

Michele J. Perrotta, Esq.
Direct Dial: 973-622-5051
Direct Fax: 973-622-3655
Email: mperrotta@msbnj.com

February 23, 2022

VIA Certified Mail, R.R.R.

Mr. Dan Balka
Director of Revenue and Finance & CFO
City Hall
140 North Broadway
South Amboy, New Jersey 08879

Re: City of South Amboy – SA 101 Main Street Urban Renewal, LLC

Dear Mr. Balka:

Enclosed for the City's file, please find a fully executed copy of the Financial Agreement, by and between the City of South Amboy and SA 101 Main Street Urban Renewal, LLC and a certified copy of the Ordinance approving the Application for Financial Agreement in accordance with N.J.S.A. 40A:20-12. Please note that the Ordinance is attached as **Exhibit B** to the Financial Agreement.

Please let me know if you have any questions. Thank you.

Very truly yours,

/s/ Michele J. Perrotta

Michele J. Perrotta, Esq.

MJP
Enclosures
cc: Kevin P. McManimon, Esq. (w/o enclosures)

EXECUTION VERSION

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter “Agreement” or “Financial Agreement”), made this 28th day of January, 2022, by and between SA 101 MAIN STREET URBAN RENEWAL LLC (the “Entity”), a New Jersey limited liability company and an urban renewal entity 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 32 Mount Kemble Ave, Morristown, New Jersey 07960 and the CITY OF SOUTH AMBOY, a municipal corporation of the State of New Jersey in the County of Middlesex with offices located at 140 North Broadway, South Amboy, New Jersey 08879 (the “City”, and together with the Entity, the “Parties”).

WITNESSETH:

WHEREAS, the City of South Amboy in the County of Middlesex, New Jersey (the “City”) is authorized under the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “Redevelopment Law”), to determine whether certain parcels of land within the City constitute an area in need of redevelopment and to adopt redevelopment plans therefor; and

WHEREAS, the City previously designated certain properties within the City, including the parcel identified as Block 160, Lot 1 on the City’s tax maps and commonly known as 101 Main Street (the “Land” or “Project Area”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the laws which preceded it; and

WHEREAS, on July 5, 1995, by Ordinance No. 20-95, the City adopted a redevelopment plan known as the “Northern Waterfront Redevelopment Plan” (the “Original Redevelopment Plan”) for certain property in the City including the Project Site; and

WHEREAS, on July 15, 2020, the City adopted Ordinance No. 08-2020 to, among other things, amend the Original Redevelopment Plan to permit light industrial uses, and to provide associated bulk standards therefor, applicable to the Project Site (the “Redevelopment Plan”); and

WHEREAS, the Entity is the contract purchaser of the Project Site; and

WHEREAS, the South Amboy Redevelopment Agency (the “Agency”) and the Entity entered into that Redevelopment Agreement, dated January 28, 2022 (the “Redevelopment Agreement”), pursuant to which, among other things, the Entity agreed to redevelop the Project Site by constructing thereon a project consisting of: (a) an approximately 300,000 square foot warehouse and light industrial facility with approximately forty-seven (47) loading positions and space to store approximately seventy-two (72) trailers, and (b) certain on and off-site public and other infrastructure improvements (the “Project”); and

WHEREAS, pursuant to, and in accordance with, the provisions of the Redevelopment Law and the Long Term Tax Exemption Law, the City is authorized to provide for a tax exemption within a redevelopment area and for payments in lieu of taxes; and

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

WHEREAS, in accordance with the Long Term Tax Exemption Law, the Entity filed an application, which is incorporated herein by reference (the **"Application"**), with the City for approval of a long term tax exemption for the Improvements (as defined herein); and

WHEREAS, upon review of the Application, the City has made the following findings:

A. Relative Benefits of the Project:

The Project will provide the region with a new state-of-the-art light industrial/warehouse building. The Project Area is currently underutilized and could benefit from a facility upgrade that generates revenues and creates jobs. The Project is expected to produce approximately 500 construction jobs and approximately 150-200 permanent jobs.

B. Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

The Entity is making a significant equity contribution toward the cost of the Project. In order to improve the economic viability of the development of the Project, the City has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the Annual Service Charge (as defined herein) will make the Project more competitive and assist the Entity to undertake the Project in the City.

WHEREAS, the City Council on November 22, 2021 adopted Ordinance No. 2021-20 approving the Application and authorizing the execution of this Agreement (the **"Ordinance"**), a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the City shall carry out their respective obligations with respect to the payment of the Annual Service Charge by the Entity, in lieu of real property taxes on improvements to the Project Area, the Parties have determined to execute this Financial Agreement.

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

ARTICLE I
GENERAL PROVISIONS

Section 1.01 Governing Law. This Financial Agreement shall be governed by the provisions of (a) the Long Term Tax Exemption Law, the Redevelopment Law and such other statutes as may be the sources of relevant authority, and (b) the Ordinance. It is expressly understood and agreed that the City relies upon the facts, data, and representations contained in the 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>Agency</u>	<u>Ordinance</u>
<u>Agreement/Financial Agreement</u>	<u>Original Redevelopment Plan</u>
<u>Application</u>	<u>Parties</u>
<u>City</u>	<u>Project</u>
<u>City Council</u>	<u>Project Area</u>
<u>Entity</u>	<u>Redevelopment Agreement</u>
<u>Land</u>	<u>Redevelopment Law</u>
<u>Long Term Tax Exemption Law</u>	<u>Redevelopment Plan</u>

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

Administrative Fee: As defined in Section 4.10.

Allowable Net Profit: 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(b)* and (c).

Allowable Profit Rate: The greater of twelve percent (12%) per annum or the percentage per annum arrived at by adding one and one quarter percent (1.25%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing for the Project. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of twelve percent (12%) per annum or the percentage per annum arrived at by adding one and one quarter percent (1.25%) per annum to the

interest rate per annum that the City determines to be the prevailing rate of mortgage financing on comparable improvements within Middlesex County. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

Annual Gross Revenue: Annual gross rents and other income received by the Entity and derived from or generated by the leasing of the Land and any revenue or other amounts received by the Entity and derived from or generated by the Project, specifically excluding, without limitation, the proceeds of any condemnation or casualty awards, insurance proceeds, any gain realized by the Entity on the sale, transfer or other assignment or assumption of the Project or portion thereof, reimbursement of expenses by any tenant under any lease or rental agreement, proceeds of any financing or refinancing, or proceeds from any disposition of a partner or a partner's interest in the Entity or any successor entity.

