

FINANCIAL AGREEMENT

By and Between

THE TOWNSHIP OF MANSFIELD
and
THE TOWNSHIP OF MANSFIELD COMMITTEE
Township

and

MANSFIELD NORTH URBAN RENEWAL LLC
Redeveloper

(Block 4, Lots 6.01 & 7)

THIS FINANCIAL AGREEMENT (“Agreement” or “Financial Agreement”), effective as of the ____ day of _____, 2021, is hereby entered into, by and between the **TOWNSHIP OF MANSFIELD** and the **TOWNSHIP OF MANSFIELD COMMITTEE** (collectively, the “Township”), a municipal corporation of the State of New Jersey, with offices at 3135 Route 206 South, Columbus, New Jersey 08022, and **MANSFIELD NORTH URBAN RENEWAL LLC**, or their assigns or successors (“Redeveloper”), a limited liability company of the State of New Jersey, with offices at 153 Beachfront Road, Manasquan NJ 08736.. Together, the Township and the Redeveloper are, collectively, the “Parties” or, individually, each is a “Party.”

WITNESSETH:

WHEREAS, pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as may be amended and supplemented, (the “Redevelopment Law”), on December 28, 2016, the Township duly adopted Resolution 2016-12-20, designating property identified on the Township Tax Map as Block 4, Lot(s) 6.01 & 7 (the “Property”), with other lands, as an area in need of redevelopment (the “Redevelopment Area”) in accordance with the Redevelopment Law; and

WHEREAS, in order to facilitate the redevelopment of the Property, the Township authorized the preparation of a redevelopment plan for the Property pursuant to the authority granted under the Redevelopment Law; and

WHEREAS, on March 22, 2017, the Township duly adopted Ordinance 2017-4 adopting the “U.S. Route 206 Northern Area Redevelopment Plan, dated February 2, 2017 (the “Redevelopment Plan”) in accordance with the Redevelopment Law;

WHEREAS, the Redeveloper submitted a proposal to the Township to undertake the redevelopment of the Property (the “Project”); and

WHEREAS, Redeveloper is an urban renewal entity formed and qualified pursuant to the applicable provisions of the Long-Term Tax Exemption Law, N.J.S.A 40A:20-1, et seq., as may be amended and supplemented (the “Exemption Law”); and

WHEREAS, on August 18, 2021, the Township adopted Resolution 2021-8-14 designating Mansfield North Urban Renewal LLC as Redeveloper for the Project, and authorized the Parties to execute a redevelopment agreement which would allow Mansfield North Urban Renewal LLC to be Redeveloper for the Property; and

WHEREAS, the Township and the Redeveloper or its assignee executed a redevelopment agreement, effective August 18, 2021 (the “Redevelopment Agreement”), that set forth the terms and conditions upon which the Property is to be redeveloped; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township now enters into this Financial Agreement with the Redeveloper, which Agreement shall govern payments made to the Township in lieu of real estate taxes on the Project pursuant to the Exemption Law; and

WHEREAS, Redeveloper has filed an application (the “Application,” as further defined herein), with the Mayor of the Township for approval of a long-term tax exemption for the Improvements (as defined herein) to the extent permitted by the Exemption Law; and

WHEREAS, after review of the Application, the Township has made the following findings with respect to the Project:

- A. Relative benefits of the Project:
 - i. The Project will provide for the renewal and revitalization of the Redevelopment Area.
 - ii. The Township will benefit from the creation of permanent new jobs.
 - iii. Without the tax exemption granted herein, it is unlikely that the Redeveloper would have proceeded with the Project.
 - iv. It is anticipated that the general contractor hired to build this Project will employ construction workers in which the contractor shall endeavor, based upon available skilled labor and specialization, to include minorities, women, and the local residents of the Township.

WHEREAS, upon consideration of the Application and the Township’s recommendations with respect thereto pursuant to the Exemption Law at N.J.S.A. 40A:20-8, on September 15, 2021, the Township duly adopted Ordinance 2021-19 (the “Ordinance”), authorizing the execution of this Agreement and granting a tax exemption in accordance with the terms hereof; and

WHEREAS, in order to satisfy requirements of the Exemption Law and to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to the Annual Service Charge (as defined herein), the Parties have determined to execute this Financial Agreement.

NOW, THEREFORE, in consideration of the promises and mutual representations, covenants and agreements herein set forth, the Parties hereto, binding themselves, as well as their successors and assigns, do hereby mutually promise, covenant and agree as follows:

ARTICLE I
GENERAL PROVISIONS

Section 1.01 Governing Law – THIS FINANCIAL AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THIS STATE, INCLUDING THE PROVISIONS OF THE EXEMPTION LAW, THE REDEVELOPMENT LAW AND ALL OTHER APPLICABLE LAWS. IT IS HEREBY EXPRESSLY ACKNOWLEDGED, UNDERSTOOD AND AGREED THAT EACH AND EVERY PARCEL OF LAND, AND ANY IMPROVEMENT RELATED

THERE TO, AS SUCH TERMS ARE DEFINED HEREIN, SHALL BE SUBJECT TO AND GOVERNED BY THE TERMS OF THIS FINANCIAL AGREEMENT.

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

Agreement	Redeveloper
Application	Redevelopment Agreement
Exemption Law	Redevelopment Area
Financial Agreement	Redevelopment Law
Ordinance	Redevelopment Plan
Parties	Township
Project	Redeveloper
Property	

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

Administrative Fee – shall be as defined in Section 14.08 herein.

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

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

Annual Gross Revenue or Gross Revenue – shall mean annual gross revenue or gross shelter rent or annual gross rents, as appropriate, and other income, received by the Redeveloper and as herein defined below. The parties have considered whether there are any insurance, operating, and maintenance expenses to be paid by a tenant of the Project which are ordinarily paid by a landlord and have concluded that there are none contemplated at this time. Any federal funds received, whether directly or in the form of rental subsidies paid to tenants, by a nonprofit corporation that is the sponsor of a qualified subsidized housing project, shall not be included in the Project's AGR for purposes of computing the annual service charge for municipal services supplied to the Project; and provided further that any gain realized by the Redeveloper on the sale of the Project or any portion thereof, whether or not taxable under federal or State law, shall not be included in computing AGR. The provisions of N.J.S.A. 40A:20-3 and, if necessary,

N.J.S.A. 40A:20-14 are incorporated by reference. To calculate Annual Gross Revenue, customary operating expenses of tenants such as taxes (including payments in lieu of taxes) shall be deducted from Annual Gross Revenue based on the actual amount of such costs incurred.

