

**TOWNSHIP OF MANSFIELD  
COUNTY OF BURLINGTON**

**ORDINANCE NO. 2020-13**

**AN ORDINANCE OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF  
MANSFIELD AUTHORIZING AND APPROVING A FINANCIAL AGREEMENT  
BETWEEN THE TOWNSHIP OF MANSFIELD AND MANSFIELD REALTY NORTH  
URBAN RENEWAL LLC AND ITS ASSIGNEE/SUCCESSOR MANSFIELD 206 EAST  
URBAN RENEWAL LLC FOR BLOCK 3, LOTS 5.01 AND 10.01 WITHIN THE ROUTE  
206 NORTHERN AREA REDEVELOPMENT AREA PURSUANT TO THE LONG  
TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1 et. seq.**

**WHEREAS**, the Township of Mansfield (the “Township”) is a municipal entity organized and existing under the laws of the State of New Jersey and located in the County of Burlington; and

**WHEREAS**, by adoption of Resolution No. 2016-12-20 on December 28, 2016, the Township Committee of the Township of Mansfield designated Block 3, Lots 3.01, 3.02, 4, 5.01, 6.01, 6.02, 6.03, 6.05, 6.06, 6.07, 6.08, 6.09, 9 and 10.01, and Block 4, Lots 4.01, 4.02, 4.03, 5, 6.01, 6.02, 7, 8.01; 8.02, 8.03, 9, 10.01, 10.02 and 11, on the Township of Mansfield Tax Map, as an area in need of redevelopment in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Area”); and

**WHEREAS**, thereafter, by adoption of Ordinance No. 2017-4 on March 22, 2017, the Township Committee adopted a redevelopment plan for the Redevelopment Area entitled the “Redevelopment Plan U.S. Highway Route 206 Northern Area” and dated February 2, 2017 (the “Redevelopment Plan”); and

**WHEREAS**, the Redevelopment Plan provides a broad overview for the planning, development, redevelopment and rehabilitation of the Redevelopment Area for purposes of improving the conditions of same in a manner that is consistent with the Township’s Master Plan; and

**WHEREAS**, the Township Committee has been designated as the “Redevelopment Entity” (as said term is defined in the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.) for the purpose of implementing the Redevelopment Plan; and

**WHEREAS**, Mansfield Realty North, LLC (“Redeveloper”) has obtained preliminary and final site plan approval from the Mansfield Planning Board on April 15, 2020, by Resolution 2020-2-6, for a 722,800 square feet warehouse (the “Project”) on a portion of property in the Redevelopment Area, being, Block 3, Lot 5.01 and 10.01 (the “Property”); and

**WHEREAS**, Redeveloper has further negotiated a sale of the Property to Mansfield 206 East Urban Renewal LLC (“Assignee/Successor”), and

**WHEREAS**, Assignee/Successor's sole member is Mansfield 206 Development, LLC, a Delaware limited liability company. 100% of the common ownership units in Mansfield 206 Development, LLC are owned by a partnership in which WPT Industrial, LP (or its wholly owned subsidiary) is an owner and the general partner. WPT Industrial, LP (or its wholly owned subsidiary) is also the development manager for the Project. The Township Committee has reviewed the Experience Statement of WPT and finds that WPT is a publicly traded real estate investment trust that acquires, develops and manages warehouse and distribution properties throughout the United States. WPT owns approximately 100 properties totaling 32.1 million square feet in 20 U.S. states. Since 2016, WPT has developed 4 million square feet, including a modernization of a 60,575 square foot building and adjacent development of a 188,343 square foot project in Bayonne, New Jersey; and

**WHEREAS**, the Township, by adoption of Resolution 2020-7-11, on July 15, 2020 has (1) designated Redeveloper as the Redeveloper of the Project; (2) authorized execution of the Redevelopment Agreement with Redeveloper for the Project; (3) authorized the execution of an Acknowledgment consenting to and approving Assignee/Successor as the Redeveloper of the Project and the Assignment of the Redevelopment Agreement to Assignee/Successor, subject to receipt by the Township of a fully executed Acknowledgement whereby Assignee/Successor confirms that it has purchased the Property and has accepted responsibility for the redevelopment and construction of the Project; and

**WHEREAS**, in connection with the Project, Redeveloper and its Assignee/Successor has requested that the Township consider entering into a financial agreement pursuant to the LTTE Law; and

**WHEREAS**, in furtherance of such request, and in accordance with the LTTE Law, the Redeveloper submitted a written application, supplemented by a written application by Assignee/Successor (the "Application") to the Township for approval of a tax exemption for the improvements to be constructed as part of the Project (the "Improvements"). The Application and letter filing same is attached hereto as Exhibit A.

**WHEREAS**, the LTTE Law permits the Township to enter into financial agreements of the type proposed, exempting improvements of real property from tax assessment and accepting payments in lieu of taxes, where it is found that the property is qualified; and

**WHEREAS**, the Redeveloper and Assignee/Successor have negotiated a Financial Agreement with the Township in order to effectuate redevelopment of the Property and the Project, which provides, *inter alia*, for payments in lieu of taxes. A copy of said Financial Agreement is attached hereto and made a part hereof as Exhibit B.

