

**THIS FINANCIAL AGREEMENT** (hereinafter this “**Agreement**”), made this \_\_ day of \_\_\_\_\_, 2016, (the “**Effective Date**”) by and between WOODMONT AMBOY URBAN RENEWAL, LLC, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*, as amended and supplemented (the “**Long Term Tax Exemption Law**”), with offices at 100 Passaic Avenue, Fairfield, NJ 07004 (the “**Entity**”) and the CITY OF SOUTH AMBOY, a municipal corporation in the County of Middlesex and the State of New Jersey (the “**City**”, and together with the Entity, the “**Parties**” or “**Party**”).

**WHEREAS**, the Entity is the contract purchaser of the property commonly known as Block 22, Lot 3.03 and Block 24, Lot 2.03 on the tax map of the City, and more particularly described by the property description attached hereto as Exhibit A (the “**Property**”); and

**WHEREAS**, the Property is located within the Southern Waterfront Redevelopment Area (the “**Redevelopment Area**”), which has been designated by the City as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented (the “**Local Redevelopment and Housing Law**”) by adopted resolutions by the municipal council of the City (“**City Council**”) on July 9, 2013, Resolution #13-53; and

**WHEREAS**, pursuant to *N.J.S.A.* 40A:12A-7, on October 9, 2014 the City Council adopted an ordinance approving and adopting a redevelopment plan for the Redevelopment Area (#2014-05) which was amended and restated by ordinance adopted on April 13, 1997 (#20-97) (“**Redevelopment Plan**”); and

**WHEREAS**, the proposed project to be undertaken by the Entity on the Property is the construction of a Transit Village consisting of a 126 unit market rate rental units, and associated supporting facilities, amenities and parking, consistent with the Redevelopment Plan (the “**Project**”); and

**WHEREAS**, the Entity has submitted an application to the City for the approval of a long term tax exemption for the Project pursuant to the Long Term Tax Exemption Law, which application is attached hereto as Exhibit B (the “**Application**”); and

WHEREAS, on \_\_\_\_\_ 2016, the City Council adopted an ordinance, entitled, “\_\_\_\_\_”, approving the application and authorizing the execution of this Agreement, a copy of which is attached hereto as Exhibit C (the “**Ordinance**”); and

**WHEREAS**, the City has undertaken a policy to encourage jobs, both construction related and permanent, and redevelopment of underutilized areas within the City; and

**WHEREAS**, the City made the following findings with respect to the Project:

A. Relative Benefits of the Project:

i. The Project site is a formerly contaminated industrial site which is currently vacant and underutilized. The Project will redevelop the site with a 126 unit Transit Village complex renting at market rates in accordance with the Redevelopment Plan. The Project will create approximately 250 construction jobs and 8-10 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the cost of environmental remediation market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

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

i. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

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

## ARTICLE I

### GENERAL PROVISIONS

#### SECTION 1.01 Governing Law.

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, the Ordinance, and all other Applicable Laws. It is expressly understood and agreed that the City expressly 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 meanings assigned to such term in the preambles hereof:

Agreement

Application

Entity

Effective Date

Local Redevelopment and Housing Law

Long Term Tax Exemption Law

City Committee

Ordinance

Party/Parties

Planning Board

Project

Property

Redevelopment Agreement

Redevelopment Area

Redevelopment Plan

City

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

Administrative Fee – The annual fee paid to the City by the Entity, as set forth in Section 4.06 of the Agreement.

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

Allowable Profit Rate - The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party,

the Allowable Profit Rate shall be the greater of (x) twelve percent (12%) or (y) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the interest rate per annum that the City determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

Annual Gross Revenue – Pursuant to *N.J.S.A. 40A:20-3(a)*, the annual gross revenue shall be calculated as one hundred percent (100%) of the rental charges generated from the residential units comprising the Project and one hundred percent (100%) of the application fees, pet fees, parking fees, floor or view premiums and any other charges that may be collected from tenants of the Project.

Annual Service Charge - The amount the Entity has agreed to pay the City, or its designee, pursuant to Article IV for municipal services supplied to the Project, which sum is in lieu of any taxes on the Land and Improvements, which amount shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Annual Service Charge Start Date – The Annual Service Charge Start Date shall be the date of the issuance of the Certificate of Occupancy for the first residential unit within the Project.

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

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

Certificate of Occupancy - A temporary (if temporary or conditional for the limited reasons of grading, seeding, landscaping and/or surface pavement course) or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the City authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A. 52:27D-133*.

Clerk - The municipal clerk of the City.

County – The County of Middlesex.

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

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

Default Notice – As defined in Section 15.02.

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

Improvements - Any building, structure or fixture permanently affixed to the Land and to be constructed and exempt under this Agreement.

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

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

Land – The real property, but not the Improvements, commonly known as Block 22, Lot 3.03 and Block 24, Lot 2.03 on the tax maps of the City, as more particularly described by the property description set forth in Exhibit A of this Agreement and to be exempt hereunder.

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

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

Material Conditions – As defined in Section 4.07.

Mayor - The mayor of the City.

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

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

Notice of Termination – As defined in Section 15.04.

State – The State of New Jersey.

Tax Assessor – The City tax assessor.



Tax Collector – The City tax collector.

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

Termination – Expiration of the term of this Agreement in accordance with Section 3.01 or any action or omission which by operation of the terms of this Agreement shall cause the Entity to relinquish or forfeit the tax exemption granted pursuant to this Agreement.

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

### **SECTION 1.03 Interpretation and Construction.**

In this Agreement, unless the context otherwise requires:

A. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this 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 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 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. All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

**SECTION 1.04 Reliance by City.** It is expressly understood and agreed that the City has relied upon the facts and representations contained in the Application in granting the tax exemption described in this Agreement.

**{End of Article I}**

## **ARTICLE II** **APPROVAL**

### **SECTION 2.01 Approval of Tax Exemption**

The City does hereby grant its approval for a tax exemption for the Project in accordance with the provisions of the Long Term Tax Exemption Law on the Property. Pursuant to the Ordinance, the Land and Improvements to be constructed and maintained by the Entity shall be exempt from taxation as provided for herein.

### **SECTION 2.02 Approval of the Entity**

Approval is granted to the Entity based on its representation that its Certificate of Incorporation, attached to the Application as Exhibit \_ thereto, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, 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 or cause the Improvements to be constructed in accordance with the Redevelopment Plan, the approved site plan, the Redevelopment Agreement, and the City's Master Plan.

### **SECTION 2.04 Construction Schedule**

The Entity agrees to diligently undertake to complete construction within 20 months of the issuance of the first building permit subject only to "Force Majeure".

### **SECTION 2.05 Ownership, Management and Control**

The Entity represents that it is the owner of the Property. 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 and in accordance with the Redevelopment Plan and all Applicable Laws.