Annual Service Charge: The amount the Entity has agreed to pay the City pursuant to Article IV herein with respect to the Improvements (but not the Land), which: (a) Entity has agreed to pay in part for municipal services supplied to the Project, (b) is in lieu of any taxes on the Improvements pursuant to *N.J.S.A. 40A:20-12*, and (c) shall be paid on the Annual Service Charge Payment Dates.

Annual Service Charge Payment Dates: February 1, May 1, August 1 and November 1 of each year commencing on the first such date after the Completion Date and ending on the Termination Date.

Annual Service Charge Start Date: The first Annual Service Charge Payment Date, which shall be the first Annual Service Charge Payment Date following Substantial Completion (as defined in the Redevelopment Agreement) of the Project .

Applicable Law: All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable to the Project including, but not limited to, the Redevelopment Law, the Long Term Tax Exemption Law, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, applicable federal and State labor standards and all applicable laws or regulations with respect to the payment of prevailing wages.

Auditor's Report: An annual audited statement which clearly identifies the calculation of Net Profit as provided in *N.J.S.A. 40A:20-3(c)(2)*. The contents of the Auditor's Report shall be prepared by a certified public accountant licensed to practice in the State in conformity with the Long Term Tax Exemption Law and generally accepted accounting principles.

Certificate of Occupancy: A Certificate of Occupancy (temporary or permanent), as such term is defined in the New Jersey Administrative Code, issued with respect to the Project or any portion thereof.

Completion Date: shall mean the date that a Certificate of Occupancy is issued authorizing occupancy of the buildings comprising the Project pursuant to *N.J.S.A. 52:27D-133*.

Default: A breach or the failure to perform any obligation imposed by the terms of this Agreement, or under Applicable Law.

Effective Date: The date of this Agreement.

Excess Profits Accounting Period: Any period, but not less than one fiscal year of the Entity, in which the aggregate Net Profits of the Entity exceed aggregate Allowable Net Profits on a cumulative basis. The first Excess Profits Accounting Period shall commence upon the issuance of a Certificate of Occupancy for the Project and terminate at the end of the fiscal year in which such aggregate Net Profits of the Entity exceed the aggregate Allowable Net Profits for the entire period, taken as one accounting period. Each subsequent Excess Profits Accounting Period shall commence on the first day of the next fiscal year of the Entity after the end of the last Excess Profits Accounting Period and shall terminate at the end of the fiscal year in which such aggregate Net Profits of the Entity exceed the aggregate Allowable Net Profits for the entire period, taken as one accounting period.

Improvements: All improvements on the Land comprising the Project.

In Rem Tax Foreclosure: A summary proceeding by which the City may enforce the lien for taxes or Annual Service Charge due and owing by a tax sale in accordance with the Tax Sale Law.

Land Taxes: The amount of taxes assessed on the value of the Land on which the Project is located.

Land Tax Payments: Payments due on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector in accordance with Applicable Law.

Minimum Annual Service Charge: As defined in Section 4.10.

Net Profit: The Annual 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). Without limiting the foregoing, included in expenses shall be an amount sufficient to amortize the Total Project Cost in accordance with generally accepted accounting principles as well as all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Notice: As defined in Section 15.01.

Property: The Land and the Improvements.

Security Arrangements: As defined in Section 8.02(b).

Secured Parties: As defined in Section 8.02(b).

Secured Party: As defined in Section 8.02(b).

State: The State of New Jersey.

Tax Assessor: The City Tax Assessor.

Tax Collector: The City Tax Collector.

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

Termination Date: The earlier to occur of: (i) the thirty-fifth (35th) anniversary of the Effective Date; (ii) the thirtieth (30th) anniversary date of the Annual Service Charge Start Date; or (iii) such other date as this Financial Agreement may terminate pursuant to the terms hereof or pursuant to Applicable Law.

Total Project Cost: The total cost of developing the Project as determined in accordance with *N.J.S.A. 40A:20-3(h)*, as certified by a qualified architect or engineer and as permitted pursuant to *N.J.S.A. 40A:20-3(h)*.

Section 1.02 Interpretation and Construction. In this Financial Agreement, unless the context otherwise requires:

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

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

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

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

(e) Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld, conditioned, or delayed.

(f) All Notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than twenty (20) days, unless the context dictates otherwise.

(g) This Financial Agreement shall become effective upon its execution and delivery by the Parties.

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

ARTICLE II

APPROVAL

Section 2.01 Approval of Tax Exemption. The City hereby grants its approval for a tax exemption for the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of Applicable Law, which Improvements shall be constructed on the Land.

Section 2.02 Approval of Entity. The Entity represents that its Certificate of Formation and Certificate of Authority as attached as *Exhibit 2* to the Application contain all the requisite provisions of law, have been reviewed and approved by the Commissioner of the Department of Community Affairs, and have been filed with, as appropriate, the Secretary of Treasury, all in accordance with *N.J.S.A. 40A:20-5*.

Section 2.03 Improvements to be Constructed. The Entity represents that it will construct the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan and Applicable Law, the use of which is more specifically described in the Application.

Section 2.04 Management and Control. The Entity represents that it will be the owner of the Land upon which the Improvements are to be constructed and which is the subject of this Agreement.

Section 2.05 Financial Plan. The Entity represents that it currently anticipates that the Improvements shall be financed in accordance with the financial plan attached as *Exhibit 14* to the Application; provided, however, that the Entity may ultimately finance the Project in any commercially reasonable manner it determines to be necessary or convenient for the successful implementation of the Project. If requested by the Entity, the City shall reasonably cooperate with the Entity, at no out of pocket cost to the City, in connection with the Entity obtaining financing for the Project, including, without limitation, with respect to any Entity applications for State or other subsidy programs.

Section 2.06 Statement of Projected Revenues. The Entity represents that projected Annual Gross Revenue is set forth in *Exhibit 13* attached to the Application.

