inspection - Upon the request of the Borough, the Trustee or the State, the Entity shall permit the inspection of property, equipment, buildings and other facilities of the Entity by the requesting party or its agents. It shall also permit, upon request of the Borough or the State, reasonable examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by such Borough or State. Such inspection, examination or audit shall be made during normal business hours, in the presence of any officer or agent of the Borough.

Section 8.04 Limitation on Profits and Reserves - During the period of tax exemption as provided herein, and to the extent otherwise applicable to the Entity, the Allowable Net Profit limitation shall apply to the Entity pursuant to the provisions of the Long Term Tax Exemption Law. Pursuant to *N.J.S.A. 40A:20-15*, the calculation of Net Profit shall be cumulative for the period commencing at the time the Amended Gateway Project is completed.

Section 8.05 Payment of Dividend and Excess Profit Charge - To the extent applicable under the Long Term Tax Exemption Law, whenever the Net Profit of the Entity for the period, taken as one accounting period, commencing upon the substantial completion of the Amended Gateway Project and terminating at the end of the last full fiscal year, shall exceed the Allowable Net Profits for the period, the entity shall, within 90 days of the close of that fiscal year, pay the excess Net Profit to the Borough as an additional service charge, provided, however, that the Entity may maintain any reserves permitted by *N.J.S.A. 40A:20-3(c)(1)* or *40A:20-15*.

ARTICLE 9 ASSIGNMENT AND/OR ASSUMPTION

SECTION 9.01 Approval The Entity may sell all or a portion of the Amended Gateway Project provided that the sale is (i) in accordance with the provisions of the Redevelopment Agreement, (ii) to another urban renewal entity organized under and in full compliance with the provisions of the Long Term Tax Exemption Law imposed on "urban renewal entities", as defined therein, including successors and assigns of the Entity, which is not

unacceptable to a Majority of Bondholders, provided that the obligations of the Entity under this Second Amended Agreement are, to the extent those obligations relate to the portion of the Property acquired by the transferee, fully assumed by the transferee, and (iii) only in the event that the Entity has delivered to the Borough and the Trustee an opinion of nationally-recognized bond counsel to the effect that the sale will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any tax-exempt Obligations. Any purported sale or other transfer of all or any portion of the Amended Gateway Project in violation of the preceding sentence shall be void *ab initio*. The Trustee and a Majority of Bondholders each shall be deemed to be a third-party beneficiary of this Section 9.01 for as long as any Obligations remain outstanding. Upon such conditions being met and subject to the satisfaction of the provisions of the Redevelopment Agreement, the Borough will consent to a transfer of the Amended Gateway Project by the Entity to another urban renewal entity organized under the Long Term Tax Exemption Law, their successors and assigns, and the transfer of this Second Amended Agreement to such urban renewal entity, all owning no other project at the time of the transfer. Further, the Borough will consent that upon assumption by the transferee urban renewal entity of the Entity's obligations, to the extent those obligations relate to the portion of the Property acquired by the transferee under this Second Amended Agreement, the tax exemption for the Amended Gateway Project shall continue and inure to the transferee urban renewal entity and its respective successors or assigns.

SECTION 9.02 Consent to Sale of Units: Requirement of Continued Tax Exemption – Notwithstanding anything to the contrary herein, the Borough hereby acknowledges that the Entity, as owner of the Amended Gateway Project, will impose a condominium form of ownership on the Amended Gateway Project and may ultimately sell the individual Units of the Amended Townhouse Component and Amended Condominium Component to Unit Purchasers for residential occupancy. The Borough hereby consents to the imposition of such condominium form of ownership and to a sale of any individual Unit to a Unit Purchaser, whether such Units are part of the Amended Townhouse Component or part of the Amended Condominium Component. The Borough further consents to and requires that upon assumption by any Unit Purchasers of the transferor's obligations under this Second Amended Agreement (which assumption shall be required and deemed to have occurred upon sale), the tax exemption of the Amended Gateway Project shall continue and inure to the Unit Purchasers and their respective successors and assigns. No Unit Purchasers shall be permitted to terminate this Second Amended Agreement as to their respective units. Notwithstanding the foregoing, as a result of unfavorable conditions in the for-sale residential real estate market, the Entity will initially retain ownership of the Amended Gateway Project, during the Rental Period, and rent same to lessees until the for-sale residential real estate market permits the sale of the Units that comprise the Amended Gateway Project to third-party purchasers at reasonable prices. The Entity hereby agrees to make commercially reasonable efforts to market and sell such Units as soon after such Units are completed as possible.

SECTION 9.03 Operation of Project – The Amended Gateway Project shall be operated in accordance with law.

SECTION 9.04 Subordination of Fee Title – It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges, and to the

rights of the Borough and the Trustee hereunder, 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 Second Amended Agreement.

ARTICLE 10 WAIVER

SECTION 10.01 Waiver - Nothing contained in this Second Amended Agreement or otherwise shall constitute a waiver or relinquishment by the Borough, the Entity or the Trustee of any rights and remedies provided by law except for the express waiver herein of certain rights of acceleration and certain rights to terminate this Second Amended Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Borough, the Entity or the Trustee has under law, in equity, or under any provision of this Second Amended Agreement.

ARTICLE 11 NOTICE

SECTION 11.01 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 the Entity it shall be addressed as follows:

Gateway at Carteret Urban Renewal Entity, LLC
433 River Road
Highland Park, New Jersey 08904

When sent to the Borough, it shall be addressed to the Borough Clerk, Borough Hall, 61 Cooke Avenue, Carteret, New Jersey 07008, with copies sent to the Borough's Director of Law, Tax Collector, Tax Assessor and Chief Financial Officer, and McManimon, Scotland & Baumann, LLC, Bond Counsel to the Borough, at 75 Livingston Avenue, Roseland, New Jersey 07068, unless prior to the giving of notice the Borough shall have notified the Entity otherwise. The notice to the Borough shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

The Trustee shall receive copies of all notices given hereunder at the address listed in the Trust Indenture.

ARTICLE 12 COMPLIANCE

SECTION 12.01 Statutes and Ordinances - The Entity hereby agrees at all times prior to the expiration or other termination of this Second Amended Agreement to remain bound by the provisions of Federal and State Law and any lawful ordinances and resolutions of the Borough, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of this Second Amended Agreement.

ARTICLE 13 CONSTRUCTION

SECTION 13.01 Construction - This Second Amended 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 Second Amended Agreement to be drawn since counsel for both the Entity and the Borough have combined in their review and approval of same.

ARTICLE 14 INDEMNIFICATION

SECTION 14.01 Indemnification - It is understood and agreed that in the event the Borough shall be named as party defendant in any action brought against the Entity by reason of any breach, default or a violation of any of the provisions of this Second Amended Agreement and/or the provisions of the Long Term Tax Exemption Law by the Entity, the Entity shall indemnify and hold the Borough harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity or the Redeveloper and/or by reason of any breach, default or a violation of any of the provisions of this Second Amended Agreement and/or the provisions of the Long Term Tax Exemption Law by virtue of the action or inaction of the Entity or the Redeveloper, except for any acts or omissions or misconduct by the Borough or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the Borough maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents. The expense of the Borough's intervention shall be borne by the Entity.

ARTICLE 15 DEFAULT

SECTION 15.01 Default - A Default shall be deemed to have occurred if the Entity fails to comply with the terms of this Second Amended Agreement or fails to perform any obligation imposed upon the Entity by statute, ordinance or lawful regulation.

SECTION 15.02 Cure Upon Default - Should the Entity be in Default of any obligation under this Second Amended Agreement, the Borough or the Trustee 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). Subsequent to the thirty (30) days, the Borough (or the Trustee as its assignee and agent) 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 §§ 5.02 and 6.01 hereof. No default hereunder by the Entity shall terminate the long term tax exemption described herein and its obligation to pay Annual Service Charges, which shall continue in effect for the duration of this Second Amended Agreement.

SECTION 15.03 Remedies Upon Default Cumulative: No Waiver - Subject to the provisions of Article 15, Section 6.01 and the other terms and conditions of this Second Amended Agreement, all of the remedies provided in this Second Amended Agreement to the Borough (and the Trustee), 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 Second Amended Agreement shall deprive the Borough (or the Trustee) of any of their remedies or actions against the Entity because of the Entity's failure to pay the Annual Service Charges 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 Charges, 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 Charges or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Second Amended Agreement.

SECTION 15.04 Bondholder Remedies - Bondholders (as defined in the Trust Indenture) shall have the right to direct action of the Trustee and take action on behalf of themselves and/or the Trustee, to the same extent as their rights under the Trust Indenture.

ARTICLE 16

MISCELLANEOUS

SECTION 16.01 Conflict - The Parties agree that in the event of a conflict between (i) the Second Amended Application and this Second Amended Agreement or (ii) the Redevelopment Agreement and this Second Amended Agreement, the provisions of this Second Amended Agreement shall govern and prevail.

SECTION 16.02 Oral Representations - There have been no oral representations made by either of the Parties hereto which are not contained in this Second Amended Agreement. This Second Amended Agreement, the Ordinance of the Borough authorizing this Second Amended Agreement, and the Second Amended 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 and delivered to each of them.

SECTION 16.03 Entire Document - All conditions in the Ordinance of the Borough Council approving this Second Amended Agreement are incorporated in this Second Amended Agreement and made a part hereof.

SECTION 16.04 Good Faith - In their dealings with each other, the Parties agree that they shall act in good faith.

SECTION 16.05 Recording - This entire Second Amended Agreement will be filed and recorded with the Middlesex County Clerk by the Entity at the Entity's expense.

SECTION 16.06 Municipal Services - The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

SECTION 16.07 Financing Matters - The financial information required by the final paragraph of N.J.S.A. 40A:20-9 is set forth in the Second Amended Application.

SECTION 16.08 Municipal Determinations - The Borough hereby finds and determines that this Second Amended Agreement is to the direct benefit of the health, welfare and financial well-being of the Borough because it allows for redevelopment of an under-utilized area into productive, useful and job-creating property, and further:

(a) The costs associated with the tax exemption granted herein are minor compared to the Total Project Cost of \$9,226,557 and the benefit created by approximately 10 new jobs.

(b) Without the tax exemption granted herein, it is highly unlikely that the Entity would have proceeded with the Amended Gateway Project, and a source of debt service for the Obligations is not otherwise available.

SECTION 16.10 Counterparts - This Second Amended Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16.11 Amendments - This Second Amended Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

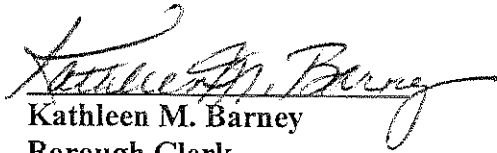
ARTICLE 17
EXHIBITS

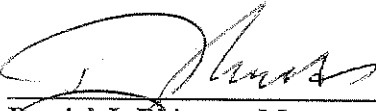
Exhibit A	Second Amended Application
Exhibit B	Ordinance Authorizing Execution of this Second Amended Agreement

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

ATTEST:

BOROUGH OF CARTERET


Kathleen M. Barney
Borough Clerk

By: 
Daniel J. Reiman, Mayor

By: KAPLAN AT CARTERET, LLC

Sole Member

By: JMK ASSOCIATES, LLC, Member

By: _____
Jason Kaplan, Member

By: KAPLAN FAMILY LLC, Member

By: _____
Michael Kaplan, Manager

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

ATTEST:

BOROUGH OF CARTERET

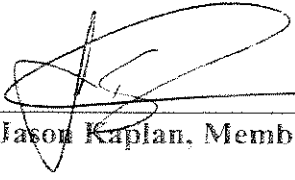
Kathleen M. Barney
Borough Clerk

By: _____
Daniel J. Reiman, Mayor

By: KAPLAN AT CARTERET, LLC

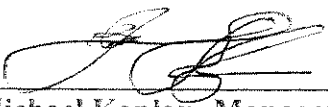
Sole Member

By: JMK ASSOCIATES, LLC, Member

By: 

Jason Kaplan, Member

By: KAPLAN FAMILY LLC, Member

By: 

Michael Kaplan, Manager

ACKNOWLEDGEMENT

[illegible]

On this 20th day of September, 2012 before me, the subscriber, an officer duly authorized pursuant to N.J.S.A. 46:14-6.1 to take acknowledgements for use in the State of New Jersey, personally appeared Daniel J. Reiman, Mayor of the Borough of Carteret, and Kathleen M. Barney, Clerk of the Borough of Carteret, both known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same as the voluntary act of the Borough of Carteret.


Kevin P. McManimon
Attorney-at-Law
State of New Jersey

ACKNOWLEDGEMENT

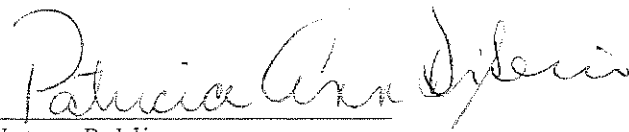
STATE OF NEW JERSEY :

: SS.

COUNTY OF MIDDLESEX :

On this 24th day of September, 2012 before me the subscriber, personally appeared JASON KAPLAN, who by me duly sworn on his oath, deposed and makes proof to my satisfaction that he is a Member of JMK ASSOCIATES, L.L.C., one of the members of KAPLAN AT CARTERET, L.L.C., the Sole Member of GATEWAY AT CARTERET URBAN RENEWAL, L.L.C., and thereupon he acknowledged that he executed, signed, sealed and delivered the foregoing instrument as and for his voluntary act and deed and that of the said limited liability company for the uses and purposes thereof.

PATRICIA ANN DISERIO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/9/2014


Notary Public

STATE OF NEW JERSEY :

: SS.

COUNTY OF MIDDLESEX:

On this 24th day of September, 2012 before me the subscriber, personally appeared MICHAEL KAPLAN, who by me duly sworn on his oath, deposed and makes proof to my satisfaction that he is the Managing Member of KAPLAN FAMILY, L.L.C., one of the Members of KAPLAN AT CARTERET, L.L.C., the Sole Member of GATEWAY AT CARTERET URBAN RENEWAL, L.L.C., and thereupon he acknowledged that he executed, signed, sealed and delivered the foregoing instrument as and for his voluntary act and deed and that of the said limited liability company for the uses and purposes thereof.

PATRICIA ANN DISERIO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/9/2014


Notary Public

EXHIBIT A

Exemption Application

**Application for
Long Term Tax Exemption**

II. Developer Identification:

A. Name of Applicant: Gateway at Carteret Urban Renewal, LLC

B. Principal Address: c/o Kaplan Companies, 433 River Road, Highland Park, NJ 08904

C. Type of Entity (check one)

___ Corporation x LLC ___ LLP ___ Partnership ___ Other (please specify)

D. Contact Information

1.) Name of Primary Contact: Michael Kaplan

2.) Contact Numbers:

a. Phone: 732-846-5900 x115

b. Fax: 732-846-4713

c. Email: michaelk@thinkkaplan.com

E. Name and Address of Statutory Agent:

Please list the name and address of the entity upon whom a legal process can be served:

Michael Kaplan
433 River Road
Highland Park, NJ 08904

F. Federal Tax Identification Number: 20-848-2236

G. Disclosure of Ownership:

New Jersey law (NJSA 52:25-24.2) requires that all corporations and partnerships seeking a public contract submit a list of the names and addresses of all principals who own more than 10% of any class of stock, or 10% or more of the total stock (if a corporation), or 10% or more of the partnership. In addition, if the Developer has, as one or more of its owners, a corporation or partnership, the ownership of those entities must be similarly disclosed, and that process shall continue down the entire chain of ownership until the names and addresses of every unincorporated stockholder and/or individual partner is disclosed.

Please provide the necessary information utilizing the form provided with Exhibit 1 of this application.

H. Certificates of Incorporation and Approval:

Please provide a copy of the approved certificate of incorporation or formation by the State of New Jersey for the entity applying for the exemption. Attach the certificate as Exhibit 2.

Also include a copy of the certificate of approval of the urban renewal entity issued by the State of New Jersey Department of Community Affairs. Attach that certificate as Exhibit 3. (The only projects exempt from this requirement are low and moderate income housing projects located outside a designated redevelopment area.)

I. Authorization to Submit Application:

Please provide a certified copy, bearing the seal of the urban renewal entity, of a company resolution authorizing submission of the application in the form provided as Exhibit 4 of this application.

III. Project Description:

A. Applicant's Ownership Interest in the Project:

☒ Conventional (Fee Simple) _____ Condominium

B. Project Type (Please check all that apply):

☒ Residential; _____ Retail; _____ Office; _____ Manufacturing; _____ Distribution Facility; _____ Hotel;

Other (Specify): _____

If the project involves more than one type of usage, indicate the percentage that each usage bears to the overall project measured using square feet of gross area:

_____ % Residential; _____ % Retail; _____ % Office; _____ % Manufacturing; _____ % Distribution Facility;

_____ % Hotel; _____ % Other (specify here _____)

C. Marketing Expectation:

_____ For Sale ☒ For Lease _____ Both

D. Project Location:

1. Provide all of the street addresses by which the project site is currently known:

Address #1: Roosevelt Avenue

Address #2: _____

Address #3: _____

Address #4: _____

Use additional sheets if necessary

2. Provide all tax lots that comprise the project site. Designate lots as they appear on the official maps of the Tax Assessor as of the date of this application (i.e. prior to any subdivision associated with the project):

Block 273 Lots 10

Block 272 Lots: 1

Block _____ Lots: _____

Block _____ Lots: _____

Use additional sheets if necessary

3. Metes and Bounds Description:

Please attach the metes and bounds description of the project site as Exhibit 5 of this application.

4. Survey:

Please attach survey of the project site as Exhibit 6 of this application. If a survey has not yet been completed, a plotting on the official tax map may be provided at this time. A certified survey will be required prior to execution of any financial agreement.

E. Deed or Lease Agreement:

Please attach a copy of the deed or lease agreement for the property as Exhibit 7 confirming that the project is under the control of the applicant.

F. Purpose of Project:

Please check all that apply:

1. This project is located within an officially designated "area in need of redevelopment."
x Yes ____ No
2. This project is located within an Urban Enterprise Zone.
x Yes ____ No
3. This Project is intended to provide housing to low and/or moderate income households:
Yes x No

Please indicate the number of units of each type listed below, as appropriate.

Number of units for low income households 0

Number of units for moderate income households 0

Number of market rate units 45

Total number of residential units 45

4. This Project is intended to provide housing to households relocated as a result of a redevelopment project: ____ Yes x No

5. This Project is intended as a means to implement the objectives set forth in an adopted Redevelopment Plan: x Yes ____ No

6. If the answer to questions 3 through 5 of this section was "No", please indicate the purpose of the Project:

To redevelop and revitalize the former Chrome section of the Borough.

H. Narrative Description of Project:

Provide a brief narrative description of the project, including the height and bulk of proposed improvements, type of construction materials to be used and expected square foot area of each proposed use. Indicate the number and type of each unit to be constructed as part of the project and whether the project will be restricted to any group or groups on the basis of age or income. Include maps, renderings, floor plans and other graphic materials if available. Attach this description as Exhibit 8 of this application.

I. Current Conditions:

1. Provide a brief description of any improvements that are in place currently on the project site and indicate which if any are expected to be reused as part of the project. Attach extra pages as needed.

All improvements for this project shall be newly constructed.

2. Provide a list with the current tax assessment and the current real property tax levy for each lot included within the project site. Attach extra pages as needed.

Block	Lot	(improvements)	(land)
		Current Tax Assessment	Current Real Property Tax Levy
273	10	0	25,000
272	1	0	25,000

3. Provide a list showing the current status of all municipal fees and charges which are currently levied against each lot located within the project site, including, without limitation water charges, sewer charges, permit or license fees, fines and/or penalties. Attach extra pages as needed.

Block	Lot	Current Status of Municipal Fees and Charges (specify type)
273	10	water/sewer - 0
272	1	water/sewer - 0

J. Site Plan Approval:

Provide a copy of the site plan approved by the Planning Board for the Project. Also provide a copy of the resolution of the Planning Board providing final site plan approval for the project. Attach the site plan as Exhibit 9 of this application and the resolution as Exhibit 10 of this application.