Annual Service Charge – shall mean the payment pursuant to Article IV herein.

Annual Service Charge Payment Dates – shall mean February 1, May 1, August 1 and November 1 of each year commencing on the first such date following the Annual Service Charge Start Date and continuing in accordance with the term of this Financial Agreement.

Annual Service Charge Start Date – shall mean, with respect to the Project or any portion thereof, the earlier of Substantial Completion or the date that the Project or any portion thereof, as applicable, receives a Certificate of Occupancy, and shall be the date upon which the Annual Service Charge begins to accrue.

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

Application – shall mean collectively, the applications, as supplemented, filed by the Redeveloper pursuant to N.J.S.A. 40A:20-8 with the Mayor of the Township for a long-term tax exemption for the Project, attached hereto as **Exhibit 2**.

Auditor's Report – shall mean 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)(2). The contents of the Auditor's Report shall have been prepared in conformity with Generally Accepted Auditing Standards. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant licensed to practice that profession in the State.

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

Change in Law – shall mean the enactment, promulgation, modification or repeal of or with respect to Applicable Law, including without limitation, the Exemption Law, the Redevelopment Law or other similar statute with respect to the matters addressed by the terms of this Financial Agreement and/or the transactions contemplated hereby.

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

Completion, Complete or Completed – shall mean, with respect to the Project, (a) all work related to the Project in its entirety or any other work or actions to which such term is applied has been completed, acquired and/or installed in accordance with the Redevelopment Agreement and in compliance with Applicable Laws so that (i) the Project in its entirety may, in all respects, be used and operated under the applicable provisions of the Redevelopment Agreement, or (ii) with respect to any other work or action to which such term is applied, that the intended purpose of such work or action has been completed; (b) all permits, licenses and approvals that are required can be issued for the Project in its entirety or such other work or action to which such term is applied are in full force and effect; and (c) such “completion” has been evidenced by a written notice provided by the Redeveloper with respect to the Project, which determination is reasonably acceptable to the Township.

County – shall mean the County of Burlington.

County Share – shall mean five percent (5%) of the Annual Service Charge received by the Township, which shall be payable to the County as provided herein.

Default – shall mean a breach of or the failure of any 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.

Disclosure Statement – shall be as defined in Section 6.02(b).

Exhibit(s) – shall mean any exhibit attached hereto, which shall be deemed to be a part of this Financial Agreement, as if set forth in full in the text hereof.

Improvements – shall mean any building, structure or fixtures which are permanently affixed to the Land as part of the Project and become incorporated therein, which improvements are recognized and exempted from taxation under this Agreement.

In Rem Tax Foreclosure – shall mean a summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by N.J.S.A. 54:5-1 et seq.

Land – shall mean the real property, but not the Improvements, known as Block 4, Lot(s) 6.01 & 7 as set forth on the tax maps of the Township, and more particularly described by the metes and bounds description set forth as **Exhibit 1** to this Agreement.

Land Taxes – shall mean the amount of taxes assessed on the value of the Land upon which the Project is located.

Land Tax Payments – shall mean payments made on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector.

Material Conditions – shall be as defined in Section 4.05 herein.

Minimum Annual Service Charge – shall be the amount of the total taxes levied against the Property in the last full tax year in which the Property was subject to taxation.

Net Profit – shall mean the Gross Revenue of the Redeveloper pertaining to the Project less all operating and non-operating expenses of the Redeveloper, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c). Without limiting the foregoing, included in expenses shall be debt service and an amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the exemption granted pursuant to this Agreement as well as all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Post-Credit Guaranteed Minimum – shall be as defined in Section 4.04(c) herein.

State – shall mean the State of New Jersey.

Substantial Completion – shall mean the date the work related to the Project, or any portion thereof, is sufficiently complete in accordance with the Redevelopment Plan and the Redevelopment Agreement so that the Project, or any portion thereof, may be occupied or utilized for the use for which it is intended. The issuance of a temporary Certificate of Occupancy shall be conclusive proof that the Project, or any portion thereof, has reached Substantial Completion.

Tax Assessor – shall mean the Township tax assessor.

Tax Collector – shall mean the Township tax collector.

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

Term – shall be as defined in Section 3.01 of this Agreement.

Termination – shall mean the expiration of the term of this Agreement in accordance with Section 3.01 hereof which by operation of the terms of this Financial Agreement shall cause the relinquishment of the tax exemption applicable to any Improvement.

Total Project Cost – shall have the meaning applied to such term in, and shall be construed in accordance with, the Exemption Law, specifically N.J.S.A. 40A:20-3(h).

Township Clerk – shall mean the Clerk of the Township.

Section 1.03 Interpretation and Construction. In this Financial Agreement, unless the context otherwise requires:

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

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

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

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

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

(f) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, in writing and within a reasonable time, which shall not be less than fifteen (15) days nor more than thirty (30) days, unless the context dictates otherwise.

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

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

ARTICLE II **BASIS OF AGREEMENT**

Section 2.01 Covenant of Tax Exemption. The Township hereby grants its approval for a tax exemption for the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement, the Redevelopment Agreement, Redevelopment Plan and the provisions of Applicable Law, which Improvements shall be constructed and/or renovated on the Land and shall be exempt from taxation as provided for herein. Land Taxes and Land Tax Payments shall continue to be paid on the Land at all times during the term of this Agreement.

Section 2.02 Representations of Redeveloper. The Redeveloper represents that its Certificate of Formation, attached hereto as **Exhibit 3**, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the State Department of Community Affairs, and has been filed with, as appropriate, the State Department of Treasury, all in accordance with N.J.S.A. 40A:20-5.

Section 2.03 Construction of the Project. The Redeveloper represents that it will construct the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan

and Applicable Law, the use of which is more specifically described in the Application attached hereto as **Exhibit 2**.

Section 2.04 Construction Schedule. The Redeveloper agrees to diligently undertake to commence construction and complete the Project in accordance with the construction schedule set forth in the Redevelopment Agreement, as such schedule may be amended from time to time in accordance with the terms of the Redevelopment Agreement and subject to Force Majeure Events as defined in the Redevelopment Agreement.

Section 2.05 Ownership, Management and Control.