Section 2.07 Representations and Covenants Regarding Use, Management and Operations of the Project by the Entity. The Entity expressly covenants, warrants and represents that upon completion, the Project, including all Land and Improvements, shall be used, managed and operated for the purposes set forth in the Application, in accordance with the Redevelopment Agreement, Redevelopment Plan and all Applicable Laws. The Entity represents that the representations and covenants required under *N.J.S.A. 40A:20-9* are set forth in the Application.

ARTICLE III

DURATION OF AGREEMENT

Section 3.01 Term. It is understood and agreed by the Parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in effect until the Termination Date. The tax exemption shall only be effective during the period of usefulness of

the Project and shall continue in force only while the Land is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law, except for permitted conveyances as stated in Article VIII of this Financial Agreement. Upon the Termination Date, the tax exemption for the Improvements shall expire and same shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the City. Upon the Termination Date, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the City's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-13*.

Section 3.02 Date of Termination. The Termination Date shall be deemed to be the fiscal year end of the Entity.

Section 3.03 Voluntary Termination of the Financial Agreement by Entity. Pursuant to the Long Term Tax Exemption Law, the Entity or any transferee, pursuant to Article VIII, may at any time after the expiration of one (1) year from the Annual Service Charge Start Date, notify the City in writing that, as of a certain date designated in the notice, it relinquishes its status as an urban renewal entity under the Long Term Tax Exemption Law and that the Entity, or such transferee, has obtained the consent of the Commissioner of the Department of Community Affairs, if required by Applicable Law. As of that date, all of the obligations and requirements contained in this Financial Agreement shall terminate. Notwithstanding the foregoing, such relinquishment shall not impact the obligation of the Entity or such transferee, as applicable, to make payment of any Land Taxes (during any period in which Land Taxes are not exempt hereunder) or Annual Service Charge that has accrued up to and including the Termination Date, or the obligation of the Entity or such transferee, as applicable, to perform the final accounting required by the Long Term Tax Exemption Law and Section 13.03 below.

ARTICLE IV **ANNUAL SERVICE CHARGE**

Section 4.01 Annual Service Charge. In consideration for the tax exemption provided for herein, the Entity shall make payment to the City, in lieu of real property taxes on the Improvements, of an Annual Service Charge in an amount, prior to the application of the Land Tax Credit against the Annual Service Charge pursuant to Section 4.08 hereof, calculated as follows:

(a) For the first (1) year from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) eighteen percent (18%) of the Annual Gross Revenue or (ii) \$1.25 per gross leasable square foot of the Project (currently anticipated to be approximately \$375,000.00);

(b) For each of the years two (2) through ten (10) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) eighteen percent (18%) of the Annual Gross Revenue, (ii) \$2.00 per gross leasable square foot of the Project (currently anticipated to be approximately \$600,000) or (iii) twenty percent (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(c) For each of the years eleven (11) through fifteen (15) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i)

eighteen and one-half percent (18.5%) of the Annual Gross Revenue, (ii) \$2.25 per gross leasable square foot of the Project (currently anticipated to be approximately \$675,000) or (iii) twenty percent (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(d) For each of the years sixteen (16) through twenty (20) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) nineteen percent (19%) of the Annual Gross Revenue, (ii) \$2.50 per gross leasable square foot of the Project (currently anticipated to be approximately \$750,000) or (iii) forty percent (40%) of the real property taxes otherwise due on the value of the Land and the Improvements;

(e) For each of the years twenty-one (21) through twenty-five (25) from the Annual Service Charge Start Date, the Annual Service Charge for the Project shall be equal to the greater of (i) nineteen and one-half percent (19.5%) of the Annual Gross Revenue, (ii) \$2.75 per gross leasable square foot of the Project (currently anticipated to be approximately \$825,000) or (iii) sixty percent (60%) of the real property taxes otherwise due on the value of the Land and the Improvements; and

(f) For each of the years twenty-six (26) from the Annual Service Charge Start Date through the end of the term of this Financial Agreement, the Annual Service Charge for the Project shall be equal to the greater of (i) eighty percent (80%) of the real property taxes otherwise due on the value of the Land and the Improvements and (ii) \$3.00 per gross leasable square foot of the Project (currently anticipated to be approximately \$900,000).

If necessary, in any year where the greatest amount set forth in subsections (a) through (f) above does not comply with applicable law, the aforesaid amount shall be calculated by applying such percentage to the Annual Gross Revenue as is necessary in order to result in such greatest amount complying with applicable law.

Section 4.02 Consent of Entity to Annual Service Charge. The Entity hereby consents and agrees to the amount of the Annual Service Charge and to the liens established in this Financial Agreement, and the Entity shall not contest the validity or amount of any such lien. Subject to the terms of this Agreement, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim under any circumstances, including without limitation any loss of status of Entity as an "urban renewal entity" qualified under and as defined in the Long Term Tax Exemption Law. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by law.

Section 4.03 Quarterly Installments. Beginning on the Annual Service Charge Start Date, the Entity shall pay the Annual Service Charge to the City on a quarterly basis on each Annual Service Charge Payment Date, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. In the event that Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable State law and then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens until paid. The City shall issue the Entity bills for the Annual Service Charge in a manner generally consistent with the manner of its billing of ad valorem real estate tax payments on other property in the City.

Section 4.04 Material Conditions. It is expressly agreed and understood that all payments of Land Taxes, Annual Service Charges and any interest payments, penalties or costs of collection due thereon, are material conditions of this Financial Agreement. If any other term, covenant or condition of this Financial Agreement or the 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 Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 4.05 No Reduction in Payment of the Annual Service Charge. The Parties agree that neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Section 4.01 hereof shall be reduced or amended or otherwise modified through any tax appeal on the Improvements or any other legal proceeding regarding the Project during the term of this Agreement. The foregoing notwithstanding, in the event the amounts due the City hereunder are based upon "taxes otherwise due" under Section 4.01 above, the Entity may, in an appropriate proceeding, challenge the assessment applicable to the Project.

Section 4.06 Service Charges as Municipal Lien. In accordance with the provisions of the Long Term Tax Exemption Law, upon recordation of this Financial Agreement and the Ordinance, any amount due and owing hereunder, including the Annual Service Charge shall be and constitute a continuous municipal lien on the Project.