K. Project Cost Estimates

1. Provide a detailed cost breakdown for the project, including both hard and soft costs. The estimate should be certified by a licensed architect or engineer. Attach the completed estimate for the entire Project as Exhibit 11 of this application.

2. For each type of unit to be included within the Project, provide an estimate of the total unit cost for that unit. This may be provided at a summary level, not at the level set forth for the estimate required by

section K.1 above. The estimate should also be certified by a licensed architect or engineer. Attach the completed unit estimates as Exhibit 12 of this application.

L. Project Pro-Forma:

Provide a detailed projection of the estimated revenues and expenses for the project. The projections for all rental projects and for the rental component of mixed-use projects should cover the full exemption period. Projections involving the sale of units should be for the period expected to be needed to complete all sales activity. Attach the projection as Exhibit 13 of this application.

M. Project Financing Plan:

1. Provide a detailed explanation of the expected method by which the project will be financed, indicating the amount of equity to be contributed and its source, all public loans and/or grants that are to be used and all private sources of capital. Attach this explanation as Exhibit 14 of this application.
2. Private Financing Commitments: Provide certified copies of any and all letters from public or private sources of capital indicating a commitment to make funds available for the project. Attach these letters as Exhibit 15 of this application.

N. Explanation of the Need for Tax Exemption:

Provide an explanation of why the applicant believes that a long term tax exemption is necessary to make this project economically feasible. Attach the explanation as Exhibit 16 of this application.

O. Project Schedule:

Attach a detailed schedule of the key milestone dates in the approval, construction and leasing or sale of the project as Exhibit 17 of the application.

P. Statement of Project Benefits:

Provide a detailed description of the public benefits that would result from the project. At a minimum, include a projection of the number and type of construction jobs to be created, the number and type of permanent jobs to be created and the amount of municipal revenue to be generated by the project through the payment of taxes, payments in lieu of taxes, water and sewer fees and any other municipal payments. Attach the description as Exhibit 18 of the application.

IV. Exemption Information:

A. Annual Service Charge to be based on: (check one)

- ☒ Annual Gross Revenue (Non-condominium) ____ Project Cost
- ____ Imputed debt service (Condominium)

B. Term Requested:

35 Years

C. Proposed Rates and Phases:

<u>Starting Year</u>	<u>Ending Year</u>	<u>Rate</u>	<u>Phase-out (alternative method)</u>
1	15	15%	
16	21	15%	
22	27	15%	
28	end	15%	

D. Form of Financial Agreement:

Attach the proposed form of the financial agreement as Exhibit J9 of the application. The correct form for your project type should be attached to this application. Please note that the final financial agreement provides that a sealed certification by the project architect as to the final project cost must be submitted so that it can be added to the agreement within 60 days after the issuance of the Certificate of Occupancy for the project. (to be provided upon receipt)

Representations and Certifications:

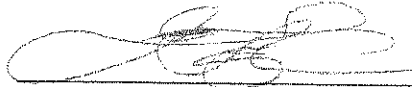
In submitting the application, the Developer certifies that all of the information is true and accurate to the best of his or her knowledge and further certifies to the following:

- A. The project conforms to the Redevelopment Plan that is in effect for the area that includes the project site and with any Redevelopment Agreement as may be in place between the Municipality and the Developer.
- B. The Project either 1) conforms to the Master Plan of the Municipality; or 2) to the extent that the Redevelopment Plan is inconsistent with the Master Plan, the Project conforms to the Redevelopment Plan and the Municipal Council, in adopting the Redevelopment Plan, set forth its reasons for adopting a Redevelopment Plan with such inconsistencies.
- C. The project will conform to and the applicant(s) agrees to comply with all Federal and State laws and to all applicable municipal ordinances.
- D. Construction of the project has not commenced as of the time of the submission of this application. The applicant understands that the Municipal Council is under no obligation to approve this tax exemption application. Any work done on the assumption of receipt of a tax exemption following the submission of the application and before final approval is undertaken at the risk of the developer. **Note that under no circumstances will an exemption be granted for a project that has already reached substantial completion.**
- F. No officer or employee of the Municipality has any interest, directly or indirectly, in the project that is the subject of this application.

Signatures

By my signature below, I hereby submit this application on behalf of the Developer. I certify that all of the information is true and accurate to the best of my knowledge and belief. I am aware that if any of the information provided is willfully false, that I am, subject to prosecution.

For the Developer:



Name: Michael Kaplan

Title: Member

March 1, 2012

Date

Please notarize here or
provide attestation and
seal of corporate secretary

March 1, 2012



PATRICIA ANN DISERIO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/31/2014

EXHIBITS

The following is a check-list of required exhibits that must be attached to the application:

<u>Exhibit #</u>	<u>Description</u>	<u>Included?</u>
1	Disclosure of Ownership	_____
2	Certificate of Incorporation	_____
3	Certificate of DCA Approval of Urban Renewal Entity	_____
4	Resolution Authorizing Submission of Application	_____
5	Metes and Bounds Description	_____
6	Survey	_____
7	Copy of Deed or Lease Agreement	_____
8	Narrative Description of Project	_____
9	Site Plan as Approved by Planning Board	_____
10	Site Plan Approval Resolution	_____
11	Total Project Cost Estimate	_____
12	Cost Estimates for Each Unit Type	_____
13	Project Pro-Forma	_____
14	Project Financing Plan	_____
15	Private Financing Commitments	_____
16	Explanation of the Need for Tax Exemption	_____
17	Project Schedule	_____
18	Summary of Project Benefits	_____
19	Form of Financial Agreement	_____

OWNERSHIP DISCLOSURE FOR
GATEWAY AT CARTERET, LLC, sole member of
GATEWAY AT CARTERET URBAN RENEWAL, LLC

JMK Associates, LLC 35%

Kaplan Family, LLC - 63%

JMK Associates, LLC is owned by Michael Kaplan (67.57%) and Jason Kaplan (32.43%).

Kaplan Family, LLC is owned by Michael Kaplan (Manager – 1%), Lisa Kaplan (33%), Amy Kaplan Schafer (33%), and Jason Kaplan (33%).

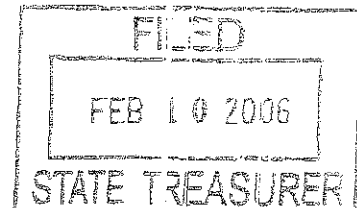
EXHIBIT 2

CERTIFICATE OF INCORPORATION

Please attach a copy of the approved certificate of incorporation of the entity applying for the
abatement to this sheet.

CERTIFICATE OF FORMATION

OF

GATEWAY AT CARTERET
URBAN RENEWAL, LLC

To : Department of the Treasury
State of New Jersey

THE UNDERSIGNED, for the purpose of forming a Limited Liability Company pursuant to the provisions of NJSA 42:2B-1 et. seq., the New Jersey Limited Liability Company Act, hereby executes the following Certificate of Formation.

1. The name of the Limited Liability Company is GATEWAY AT CARTERET URBAN RENEWAL, LLC

2. The address of the initial registered office of the company in the State of New Jersey is 433 River Road, Highland Park, NJ 08904.

And the name of the initial registered agent for service of process at that address is

Michael Kaplan

3. The names and addresses of the initial members are as follows:

a. Kaplan at Carteret, LLC 433 River Road
Highland Park, NJ 08904

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

5. So long as GATEWAY AT CARTERET URBAN RENEWAL, LLC is obligated under a financial agreement with the Borough of Carteret, made pursuant to P.L. 1991, C. 431 (C. 40A:20-1 et seq.) it shall engage in no business other than the ownership, operation and management of the project.

Feb 15 2006 16:06

Feb-15-06 04:00pm From: ARCHER GREINER

+056 785 9877

7-518 P 008/008 F-202

6. GATEWAY AT CARTERET URBAN RENEWAL, LLC has been organized to serve a public purpose, its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, C. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project w/ P.L. 1991, C. 431 (C. 40A:20-1 et seq.).

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

8. GATEWAY AT CARTERET URBAN RENEWAL, LLC is subject to the provisions of section 18 of P.L. 1991, C. 431 (C. 40A:20-18) with respect to the powers of the Borough of Carteret to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

9. Any housing units constructed or acquired by GATEWAY AT CARTERET URBAN RENEWAL, LLC shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

The undersigned attests that this filing complies with the requirements detailed in NJSA 42:2B-1 et seq., and that he/she is authorized to sign this certificate on behalf of the Limited Liability Company.

Dated: 1/14/05

2/6/06


Bret Kaplan

Certificate of Approval of Urban Renewal Entity from the New Jersey Department of
Community Affairs (DCA)

Please attach a copy of DCA's certificate of approval of the applicant as an Urban Renewal entity to this sheet. (Low and moderate income housing projects to be constructed outside an approved redevelopment area are exempt from this requirement.)

NJ DIV OF REVENUE

Fax: 609-984-6649

Feb 16 2006 9:42

P.02

Feb-15-06 04:00pm From: ARCHER GREINER

Feb 15 2006 16:05

+666 785 8077 T-518 P 006/008 F-282

BUREAU OF HOMEOWNER PROTECTION

ATTN: KAREN SCHWACHA

PO BOX 805

TRENTON, NJ 08625-0805



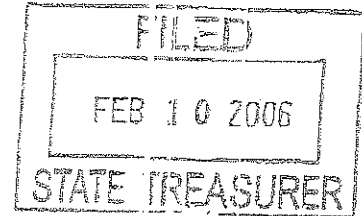
State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE
GOVERNOR

NUSAN BASSOVEN
COMMISSIONER

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: GATEWAY AT CARTERET URBAN RENEWAL LLC
File # 699
An Urban Renewal Entity



This is to certify that the attached CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs pursuant to the power vested in it under the "Long Term Tax Exemption Law, P.L. 1991, c. 431.

Done this 6TH day of FEBRUARY 2006 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

Cynthia J. Miller
BY *William M. Connolly*
William M. Connolly, Director
Division of Codes and Standards

0600261127

UNANIMOUS CONSENT IN LIEU OF A
SPECIAL MEETING OF THE MEMBERS
OF GATEWAY AT CARTERET URBAN RENEWAL, LLC

The undersigned, being all of the Members of GATEWAY AT CARTERET URBAN RENEWAL, LLC, a New Jersey limited liability company (the "Company"), does hereby consent to and authorize the following action in the name of and on behalf of the Company:

RESOLVED, that the Company is authorized to submit an application to the Borough of Carteret for the provision of a long term tax abatement.

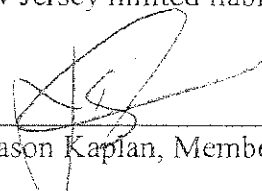
RESOLVED, that if the Company's application is accepted by the Borough, the Company is authorized to execute and deliver, a contract with the Borough substantially in the form attached to the application, with such changes thereto as maybe negotiated by the parties.

IN WITNESS WHEREOF, the undersigned has executed this Unanimous Consent this 14th day of February, 2011.

GATEWAY AT CARTERET URBAN
RENEWAL, LLC
a New Jersey limited liability company

By: Kaplan at Carteret, LLC,
its Sole Member

By: JMK ASSOCIATES, LLC, Member
a New Jersey limited liability company

By: 
Jason Kaplan, Member

By: Kaplan Family, L.L.C., Member
a New Jersey limited liability company

By: 
Michael Kaplan, Managing Member

METES AND BOUNDS DESCRIPTION

Exhibit 5



Consulting, Municipal & Environmental Engineers
Planners • Surveyors • Landscape Architects

One River Centre • Building Two
331 Newman Springs Road, Red Bank, NJ 07701
Tel: 732.383.1950 • Fax: 732.383.1984
www.maserconsulting.com

**DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY**

**NEW LOT 10, BLOCK 273
(PHASE 'A' NORTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006
REVISED: JULY 18, 2007**

All that certain lot, tract or parcel of land situate, lying and being in the Borough of Carteret, in the County of Middlesex and the State of New Jersey, and being all of Lot 10, Block 273 as shown on a map entitled, "Final Plat - Major Subdivision for Gateway at Carteret, Lots 10, 11 & 12, Block 273, Lots 1-8, Block 272, Borough of Carteret, Middlesex County, New Jersey", sheet 2 of 2, dated June 25, 2004 and revised through to April 24, 2007 and prepared by Maser Consulting, P.A., about to be filed in Middlesex County Clerk's Office, the same also being all of Lots 10, 11 & 12, Block 273, said lots as shown on sheet number 73 of the Official Tax Map of the Borough of Carteret, and being more particularly bounded and described as follows, to wit:

BEGINNING at the point of intersection of the newly created northerly line of Roosevelt Avenue (also known as Port Reading Avenue)(Variable Width R.O.W.), said point being marked by a rebar with surveyors cap set, said line being distant 22.50 feet measured northwardly from and at right angles to the centerline thereof, with the westerly line of McKinley Avenue (50' R.O.W.), said line being distant 25.00 feet measured westwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of N 633,112.0295 E 567,786.8001, and running, thence --

1. S 78° 21' 47" W, 400.00 feet along the aforesaid newly created northerly line of Roosevelt Avenue, to a point marked by a rebar with surveyors cap set in the easterly line of Arthur Avenue (50' R.O.W.), said line being distant 25.00 feet measured eastwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of N 633,031.3458 E 567,395.0186, thence --
2. N 11° 42' 21" W, 101.22 feet along the aforesaid easterly line of Arthur Avenue, to a point marked by a rebar with surveyors cap set in the southerly line of Lot 1, Block 273, said lot as shown on the aforesaid map about to be filed and tax map, said point having a New Jersey State Plane Coordinate of N 633,130.4593 E 567,374.4826, thence -
3. N 78° 17' 33" E, 400.00 feet along the aforesaid southerly line of Lot 1, Block 273, and beyond, along the rear line of lots fronting on Larch Street (50' R.O.W.) (Lots 2, 3, 4, 5, 6 & 7, Block 273, not in common interest), (also being the southerly line of each lot), and beyond, along the southerly line of Lot 9, Block 273, to a point marked by a rebar with surveyors cap set in the aforesaid westerly line of McKinley Avenue, said point having a New Jersey State Plane Coordinate of N 633,211.6259 E 567,766.1610, thence --
4. S 11° 42' 27" E, 101.71 feet along the aforesaid westerly line of McKinley Avenue, to the Point and Place of **BEGINNING**.



Consulting, Municipal & Environmental Engineers
Planners • Surveyors • Landscape Architects

331 Newman Springs Road
Suite 203
Red Bank, NJ 07701
Tel: 732.383.1950 • Fax: 732.383.1984
www.maserconsulting.com

DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY

NEW LOTS 1 & 3, BLOCK 272
(PHASE 'A' SOUTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006
REVISED: JULY 18, 2007
REVISED: JULY 28, 2008

All that certain lot, tract or parcel of land situate, lying and being in the Borough of Carteret, in the County of Middlesex and the State of New Jersey, and being all of Lots 1 & 3, Block 272 as shown on a map entitled, "Condominium Plat for Phase 1 (Parcel A), Gateway at Carteret, Lots 10, 11 & 12, Block 273, Lots 1-8, Block 272, Borough of Carteret, Middlesex County, New Jersey", sheet 2 of 2, dated June 25, 2004 and revised through to April 24, 2007, and prepared by Maser Consulting, P.A., duly filed in Middlesex County Clerk's Office on July 11, 2007 as Map Number 6493 File Number 988, the same also being all of Lots 1 & 3, Block 272 as shown on a map entitled, "Amended Condominium Plat for Phase 1 (Parcel A), Gateway at Carteret, Lots 10, 11 & 12, Block 273, Lots 1-8, Block 272, Borough of Carteret, Middlesex County, New Jersey", sheet 1 of 1, dated September 18, 2007, and prepared by Maser Consulting, P.A., duly filed in Middlesex County Clerk's Office on January 11, 2008 as Map Number 6505 File Number 989, the same also being all of Lots 1 through 9, Block 272, said lots as shown on sheet number 77 of the Official Tax Map of the Borough of Carteret, and being more particularly bounded and described as follows, to wit:

BEGINNING at the point of intersection of the newly created southerly line of Roosevelt Avenue (also known as Port Reading Avenue)(Variable Width R.O.W.), said point being marked by a drill hole set, said line being distant **22.50 feet** measured southwardly from and at right angles to the centerline thereof, with the easterly line of Edwin Street (50' R.O.W.), said line being distant **25.00 feet** measured eastwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of **N 632,988.9514 E 567,412.2564**, and running, thence –

1. **N 78° 21' 47" E, 455.72 feet** along the aforesaid southerly line of Roosevelt Avenue, passing over a rebar with surveyors cap set **51.25 feet** measured from the terminus of the herein described course, and beyond, still along the same, to a point marked by a rebar with surveyors cap set in the westerly line of existing Lot 10, Block 272, said lot as shown on the aforesaid filed maps and tax map, said point having a New Jersey State Plane Coordinate of **N 633,080.8734 E 567,858.6081**, thence –
2. **S 11° 38' 13" E, 100.65 feet** along the aforesaid westerly line of existing Lot 10, Block 272, passing over a rebar with surveyors cap set as a witness **1.0 feet** measured from the terminus of the herein described course, to a point in the northerly line of existing Lot 17, Block 272, said lot as shown on the aforesaid filed maps and tax map, said point having a New Jersey State Plane Coordinate of **N 632,982.2874 E 567,878.9109**, thence –



DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY

NEWS LOT 1 & 3, BLOCK 272
(PHASE 'A' SOUTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006
REVISED: JULY 18, 2007
REVISED: JULY 28, 2008
PAGE 2

3. S 78° 51' 47" W, 75.27 feet along the aforesaid northerly line of existing Lot 17, Block 272, and beyond, along the northerly line of existing Lot 18.01, Block 272, said lot as shown on the aforesaid tax map (also being the northerly line of Lot 2, Block 272, said lot as shown on the aforesaid filed maps), passing over a rebar with surveyors cap set 51.25 feet measured from the origin of the herein described course, and beyond, still along the same, to an angle point in the same, said point having a New Jersey State Plane Coordinate of N 632,967.7486 E 567,805.0580, thence –
4. S 77° 57' 45" W, 379.73 feet still along the aforesaid northerly line of existing Lot 18.01, Block 272, (also being the northerly line of Lot 2, Block 272), to a point marked by a rebar with surveyors cap set in the aforesaid easterly line of Edwin Street, said point having a New Jersey State Plane Coordinate of N 632,888.5604 E 567,433.6809, thence –
5. N 12° 02' 49" W, 102.65 feet along the aforesaid easterly line of Edwin Street, to the Point and Place of BEGINNING.

CONTAINING: 46,062.9 square feet of land more or less or 1.057 acres of land more or less.

The bearings cited herein are relative to NAD 1983 (adjustment) New Jersey State Plane Coordinate System.

