

ORDINANCE #56-24

**ORDINANCE OF THE BOROUGH OF SAYREVILLE, COUNTY OF
MIDDLESEX, NEW JERSEY AUTHORIZING THE EXECUTION OF A
FINANCIAL AGREEMENT, BY AND BETWEEN THE BOROUGH AND
CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC,
PURSUANT TO THE LONG-TERM TAX EXEMPTION LAW,
N.J.S.A. 40a:20-1 ET SEQ.**

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”), authorizes municipalities to determine whether certain parcels of land in a municipality constitute areas in need of redevelopment, and to adopt a redevelopment plan for such areas, pursuant to which redevelopment projects are to be undertaken; and

WHEREAS, the Redevelopment Law confers certain contract, planning and financial powers upon a redevelopment entity, as defined in *N.J.S.A. 40A:12A-3*, in order to implement redevelopment plans adopted pursuant thereto; and

WHEREAS, the Borough of Sayreville (the “**Borough**”), in the County of Middlesex, State of New Jersey, has elected to exercise these redevelopment entity powers through its redevelopment entity, the Sayreville Economic and Redevelopment Agency (“**SERA**”), as permitted under *N.J.S.A. 40A:12A-1 et seq.*; and

WHEREAS, CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC (the “**Entity**”), is the redeveloper of a portion of the property known as the Jernee Mill Road Redevelopment Area, specifically Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) and Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01) on the Borough’s tax maps (together, the “**Project Area**”), which is located in an area previously designated by the Borough as an “area in need of redevelopment,” as that term is defined under the Redevelopment Law; and

WHEREAS, the Entity and SERA entered into a Redevelopment Agreement dated January 26, 2023 (the “**Redevelopment Agreement**”), pursuant to which, among other things, the Entity will redevelop the Project Area; and

WHEREAS, the Redevelopment Agreement contemplates a phased development, with the first phase being the construction of a cold storage warehouse building, with a total area of approximately 253,850 square feet, and associated parking, loading bays and trailer parking stalls (the “**Project**”) on a portion of the Project Area that shall be subdivided from the remainder of the Project Area (“**Phase One Property**”); and

WHEREAS, the Entity and the Borough entered into a Purchase Agreement dated November 30, 2023 (authorized by Ordinance #29-23) (“**Purchase Agreement**”), whereby the Borough agreed to sell the Project Area for purposes of cooperating with and facilitating the redevelopment of the Project Area, including the construction of the Project on the Phase One Property by the Entity, pursuant to the terms and conditions of the Purchase Agreement; and

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

the Entity proposes to make payments to the Borough in lieu of taxes, all in accordance with and consistent with the Redevelopment Agreement; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement, a copy of which is attached to the Application, establishing the rights, responsibilities and obligations of the Entity for the Project and the Phase One Property, which Financial Agreement has been revised through negotiations between the Borough and the Entity, and the form of a financial agreement acceptable to both the Borough and the Entity is attached hereto as Schedule A (the "**Financial Agreement**"); and

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF SAYREVILLE, NEW JERSEY AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Application and Financial Agreement are hereby approved.

Section 3. The Mayor is hereby authorized to execute the Financial Agreement substantially in the form attached hereto, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.

Section 4. The Clerk of the Borough is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Borough upon such document.

Section 5. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 6. This ordinance shall take effect in accordance with applicable law.

INTRODUCED/APPROVED ON FIRST READING

DATED: November 25, 2024

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)
Borough of Sayreville

ADOPTED ON SECOND READING

DATED: December 9, 2024

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)
Borough of Sayreville

APPROVAL BY THE MAYOR ON THIS ____ DAY OF _____, 2024.

Kennedy O'Brien, Mayor
Borough of Sayreville

APPROVED AS TO FORM:

Matthew Moench, Borough Attorney

SCHEDULE A

Financial Agreement

**FINANCIAL AGREEMENT
BETWEEN
BOROUGH OF SAYREVILLE
AND
CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC**

THIS FINANCIAL AGREEMENT (this “**Agreement**”), made this ____ day of _____, 2024 (the “**Effective Date**”), by and between **CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC**, an urban renewal entity qualified to do business under the provisions of the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “**LTTE Law**”), with offices at 32 Mount Kemble Avenue, Morristown, New Jersey 07960 (the “**Entity**”) and the **BOROUGH OF SAYREVILLE**, a municipal corporation in the County of Middlesex and the State of New Jersey (the “**Borough**”, and together with the Entity, the “**Parties**” or “**Party**”).

W I T N E S S E T H:

WHEREAS, by Resolution #2010-157 adopted on July 12, 2010, the Council of the Borough (“**Council**”), pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12-1 et seq. (the “**Redevelopment Law**”), designated the property known as Sayreville Landfill #3 and identified on the tax maps of the Borough as Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) (the “**Redevelopment Area**”) as an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, by Ordinance #239-13, the Council adopted a redevelopment plan entitled “Borough of Sayreville Landfill and Melrose Redevelopment Plan” (including any amendments thereto, the “**Redevelopment Plan**”) applicable to the Redevelopment Area; and

WHEREAS, by Resolution #2015-258, adopted by the Council on August 24, 2015, the land upon which the Project (as defined in Section 2.1 of this Agreement) is to be constructed by the Entity was expanded to include the parcel designated on the tax maps of the Borough as Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01) (the “**Expansion Parcel**”, and with those parcels that comprise, the Redevelopment Area, collectively, the “**Project Site**”); and

WHEREAS, the Redevelopment Plan was amended by Ordinance #304-15, adopted on September 15, 2015, to, among other things, include the Expansion Parcel; and