Section 4.07 Security for Payment of Annual Service Charges. In order to secure the full and timely payment of the Annual Service Charges, the City reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

Section 4.08 Land Taxes. From and after the Effective Date, Land Taxes shall be assessed only on the Land portion of the Property without regard to any Improvements or increase in value to the Land because of the Improvements or approvals related thereto.

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity shall be entitled to a credit for the amount, without interest, of the Land Taxes paid on the Property in the last four preceding quarterly installments against the Annual Service Charge.

The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In any year that the Entity fails to make any Land Tax Payments, beyond any notice and cure period, such delinquency shall render the Entity ineligible for any Land Tax credits against the Annual Service Charge for that year and such failure shall constitute a Default under this Agreement. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the Property pursuant to the Tax Sale Law and/or may terminate this Agreement in a manner consistent with the Default provisions set forth in Article XIII hereof.

Section 4.09 Administrative Fee. In addition to the Annual Service Charge, the Entity shall pay to the City an annual fee of two percent (2%) of the Annual Service Charge (the "Administrative Fee"). The Administrative Fee shall be payable and due on or before February 1st of each year for the Administrative Fee accrued in the prior calendar year, and collected in the same manner as the Annual Service Charge. In the event the Entity fails to pay the Administrative Fee when due and owing, the amount paid shall bear the highest rate of interest permitted under applicable State law and then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens until paid.

Section 4.10 Minimum Annual Service Charge. In no event shall the Annual Service Charge be less than the amount of the total taxes levied against the Project Area in the last full year in which it was subject to conventional taxation (the "**Minimum Annual Service Charge**"). Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of this Agreement to the contrary, the Annual Service Charge shall never be reduced below the Minimum Annual Service Charge through any tax appeal on the Land and/or Improvements or any other legal proceeding regarding the Project during the period that this Agreement is in force and effect. The Minimum Annual Service Charge shall be pro-rated on a monthly basis in the year in which the Annual Service Charge Start Date occurs and the year in which the Termination Date occurs.

ARTICLE V

CERTIFICATE OF OCCUPANCY

Section 5.01 Filing of Certificate of Occupancy. It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of the Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action taken by the City, including, if appropriate, retroactive billing with interest for any charges determined to be due in the absence of such filing by the Entity.

ARTICLE VI

ANNUAL AUDITS

Section 6.01 Accounting System. The Entity agrees to calculate its Net Profit pursuant to N.J.S.A. 40A:20-3(c). As stated in N.J.S.A. 40A:20-3(c), this calculation shall be made in accordance with generally accepted accounting principles.

Section 6.02 Periodic Reports.

(a) **Auditor's Report:** Within ninety (90) days after the close of each fiscal year during the term of the exemption pursuant to this Agreement, commencing for the year in which the Annual Service Charge Start Date occurs, the Entity shall submit to the Mayor, City Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the State Division of Local Government Services in the Department of Community

Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall clearly identify and calculate the Net Profit for the Entity during the previous year and shall include, but not be limited to, itemizations of operating and non-operating expenses, mortgage interest and terms, amortization of Improvements and such other computations of income, expense and other details as may relate to the financial status of the Entity. The Entity assumes all costs associated with preparation of the periodic reports. All such periodic reports shall remain confidential except as otherwise required by law.

(b) Disclosure Statement: Along with the Auditor's Report due under Section 6.02(a) hereof, the Entity shall submit to the City Council, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each.

(c) Total Project Cost Audit: Within one hundred twenty (120) days after the Completion Date, the Entity shall submit to the Mayor, City Council, Tax Collector and City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by the Entity's architect.

Section 6.03 Inspection. The Entity shall, upon request, permit the inspection of its property, equipment, buildings and other facilities of the Project and also permit, upon request, examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by the City, and State Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. Such inspection shall be made upon seven (7) business days' advance written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

ARTICLE VII

LIMITATION ON PROFITS AND RESERVES

Section 7.01 Limitation on Profits and Reserves. During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of *N.J.S.A. 40A:20-15*. Pursuant to *N.J.S.A. 40A:20-3(c)*, this calculation is completed in accordance with generally accepted accounting principles.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount of up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A. 40A:20-15*. In no event shall any portion of the excess Net Profits be retained or contributed to such reserve if the amount of the reserve as of the end of such fiscal year equals or exceeds ten percent (10%) of the preceding year's Annual Gross Revenues. The reserve is to be noncumulative.

Section 7.02 Payment of Dividend and Excess Profit Charge. In accordance with *N.J.S.A. 40A:20-15*, if the Net Profits of the Entity shall exceed the Allowable Net Profits in any Excess Profits Accounting Period, then the Entity, within one hundred and twenty (120) days after the end of the Excess Profits Accounting Period, shall pay such excess Net Profits to the

City as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to Section 7.01.

Section 7.03 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale. The Termination Date of this Agreement, or the date of sale or transfer of the Improvements shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to Section 7.01 and the excess Net Profits, if any.

ARTICLE VIII

ASSIGNMENT AND/OR ASSUMPTION

SECTION 7.01. Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law. (a) Prior to the Completion Date, the Entity shall be permitted to transfer the Project, its ownership interest in the Land or any ownership interest in the Entity in accordance with the Redevelopment Agreement. After the Completion Date, the Entity shall not voluntarily transfer more than ten percent (10%) of the Project or any portion thereof, until it has first removed both itself and the Project from all restrictions imposed by this Agreement and the Long Term Tax Exemption Law in the manner provided by the Long Term Tax Exemption Law, except as provided in the following subsections.

(b) As permitted by *N.J.S.A. 40A:20-10(a)*, it is understood and agreed that the City, on written application by the Entity, will consent to a sale of the Land or transfer of interest in the Project, and the transfer of this Agreement, provided that: (i) the transferee entity does not own or lease any other Project subject to Long Term Tax Exemption Law at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (iii) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; (v) the transferee entity agrees to abide by all terms and conditions of this Agreement; and (vi) in the City's reasonable determination, the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage the Project. In the event that the transfer contemplated in this Section 8.01(b) is for less than the whole of the Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the square footage of the building within the portion of the Project being transferred compared to the total square footage of all buildings comprising the Project.