**WHEREAS**, the Township Committee finds and determines that the Project would not have been constructed without a tax exemption for the Improvements, and

**WHEREAS**, the Township Committee finds and determines that granting Redeveloper or its Assignee/Successor, exemption from taxation of the Improvements pursuant to the Financial Agreement, and receipt by the Township of annual service charges in lieu of taxes, allows

maximum redevelopment of the Redevelopment Area and is, therefore, in the best interests of the Township and, further, is in accordance with the provisions of the LTTE Law and the public purposes pursuant to which the redevelopment has been undertaken; and

**WHEREAS**, the Township Committee now deems it to be in the best interests of the Township to approve the Application and adopt an Ordinance authorizing the Township to enter into the Financial Agreement with Redeveloper Specifically, an urban renewal entity successor to Redeveloper) or its Assignee/Successor, on the terms and conditions stated in the Financial Agreement and as further set forth herein, including, *inter alia*, the granting of a tax exemption.

**NOW, THEREFORE, BE IT ORDAINED** by the Township Committee of the Township of Mansfield, County of Burlington, State of New Jersey, as follows:

1. The Township Committee makes the determinations and findings contained herein by virtue of, pursuant to, and in conformity with the LTTE Law.
2. The development of the Project is hereby approved for the grant of a tax exemption under the LTTE Law by virtue of, pursuant to, and in conformity with the provisions of the same.
3. The Application attached hereto as Exhibit A is hereby approved.
4. The Financial Agreement attached hereto as Exhibit B, with all exhibits thereto, is hereby authorized and approved.
5. The Improvements, when constructed and deemed substantially completed, shall be exempt from real property taxation and, in lieu of real property taxes, Redeveloper or its Assignee/Successor shall make payments to the Township of an annual service charge during the term and under the provisions set forth in the Financial Agreement.
6. Upon adoption of this Ordinance and execution of the Financial Agreement, a certified copy of this Ordinance and the Financial Agreement shall be transmitted to the State of New Jersey Department of Community Affairs, Director of the Division of Local Government Services.

**BE IT FURTHER ORDAINED** that the Mayor and Clerk of the Township of Mansfield, and any other officials of the Township of Mansfield, as may be applicable, are hereby each authorized to execute and deliver the Financial Agreement, a true and correct copy of which is attached hereto as Exhibit B, as same may be revised to reflect Assignor/Successor as the assignee of Redeveloper, as provided in the Application, together with any additional documents as are necessary to implement and carry out the intent of this Ordinance and the Financial Agreement.

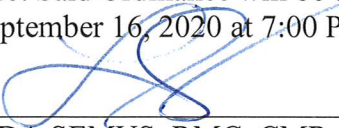
**BE IT FURTHER ORDAINED** that all ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

**BE IT FURTHER ORDAINED** that in the event any clause section or paragraph of this Ordinance is deemed invalid or unenforceable for any reason, it is the intent of the Township Committee that the balance of this Ordinance remains in full force and effect to the extent it allows the Township to meet the goals of this Ordinance.

**BE IT FURTHER ORDAINED** that this Ordinance shall take effect after final adoption and publication according to law.

**CERTIFICATION**

I, **LINDA SEMUS, RMC, CMR**, Township Clerk of the Township of Mansfield, County of Burlington, State of New Jersey, do hereby certify the foregoing to be a true and accurate copy of an Ordinance which was introduced on August 27, 2020. Said Ordinance will be considered for final adoption after the public hearing which is set for September 16, 2020 at 7:00 PM.

  
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LINDA SEMUS, RMC, CMR

**EXHIBIT A**  
**Cover letter and Application**

**EXHIBIT B**  
**Financial Agreement**

**FINANCIAL AGREEMENT**

**MANSFIELD WAREHOUSE 206 EAST PROJECT**

By and Between

**THE TOWNSHIP OF MANSFIELD**

and

**THE TOWNSHIP OF MANSFIELD COMMITTEE**  
*Township*

and

**MANSFIELD 206 EAST URBAN RENEWAL LLC**  
*Redeveloper*

(Block 3, Lot 5.01 and 10.01)

**THIS FINANCIAL AGREEMENT** (“Agreement” or “Financial Agreement”), effective this 19<sup>th</sup> day of August, 2020, 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 206 EAST URBAN RENEWAL LLC**, or their assigns or successors (“Redeveloper”), a limited liability company of the State of New Jersey, with offices at 150 S. 5<sup>th</sup> Street, Suite 2675, Minneapolis, MN 55402. 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 No. 2016-12-20, designating property identified on the Township Tax Map as Block 3, Lots 5.01 and 10.01 (the “Property”) 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 No. 2017-4, adopting the U.S. Route 206 Northern Area Redevelopment Plan (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 July 15, 2020, the Township adopted Resolution 2020-7-11 designating Mansfield Realty North LLC as Redeveloper for the Project, and authorized the Parties to execute a redevelopment agreement which would allow Mansfield Realty North LLC to be Redeveloper for the Property; and

**WHEREAS**, in adopting said Resolution, the Township and Redeveloper acknowledged the anticipated conveyance of the Property and assignment of the redevelopment agreement to Mansfield 206 East Urban Renewal LLC, addressing the process for same provided same occurred; and



**WHEREAS**, the Township and the Redeveloper or its assignee executed a redevelopment agreement, effective July 15, 2020 (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**, Mansfield Realty North LLC 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 anticipated assignment thereof to, and the execution of this Financial Agreement by, Mansfield 206 East Urban Renewal LLC.