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

WHEREAS, on January 26, 2023, the Entity entered into a redevelopment agreement with the Sayreville Economic and Redevelopment Agency (“**SERA**”) to govern the Entity’s redevelopment of the Project Site (the “**Redevelopment Agreement**”) pursuant to the Redevelopment Plan and pursuant to which the Entity will construct, or cause to be constructed thereon, among other things, the Project (as defined in Section 2.1 of this Agreement); and

WHEREAS, the Entity filed the application attached hereto as Exhibit B on or about November 2024 (the “**Application**”) seeking a long-term tax exemption for the portion of the Project Site being more specifically described on Exhibit A attached hereto (the “**Property**”), pursuant to the LTTE Law and approval of this Agreement; and

WHEREAS, on or prior to the commencement of construction of the Project, the Property, which is more particularly described on Exhibit A attached hereto and is a portion of the Project Site, shall be legally subdivided from the remainder of the Project Site such that the Project can be constructed on the Property; and

WHEREAS, the Application and this Agreement govern only the Project to be constructed on the Property, which shall be subdivided prior to commencement of construction of the Project, and does not govern the entirety of the Project Site; and

WHEREAS, on or prior to the Date of Completion of the Project, the Entity will lease the Property and the Project (the “Lease”) to an operating entity (the “Operating Entity”); and

WHEREAS, it is the intent of the Entity and the Borough that the calculations and determinations to be made under this Agreement with respect to any Net Profit (as defined below) and Annual Service Charge (as defined below) shall be based solely on, and with reference to, the Annual Gross Revenues (as defined below) of the Entity, excluding any other entity, whether affiliated or unaffiliated with the Entity that is not organized as an urban renewal entity pursuant to the LTTE Law, including but not limited to the Operating Entity; and

WHEREAS, by Ordinance #[_____] adopted on [_____] , a copy of which is attached to this Agreement as Exhibit C, the Council approved the Entity’s Application and authorized the execution of this Agreement; and

WHEREAS, in that Ordinance, the Borough made the following findings in accordance with Section 11 of the LTTE Law with respect to the Project:

1. *Relative Benefits of the Project.* In accordance with the LTTE Law, specifically N.J.S.A. 40A:20-11(a), the Borough hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Borough and its citizens. The Project will accelerate the redevelopment of the Project Site by providing a new cold storage warehouse building totaling approximately two hundred fifty four thousand square feet, will generate revenues and create jobs. When compared to the costs, if any, associated with the tax exemption, the Borough finds that the benefits outweigh the costs, recognizing that the Borough will retain ninety-five percent (95%) of the amount of the annual service charge.

2. *Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants.* The Entity is making a significant equity contribution, and investing additional construction funds toward the cost of the Project. In order to improve the economic viability of the development of the Project so that the Project can compete on an equitable footing with comparable projects within the municipality and surrounding market, the Borough has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the annual service charge will make the Project more competitive and assist the Entity to undertake the Project in the Borough. Further, the tax exemption allows rents to be set at competitive levels and as a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

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

ARTICLE I GENERAL PROVISIONS

Section 1.1 Governing Law. This Agreement shall be governed by the laws of the State of New Jersey, including but not limited to the provisions of the LTTE Law, the Redevelopment Law, the Ordinance approving this Agreement, and all other Applicable Laws (as hereinafter defined). It is expressly understood and agreed that the Borough expressly relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

Section 1.2 General Definitions. Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, defined terms shall have the meaning set forth in the Preamble hereto and the following terms shall have the meanings set forth below:

Allowable Net Profit — The amount arrived at by applying the Allowable Profit Rate to the Total Project Cost (as such terms are defined in this Section 1.2) pursuant to the provisions of N.J.S.A. 40A:20-3(b).

Allowable Profit Rate — The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If there is no permanent mortgage financing, or if the Project is internally financed by the Entity or by another entity related to the Entity, the allowable profit rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the Borough determines to be the prevailing rate on mortgage financing on comparable improvements in Middlesex County. For purposes of this Agreement, the Allowable Profit Rate shall not be less than 12%, all in accordance with N.J.S.A. 40A:20-3(b).

Annual Gross Revenues — The annual gross revenue or annual gross rents, as appropriate, and other income, received by the Entity as defined by N.J.S.A. 40A:20-3(a), which shall consist of the rent received by the Entity, as the owner of the Project, from any direct tenant of the Entity, including the Operating Entity pursuant to the Lease for the Project. Annual gross revenue shall exclude, without limitation, (i) tenant reimbursements to the Entity, as landlord, of actual operating expenses under a triple net lease (such as the Lease) such as Annual Service Charges and land taxes, utilities, sewer and water charges and CAM charges, (ii) extraordinary items, condemnation awards, insurance proceeds, gains from sales, transfers of all or any part of the Project, proceeds from any financing or refinancing, proceeds from any disposition of any interest in the Entity or any successor entity, and (iii) any revenue from the sale or financing of tax credits issued in connection with any State, federal or local award, payment, tax credit or other incentive to an Entity to develop, build, own or operate all or any portion of the Project or all or any portion of the Project, and any and all funds received pursuant to an agreement with a regulated utility service provider that are a contribution in the aid of construction or otherwise and refundable in the form of billing credits in accordance with the utility's "Tariff for Service". In accordance with N.J.S.A. 40 A:20-3(a), the parties have considered whether there are any insurance, operating, and maintenance expenses that are or will be paid by tenant(s) which are ordinarily paid by Landlord and have determined that there are none.

Annual Service Charge — The amount the Entity has agreed to pay the Borough for municipal services in lieu of conventional real property taxes, and computed in accordance with N.J.S.A. 40A:20-12(b)(1), as more fully set forth in Article IV of this Agreement.

Applicable Law — All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Redevelopment Law, the LTTE Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder.