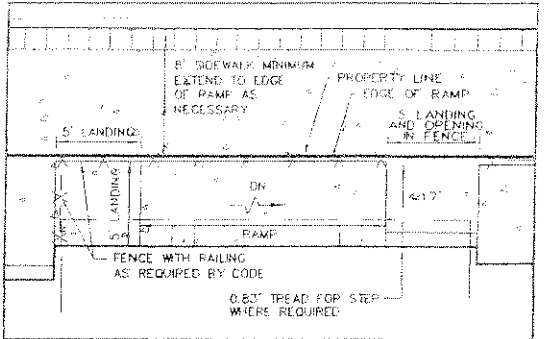
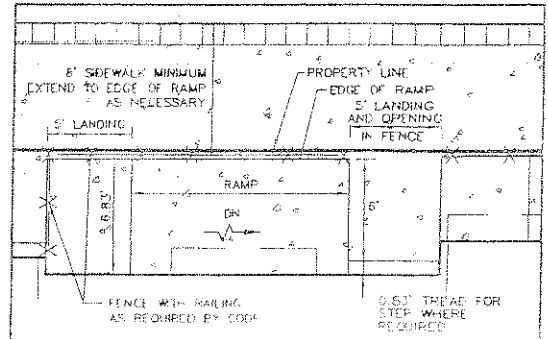
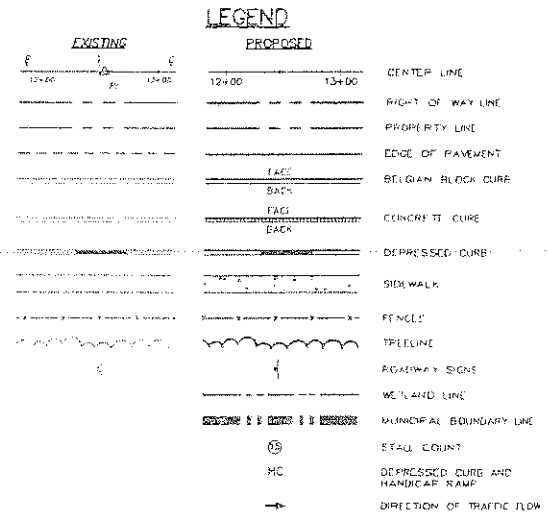
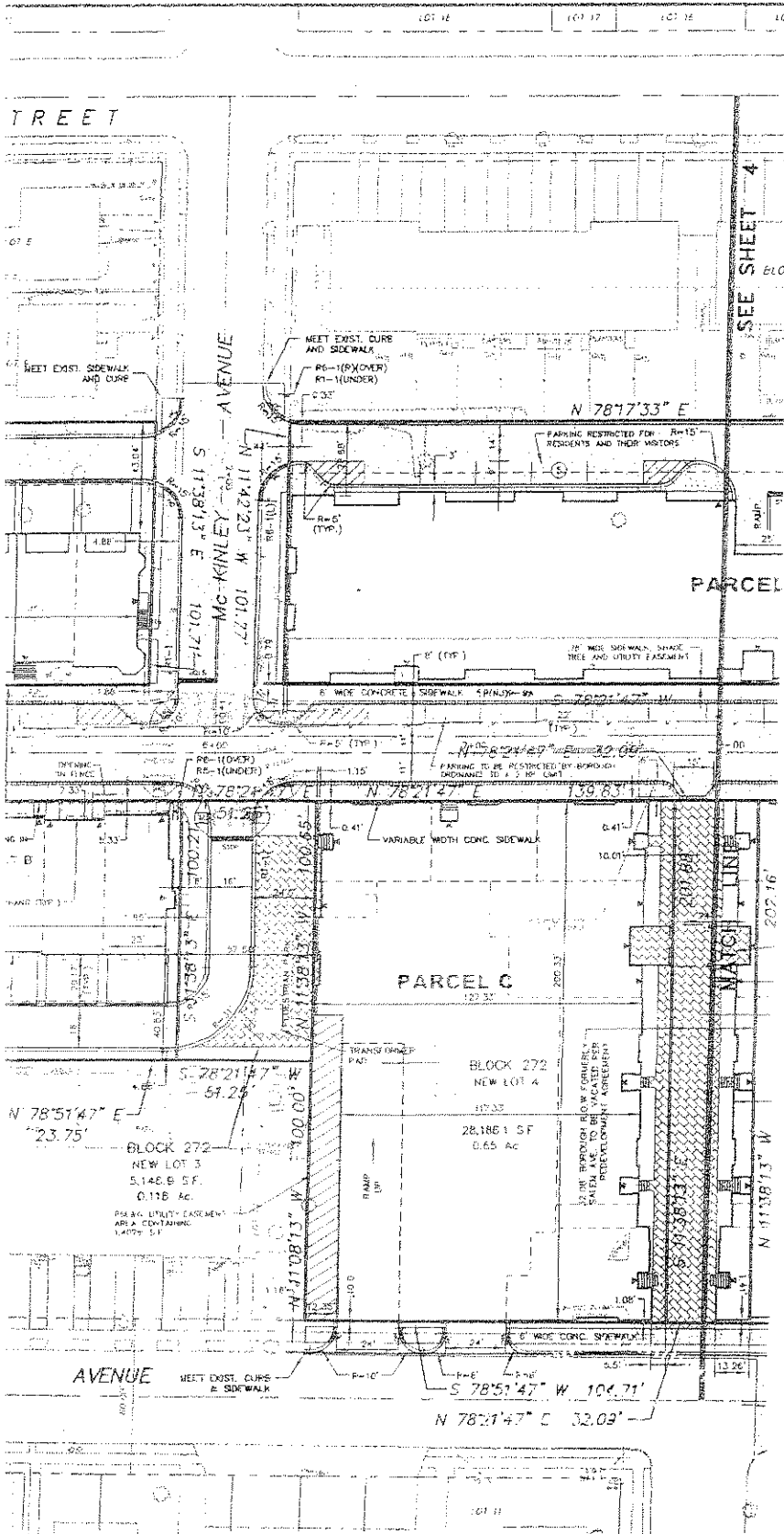
The foregoing description was prepared by the undersigned surveyor for the firm of Maser Consulting P.A. and is based on the aforesaid filed Condominium Plat, dated June 25, 2004 and revised through to April 24, 2007 and the aforesaid filed Amended Condominium Plat dated September 18, 2007.

LEONARDO E. PONZIO, P.L.S.
NEW JERSEY PROFESSIONAL LAND SURVEYOR
LICENSE NUMBER 39402

DATE SIGNED

SURVEY

Attach survey of the project. If a survey has not yet been completed, a plotting on the official tax map may be provided at this time. A certified survey will be required prior to execution of any financial agreement.



REV.	DATE	DRAWN BY	DESCRIPTION
7	7/03/07	PCS	REVISED FOR PARCEL A SOUTH FOOTPRINTS
6	5/01/06	PJC	REVISED FOR MAIN BUILDING FOOTPRINT
5	1/18/06	PCS	REVISED WATER AND SANITARY LAYOUT
4	6/12/05	PJC	REVISED FOR PHASE 2 FINAL SUBMISSION
3	6/15/05	PJC	REVISED FOR PHASE 2 FINAL SUBMISSION
2	4/06/05	PCS	REVISED FOR MIDDLESEX COUNTY SITE PLAN SUBMISSION
1	1/03/05	PCS	REWORK PARCEL C

LEONARDO E. PONZIO
 NEW JERSEY PROFESSIONAL
 LAND SURVEYOR LIC. NO. 38402

JEROMIE P. LANGE
 PROFESSIONAL ENGINEER
 NEW JERSEY LIC. NO. 41817

MASER
 Consulting, Architectural & Environmental Engineers
 Planners • Surveyors • Landscape Architects
 State of N.J. Certificate of Authorization 24GA07306500

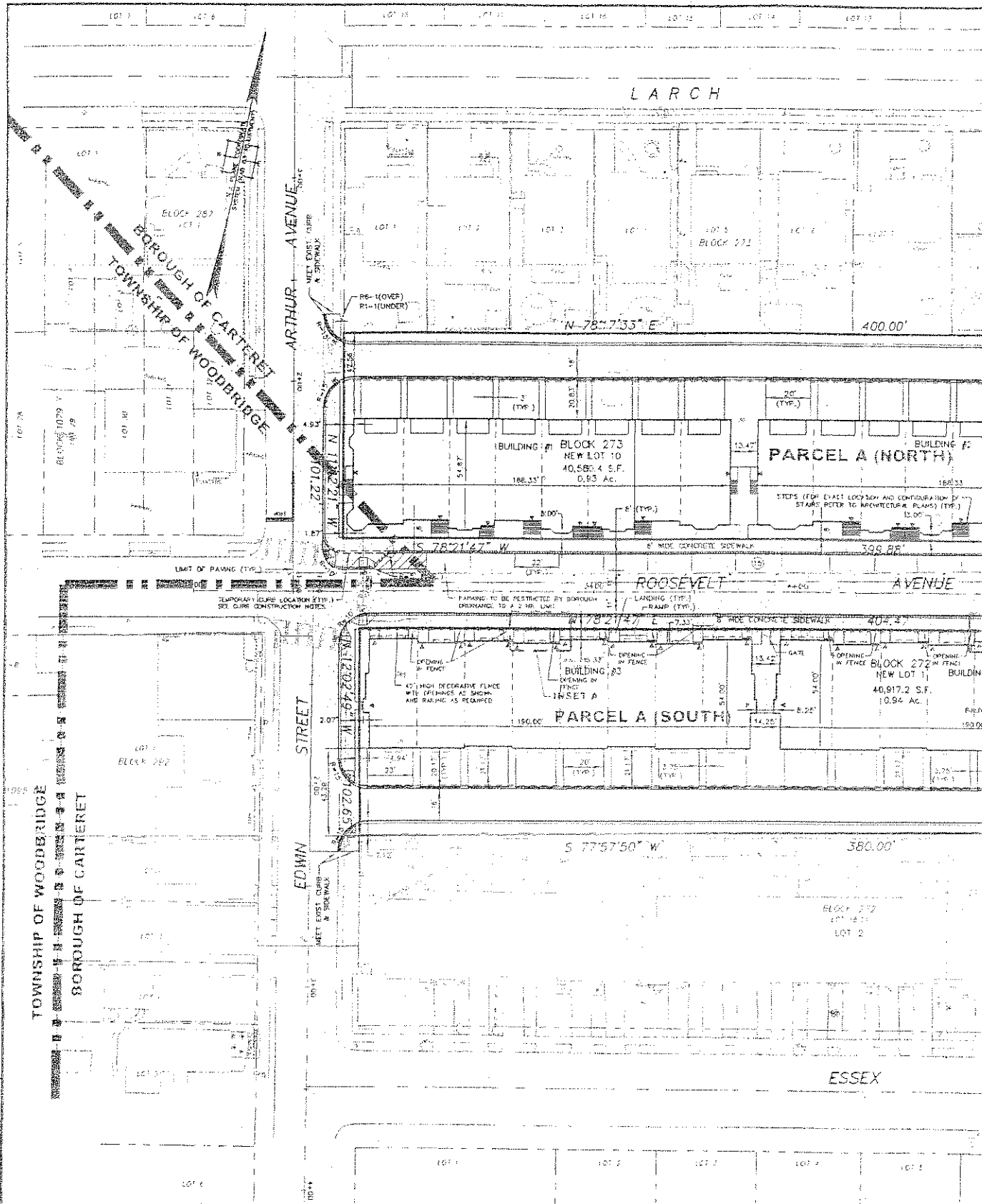
REGIONAL OFFICE
 One River Centre Building Two
 331 Newman Springs Road
 Red Bank, N.J. 07701
 Phone (732) 383-1850
 Fax (732) 383-1854
 E-mail: solutions@maserconsulting.com

Regional Offices
 Clinton, N.J.
 Hackensack, N.J.
 Hamilton, N.J.
 West Nyack, N.Y.
 Newburgh, N.Y.

FINAL MAJOR SUBDIVISION AND SITE PLAN
 DIMENSION PLAN
 FOR
GATEWAY AT CARTERET
 LOTS 1-5, BLK 243, LOTS 1-5, BLK 252, LOTS 1-7, BLK 253,
 LOTS 1,2,3,01,3,02,4,01,4,02,5-14, BLK 254, LOTS 7-15,
 BLK 260, LOTS 1-6, BLK 261, LOTS 1-6,01,7-18, BLK 272,
 LOTS 10-12, BLK 273, AND LOTS 1-3, BLK 292
 BOROUGH OF CARTERET TOWNSHIP OF WOODBRIDGE
 MIDDLESEX COUNTY NEW JERSEY

JOB NUMBER 03-0284A	DATE JUNE 24, 2004
SCALE 1"=30'	LATEST REVISION 7/03/2007
RECORD NUMBER MA015037	DRAWN BY LB
SHEET NUMBER 7 of 23	

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 NO PORTION OF THIS DOCUMENT IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF MASER CONSULTING P.A.

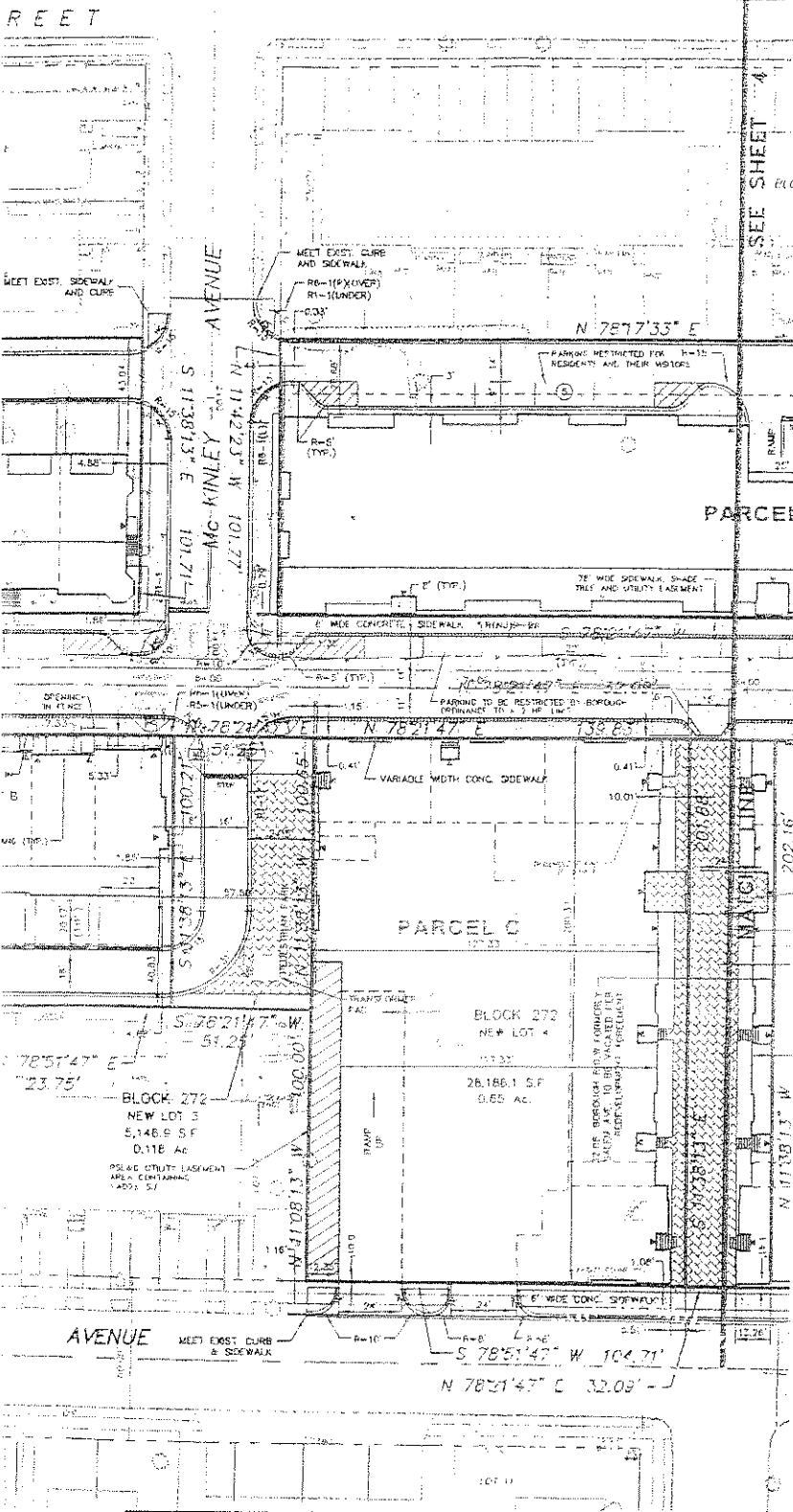


CURB CONSTRUCTION NOTES:

1. CONSTRUCT ROADWAY CURBS AND SIDEWALK IMPROVEMENTS WITHOUT TRAFFIC CLAMMING "BUMP-OUTS" ON CORNERS OF BLOCKS ON THE NORTH CURB OF ROOSEVELT AVENUE AS SHOWN WITH TEMPORARY CURB LINE, WHILE ROOSEVELT AVENUE IS A COUNTY ROAD.
2. PROVIDE TEMPORARY HANDICAP CURB RAMPS AS NECESSARY.
3. ONCE THE BOROUGH OF CARTERET TAKES JURISDICTION OF ROOSEVELT AVENUE REMOVE TEMPORARY CURBING AND RAMPS AND INSTALL PERMANENT CURBING AND HANDICAP RAMPS FOR "BUMP-OUTS".

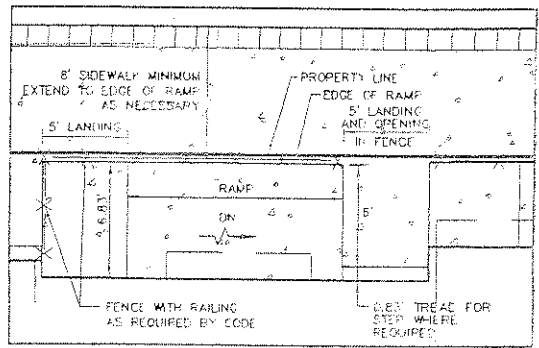
30 0
 SCALE
 (1" = 30')

REET

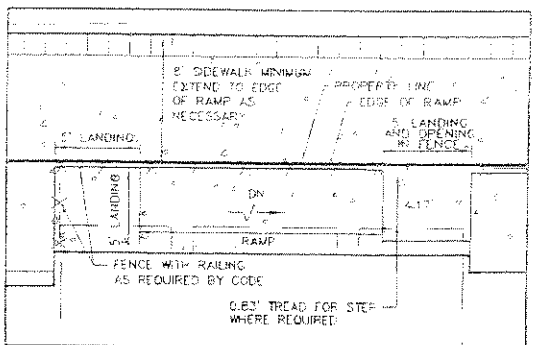


LEGEND

EXISTING	PROPOSED	
12+00	12+00	CENTER LINE
12+00	12+00	RIGHT OF WAY LINE
12+00	12+00	PROPERTY LINE
12+00	12+00	EDGE OF PAVEMENT
12+00	12+00	BELLMAN BLOCK CURB
12+00	12+00	CONCRETE CURB
12+00	12+00	DEPRESSED CURB
12+00	12+00	SIDEWALK
12+00	12+00	FENCE
12+00	12+00	TREELINE
12+00	12+00	ROADWAY SIGNS
12+00	12+00	WYAND LINE
12+00	12+00	MUNICIPAL BOUNDARY LINE
12+00	12+00	STALL COUNT
12+00	12+00	DEPRESSED CURB AND HANDICAP RAMP
12+00	12+00	DIRECTION OF TRAFFIC FLOW



INSET A
SCALE: 1/4\"



INSET B
SCALE: 1/4\"

REV.	DATE	DRAWN BY	DESCRIPTION
7	7/03/07	PCS	REVISED FOR PARCEL A SOUTH FOOTPRINTS
6	5/01/06	PJC	REVISED FOR NEW BUILDING FOOTPRINT
5	1/18/06	PCS	REVISED WATERS AND SANITARY LAYOUT
4	8/12/06	PJC	REVISED FOR PHASE 3 FINAL SUBMISSION
3	6/15/06	PJC	REVISED FOR PHASE 2 FINAL SUBMISSION
2	4/06/06	PCS	REVISED FOR WOODBRIDGE COUNTY SITE PLAN SUBMISSION
1	1/03/06	PCS	REMOVE PARCEL C

LEONARDO E. PONZIO
NEW JERSEY PROFESSIONAL
LAND SURVEYOR LIC. NO. 36402

JEROME P. LANGE
PROFESSIONAL ENGINEER
NEW JERSEY LIC. NO. 41617

MASER
Consulting, Municipal & Environmental Engineers
Planners • Surveyors • Landscape Architects
State of N.J. Certificate of Authorization: 24GA2796500

RED BANK OFFICE
One River Centre • Building Two
331 Newman Springs Road
Red Bank, N.J. 07701
Phone: (732) 363-1950
Fax: (732) 363-1984
E-mail: solutions@maserconsulting.com

Regional Offices
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Newburgh, N.Y.