**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. 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 16, 2020, the Township duly adopted Ordinance 2020-13 (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:

<b>Agreement</b>	<b>Redeveloper</b>
<b>Application</b>	<b>Redevelopment Agreement</b>
<b>Exemption Law</b>	<b>Redevelopment Area</b>
<b>Financial Agreement</b>	<b>Redevelopment Law</b>
<b>Ordinance</b>	<b>Redevelopment Plan</b>
<b>Parties</b>	<b>Township</b>
<b>Project</b>	<b>Redeveloper</b>
<b>Property</b>	

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 3, Lots 5.01 and 10.01 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 Mansfield 206 Development, LLC, a Delaware limited liability company, 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) sixty-five cents (\$0.65) per occupied square foot of the Improvements, with such per square-foot amount to increase by two percent (2%) annually (i.e., \$0.663 in year 2, \$0.676 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 15, zero percent (0%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (ii) For years 16 through 17, twenty percent, (20%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (iii) For years 18 through 19, forty percent (40%) of the real property taxes otherwise due on the value of the Land and the Improvements;
- (iv) For years 20 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, WPT Industrial, LP 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: <a href="mailto:administrator@mansfieldtwp.com">administrator@mansfieldtwp.com</a> 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: <a href="mailto:tim@primelaw.com">tim@primelaw.com</a> 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



## EXHIBIT 1

### Metes and Bounds Description of the Property

## SCHEDULE A

(PAGE 1 of 3)

ALL that certain tract or parcel of land, situated, lying and being in the Township of Mansfield, County of Burlington, State of New Jersey, more particularly described as follows:

#### TRACT 1 (BLOCK 3, LOT 5.01)

BEGINNING at a concrete monument set in the Southeasterly Right of Way Line of New Jersey State Highway Route 206, 80 feet in width, said monument being at the beginning corner of Tract 2, in a Deed from Joseph T. McGrain and Anna E. McGrain to Turnpike Junction Inc., dated 27 May 1958 and recorded in Deed Book 1354 at page 311 and running; thence

- (1) Along the first course of said conveyance South 76 degrees 12 minutes 39 seconds East, 233.11 feet to a stone found, being the second corner in the same; thence
- (2) Along the second course of said conveyance, North 18 degrees 05 minutes 24 seconds East, 627.00 feet to a point; thence
- (3) Continuing along property now or formerly of Turnpike Junction Inc., North 80 degrees 50 minutes 24 seconds East, 234.10 feet to its intersection with the sixteenth course in a conveyance from George Aaronson Jr. and William Aaronson to Manheim Service Corp., dated 20 July 1984 and recorded in Deed Book 2872 at page 329; thence
- (4) Along said sixteenth course of said conveyance reversing South 20 degrees 18 minutes 39 seconds West, 6.02 feet to a point in Folwell's Run; thence
- (5) Along the centerline of Folwell's Run and the fifteenth course of said conveyance reversing North 85 degrees 19 minutes 53 seconds East, 25.00 feet to a point; thence
- (6) Along the same and the fourteenth course of said conveyance, reversing North 50 degrees 19 minutes 53 seconds East, 39.00 feet to a point; thence
- (7) Along the same, and the thirteenth course reversing of said conveyance, North 73 degrees 19 minutes 53 seconds East, 68.50 feet to a point; thence
- (8) Along the same and the twelfth course of said conveyance reversing, North 13 degrees 19 minutes 53 seconds East, 23.00 feet to a point; thence
- (9) Along the same and the eleventh course of said conveyance reversing, North 69 degrees 49 minutes 53 seconds East, 66.00 feet to a point; thence
- (10) Along the same and the tenth course of said conveyance reversing, North 62 degrees 49 minutes 53 seconds East, 65.00 feet to a point; thence
- (11) Along the same and the ninth course of said conveyance reversing, South 86 degrees 10 minutes 07 seconds East, 137.00 feet to a point; thence
- (12) Along the same and the eighth course of said conveyance reversing, South 89 degrees 25 minutes 07 seconds East, 105.00 feet to a point; thence
- (13) Along the same and the seventh course of said conveyance reversing, South 64 degrees 25 minutes 07 seconds East, 197.00 feet to a point; thence

**SCHEDULE A**  
**(PAGE 2 of 3)**

- (14) partly along the same and the sixth course of said conveyance reversing, North 81 degrees 16 minutes 30 seconds East, 14.48 feet to its intersection with the Westerly line of Aaronson Road, 33 feet in width as established by the existing roadway pavement; thence
- (15) Along the Westerly line of Aaronson Road, South 6 degrees 56 minutes 58 seconds West, 513.01 feet to a bend; thence
- (16) Along the same, South 6 degrees 24 minutes 36 seconds West, 248.25 feet to a bend; thence
- (17) Along the same, South 7 degrees 11 minutes 50 seconds West, 508.69 feet to a bend; thence
- (18) Along the same, South 7 degrees 51 minutes 12 seconds West, 228.85 feet to its intersection with the division line between property now or formerly of George G. Aaronson, Jr. and William M. Aaronson on the North and William Miller Aaronson on the South; thence
- (19) Along said division line, North 88 degrees 39 minutes 41 seconds West, 1446.50 feet to a point; thence
- (20) Along the same, North 54 degrees 09 minutes 41 seconds West, 69.90 feet to its intersection with the Southeasterly line of New Jersey State Highway Route 206; thence
- (21) Along said Southeasterly line of New Jersey State Highway Route 206, North 24 degrees 28 minutes 35 seconds East, 820.03 feet to the point or place of beginning.