Auditor's Report — A complete, annual audited financial statement outlining the financial status of the Entity as it relates to the Project and reporting the Annual Gross Revenues, Net Profit and Total Project Cost (as such terms are defined in this Section 1.2) and fully detailing all items required under the LTTE Law which has been prepared by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

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

Commencement Date — The effective date of the tax exemption granted pursuant to this Agreement, which shall be the first day of the month following the Date of Completion (as such term is defined in this Section 1.2).

Cure Period — As defined in Section 9.2 of this Agreement.

Date of Completion — The date of issuance of a Certificate of Occupancy for the Project Improvements.

Default — As defined in Section 9.1 of this Agreement.

Default Notice — As defined in Section 9.2 of this Agreement.

Effective Date — As defined in the Preamble.

In Rem Tax Foreclosure — A summary proceeding by which the Borough may enforce the lien for taxes due and owing by a tax sale, pursuant to N.J.S.A. 54:5-1 et seq.

Land Taxes — The amount of conventional real estate taxes assessed on land constituting the Property during the term of this Agreement.

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

Material Conditions — As defined in Section 4.5 of this Agreement.

Minimum Annual Service Charge — The total taxes levied against the Property in the last full tax year in which the Property was subject to taxation, which the parties agree is equal to Ten Thousand Six Hundred Sixty Dollars and Fifty Eight Cents (\$10,660.58). The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to this Agreement and N.J.S.A. 40A:20-12, would be less than the Minimum Annual Service Charge.

Net Profit — The Gross Revenue of the Entity pertaining to the Project, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c), which includes but is not limited to debt service, an amount sufficient to amortize the Total Project Cost over the term of the exemption, and all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Project — As defined in Section 2.3.

Project Improvements — All buildings, structures, improvements and amenities on the Property, including but not limited to internal roadways necessary for the implementation and Completion of the Project on the Property, and any additional work incidental thereto and/or such work as maybe required in connection with permits and approvals, all of which shall be consistent with the Redevelopment Plan and any approved site plan.

Tax Collector — The tax collector of the Borough of Sayreville.

Tax Assessor — The tax assessor the Borough of Sayreville.

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

ARTICLE II APPROVAL

Section 2.1 Approval of Tax Exemption. The Borough has granted and does hereby grant approval of a tax exemption for the Project Improvements to be developed and maintained by the Entity in accordance with the provisions of the LTTE Law and the terms and conditions set forth in this Agreement.

Section 2.2 Approval of Entity. Approval is granted to the Entity whose certificate of formation is attached as Exhibit D to the Application. The Entity represents that its certificate of formation contains all the provisions required by the LTTE Law, has been reviewed and approved by the Commissioner of the Department of Community Affairs and has been filed in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Project Improvements to be Developed. The Entity agrees to undertake the Project which shall consist of the following: (i) acquisition of the Property; (ii) procurement of all applicable approvals for all Project Improvements on the Property; and (iii) financing, design,

construction and Completion of all Project Improvements on the Property; (collectively, (i) —(iii), the “**Project**”). The Entity represents that it will construct or cause to be constructed the Project Improvements on the Property, in accordance with the Redevelopment Plan and the Redevelopment Agreement which Project Improvements include one (1) cold storage warehouse building with a total area of approximately 254,000 square feet. For purposes of this Agreement, the total amount of rentable square footage within the completed building for the Project shall be deemed the “**Square Footage**”.

Section 2.4 Project Schedule and Force Majeure.

(i) The Entity agrees to diligently undertake to commence redevelopment of the Project in accordance with the estimated Project Schedule set forth in the Redevelopment Agreement.

(ii) For the purposes of any of the provisions of this Agreement, neither the Borough nor the Entity shall be considered in breach of, or in default with respect to its obligations hereunder (other than with respect to the Entity’s obligation to pay Land Taxes, or Annual Service Charge, as applicable, which obligation shall be paid as and when due without regard to this Section 2.4) because of any enforced delay in the performance of such obligations arising from causes beyond its reasonable control and without its fault or negligence, including, but not restricted to, “Unavoidable Delays” as defined in the Redevelopment Agreement, including but not limited to remediation related interruption, failure, or delay encountered due to unforeseen conditions or unanticipated results of actions taken in the course of dealing with contamination, litigation or other dispute resolution proceedings with respect to the Project or this Agreement, and actions or inactions by any federal, state or local governmental or quasigovernmental authority with respect to the governmental approvals or the development of the Project, if such actions or inactions are not caused by the Entity. It is the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Borough or the Entity shall be extended for the period of the enforced delay.

Section 2.5 Ownership, Management and Control. The Entity represents that upon its acquisition of the Property from the Borough pursuant to the terms of the Purchase Agreement, the Entity shall be the owner of the Property. The Entity represents that upon completion, the Project, including all land and improvements related thereto, shall be used, managed and operated for the purposes set forth in the Application, in accordance with the Redevelopment Plan and all Applicable Laws. The Borough acknowledges that prior to completion of the Project, the Operating Entity will lease the Project from the Entity, the Operating Entity will make lease payments to the Entity pursuant to the Lease, and the Operating Entity may be an affiliate of the Entity.

Section 2.6 Source, Method and Amount to be Invested. Pursuant to N.J.S.A. 40A:20-8(d), the Entity represents that the source, method and amount of money to be subscribed through investment of private capital shall be as indicated in the Application.

Section 2.7 Fiscal Plan. Pursuant to N.J.S.A. 40A:20-8(e), the Entity represents that its good faith projections of the Project revenues, estimated expenditures for operation and maintenance,

payments for, amortization of debt and reserves, and Annual Service Charge shall be as set forth in the Application.

Section 2.8 Borough's Covenants and Representations. The designation of the area as an area in need of redevelopment was made in full compliance with the Redevelopment Law. In addition, the preparation and adoption of the Redevelopment Plan by appropriate Borough ordinance was performed in full compliance with the Redevelopment Law.