FINAL MAJOR SUBDIVISION AND SITE PLAN
DIMENSION PLAN
FOR
GATEWAY AT CARTERET
LOTS 1-5, BLK 243, LOTS 1-5, BLK 252, LOTS 1-7, BLK 253,
LOTS 1,2,3,4,5,6,7,8,9,10,11,12, BLK 254, LOTS 7-15,
BLK 260, LOTS 1-8, BLK 261, LOTS 1-6,01,7-16, BLK 272,
LOTS 10-12, BLK 273, AND LOTS 1-3, BLK 292
BOROUGH OF CARTERET TOWNSHIP OF WOODBRIDGE
MIDDLESEX COUNTY NEW JERSEY

DATE: JUNE 24, 2004
LATEST REVISION: 7/03/2007
DRAWN BY: L.B.
7 of 23

COPY OF DEED OR LEASE AGREEMENT

Please attach evidence that applicant has legal control over site(s) included in the proposed
project.

2006 SEP -7 PM 2:23

BOOK # _____

PAGE # _____

OF PAGES _____

Prepared By

Bret Kaplan, Esq.

DEED

This Deed is made on September 6, 2006.

BETWEEN BOROUGH OF CARTERET, a Municipal Corporation of the State of New Jersey having offices at 61 Cooke Avenue, Carteret, New Jersey 07008, acting in the capacity of a redevelopment agency pursuant to the provisions of the Local Redevelopment and Housing Law

AND

CARTERET REDEVELOPMENT AGENCY, a body Corporate and Politic of the State of New Jersey having offices at 61 Cooke Avenue, Carteret, New Jersey 07008, acting in the capacity of a redevelopment agency pursuant to the provisions of the Local Redevelopment and Housing Law

referred to as the Grantor

AND GATEWAY AT CARTERET URBAN RENEWAL, L.L.C., a New Jersey limited liability company, acting in the capacity of redeveloper pursuant to the provisions of the Local Redevelopment and Housing Law and the Redevelopment Agreement by and between the Carteret Redevelopment Agency and itself dated February 25, 2004, as amended ("Redevelopment Plan") with offices located at 433 River Road, Highland Park, New Jersey 08904

referred to as the Grantee

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of Ten (\$10.00) Dollars. The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Borough of Carteret
Block No. 273 Lots 10, 11, 12 and 13 Block 272 Lots 1, 2, 3, 4, 5, 6, 6.01, 7, 8 and 9 to be known as Lots 1 and 2 in Block 272 and Lot 10 in Block 273.

☐ No property tax identification number is available on the date of this deed. (Check box if applicable.)

05716-00495

Property. The property consists of the land and all the buildings and structures on the land in the Borough of Carteret, County of Middlesex and State of New Jersey. The legal description is - See Schedule A annexed hereto and made a part hereof

Being the same premises conveyed to the Borough of Carteret from GIG Enterprises, L.L.C., a New Jersey limited liability company by deed dated September 27, 2004, recorded October 21, 2004 in the Middlesex County Clerk's Office in Deed Book 5399, Page 240.

Townhouse Section A - North

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated September 22, 2005, recorded September 23, 2005 in Deed Book 5555, Page 209.

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated December 29, 2005, recorded December 30, 2005 in Deed Book 5604, Page 669.

Being the same premises conveyed to the Borough of Carteret, under Deed from Charles Reidy, single, dated March 24, 2005, recorded March 17, 2006 in Deed Book 5651, Page 673.

Townhouse Section A - South

Being the same premises conveyed to the Borough of Carteret, under Deed from Peter Alvarado and Gladys C. Alvarado, his wife, dated April 20, 2005, recorded April 29, 2005 in Deed Book 5485, Page 703.

Being the same premises conveyed to Carteret Redevelopment Agency, under Deed from J & E Investments, L.L.C. a New Jersey limited liability company, dated March 24, 2006, recorded September 7, 2006 in Deed Book 5714, Page 402.

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated December 29, 2005, recorded December 30, 2005 in Deed Book 5604, Page 660.

Being the same premises conveyed to the Borough of Carteret, under Deed from Gennaro Musi, unmarried, dated August 8, 2005, recorded April 5, 2006 in Deed Book 5651, Page 679.

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated April 13, 2005, recorded April 18, 2005 in Deed Book 5480, Page 178.

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated April 20, 2005, recorded May 26, 2005 in Deed Book 5497, Page 551.

Being a portion of the premises acquired by the Borough of Carteret, under Final Judgement, dated December 31, 1979, recorded January 7, 1980 in Deed Book 3127, Page 176.

05716-00496

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated February 8, 2006, recorded August 17, 2006 in Deed Book 5707, Page 515.

Being the same premises conveyed to Carteret Redevelopment Agency, under Deed from Francisco J. Espinosa and Noelle Correia-husband and wife, dated August 3, 2006, recorded August 22, 2006, in Deed Book 5709, Page 296.

Being the same premises acquired by the Borough of Carteret Redevelopment Agency, under Declaration of Taking, dated December 29, 2005, recorded December 30, 2005 in Deed Book 5604, Page 651.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. The promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Promises by Grantee. The Grantee shall construct only the Project Improvements (as defined in the Redevelopment Plan) and uses established in the Redevelopment Plan. The Grantee shall commence construction of the Project Improvements set forth in the Project Schedule (as defined in the Redevelopment Plan) as said dates may be modified, tolled, or extended. The Grantee shall not, prior to the issuance of a Certificate of Completion (as defined in the Redevelopment Plan) without the prior written consent of the Grantor (i) voluntarily effect or permit any change, directly or indirectly, in the majority ownership or control of the Redeveloper, (ii) assign or attempt to assign this Agreement or any rights herein or in the Project Site, (iii) make any total or partial sale, lease, transfer or conveyance of the whole or any part of its interest in the Project Site or the Project (collectively a "Transfer"). The following Transfers shall not require further review from the Grantor: (i) a mortgage or mortgages or other liens and encumbrances for the purposes of financing costs associated with the acquisition, development, construction and marketing of the Project (as defined in the Redevelopment Plan), (ii) a sale or sales to purchasers of the residential units within the Project; (iii) utility and other development easements; and (iv) any contract or agreement with respect to any of the foregoing exceptions. Upon the completions of those improvements required by the Redevelopment Plan, or the issuance of a certificate of occupancy as to a particular residential unit, the conditions determined to exist at the time the area was determined to be in need of redevelopment shall be deemed to no longer exist, and the land and improvements thereon shall no longer be subject to eminent domain as a result of those determinations.

Signatures. The Grantor signs this Deed as of the date at the top of the first page.

Attested by:

Demetrius L. Mills

BOROUGH OF CARTERET

By:

Daniel J. Reiman
Mayor Daniel Reiman

CARTERET REDEVELOPMENT
AGENCY

Attested by:

Demetrius L. Mills

By:

Eric F. M. Chubenko
Eric F. M. Chubenko, Executive Director

State of New Jersey, County of Middlesex SS.:

I CERTIFY that on September 6, 2006, Daniel J. Reiman personally came before me, and this person acknowledged under oath to my satisfaction, that:

- (a) he is the Mayor of the Borough of Carteret named in this document;
- (b) this person is the attesting witness to the signing of this document by the proper Borough official who is the Mayor of the Borough of Carteret;
- (c) this document was signed and delivered by the Borough of Carteret as its voluntary act duly authorized by a proper resolution of the Borough of Carteret;
- (d) this person signed this proof to attest to the truth of these facts.

Demetrius L. Mills

Signed and sworn to before me on
6th day of September 2006
Eric D. Loto

SONIA LA COSTA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 2008

05716-00498

State of New Jersey, County of Middlesex SS.:

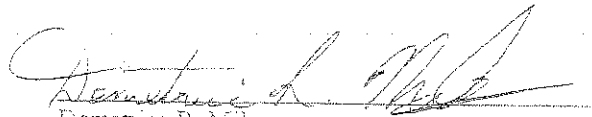
I CERTIFY that on September 6, 2006, Eric F.M. Chubenko personally came before me, and this person acknowledged under oath, to my satisfaction, that:

(a) he is the Executive Director of the Carteret Redevelopment Agency named in this document;

(b) this person is the attesting witness to the signing of this document by the proper Agency official who is the Executive Director of the Carteret Redevelopment Agency;

(c) this document was signed and delivered by the Carteret Redevelopment Agency as its voluntary act duly authorized by a proper resolution of Carteret Redevelopment Agency;

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


Demetrice R. Miles

Signed and sworn to before me on
6th day of September, 2006



SONIA E. COSTA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 2008

05716-00499

Record and Return to:

Bret Kaplan
c/o Kaplan Companies
433 River Road
Highland Park, NJ 08904

05716-00500



Consulting, Municipal & Environmental Engineers
Planners Surveyors Landscape Architects

One River Centre - Building Two
524 Newman Springs Road, Red Bank, NJ 07701
Tel: 732.382.1950 Fax: 732.383.1964
www.maserconsulting.com

DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY

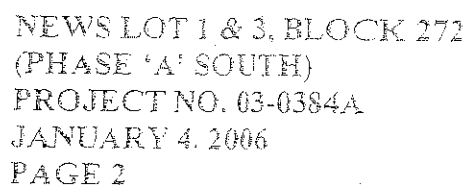
NEW LOTS 1 & 3, BLOCK 272
(PHASE 'A' SOUTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006

All that certain lot, tract or parcel of land situate, lying and being in the Borough of Carteret, in the County of Middlesex and the State of New Jersey, and being all of Lots 1 & 3, Block 272 as shown on a map entitled, "Final Plat - Major Subdivision for Gateway at Carteret, Lots 10, 11 & 12, Block 273, Lots 1-8, Block 272, Borough of Carteret, Middlesex County, New Jersey", sheet 2 of 2, dated June 25, 2004 and revised through to December 17, 2004 and prepared by Maser Consulting, P.A., about to be filed in Middlesex County Clerk's Office, the same also being all of Lots 1 through 9, Block 272, said lots as shown on sheet number 77 of the Official Tax Map of the Borough of Carteret, and being more particularly bounded and described as follows, to wit:

BEGINNING at the point of intersection of the newly created southerly line of Roosevelt Avenue (also known as Port Reading Avenue)(Variable Width R.O.W.), said line being distant 22.50 feet measured southwardly from and at right angles to the centerline thereof, with the easterly line of Edwin Street (50' R.O.W.), said line being distant 25.00 feet measured eastwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of N 632,988.9514 E 567,412.2564, and running, thence -

1. N 78° 21' 47" E, 455.72 feet along the aforesaid southerly line of Roosevelt Avenue, to a point in the westerly line of existing Lot 16, Block 272, said lot as shown on the aforesaid map about to be filed and tax map, said point having a New Jersey State Plane Coordinate of N 633,080.8734 E 567,858.6081, thence -
2. S 11° 38' 13" E, 100.65 feet along the aforesaid westerly line of existing Lot 16, Block 272, to a point in the northerly line of existing Lot 17, Block 272, said lot as shown on the aforesaid map about to be filed and tax map, said point having a New Jersey State Plane Coordinate of N 632,982.2874 E 567,878.9109, thence -
3. S 78° 51' 47" W, 75.27 feet along the aforesaid northerly line of existing Lot 17, Block 272, and beyond, along the northerly line of existing Lot 18.01, Block 272, said lot as shown on the aforesaid tax map (also being the northerly line of Lot 2, Block 272, said lot as shown on the aforesaid map about to be filed), to an angle point in the same, said point having a New Jersey State Plane Coordinate of N 632,967.7486 E 567,805.0580, thence -
4. S 77° 57' 45" W, 379.73 feet still along the aforesaid northerly line of existing Lot 18.01, Block 272, (also being the northerly line of Lot 2, Block 272), to a point in the aforesaid easterly line of Edwin Street, said point having a New Jersey State Plane Coordinate of N 632,888.5604 E 567,433.6809, thence -
5. N 12° 02' 49" W, 102.65 feet along the aforesaid easterly line of Edwin Street, to the Point and Place of BEGINNING.

05716-00501



05716-00502



Consulting, Municipal & Environmental Engineers
Planners • Surveyors • Landscape Architects

One River Centre - Building Two
333 Newman Springs Road, Red Bank, NJ 07701
Tel: 732.363.1950 • Fax: 732.363.1984
www.maserconsulting.com

DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY

NEW LOT 10, BLOCK 273
(PHASE 'A' NORTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006

All that certain lot, tract or parcel of land situate, lying and being in the Borough of Carteret, in the County of Middlesex and the State of New Jersey, and being all of Lot 10, Block 273 as shown on a map entitled, "Final Plat - Major Subdivision for Gateway at Carteret, Lots 10, 11 & 12, Block 273, Lots 1-8, Block 272, Borough of Carteret, Middlesex County, New Jersey", sheet 2 of 2, dated June 25, 2004 and revised through to December 17, 2004 and prepared by Maser Consulting, P.A., about to be filed in Middlesex County Clerk's Office, the same also being all of Lots 10, 11 & 12, Block 273, said lots as shown on sheet number 73 of the Official Tax Map of the Borough of Carteret, and being more particularly bounded and described as follows; to wit:

BEGINNING at the point of intersection of the newly created northerly line of Roosevelt Avenue (also known as Port Reading Avenue)(Variable Width R.O.W.), said line being distant **22.50** feet measured northwardly from and at right angles to the centerline thereof, with the westerly line of McKinley Avenue (50' R.O.W.), said line being distant **25.00** feet measured westwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of N 633,112.0295 E 567,786.8001, and running, thence -

1. S 78° 21' 47" W, 400.00 feet along the aforesaid newly created northerly line of Roosevelt Avenue, to a point in the easterly line of Arthur Avenue (50' R.O.W.), said line being distant 25.00 feet measured eastwardly from and at right angles to the centerline thereof, said point having a New Jersey State Plane Coordinate of N 633,031.3458 E 567,395.0186, thence -
2. N 11°42' 21" W, 101.22 feet along the aforesaid easterly line of Arthur Avenue, to a point in the southerly line of Lot 1, Block 273, said lot as shown on the aforesaid map about to be filed and tax map, said point having a New Jersey State Plane Coordinate of N 633,130.4593 E 567,374.4826, thence -
3. N 78° 17' 33" E, 400.00 feet along the aforesaid southerly line of Lot 1, Block 273, and beyond, along the rear line of lots fronting on Larch Street (50' R.O.W.) (Lots 2, 3, 4, 5, 6 & 7, Block 273, not in common interest), (also being the southerly line of each lot), and beyond, along the southerly line of Lot 9, Block 273, to a point in the aforesaid westerly line of McKinley Avenue, said point having a New Jersey State Plane Coordinate of N 633,211.6259 E 567,766.1610, thence -
4. S 11° 42' 27" E, 101.71 feet along the aforesaid westerly line of McKinley Avenue, to the Point and Place of **BEGINNING**.

CONTAINING: 40,586.4 square feet of land more or less/or 0.932 acres of land more or less.

05716-00503



DESCRIPTION OF PROPERTY
BOROUGH OF CARTERET
MIDDLESEX COUNTY, NEW JERSEY

NEW LOT 10, BLOCK 273
(PHASE 'A' NORTH)
PROJECT NO. 03-0384A
JANUARY 4, 2006
PAGE 2

SUBJECT TO: a Variable Width Utility Easement as shown on the aforesaid map about to be filed, containing 9,586.2 square feet of land more or less

ALSO SUBJECT TO: a 1.50 foot wide Sidewalk, Shade Tree & Utility Easement as shown on the aforesaid map about to be filed, containing 600.0 square feet of land more or less.

The bearings cited herein are relative to NAD 1983 (adjustment) New Jersey State Plane Coordinate System.

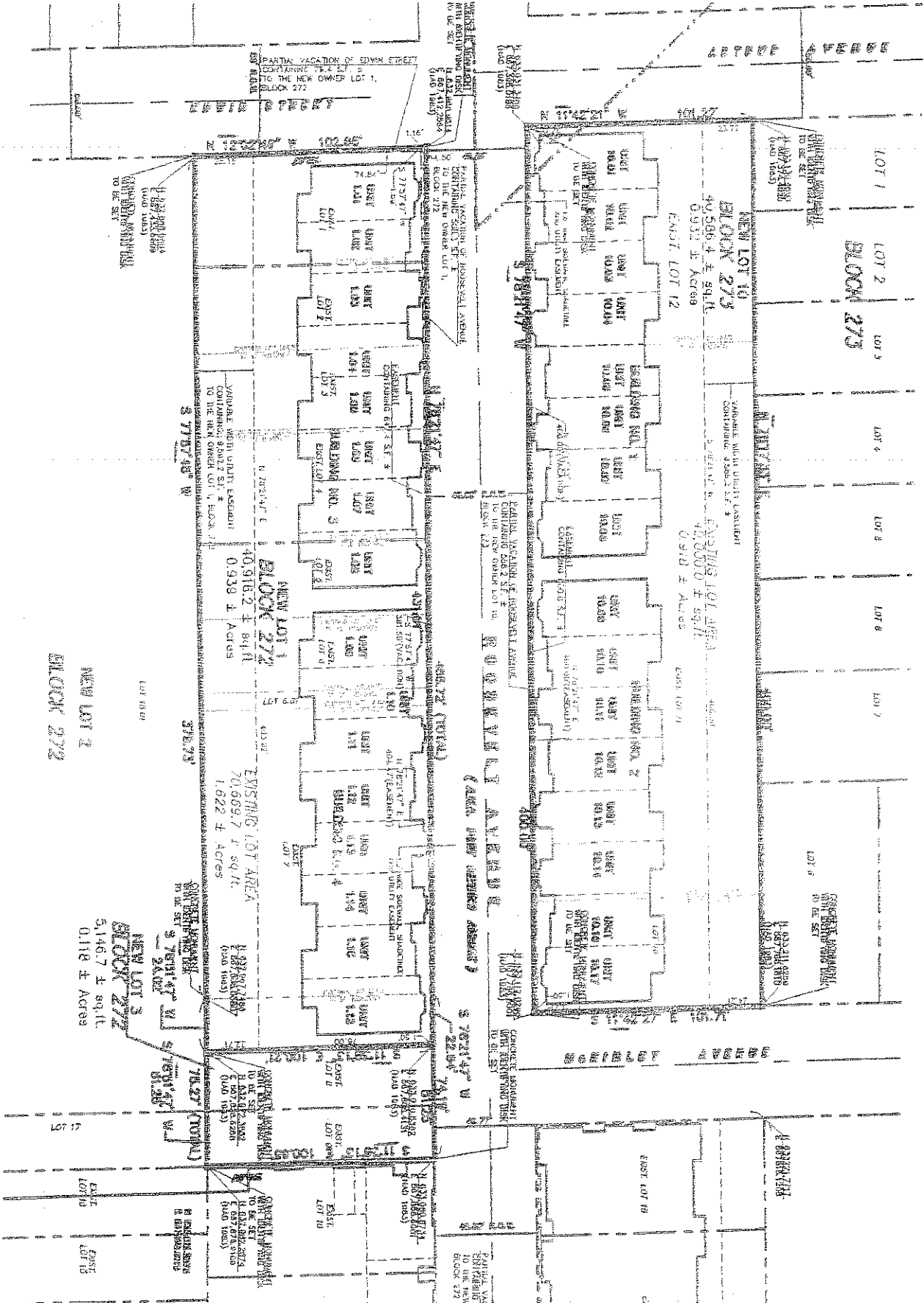
The foregoing description was prepared by the undersigned surveyor for the firm of Maser Consulting P.A. and is based on the aforesaid map about to be filed, dated June 25, 2004 and revised through to December 17, 2004.