(c) The Entity shall be permitted to transfer any ownership interest in the Entity, provided that, if the transfer is for an interest greater than 10 percent (10%), such transfer shall be disclosed to the City Council in the next Auditor's Report or in correspondence sent to the City Clerk in advance of the next Auditor's Report.

(d) If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to *N.J.S.A. 40A:20-6*, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the Long Term Tax Exemption Law. The date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that

date of the transfer of title, the Entity shall pay to the City the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to *N.J.S.A. 40A:20-15*.

SECTION 7.02. Collateral Assignment. (a) Notwithstanding the foregoing, it is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to the Land and/or Improvements for purposes of (i) financing the design, development and construction of the Project, and (ii) permanent mortgage financing.

(b) The City acknowledges that the Entity and/or its affiliates intend to obtain secured financing in connection with the acquisition, development and construction of the Project. The City agrees that the Entity and or its affiliates may assign, pledge, hypothecate or otherwise transfer its rights under this Agreement and/or its interest in the Project to one or more secured parties or any agents therefore (each, a **"Secured Party"** and collectively, the **"Secured Parties"**) as security for obligations of the Entity, and/or its affiliates, incurred in connection with such secured financing (collectively, the **"Security Arrangements"**). The Entity shall give the City written Notice of any such Security Arrangements, together with the name and address of the Secured Party or Secured Parties. Failure to provide such Notice waives any requirement of the City hereunder to provide any Notice of Default or Notice of intent to enforce its remedies under this Agreement to the Secured Parties.

(c) Without limiting the generality of Article XIII hereof, if the Entity shall Default in any of its obligations hereunder, the City shall give Notice of such Default to the Secured Parties and the City agrees that, in the event such Default is not waived by the City or cured by the Entity, its assignee, designee or successor, within the period provided for herein, before exercising any remedy against the Entity hereunder, the City will provide the Secured Parties a reasonable period of time to cure such Default, but in any event not more than fifteen (15) days from the date of such notice to the Secured Parties with regard to a failure of the Entity to pay the Annual Service Charge or Land Taxes and ninety (90) days from the date the Entity was required to cure any other Default.

(d) In the absence of a Default by the Entity, the City agrees to consent to any collateral assignment by the Entity to any Secured Party or Secured Parties of its interests in this Agreement and to permit each Secured Party to enforce its rights hereunder and under the applicable Security Arrangement and shall, upon request of the Secured Party, execute such documents as are typically requested by secured parties to acknowledge such consent. This provision shall not be construed to limit the City's right to payment from the Entity, nor shall the priority of such payments be affected by the Secured Party exercising its rights under any applicable Security Arrangement.

(e) Notwithstanding anything to the contrary contained herein, and in addition to all other rights and remedies of Secured Parties set forth in this Agreement, the provisions of *N.J.S.A. 55:17-1 to -11* shall apply to this Agreement to protect the interests of any Secured Party.

ARTICLE IX

WAIVER

Section 9.01. Waiver. Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City or Entity of any rights and remedies provided by Applicable Law. Nothing herein shall be deemed to limit any right of recovery that the City or Entity has under law, in equity, or under any provision of this Financial Agreement.

ARTICLE X

COMPLIANCE

Section 10.01 Statutes and Ordinances. The Entity hereby agrees at all times prior to the Termination Date to remain bound by the provisions of the Application and Applicable Law, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such applicable statutes or ordinances shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate this Agreement, subject to the Default procedure provisions of Article XIII herein.

ARTICLE XI

CONSTRUCTION

Section 11.01 Construction. This Financial Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to, or aid of, any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

ARTICLE XII

INDEMNIFICATION

Section 12.01 Indemnification. It is understood and agreed that in the event the City shall be named as party defendant in any action brought against the City or Entity by allegation of any breach, Default or a violation by the Entity of any of the provisions of this Agreement and/or the provisions of Applicable Law, the Entity shall indemnify, defend (at its own expense) and hold the City 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 Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, including without limitation, the Long Term Tax Exemption Law, except for such liability or other loss that results from any misconduct by the City or any of its officers, officials, employees or agents. Notwithstanding the foregoing, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, with the expense thereof to be borne by the Entity. To the extent practical and ethically permissible, the Entity's attorneys shall jointly defend and represent the interest of the City and the Entity as to all claims indemnified in connection with this Agreement. Notwithstanding the foregoing and for avoidance of doubt, the Entity's indemnity obligations hereunder shall not extend to any action brought against the City or any instrumentality thereof in connection with the prior operation of the municipal landfill within the Project Area.

ARTICLE XIII

DEFAULT AND REMEDIES

Section 13.01 Cure Upon Default. Should the Entity be in Default, the City shall notify the Entity and any Secured Party in writing of said Default. Said notice shall set forth with particularity the basis of said Default. Except as provided in Section 8.02(b) hereof or otherwise limited by law, the Entity shall have sixty (60) days after it receives Notice to cure any Default (other than a Default in payment of any installment of the Annual Service Charge, which Default must be cured within ten (10) days after the Entity receives Notice). Curing the Default shall be the sole and exclusive remedy available to the Entity or the Secured Party, as applicable; provided, however, that if, in the reasonable opinion of the City, the Default cannot be cured within the applicable cure period using reasonable diligence, the time to cure may be extended upon written Notice for an additional ninety (90) day period of time.

Upon the expiration of the cure period, or any approved extension thereof, and providing that the Default is not cured, the City shall have the right to terminate this Agreement in accordance with Section 13.02 of this Agreement.

Section 13.02 Remedies Upon Default.

(a) In the event the Entity or a Secured Party fails to cure or remedy the Default within the time period provided in Sections 13.01 or 8.02(b), respectively, the City may terminate this Agreement upon written Notice to the Entity and the Secured Party.

(b) Upon any Default in payment of any installment of the Annual Service Charge not cured within ten (10) days, the City in its sole discretion shall have the right to immediately exercise the following remedies: (1) terminate this Agreement, at which time: the Improvements on the Land shall be subject to conventional taxation; or (2) exercise any other remedy available to the City in law or equity. The City as a courtesy will give Entity and any Secured Party Notice of the intention to exercise its remedies.