ARTICLE III DURATION OF AGREEMENT

Section 3.1 Term. This Agreement shall become effective upon its execution and delivery by the Parties. So long as there is compliance with governing law and this Agreement, this Agreement shall remain in effect until the expiration of the tax exemption granted and referred to in Section 21 of this Agreement. The tax exemption shall remain in effect until the earlier of (i) thirty-five (35) years from the execution of this Agreement, or (ii) thirty (30) years from the Commencement Date, unless it is sooner terminated pursuant to Article X of this Agreement. This Agreement shall continue in force only while the Project is owned or leased, for a minimum period equal to the unexpired term of this Agreement, by an urban renewal entity formed and operating under the LTTE Law. A voluntary transfer of the Project by the Entity shall be subject to the provisions of Article VIII of this Agreement. As provided for in Section 10.4, upon the termination or expiration of the term of this Agreement, the tax exemption on the Project Improvements shall terminate and the Property and the Project Improvements shall thereafter be assessed and taxed according to general law applicable to other non-exempt property.

Section 3.2 Date of Termination. The date of termination of tax exemption, whether by relinquishment by the Entity or by terms of this Agreement, shall be deemed the close of the fiscal year of the Entity.

Section 3.3 Voluntary Termination by Entity. The Entity may at any time after the expiration of one year from the execution of this Agreement notify the Borough that as of a certain date designated in the notice, it relinquishes its status under the LTTE Law pursuant to N.J.S.A. 40A:20-13. Upon termination of this Agreement, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-13.

ARTICLE IV ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge.

(i) In consideration of this Agreement, the Entity shall make payment to the Borough of an Annual Service Charge which shall be an amount equal to the greatest of:

- a. twelve percent (12%) of Annual Gross Revenue; or
- b. the dollar per square foot (\$/s.f.) amounts set forth in the second column on Exhibit E attached hereto, multiplied by the Square Footage of the building for the Project; or

c. the Minimum Annual Service Charge.

(ii) The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge calculated pursuant to this section would be less than the Minimum Annual Service Charge.

(iii) The Borough shall remit to the County of Middlesex five percent (5%) of the Annual Service Charge received each year from the Entity, pursuant to N.J.S.A. 40A:20-12(b)(2)(e).

(iv) If the Entity fails to timely pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens in the Borough until paid.

Section 4.2 Schedule of Staged Adjustments. In accordance with N.J.S.A. 40:20-12(b), in addition to Section 4.1, the Annual Service Charge paid by the Entity shall be subject to the following alternative calculation:

(i) Stage One (years 1-15): For each of the first fifteen (15) years following the Commencement Date, the Annual Service Charge shall be the amount determined pursuant to Section 4.1(i) of this Agreement.

(ii) Stage Two (years 16-21): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 20% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(iii) Stage Three (years 22-27): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 40% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(iv) Stage Four (years 28-29): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 60% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(v) Final Stage (year 30): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 80% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

Section 4.3 Quarterly Installments. The Annual Service Charge shall be billed in quarterly installments and payment shall be due on those dates when real estate tax payments are due, February 1, May 1, August 1 and November 1, subject nevertheless to adjustment for over or underpayment within one hundred twenty (120) days after the close of each fiscal or calendar year, as the case may be. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge commences and the year in which the exemption expires or terminates.

Section 4.4 Land Tax Credit.

(i) The Entity shall be entitled to a credit against the Annual Service Charge for the amount, without interest, of the Land Tax Payments paid by it in the four preceding quarterly installments. The Entity is required to pay the full Land Tax Payments in any given year. The Borough agrees that the Land Tax Credit shall be reflected in the Annual Service Charge invoice.

(ii) If there has been a subdivision, the Land Tax Credit shall be equal to the amount of the Land Taxes Payments with respect to the subdivided parcel on which the Project has been completed.

(iii) Land Taxes shall be assessed only on the Land portion of the Property without regard to any Project Improvements or increase in value to the land because of the Project Improvements. The Borough agrees it shall not impose an added assessment, omitted added assessment or similar assessment on the value of the Project Improvements for the Property relating to any period prior to the commencement of the Annual Service Charge for the Project.

Section 4.5 Tax Appeal. The Entity shall have the right to file a tax appeal against the assessed value of the Land and/or the Project Improvements.

Section 4.6 Material Conditions. It is expressly agreed and understood that all payments of the Annual Service Charges, Land Taxes and any interest payments, penalties or costs of collection due thereon are material conditions of this Agreement (the "**Material Conditions**"). If any other term, covenant or condition of this Agreement, as to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition as it relates to any person, entity or circumstance other than those held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 4.7 Administrative Fee. In addition to the ASC, the Entity shall annually pay to the Borough an Administrative Fee of 2% of the ASC to assist the Borough manage and administer this Financial Agreement. This Administrative Fee shall be paid quarterly at the same time as the ASC payment.

ARTICLE V CERTIFICATE OF OCCUPANCY

Section 5.1 Certificate of Occupancy: Application and filing. It shall be the obligation of the Entity to apply for a Certificate of Occupancy within a reasonable period of time after the Date of Completion. It shall be the responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy it obtains for any portion or aspect of the Project.

ARTICLE VI ANNUAL REPORTS / MUNICIPAL CERTIFICATION

Section 6.1 Accounting System. The Entity agrees to maintain a system of accounting and internal controls established and administered consistent with Generally Accepted Accounting Principles and/or as otherwise prescribed in the LTTE Law during the term of this Agreement.

Section 6.2 Periodic Reporting.