**FOR INFORMATION PURPOSES ONLY:**

Being Block 3, Lot 5.01, on the Tax Map of the Township of Mansfield, County of Burlington, State of New Jersey, and more commonly known as 55 Aaronson Road, Columbus, NJ 08022.



**TRACT 2 (BLOCK 3, LOT 10.01)**

**BEGINNING** at a point in the Southeasterly line of New Jersey State Highway Route 206, 80 feet in width, said point being distant South 24 degrees 28 minutes 35 seconds West, 820.03 feet along said highway from a concrete monument set in said Southeasterly line, said monument being at the beginning corner of Tract 2 in a Deed from Joseph T. McGrain and Anna E. McGrain to Turnpike Junction Inc., dated 27 May 1958 and recorded in Deed Book 1354 at page 311, said beginning point also being at the intersection of said highway line and the division line between property now or formerly of George G. Aaronson, Jr. and William M. Aaronson on the North and William Miller Aaronson on the South and beginning; thence

- (1) Along said division line South 54 degrees 09 minutes 41 seconds East, 69.90 feet to a point; thence
- (2) Along the same, South 88 degrees 39 minutes 41 seconds East, 1446.50 feet to its intersection with the Westerly line of Aaronson Road, 33 feet in width as established by the existing roadway pavement; thence
- (3) Along said Westerly line of Aaronson Road, South 7 degrees 51 minutes 12 seconds West, 401.74 feet to a point of curvature; thence
- (4) Along the same Southerly on a curve to the left having a radius of 1068.31 feet an arc distance of 199.42 feet to the point of tangency of said curve; thence

**SCHEDULE A**  
**(PAGE 3 of 3)**

- (5) Along the same South 2 degrees 50 minutes 31 seconds East, 402.77 feet to its intersection with the Northerly line of White Pine Road as established on a map entitled, "Proposed Subdivision of Tax Map Lot 1, Block 9, Sheet 2, Township of Mansfield, Burlington County, New Jersey, dated September 13, 1974, approved July 9, 1975"; thence
- (6) Along said Northerly line of White Pine Road established as 33 feet in width on the aforementioned map, North 78 degrees 06 minutes 56 seconds West, 122.51 feet to a bend in said line; thence
- (7) Along the Northwesterly line of White Pine Road, South 51 degrees 41 minutes 26 seconds West, 659.56 feet to its intersection with the extension of the Northeasterly line of a conveyance from William Aaronson to Raymond F. Stupieniski III and Susan R. Stupieniski recorded January 21, 1987 in Deed Book 3333 at page 123; thence
- (8) Along said extension of and said Northeasterly line, North 47 degrees 50 minutes 03 seconds West, 349.86 feet to a point; thence
- (9) Along the same, North 66 degrees 50 minutes 03 seconds West, 176.94 feet to the most Northerly corner of the aforementioned conveyance (Deed Book 3333, page 123); thence
- (10) North 33 degrees 20 minutes 57 seconds East, 494.87 feet to its intersection with the extension of the Northerly line of a conveyance from Samuel H. Potts and Lola S. Potts, to Raffaella Carnevale and Filomena Carnevale recorded August 24, 1966 in Deed Book 1623 at page 402; thence
- (11) Along said extension and the Northerly line, North 81 degrees 02 minutes 41 seconds West, 156.01 feet to a point; thence
- (12) Along said Northerly line, North 49 degrees 57 minutes 31 seconds West, 392.74 feet to a pipe found; thence
- (13) Continuing along said Northerly line, North 66 degrees 01 minutes 51 seconds West, 283.14 feet to a point; thence
- (14) Along the same, North 72 degrees 31 minutes 51 seconds West, 107.10 feet to its intersection with the Southeasterly line of New Jersey State Highway Route 206, 80 feet in width; thence
- (15) Along said Southeasterly line, Northeasterly on a curve to the left having a radius of 22901.73 feet an arc distance of 111.67 feet to the point of tangency of said curve; thence
- (16) Along the same, North 24 degrees 28 minutes 35 seconds East, 234.60 feet to the point or place of beginning.

**EXCEPTING OUT AND THEREFROM** from the above described premises all those certain lots as shown on Final Plan N.A.K. Realty Subdivision and more commonly known as Block 3, Lots 10.05, 10.06, 10.07 and 10.08 filed in the Burlington County Clerk's Office on 9/26/90 as Map #05204.

**FOR INFORMATION PURPOSES ONLY**

**(REMAINING PORTION):**

Being Block 3, Lot 10.01, on the Tax Map of the Township of Mansfield, County of Burlington, State of New Jersey, and more commonly known as Aaronson Road, Columbus, NJ 08022.