- (a) The Redeveloper hereby represents that its sole member or members are listed on Exhibit 3.
- (b) The Redeveloper hereby represents that it is the owner of the Property.

Section 2.06 Financial Plan. The Redeveloper represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as **Exhibit 4**. The Plan, together with the Application attached hereto as **Exhibit 2** and the certification attached hereto as **Exhibit 5**, sets forth estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the anticipated interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization. The mortgage amortization, interest rate and principal amount of any Project-related financing shall be deemed updated upon any refinancing(s) of the Project-related debt or the incurrence of additional Project-related debt from time to time.

**ARTICLE III
DURATION OF AGREEMENT**

Section 3.01 Term. It is understood and agreed by the Parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall, with respect to the Project or any portion thereof, remain in full force and effect for thirty (30) years from the Annual Service Charge Start Date, but in no event longer than thirty-five (35) years from the date of execution hereof. Upon Termination, the tax exemption for the Project shall expire and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township. Upon Termination, all restrictions and limitations upon the Redeveloper shall terminate upon the Redeveloper's rendering and the Township's acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-13.

Section 3.02 Date of Termination. Upon any Termination of the tax exemption described in Section 2.01 hereof, the date of such Termination shall be deemed to coincide with the end of the fiscal year of the Redeveloper.

Section 3.03 Redeveloper's Right to Terminate. Pursuant to N.J.S.A. 40A:20-13, this Agreement shall be terminable by the Redeveloper in the manner provided by the Exemption Law.

ARTICLE IV
ANNUAL SERVICE CHARGE

Section 4.01 Payment of Conventional Taxes Prior to Commencement of Annual Service Charge. During the period between execution of this Agreement and the Substantial Completion of the Project, the Redeveloper shall make payment of conventional real estate taxes with respect to the Land and the improvements currently existing thereon, if any, at the time and to the extent due in accordance with generally applicable law.

Section 4.02 Commencement of Annual Service Charge. The Redeveloper shall make payment of an annual service charge (the "Annual Service Charge") commencing on the Annual Service Charge Start Date. The Annual Service Charge will be prorated in the year in which the Annual Service Charge Start Date begins and terminates.

Section 4.03 Payment of Annual Service Charge.

(a) The Annual Service Charge shall be due and payable to the Township on the Annual Service Charge Payment Dates, commencing to accrue as of the Annual Service Charge Start Date. In the event that the Redeveloper fails to timely pay any installment of the Annual Service Charge, the amount past due shall bear until paid the highest rate of interest permitted under applicable State law then being assessed against other delinquent taxpayers in the case of unpaid taxes or tax liens.

(b) Each installment payment of the Annual Service Charge is to be made to the Township and shall be clearly identified as "Annual Service Charge Payment for the Project."

Section 4.04 Annual Service Charge. In consideration of the exemption from taxation for the Improvements, the Redeveloper shall pay the Annual Service Charge to the Township on the Annual Service Charge Payment Dates in the amounts set forth below.

(a) The Annual Service Charge shall be equal to an amount calculated as follows:

(i) For the term of this Agreement, commencing on the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, (B) eighty-five cents (\$0.85) per square foot of the Improvements, with such per square-foot amount to increase by two percent (2%) annually (i.e., \$0.867 in year 2, \$0.884 in year 3, \$0.902 in year 3, etc.), (C) the Minimum Annual Service Charge, to the extent applicable, or (D) a percentage of the real property taxes otherwise due on the value of the Land and the Improvements to the extent applicable as more fully set forth in subsection (b) below.

(b) Notwithstanding the foregoing, in any given year the Annual Service Charge shall be subject to the staged increases required under N.J.S.A. 40A:20-12(b)(2) as described herein, the Annual Service Charge shall be the greater of (a)(i) above or:

- (i) For years 1 through 10, zero percent (0%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (ii) For years 11 through 14, twenty percent, (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (iii) For years 15 through 18, forty percent (40%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (iv) For years 19 through 24, sixty percent (60%) of the real property taxes otherwise due on the value of the Land and the Improvements; and
- (v) For years 25 through 30, eighty percent (80%) of the real property taxes otherwise due on the value of the Land and the Improvements.

(c) In accordance with the Exemption Law, including without limitation, N.J.S.A. 40A:20-12, the Redeveloper shall be entitled to a credit against the Annual Service Charge equal to the amount, without interest, of the Land Taxes paid by it in the last four preceding quarterly installments. The Entity is obligated to make Land Tax Payments and shall receive a credit in the amount of such payments against the Annual Service Charge for each subsequent year. The Entity's failure to make the requisite Annual Service Charge payment in a timely manner shall constitute a breach of the Financial Agreement and the Municipality shall, among its other remedies, have the right to proceed against the Property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. Notwithstanding the foregoing, the net Annual Service Charge shown in **Exhibit 6**, as it may be adjusted pursuant to Section 4.04(b), shall be a guaranteed minimum to the Township (the "Post-Credit Guaranteed Minimum"). To the extent that the Land Tax Credit would reduce the amounts shown on **Exhibit 6**, either (i) because of greater than contemplated increases in the land tax (provided that such increases are the result of normal assessment and budget issues and of an assessment applied uniformly in accordance with law across all similarly classified users), or (ii) any other lawful reason, the Annual Service Charge shall be adjusted to provide the Post-Credit Guaranteed Minimum. The Entity shall have the right to appeal any land tax assessment that violates the uniformity provisions of the tax assessment laws and regulations of New Jersey.

Section 4.05 Material Conditions. It is expressly agreed and understood that all payments of Land Taxes, Annual Service Charges and any interest payments, penalties or costs of collection due thereon, are material conditions of this Financial Agreement. If any other term, covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

ARTICLE V

CERTIFICATE OF OCCUPANCY

Section 5.01 Certificate of Occupancy. It is understood and agreed that it shall be the obligation of the Redeveloper to obtain all Certificates of Occupancy in a timely manner after the Redeveloper has satisfied all requirements to secure such Certificate of Occupancy.

Section 5.02 Filing of Certificate of Occupancy. It shall be the responsibility of the Redeveloper to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Notwithstanding the foregoing, the filing of any Certificate of Occupancy shall not be a prerequisite for any action taken by the Township, including, if appropriate, retroactive billing with interest to collect any charges hereunder to be due.