(i) *Annual Auditor's Report.* Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis during the term of this Agreement, the Entity shall submit to the Mayor and Council, its Auditor's Report for the preceding fiscal or calendar year. In the event that the Auditor Report is not submitted by the Entity to the Mayor and Council within one hundred and five (105) days after the close of each such fiscal or calendar year, as applicable, the Entity shall pay to the Borough a late penalty of five hundred (\$500) dollars per day for each and every day that the said Audit is not submitted. The late penalty shall begin on the 91st day and shall be assessed daily until the Audit Report is submitted. The late penalty shall be added to and paid to the Borough with the next quarterly ASC payment. The Auditor's Report shall include, but not be limited to, the terms and interest rate on any mortgage(s) associated with the purchase and development of the Project Improvements and such details as may related to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the LTTE Law and this Agreement. The Auditor's Report shall include, but not be limited to, Net Profit, Annual Gross Revenues, and itemizations of operating and non-operating expenses, mortgage interest and terms, amortization of improvements and such other computations of income and expenses.

(ii) *Disclosure Statement.* Within thirty (30) days after each yearly anniversary date of the execution of this Agreement, if there has been a change in more than 10% of the ownership of the Entity, the Entity shall submit to the Mayor and Council a disclosure statement listing the persons having an ownership interest in the Project Improvements, and the extent of the ownership interest of each person.

Section 6.3 Audit and Verification by Borough. Any Auditor's Report or Total Project Cost audit submitted by the Entity pursuant to Section 6.2 of this Agreement, and any books, documents, records, reports or work papers used in preparation of same, shall be subject to audit, examination and verification by the Borough or its designee. Any dispute arising from such audit, examination and verification shall be resolved in accordance with Article 12 of this Agreement.

Section 6.4 Inspection. The Entity shall permit the inspection of its Project Site and the Project Improvements and also permit, upon request, examination and audit of its books, contracts, records, documents and papers by duly authorized representatives of the Borough or the State of New Jersey. Such examination or audit shall be made upon five (5) business days' notice during regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the examination, inspection or audit will not materially interfere with the construction or operation of the Project Improvements.

ARTICLE VII LIMITATION OF PROFITS AND RESERVES

Section 7.1 Limitation of Profits and Reserves

(i) During the period of this Agreement as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

(ii) The Entity shall have the right to establish, at any time during the term of this Agreement, and to maintain at its discretion a reserve against unpaid rents and reasonable contingencies, in an amount equal to ten percent (10%) of the Gross Revenues of the Entity for the last full fiscal year, and may retain such part of the excess Net Profits as may be necessary to eliminate any deficiency in that reserve, as provided in N.J.S.A. 40A:20-15; provided, however, that in no event shall any portion of excess Net Profits be retained or contributed to such reserve if the amount of the reserve as of the end of such fiscal year equals or exceeds ten percent (10%) of the preceding fiscal year's Gross Revenues.

Section 7.2 Annual Payment of Excess Net Profits. If the Net Profit, in any fiscal year, shall exceed the Allowable Net Profit for such period, then in accordance with N.J.S.A. 40A:20-15, the Entity, within one hundred twenty (120) days after the end of such fiscal year, shall pay such excess Net Profit to the Borough as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to Section 7.1 of this Agreement. Pursuant thereto, the calculation of Net Profit shall be cumulative for the period commencing on the date on which the construction of the unit or project is completed, and terminating at the close of the fiscal year of the entity preceding the date on which the computation is made, with any negative amounts of profit from prior years being carried forward and included in the accumulated excess profit calculation consistent with *City of Newark vs. First Newark Gateway Urban Renewal Association*, Docket No. ESX-L-1160-91 (N.J. Super. Law Div. August 8, 1994). For the purpose of determining compliance with N.J.S.A. 40A:20-15, there is expressly excluded from the calculation of Annual Gross Revenue and from Net Profit any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law. For the purpose of determining compliance with N.J.S.A. 40A:20-15, the calculation of an Entity's "excess net profits" shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs that may be excluded in a financial agreement as provided for in N.J.S.A. 40A:20-3(h) but are not excluded for purposes of this Agreement.

Section 7.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale. The date of termination of the tax exemption, whether by relinquishment by the Entity or by the terms of this Agreement, shall be deemed to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the Borough the amount of the reserve, if any, maintained by it pursuant to Section 7.1 and the excess Net Profit, if any, payable as of that date.

ARTICLE VIII ASSIGNMENT / CONVEYANCE / ASSUMPTION

Section 8.1 Restrictions on Transfer

(i) The provisions of this Section 8.1 impose limitations that are limited to transfers of the tax exemption for the Project, rather than the Project itself. Except as set forth in the following subsections, the Entity may not voluntarily transfer more than ten percent (10%) of the ownership of the Project Improvements or any portion thereof until it has first removed both itself and the Project from all restrictions imposed by the LTTE Law, in the manner provided by the LTTE Law.

(ii) The Borough, on written application by the Entity, will consent to a transfer of the Project Improvements or any interest therein greater than ten percent (10%) to an entity eligible to operate under the LTTE Law, provided the Entity is not in Default regarding any performance required of it hereunder, the Entity has fully complied with the LTTE Law, the transferee qualifies as an "urban renewal entity" within the meaning of the LTTE Law and the obligations under this Agreement are fully assumed by the transferee and the requirements of the Redevelopment Agreement have been met with respect to transfers.

(iii) Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity itself provided that the transfer is disclosed to the Borough Council in the next Auditor's Report or in correspondence sent to the Borough Clerk in advance of the next Auditor's Report.