### **SECTION 2.06 Financial Plan**

The Entity represents that the Improvements shall be financed substantially in accordance with the representations set forth in the Financial Plan. The Application and Financial Plan, made a part hereof, set forth the estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedules and lease terms, as applicable, in accordance with the Long Term Tax Exemption Law.

### **SECTION 2.07 Affordable Housing**



The Entity shall not be required to provide any affordable housing units within the project nor make any payments in lieu of such obligation.

**{End of Article II}**

## ARTICLE III

### DURATION OF AGREEMENT

#### SECTION 3.01 Term

This Agreement is effective on the Effective Date. So long as there is compliance with the Applicable Laws and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay Annual Service Charges under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) thirty-five (35) years from the date of the Effective Date or (ii) thirty (30) years from the Annual Service Charge Start Date for the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law. Upon Termination, the tax exemption for the Project shall expire and the Land and Improvements shall thereafter be assessed and taxed according to the general laws applicable to other non-exempt property in the City. Upon Termination 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:20-12*. Notwithstanding the above, if the Entity fails to commence construction within the timeframe set forth in Section 2.04, above, then the City may terminate the Agreement upon ten (10) days prior written notice to the Entity.

#### SECTION 3.02 Date of Termination

Upon any Termination of the tax exemption, as described in Section 3.01, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity.

#### SECTION 3.03 Voluntary Termination by Entity

The Entity may at any time after the expiration of one year from the completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status under the Long Term Tax Exemption Law and that the Entity has obtained the consent of the Commissioner of the Department of Community Affairs. Upon Termination of the Agreement, 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:20-12*.

{End of Article III}

## ARTICLE IV

### ANNUAL SERVICE CHARGE

#### SECTION 4.01 Annual Service Charge Consent

The Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens described in this Agreement, and the Entity shall not contest the validity or amount of any such lawfully imposed lien. Notwithstanding anything herein to the contrary, 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 the status of the Entity as an urban renewal entity qualified under and as defined in the Long Term Tax Exemption Law, or any violation by the City of any provisions of this Agreement. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by Applicable Law.

#### SECTION 4.02 Payment of Annual Service Charge

A. In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge commencing on the Annual Service Charge Start Date.

B. Payment of the Annual Service Charge shall be made to the City on a quarterly basis on February 1, May 1, August 1, and November 1 after the Annual Service Charge Start Date in accordance with the City's tax collection schedule, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. The obligation to pay the Annual Service Charge shall continue until the Termination of the Agreement.

C. In the event that the Entity fails to timely pay the Annual Service Charge or any installment thereof, the amount past due shall bear interest at the highest rate of interest permitted under the State law in the case of unpaid taxes or tax liens on the Property and Land until paid.

D. In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-12*, in the event of any change in the tax-exemption status as provided herein during any tax year, including but not limited to any Termination, the procedure for the apportionment of any taxes and/or Annual Service Charge, as the case may be, shall be the same as in the case of other changes in tax exemption status to any other property located within the City during the tax year, in accordance with Applicable Law.

#### SECTION 4.03 Annual Service Charge Amount

Pursuant to *N.J.S.A. 40A:20-12*, the Annual Service Charge shall be an amount equal to the greater of: (a) 13.5% of Annual Gross Revenues for the first five years after the Annual Service Charge Start Date; (ii) 14% of Annual Gross Revenues for years 6-10 after the Annual Service Charge Start Date; (iii) 14.5% of Annual Gross Revenues for the years 11-15 after the Annual Service Charge Start Date; and 15% of the Annual Gross Revenue for years 16-30 after the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge. Subject to the minimum annual service charge. Subject to the minimum Annual Service Charge the first year of the Annual

Service Charge shall be billed based on the Entity's actual Annual Gross Revenue for the first full year of operation.

Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of the Agreement to the contrary, including Section 4.04 herein, 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.

#### **SECTION 4.04 Land Taxes and Credits, Reformation of Annual Service Charge**

A. In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated by a court of competent jurisdiction, the Parties agree that this Agreement shall remain valid and in full force and effect, and shall be reformed to provide that Land Taxes are assessed on the Property. In such case, the payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Annual Service Charge.

B. In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated as described in Section 4.04(A), all Land Taxes, shall be separately assessed for the Project Site, and shall be computed according to the general laws applicable to all other tax ratables and shall be separately assessed for the Property, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements. The payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. The Entity's failure in any tax year to make any Land Tax Payments when due and owing shall render the Entity ineligible for any land tax credits against the Annual Service Charge during that period, subject to a right to cure any such delinquency prior to the end of the applicable tax year. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if applicable. The Entity is required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The City shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

#### **SECTION 4.05 Schedule of Stage Adjustments to Annual Service Charge**

Pursuant to *N.J.S.A. 40A:20-12(b)*, the Annual Service Charge shall be adjusted as follows:

A. Stage One. Commencing on the Annual Service Charge Start Date through the 15<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 of the Agreement.

B. Stage Two. From the 16<sup>th</sup> year through the 21<sup>st</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the

Agreement, as applicable, or 20% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

C. Stage Three. From the 22<sup>nd</sup> year through the 27<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 40% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

D. Stage Four. From the 28<sup>th</sup> year through the 29<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 60% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

E. Stage Five. For the 30<sup>th</sup> year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 80% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

#### **SECTION 4.06 Administrative Fee**

The Entity shall pay annually an administrative fee to the City in addition to the Annual Service Charge. The Administrative Fee shall be computed as two percent (2%) of the Annual Service Charge required pursuant to Section 4.03. This fee shall be payable and due on or before February 1<sup>st</sup> 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 unpaid shall bear the highest rate of interest permitted under applicable New Jersey law in the case of unpaid taxes or tax liens until paid.

#### **SECTION 4.07 Material Conditions**

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

#### **SECTION 4.08 No Reduction in Payment of the Annual Service Charge**

Neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Sections 4.02 and 4.03 hereof shall be reduced, amended or otherwise modified during the term of this Agreement.

#### **SECTION 4.09 Annual Service Charges as Municipal Lien**



In accordance with the provisions of the Long Term Tax Exemption Law, the Annual Service Charge shall be and constitutes a continuous municipal lien on the Property and the Improvements.

**SECTION 4.10 Security for Payment of Annual Service Charges**

In order to secure the full and timely payment of the Annual Service Charges, the City on its own behalf reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

**SECTION 4.11 County Portion Paid to the County**

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

**{End of Article IV}**

## ARTICLE V

### REMEDIES

#### SECTION 5.01 Dispute Resolution

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, and produce a reasoned decision, 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 their other remedies, reserves the right to proceed against the Property and the Project, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof.

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.

#### SECTION 5.02 Remedies

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, the City in addition to its other remedies, reserves the right to proceed against the Project, in the manner provided by Applicable Law, including the Tax Sale Law and the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean real estate 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 Charges 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.