LEONARDO E. PONZIO, P.L.S.
NEW JERSEY PROFESSIONAL LAND SURVEYOR
LICENSE NUMBER 39402

DATE SIGNED

\\Admin1\Projects\2003\030384a\Descriptions\2006 New Lot 10.dwg

05716-00504



NARRATIVE DESCRIPTION OF PROJECT

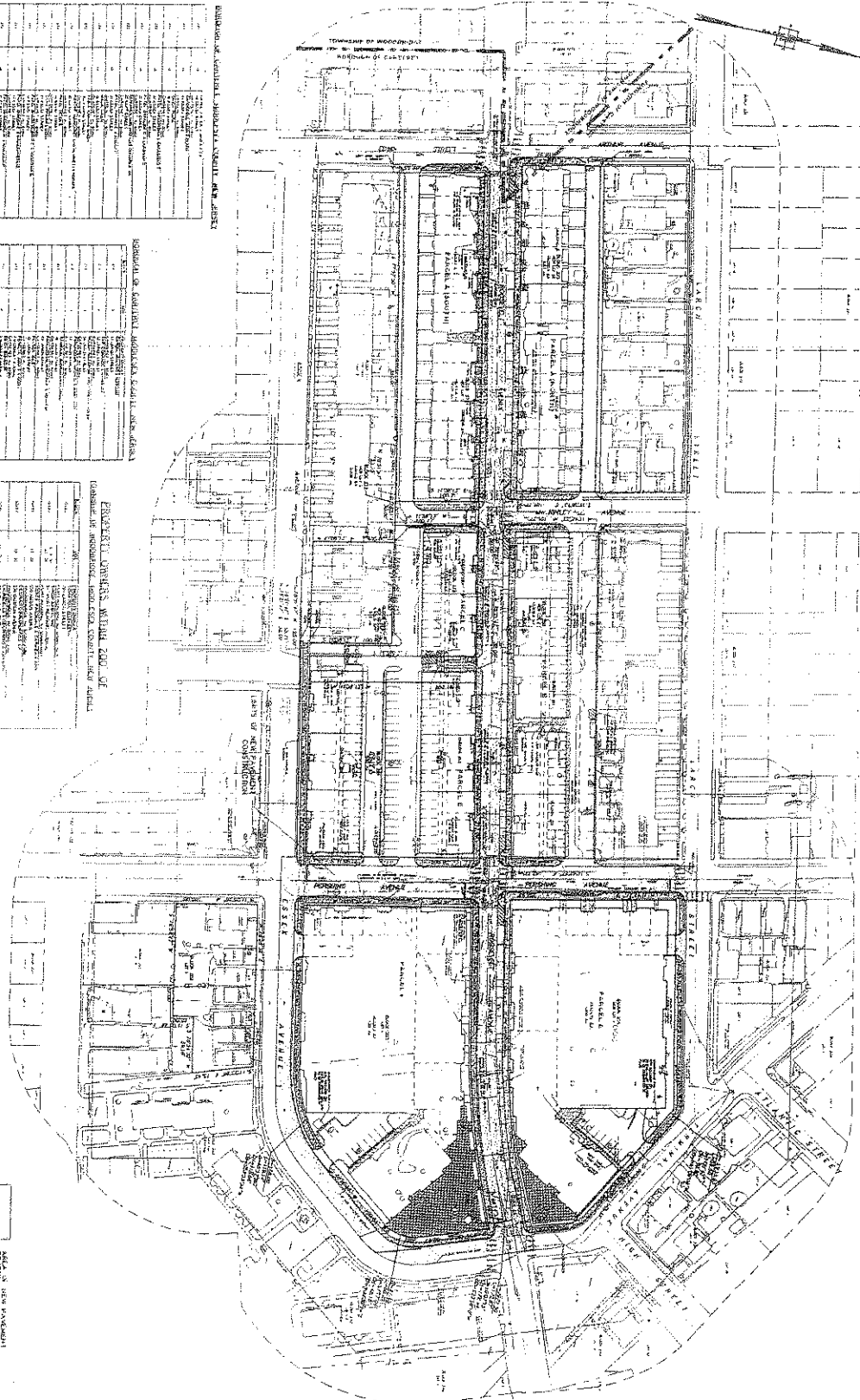
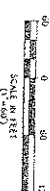
This Project consists of 45 units, which are part of the larger Gateway at Carteret Redevelopment Area located on Roosevelt Avenue, Carteret, New Jersey. The 45 units are included in three buildings, which are presently under construction. Each building is three stories, wood framed construction. The exterior cladding will be vinyl siding with brick accents and strip shingle roofing and vinyl single hung windows. The interior finishes consist of wood strip flooring in the living areas, carpet in the sleeping areas and ceramic tile in the kitchens and baths. The wooden kitchen cabinets shall have granite tops and the bath vanities will have cultured marble tops. The approximate height of the buildings are 39 feet and they contain approximately 310,000 cubic feet and 194,000 respectively. The units range from 1,094 to 2,084 square feet.

SITE PLAN APPROVAL BY PLANNING BOARD

Sl. No.	Particulars	Amount	Total
1	Salaries and Wages	100.00	100.00
2	Grants-in-Aid	50.00	150.00
3	Subsidies	25.00	175.00
4	Interest on Loans	10.00	185.00
5	Depreciation	5.00	190.00
6	Provision for Contingencies	5.00	195.00
7	Reserve for Depreciation	5.00	200.00
8	Provision for Contingencies	5.00	205.00
9	Reserve for Depreciation	5.00	210.00
10	Provision for Contingencies	5.00	215.00
11	Reserve for Depreciation	5.00	220.00
12	Provision for Contingencies	5.00	225.00
13	Reserve for Depreciation	5.00	230.00
14	Provision for Contingencies	5.00	235.00
15	Reserve for Depreciation	5.00	240.00
16	Provision for Contingencies	5.00	245.00
17	Reserve for Depreciation	5.00	250.00
18	Provision for Contingencies	5.00	255.00
19	Reserve for Depreciation	5.00	260.00
20	Provision for Contingencies	5.00	265.00
21	Reserve for Depreciation	5.00	270.00
22	Provision for Contingencies	5.00	275.00
23	Reserve for Depreciation	5.00	280.00
24	Provision for Contingencies	5.00	285.00
25	Reserve for Depreciation	5.00	290.00
26	Provision for Contingencies	5.00	295.00
27	Reserve for Depreciation	5.00	300.00
28	Provision for Contingencies	5.00	305.00
29	Reserve for Depreciation	5.00	310.00
30	Provision for Contingencies	5.00	315.00
31	Reserve for Depreciation	5.00	320.00
32	Provision for Contingencies	5.00	325.00
33	Reserve for Depreciation	5.00	330.00
34	Provision for Contingencies	5.00	335.00
35	Reserve for Depreciation	5.00	340.00
36	Provision for Contingencies	5.00	345.00
37	Reserve for Depreciation	5.00	350.00
38	Provision for Contingencies	5.00	355.00
39	Reserve for Depreciation	5.00	360.00
40	Provision for Contingencies	5.00	365.00
41	Reserve for Depreciation	5.00	370.00
42	Provision for Contingencies	5.00	375.00
43	Reserve for Depreciation	5.00	380.00
44	Provision for Contingencies	5.00	385.00
45	Reserve for Depreciation	5.00	390.00
46	Provision for Contingencies	5.00	395.00
47	Reserve for Depreciation	5.00	400.00
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49	Reserve for Depreciation	5.00	410.00
50	Provision for Contingencies	5.00	415.00
51	Reserve for Depreciation	5.00	420.00
52	Provision for Contingencies	5.00	425.00
53	Reserve for Depreciation	5.00	430.00
54	Provision for Contingencies	5.00	435.00
55	Reserve for Depreciation	5.00	440.00
56	Provision for Contingencies	5.00	445.00
57	Reserve for Depreciation	5.00	450.00
58	Provision for Contingencies	5.00	455.00
59	Reserve for Depreciation	5.00	460.00
60	Provision for Contingencies	5.00	465.00
61	Reserve for Depreciation	5.00	470.00
62	Provision for Contingencies	5.00	475.00
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65	Reserve for Depreciation	5.00	490.00
66	Provision for Contingencies	5.00	495.00
67	Reserve for Depreciation	5.00	500.00
68	Provision for Contingencies	5.00	505.00
69	Reserve for Depreciation	5.00	510.00
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71	Reserve for Depreciation	5.00	520.00
72	Provision for Contingencies	5.00	525.00
73	Reserve for Depreciation	5.00	530.00
74	Provision for Contingencies	5.00	535.00
75	Reserve for Depreciation	5.00	540.00
76	Provision for Contingencies	5.00	545.00
77	Reserve for Depreciation	5.00	550.00
78	Provision for Contingencies	5.00	555.00
79	Reserve for Depreciation	5.00	560.00
80	Provision for Contingencies	5.00	565.00
81	Reserve for Depreciation	5.00	570.00
82	Provision for Contingencies	5.00	575.00
83	Reserve for Depreciation	5.00	580.

[illegible]

Index	Author	Title	Year	Notes
1	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.
2	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.
3	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.
4	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.
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7	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.
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10	Smith, J. H.	The History of the County of York, 1791	1791	Original in the collection of the York County Historical Society, York, Pa.

[illegible]

ANALYSIS OF THE HANDEDNESS OF CONSTRUCTION/RECONSTRUCTION

OVERALL DIMENSION PLAN

[illegible]

4 of 23

SITE PLAN APPROVAL RESOLUTION

RESOLUTION OF FINDINGS AND CONCLUSIONS

MAR 26 2010
Application No. PB-04-022 and 05-006

WHEREAS, by Applications No. PB-04-022 and 05-006, KAPLAN @CARTERET, LLC, a designated redeveloper under a Redevelopment Agreement with the Borough of Carteret, for property located on Lower Roosevelt Avenue between Arthur Avenue and Terminal Avenue and designated as Block 243, Lots 1, 2, 3, 4 and 5; Block 252, Lots 1, 2, 3, 4 and 5; Block 253, Lots, 1, 2, 3, 4, 5, 6, and 7; Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 4.02, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; Block 260, Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15; Block 261, Lots 1, 2, 3, 4, 5, 6, 7 and 8; Block 272, Lots 1, 2, 3, 4, 5, 6, 6.01, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16; Block 273, Lots, 10, 11 and 12, and Block 292, Lots 1, 2 and 3, requests confirmation of an administrative approval of certain revisions to the previously approved amended site plan for Parcel A; and

WHEREAS, a meeting was conducted on February 24, 2010; and

WHEREAS, the members of the Borough of Carteret Planning Board reviewed this matter and the oral reports from the Board's professional staff, and

WHEREAS, the matter was carefully considered and the following findings of fact were made:

FINDINGS OF FACT

1 Applicant is the designated Redeveloper of the subject properties under a Redevelopment Agreement between the Borough of Carteret and the Applicant, dated February 25, 2004, for property along Lower Roosevelt Avenue between Arthur Avenue and Terminal Avenue, and also known as Block 243, Lots 1, 2, 3, 4 and 5; Block 252, Lots 1, 2, 3, 4 and 5; Block 253, Lots, 1, 2, 3, 4, 5, 6, and 7; Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 4.02, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; Block 260, Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15; Block 261, Lots 1, 2, 3, 4, 5, 6, 7 and 8; Block 272, Lots 1, 2, 3, 4, 5, 6, 6.01, 7, 8, 9, 10, 11, 12, 13, 14, 15, and

16; Block 273, Lots, 10, 11 and 12, and Block 292, Lots 1, 2 and 3, on the Tax Map of the Borough of Carteret.

2. Applicant received classification of and preliminary major subdivision approval, final major subdivision approval for Phase I, preliminary site plan approval together with deviations from the Redevelopment Plan and the Borough's Land Development Ordinance, and ordinance design waivers, subject to conditions on September 13, 2004. That approval was memorialized by Resolution adopted on September 29, 2004.

3. Applicant received final site plan approval and final amended subdivision approval for Phases II and III (covering Parcels B, C, D, E and F) and other relief, subject to conditions, on September 21, 2005 and November 30, 2005. That approval was memorialized by Resolution adopted on November 30, 2005.

4. Applicant received approval for certain minor revisions for Phase I, Parcel A, subject to conditions, relating to front setback for principal structure, maximum impervious coverage, and number of parking spaces, on May 30, 2007. That approval was memorialized by Resolution adopted on June 27, 2007.

5. Applicant received approval for certain revisions to the previously approved amended site plan for Parcels B, C and D, subject to conditions, resulting in a reduction in the number of units, the number of bedrooms, the addition of one building on Parcel B and revisions in the footprints of the structures on Parcels C and D, on January 28, 2009. That approval was memorialized by Resolution adopted on February 25, 2009.

6. Applicant now seeks approval to modify Building 2 in Parcel A North from the previously approved eight (8) unit building to a sixteen (16) unit building. The design and facade of the proposed new building will be almost identical to the building already constructed on Parcel A North.

7. The proposed new building will consist of all two-bedroom units and the interiors of the units will be similar in nature and design to the interiors of the buildings on Parcel A South.

8. Applicant represented, and the staff confirmed, that the revised building will not result in any new bulk variances of any nature (setbacks, coverages, height, number of parking spaces, etc.).

9. As part of the requested modification, applicant submitted plans prepared by Thomas Brennan, Architect.

10. The units in the revised building will be offered for rent, due to current real estate market conditions. Applicant represented that all of the tenants of the revised Building 2 in Parcel A North will be automatically enrolled at no cost in the applicant's "Rent-To-Own" program. A copy of the program materials has previously been furnished to the Board's attorney.

11. The Borough Mayor and Council have indicated their agreement to the revision from "for sale" units to units which will be leased prior to modification to a "for sale" product.

12. The Board's professional staff has reviewed these proposed revisions and is of the opinion that same are de minimus in scope when viewed in the context of the size of the entire project.

13. Applicant requests the Board to confirm the administrative approval of the Board's professional staff

Based upon the above findings of fact, the Board concludes as follows:

CONCLUSIONS

1. The aforesaid revisions to the Site Plan can be granted without substantial impairment to the intent and purpose of the Borough of Carteret Lower Roosevelt Avenue District Redevelopment Plan, the Borough Zone Plan and Land Development Ordinance, and without substantial detriment to the public good.

NOW, THEREFORE, be it resolved that the request of KAPLAN @CARTERET, LLC for an amendment to the previously adopted Site Plan, incorporating the modifications set forth herein, be and the same is hereby approved, subject to the conditions in all of the Board's prior Resolutions concerning this project.

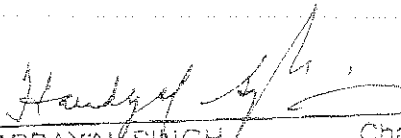
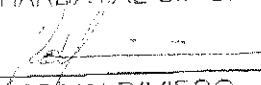
The above is a memorialization of a motion duly made and seconded on February 24, 2010, on the following vote:

ROLL CALL VOTE

Those in Favor:

Opposed:

Abstained:


HARDYAL SINGH, Chairman
 3-24-10
ROB VALDIVIESO, Secretary

Dated 3-24-10

RESOLUTION OF FINDINGS AND CONCLUSIONS

Application No. PB-04-022 and 05-006

WHEREAS, by Applications No. PB-04-022 and 05-006, KAPLAN @CARTERET, LLC, a designated redeveloper under a Redevelopment Agreement with the Borough of Carteret, dated February 25, 2004 for property located on Lower Roosevelt Avenue between Arthur Avenue and Terminal Avenue and designated as Block 243, Lots 1, 2, 3, 4 and 5; Block 252, Lots 1, 2, 3, 4 and 5; Block 253, Lots 1, 2, 3, 4, 5, 6, and 7; Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 4.02, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; Block 260, Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15; Block 261, Lots 1, 2, 3, 4, 5, 6, 7 and 8; Block 272, Lots 1, 2, 3, 4, 5, 6, 6.01, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16; Block 273, Lots 10, 11 and 12, and Block 292, Lots 1, 2 and 3, requests relief from certain standards of the Redevelopment Plan and Amended Site Plan Approval for a portion of Phase I, Parcel A, South; and

WHEREAS, a meeting was conducted on May 30, 2007; and

WHEREAS, the members of the Borough of Carteret Planning Board heard the testimony and read the documents submitted; and

WHEREAS, at said meeting all those who desired to be heard were heard, and the testimony was recorded by the Planning Board of the Borough of Carteret; and

WHEREAS, the testimony was carefully considered and the following findings of fact were made:

FINDINGS OF FACT

1. Applicant is the designated Redeveloper of the subject properties under a Redevelopment Agreement between the Borough of Carteret and the Applicant, dated February 25, 2004, for property along Lower Roosevelt Avenue between Arthur Avenue and Terminal Avenue, and also known as Block 243, Lots 1, 2, 3, 4 and 5; Block 252, Lots 1, 2, 3, 4

and 5; Block 253, Lots 1, 2, 3, 4, 5, 6, and 7; Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 4.02, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; Block 260, Lots 7, 8, 9, 10, 11, 12, 13, 14 and 15; Block 261, Lots 1, 2, 3, 4, 5, 6, 7 and 8; Block 272, Lots 1, 2, 3, 4, 5, 6, 6.01, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16; Block 273, Lots 10, 11 and 12, and Block 292, Lots 1, 2 and 3, on the Tax Map of the Borough of Carteret.

2. Applicant received classification of and preliminary major subdivision approval, final major subdivision approval for Phase I, preliminary site plan approval together with deviations from the Redevelopment Plan and the Borough's Land Development Ordinance, and ordinance design waivers, subject to conditions on September 13, 2004. That approval was memorialized by Resolution adopted on September 29, 2004.

3. Applicant received final site plan approval and final amended subdivision approval for Phases II and III (covering Parcels B, C, D, E and F) and other relief, subject to conditions, on September 21, 2005 and November 30, 2005. This approval was memorialized by Resolution adopted on November 30, 2005.

4. Applicant now seeks approval for certain minor revisions for Phase I, Parcel A South as follows:

A. Front setback for building, where required is 8 foot minimum and 10 foot maximum; where previously approved was 2.07 feet (for Parcel A South; 1.5 feet for Parcel A North) and 9.83 feet, and proposed is 5.33 feet and 7.33 feet for Parcel A South;

B. Maximum impervious coverage, where the maximum permitted is 80%, previously approved was 82.8%, and proposed is 84.5%;

C. Parking spaces, where required are two spaces per dwelling unit (32 spaces for 16 units); previously approved was 56 spaces for 16 units (3.5 spaces per unit) and proposed is 2 spaces per dwelling unit (64 spaces for 32 units).

5. The Board's professional staff has reviewed these proposed minor revisions and is of the opinion that same are de minimus in scope when viewed in context with the entire project.

6. Applicant requests the Board to confirm the administrative approval of the Board's professional staff.

7. Based upon the above findings of fact, the Board concludes as follows:

CONCLUSIONS

1. The aforesaid minor revisions are de minimus and can be granted without substantial impairment to the intent and purpose of the Borough of Carteret Lower Roosevelt Avenue District Redevelopment Plan, the Borough's Zone Plan and Land Development Ordinance and without substantial detriment to the public good.

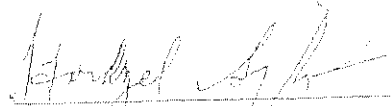
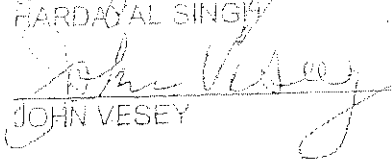
The above is a memorialization of a motion duly made and seconded on May 30, 2007, on the following vote:

ROLL CALL VOTE

Those in Favor:

Opposed:

Abstained:


HARDYAL SINGH, Chairman

JOHN VESEY, Secretary

Dated: 5-30-07

TOTAL PROJECT COST ESTIMATE

Gateway at Carteret Urban Renewal

45 Units - Square footage

67,072

	Amount	Amount Per Square Foot
Land Costs	\$ 2,728,933.69	\$ 40.69

Construction Costs		
Demolition	\$ 22,117.00	\$ 0.33
Sales Trailer		\$ -
Building Construction	\$ 4,793,977.06	\$ 71.48
Site Work & Landscaping	\$ 930,325.60	\$ 13.87
Field Overhead	\$ 54,558.68	\$ 0.81
Total Hard Costs	\$ 5,800,978.34	\$ 86.49

	Amount	% of Hard Costs
Soft Costs		
Architects and Engineers	\$ 256,720.88	4%
Legal Fees	\$ 47,000.00	1%
Construction Financing Costs	\$ 183,831.08	3%
Project Management Costs	\$ 141,092.71	2%
Developer Overhead	\$ 50,000.00	1%
Taxes (during construction period)		0%
Insurance	\$ 18,000.00	0%
Sales Overhead	\$ -	0%
Total Soft Costs	\$ 696,644.67	12%

Contingency		
Total Development Costs	\$ 9,226,556.70	137.56

COST ESTIMATE FOR EACH UNIT TYPE

Attach a summary of the estimated total costs for each unit, broken down by type of unit. This information can be presented in summary form, not at the level of detail required in Exhibit 11. However, this estimate must also be certified by a licensed architect or engineer.