(iv) If the Entity transfers the Project Improvements to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to N.J.S.A. 40A:20-6, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the LTTE Law. During the time when the Entity owns the Project, the transferee entity shall be obligated to pay excess profits of the transferee entity to the Borough in accordance with the provisions of N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply. Within ninety (90) days after the close of the Entity's fiscal year, which shall be considered the date of transfer of title for purposes of this paragraph, during the time when the Entity owns any portion of the Project, the Entity shall pay to the Borough the amount of the reserve, if any, maintained by it pursuant to this Agreement, as well as any excess profit payable to the Borough pursuant to this Agreement and N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply.

Section 8.2 Subordination of Fee Title. It is expressly acknowledged, understood and agreed that the Entity has the right, subordinate to the lien, as a matter of law, of the Annual Service Charge, and to the rights of the Borough hereunder, to encumber the fee title to the Land, including any Project Improvements related thereto, and that any such subordinate encumbrance shall not be deemed to be a violation of this Financial Agreement.

Section 8.3 Estoppel. Within thirty (30) days following written request by the Entity, or any mortgagee, purchaser, tenant or other party having an interest in the Project, the Borough shall issue a signed estoppel certificate in reasonable form stating that (i) this Agreement is in full force and effect, (ii) to the best of the Borough's knowledge, no default has occurred under this Agreement (nor any event which, with the passage of time and the giving of notice would result in the occurrence of a default) or stating the nature of any default; and (iii) such other reasonable information as may be requested. In the event the estoppel certificate discloses a default, it shall be identified with reasonable detail and also state the manner in which such default may be cured. The Borough acknowledges that the issuance of an estoppel is an administrative act, and therefore the Business Administrator of the Borough is hereby authorized to issue an estoppel pursuant to this Section 8.3 without other formal action by the Borough, and the Entity and any mortgagee, purchaser, tenant or other party having an interest or potential interest in the Project shall be entitled to rely on same.

Section 8.4 Subdivision. In the event that the Entity subdivides a portion of the Property, the Borough agrees that the benefits of this Financial Agreement with respect to such subdivided

parcel shall continue to inure to such parcel, provided that the owner thereof, if different from Entity, qualifies as an urban renewal entity under the LTTE Law. The Borough agrees that it will enter into a separate financial agreement with respect to such subdivided parcel with such new urban renewal entity reflecting the terms hereof and will amend this Agreement to remove such parcel from the ambit of same.

Section 8.5 Collateral Assignment. Notwithstanding anything to the contrary, it is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to the Land and/or Project Improvements for purposes of (i) financing the design, development and construction of the Project and (ii) mortgage financing.

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

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

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

Section 8.6 Subleases. Notwithstanding anything to the contrary, the Entity shall also have the right to enter into a Lease for the Project, and the Operating Entity and any direct tenant of the Entity shall be permitted to enter into subleases, licenses, and other agreements (such as management agreements) without violating this Agreement.

ARTICLE IX DEFAULT AND REMEDIES

Section 9.1 Default. A “Default” shall be the failure of the Borough or the Entity to perform any obligation imposed upon the Borough or the Entity, respectively, by the terms of this Agreement, beyond any applicable notice, cure or grace period.

Section 9.2 Cure Upon Default.

(i) Should either Party to this Agreement be in Default, the non-defaulting Party shall send written notice to the defaulting Party of the Default (the “**Default Notice**”). The Default Notice shall set forth with particularity the basis of the Default. The defaulting Party or a Party acting on its behalf shall have sixty (60) days, or in the case of a breach of a Material Condition, thirty (30) days from receipt of the Default Notice (the “**Cure Period**”), to cure any Default. However, if the Default or violation is one which cannot be completely remedied within the Cure Period, it shall not be an Event of Default as long as the defaulting party has commenced the cure within the sixty (60) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (a) one hundred twenty (120) days after such written notice, or (b) a date agreed to by the Parties, to reach compliance.

(ii) Upon the expiration of the Cure Period, or any approved extension thereof, and providing that the Default is not cured, the non-defaulting Party shall have the right to terminate this Agreement in accordance with Section 10.1 of this Agreement.

Section 9.3 Remedies Upon Default.

(i) In the event of any Default not cured within the Cure Period or any extension thereof, the non-defaulting Party shall, in addition to its other remedies, have the right to declare a Default and terminate this Agreement subject to the Default procedures set forth in this Article IX of this Agreement. In the case of a Default of a Material Condition by the Entity, the Borough may also proceed against the Project Site pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 et seq. All of the remedies provided in this Agreement shall be cumulative and concurrent; provided, however, that no claim for damages may be brought against the Entity, other than a claim for payments due hereunder.

(ii) Either Party’s election of any remedy shall not be construed as a waiver of any other remedies available to that Party. Specifically, the bringing of any action for Land Tax Payments, the Annual Service Charge, or for breach of covenant or the resort to any other remedy herein provided shall not be construed as a waiver of the Borough’s right to terminate this Agreement or to proceed with a tax sale or In Rem Tax Foreclosure action or any other remedy. The Entity does not waive any defense it may have to contest the rights of the Borough to proceed in the above-mentioned manner.

ARTICLE X TERMINATION

Section 10.1 Termination Upon Default. If either Party fails to cure or remedy any Default within the applicable Cure Period, the non-defaulting Party may terminate this Agreement upon thirty (30) days written notice.

Section 10.2 Voluntary Termination by the Entity. The Entity may at any time after one (1) year from the Commencement Date, notify the Borough that, as of a date certain designated in the notice, it relinquishes its status as an urban renewal entity. As of the date provided in such notice, this Agreement shall terminate and the tax exemption, Annual Service Charge, and limitation on profits and dividends shall terminate.

Section 10.3 Final Accounting. Within ninety (90) days after the date of termination of this Agreement, whether by the Entity's voluntary relinquishment or by virtue of the provisions of the LTTE Law or the terms of this Agreement, the Entity shall provide a final accounting and pay to the Borough the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and -15 as well as any excess Net Profit. For purposes of rendering a final accounting, the date of termination shall be deemed the close of the fiscal year of the Entity.