{End of Article V}

## ARTICLE VI

### CERTIFICATE OF OCCUPANCY

#### SECTION 6.01 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a reasonably timely manner.

#### SECTION 6.02 Filing of Certificate of Occupancy

It shall be the responsibility of the Entity to promptly file with both the Tax Assessor and the Tax Collector a copy of any Certificate of Occupancy issued for the Project.

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.

{End of Article VI}

## ARTICLE VII

### ANNUAL AUDITS

#### **SECTION 7.01 Accounting System**

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

#### **SECTION 7.02 Periodic Reports**

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

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project, the Entity shall, unless this Agreement is terminated, submit to the Mayor, City Council, the Tax Collector and the 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.

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

#### **SECTION 7.03 Inspection**

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

#### **SECTION 7.04 Limitation on Profits and Reserves**

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

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A. 40A:20-15*. The reserve shall be noncumulative.

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

#### **SECTION 7.05 Payment of Dividend and Excess Profit Charge**

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

The Parties agree that any excess Net Profit will be paid to the City as additional Annual Service Charge.

**{End of Article VII}**



## ARTICLE VIII

### ASSIGNMENT AND/OR ASSUMPTION

#### SECTION 8.01 Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law

The Entity shall not voluntarily transfer more than ten percent (10%) of the Project, until it has removed itself and the Project from all restrictions under this Agreement. The Entity shall, however, be permitted to transfer all or any portion of the Project to another urban renewal entity approved by the City as follows:

A. 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 after completion of the Project, may consent to a sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the 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 including, without limitation, the filing of an application pursuant to *N.J.S.A. 40A:20-8*, and any other terms and conditions of the City in regard to the Project; and (vi) the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage and complete the Project. In the event that the transfer contemplated in this Section 8.01(A) 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 land area being transferred compared to the total land area for the Project.

B. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity of ten percent (10%) or less, provided that any such transfer shall be disclosed to the City Council in the next Auditor's Report or in correspondence sent to the City Clerk in advance of the next Auditor's Report.

C. If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, 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 8.02 Severability

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the City Council by ordinance, convey, mortgage or

transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Land which are basic to, embraced in, or underlying the exempt Improvements.

**SECTION 8.03 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 City hereunder to encumber and/or lease the Land and/or Improvements, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

**{End of Article VIII}**

## ARTICLE IX

### CITY DETERMINATIONS AND OBLIGATIONS

#### SECTION 9.01 Relative Benefits

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(a)*, the City hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the City and its citizens despite the tax exemption granted hereunder. The Project site is a former manufacturing site that is currently vacant and underutilized. The Project will redevelop the site with a 126 unit market rate residential rental project in accordance with the Redevelopment Plan. The Project will create approximately 250 construction jobs and 8-10 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the substantial cost of remediating environmental conditions, market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

#### SECTION 9.02 Importance of Tax Exemption

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(b)*, the City hereby finds and determines that it has reviewed the Application and accompanying financial information and it has determined that this Agreement is a critical incentive for the Entity to undertake the Project in the City due to the extraordinary costs associated with the development of the Property. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

{End of Article IX}

## ARTICLE X

### WAIVER

#### SECTION 10.01 Waiver

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Entity of any rights and remedies provided by the Applicable Law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the 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 City or the Entity has under law, in equity, or under any provision of this Agreement.

{End of Article X}

## ARTICLE XI

### 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 or by commercial overnight delivery service with package tracking capabilities and for which proof of delivery is available, as follows:

- A. When sent to the Entity it shall be addressed as follows:

Woodmont Amboy Urban Renewal, LLC  
c/o Stephen A. Santola  
Woodmont Properties  
100 Passaic Avenue  
Fairfield, NJ 07004

**with copies to:**

Joseph G. Ragno, Esq.  
Waters, McPherson, McNeill, P.C.  
300 Lighting Way, 7<sup>th</sup> Floor  
Secaucus, NJ 07094

- B. When sent to the City, it shall be addressed as follows:

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

**with copies to:**

The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

{End of Article XI}



## ARTICLE XII

### COMPLIANCE

#### SECTION 12.01 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or Termination of this Agreement to remain bound by the provisions of Applicable Law and any lawful ordinances and resolutions of the City, 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 the Agreement.

{End of Article XII}

## ARTICLE XIII

### CONSTRUCTION

#### SECTION 13.01 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid or 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.

{End of Article XIII}

## ARTICLE XIV

### INDEMNIFICATION

#### SECTION 14.01 Indemnification

It is understood and agreed that in the event the City shall be named as a party defendant in any action respecting the Property brought against the City or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or any other Applicable Law, the Entity shall indemnify 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 the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of *N.J.S.A. 40A:20-1 et seq.*, and/or any other Applicable Law except for any misconduct by the City or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity.

{End of Article XIV}

## ARTICLE XV

### DEFAULT

#### SECTION 15.01 Default

Default shall be failure of either Party to conform to the terms of this Agreement and/or perform any obligation imposed by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

#### SECTION 15.02 Cure Upon Default

Should a Party be in Default of any obligation under this Agreement, the non-defaulting Party shall notify the defaulting Party and any mortgagee, if applicable, of the Entity in writing of said Default (the “**Default Notice**”). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the defaulting Party shall have sixty (60) days 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 from the date of its receipt of the Default Notice) provided such cure can reasonably be effected within such sixty (60) day period in which case Entity shall have such additional time to cure as reasonably necessary to effect same. In the event of any uncured Default by the Entity, the City shall have the right to proceed against the Property pursuant to Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge, the City shall have the right to proceed with an In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Act.

#### SECTION 15.03 Remedies Upon Default Cumulative; No Waiver

Subject to the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to the City, and all rights and remedies granted to it 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 Entity's failure to pay Land Taxes, the Annual Service Charge, and/or the Administrative Fee 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, Administrative Fee or other charges, or for breach of covenant. The resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges, Administrative Fee 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 15.04 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy any Default within the time period provided in Section 15.02, the City has the right to terminate this Agreement upon thirty (30) days written notice to the Entity (the “**Notice of Termination**”).

**SECTION 15.05 Final Accounting**

Within ninety (90) days after the date of Termination, 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 of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**SECTION 15.06 Conventional Taxes**

Upon Termination or expiration of this Agreement, 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.

**{End of Article XV}**

## ARTICLE XVI

### MISCELLANEOUS

#### SECTION 16.01 Conflict

The Parties agree that in the event of a conflict between the Application and this Agreement, the language in this 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 Agreement. This Agreement, the Ordinance of the City authorizing this Agreement, 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 hereto and delivered to each of them.

#### SECTION 16.03 Entire Document

All conditions in the Ordinance of the City Council approving this Agreement are incorporated in this Agreement and made a part hereof. This 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 hereto and delivered to each of them.

#### 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.

#### 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 Land Taxes, if applicable, and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

#### SECTION 16.07 Annual Service Charge Paid to County

Pursuant to *N.J.S.A. 40A:20-12*, the City shall remit five percent (5%) of the Annual Service Charge to Middlesex County.