ARTICLE VI **ACCOUNTING, REPORTS, CALCULATIONS**

Section 6.01 Accounting System. The Redeveloper agrees to calculate its Net Profit pursuant to N.J.S.A. 40A:20-3(c). The Redeveloper agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles or in accordance with cash basis accounting principles and as otherwise prescribed by applicable law.

Section 6.02 Periodic Reports.

(a) **Auditor's Report.** Within ninety (90) days after the close of each fiscal or calendar year (depending on the Redeveloper's accounting basis) that this Agreement shall continue in effect, the Redeveloper shall submit to the Township, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the State Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The report shall clearly identify and calculate the Net Profit for the Redeveloper during the previous year. The Redeveloper assumes all costs associated with preparation of the periodic reports.

(b) **Disclosure Statement.** On each anniversary date of the execution of this Agreement, if there has been a change of greater than 10 percent in ownership or interest in the Project from the prior year's filing, the Redeveloper shall submit to the Township, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the Township may request from time to time (the "Disclosure Statement").

Section 6.03 Inspection. The Redeveloper shall, upon reasonable request and notice, permit inspection of its property, equipment, buildings and other facilities of the Redeveloper and also permit examination and audit of its books, contracts, records, documents and papers with respect to the Project, by authorized officers of the Township, and the Division of Local Government Services in the State Department of Community Affairs pursuant to N.J.S.A.

40A:20-9(e). To the extent reasonably possible, the inspection will not materially interfere with the construction or operation of the Project.

Section 6.04 Limitation on Profits and Reserves. During the period of tax exemption as provided herein, the Redeveloper shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. Pursuant to N.J.S.A. 40A:20-3(c), this calculation is completed in accordance with generally accepted accounting principles.

The Redeveloper shall have the right to establish a reserve of reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Redeveloper 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.

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 6.05 Payment of Dividend and Excess Profit Charge. In the event the Net Profits of the Redeveloper shall exceed the Allowable Net Profits for such period, taken as one accounting period, commencing on the date on which the project is completed and terminating at the end of the last full fiscal year, then the Redeveloper, within one hundred and twenty (120) days after the end of the accounting period established by the Exemption Law, shall pay such excess Net Profits to the Township as an additional service charge; provided, however, that the Redeveloper may maintain a reserve as determined pursuant to aforementioned Section 6.04. 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 -15.

ARTICLE VII

ASSIGNMENT AND/OR ASSUMPTION

Section 7.01 Approval of Sale of Project to Redeveloper Formed and Eligible to Operate Under Law. As permitted by N.J.S.A. 40A:20-10, it is understood and agreed that the Township, on written application by the Redeveloper, will consent to a sale of the Project (or a portion thereof) and the transfer of this Agreement (as pertaining to a portion of the Project) to another redeveloper, provided that (a) the transferee redeveloper shall have demonstrated to the reasonable satisfaction of the Township that it possesses the experience and capitalization necessary to complete and/or operate the Project or relevant portion thereof, which determination shall not be unreasonably withheld; (b) the transferee redeveloper does not own any other project subject to long term tax exemption at the time of transfer; (c) the transferee redeveloper is formed and eligible to operate under the Exemption Law; (d) the Redeveloper is not then in Default, and all applicable cure periods have expired, of this Agreement or in violation of Applicable Law; (e) the Redeveloper's obligations under this Agreement are fully assumed by the transferee redeveloper; and (f) the transferee redeveloper enters into an agreement for the benefit of the Township agreeing to abide by all terms and conditions of this Agreement. Notwithstanding the foregoing, a transfer pursuant to this Section 7.01 is also subject to the transfer prohibitions and exemptions specified in Paragraph 8 of Part II of the Redevelopment

Agreement. Notwithstanding the foregoing, the Township hereby consents to the sale of the Project and transfer of the Agreement to an urban renewal entity owned or controlled or managed by, or otherwise affiliated with, the Redeveloper or its affiliates, with notice to be provided to the Township promptly following the occurrence thereof. Any assignment of the Redeveloper's interest in this Agreement in whole or in part shall terminate any obligation of Redeveloper hereunder with respect to the corresponding portion of the Project, and the assignee shall be deemed the Redeveloper hereunder with respect to such portion of the Project. All rights and remedies of the Township following an assignment shall be enforceable only against the assignee and the corresponding portion of the Project. Township agrees to countersign the assignment document for purposes of acknowledging such assignment, the ongoing validity of this Agreement with respect thereto, and the provisions of Sections 2.01 and 8.01 hereof.

Section 7.02 Severability. It is an express condition of the granting of this tax exemption that during its duration, the Redeveloper shall not, without the prior consent of the Township 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 is basic to, embraced in, or underlying the exempted Improvements.

Section 7.03 Subordination of Fee Title. It is expressly understood and agreed that the Redeveloper has the right to encumber and/or assign the fee title to the Land and/or Improvements for the purpose of financing the design, development and construction of the Project and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement. Notwithstanding the foregoing, a transfer pursuant to this Section 7.03 is also subject to the transfer prohibitions and exemptions specified in Paragraph 8 of Part II of the Redevelopment Agreement.

ARTICLE VIII **RESERVATION OF TOWNSHIP RIGHTS AND REMEDIES**

Section 8.01 Reservation of Rights and Remedies. Except as expressly provided herein, nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Redeveloper of any rights and remedies provided by Applicable Law. Unless otherwise expressly stated, nothing herein shall be deemed to limit any right of recovery that the Township or the Redeveloper has under law, in equity, or under any provision of this Financial Agreement.

ARTICLE IX **NOTICES**

Section 9.01 Notice. Formal notices, demands and communications between the Township and Redeveloper shall be deemed sufficiently transmitted if dispatched to the addresses set forth below, by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed delivered upon receipt. Redeveloper shall be responsible for providing whatever notices it receives from the Township to Redeveloper's successors or assigns, where applicable. Notices may also be sent by a commercial overnight delivery service with package tracking capability and for which proof of delivery is available. Notices, demands and communications shall be sent as follows:

If to Redeveloper: Mansfield 206 East Urban Renewal LLC
c/o WPT Industrial LP
150 South 5th Street, Suite 2675
Minneapolis, MN 55402
Phone: (612) 800-8530

With Copies to: General Counsel
Mansfield 206 East Urban Renewal LLC
c/o WPT Industrial LP
150 South 5th Street, Suite 2675
Minneapolis, MN 55402
Phone: (612) 800-8530

If to Township: Michael Fitzpatrick, Administrator
Township of Mansfield
3135 Route 206 South
Columbus, New Jersey 08022
E-mail: administrator@mansfieldtp.com
Phone: (609) 298-0542

With Copies to: Timothy M. Prime, Esquire
Prime & Tuvel
14000 Horizon Way, Suite 325
Mount Laurel, New Jersey 08054
E-mail: tim@primelaw.com
Phone: (856) 273-8300

ARTICLE X
COMPLIANCE BY REDEVELOPER WITH LAW

Section 10.01 Statutes and Ordinances. The Redeveloper hereby agrees at all times prior to the expiration or other Termination of this Financial Agreement to remain bound by the provisions of Applicable Law, including, but not limited to, the Exemption Law. The Redeveloper's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Financial Agreement.