Section 10.4 Conventional Taxation. Upon the termination or expiration of this Agreement and thereafter, the Project Improvements shall be assessed and conventionally taxed according to the general law applicable to other taxable property in the Borough.

ARTICLE XI DISPUTE RESOLUTION

Section 11.1 Arbitration. In the event of a disagreement between the Parties with respect to this Agreement, including but not limited to the interpretation of this Agreement or the obligations of the Parties hereunder, the Parties may elect to submit the dispute to: 1) the New Jersey Tax Court; or 2) the American Arbitration Association in Middlesex County, New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the LTTE Law. In the event the dispute is submitted to Arbitration, each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law, and shall have no power to depart from, or change any of the provisions of this Agreement, except as authorized herein. The cost for the arbitration shall be borne equally by the Parties.

ARTICLE XII NOTICE

Section 12.1 Service. A notice, demand or other communication under this Agreement by any Party to the other shall be in writing and shall be hand delivered by messenger (with receipt acknowledged in writing), delivered by overnight delivery service (guaranteeing overnight delivery, with receipt acknowledged in writing), delivered personally, or delivered by electronic transmittal (evidenced by printed confirmation of receipt specifying the receiving electronic mail

address) to the Parties at their respective addresses set forth herein, except that notice of (a) an Event of Default and (b) the institution of legal proceedings may not be delivered by electronic transmittal.

Section 12.2 Sent by Borough. When sent by the Borough to the Entity, unless the Entity shall have notified the Borough in writing otherwise, notice shall be addressed to:

If to the Entity:

CP MD Jernee Mill Road Urban Renewal, LLC
32 Mount Kemble Avenue
Morristown, New Jersey 07960
Attention: Jeff Bastow and Anthony Marchigiano, Jr.

with copies to:

Gibbons P.C.
One Gateway Center
Newark, NJ 07102
Attention: Jennifer Phillips Smith, Esq.; Andrew J. Camelotto, Esq.

In addition, provided the Borough is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's mortgagee or other Secured Party, the Borough agrees to provide such mortgagee or other Secured Party with a copy of any notice required to be sent to the Entity.

Section 12.3 Sent by Entity. When sent by the Entity to the Borough, notice shall be addressed to:

If to the Borough:

Sayreville Borough Hall
Attn: Business Administrator
167 Main Street
Sayreville, New Jersey 08872

with copies to:

King, Moench & Collins, LLP
51 Gibraltar Drive, Suite 2F
Morris Plains, NJ 07950

Any notice to the Borough shall fully identify the Project to which it relates (i.e., the full name of the Entity and the location of the Project Site, identified by Block and Lot numbers).

ARTICLE XIII SEVERABILITY

Section 13.1 Severability. If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law. If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the Parties shall cooperate with each other to take the actions reasonably required to restore this Agreement in a manner contemplated by the Parties. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the Parties. However, the Borough shall not be required to agree to restore this Agreement if such restoration would result in any material reduction or loss of the economic benefits due to the Borough under this Agreement.

ARTICLE XIV CERTIFICATION

Section 14.1 Certification. The Municipal Clerk shall certify to the Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that an Agreement with the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by N.J.S.A. 40A:20-1, et seq. Delivery by the Municipal Clerk to the Tax Assessor of a certified copy of Ordinance No. adopted by the Council on approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated. Further, upon the adoption of this Agreement, a certified copy of the Ordinance, Ordinance No. [] adopted by the Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Municipal Clerk.

ARTICLE XV MISCELLANEOUS

Section 15.1 Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the Party drawing or causing this Agreement to be drawn since counsel for both the Entity and the Borough have combined in their review and approval of same.

Section 15.2 Conflict. The Parties agree that in the event of a conflict between the Application and the language contained in this Agreement, this Agreement shall govern and prevail. In the event of conflict between this Agreement and the LTTE Law, the LTTE Law shall govern and prevail.

Section 15.3 Oral Representations. There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement.

Section 15.4 Entire Document. This Agreement, with all attachments, schedules, and exhibits, the Application, and the Ordinance shall constitute the entire agreement between the Parties, shall be incorporated herein by reference thereto and there shall be no modifications thereto other than by a written instrument approved and executed by, and delivered to, each Party. All prior agreements and understandings, if any, are superseded.

Section 15.5 Good Faith. In their dealings with each other, good faith is required from the Entity and the Borough.

Section 15.6 Pronouns. “He” or “it” shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as the context requires. Unless otherwise indicated, defined terms in the singular form shall include the plural and vice versa.

Section 15.7 Headings. Article, Section and subsection headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 15.8 Counterparts. This Agreement may be executed in counterparts, and all counterparts together shall be construed as one document. Portable document format (PDF) signatures transmitted by electronic mail shall be considered originals for purposes of this Agreement.

ARTICLE XVI
EXHIBITS

Section 16.1 Exhibits. The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

Exhibit:

- A. Description of the Property
- B. The Application with Exhibits
- C. Ordinance approving Financial Agreement
- D. Certificate of Formation of the Entity
- E. Annual Service Charge Computation

[The signature page follows]

IN WITNESS WHEREOF, the Parties have caused these presents to be executed the day and year first above written.

**CP MD JERNEE MILL ROAD URBAN
RENEWAL, LLC**

By: _____

Name: _____

Title: _____

BOROUGH OF SAYREVILLE

By: _____

Name: _____

Title: _____

EXHIBIT A
DESCRIPTION OF THE PROPERTY

WITH RESPECT TO LOT 2.01, BLOCK 58

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATE LYING AND BEING KNOWN AS BLOCK 58, LOT 2.01 ON THE TAX MAP OF THE BOROUGH OF SAYREVILLE, MIDDLESEX COUNTY, NEW JERSEY.