TOTAL PROJECT COST ESTIMATE

Gateway at Carteret Urban Renewal

45 Units - Square foot: 67,072

	Amount	Amount Per Square Foot
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Legal Fees	\$ 47,000.00	1%
Construction Financing Costs	\$ 183,831.08	3%
Project Management Costs	\$ 141,092.71	2%
Developer Overhead	\$ 50,900.00	1%
Taxes (during construction period)		0%
Insurance	\$ 18,000.00	0%
Sales Overhead	\$	0%
Total Soft Costs	\$ 686,644.67	12%

Contingency	
Total Development Costs	\$ 9,226,556.70
	137.56

Calculation of Square Footage By Unit Type

Unit Type	Sq Ft / Unit	# of Units	Total Sq Ft /	%	Total Cost / Type	Cost By Unit Type
N-A	1726	1	1726	2.57%	\$ 237,432	\$ 237,432
N-A1	1671	1	1671	2.40%	\$ 229,866	\$ 229,866
N-B	1255	1	1255	1.87%	\$ 172,640	\$ 172,640
N-B1	1216	1	1216	1.81%	\$ 167,275	\$ 167,275
N-C	1389	3	4167	6.21%	\$ 573,221	\$ 191,074
N-C1	1561	1	1561	2.33%	\$ 214,734	\$ 214,734
N-D	1068	3	3204	4.75%	\$ 440,749	\$ 146,916
N-D1	1159	1	1159	1.73%	\$ 159,434	\$ 159,434
N-E	1504	2	3008	4.48%	\$ 413,780	\$ 206,893
N-F	1142	2	2284	3.41%	\$ 314,192	\$ 157,096
S-A1	1392	3	4176	6.23%	\$ 574,459	\$ 191,486
S-B1	1930	3	5790	8.63%	\$ 796,484	\$ 265,495
S-C1	1198	10	11980	17.86%	\$ 1,647,992	\$ 164,799
S-C2	1281	2	2562	3.82%	\$ 352,434	\$ 176,217
S-D1	1905	9	17145	25.56%	\$ 2,358,500	\$ 262,056
S-D2	2084	2	4168	6.21%	\$ 573,358	\$ 286,679
Total		45	67072	100.00%	\$ 9,226,557	

I hereby certify that the total cost estimate is reasonable.

[Signature]

RUSSELL BOOMER

BOOMER ARCHITECT & ASSOC

3-1-12

PROJECT PRO FORMA

GATEWAY at CARTERET URBAN RENEWAL, LLC
Rental Community
Parcel A North & South
PROFORMA STATEMENT OF OPERATIONS

Total # of units	45	67072 sq ft		
<u>Projected Rent at Stabilization</u>	<u># of Units</u>	<u>Avg Sq Ft</u>	<u>Avg Rent/Mo</u>	
<u>Section A South</u>				
Two Bedroom - 2 Bath Units	13	1255 sq ft	\$	1,600.00
Three Bedroom - 2.5 Bath Units	13	1938 sq ft	\$	1,850.00
Existing Units - 3-bedroom - 2.5 bath	1	1905 sq ft	\$	1,950.00
Existing Units - 2-bedroom - 2 bath	2	1198 sq ft	\$	1,483.00
<u>Section A North</u>				
Two Bedroom - 2 Bath Units	16	1328 sq ft	\$	1,675.00
Gross Apartment Rent		\$	918,780	Per unit/month 1,701
less: Vacancy est	8%		(73,502)	(136)
			845,278	1,565
Other Income			5,000	9
Total Revenue			850,278	1,575
Operating Expenses				Per Unit/Year
Leasing		11,250		250
General & Administrative		22,500		500
Repairs & Maintenance		29,250		650
Water & Sewer		5,950		132
Condo Fee		68,340		1,519
Replacement Reserves		11,250		250
Real Estate Taxes	15% of rent	127,542		2,834
Insurance		17,775		395
Management Fee	4%	36,751		817
		0		0
Total Expenses		330,608		7,347
Income before debt service		\$	519,670	

PROJECT FINANCING PLAN

Attach a detailed explanation of the expected method by which the project will be financed, indicating the amount of equity to be contributed and its source, all public loans and/or grants that are to be used and all private sources of capital.

PROJECT FINANCING PLAN

The Applicant's financing plan for the Project involves its equity and a construction loan.

PRIVATE FINANCING COMMITMENTS

Attach certified copies of any and all letters from public or private sources of capital indicating a commitment to make funds available for the project.

.....

INVESTORS SAVINGS BANK

Commercial Lending Department

101 JFK Parkway, Short Hills, N.J. 07078

973-924-5251

February 25, 2011

Mr. Michael Kaplan
Kaplan Companies
433 River Road
Highland Park, New Jersey 08904

Re: Proposed Section A (North and South) at the Gateway at Carteret project located in Carteret, New Jersey

Dear Mr. Kaplan:

Investors Savings Bank would be interested in considering your request for financing under the terms and conditions set forth below. It should be noted that this letter, regarding a possible credit accommodation, is only an expression of interest on the Bank's part and should not be construed as an offer contract or lending commitment of any kind.

Loan Amount: Construction - \$5,632,500 or 75% of approved appraised value, whichever is less

Permanent - 75% of approved appraised value, whichever is less

At closing the entire approved loan amount will be advanced into a blocked interest bearing account at the Bank. The construction advances will be funded directly from this blocked account.

Security: First mortgage on fully approved Section A (North and South) at the Gateway at Carteret rental project located in Carteret, New Jersey. Section A will include a total of 45 market rental apartment townhomes (3 units are completed/leased and 42 units are to be built).

Borrower: Gateway at Carteret Urban Renewal, LLC
(a single asset entity)

Guarantors: Michael Kaplan
Jason Kaplan
Kaplan Family, LLC

Full, Joint and Several, Guarantee

Terms: Construction/Permanent
Interest Rate: 4.75% (all funds to be fully advanced at loan closing and held in a blocked account in the Borrower's name at the Bank)
Term: 5 years (24 months, interest only)
Amortization: 28 years after interest only period

Unit Releases

The release price of individual units will be 90% of the sales price or 1.25x the outstanding loan amount per unit on a per square foot basis, whichever is greater. The total loan must be repaid no later than the release of the 34th unit. Remaining units must provide for a 1.20x debt service coverage ratio at all times.

Repayment

Privilege:

First year, 5%, Second year, 4%, third year 3%, forth year 2% and fifth year 1% with last 3 months at 0%. Exit fee on released units will be 1% of the released amount.

Commitment Fee:

\$31,500 (1/2%) "Commitment Fee" which is due upon execution of loan "Commitment". The "Application Fee" payable will be a full credit to the "Commitment Fee".

Funding Date:

On or prior to April 15, 2011

Subject to standard conditions plus:

The proposed financing for the above project will incorporate both the construction phase and the permanent loan in one single set of loan documents.

1. Receipt and approval of an appraisal report by a Bank selected appraiser, at Borrower's expense, margining the loan at no more than 75% of the approved appraised value. Borrower funds will be escrowed (deposit, \$3,700) prior to ordering appraisal. Appraisal review fee (deposit, \$550).
2. Receipt and approval of a satisfactory/acceptable environmental Phase I report by a Bank selected environmental consultant, at Borrower's expense. Borrower funds will be escrowed (deposit, \$2,500) prior to ordering report/review.
3. Receipt and approval of a project "Plan and Cost Review" by a Bank selected construction engineer, at Borrower's expense. Each advance of loan funds will require a confirming Bank construction engineer's inspection (\$600 each inspection), at Borrower's expense. Borrower funds will be escrowed (deposit, \$3,000) prior to ordering plan and cost review. The Borrower's "General Contractor" or "Construction Manager" must be acceptable to the Bank with defined construction controls that establish and maintain an on-time/on-budget project completion.
4. Current debt service coverage ratio of no less than 1.20x required based upon income and expenses and appraisal supported net operating income prior to loan closing.
5. Receipt and approval of credit reports, signed original personal financial statements and two years of signed tax returns on all principals.
6. Current debt service must be self-funded by the Borrower/Guarantors.
7. All monthly payments will be debited from a checking account in the Borrower(s) name at the Bank. This checking account will serve as the operating account for the property being financed.
8. Borrower agrees to establish an escrow account with us at closing with an initial deposit in an amount as estimated by us, for the payment as may be applicable for real estate taxes, assessments, ground rentals and any other similar charges. Thereafter, you shall be required to make monthly deposits into such escrow account in amounts estimated by the Bank from time to time for such payments. Such deposits shall not bear interest.

9. An acceptable flood certification determination.

10. Investors Savings Bank shall erect a sign on the site to advertise it's financing of the project.

If such terms are acceptable to you, please signify your acceptance by executing the enclosed copy of this letter where indicated and return same to the undersigned by March 7, 2011 together with the following:

- A check in the amount of \$10,000 (herein called the "Application Fee"), payable to Investors Savings Bank.
- A check in the amount of \$9,750, for deposits on Appraisal (\$3,700), Environmental (\$2,500) Plan/Cost Review (\$3,000) and, Appraisal Review (\$550)

Total of both checks \$19,750 made payable to Investors Savings Bank.

Upon receipt, we will make the appropriate presentation of the foregoing proposal to our loan committee for review.

Should the Bank approve this transaction, a mortgage loan Commitment will be issued which will incorporate the terms specified above and to which supplemental provisions may be added as deemed reasonably necessary by our counsel to conform to the particular requirements of this transaction. Upon such issuance of the Commitment and acceptance thereof by you, the Application Fee will be applied and fully credited towards the Commitment Fee specified above. The balance of the Commitment Fee, if any, is due as set forth above.

In the event that such a Commitment is issued and you do not accept such Commitment within the time period provided therein, the Application Fee will be retained in consideration of the procurement and issuance of said Commitment provided the Commitment is materially the same as provided herein; otherwise the fee will be returned.

In the event we are unable to secure issuance of such commitment the Application Fee will be fully refunded to you. The application fee is NON-REFUNDABLE in the event the application is withdrawn at any time by the applicant.

Very truly yours,

AGREED TO AND ACCEPTED:

Albert T. Owens
Vice President

Kaplan at Carteret, LLC

By: Michael Kaplan Date 3/1/11

EXPLANATION OF NEED FOR TAX ABATEMENT

Attach an explanation of why the applicant believes that a long term tax abatement is necessary to make this Project economically feasible. Include specific figures where possible to explain any financing gaps.

EXPLANATION OF THE NEED FOR TAX EXEMPTION

Despite the Applicant's investment of equity and the anticipated construction loan funds, such amounts are insufficient to pay all the costs associated with the redevelopment of the property and construction of the Project. As a result, a long term tax exemption is necessary to make the Project economically feasible.

PROJECT SCHEDULE

..... Attach a detailed schedule of the key milestone dates in the approval, construction and leasing or
sale of the project.

.....

PROJECT SCHEDULE

.....
Construction commencement – on/or about May 1, 2011;

Leasing Commencement – June 15, 2011

First occupancy – September 1, 2011
.....

SUMMARY OF PROJECT BENEFITS

Attach a summary of all the public benefits associated with this project, including, at a minimum, the number and type of construction jobs anticipated, the number and type of permanent jobs to be created and the amount of municipal revenue to be generated by the project through the payment of taxes, payments in lieu of taxes, water and sewer fees and any other municipal payments.

STATEMENT OF PROJECT BENEFITS

The Project Site is located in the chrome area of the Borough of Carteret. The Borough Council by resolution designated the Project Site as a redevelopment area designated as the Lower Roosevelt Avenue Redevelopment Area. The Applicant is redeveloping and revitalizing the Project Site to an aesthetically pleasing multi-family rental use development which has been remediated in accordance with the rules and regulations of the New Jersey Department of Environmental Protections Licensed Site Remediation Program.

Furthermore, the number of jobs to be created by the project during the term of its construction and permanently are:

Construction jobs: 100

Permanent jobs: 2

Lastly, the project will create a significant amount of municipal revenue through the Project's payments in lieu of taxes and water and sewer fees.

FORM OF FINANCIAL AGREEMENT

The appropriate form of Financial Agreement should be attached to this application.

THIS SECOND AMENDED FINANCIAL AGREEMENT AND THE ORDINANCE ATTACHED HERETO AS EXHIBIT B SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

Record and return to:

Kevin P. McManimon, Esq.
McManimon & Scotland, L.L.C.
One Riverfront Plaza
Newark, New Jersey 07102

Second Amended Financial Agreement

By and Between

The Borough of Carteret

and

Gateway at Carteret Urban Renewal, L.L.C.

THIS SECOND AMENDED FINANCIAL AGREEMENT (hereinafter, the "Second Amended Agreement"), made as of this [] day of [], 2010, by and between Gateway at Carteret Urban Renewal, L.L.C., an urban renewal entity, along with its successors and/or assigns (including Unit Purchasers (as defined herein)), qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1, *et seq.* (the "Long Term Tax Exemption Law"), with offices at 433 River Road, Highland Park, NJ 08904 (the "Entity") and the Borough of Carteret, a municipal corporation in the County of Middlesex and the State of New Jersey (the "Borough", and together with the Urban Renewal Entity, the "Parties").

WITNESSETH:

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

WHEREAS, pursuant to the Act, the Borough designated certain areas of the Borough, constituting Block 243, Lots 1-5, Block 252, Lots 1-5, Block 253, Lots 1-7, Block 254, Lots 1, 2, 3.01, 3.02, 4.01, 6-10 and 12-14, Block 260, Lots 7-15, Block 261, Lots 1-8, Block 272, Lots 1-6, 6.01 and 7-16, Block 273, Lots 10-12 and Block 292, Lots 1-3, all as identified on the official tax maps of the Borough, as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, on February 6, 2003 the Governing Body adopted Ordinance No. 03-02, approving and adopting a redevelopment plan, entitled "The Lower Roosevelt Avenue Redevelopment Plan", superseding the provisions of the Borough's land development ordinance for the Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan provides for, among other things, the construction of mixed use improvements, consisting of for-sale and rental residential components and a retail component in the Redevelopment Area; and

WHEREAS, on February 18, 2003, the Borough adopted Resolution number 03-113, designating Kaplan at Carteret, L.L.C. (the "Redeveloper", and predecessor in interest to the Entity (as defined herein)) as the redeveloper of the Redevelopment Area and authorizing the negotiation of a redevelopment agreement with the Redeveloper; and

WHEREAS, pursuant to a redevelopment agreement by and between the Borough and the Redeveloper dated February 25, 2004, as amended by the First Amendment to the Redevelopment Agreement, dated July 13, 2004, the Second Amendment to the Redevelopment Agreement, dated February 16, 2005, the Third Amendment to the Redevelopment Agreement, dated February 16, 2005 and the Fourth Amendment to the Redevelopment Agreement dated as of August 31, 2007 (collectively, the "Redevelopment Agreement"), the Redeveloper agreed to redevelop the Redevelopment Area; and

WHEREAS, despite the Redeveloper's investment of equity and borrowed funds, such amounts are insufficient to pay for all of the costs associated with the redevelopment of the Redevelopment Area; and

WHEREAS, pursuant to the Redevelopment Agreement, the Borough and the Redeveloper are to share pre-development costs, including, but not limited to the cost of acquiring the Redevelopment Area, relocation costs, costs of demolishing existing structures on the Redevelopment Area and costs incurred in connection with environmental remediation of the Redevelopment Area in accordance with New Jersey Department of Environmental Protection standards (collectively, the "Shared Pre-Development Costs"); and

WHEREAS, pursuant to the Redevelopment Agreement, the Borough will reimburse the Redeveloper for one hundred percent (100%) of documented Shared Pre-Development Costs in excess of \$11,400,000 but less than \$13,900,000, and fifty percent (50%) of documented Shared Pre-Development Costs incurred in excess of \$13,900,000 (collectively, the "Borough Pre-Development Cost Contribution"); and

WHEREAS, by Resolution No. 05-48, adopted by the Borough Council on January 27, 2005, pursuant to Section 4 of the Act (N.J.S.A. 40A:12A-4), the Borough designated the Carteret Redevelopment Agency (the "Redevelopment Agency") to act as the "Redevelopment Entity" (as such term is defined in the Act at N.J.S.A. 40A:12A-3) for the Redevelopment Area to exercise the powers contained in the Act to facilitate the development and redevelopment of the Redevelopment Area; and

WHEREAS, to assist the Borough in financing the Borough Pre-Development Cost Contribution and certain other Borough costs as set forth in the Redevelopment Agreement, the Redevelopment Agency, as redevelopment entity, has issued bonds and notes (the "Obligations") pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12-64, *et seq.* (the "Bond Financing Law"); and

WHEREAS, on February 10, 2006, the Redeveloper created the Entity by filing a Certificate of Formation with the Department of Treasury, State of New Jersey, under N.J.S.A. 42:2B-1 *et seq.*, the New Jersey Limited Liability Company Act, for the purposes of initiating and conducting projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated by the Long Term Tax Exemption Law; and

WHEREAS, the Entity is responsible for implementing the design, development, financing, construction, operation and management of the redevelopment of the portion of the

Redevelopment Area comprised of Block 260, Lots 7-15, Block 261, Lots 1-8, Block 272, Lots 1-6 and 6.01, and Block 273, Lots 10-12 (hereinafter, the "Property"); and

WHEREAS, the provisions of the Long Term Tax Exemption Law and such other statutes as may be sources of relevant authority, authorize the Borough to accept, in lieu of real property taxes, annual service charges paid to the Borough as set forth in such laws ("Annual Service Charges"); and

WHEREAS, in accordance with the provisions of the Long Term Tax Exemption Law, on April 12, 2007, the Entity filed an application with the Borough seeking tax exemption in connection with the redevelopment of the Property (the "Initial Application"); and

WHEREAS, the Property was initially to be redeveloped, pursuant to the Gateway Financial Agreement (as defined herein), with various components including forty-eight (48) townhouses (the "Townhouse Component") and up to one hundred thirty eight (138) condominium units (the "Condominium Component" and, together with the Townhouse Component, the "Initial Project"); and

WHEREAS, the Borough agreed to grant such tax exemption to the Entity for the Initial Project and, pursuant to the Long Term Tax Exemption Law, such other statutes as may be sources of relevant authority and Ordinance No. 07-09, duly adopted by the Borough on July 12, 2007, the Borough approved the Initial Application and entered into a Financial Agreement with the Entity, dated as of July 31, 2007 (the "Gateway Financial Agreement"), to memorialize the terms and conditions by which the Entity will pay Annual Service Charges to the Borough in connection with the Initial Project; and

WHEREAS, pursuant to the Bond Financing Law and such other statutes as may be sources of relevant authority, the Borough pledged in the Gateway Financial Agreement, to the extent required, the Annual Service Charges paid to the Borough by the Entity to pay Debt Service; and

WHEREAS, the Borough and the Entity agreed that any portion of the Annual Service Charges paid by the Entity to the Borough in excess of the amount needed to pay Debt Service shall be returned to the Borough and retained and used by the Borough for any lawful purpose; and

WHEREAS, as a result of certain conditions in the for-sale residential real estate market, the Entity proposed to amend the Condominium Component and construct one hundred thirty (130) condominiums, rather than one hundred thirty-eight (138) condominiums, and to offer same for rent (the "Amended Condominium Component" and, together with the Townhouse Component, the "Gateway Project") until the for-sale residential real estate market will permit the sale of such units to third-party purchasers at reasonable prices (the "Rental Period"); and

