

FINANCIAL AGREEMENT

MANSFIELD WAREHOUSE FLORENCE-COLUMBUS ROAD AREA PROJECT

By and Between

THE TOWNSHIP OF MANSFIELD

and

THE TOWNSHIP OF MANSFIELD COMMITTEE
Township

and

CLPF URBAN RENEWAL MANSFIELD 2 LLC
Redeveloper

(Block 47.01, Lot 11.02)

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 **CLPF URBAN RENEWAL MANSFIELD 2 LLC**, (as successor in interest to Florence-Columbus Road Urban Renewal, LLC) or its assigns or successors (“Redeveloper”), a limited liability company of the State of Delaware qualified to do business as an Urban Renewal Entity within the meaning of N.J.S.A. 40A:20-1 et seq., with offices at 1717 McKinney Avenue, Suite 1900, Dallas, Texas 75202. Together, the Township and the Redeveloper are, collectively, the “Parties” or, individually, each is a “Party.”

WITNESSETH:

WHEREAS, pursuant to the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et. seq. (the “Redevelopment Law”), specifically N.J.S.A. 40A:12A-6(a), the Township’s Mayor and Township Committee (collectively, the “Township Committee”) adopted a Resolution duly designating an area in the Township (“Redevelopment Area”) as an “area in need of redevelopment” as defined by the Redevelopment Law, specifically, N.J.S.A. 40A:12A-5(a)-(e); and

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

WHEREAS, the Township Committee adopted Ordinance 2016-4 adopting the Redevelopment Plan Interstate 295 and Florence-Columbus Road Area, Mansfield Township, Burlington County, New Jersey (the “Redevelopment Plan”), which sets forth the applicable development standards and other regulations for redevelopment of the Redevelopment Area; and

WHEREAS, the Redeveloper’s predecessor, Florence-Columbus Road Urban Renewal, LLC (“Predecessor”) submitted a proposal to the Township to undertake the redevelopment of the Property; and

WHEREAS, Predecessor and Redeveloper have proposed a plan for the redevelopment of a portion of the Redevelopment Area containing properties in the Township located between Florence-Columbus Road and Jacksonville-Hedding Road, and more formally identified as Lots 11.01 and 11.02 (formerly known as Lots 3.02, 9.01, 9.02, 11 and 12) in Block 47.01 on the Township’s tax map (the “Overall Property”, with Lot 11.02 being referred to herein as the “Property”); and

WHEREAS, the Overall Property is subject to the requirements of the Redevelopment Plan; 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, Predecessor was conditionally-designated as redeveloper of the Overall Property via Resolution 2018-5-7, and thereafter engaged in a collaborative design process for a proposed project for the Property; and

WHEREAS, by Resolution No. 2020-9-16 (the “Site Plan Resolution”), the Entity was granted final major site plan approval with variances and design waivers by the Township’s Planning Board for the redevelopment of the Property with a warehouse building of 811,960 square feet, a bridge to span Crafts Creek , along with customary site improvements such as roadways, drainage improvements, lighting, landscaping, and the like (collectively, the “Project”), which Project is further described in the Site Plan Resolution; and

WHEREAS, Predecessor and the Township entered into that certain Redevelopment Agreement, effective as of November 18, 2020 (the “Redevelopment Agreement”), pursuant to which the Property would be redeveloped with the Project; and

WHEREAS, in accordance with Part II, Section 8.f. of the Redevelopment Agreement, Predecessor assigned the Redevelopment Agreement to Redeveloper, and Redeveloper assumed all of Redeveloper’s obligations thereunder, as further described in the Assignment of Redevelopment Agreement, dated December 22, 2020; 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, by its approval of the Application, the Township approved the execution of this Financial Agreement by Redeveloper.

WHEREAS, 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 highly unlikely that the Redeveloper would have proceeded with the Project.

- iv. The Township's review and analysis indicates that the benefits of the Project outweigh the costs and that the revenue generated will yield an overall revenue surplus.
- 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 will help to offset the significant costs of development of the Project;
 - ii. The Tax Exemption will influence the locational decisions of potential tenants because without the Tax Exemption the rents for the Project will be higher and prospective occupants of the Project would likely have located in other areas where the prices are lower due in large part to the absence of substantial costs and to lower tax rates;
 - iii. The relative stability and predictability of the ASC will allow the Redeveloper to stabilize its expenses, allowing a high level of maintenance to the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area; and
 - iv. The relative stability and predictability of the ASC will make the Project more attractive to investors and lenders needed to finance the Project and will be a benefit to 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 _____, 2021, the Township duly adopted Ordinance _____ (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 THERETO, 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 47.01, Lot 11.02 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 CLPF Lion Properties Fund Holdings L.P., is its sole member.

(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-fivecents (\$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, 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 in accordance with Applicable Law.

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, 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: CLPF Urban Renewal Mansfield 2 LLC
1717 McKinney Avenue, Suite 1900
Dallas, Texas, 75202

With Copies to: Jeffrey M. Gradone, Esq.
Archer & Greiner P.C.
101 Carnegie Center
Suite 300
Princeton, NJ 08540

If to Township: Michael Fitzpatrick, Administrator
Township of Mansfield
3135 Route 206 South
Columbus, New Jersey 08022
E-mail: administrator@mansfieldtwp.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 County of Burlington Clerk 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