**EXHIBIT 2**

Application with Exhibits  
(Exhibit E to Application intentionally excluded)

Mansfield Realty North LLC  
16 Lehigh Drive  
Kendall Park, NJ 08824

July 13, 2020

Mayor Janice A. DiGiuseppe  
Township of Mansfield  
3134 Route 206 South  
Columbus, NJ 08022

**Re:** Application for Long Term Tax Exemption pursuant to N.J.S.A. 40A:20-1 et seq.  
Block 3, Lots 5.01 and 10.01 ("Property")

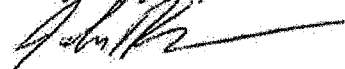
Dear Mayor DiGiuseppe:

Further to my letter to you of April 9, 2020, we are pleased to submit a revised application (the "Application") for a long-term tax exemption for the proposed development of a new industrial building on the Property. The required draft Financial Agreement is enclosed as an attachment to the Application.

We believe that the Project will be a great asset to the Township. We are, of course, prepared to provide any additional information the Township may require during its review of the Application.

Please feel free to contact me with any questions. Thank you for your consideration.

Very truly yours,



John Kainer  
Authorized Signatory

Enclosures

cc: Michael Fitzpatrick, Township Administrator  
Timothy M. Prime, Esq.  
Ronald Shimanowitz, Esq.  
Charles Liebling, Esq.



## **Application for a Long-Term Tax Exemption for an Urban Renewal Entity (Mansfield Realty North Urban Renewal LLC) to be formed by Applicant**

**Section A** - Mansfield Realty North LLC ("Applicant") owns a 62.34-acre parcel on Route 206 Northbound. It is known on the Township tax map as block 3, lots 5.01 and 10.01 (the "Property"). The Property is located in the C2 zone with a redevelopment plan overlay. The warehouse project proposed for the Property is fully conforming to all applicable municipal ordinances and accords with the redevelopment plan and master plan of the municipality.

**Section B** - The improvements for which the long term tax exemption is being sought are comprised of a 772,800 SF warehouse to be located on a 62.34-acre parcel on Route 206 Northbound; i.e., the Property. The warehouse has received preliminary and final site plan approval. The resolution memorializing the site plan approval was adopted by the Township's Planning Board on April 15, 2020. The approved site plan (which also includes additional development on a parcel that is not the subject of this application) is attached to this application as Exhibit A. (The improvements that are the subject of this application are located to the east of Route 206 on Exhibit A.) The proposed warehouse building conforms to the architectural and site plan requirements as required.

**Section C** - The attached Exhibit B includes a calculation of Total Project Costs and a detailed construction cost estimate for the project prepared by Robert Steigerwald of Arco Design Build, who is a licensed civil engineer.

**Section D** - The project will be financed with a combination of equity and construction debt. The amount of equity to be invested is currently estimated to be approximately \$45.1 million. In exchange for the equity investment, membership interests in the ownership entity will be provided.

**Section E** - The annualized fiscal plan is attached as Exhibit C and displays a proforma for year one after completion. A detailed explanation of calculation methods is below:

Gross revenue was computed by multiplying the estimated rental rate of \$6.50 per square foot by the building size of 772,800 square feet. The insurance estimate is based on the average insurance cost in other properties owned by the buyer across the country. Operating and maintenance expenses are based on operating and maintenance expenses for properties comparable to the proposed property. Property management fee is based on 3.00% of annual gross revenue and operating expenditures. The project will be financed with a bank loan based on existing lender relationships that the entity has. The total estimated project cost is \$100 million. Estimated amortization rate is 30 years on the project. Sources for the project will be approximately \$45.1 million of equity and \$55.1 million of debt. The estimated interest rates to be paid on the construction financing are 4.00%. Total paid-in capital will be approximately \$45.1 million contributed by the development's joint venture. Mortgage terms as outlined in the provided fiscal plan estimate a 30-year amortization. Projected rent schedules contemplate a \$6.50 per square foot initial base rental rate with 2.00% annual rent increases for a five-year lease term. Projected annual service charges for year 1 are based on 10% of the annual gross revenue shown on Exhibit C. Estimated annual service charges for the 30-year term of the tax exemption, reflecting an estimated annual rent increase of 2%, are shown on Exhibit D.

**Section F** - Attached is the proposed financial agreement (Exhibit E).

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

Following the submission of this application, the Applicant anticipates conveying the Property and assigning its interest in this application to an unaffiliated entity, Mansfield 206 East Urban Renewal LLC ("Assignee"), subject to the Township's approval of such assignment. In such event, all references in the financial agreement to Applicant will be revised to reflect Assignee prior to its execution. In the event that the Township approves this application and the financial agreement, but such conveyance and assignment to Assignee does not occur within 90 days from the date of this application, Applicant may, within the following 90 days, form Mansfield Realty North Urban Renewal LLC and enter into the financial

agreement with the Township. If Applicant does not do so within that period, this Application and any approvals of this Application granted by the Township shall be deemed terminated and void. By its resolution approving this Application, the Township approves the terms of this paragraph.

Sincerely,  
**Mansfield Realty North LLC**

A handwritten signature in black ink, appearing to read "John Kainer", with a long horizontal flourish extending to the right.