ARTICLE XI
CONSTRUCTION

Section 11.01 Construction. This Financial Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other

rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Redeveloper and the Township have been provided an opportunity to review and approve of same.

ARTICLE XII
INDEMNIFICATION

Section 12.01 Indemnification. It is understood and agreed that in the event the Township shall be named as party defendant in any action brought against the Township by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, the Redeveloper shall indemnify and hold the Township 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 Redeveloper and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, including without limitation, the Exemption Law, except for the willful misconduct by the Township or its officers, officials, employees or agents and the Redeveloper shall defend the suit at its own expense. However, the Township maintains the right to intervene as a party thereto, to which intervention the Redeveloper hereby consents, the reasonable expense thereof to be borne by the Redeveloper. To the extent practical and ethically permissible, the Redeveloper's attorneys shall jointly defend and represent the interests of the Township and the Redeveloper as to all claims indemnified in connection with this Agreement.

ARTICLE XIII
DEFAULT

Section 13.01 Default. Default shall be the failure of any party to conform to the terms of this Agreement, and/or the failure of any party to perform any obligation imposed upon such party by Applicable Law beyond any applicable notice, cure or grace period.

Section 13.02 Cure Upon Default. Should any party be in Default of any obligation under this Agreement, the other party shall notify the defaulting party and any mortgagee, if applicable, in writing of said Default. If the defaulting party is the Redeveloper, the Township, shall provide such notice. Said 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 (provided such cure can reasonably be effected within such sixty (60) day period in which case Redeveloper shall have such additional time to cure as reasonably necessary to effect same), other than a Default in payment of any installment of the Annual Service Charge, in which case the defaulting party shall have fifteen (15) days to cure.

Section 13.03 Arbitration. In the event of an uncured Default by any party or a dispute arising between any parties in reference to the terms and provisions as set forth herein, then 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 Exemption Law. Costs for said arbitration shall be paid by the non-prevailing party.

Section 13.04 Default in the Payment of Annual Service Charge.

(a) Upon any Default by the Redeveloper in payment of any installment of the Annual Service Charge, the Township, in addition to its other remedies, reserves the right to proceed against the applicable Land, and any Improvements related thereto, in the manner provided by Applicable Law and shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Law.

(b) Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on Land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on Land.

Section 13.05 Remedies Upon Default Cumulative; No Waiver. Subject to the provisions of this Article XIII and the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to any party, and all rights and remedies granted by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Township of any of its remedies or actions against the Redeveloper because of the Redeveloper's failure to pay Land Taxes and/or the Annual Service Charge. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges or other charges, shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

Section 13.06 Final Accounting. Within ninety (90) days after the date of Termination, the Redeveloper shall provide a final accounting and pay to the Township any excess Net Profits. For purposes of rendering a final accounting, the Termination of the Agreement shall be deemed to coincide with the end of the fiscal year of the Redeveloper.

Section 13.07 Conventional Taxes. Upon Termination or expiration of this Agreement, the tax exemption for the Improvements 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 Township.

**ARTICLE XIV
MISCELLANEOUS**

Section 14.01 Financial Agreement Controlling. The Parties agree that in the event of a conflict between (i) the Application and this Financial Agreement or (ii) the Redevelopment Agreement and this Financial Agreement, the provisions of this Financial Agreement shall govern and prevail.

Section 14.02 Oral Representations. There have been no oral representations made by either of the Parties hereto which are not contained in this Financial Agreement. This Financial Agreement, the Redevelopment Agreement, the Ordinance and the Application constitute the entire agreement between the Parties with respect to the Project and there shall be no

modifications thereto other than by a written instrument executed by the Parties and delivered to each of them.

Section 14.03 Entire Document. All conditions in the Ordinance are incorporated in this Agreement and made a part hereof.

Section 14.04 Good Faith. In their dealings with each other, the Parties agree that they shall act in good faith.

Section 14.05 Recording. Upon the execution and delivery of this Financial Agreement, the entire Financial Agreement and the Ordinance shall be filed and recorded with the Clerk of the County of Burlington by the Township, at the Redeveloper's expense, such that this Financial Agreement and the Ordinance shall be reflected upon the land records of the County of Burlington.

Section 14.06 Municipal Services. The Redeveloper shall make payments for municipal services, including, as applicable, water and sewer charges and any services, to the extent that such water and sewer charges, and other services, are not otherwise included in the real property taxes generally assessed upon property within the Township, that create a lien on a parity with or superior to the lien for the Land Taxes and Annual Service Charge, as required by law. These charges are not included in the Annual Service Charge and shall be billed separately. Nothing herein is intended to release the Redeveloper from its obligation to make such payments.

Section 14.07 Portion of Annual Service Charge Paid to County. Pursuant to N.J.S.A. 40A:20-12, the Township shall remit the County Share to the County upon the receipt thereof.

Section 14.08 Administrative Fee. In accordance with N.J.S.A. 40A:20-9, the Township shall collect an administrative fee equal to two percent (2%) of the Annual Service Charge due in any year (the "Administrative Fee"), which shall be payable on November 1 of each such year.

Section 14.09 Financing Matters. The financial information required by the final paragraph of N.J.S.A. 40A:20-9 is set forth in the Application.

Section 14.10 Counterparts. This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.11 Amendments. This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

Section 14.12 Certification. The Township Clerk shall certify to the Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that a Financial Agreement with the Redeveloper, for the development of the Land, has been entered into and is in effect as required by N.J.S.A. 40A:20-1, et seq. Delivery by the Township Clerk to the Tax Assessor of a certified copy of the Ordinance shall constitute the required certification. Upon certification as required hereunder and upon the Annual Service Charge Start Date, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Township Clerk.