(c) No Default hereunder by the Entity shall terminate the tax exemption (except as described herein and after Notice and cure as provided for herein) and its obligation to pay the Annual Service Charge, which shall continue in effect for the duration of the term hereof and subject to Section 13.03 hereinafter.

(d) All of the remedies provided in this Agreement to the City, and all rights and remedies granted by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of the Entity's failure to pay Land Taxes, the Annual Service Charge 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 Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes, 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 Agreement.

Section 13.03 Final Accounting. Within ninety (90) days after the Termination Date, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of *N.J.S.A. 40A:20-13* and *15* as well as any excess Net Profits. For purposes of rendering a final accounting, the Termination Date of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 13.04 Conventional Taxes. Upon the Termination Date, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIV DISPUTE RESOLUTION

Section 14.01 Arbitration. In the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. Each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law. Costs for said arbitration shall be borne equally by both Parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the City, in addition to its other remedies, and subject to Article XIII of this Agreement, reserves the right to proceed against the Land, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof. 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 Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the City to proceed in the above-mentioned manner.

Notwithstanding anything herein to the contrary, no arbitrator shall have any power or authority to amend, alter, or modify any part of this Agreement, in any way.

ARTICLE XV NOTICE

Section 15.01 Notice. Formal notices, demands and communications between the City and Entity shall be deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available ("**Notice**"). In that case such Notice is deemed effective upon delivery. Such written Notices may be sent in the same manner to such other addresses as either party may from time to time designate by written notice. Notice given by counsel to a party in accordance with this Section 15.01 shall be effective for all purposes hereunder. Copies of all notices, demands and communications shall be sent as follows:

If to the City:

City of South Amboy
140 North Broadway
South Amboy, New Jersey 08879
Attn: City Clerk

with copies to:

City of South Amboy
140 North Broadway
South Amboy, New Jersey 08879
Attn: Business Administrator

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

If to Entity:

SA 101 Main Street Urban Renewal LLC
32 Mount Kemble Ave
Morristown, New Jersey 07960

With a copy to:

Adam L. Peterson, Esq.
Pearlman & Miranda, LLC
Ironside Newark
110 Edison Place, Suite 301
Newark, New Jersey 07102

In addition, if the Entity delivers formal written notice to the City of the name and address of any Secured Party, then the City shall provide such Secured Party with a copy of any notice required to be sent to the Entity.

ARTICLE XVI
MISCELLANEOUS

Section 16.01 Conflict. The Parties agree that in the event of a conflict between the Application and this Financial Agreement, the language in this Financial Agreement shall govern and prevail.

Section 16.02 Oral Representations. There have been no oral representations made by either of the Parties which are not contained in this Financial Agreement. This Financial Agreement, the Ordinance and the 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 are incorporated in this Agreement and made a part hereof. This Agreement, with all attachments and exhibits, the Ordinance and the Application shall constitute the entire agreement between the Parties, shall be incorporated herein by reference thereto and there shall be no modifications thereto other than by a written instrument approved and executed by and delivered to each Party. All prior agreements and understandings, if any, are superseded.

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 Agreement will be filed and recorded with the Middlesex County Clerk by the Entity at the Entity's expense. Upon Termination of this Agreement, the parties shall execute and record an instrument discharging this Agreement of record in form reasonably satisfactory to the parties.

Section 16.06 Municipal Services. The Entity and/or its successors (including without limitation any owner's or similar association) will be responsible to provide and/or pay for the following services:

(a) **Water & Sewer** – The Entity shall make payments for water and sewer charges and any other services that create a lien on the Property superior to the lien for the Land Taxes and the Annual Service Charge, as required by law.

(b) **Waste and Refuse Disposal** – Collection and disposition of all solid waste, refuse and recyclables emanating from the Project, shall be the responsibility of the Entity to have picked up and disposed of by a licensed collector, hauler or scavenger, at the Entity's cost and expense. The City may establish regulations for the collection and for the storage and recycling of solid waste, discarded or old newspaper and/or other recyclables; compliance therewith shall be by and at the sole expense of the Entity.

Section 16.07 Counterparts. This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16.08 Estoppel Certificate. Within thirty (30) days following written request therefor by the Entity, or any mortgagee or other party having an interest in the Project, the City shall issue a signed estoppel certificate in reasonable form stating that (i) this Agreement is in full force and effect, (ii) to the best of the City's knowledge, no Default has occurred under this Agreement (nor any event which, with the passage of time and/or the giving of notice would result in the occurrence of a Default) or stating the nature of any Default, and (iii) stating any such other reasonable information as may be requested.

Section 16.09 Financing Matters. The financial information required by the final paragraph of N.J.S.A. 40A:20-9 is set forth in the Application.

Section 16.10 Amendments. This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

Section 16.11 Certification. The City Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A. 40A:20-12*, that a Financial Agreement with an urban renewal entity, i.e., the Entity, for the development of the Project, has been entered into and is in effect as required by the Long Term Tax Exemption Law. Delivery by the City Clerk to the Tax Assessor of a certified copy of the Ordinance and this Financial Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of this Financial Agreement or until the Tax Assessor has been duly notified by the City Clerk that the exemption has been terminated.

Section 16.11 Conditions Precedent.

This Agreement is expressly subject to the satisfaction by the Entity or the City of the following conditions precedent:

(a) Receipt by the Entity of all federal, State, county, municipal or other approvals required for the construction of the Project.

(b) Enactment by the City of all ordinances and other official action necessary under the Long Term Tax Exemption Law to enter into and effectuate the terms of this Agreement.

EXHIBITS

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

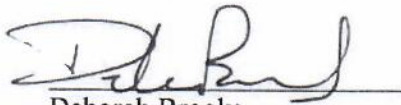
Exhibits

- A. Metes and Bounds description of the Land
- B. Ordinance

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

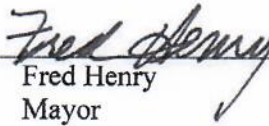
ATTEST:

CITY OF SOUTH AMBOY



Deborah Brooks
City Clerk

By:



Fred Henry
Mayor

SA 101 MAIN STREET URBAN RENEWAL LLC

By:

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF NEW JERSEY :
 : SS
COUNTY OF MIDDLESEX :

The foregoing instrument was acknowledged before me this 28 day of Jan, 2022, by the City of South Amboy in the County of Middlesex, State of New Jersey, by Mayor Fred Henry, on behalf of the City.