WHEREAS, the Entity proposed to retain ownership of the Amended Condominium Component during the Rental Period until the units thereof can be sold to third-party purchasers; and

WHEREAS, the Entity submitted an application to the Borough (the "First Amended Application") requesting that the Gateway Financial Agreement be revised to set forth the manner in which the Annual Service Charges to be paid by the Entity will be calculated for the Amended Condominium Component during and after the Rental Period and for the Townhouse Component during the term of the Gateway Financial Agreement; and

WHEREAS, the Entity also submitted a proposed amended Gateway Financial Agreement (the "First Amended Gateway Financial Agreement") to the Mayor for review; and

WHEREAS, the Mayor submitted the Amended Application and First Amended Gateway Financial Agreement to the Borough Council with his recommendation of approval, a copy of which is on file with the Borough Clerk; and

WHEREAS, the Borough Council, on December 18, 2008, adopted Ordinance 08-38(a) approving the Amended Application and authorizing the execution of this First Amended Gateway Financial Agreement; and

WHEREAS, the Borough and the Entity executed the First Amended Gateway Financial Agreement as of May 26, 2009; and

WHEREAS, as a result of certain conditions in the for-sale residential real estate market, the Entity now proposes to construct fifty-six (56), rather than forty-eight (48) townhouses, and to offer same for sale, and/or to offer same for rent during the Rental Period, after which it will make commercially reasonable efforts to sell such units to third-party purchasers (the "Amended Townhouse Component" and, together with the Amended Condominium Component, the "Amended Gateway Project"); and

WHEREAS, except for units within the Amended Townhouse Component that have already been sold to third-party purchasers, the Entity proposes to retain ownership of the Amended Townhouse Component and the Amended Condominium Component during the Rental Period until the units thereof can be sold to third-party purchasers; and

WHEREAS, the Entity submitted another amended application to the Borough (the "Second Amended Application") requesting that the First Amended Gateway Financial Agreement be further revised to set forth the manner in which the Annual Service Charges to be paid by the Entity will be calculated for the Amended Townhouse Component and the Amended Condominium Component; and

WHEREAS, the Entity also submitted this Second Amended Agreement to the Mayor for review, a copy of which is on file with the Borough Clerk; and

WHEREAS, the Mayor submitted the Second Amended Application and this Second Amended Agreement to the Borough Council with his recommendation of approval (the "Mayor's Recommendation"), a copy of which is on file with the Borough Clerk; and

WHEREAS, this Second Amended Agreement contemplates that the Annual Service Charges will be dedicated to Debt Service pursuant to the Bond Financing Law; and

WHEREAS, in order to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to payment of the Annual Service Charges by the Entity, in lieu of real property taxes in connection with the Amended Gateway Project and with the issuance of the Obligations by the Redevelopment Agency, the Parties desire to enter into this Second Amended Agreement; and

WHEREAS, the Borough Council, on [____], 2010 adopted Ordinance No. 10-[____] (the "Ordinance") approving the Second Amended Application and authorizing the execution of this Second Amended Agreement.

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

ARTICLE I GENERAL PROVISIONS

Section 1.01 Governing Law – This Second Amended Agreement shall be governed by the laws of the State of New Jersey, including the provisions of the Long Term Tax Exemption Law, the Act, the Bond Financing Law and such other statutes as may be the sources of relevant authority, if any. It is expressly understood and agreed by the Parties that the Borough expressly relies upon the facts, data, and representations contained in the Second Amended Application in granting this tax exemption.

Section 1.02 General Definitions – The following terms shall have the meaning assigned to such term in the preambles hereof:

<u>Act</u>	<u>Long Term Tax Exemption Law</u>
<u>Amended Application</u>	<u>Mayor's Recommendation</u>
<u>Amended Condominium Component</u>	<u>Obligations</u>
<u>Amended Gateway Project</u>	<u>Ordinance</u>
<u>Amended Townhouse Component</u>	<u>Parties</u>
<u>Annual Service Charges</u>	<u>Property</u>
<u>Bond Financing Law</u>	<u>Redeveloper</u>
<u>Borough</u>	<u>Redevelopment Agency</u>
<u>Borough Pre-Development Cost Contribution</u>	<u>Redevelopment Agreement</u>
<u>Condominium Component</u>	<u>Redevelopment Area</u>
<u>Entity</u>	<u>Redevelopment Plan</u>
<u>First Amended Gateway Financial Agreement</u>	<u>Rental Period</u>
<u>Gateway Financial Agreement</u>	<u>Second Amended Agreement</u>
<u>Gateway Project</u>	<u>Second Amended Application</u>
<u>Initial Application</u>	<u>Shared Pre-Development Costs</u>
<u>Initial Project</u>	<u>Townhouse Component</u>

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

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

Allowable Profit Rate – The Allowable Profit Rate is the greater of (i) 12%, or (ii) the percentage per annum arrived at by adding 1 1/4% to the annual interest percentage rate on the Entity's initial permanent private mortgage financing. If there is no permanent mortgage financing, the percentage per annum under (ii) above shall be arrived at by adding 1 1/4 % per annum to the interest rate that the Borough determines to be the prevailing rate on mortgage financing on comparable improvements in the area.

Annual Service Charges – The payment by the Entity to the Borough pursuant to Section 4.01 hereof.

Auditor's Report – A complete financial statement outlining the financial status of the Amended Gateway Project (for a period of time as indicated by context), the contents of which have been prepared in a manner consistent with generally accepted accounting principles and that fully details all items as required by the applicable statutes, including the Allowable Net Profit for the period as defined in N.J.S.A. 40A:20-15, and that has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State.

Bondholder – Any person who is the registered owner of any outstanding Obligations.

Certificate of Completion – shall mean a certificate or certificates, issued by the Borough authorizing occupancy of a building, in whole or in part, and certifying that the Redeveloper has performed its duties and obligations under the Redevelopment Agreement and the Redevelopment Plan with respect to the Amended Gateway Project, or any portion thereof.

Certificate of Occupancy – A permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code, issued by the Borough authorizing occupancy of a building, in whole or in part upon completion of the Amended Gateway Project, or any portion thereof, pursuant to N.J.S.A. 52:27D-133.

Chief Financial Officer – shall mean the Borough's chief financial officer.

County – shall mean the County of Middlesex.

Debt Service – The installments of principal and interest due on the Obligations.

Debt Service Fund – shall mean the Debt Service Fund established under the Trust Indenture for the payment of Debt Service.

Default – The failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Second Amended Agreement after notice and opportunity to cure as provided herein.

Gross Revenue – The annual gross revenue of the Entity as defined as Gross Revenue in N.J.S.A. 40A:20-3(a).

In Rem Tax Foreclosure – A summary proceeding by which the Borough may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by the Tax Sale Law (as defined herein).

Land Taxes – The amount of taxes assessed on the value of the land portion of the Property.

Majority of Bondholders – Bondholders owning more than a certain percentage of the aggregate principal amount of all outstanding Obligations, which term will be defined in more detail and which percentage will be established in the Trust Indenture.

Minimum Annual Service Charges – shall be as defined in Section 4.02 hereof.

Net Profit – The Gross Revenue of the Entity 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). There is expressly excluded from calculation of Gross Revenue and from net profit, for purposes of determining compliance with the Long Term Tax Exemption Law, any gains on the sale of the Amended Gateway Project, in whole or any part, or any gain realized by the Entity on the sale of a Unit, whether or not taxable under Federal or State law.

Project Completion Date – The date on which the Amended Gateway Project, in its entirety, shall be completed, as evidenced by the issuance of a Certificate of Completion.

Special Assessments – shall mean the assessment by the Borough against the Property with the consent of the Entity as authorized by the New Jersey Local Improvements Law, N.J.S.A. 40:56-1 *et seq.*, as amended and supplemented.

State – shall mean the State of New Jersey.

Tax Assessor – shall mean the Borough tax assessor.

Tax Collector – shall mean the Borough 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.

Temporary Certificate of Occupancy – shall mean a document issued by the Borough authorizing temporary occupancy of a building on the Property.

Section 2.03 Improvements to be Constructed – The Entity represents that it will construct the Amended Gateway Project in accordance with the Redevelopment Plan, the Redevelopment Agreement and the Second Amended Application attached hereto as Exhibit A.

Section 2.04 Construction Schedule – The Entity agrees to make commercially reasonable efforts to complete the Amended Gateway Project in accordance with the schedule set forth in the Second Amended Application.

ARTICLE 3 DURATION OF AGREEMENT

Section 3.01 Term - It is understood and agreed by the Parties that this Second Amended Agreement, including the obligation to pay the Annual Service Charges required under Article 4 hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in full force and effect until the earlier of (i) July 31, 2042 (thirty-five (35) years from the date of execution of the Gateway Financial Agreement), or (ii) thirty (30) years from the date the Amended Gateway Project is completed. In the event that such date is later than the date on which no Obligations remain "outstanding" within the meaning of the Trust Indenture, the Annual Service Charges shall no longer be pledged to the Trustee but shall be paid directly to and retained by the Borough. This Second Amended Agreement shall constitute evidence of a lien securing such obligation, which lien shall survive any termination hereof. At the expiration of the term hereof the tax exemption for the Amended Gateway Project shall expire and the Amended Gateway Project shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Borough. After expiration of the term hereof, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-13, if applicable.

Section 3.02 No Voluntary Termination - Neither the Entity nor the Borough may terminate this Second Amended Agreement during the period when any Obligation remains "outstanding" within the meaning of the Trust Indenture. At such time as the Obligations are no longer "outstanding", the Entity shall have such termination rights as are provided under the Long Term Tax Exemption Law.

Section 3.03 Date of Termination - Upon any Termination of the tax exemption described in Section 3.01 hereof, the date of such Termination shall be deemed to be the end of the fiscal year of the Entity.

ARTICLE 4 ANNUAL SERVICE CHARGES

Section 4.01 Annual Service Charges – The "Annual Service Charges" that the Entity shall pay to the Borough shall be as follows:

(a) In connection with the Amended Townhouse Component, for Units that were completed and sold to Unit Purchasers prior to the effective date of this Second Amended Agreement, (i) for each of years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost; and (ii) for each of years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the respective Units multiplied by the then current tax rate effective in the Borough.

(b) In connection with the Amended Townhouse Component, for Units not sold by the Entity as of the effective date of this Second Amended Agreement, during the Rental Period (i) for each year prior to the expiration of the Permanent Loan Period (as defined in Section 4.08 hereof), fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Townhouse Component; and (ii) from the end of the Permanent Loan Period until the expiration of the term of this Second Amended Agreement, the greater of (A) fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Townhouse Component and (B) the amount equal to the Land Taxes, plus the then assessed value of the Amended Townhouse Component multiplied by the then current tax rate effective in the Borough.

(c) In connection with the Amended Townhouse Component for Units not sold by the Entity as of the effective date of this Second Amended Agreement, upon the sale of any portion thereof to Unit Purchaser(s) (i) during years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost for the portion of the Amended Townhouse Component so sold; and (ii) during years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the Amended Townhouse Component multiplied by the then current tax rate effective in the Borough.

(d) In connection with the Amended Condominium Component not sold by the Entity as of the Effective Date of this Second Amended Agreement, during the Rental Period (i) for each year prior to the expiration of the Permanent Loan Period (as defined in Section 4.08 hereof), fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Condominium Component; and (ii) from the end of the Permanent Loan Period until the expiration of the term of this Second Amended Agreement, the greater of (A) fifteen percent (15%) of the Annual Gross Revenue of the Entity in connection with the Amended Condominium Component and (B) the amount equal to the Land Taxes, plus the then assessed value of the Amended Condominium Component multiplied by the then current tax rate effective in the Borough.

(e) In connection with the Amended Condominium Component, upon the sale of any portion thereof to Unit Purchaser(s) (i) during years one through seven of the term of this Second Amended Agreement, two percent (2%) of the Total Project Cost for the portion of the Amended Condominium Component so sold; and (ii) during years eight through thirty of the term of this Second Amended Agreement, the amount equal to the Land Taxes, plus the then assessed value of the Amended Condominium Component multiplied by the then current tax rate effective in the Borough.

The Annual Service Charges shall be paid to the Borough (but which payment shall be directed to the Trustee in accordance with Section 5.02 hereof).

Section 4.02 Minimum Annual Service Charges – In the event that the Amended Gateway Project is unable to generate sufficient Annual Service Charges to meet the Debt Service, the Entity hereby expressly agrees and covenants to make payments to the Borough of Minimum Annual Service Charges. The Minimum Annual Service Charges shall be the difference between the Annual Service Charges then being collected from the Amended Gateway Project and the amount needed to make the requisite Debt Service Payments. Such payments made by the Entity shall be credited against the total amount due hereunder as Annual Service Charges in successive years (but which shall not relieve the Entity from paying successive installments as and when they come due). The obligation to make such payments and the right to any such credits arising therefrom shall be the Entity's obligation and right, and the Unit Purchasers shall have no obligations or rights with respect to such pre-payments or credits. Any credit given pursuant to the immediately preceding sentence shall only be applied when adequate funds are available under this Second Amended Agreement and/or any other financial agreement (which utilizes annual service charges for Debt Service) to satisfy Debt Service. The Parties hereto acknowledge that Camelot at Carteret, LLC ("Camelot"), an Urban Renewal Entity formed and wholly owned by the Redeveloper, will construct retail and rental improvements under the Redevelopment Agreement and a financial agreement between the Borough and Camelot (the "Camelot Financial Agreement"). In the event that the Entity makes such Minimum Annual Service Charge payments under this Section, such payments shall be credited against the total amount due under the Camelot Financial Agreement to the same extent that such payments are credited hereunder. In the event that Camelot makes such payments under the Camelot Financial Agreement, such payments shall be credited against the total amount due hereunder to the same extent that such payments are credited under the Camelot Financial Agreement.

Section 4.03 Quarterly Installments – The Entity expressly agrees that installments of the aforesaid Annual Service Charges shall be paid quarterly in a manner consistent with the Borough's tax collection schedule. The first installment of the Annual Service Charges shall be paid on the date of substantial completion of the Amended Gateway Project, or any portion thereof if the Amended Gateway Project is completed in phases or units. In the event that no Units have been substantially completed, or if any Unit has been substantially completed but not yet rented or sold, as applicable, by the Entity by the time the requirement to pay Debt Service commences, or as otherwise provided in the Redevelopment Agreement, the Entity shall pre-pay installments of the Annual Service Charges to the extent required to cover Debt Service ("Pre-Paid Annual Service Charges"). Pre-Paid Annual Service Charges will be paid in accordance with Article V hereof and will be due no less than thirty (30) days before any principal and/or interest payments, as applicable, are due. Such pre-payment shall be credited against the total amount due hereunder as Annual Service Charges (but which shall not relieve the Entity from paying successive installments as and when they come due). The obligation to make such pre-payments and the right to any such credits arising therefrom shall be the Entity's obligation and right, and the Unit Purchasers shall have no obligations or rights with respect to such pre-payments or credits. Any credit given pursuant to the immediately preceding sentence shall only

be applied when adequate funds are available under this Second Amended Agreement and/or any other financial agreement (which utilizes annual service charges for Debt Service) to satisfy Debt Service. In the event that the Entity pre-pays quarterly installments under this Section, such pre-payments shall be credited against the total amount due under the Camelot Financial Agreement to the same extent that such pre-payments are credited hereunder. In the event that Camelot makes such pre-payments under the Camelot Financial Agreement, such pre-payments shall be credited against the total amount due hereunder to the same extent that such pre-payments are credited under the Camelot Financial Agreement. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under New Jersey law in the case of unpaid taxes or tax liens on the land until paid.

Section 4.04 Land Taxes – It is the intent of the parties that the land portion of the Property shall be exempt from taxation pursuant to the terms of this Second Amended Agreement and as permitted by N.J.S.A. 40A:20-12.

Section 4.05 Material Conditions - It is expressly agreed and understood that all payments of Annual Service Charges, Special Assessments and any interest payments, penalties or costs of collection due thereon, are material conditions of this Second Amended Agreement ("Material Conditions"). If any other term, covenant or condition of this Second Amended Agreement or the Second Amended Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Second Amended 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 Second Amended Agreement shall be valid and enforced to the fullest extent permitted by law.

Section 4.06 Payments – Neither the Entity nor the Borough may alter the amounts or dates as established by Section 4.01, 4.02 or 4.03 hereof.

Section 4.07 Annual Service Charges as Municipal Lien – As provided in the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, and such other statutes as may be sources of relevant authority, if any, the Annual Service Charges shall be a continuous, municipal lien (as such term is defined and used in the Tax Sale Law) on the Property and the Amended Gateway Project.

Section 4.08 Construction Loan Period; Permanent Loan Period – The Entity contemplates that it will undertake a financing for the period during which it will construct the Gateway Project (the "Construction Loan Financing"), which period end no later than May 26, 2012 (the "Construction Loan Period"). The Entity further contemplates that it will permanently finance the Construction Loan Financing (the "Permanent Loan Financing") prior to the expiration of the Construction Loan Period, and that the Permanent Loan Financing shall be effective for not more than ten (10) years after the expiration of the Construction Loan Period (the "Permanent Loan Period"). If the for-sale residential real estate marketplace will permit the absorption of the Units of the Amended Townhouse Component (to the extent applicable) and the Amended Condominium Component into the marketplace, nothing herein shall prevent the

offering, by the Entity, of the Units comprising the Amended Townhouse Component (to the extent applicable) and the Amended Condominium Component for sale at any time. Upon such sale, the Annual Service Charges to be paid in connection therewith shall be paid in accordance with Section 4.01(c) and (e) hereof, as applicable.

ARTICLE 5 PLEDGE OF ANNUAL SERVICE CHARGE TO OBLIGATIONS

Section 5.01. Entity's Consent - The Entity hereby consents and agrees to the amount of the Annual Service Charges and/or Special Assessments and to the liens established in this Second Amended Agreement, and the Entity shall not contest the validity or amount of any such Annual Service Charges or lien. The Entity's remedies shall be limited to those specifically set forth herein and as otherwise as provided by law.

Section 5.02. Security for the Obligations - As security for the full and timely payment of Debt Service, the Borough and the Entity agree to and hereby assign all of their interest in each payment of the Annual Service Charges and any Special Assessments, including interest, penalties and costs of collection, to the extent necessary and for the purpose of meeting their obligations to the Trustee. Each installment payment of the Annual Service Charges, as set forth in Section 4.02 hereof, is to be made to the Trustee and clearly identified as the "Annual Service Charge Payment for the Lower Roosevelt Redevelopment Area Gateway Project".

If any installment of the Annual Service Charges is not paid to the Trustee in accordance with this Second Amended Agreement, the Entity hereby waives any objection or right to challenge the use by the Borough (or the Trustee as assignee and agent of the Borough) of the enforcement of remedies to collect such installment of the Annual Service Charges as are afforded the Borough by law, including the Tax Sale Law, provided, however, that in no event shall there be any acceleration of any amounts due and owing to repay the Obligations, and such remedies shall be limited solely to the collection of delinquent and unpaid amounts past due for payment, including interest, penalties and costs of collection provided for by the Tax Sale Law.

Other than as set forth in this section, the Borough hereby pledges and assigns the installments of the Annual Service Charges and any Special Assessment to the Trustee, to secure payment of the Obligations. This pledge constitutes an absolute unconditional assignment of the Annual Service Charges or Special Assessments. There shall not be any pledge of the Annual Service Charges or Special Assessments to the extent same are required for Debt Service by the Borough to any person other than the Trustee.

Pursuant to the Bond Financing Law and such other statutes as may be sources of relevant authority, if any, the Annual Service Charges and/or the Special Assessments to the extent same are required for Debt Service shall not be included within the general funds of the Borough. The Borough's pledge of the Annual Service Charges and/or the Special Assessments to the Trustee for the Obligations shall be a limited obligation of the Borough payable to the extent of payments received from the Entity and shall not constitute a general obligation of the Borough.