**John Kainer**

EXHIBIT A

APPROVED SITE PLAN

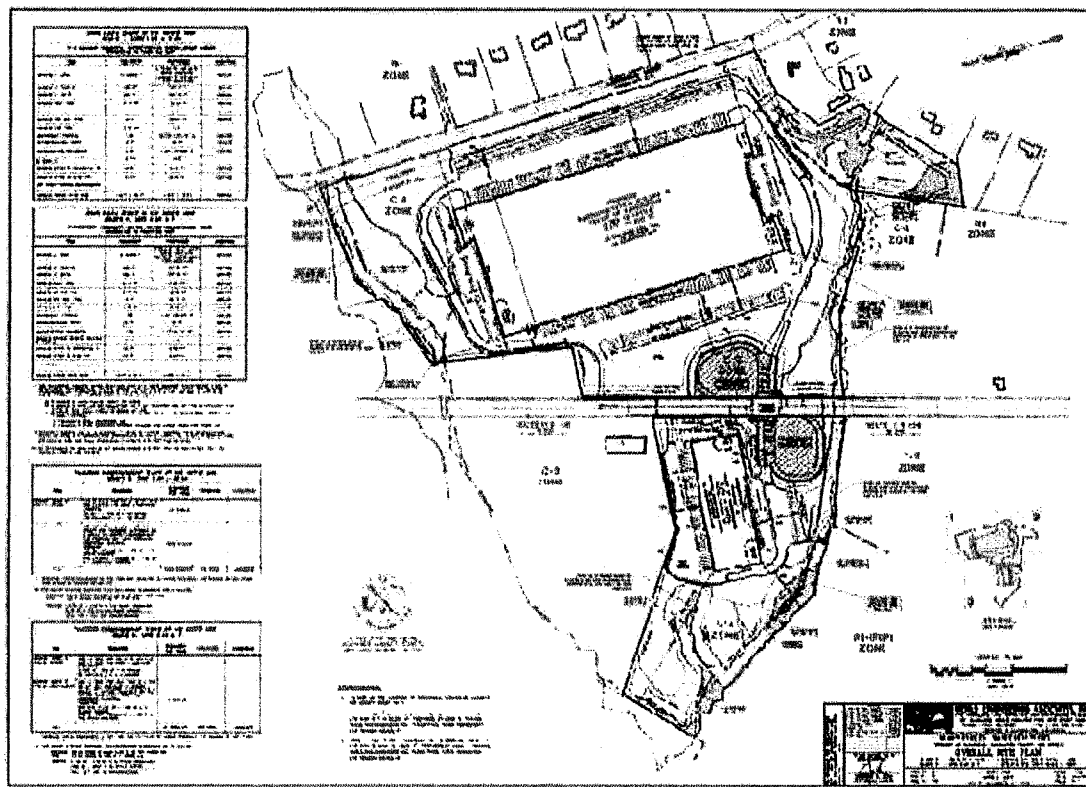


EXHIBIT B  
CONSTRUCTION COST ESTIMATE

Mansfield 206 East Urban Renewal LLC

PILOT Application - Total Project Costs

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(1) Cost of Land	39,435,000
(2) Architect, Engineer and Attorney Fees	427,719
(3) Surveying and Testing Charges	195,000
(4) Construction Costs* (see footnote)	46,047,736
(5) Insurance, Interest and Finance Costs	4,618,006
(6) Costs of Obtaining Permanent Financing	953,636
(7) Leasing Commissions	2,267,454
(8) Real Estate Taxes during Construction	154,560
(9) Developer's Overhead	2,135,710
<hr/>	
Total Project Costs	96,234,821
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\* Constuction costs are in excess of ARCO's estimate due to inclusion of construction contingency and tenant improvement dollars.

**EXHIBIT C  
FISCAL PLAN**

*Fiscal Plan Schedule*

10% of Gross Revenue Method		Per Square Foot ASC Rate (\$0.65) Method	
Annual Gross Revenue	\$5,023,200 See Calculation 1	Annual Gross Revenue	\$5,023,200 See Calculation 1
Debt - Interest Payment	(\$2,186,339) See Calculation 3	Debt - Interest Payment	(\$2,186,339) See Calculation 3
Debt - Principal Payment	(\$970,331) See Calculation 3	Debt - Principal Payment	(\$970,331) See Calculation 3
Reserves	(\$38,640) \$0.05 psf	Reserves	(\$38,640) \$0.05 psf
Payments to Municipality (ASC)	(\$502,320) 10% of Annual Gross Revenue	Payments to Municipality (ASC)	(\$502,320) \$0.65 Per SF ASC Rate (See exhibit D)
Net Income	\$1,325,570	Net Income	\$1,325,570
<i>Annual Gross Revenue (Calculation 1):</i>			
Estimated Rental Rate	\$6.50		
x Building Square Footage	772,800		
Annual Gross Revenue	\$5,023,200		
<i>Operating Expenditures (Calculation 2):</i>			
CAM	(\$270,480) \$0.35 psf		
Insurance	(\$77,280) \$0.10 psf		
Payments to Municipality (PILOT)	(\$502,320) 10% of Annual Gross Revenue		
Property Management Fees	(\$150,696) 3% of Annual Gross Revenue		
Total Operating Expenses	(\$1,000,776)		
<i>Debt Schedule (Calculation 3):</i>			
Total Estimated Project Debt	\$55,100,000		
Estimated Interest Rate	4.00%		
Estimated Amortization	30 Years		
Annual Estimated Debt Service	\$3,156,670		
Interest Payment	\$2,186,339		
Principal Payment	\$970,331		

Note: ASC is specified as the greater of the \$0.65/sf or 10% of the AGR.