In accordance with P.L. 2015, c. 247, within ten (10) calendar days following the later of the effective date of the Ordinance or the execution of this Financial Agreement by the Redeveloper, the Township Clerk also shall transmit a certified copy of the Ordinance and this Financial Agreement to the chief financial officer of the County of Burlington and to the County of Burlington Counsel for informational purposes.

Section 14.13 Severability of Invalid Provisions. 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 this Agreement shall be reformed to reflect the respective expectations of the Parties at the time of the execution hereof.

Section 14.14 Integration 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.

EXHIBITS AND SCHEDULES

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

Exhibit 1 – Metes and Bounds Description of the Property

Exhibit 2 – The Application

Exhibit 3 – Certificate of Formation for Redeveloper

Exhibit 4 – The Financial Plan for the Undertaking of the Project

Exhibit 5 – Certification of Estimated Construction Costs

Exhibit 6 – Post-Credit Guaranteed Minimum

IN WITNESS WHEREOF, the Parties hereto have caused this Financial Agreement to be executed on the date first above written.

Witness or Attest:

**MANSFIELD NORTH URBAN
RENEWAL LLC**

Name:

Name:
Title:

STATE OF _____ :
 : SS
COUNTY OF _____ :

BE IT REMEMBERED that on this _____ day of _____, 20____, personally came before me _____ the _____ of _____, and I am satisfied that he/she is the person who signed the within instrument and that he/she is authorized to sign the instrument, and he/she acknowledged that he/she signed, sealed and delivered the instrument as the voluntary act of the entity named therein.

Notary Public

Witness or Attest:

**TOWNSHIP OF MANSFIELD and
TOWNSHIP OF MANSFIELD
COMMITTEE**

Name: Linda Semus
Title: Township Clerk

Name: Michael Magee
Title: Mayor

BE IT REMEMBERED that on this _____ day of _____, 2021 personally came before me Michael Magee, Mayor of the **TOWNSHIP OF MANSFIELD**, and I am satisfied that he/she is the person who signed the within instrument and that he/she is authorized to sign the instrument, and he/she acknowledged that he/she signed, sealed and delivered the instrument as the voluntary act of the entity named therein.

Notary Public

EXHIBIT 1

Metes and Bounds Description of the Property



Exhibit 1

DESCRIPTION OF PROPERTY BLOCK 4 LOT 6.01

All that a certain lot and or lots, tract or parcel of land situate, lying and being in the Township of Mansfield, County of Burlington, State of New Jersey and being more particularly described as follows:

Beginning a point in the Northwestern right-of-way line of New Jersey State Highway Route 206 (80' wide), said point being the point of intersection of the aforementioned right-of-way line with the Property Line common to Lot 6.01 in Block 4 and Lot 6.02 in Block 4; thence

- 1) South 15 degrees 28 minutes 07 seconds West, a distance of 488.20' (feet), to a point and corner; thence
- 2) North 63 degrees 14 minutes 09 seconds West, a distance of 1187.09' (feet) to a point and corner; thence
- 3) South 41 degrees 34 minutes 49 seconds West, a distance of 70.89' (feet), to a point and corner; thence
- 4) North 29 degrees 43 minutes 19 seconds West, a distance of 12.12' (feet), to a point and corner; thence
- 5) North 72 degrees 48 minutes 49 seconds West, a distance of 48.78' (feet), to a point and corner; thence
- 6) North 01 degrees 52 minutes 54 seconds East, a distance of 42.88' (feet) to a point and corner; thence
- 7) North 55 degrees 52 minutes 44 seconds West, a distance of 44.10' (feet), to a point and corner; thence
- 8) North 04 degrees 15 minutes 37 seconds West, a distance of 39.62' (feet), to a point and corner; thence
- 9) North 61 degrees 14 minutes 05 seconds West, a distance of 23.59' (feet), to a point and corner; thence
- 10) North 79 degrees 13 minutes 58 seconds West, a distance of 43.71' (feet), to a point and corner; thence

- 11) North 26 degrees 27 minutes 30 seconds West, a distance of 50.04' (feet), to a point and corner; thence
- 12) North 45 degrees 42 minutes 53 seconds East, a distance of 366.62' (feet), to a point and corner; thence
- 13) South 56 degrees 37 minutes 17 seconds East, a distance of 761.72' (feet), to a point and corner; thence
- 14) South 85 degrees 18 minutes 15 seconds East, a distance of 513.62' (feet) to the point and place of BEGINNING.

Being known and designated as Lot 6.01 in Block 4 as shown on the official tax map of the Township of Mansfield.

Containing 483,978.50 +/- S.F. or 11.11 Acres +/-

Aforementioned is prepared in accordance with a map entitled, "ALTA/NSPS Boundary and Topographic Survey", in The Township of Mansfield, Burlington County, New Jersey", dated February 08, 2018, prepared by WJH Engineering.

03-09-20

Date

Peter P. Bennett III

Peter P. Bennett III
Professional Land Surveyor
New Jersey License # 40651



DESCRIPTION OF PROPERTY
BLOCK 4 LOT 7

All that a certain lot and or lots, tract or parcel of land situate, lying and being in the Township of Mansfield, County of Burlington, State of New Jersey and being more particularly described as follows:

Beginning a point in the Northwesterly right-of-way line of New Jersey State Highway Route 206 (80' wide), said point being the point of intersection of the aforementioned right-of-way line with the Property Line common to Lot 7 in Block 4 and Lot 6.01 in Block 4; thence

- 1) South 15 degrees 28 minutes 07 seconds West, a distance of 250.58' (feet), to a point of curvature; thence
- 2) Along a curve to the right, having a radius of 22,821.73' (feet), an arc length of 115.44' (feet) with a delta angle of 00 degrees 17 minutes 23 seconds, having a chord bearing of North 15 degrees 36 minutes 49 seconds East and a chord distance of 115.44' (feet) to a point and corner; thence
- 3) North 67 degrees 43 minutes 46 seconds West, a distance of 485.11' (feet) to a point and corner; thence
- 4) North 40 degrees 37 minutes 56 seconds West, a distance of 33.68' (feet), to a point and corner; thence
- 5) North 63 degrees 27 minutes 48 seconds West, a distance of 77.01' (feet), to a point and corner; thence
- 6) North 53 degrees 10 minutes 54 seconds West, a distance of 70.50' (feet), to a point and corner; thence
- 7) North 64 degrees 48 minutes 09 seconds West, a distance of 140.09' (feet) to a point and corner; thence
- 8) North 26 degrees 15 minutes 50 seconds West, a distance of 92.86' (feet), to a point and corner; thence