If received by the Borough, the Borough's Chief Financial Officer shall forward all installments of the Annual Service Charge and/or Special Assessments to the Trustee in accordance with this Second Amended Agreement.

Any payment of the Annual Service Charges that is in excess of the amount required to be paid to the Trustee for Debt Service in any Bond Year (as defined in the Trust Indenture) shall be returned to the Borough and retained and used by the Borough for any lawful purpose.

After the Obligations are retired, the Borough shall receive, retain and use the installments of the Annual Service Charges or Special Assessments, if any, for any lawful purpose.

Section 5.03 Use of Annual Service Charge, Including the Payment of Debt Service – Flow of Funds under the Trust Indenture – In connection with the Obligations, the Redevelopment Agency and the Trustee have entered into the Trust Indenture, dated as of November 1, 2008, as supplemented, including by a Supplemental Indenture of Trust, dated as of November 1, 2009, in order to establish, among other things, the terms and conditions for the application of the Annual Service Charges, payment of Debt Service, and the relative rights and responsibilities of the Borough to the holders of the Obligations. Upon receipt of the Annual Service Charges, the same shall be transmitted to the Trustee, who shall apply the Annual Service Charges as provided in the Trust Indenture. The Trust Indenture shall, in accordance with this Section, provide for the application of the amounts on deposit under the Trust Indenture in the following order, priority and rank:

- (1) *First*, to the Debt Service Fund, in an amount equal to the Annual Debt Service on the Obligations;
- (2) *Second*, to replenish any reserves, but not including such amounts as are released to the Borough as a result of a reduction in the amounts on deposit in the debt service reserve by reason of amortization of the principal amount of the Obligations;
- (3) *Third*, to pay any other necessary amounts due under the Trust Indenture, or other agreements to be negotiated (including trustee fees and any federal income tax rebate obligation); and
- (4) *Fourth*, the balance to the Borough, to be utilized for any lawful government purpose, in the Borough's sole discretion.

ARTICLE 6 REMEDIES

SECTION 6.01. Remedies – In the event of a breach of this Second Amended 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 apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Long Term Tax Exemption Law and the Bond Financing Law, as amended and supplemented. In the event the Superior Court shall not entertain jurisdiction or, in the event of a breach of Material Condition, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said laws. Costs for said arbitration shall be paid by the non-prevailing party. In the event of a default on the part of the Entity to pay any installment of the Annual Service Charges, and/or any Special Assessment required by Article IV above, the Borough, the Trustee acting as assignee and agent of the Borough or the Redevelopment Agency, as third-party beneficiary of this Second Amended Agreement, in addition to their other remedies, reserve the right to proceed against the Entity's land and premises, in the manner provided by law, including the Tax Sale Law, and any act supplementary or amendatory thereof; provided, however, that in no event shall there be any acceleration of any future Annual Service Charges or Special Assessments. Whenever the word "taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Second Amended Agreement, as if the Annual Service Charges were taxes or municipal liens on land.

ARTICLE 7 CERTIFICATE OF OCCUPANCY

Section 7.01 Certificate of Occupancy - It is understood and agreed that the Entity shall remain obligated to make application for and make all good faith efforts which are reasonable to obtain Certificates of Occupancy for the Amended Gateway Project in a timely manner as identified in the Second Amended Application.

Section 7.02 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 Borough a copy of each Certificate of Occupancy.

ARTICLE 8 ANNUAL AUDITS

Section 8.01 Accounting System - The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles consistently applied, and as otherwise prescribed in the Long Term Tax Exemption Law during the term of this Second Amended Agreement.

Section 8.02 Periodic Reports - If the Entity is still responsible to pay the Annual Service Charges (i.e., if the Amended Gateway Project has not yet been divided into Units and sold to Unit Purchasers), then, within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Second Amended Agreement shall

continue in effect, the Entity shall submit its Auditor's Report certified by an independent certified public accountant for the preceding fiscal or calendar year to the Mayor, the Borough Council and the Borough Clerk, who shall advise those municipal officials required to be advised, and to the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(d)*. The Auditor's Report shall include, but not be limited to, the terms and interest rate on any mortgage(s) associated with the Amended Gateway Project, the Allowable Net Profit for the period shown, and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Long Term Tax Exemption Law and this Second Amended Agreement.

Section 8.03 Inspection – Upon the request of the Borough, the Trustee or the State, the Entity shall permit the inspection of property, equipment, buildings and other facilities of the Entity by the requesting party or its agents. It shall also permit, upon request of the Borough or the State, reasonable examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by such Borough or State. Such inspection, examination or audit shall be made during normal business hours, in the presence of any officer or agent of the Borough.

Section 8.04 Limitation on Profits and Reserves - During the period of tax exemption as provided herein, and to the extent otherwise applicable to the Entity, the Allowable Net Profit limitation shall apply to the Entity pursuant to the provisions of the Long Term Tax Exemption Law. Pursuant to *N.J.S.A. 40A:20-15*, the calculation of Net Profit shall be cumulative for the period commencing at the time the Amended Gateway Project is completed.

Section 8.05 Payment of Dividend and Excess Profit Charge – To the extent applicable under the Long Term Tax Exemption Law, whenever the Net Profit of the Entity for the period, taken as one accounting period, commencing upon the substantial completion of the Amended Gateway Project and terminating at the end of the last full fiscal year, shall exceed the Allowable Net Profits for the period, the entity shall, within 90 days of the close of that fiscal year, pay the excess Net Profit to the Borough as an additional service charge, provided, however, that the Entity may maintain any reserves permitted by *N.J.S.A. 40A:20-3(c)(1)* or *40A:20-15*.

ARTICLE 9 ASSIGNMENT AND/OR ASSUMPTION

SECTION 9.01 Approval The Entity may sell all or a portion of the Amended Gateway Project provided that the sale is (i) in accordance with the provisions of the Redevelopment Agreement, (ii) to another urban renewal entity organized under and in full compliance with the provisions of the Long Term Tax Exemption Law imposed on "urban renewal entities", as defined therein, including successors and assigns of the Entity, which is not unacceptable to a Majority of Bondholders, provided that the obligations of the Entity under this Second Amended Agreement are, to the extent those obligations relate to the portion of the Property acquired by the transferee, fully assumed by the transferee, and (iii) only in the event that the Entity has delivered to the Borough and the Trustee an opinion of nationally-recognized bond counsel to the effect that the sale will not adversely affect the exclusion from gross income

for federal income tax purposes of the interest on any tax-exempt Obligations. Any purported sale or other transfer of all or any portion of the Amended Gateway Project in violation of the preceding sentence shall be void *ab initio*. The Trustee and a Majority of Bondholders each shall be deemed to be a third-party beneficiary of this Section 9.01 for as long as any Obligations remain outstanding. Upon such conditions being met and subject to the satisfaction of the provisions of the Redevelopment Agreement, the Borough will consent to a transfer of the Amended Gateway Project by the Entity to another urban renewal entity organized under the Long Term Tax Exemption Law, their successors and assigns, and the transfer of this Second Amended Agreement to such urban renewal entity, all owning no other project at the time of the transfer. Further, the Borough will consent that upon assumption by the transferee urban renewal entity of the Entity's obligations, to the extent those obligations relate to the portion of the Property acquired by the transferee under this Second Amended Agreement, the tax exemption for the Amended Gateway Project shall continue and inure to the transferee urban renewal entity and its respective successors or assigns.

SECTION 9.02 Consent to Sale of Units: Requirement of Continued Tax Exemption – Notwithstanding anything to the contrary herein, the Borough hereby acknowledges that the Entity, as owner of the Amended Gateway Project, will impose a condominium form of ownership on the Amended Gateway Project and may ultimately sell the individual Units of the Amended Townhouse Component and Amended Condominium Component to Unit Purchasers for residential occupancy. The Borough hereby consents to the imposition of such condominium form of ownership and to a sale of any individual Unit to a Unit Purchaser, whether such Units are part of the Amended Townhouse Component or part of the Amended Condominium Component. The Borough further consents to and requires that upon assumption by any Unit Purchasers of the transferor's obligations under this Second Amended Agreement (which assumption shall be required and deemed to have occurred upon sale), the tax exemption of the Amended Gateway Project shall continue and inure to the Unit Purchasers and their respective successors and assigns. No Unit Purchasers shall be permitted to terminate this Second Amended Agreement as to their respective units. Notwithstanding the foregoing, as a result of unfavorable conditions in the for-sale residential real estate market, the Entity will initially retain ownership of the Amended Gateway Project, during the Rental Period, and rent same to lessees until the for-sale residential real estate market permits the sale of the Units that comprise the Amended Gateway Project to third-party purchasers at reasonable prices. The Entity hereby agrees to make commercially reasonable efforts to market and sell such Units as soon after such Units are completed as possible.

SECTION 9.03 Operation of Project – The Amended Gateway Project shall be operated in accordance with law.

SECTION 9.04 Subordination of Fee Title – It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges, and to the rights of the Borough and the Trustee hereunder, 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 Second Amended Agreement.

ARTICLE 10 WAIVER

SECTION 10.01 Waiver - Nothing contained in this Second Amended Agreement or otherwise shall constitute a waiver or relinquishment by the Borough, the Entity or the Trustee of any rights and remedies provided by law except for the express waiver herein of certain rights of acceleration and certain rights to terminate this Second Amended Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Borough, the Entity or the Trustee has under law, in equity, or under any provision of this Second Amended Agreement.

ARTICLE 11 NOTICE

SECTION 11.01 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 the Entity it shall be addressed as follows:

Gateway at Carteret Urban Renewal Entity, LLC
433 River Road
Highland Park, New Jersey 08904

When sent to the Borough, it shall be addressed to the Borough Clerk, Borough Hall, 61 Cooke Avenue, Carteret, New Jersey 07008, with copies sent to the Borough's Director of Law, Tax Collector, Tax Assessor and Chief Financial Officer, and McManimon & Scotland, LLC, Bond Counsel to the Borough, at 1037 Raymond Boulevard, Suite 400, Newark, New Jersey 07102, unless prior to the giving of notice the Borough shall have notified the Entity otherwise. The notice to the Borough shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

The Trustee shall receive copies of all notices given hereunder at the address listed in the Trust Indenture.

ARTICLE 12 COMPLIANCE

SECTION 12.01 Statutes and Ordinances - The Entity hereby agrees at all times prior to the expiration or other termination of this Second Amended Agreement to remain bound by the provisions of Federal and State Law and any lawful ordinances and resolutions of the Borough, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure

to comply with such statutes or ordinances shall constitute a violation and breach of this Second Amended Agreement.

ARTICLE 13 CONSTRUCTION

SECTION 13.01 Construction - This Second Amended 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 Second Amended Agreement to be drawn since counsel for both the Entity and the Borough have combined in their review and approval of same.

ARTICLE 14 INDEMNIFICATION

SECTION 14.01 Indemnification - It is understood and agreed that in the event the Borough shall be named as party defendant in any action brought against the Entity by reason of any breach, default or a violation of any of the provisions of this Second Amended Agreement and/or the provisions of the Long Term Tax Exemption Law by the Entity, the Entity shall indemnify and hold the Borough harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity or the Redeveloper and/or by reason of any breach, default or a violation of any of the provisions of this Second Amended Agreement and/or the provisions of the Long Term Tax Exemption Law by virtue of the action or inaction of the Entity or the Redeveloper, except for any acts or omissions or misconduct by the Borough or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the Borough maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents. The expense of the Borough's intervention shall be borne by the Entity.

ARTICLE 15 DEFAULT

SECTION 15.01 Default - A Default shall be deemed to have occurred if the Entity fails to comply with the terms of this Second Amended Agreement or fails to perform any obligation imposed upon the Entity by statute, ordinance or lawful regulation.

SECTION 15.02 Cure Upon Default - Should the Entity be in Default of any obligation under this Second Amended Agreement, the Borough or the Trustee 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).

Subsequent to the thirty (30) days, the Borough (or the Trustee as its assignee and agent) 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 §§ 5.02 and 6.01 hereof. No default hereunder by the Entity shall terminate the long term tax exemption described herein and its obligation to pay Annual Service Charges, which shall continue in effect for the duration of this Second Amended Agreement.

SECTION 15.03 Remedies Upon Default Cumulative; No Waiver - Subject to the provisions of Article 15, Section 6.01 and the other terms and conditions of this Second Amended Agreement, all of the remedies provided in this Second Amended Agreement to the Borough (and the Trustee), 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 Second Amended Agreement shall deprive the Borough (or the Trustee) of any of their remedies or actions against the Entity because of the Entity's failure to pay the Annual Service Charges 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 Charges, 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 Charges or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Second Amended Agreement.

SECTION 15.04 Bondholder Remedies - Bondholders (as defined in the Trust Indenture) shall have the right to direct action of the Trustee and take action on behalf of themselves and/or the Trustee, to the same extent as their rights under the Trust Indenture.

ARTICLE 16 MISCELLANEOUS

SECTION 16.01 Conflict - The Parties agree that in the event of a conflict between (i) the Second Amended Application and this Second Amended Agreement or (ii) the Redevelopment Agreement and this Second Amended Agreement, the provisions of this Second Amended Agreement shall govern and prevail.

SECTION 16.02 Oral Representations - There have been no oral representations made by either of the Parties hereto which are not contained in this Second Amended Agreement. This Second Amended Agreement, the Ordinance of the Borough authorizing this Second Amended Agreement, and the Second Amended 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 and delivered to each of them.

SECTION 16.03 Entire Document - All conditions in the Ordinance of the Borough Council approving this Second Amended Agreement are incorporated in this Second Amended Agreement and made a part hereof.

SECTION 16.04 Good Faith - In their dealings with each other, the Parties agree that they shall act in good faith.

SECTION 16.05 Recording - This entire Second Amended Agreement will be filed and recorded with the Middlesex County Clerk by the Entity at the Entity's expense.

SECTION 16.06 Municipal Services - The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

SECTION 16.07 Financing Matters - The financial information required by the final paragraph of *N.J.S.A. 40A:20-9* is set forth in the Second Amended Application.

SECTION 16.08 Municipal Determinations - The Borough hereby finds and determines that this Second Amended Agreement is to the direct benefit of the health, welfare and financial well-being of the Borough because it allows for redevelopment of an under-utilized area into productive, useful and job-creating property, and further:

(a) The costs associated with the tax exemption granted herein are minor compared to the Total Project Cost of \$/_____ / 35,555,000 and the benefit created by approximately 10 new jobs.

(b) Without the tax exemption granted herein, it is highly unlikely that the Entity would have proceeded with the Amended Gateway Project, and a source of debt service for the Obligations is not otherwise available.

SECTION 16.10 Counterparts - This Second Amended Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16.11 Amendments - This Second Amended Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

ARTICLE 17

EXHIBITS

Exhibit A	Second Amended Application
Exhibit B	Ordinance Authorizing Execution of this Second Amended Agreement

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

ATTEST:

BOROUGH OF CARTERET

Kathleen M. Barney
Borough Clerk

By: _____
Daniel J. Reiman, Mayor

By: KAPLAN AT CARTERET, LLC

Sole Member

By: JMK ASSOCIATES, LLC, Member

By: _____
Jason Kaplan, Member

By: KAPLAN FAMILY LLC, Member

By: _____
Michael Kaplan, Manager

ACKNOWLEDGEMENT

STATE OF NEW JERSEY :
: SS.
COUNTY OF MIDDLESEX :

On this ____ day of _____, 2010 before me the subscriber, personally appeared JASON KAPLAN, who by me duly sworn on his oath, deposed and makes proof to my satisfaction that he is a Member of JMK ASSOCIATES, L.L.C., one of the members of KAPLAN AT CARTERET, L.L.C., the Sole Member of GATEWAY AT CARTERET URBAN RENEWAL, L.L.C., and thereupon he acknowledged that he executed, signed, sealed and delivered the foregoing instrument as and for his voluntary act and deed and that of the said limited liability company for the uses and purposes thereof.

Notary Public

STATE OF NEW JERSEY :
: SS.
COUNTY OF MIDDLESEX:

On this ____ day of _____, 2010 before me the subscriber, personally appeared MICHAEL KAPLAN, who by me duly sworn on his oath, deposed and makes proof to my satisfaction that he is the Managing Member of KAPLAN FAMILY, L.L.C., one of the Members of KAPLAN AT CARTERET, L.L.C., the Sole Member of GATEWAY AT CARTERET URBAN RENEWAL, L.L.C., and thereupon he acknowledged that he executed, signed, sealed and delivered the foregoing instrument as and for his voluntary act and deed and that of the said limited liability company for the uses and purposes thereof.

Notary Public

EXHIBIT A

Exemption Application

EXHIBIT B

Ordinance Authorizing the Execution of this Second Amended Agreement

EXHIBIT B

Ordinance Authorizing the Execution of this Second Amended Agreement

Ordinance
of the
Borough of Carteret, N. J.

ORDINANCE FURTHER AMENDING ORDINANCE NO.
07-09, FINALLY ADOPTED ON JULY 12, 2007.

WHEREAS, in accordance with Ordinance No. 07-09, the Borough entered into Financial Agreements with Gateway at Carteret Urban Renewal, LLC ("Gateway") and Camelot at Carteret Urban Renewal, LLC (together, the "Entities") in furtherance of "The Lower Roosevelt Avenue Redevelopment Plan," which Agreements memorialize the obligations of the Entities to pay Annual Service Charges to the Borough; and

WHEREAS, by Ordinance No. 08-3(a), adopted on December 18, 2008, the Borough subsequently authorized the execution of an amended Gateway Financial Agreement; and

WHEREAS, as part of the project under construction, Gateway and the Borough need to provide for an additional amendment to the Gateway Financial Agreement to further set forth Gateway's obligation to pay Annual Service Charges to the Borough as described in Gateway's application for same (the "Second Amended Application"); and

WHEREAS, Gateway also submitted an amended and restated financial agreement to the Borough (the "Second Amended Gateway Financial Agreement") in connection with the Second Amended Application; and

WHEREAS, the present Gateway Project represents an undertaking permitted by N.J.S.A. 40A:20-1 *et seq.*, and the same constitutes improvements made for the purposes of clearance, replanning, development or redevelopment of an area in need of redevelopment within the Borough, as authorized by the Act and N.J.S.A. 40A:20-1 *et seq.*

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF CARTERET, NEW JERSEY AS FOLLOWS:

1. The Second Amended Application and Second Amended Gateway Financial Agreement are hereby approved.
2. The appropriate Borough Official(s) are hereby authorized to execute the Second Amended Gateway Financial Agreement substantially in the form attached to the Second Amended Application, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel. The Clerk of the Borough is hereby authorized and directed, upon execution of the Second Amended Gateway Financial Agreement to attest to the signature(s) and to affix the corporate seal of the Borough upon such document.
3. The executed copy of the Second Amended Gateway Financial Agreement shall be certified by and be filed with the Office of the Borough Clerk. Further, the Clerk of the Borough shall file certified copies of this ordinance and the Second Amended Gateway Financial Agreement with the Tax Assessor of the Borough and the Director of the Division of Local

Government Services with the Department of Community Affairs, in accordance with Section 12 of N.J.S.A. 40A:20-1 *et seq.*

4. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

5. All ordinances and resolutions or parts thereof inconsistent with this ordinance are hereby rescinded.

6. This ordinance shall take effect in accordance with applicable law.

DO NOT USE SPACE BELOW THIS LINE

RECORD OF COUNCIL VOTE

COUNCILMAN	YES	NO	NV	A.B.	COUNCILMAN	YES	NO	NV	A.B.
BELLINO	X				KIRM				X
DIAZ	X				NAPLES				X
DI MASCIO	X				SITARZ	X			

X - Indicate Vote AB - Absent NV - Not Voting XOR - Indicates Vote to Overrule Veto

Adopted on first reading of the Council of the Borough of Carteret, N.J., on May 3, 2012

Adopted on second reading after hearing on June 7, 2012

APPROVED BY

ON 6-11-12

MAYOR

BOROUGH CLERK