Notary Public

DEBORAH BROOKS
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES JAN. 15, 2025

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

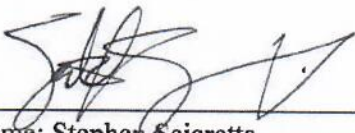
ATTEST:

CITY OF SOUTH AMBOY

Deborah Brooks
City Clerk

By: _____
Fred Henry
Mayor

SA 101 MAIN STREET URBAN RENEWAL LLC

By: 

Name: Stephen Sciaretta
Title: Authorized Signatory

STATE OF New Jersey :
 :
COUNTY OF Essex : SS

The foregoing instrument was acknowledged before me this 24th day of January, 2022,
By Stephen Sciarretta, and this person acknowledged under oath, to my satisfaction that:

- (a) he is an Authorized Signatory of SA 101 Main Street Urban Renewal LLC, the company named in the within document;
- (b) he is authorized to execute the attached document on behalf of SA 101 Main Street Urban Renewal LLC;
- (c) he executed the attached document on behalf of and as the act of SA 101 Main Street Urban Renewal LLC; and
- (d) the attached document was signed and made by SA 101 Main Street Urban Renewal LLC as its duly authorized and voluntary act.

Merry C. Wisler
Notary Public of New Jersey

MERRY C. WISLER
NOTARY PUBLIC OF NEW JERSEY
Comm. # 2426578
My Commission Expires 10/25/2022

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE LAND

May 20, 2021

OVERALL TRACT LEGAL DESCRIPTION

Tax Lot 1, Block 160

101 Main Street,

City of South Amboy, Middlesex County, New Jersey

BEGINNING at a point on the northeasterly sideline of Main Street (a.k.a. County Route 684) (100' ROW width per Tax Map), said point being on a bearing of South 58 degrees 56 minutes 35 seconds East, a distance of 150.00 feet from a concrete monument set in the northeasterly line of Main Street where the same is intersected by the dividing line between the Borough of Sayreville and the City of South Amboy, said monument being at a distance of 50 feet northeastwardly at a right angle to the centerline at station 71+66.95 as shown on the New Jersey State Highway department property acquisition map (4-512) for New Jersey State Highway Route 4 Section 3-b, dated March 1926, and running, thence;

Running the following two (2) courses along said division line between Tax Lots 1 and 1.05, Block 160:

1. North 18 degrees 57 minutes 35 seconds East, a distance of 272.72 feet to a cap found, thence;
2. North 58 degrees 56 minutes 35 seconds West, a distance of 150.00 feet to a point on the division line between Tax Lot 1, Block 160 in the City of South Amboy and Tax Lot 2, Block 283 in the Borough of Sayreville, thence;
3. North 18 degrees 57 minutes 35 seconds East along the division line between Tax Lot 1, Block 160 in the City of South Amboy and Tax Lots 2 and 3, Block 283 in the Borough of Sayreville, a distance of 303.81 feet to a point, thence;

Running the following three (3) courses along said division line between Tax lot 1, Block 160 in the City of South Amboy and Tax Lot 3, Block 283 in the Borough of Sayreville:

4. South 85 degrees 27 minutes 35 seconds West, a distance of 66.00 feet to an iron bar found, thence;
5. North 18 degrees 57 minutes 35 seconds East, a distance of 525.00 feet to a concrete monument, thence;
6. North 48 degrees 02 minutes 28 seconds East, a distance of 17.98 feet, to a point on the high-water line of the southwesterly shore of the Raritan River, thence;
7. In a southeasterly direction along said high-water line of the southwesterly shore of the Raritan River having various courses and a tie bearing of South 42 degrees 51 minutes 09 seconds East, a distance of 1,538.69 feet, more or less, to a point on the division line between Tax Lots 1 and 1.03, Block 160, thence;
8. South 31 degrees 03 minutes 25 seconds West along said division line between Tax Lots 1 and 1.03, Block 160, a distance of 629.39 feet, more or less, to a cap found in the aforementioned northeasterly sideline of Main Street, thence;
9. North 58 degrees 56 minutes 35 seconds West along said northeasterly sideline of Main Street, a distance of 1,049.15 feet to the point and place of BEGINNING.

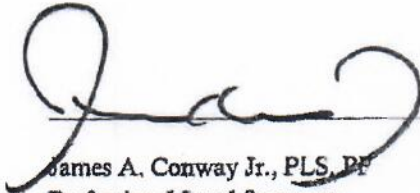
Containing 935,854+/- square feet, 21.484+/- acres.

www.dynamiccc.com

Lake Como, NJ • Chester, NJ • Toms River, NJ • Newark, NJ • Newtown, PA • Philadelphia, PA
Bethlehem, PA • Allen, TX • Houston, TX • Austin, TX • Delray Beach, FL

The above described property is subject to any additional rights and restrictions of easements, if any, being within and/or crossing the bounds as described above.

The description above is written in accordance with a map entitled "ALTA/NSPS Land Title Survey, March Development, Block 160, Lot 1, 101 Main Street (N.J.S.H. Route 4), City of South Amboy, Middlesex County, New Jersey", prepared by Dynamic Survey, LLC, dated 05/19/2021.