#### **SECTION 16.08 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 16.09 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 16.10 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 Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A. 40A:20-12*, that an agreement with an urban renewal entity, i.e., the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by *N.J.S.A. 40A:20-1*, *et seq.* Delivery by the Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the City Council approving the tax exemption described herein and this 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 Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated.

Further, upon the adoption of this Agreement, a certified copy of the Ordinance adopted by the City Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Clerk.

#### **SECTION 16.12 Severability**

If any one or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

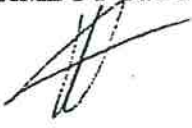
**SECTION 16.13 Effect of Amendment and Restatement**

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

**{End of Article XVI}**

**IN WITNESS WHEREOF**, the parties have caused these presents to be executed as of the day and year first above written.

**WOODMONT AMBOY URBAN RENEWAL, LLC**

By:   
Eric Witmond, Manager

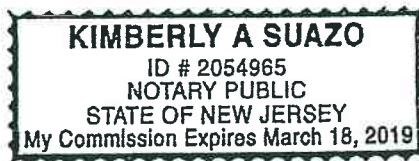
**CITY OF SOUTH AMBOY**

By: \_\_\_\_\_  
Fred A. Henry, Mayor

STATE OF NEW JERSEY :  
: SS  
COUNTY OF Essex :

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of May, 2016, by Eric Belmont, the Manager of Woodmont Amboy Urban Renewal, LLC, a New Jersey urban renewal entity, on behalf of the company.

Kimberly A. Suazo  
Notary Public



STATE OF NEW JERSEY :  
: SS  
COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016, by Fred A. Henry, the Mayor of the CITY OF SOUTH AMBOY, a municipal corporation of the County of Middlesex and State of New Jersey, on behalf of the City.

\_\_\_\_\_  
Notary Public

### **LIST OF EXHIBITS**

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

- Exhibit A. Property Description
- Exhibit B. Exemption Application with Exhibits
- Exhibit C. Ordinance

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**EXHIBIT B**

**EXEMPTION APPLICATION WITH EXHIBITS**



**APPLICATION FOR APPROVAL OF FINANCIAL AGREEMENT  
PURSUANT TO N.J.S.A. 40A: 20-1 ET SEQ. ON BEHALF OF  
WOODMONT AMBOY URBAN RENEWAL, LLC**

**APPLICANT**

Woodmont Amboy Urban Renewal, LLC  
c/o Woodmont Properties  
100 Passaic Avenue, Suite 240  
Fairfield, NJ 07004

**APPLICANT'S ATTORNEY**

Joseph G. Ragno, Esq.  
Waters, McPherson, McNeill, P.C.  
300 Lighting Way  
Secaucus, NJ 07096

**Date:** May 17, 2016

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## EXHIBIT INDEX

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| EXHIBIT I | - | Estimated Financial Plan                                       |

**1. THE APPLICANT**

The Applicant, Woodmont Amboy Urban Renewal, LLC (“Applicant”) is a duly formed New Jersey Urban Renewal Limited Liability Company, qualified to do business under the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. (the “Law”). The Applicant’s principal place of business is 100 Passaic Avenue, Suite 240, Fairfield, NJ 07004. A copy of the Certificate of Formation for the Applicant is attached as **Exhibit A**.

The Applicant is owned by its members, Woodmont Realty Holdings, LLC and Michael Perrucci.

See Ownership Disclosure, attached as **Exhibit B**.

**2. IDENTIFICATION OF PROJECT SITE**

The site of the Project is a 7.76 acre parcel of land identified as a portion of Block 22, Lot 3.03 and Block 24, Lot 2.03 on the Official Tax Map of the City of South Amboy, more commonly known as John O’Leary Boulevard and described with particularity in the Property Description set forth in **Exhibit C** (the “Project Site”).

**3. DESCRIPTION OF PROJECT**

The Project which is the subject of this Application is currently proposed, subject to modification in accordance with the Southern Waterfront Redevelopment Plan and Final Site Plan approval to be obtained, to be the construction of a transit village development consisting of 126 market-rate rental apartments (the “Project”). The Project Site is located entirely within the boundaries of the Southern Waterfront Redevelopment Area and the Project will conform to the requirements of the Redevelopment Plan and the Master Plan for the City of South Amboy.

Concept Plan, **Exhibit D**. The estimated Total Project Cost is \$26,634,000. See Total Project Cost Estimate, **Exhibit E**.

4. PROJECT OWNERSHIP STRUCTURE

Applicant or will be the fee owner of the Project Site and the improvements to be constructed on the Project Site. Upon completion, project elements will be leased by Applicant to residential unit lessees.

5. REQUESTED PILOT TERMS

A. Estimated Annual Service Charge

Applicant will be obligated to make payment of an Annual Service Charge ("ASC") in lieu of taxes on the Project land and improvements beginning in Year One following full build-out and stabilization according to the following schedule:

| <u>Years</u> | <u>ASC</u>                    |
|--------------|-------------------------------|
| 1-5          | 13.5% of Annual Gross Revenue |
| 6-10         | 14% of Annual Gross Revenue   |
| 11-15        | 14.5% of Annual Gross Revenue |
| 16-30        | 15% of Annual Gross Revenue   |

The Total Annual Gross Revenue upon stabilization (Year 2) is estimated to be in excess of \$3,100,000. Good Faith Estimates of the lease terms are attached as **Exhibit F**.

Over the 30 year exemption term it is estimated that approximately \$18,600,000 in ASC will be generated. Proposed Financial Agreement, **Exhibit H**; Estimated Annual Service Charge Schedule, **Exhibit I**;

Over the first twelve (12) months following the date of substantial completion (understood to be the issuance of a Certificate of Occupancy) for each building (the "Lease-Up

Period”), the Annual Service Charge for the project will be calculated based upon the actual rental revenue generated by the Project without application of the Minimum Annual Service Charge.

**B. Exemption Term**

Applicant requests a Financial Agreement having a term of thirty (30) years from the date of substantial completion for each building or thirty-five (35) years from the execution of said Financial Agreement.

**C. Staged Adjustments**

Applicant agrees to the statutory staged adjustments as required by N.J.S.A. 40A:20-12b(2) as follows:

| Year | 1 – 15  | ASC                                          |
|------|---------|----------------------------------------------|
|      | 16 – 21 | Greater of ASC or 20% of taxes otherwise due |
|      | 22-27   | Greater of ASC or 40% of taxes otherwise due |
|      | 28-29   | Greater of ASC or 60% of taxes otherwise due |
|      | 30      | Greater of ASC or 80% of taxes otherwise due |

**D. Administrative Fee**

Applicant agrees to pay annually an Administrative Fee equal to two percent (2%) of each prior year’s Annual Service Charge.