- 9) North 31 degrees 52 minutes 46 seconds West, a distance of 113.84' (feet), to a point and corner; thence
- 10) North 21 degrees 32 minutes 06 seconds West, a distance of 37.65' (feet), to a point and corner; thence
- 11) North 37 degrees 29 minutes 05 seconds West, a distance of 78.38' (feet), to a point and corner; thence
- 12) North 16 degrees 27 minutes 46 seconds West, a distance of 29.92' (feet), to a point and corner; thence
- 13) North 39 degrees 52 minutes 43 seconds West, a distance of 85.31' (feet), to a point and corner; thence
- 14) North 07 degrees 04 minutes 41 seconds West, a distance of 21.73' (feet) to a point and corner: thence
- 15) North 42 degrees 39 minutes 41 seconds West, a distance of 41.52' (feet) to a point and corner; thence
- 16) North 26 degrees 57 minutes 20 seconds West, a distance of 65.07' (feet) to a point and corner; thence
- 17) North 46 degrees 35 minutes 14 seconds West, a distance of 4.63' (feet) to a point and corner; thence
- 18) North 41 degrees 34 minutes 49 seconds East, a distance of 76.13' (feet) to a point and corner; thence
- 19) South 63 degrees 14 minutes 09 seconds East, a distance of 1,187.57' (feet) to the point and place of BEGINNING.

Being known and designated as Lot 7 in Block 4 as shown on the official tax map of the Township of Mansfield.

Containing 394,433.38 +/- S.F. or 9.05 Acres +/-

Aforementioned is prepared in accordance with a map entitled, "ALTA/NSPS Boundary and Topographic Survey", in The Township of Mansfield, Burlington County, New Jersey", dated February 08, 2018, prepared by WJH Engineering.

03-09-20

Date

Peter P. Bennett III

Peter P. Bennett III
Professional Land Surveyor
New Jersey License # 40651

EXHIBIT 2 Application

Application for A Long-Term Tax Abatement For Mansfield North Urban Renewal LLC

Section A - Mansfield Realty North Urban Renewal LLC owns a 20.17- acre parcel on Route 206 Southbound. It is block 4, lots 6.01 and 7. The site has preliminary and final site plan approval for a 120,120 SF warehouse. The final resolution adopted on April 15, 2020. The site is located in the C2 zone with an area in need of redevelopment overlay. The site plan is a fully conforming to all applicable municipal ordinances and the project accords with the redevelopment plan and master plan of the municipality.

Section B – The proposed project consists of a 20.17- acre parcel on Route 206 Northbound. It is block 4, lots 6.01 and 7. The site has preliminary and final site plan approval for a 120,120 SF warehouse. The proposed building conforms to the architectural and site plan requirements as required.

Section C – Please see the attached exhibit prepared by Robert Steigerwald of Arco Design Build detailing the cost estimate of the proposed project. Robert Steigerwald is a licensed civil engineer.

Section D – The project will be financed with a combination of cash and a construction loan.

Section E – The proforma annualized fiscal plan is as follows for year 1 after completion:

Revenue:	
Proposed NNN Rent:	\$6.00 SF
Operating Expenses:	\$1.15 SF
Payment in Lieu of Taxes:	<u>\$0.50 SF</u>
Total Revenue:	\$7.65 SF
Expenses:	
Maintenance:	\$0.75 SF
Mortgage:	\$5.75 SF
Insurance:	\$0.25 SF
Payment in Lieu of Taxes:	\$0.50 SF
Management:	\$0.35 SF
Misc. Expenses:	<u>\$0.35 SF</u>
Total Expenses:	\$7.95 SF
NOI	-\$0.30 SF

Section F – (A more detailed version is in Exhibit E) Proposed Pilot Rates Per SF with a 2% annual increase for the 30-year term

1	\$0.60	6	\$0.66	11	\$0.73	16	\$0.81	21	\$0.89	26	\$0.98
2	\$0.61	7	\$0.68	12	\$0.75	17	\$0.82	22	\$0.91	27	\$1.00
3	\$0.62	8	\$0.69	13	\$0.76	18	\$0.84	23	\$0.93	28	\$1.02
4	\$0.64	9	\$0.70	14	\$0.78	19	\$0.86	24	\$0.95	29	\$1.04
5	\$0.65	10	\$0.72	15	\$0.79	20	\$0.87	25	\$0.97	30	\$1.07

Average over the 30-year term = \$0.81 SF

The applicant certifies that the information contained herein is true as of the date of submission.

Sincerely,
Mansfield Realty North Urban Renewal LLC


John Kainer

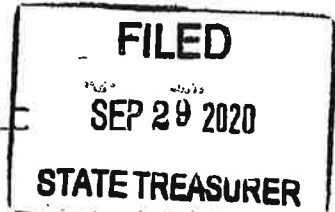
EXHIBIT 3

Certificate of Formation of Redeveloper

Exhibit 3

LLC

CERTIFICATE OF FORMATION OF
MANSFIELD NORTH URBAN RENEWAL LLC
LIMITED LIABILITY COMPANY



Pursuant to N.J.S.A. 42:2B-1 et seq.

This Certificate of Formation is made by an authorized person in order to form a limited liability company under the New Jersey Limited Company Act.

1. Company Name: The name of the limited liability company is "MANSFIELD NORTH URBAN RENEWAL LLC" (referred to below as the "Company").

2. Registered Office and Agent: The address of the Company's initial registered office in New Jersey is 153 Beachfront, Manasquan, NJ 08736. The name of the Company's initial registered agent at that address is: John Kainer.

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

"a. So long as the entity is obligated under financial agreement with a municipality 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.

"b. The entity 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 to be displaced by redevelopment or the conduct of low and moderate income housing projects: (2)

the acquisition, management and operation of a project, redevelopment location housing project, or low and moderate income housing project under P.L. 1991, c.431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c.431 (C. 40A:20-1 et seq.)

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

"d. The entity is subject to the provisions of section 18 of P.L. 1991, c.431 (C. 40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

"e. Any housing units constructed or acquired by the entity shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs."

4. Duration: The Company shall have a perpetual existence.

IN WITNESS WHEREOF, I have signed this Certificate of Formation this 20th day of August, 2020.