James A. Conway Jr., PLS, PE
Professional Land Surveyor
NJ License No. 43235

5/20/22

Date

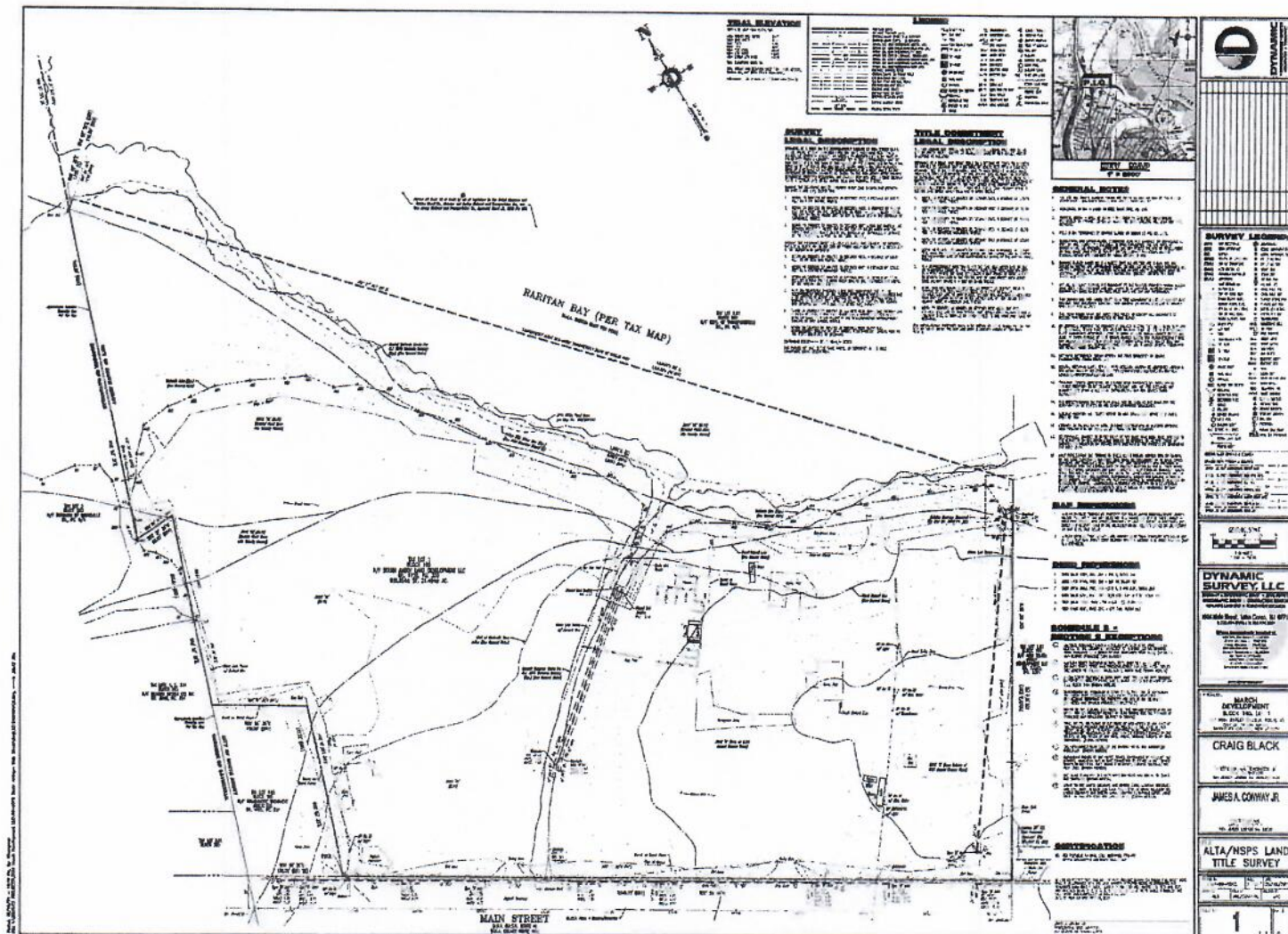


EXHIBIT B
ORDINANCE

ORDINANCE 2021-20

ORDINANCE OF THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY APPROVING APPLICATION FOR A LONG TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH SA 101 MAIN STREET URBAN RENEWAL LLC

WHEREAS, the City is authorized pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the "**Redevelopment Law**") to determine whether certain parcels of land within the City constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, by resolutions duly adopted, the City Council designated certain properties within the City, including without limitation, the parcels currently identified on the tax maps of the City as Block 160, Lot 1 and commonly known as 101 Main Street (the "**Project Area**") as an "area in need of redevelopment" pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, in accordance with the Redevelopment Law, and by ordinances duly adopted, the City Council adopted various redevelopment plans for the Project Area; and

WHEREAS, the South Amboy Redevelopment Agency ("**SARA**"), which was established as an instrumentality of the City, is responsible for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, on June 3, 2021, SARA adopted a resolution designating SA 101 Main Street Urban Renewal LLC (the "**Entity**") as the "redeveloper", as that term is defined under the Redevelopment Law, of the Project Area subject to Entity's acquisition of the Project Area; and

WHEREAS, the Entity is the contract purchaser of the Project Area; and

WHEREAS, the City and the Entity will enter into a Redevelopment Agreement (the "**Redevelopment Agreement**"), pursuant to which the Entity will redevelop the Project Area by constructing thereon a project consisting of: (a) an approximately 300,000 square foot warehouse and light industrial facility with approximately forty-seven (47) loading positions and space to store approximately seventy-two (72) trailers, and (b) certain on and off-site public and other infrastructure improvements (the "**Project**"); and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful Project, the Entity submitted to the Mayor of the City (the "**Mayor**") an application (the "**Application**"), which is on file with the City Clerk, seeking tax exemption in connection with the Project pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* (the "**Long Term Tax Exemption Law**"), in exchange for which the Entity proposes to make payments to the City in lieu of taxes; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement (the "Financial Agreement"), a copy of which is attached as Exhibit 19 to the Application, establishing the rights, responsibilities and obligations of the Entity; and

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

WHEREAS, the City Council has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY AS FOLLOWS:

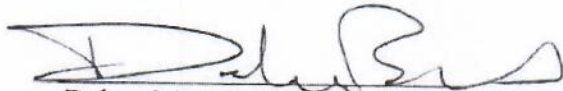
1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Application and Financial Agreement are hereby approved.
3. The Mayor is hereby authorized to execute the Financial Agreement substantially in the form attached as Exhibit 19 to the Application, subject to such additions, deletions, modifications or amendments deemed necessary by the Mayor in his discretion in consultation with counsel, which additions, deletions, modifications or amendments do not alter the substantive rights and obligations of the parties thereto, and to take all other necessary and appropriate action to effectuate the Financial Agreement..
4. The Clerk of the City is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the City upon such document.
5. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereof shall not affect the remaining parts of this ordinance.
6. This ordinance shall take effect in accordance with applicable law.

Introduced on First Reading: October 6, 2021

First Publication: October 12, 2021

Approved on Final Reading: November 22, 2021

Final Publication: November 26, 2021



Deborah Brooks, Municipal Clerk