**6. BENEFIT TO MUNICIPALITY**

Aside from the \$406,034 in ASC estimated to be generated in Year Two (stabilized) following Substantial Completion, the Project will contribute substantially to the City’s economic base in general. The Project will result in the creation of approximately 250

construction jobs and, upon completion the Project will support 8-10 new permanent jobs. The Project will add new residents to the downtown area which, in turn, will provide a boost to the City's existing retail base.

The obvious direct economic benefit of the Project is the additional revenue flowing by virtue of the ASC which is estimated to be approximately \$18,600,000 over thirty (30) year PILOT term.

7. CONSTRUCTION SCHEDULE

It is currently projected that construction of the Project Improvements will be completed within 20 months of the issuance of the first building permit. The construction schedule is subject to modification based on any presently unforeseen circumstances including, without limitation, amendments to the Redevelopment Plan as may occur from time to time.

8. REAL ESTATE TAX INFORMATION

It is estimated that the total amount of real estate taxes paid for the 7.76 acre Project Site in 2015 was \$171,312.

9. MUNICIPAL TAX ASSESSMENT

The tax lots comprising the Project Site are assessed for 2016 as follows:

Block 22, Lot 3.03

|          |             |
|----------|-------------|
| Land     | \$5,925,000 |
| Building | \$0         |
| Total    | \$5,925,000 |

Block 24, Lot 2.03

|          |           |
|----------|-----------|
| Land     | \$525,000 |
| Building | \$0       |
| Total    | \$525,000 |

STATUS OF THE MUNICIPAL TAXES AND OTHER CHARGES

Municipal taxes and other charges are current through the date of this Application.



11. JOBS ESTIMATE

250 construction jobs to be generated.

8-10 permanent full-time jobs in completed Project.

12. COMPLIANCE WITH STATE AND LOCAL REDEVELOPMENT LAWS

Applicant certifies that the Project complies with all State and local redevelopment laws and is in conformity with the requirements of the Southern Waterfront Redevelopment Area and the Master Plan for the City of South Amboy.

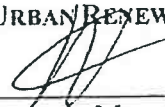
13. CERTIFICATE OF NEED FOR FINANCIAL AGREEMENT

Applicant hereby certifies that in the absence of a Financial Agreement substantially in the form described in this Application, the Project as proposed would not be viable.

Based upon the foregoing, we respectfully request, on behalf of the Applicant, that the City grant this Application and authorize the execution of the proposed Financial Agreement between the Applicant and the City of South Amboy.

Respectfully submitted,

WOODMONT AMBOY URBAN RENEWAL, LLC

By: \_\_\_\_\_  
Eric Witmondt, Manager

Date: May 17, 2016

EXHIBIT A

CERTIFICATE OF FORMATION

**CERTIFICATE OF FORMATION**

**OF**

**WOODMONT AMBOY URBAN RENEWAL, LLC**

**TO: STATE TREASURER  
STATE OF NEW JERSEY**

**THE UNDERSIGNED**, of the age of eighteen years or over, for the purpose of forming a limited liability company pursuant to the provisions of Title 42:2C, the New Jersey Limited Liability Company Act, of the New Jersey Statutes and the New Jersey Long Term Tax Exemption Law, Title 40A:20, Municipalities and Counties, of the New Jersey Statutes, does hereby execute the following Certificate of Formation:

**FIRST:** The name of the Limited Liability Company (the "Company") shall be:

**WOODMONT AMBOY URBAN RENEWAL, LLC**

**SECOND:** The address of the Company's registered office in the State of New Jersey is 100 Passaic Avenue, Fairfield, NJ 07004. The name of its registered agent at such address for service of process is Eric Witmond.

**THIRD:** (a) The purpose for which the 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 City of South Amboy (the "Financial Agreement"), 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 (the "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.).

(b) So long as the Company is obligated under the Financial Agreement with the City of South Amboy 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.

(c) The Company has been organized to serve a public purpose, and 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; and (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.). The Company shall be subject to regulation by the City of South Amboy, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to the terms of P.L. 1991, c.431 (C.40A:20-1 et. seq.).

(d) The Company shall not voluntarily transfer more than ten percent (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 under P.L. 1991, c.431 (C.40A:20-1 et. seq.), in the manner required by P.L. 1991, c.431 (C.40A:20-1 et. seq.) and, if the Project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the City of South Amboy, which other urban renewal entity shall assume all contractual obligations of the Company under the Financial Agreement. The Company shall file annually with the governing body of the City of South Amboy 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 governing body of the City of South Amboy in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

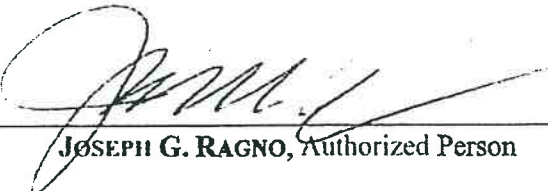
(e) The Company is subject to the provisions of section 18 of P.L. 1991, c.431 (C.40A:20-18) respecting the powers of the City of South Amboy to alleviate financial difficulties of the Company or to perform actions on behalf of the Company upon a determination of financial emergency.

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

**FOURTH:** The effective date of the Certificate of Formation shall be the date of filing with the New Jersey Department of Treasury.

**FIFTH:** The Company shall have perpetual existence.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Formation on this 16<sup>th</sup> day of February, 2016.

  
\_\_\_\_\_  
**JOSEPH G. RAGNO, Authorized Person**



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
101 SOUTH BROAD STREET  
PO Box 805  
TRENTON, NJ 08625-0805

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHARLES A. RICHMAN  
*Commissioner*

DEPARTMENT OF COMMUNITY AFFAIRS

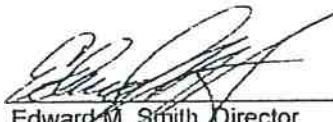
TO State Treasurer  
RE WOODMONT AMBOY URBAN RENEWAL, LLC  
File # 1735  
An Urban Renewal Entity

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 10<sup>th</sup> day of March 2016 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY

  
Edward M. Smith, Director  
Division of Codes and Standards



**EXHIBIT B**

**OWNERSHIP DISCLOSURE STATEMENT**

**WOODMONT AMBOY URBAN RENEWAL, LLC**

| NAME                          | ADDRESS                                   | PERCENTAGE OWNED |
|-------------------------------|-------------------------------------------|------------------|
| Woodmont Realty Holdings, LLC | 100 Passaic Avenue<br>Fairfield, NJ 07004 | 87.5%            |

| NAME             | ADDRESS                                                 | PERCENTAGE OWNED |
|------------------|---------------------------------------------------------|------------------|
| Michael Perrucci | 60 West Broad Street<br>Suite 102<br>Bethlehem PA 18018 | 12.5%            |

I certify that the above represents the names and addresses of all entities who own a 10% or greater interest in Woodmont Amboy Urban Renewal, LLC

I further certify that no officer or employee of the City of South Amboy has any interest, direct or indirect, in the above entity.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