EXHIBIT D  
ANNUAL SERVICE CHARGE PROJECTION  
(10% of Annual Gross Revenues)

YEAR	10% of Gross Revenue Method			Per SF ASC Rate (\$0.65) Method	
	GROSS RENT/ REVENUE	ASC RATE	ANNUAL SERVICE CHARGE	PER SF ASC RATE	ANNUAL SERVICE CHARGE
1	\$5,023,200	10%	\$502,320	\$0.65	\$502,320
2	\$5,123,664	10%	\$512,366	\$0.66	\$512,366
3	\$5,226,137	10%	\$522,614	\$0.68	\$522,614
4	\$5,330,660	10%	\$533,066	\$0.69	\$533,066
5	\$5,437,273	10%	\$543,727	\$0.70	\$543,727
6	\$5,546,019	10%	\$554,602	\$0.72	\$554,602
7	\$5,656,939	10%	\$565,694	\$0.73	\$565,694
8	\$5,770,078	10%	\$577,008	\$0.75	\$577,008
9	\$5,885,479	10%	\$588,548	\$0.76	\$588,548
10	\$6,003,189	10%	\$600,319	\$0.78	\$600,319
11	\$6,123,253	10%	\$612,325	\$0.79	\$612,325
12	\$6,245,718	10%	\$624,572	\$0.81	\$624,572
13	\$6,370,632	10%	\$637,063	\$0.82	\$637,063
14	\$6,498,045	10%	\$649,804	\$0.84	\$649,804
15	\$6,628,006	10%	\$662,801	\$0.86	\$662,801
16	\$6,760,566	10%	\$676,057	\$0.87	\$676,057
17	\$6,895,777	10%	\$689,578	\$0.89	\$689,578
18	\$7,033,693	10%	\$703,369	\$0.91	\$703,369
19	\$7,174,367	10%	\$717,437	\$0.93	\$717,437
20	\$7,317,854	10%	\$731,785	\$0.95	\$731,785
21	\$7,464,211	10%	\$746,421	\$0.97	\$746,421
22	\$7,613,495	10%	\$761,350	\$0.99	\$761,350
23	\$7,765,765	10%	\$776,577	\$1.00	\$776,577
24	\$7,921,080	10%	\$792,108	\$1.02	\$792,108
25	\$8,079,502	10%	\$807,950	\$1.05	\$807,950
26	\$8,241,092	10%	\$824,109	\$1.07	\$824,109
27	\$8,405,914	10%	\$840,591	\$1.09	\$840,591
28	\$8,574,032	10%	\$857,403	\$1.11	\$857,403
29	\$8,745,513	10%	\$874,551	\$1.13	\$874,551
30	\$8,920,423	10%	\$892,042	\$1.15	\$892,042
<b>TOTAL</b>			<b>\$20,378,158</b>		<b>\$20,378,158</b>

Note: Projection does not include possible increases in ASC if a percentage of taxes otherwise due applies, as required in the Financial Agreement and N.J.S.A. 40A:20-12b.2.

**EXHIBIT 3**

**Certificate of Formation of Redeveloper**



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
LOCAL PLANNING SERVICES  
101 SOUTH BROAD STREET  
PO BOX 813  
TRENTON, NJ 08625-0813  
(609) 292-3000 • FAX (609) 633-6056

PHILIP D. MURPHY  
Governor

LT. GOVERNOR SHEILA V. OLIVER  
Governor

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
RE: MANSFIELD 206 EAST URBAN RENEWAL, LLC  
File # 2752  
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 23 day of April 2020 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
Sean Thompson, Director  
Local Planning Services



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LLC  
FILED  
JUL 8 2020  
STATE TREASURER  
0000468444

**CERTIFICATE OF FORMATION  
OF  
MANSFIELD 206 EAST URBAN RENEWAL, LLC**

The undersigned, being authorized to execute and file this Certificate of Formation, hereby certifies that:

FIRST: The name of the Limited Liability Company is Mansfield 206 East Urban Renewal, LLC (the "Company").

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

(b) So long as the Company is obligated under the Financial Agreement with the Township of Mansfield made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the Project.

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

(d) The Company 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 Township of Mansfield, which other Urban Renewal Entity shall assume all contractual obligations of the transferor entity under the Financial Agreement. The entity shall file annually with the Township of Mansfield a disclosure of the persons having an ownership interest in the Project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Urban Renewal Entity itself provided that the transfer, if greater than 10 percent, is disclosed to the Township of Mansfield in the annual disclosure statement or in correspondence sent to the Township of Mansfield in advance of the annual disclosure statement referred to above.

(e) The Company is subject to the provisions of Section 18 of P.L. 1991, c. 431 (C. 40A:20-18) respecting the powers of the 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.

(f) 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.