RONALD L. SHIMANOWITZ
Authorized Signatory



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL PLANNING SERVICES
101 SOUTH BROAD STREET
PO Box 913
TRENTON, NJ 08625-0813
(609) 292-3000 • FAX (609) 633-6056

PHILIP D. MURPHY
Governor

Lt. GOVERNOR SHEILA Y. OLIVER
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: MANSFIELD NORTH URBAN RENEWAL, I.T.C.
File # 2851
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 29 day of September 2020 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By: 
Sean Thompson, Director
Local Planning Services





DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 10-02-2020

Employer Identification Number:
85-3291453

Form: SS-4

Number of this notice: CP 575 G

MANSFIELD NORTH URBAN RENEWAL
JOHN KAINER SOLE MBR
154 1ST AVE
MANASQUAN, NJ 08736

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 85-3291453. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is MANS. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

EXHIBIT 4

The Financial Plan for the Undertaking of the Project

Exhibit 4 Fiscal Plan Schedule

Building Size: SF 120,120

10% of Gross Revenue Method

Annual Gross Revenue	\$720,720	See Calculation 1
Debt - Interest Payment	(\$476,630)	See Calculation 3
Debt - Principal Payment	(\$211,536)	See Calculation 3
Reserves (\$0.05 SF)	(\$6,006)	
Payments to Municipality (ASC) (10% of AGR)	(\$72,072)	
Net Income	(\$45,524)	
Annual Gross Revenue (Calculation 1):		
Estimated Rental Rate (based on prelease)	\$6.00	
Building Square Footage	120,120	
Annual Gross Revenue	\$720,720	
Operating Expenditures (Calculation 2):		
CAM @ \$0.35 SF	(\$42,042)	
Insurance @ \$0.10 SF	(\$12,012)	
PILOT (AGR x 10%)	(\$72,072)	
Property Management Fees (AGR x 3%)	(\$21,622)	
Total Operating Expenses	(\$147,748)	
Debt Schedule (Calculation 3):		
Total Estimated Project Debt @ \$100 SF	\$12,012,000	
Estimated Interest Rate	4.00%	
Estimated Amortization (years)	30	
Annual Estimated Debt Service	\$688,166	
Interest Payment	\$476,630	
Principal Payment	\$211,536	

Per Square Foot ASC Rate (\$0.60) Method

Annual Gross Revenue	\$720,720	See Calculation 1
Debt - Interest Payment	(\$476,630)	See Calculation 3
Debt - Principal Payment	(\$211,536)	See Calculation 3
Reserves (\$0.05 SF)	(\$6,006)	
Payments to Municipality (ASC) (\$0.60 SF)	(\$72,072)	
Net Income	(\$45,524)	

Note: ASC is specified as the greater of the \$0.60/sf or 10% of the AGR.

EXHIBIT 5

Certification of Estimated Construction Costs

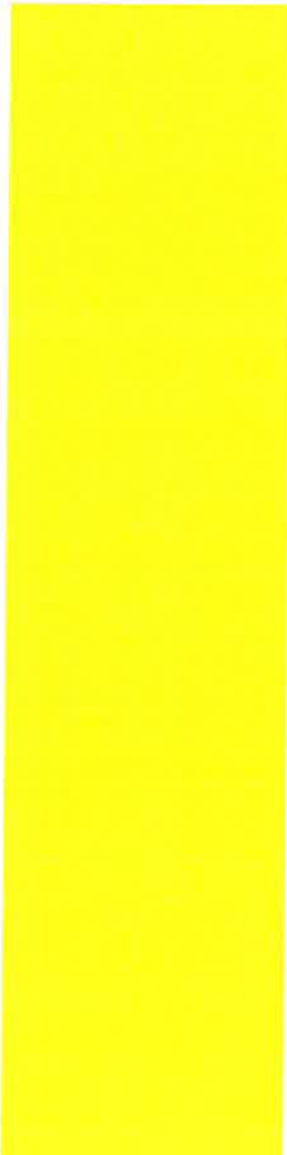
Exhibit 5

Mansfield Realty North Urban Renewal LLC 120,120 SF Speculative Facility Mansfield, NJ

ITEM	COST	COST/SF
Div. 1 - General Conditions w/ Design & Permit	\$ 593,934	\$ 4.94
Div. 2 - Sitework	\$ 6,691,969	\$ 55.71
Div. 3 - Concrete	\$ 1,777,239	\$ 14.80
Div. 4 - Masonry	\$ 17,010	\$ 0.14
Div. 5 - Structural Steel/Misc. Metals	\$ 651,047	\$ 5.42
Div. 6 - Rough Carpentry	\$ -	\$ -
Div. 7 - Thermal/Moisture Protection	\$ 568,004	\$ 4.73
Div. 8 - Shell Doors & Windows	\$ 202,676	\$ 1.69
Div. 9 - Shell Finishes	\$ 107,831	\$ 0.90
Div. 11 - Dock Equipment	\$ 57,997	\$ 0.48
Div. 15 - Plumbing	\$ 83,401	\$ 0.69
Div. 15 - HVAC	\$ 96,589	\$ 0.80
Div. 15 - Fire Protection	\$ 250,844	\$ 2.09
Div. 16 - Electrical	\$ 329,037	\$ 2.74
TOTAL BUILDING B:	\$ 11,427,579	\$ 95.13

EXHIBIT 6

Post-Credit Guaranteed Minimum



Year 1	\$67,631.03
Year 2	\$68,983.65
Year 3	\$70,363.32
Year 4	\$71,770.59
Year 5	\$73,206.00
Year 6	\$74,670.12
Year 7	\$76,163.52
Year 8	\$77,686.79
Year 9	\$79,240.53
Year 10	\$80,825.34
Year 11	\$82,441.84
Year 12	\$84,090.68
Year 13	\$85,772.50
Year 14	\$87,487.94
Year 15	\$89,237.70
Year 16	\$91,022.46
Year 17	\$92,842.91
Year 18	\$94,699.77
Year 19	\$96,593.76
Year 20	\$98,525.64
Year 21	\$100,496.15
Year 22	\$102,506.07
Year 23	\$104,556.19
Year 24	\$106,647.32
Year 25	\$108,780.26
Year 26	\$110,955.87
Year 27	\$113,174.99
Year 28	\$115,438.49
Year 29	\$117,747.26
Year 30	\$120,102.20