**WOODMONT AMBOY URBAN RENEWAL, LLC**

By: \_\_\_\_\_

Name: Eric Witmond, Manager



EXHIBIT C

PROPERTY DESCRIPTION

# Old Republic National Title Insurance Company

## COMMITMENT

File No. SG0012-N

## SCHEDULE A

Applicant:

Robert F. Simon, Esq.  
Herold Law  
25 Independence Boulevard  
Warren, NJ 07059

  
1/23/13

Issued by:

Spyglass Title Group, LLC  
150 Smith Road  
Suite One  
Parsippany, NJ 07054

1. Effective Date: January 23, 2013

Termination Date: 180 days  
after effective date

2. Policy or Policies to be issued:

(a) \_\_\_\_\_  
Proposed Insured:

\$

(b) ALTA Loan Policy (6-17-06)  
Proposed Insured:

\$

Valley National Bank, its successors and/or assigns as their  
interests may appear

**NOTE: POLICY WILL INSURE THAT INSURED MORTGAGE IS A  
VALID FIRST LIEN ON THE WITHIN DESCRIBED PROPERTY.**

3. The estate or interest in the land described or referred to in this commitment is Fee Simple.

4. Title to the Fee Simple estate or interest in the land is at the Effective Date vested in:  
Part of property formerly known as Block 22, Lots 3, 3.02, 4 &  
AS TO TRACT ONE: 4.02 and Block 23, Lot 2 (now part of current Block 22, Lot 3.03)  
Peron Development/South Amboy II, LLC by deed from Julian's Auto Body, Inc. dated  
October 26, 2005, recorded December 5, 2005 in the Middlesex County Clerk's Office in  
Deed Book 5591, page 540.

Peron Development/South Amboy II, LLC then conveyed subject premises to Peron  
Development/South Amboy II, LLC by Subdivision Deed dated August 11, 2008, recorded  
August 15, 2008 in the Middlesex County Clerk's Office in Deed Book 5975, page 524.

Excepting from the above, Lot 4.02, Block 22 which was conveyed by Peron  
Development/South Amboy II, LLC to The South Amboy Redevelopment Agency by deed  
dated August 11, 2008 and recorded August 15, 2008 in the Middlesex County Clerk's  
Office in Deed Book 5975, page 536

AS TO TRACT TWO: Block 22, Lot 3.01 (now part of current Block 22, Lot 3.03)

# Old Republic National Title Insurance Company

## SCHEDULE A (Continued)

File No. SG0012-N

Peron Development/South Amboy II, LLC, by deed from The City of South Amboy, dated December 4, 2008, recorded March 9, 2009 in the Middlesex County Clerk's Office in Deed Book 6030 page 474. .

AS TO TRACT THREE: Block 22, Lot 4.01

Peron Development/South Amboy II, LLC, by deed from Jean Read, widow, dated November 3, 2009, recorded November 16, 2009 in the Middlesex County Clerk's Office in Deed Book 6107 page 499.

Former Block 23, Lots 1 & 1.03 (now part of current Block

AS TO TRACT FOUR: 22, Lot 3.03)

Peron Development/South Amboy II, LLC, by deed from New Water Realty Corporation, successor by merger with Water Realty Company, a Corporation of New Jersey, dated December 6, 2011, recorded December 8, 2011 in the Middlesex County Clerk's Office in Deed Book 6308 page 71.

Former Block 24, Lot 2.01 (Peron owns current Block 24,

AS TO TRACT FIVE: Lot 2.03)

Peron Development/South Amboy II, LLC, by deed from Automotive Electronics Corporation of America, a Corporation of the State of New Jersey, dated December 6, 2011, recorded December 8, 2011 in the Middlesex County Clerk's Office in Deed Book 6308 page 80.

Former Block 23, Lot 1.04 (now part of current Block 22,

AS TO TRACT SIX: Lot 3.03)

Peron Development/South Amboy II, LLC, by deed from The City of South Amboy dated December 4, 2008, and delivered on January 18, 2012, recorded February 1, 2012 in the Middlesex County Clerk's Office in Deed Book 6321, page 39 and by Quit Claim Deed from New Water Realty Corporation successor by merger to Water Realty Company dated December 6, 2011 and recorded February 3, 2012 in the Middlesex County Clerk's Office in Deed Book 6321, page 521

EXCEPTING FROM Tract Four, Tract Five and Tract Six above, Lot 2.02, Block 24 which was conveyed by Peron Development/South Amboy, II, LLC to Venetian Real Estate, LLC by deed dated May 17, 2012, recorded May 29, 2012 in the Middlesex County Clerk's Office in Deed Book 6353, page 487.

5. The land referred to in this Commitment is described as follows:

For information purposes only:

100 Louisa Street, City of South Amboy  
Middlesex County, New Jersey  
Block 22, Lots 3, 3.01, 3.02, 4 & 4.01  
Block 23, Lots 2, 2.01, 2.02  
Block 24, part of Lot 2.01

SEE CONTINUATION OF SCHEDULE A FOR LEGAL DESCRIPTION

# Old Republic National Title Insurance Company

## SCHEDULE A (Continued)

File No. SG0012-N

### LEGAL DESCRIPTION

ALL that certain lot, parcel or tract of land, situate and lying in the City of South Amboy, County of Middlesex, State of New Jersey, and being more particularly described as follows:

BEING known and designated as Proposed Lot 2.03, Block 24 and Proposed Lot 3.03, Block 22 as set forth on a certain map entitled "Major Subdivision of Block 22, Lots 3, 3.01, 3.02, 4, Block 23, Lots 1, 1.03, 1.04, 2 and Block 24, Lot 2.01, City of South Amboy, Middlesex County, New Jersey" which map was filed February 7, 2012 in the Middlesex County Clerk's Office as Map No. 6616, File No. 989.

PURPOSES ONLY: Also known as Lots 3, 3.01, 3.02, 4, 4.01 in Block 22, Lots 2, 2.01, 2.02, Block 23, and p/o Lot 2.01, Block 24 on the City of South Amboy Tax Map.

A handwritten signature in black ink, appearing to read "J. D.", is located in the center of the page.