- THIRD: The name and address of the registered agent of the Company is:
- Corporation Service Company  
Princeton South Corporate Center, Suite 160, 100 Charles Ewing Blvd,  
Ewing, NJ 08628
- FOURTH: The address of the registered office of the Company in the State of New Jersey is:
- Corporation Service Company  
Princeton South Corporate Center, Suite 160, 100 Charles Ewing Blvd,  
Ewing, NJ 08628
- FIFTH: The duration of existence of the Company is perpetual, unless sooner terminated in accordance with the provisions of the operating agreement of the Company.
- SIXTH: Except as may otherwise be provided in the New Jersey Limited Liability Company Act, N.J.S.A. 42:2C-1 et seq., the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise,

shall be solely the debts, obligations and liabilities of the Company, and no member, manager, employee or agent of the Company shall be obligated personally for any such debt, obligation or liability of the Company, or for any debt, obligation or liability of any other member, manager, employee or agent of the Company, by reason of being a member, or acting as a manager, employee or agent of the Company.

IN WITNESS WHEREOF, I have signed this Certificate of Formation on this 12<sup>th</sup> day of April, 2020.

  
\_\_\_\_\_  
Charles B. Liebting  
Authorized Representative

## EXHIBIT 4

### The Financial Plan for the Undertaking of the Project

*Fiscal Plan Schedule*

10% of Gross Revenue Method		Per Square Foot ASC Rate (\$0.63) Method	
Annual Gross Revenue	\$3,023,200 See Calculation 1	Annual Gross Revenue	\$3,023,200 See Calculation 1
Debt - Interest Payment	(\$2,186,339) See Calculation 3	Debt - Interest Payment	(\$2,186,339) See Calculation 3
Debt - Principal Payment	(\$970,331) See Calculation 3	Debt - Principal Payment	(\$970,331) See Calculation 3
Reserves	\$38,640 \$0.05 p/sf	Reserves	\$38,640 \$0.05 p/sf
Payments to Municipality (ASC)	(\$502,320) 10% of Annual Gross Revenue	Payments to Municipality (ASC)	(\$502,320) \$0.65 Per SF ASC Rate (See exhibit D)
<b>Net Income</b>	<b>\$1,325,570</b>	<b>Net Income</b>	<b>\$1,325,570</b>
<b>Annual Gross Revenue (Calculation 1):</b>			
Estimated Rental Rate	\$6.90		
× Building Square Footage	772,000		
<b>Annual Gross Revenue</b>	<b>\$5,023,200</b>		
<b>Operating Expenditures (Calculation 2):</b>			
CM&A	(\$170,482) \$0.35 p/sf		
Insurance	(\$77,280) \$0.10 p/sf		
Payments to Municipality (Pilot)	(\$502,320) 10% of Annual Gross Revenue		
Property Management Fees	(\$150,636) 3% of Annual Gross Revenue		
<b>Total Operating Expenses</b>	<b>(\$500,718)</b>		
<b>Debt Schedule (Calculation 3):</b>			
Total Estimated Project Debt	\$55,300,000		
Estimated Interest Rate	4.625%		
Estimated Amortization	30 Years		
Annual Estimated Debt Service	\$3,156,670		
Interest Payment	\$2,186,339		
Principal Payment	\$970,331		

Note: ASC is specified as the greater of the \$0.65/sf or 10% of the AGR.

**EXHIBIT 5**

**Certification of Estimated Construction Costs**

**TOTAL PROJECT COST - N.J.S.A. 40A:20-3h**

A.	Land	\$39,425,000
B.	Architects', engineers' and attorneys' fees paid or payable in connection with the planning, construction and financing of the project	\$ 427,719
C.	Surveying and testing	\$ 195,000
D.	Construction cost* (to be certified by the architect)	\$46,047,736
E.	Insurance, interest and finance costs during construction	\$ 4,618,006
F.	Cost of obtaining initial permanent financing	\$ 953,636
G.	Commissions and other expenses payable in connection with initial leasing/sale	\$ 2,267,454
H.	Real estate taxes and assessments during the construction period	\$ 154,560
I.	Developer's overhead based on a percentage of (d) above, to be computed in accordance with percentage given in law ( <u>N.J.S.A. 40A:20-3h</u> ) (for projects over \$10,000,000 - 5%)	\$ 2,135,710
	Total	\$96,234,821

The undersigned hereby certifies that the foregoing is the projected total project cost in regard to the Project referenced in this Financial Agreement.

By: \_\_\_\_\_  
Name:  
Title:

\* Construction costs are in excess of ARCO's estimate due to inclusion of construction contingency and tenant improvement dollars.

## EXHIBIT 6

### Post-Credit Guaranteed Minimum

1	2021	\$381,772.78
2	2022	\$389,408.23
3	2023	\$397,196.40
4	2024	\$405,140.33
5	2025	\$413,243.13
6	2026	\$421,508.00
7	2027	\$429,938.16
8	2028	\$438,536.92
9	2029	\$447,307.66
10	2030	\$456,253.81
11	2031	\$465,378.89
12	2032	\$474,686.47
13	2033	\$484,180.19
14	2034	\$493,863.80
15	2035	\$503,741.07
16	2036	\$513,815.90
17	2037	\$524,092.21
18	2038	\$534,574.06
19	2039	\$545,265.54
20	2040	\$556,170.85
21	2041	\$567,294.27
22	2042	\$578,640.15
23	2043	\$590,212.96
24	2044	\$602,017.21
25	2045	\$614,057.56
26	2046	\$626,338.71
27	2047	\$638,865.48
28	2048	\$651,642.79
29	2049	\$664,675.65
30	2050	\$677,969.16