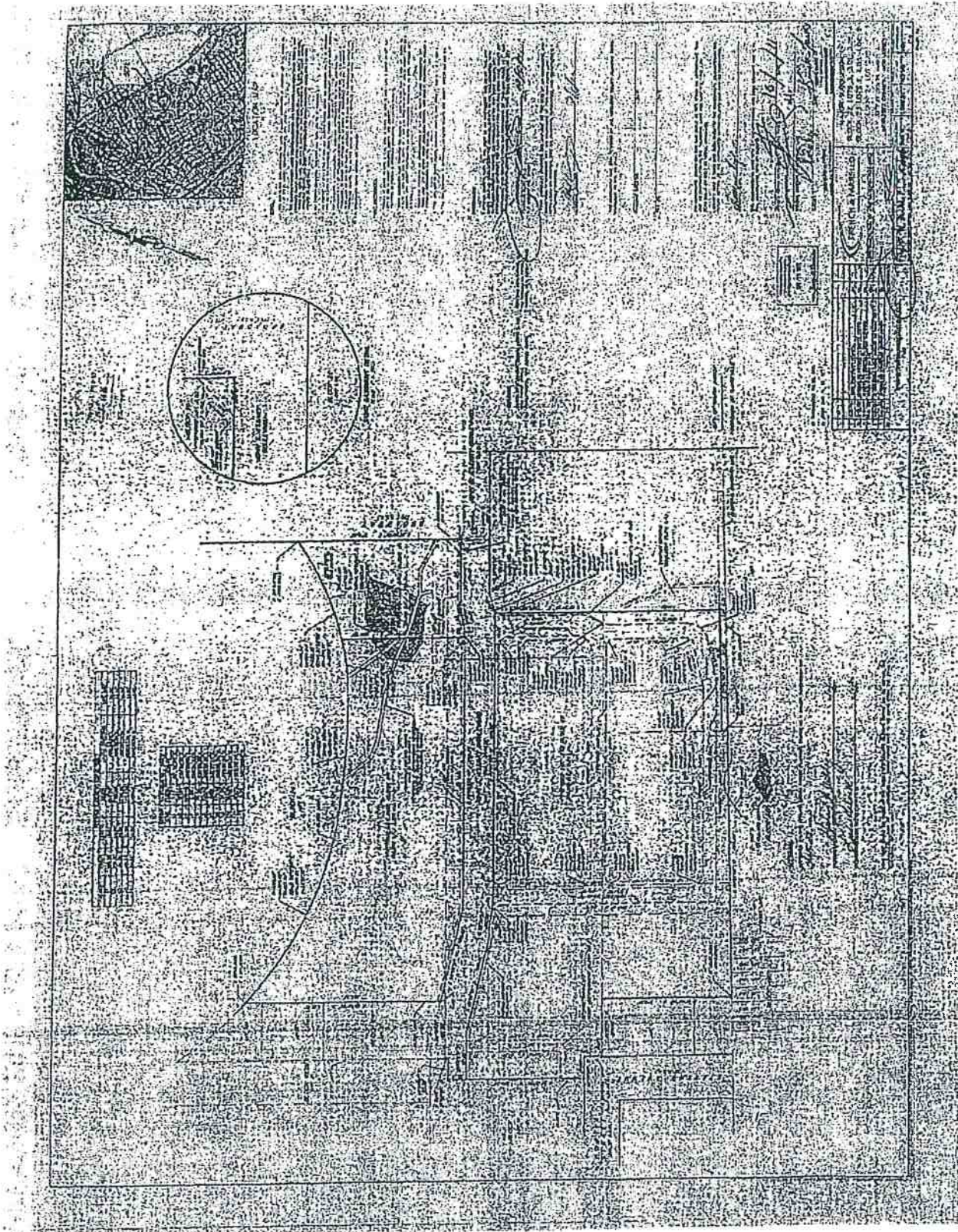




EXHIBIT D

CONCEPT PLAN



## EXHIBIT E

### TOTAL PROJECT COST ESTIMATE

|    |                                                                                                                                                                                                                                                                                                |              |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. | Cost of the land to the entity, whether acquired from a private or a public owner (allocation).                                                                                                                                                                                                | \$ 4,820,000 |
| 2. | Architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project.                                                                                                                                               | \$ 380,000   |
| 3. | Surveying and testing charges in connection therewith (in #4 below).                                                                                                                                                                                                                           | \$ 106,500   |
| 4. | Actual construction costs which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect, including the cost of any preparation of the site undertaken at the entity's expense and fees and permits. | \$18,000,000 |
| 5. | Insurance, interest and finance costs during construction.                                                                                                                                                                                                                                     | \$ 1,550,000 |
| 6. | Costs of obtaining initial permanent financing.                                                                                                                                                                                                                                                | \$ 235,000   |
| 7. | Commissions and other expenses paid or payable in connection with initial leasing and sales.                                                                                                                                                                                                   | \$ 262,500   |
| 8. | Real estate taxes and assessments during the construction period.                                                                                                                                                                                                                              | \$ 380,000   |
| 9. | A developer's overhead based on a percentage of actual construction costs (5% of item #4).                                                                                                                                                                                                     | \$ 900,000   |

**TOTAL PROJECT COST**

**\$26,634,000**

**\$211,380.95/unit**



EXHIBIT F

GOOD FAITH ESTIMATES OF LEASE TERMS

Residential Leases

Term: One (1) year

**Residential Rent:**

Market (avg.) - \$2,000/unit/month (+/-)

**Exhibit G**

**Proposed Financial Agreement**

**[Intentionally Omitted]**

## EXHIBIT H

### ESTIMATED ANNUAL SERVICE CHARGE

Based on good faith estimates of the rents and sales to be achieved, the Annual Service Charge over the term of the exemption (30-years) is as follows:

|                               | <u>Year 2 (stabilized)</u> | <u>Total over</u> |
|-------------------------------|----------------------------|-------------------|
| <u>PILOT Term</u>             |                            |                   |
| Rental Apartments (126 units) | \$406,034                  | \$18,632,055      |

EXHIBIT I

ESTIMATED FINANCIAL PLAN

Brooklyn, Santa Arroyo, NJ

as of May 9, 2016

|                                             | Initial Lease-Up | Year 1      | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      | Year 8      | Year 9      | Year 10     | Year 11     | Year 12     | Year 13     | Year 14     | Year 15     |
|---------------------------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross Annual Collections                    | 5                | \$1,549,438 | \$1,105,500 | \$1,285,302 | \$1,250,007 | \$1,447,956 | \$1,134,622 | \$1,581,993 | \$1,440,316 | \$1,757,527 | \$1,857,418 | \$2,555,810 | \$4,031,695 | \$4,133,016 | \$4,157,864 | \$4,350,311 |
| Year 15 Collections for Lease Non-Ret. Unit | 2                |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Effective Gross Income (EGI)                |                  | \$1,569,928 | \$1,087,602 | \$1,311,634 | \$1,259,585 | \$1,449,925 | \$1,134,656 | \$1,602,608 | \$1,447,902 | \$1,757,527 | \$1,857,418 | \$2,555,810 | \$4,031,695 | \$4,133,016 | \$4,157,864 | \$4,350,311 |
| Operating Expenses                          |                  | \$311,036   | \$609,000   | \$701,000   | \$1,449,908 | \$1,111,112 | \$1,01,667  | \$180,379   | \$500,438   | \$820,258   | \$810,371   | \$981,790   | \$181,337   | \$500,418   | \$728,054   | \$751,232   |
| <b>PILOT</b>                                |                  |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| - net EGI                                   | 11.5%            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| PILOT payments                              |                  |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| TOTAL = \$18,632,635                        |                  |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Expenses - Operating + PILOT                |                  | \$720,214   | \$1,618,004 | \$1,112,002 | \$1,131,908 | \$1,280,234 | \$1,126,412 | \$1,231,144 | \$1,447,340 | \$1,330,696 | \$1,667,789 | \$1,859,007 | \$1,812,032 | \$1,477,654 | \$1,514,375 | \$1,531,497 |
| Amortization over Term                      | 30 years         | \$587,600   | \$1,175,200 | \$1,071,007 | \$1,101,810 | \$1,110,106 | \$1,120,400 | \$1,127,800 | \$1,134,200 | \$1,140,600 | \$1,147,000 | \$1,153,400 | \$1,159,800 | \$1,166,200 | \$1,172,600 | \$1,179,000 |
| Net Operating Income after Amortization     |                  | \$(58,706)  | \$216,398   | \$1,071,007 | \$1,101,810 | \$1,110,106 | \$1,120,400 | \$1,231,808 | \$1,277,492 | \$1,276,827 | \$1,432,917 | \$1,460,925 | \$1,355,687 | \$1,350,829 | \$1,642,586 | \$1,700,856 |

Broadway, South Amboy, NJ

Estimated Financial Plan (beginning with initial lease-up)  
 as of May 9, 2016

|                                               | 2016         | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        |
|-----------------------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gifts Annual Collections                      | \$1,135,419  | \$1,585,754 | \$1,609,885 | \$1,717,100 | \$1,793,117 | \$1,869,261 | \$1,947,794 | \$2,017,482 | \$2,049,416 | \$1,746,637 | \$1,729,731 | \$1,829,515 | \$1,911,431 | \$1,666,657 | \$1,206,823 |
| Voluntary/Colleague/Credent. Landon Book Fair | (232,611)    | (122,953)   | (142,323)   | (170,453)   | (126,814)   | (235,063)   | (127,294)   | (152,123)   | (272,710)   | (27,263)    | (128,318)   | (129,336)   | (155,434)   | (166,751)   | (166,888)   |
| Executive Office Income (FOD)                 | \$1,299,736  | \$1,453,991 | \$1,467,560 | \$1,546,647 | \$1,900,306 | \$1,604,198 | \$1,795,500 | \$1,901,603 | \$1,717,705 | \$3,007,312 | \$1,238,129 | (157,869)   | \$1,775,438 | \$5,858,324 | \$6,004,787 |
| Operating Expenses                            | \$973,307    | \$999,117   | \$1,074,998 | \$1,070,008 | \$1,074,274 | \$1,082,164 | \$1,087,240 | \$1,099,007 | \$1,112,565 | \$1,114,593 | \$1,238,729 | \$1,273,332 | \$1,311,316 | \$1,344,079 | \$1,377,701 |
| PHOT                                          |              |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Net FOD                                       | \$326,429    | \$454,874   | \$392,562   | \$476,639   | \$826,032   | \$522,034   | \$708,260   | \$802,596   | \$605,140   | \$1,892,719 | \$1,000,400 | \$651,676   | \$464,122   | \$3,194,276 | \$3,637,006 |
| PHOT Personnel                                |              |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Expenses - Operating - PHOT                   | \$16,612,499 | \$1,612,411 | \$1,691,111 | \$1,739,387 | \$1,719,407 | \$1,827,296 | \$1,865,075 | \$1,746,754 | \$1,966,134 | \$1,919,745 | \$2,064,175 | \$2,113,718 | \$2,145,671 | \$2,202,817 | \$2,279,413 |
| Amortization over Term                        | \$342,460    | \$483,306   | \$567,806   | \$647,156   | \$413,755   | \$117,755   | \$467,304   | \$487,807   | \$537,310   | \$461,705   | \$737,810   | \$141,806   | \$467,905   | \$447,810   | \$587,310   |
| Net Operating Income after Amortization       | \$1,739,435  | \$1,412,730 | \$1,784,266 | \$1,797,177 | \$1,427,157 | \$1,709,290 | \$1,779,600 | \$1,414,006 | \$1,415,387 | \$1,527,012 | \$1,488,152 | \$1,271,919 | \$1,659,667 | \$2,767,677 | \$2,818,564 |

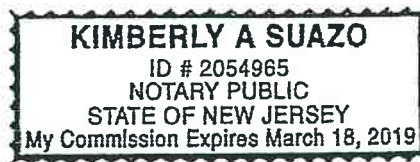
**EXHIBIT C**  
**ORDINANCE**



STATE OF NEW JERSEY :  
: ss  
COUNTY OF Essex :

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of May, 2016, by Eric Whitman, the Manager of Woodmont Amboy Urban Renewal, LLC, a New Jersey urban renewal entity, on behalf of the company.

Kimberly A. Suazo  
Notary Public



STATE OF NEW JERSEY :  
: ss  
COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016, by Fred A. Henry, the Mayor of the CITY OF SOUTH AMBOY, a municipal corporation of the County of Middlesex and State of New Jersey, on behalf of the City.

\_\_\_\_\_  
Notary Public

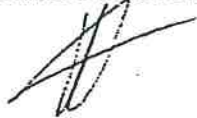
**SECTION 16.13 Effect of Amendment and Restatement**

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

**{End of Article XVI}**

**IN WITNESS WHEREOF**, the parties have caused these presents to be executed as of the day and year first above written.

**WOODMONT AMBOY URBAN RENEWAL, LLC**



By: \_\_\_\_\_  
Eric Witmond, Manager

**CITY OF SOUTH AMBOY**

By: \_\_\_\_\_  
Fred A. Henry, Mayor

**SECTION 16.13 Effect of Amendment and Restatement**

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

**{End of Article XVI}**

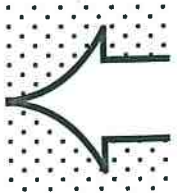
**IN WITNESS WHEREOF**, the parties have caused these presents to be executed as of the day and year first above written.

**WOODMONT AMBOY URBAN RENEWAL, LLC**

By: \_\_\_\_\_  
Eric Witmond, Manager

**CITY OF SOUTH AMBOY**

By: *Fred A. Henry*  
Fred A. Henry, Mayor



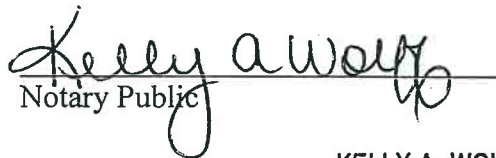
STATE OF NEW JERSEY :  
 : SS  
COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_, the \_\_\_\_\_ of Woodmont Amboy Urban Renewal, LLC, a New Jersey urban renewal entity, on behalf of the company.

\_\_\_\_\_  
Notary Public

STATE OF NEW JERSEY :  
 : SS  
COUNTY OF Middlesex :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016, by Fred A. Henry, the Mayor of the CITY OF SOUTH AMBOY, a municipal corporation of the County of Middlesex and State of New Jersey, on behalf of the City.

  
Notary Public

KELLY A. WOLFF  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 6/18/2020