BEGINNING AT A CAPPED REBAR FOUND BEING A POINT FORMED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF JERNEES MILL ROAD WITH THE DIVIDING LINE BETWEEN LOT 2.01 IN BLOCK 58 AND LOT 9, BLOCK 58 (LANDS NOW OR FORMERLY OF THE BOROUGH OF SAYREVILLE AS DESCRIBED IN DB 4410 PG 829), AND RUNNING, THENCE, SOUTHERLY ALONG JERNEES MILL ROAD:

1. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 811.93 FEET, AN ARC LENGTH OF 126.38 FEET, AND A CENTRAL ANGLE OF $08^{\circ} 55' 07''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 07^{\circ} 54' 17'' W$ AND A CHORD DISTANCE OF 126.25 FEET TO A POINT, THENCE; ALONG THE DIVIDING LINE BETWEEN LOT 2.01 AND LOT 9, BLOCK 58, THE FOLLOWING THREE (3) COURSES:
2. $N 73^{\circ} 26' 03'' W$, 454.33 FEET TO AN IRON PIN WITH CAP SET, THENCE
3. $N 15^{\circ} 19' 50'' E$, 115.45 FEET TO A CROSS CUT SET, THENCE
4. $S 74^{\circ} 39' 49'' E$, 437.90 FEET TO THE POINT AND PLACE OF BEGINNING.

ABOVE DESCRIBE IS SAME PROPERTY AS DESCRIBED IN THE TITLE COMMITMENT NUMBER: 3472-2751167-CRN.
COMMITMENT DATE: AUGUST 05, 2022, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY.

WITH RESPECT TO LOT 9, BLOCK 58

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATE LYING AND BEING KNOWN AS BLOCK 58, LOT 9 ON THE TAX MAP OF THE BOROUGH OF SAYREVILLE, MIDDLESEX COUNTY, NEW JERSEY.

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF JERNEES MILL ROAD, WITH THE DIVIDING LINE BETWEEN LOT 9, BLOCK 58 AND LOT 5, BLOCK 58, (LANDS NOW OR FORMERLY OF JOHN C. POLAK, SR.), AND RUNNING, THENCE; SOUTHERLY ALONG JERNEES MILL ROAD THE FOLLOWING FOUR (4) COURSES:

1. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1,234.83 FEET, AN ARC LENGTH OF 384.97 FEET, AND A CENTRAL ANGLE OF $17^{\circ} 51' 45''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 08^{\circ} 14' 51'' E$ AND A CHORD DISTANCE OF 383.41 FEET TO A POINT OF TANGENCY, THENCE
2. $S 00^{\circ} 41' 01'' W$, 412.08 FEET TO A POINT OF CURVATURE, THENCE
3. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 971.00 FEET, AN ARC LENGTH OF 283.64 FEET AND A CENTRAL ANGLE OF $16^{\circ} 44' 12''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 09^{\circ} 03' 07'' W$ AND A CHORD DISTANCE OF 282.63 FEET TO A POINT OF COMPOUND CURVATURE, THENCE
4. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 819.38 FEET, AN ARC LENGTH OF 71.87 FEET AND A CENTRAL ANGLE OF $05^{\circ} 01' 31''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 14^{\circ} 54' 28'' W$ AND A CHORD DISTANCE OF 71.84 FEET TO AN IRON PIN WITH CAP SET, THENCE; ALONG THE DIVIDING LINE BETWEEN LOT 9 AND LOT 2.01 (LANDS NOW OR FORMERLY JERNEE MILL ASSOCIATES, LLC), BLOCK 58, THE FOLLOWING THREE (3) COURSES:
5. $N 74^{\circ} 39' 49'' W$, 429.89 FEET TO A CROSS CUT SET, THENCE
6. $S 15^{\circ} 19' 50'' W$, 115.45 FEET TO AN IRON PIN WITH CAP SET, THENCE
7. $S 73^{\circ} 26' 03'' E$, 465.63 FEET TO A POINT, THENCE
8. SOUTHERLY ALONG JERNEES MILL ROAD ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 800.38 FEET, AN ARC LENGTH OF 54.68 FEET AND A CENTRAL ANGLE OF $03^{\circ} 54' 52''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 01^{\circ} 18' 00'' W$ AND A CHORD DISTANCE OF 54.67 FEET TO A POINT OF TANGENCY, THENCE
9. CONTINUING ALONG JERNEES MILL ROAD $S 00^{\circ} 38' 12'' E$, 11.54 FEET TO AN IRON PIN WITH CAP SET, THENCE; GENERALLY, ALONG THE CENTERLINE OF DUCK CREEK, THE FOLLOWING 29 COURSES:
10. $S 74^{\circ} 00' 50'' W$, 200.00 FEET TO A POINT, THENCE
11. $S 80^{\circ} 06' 29'' W$, 165.00 FEET TO A POINT, THENCE
12. $S 77^{\circ} 39' 11'' W$, 118.00 FEET TO A POINT, THENCE
13. $N 84^{\circ} 50' 01'' W$, 62.00 FEET TO A POINT, THENCE
14. $S 64^{\circ} 27' 31'' W$, 40.00 FEET TO A POINT, THENCE
15. $S 45^{\circ} 44' 28'' W$, 45.00 FEET TO A POINT, THENCE
16. $S 66^{\circ} 49' 18'' W$, 70.00 FEET TO A POINT, THENCE
17. $S 81^{\circ} 27' 54'' W$, 90.00 FEET TO A POINT, THENCE
18. $N 78^{\circ} 16' 46'' W$, 30.00 FEET TO A POINT, THENCE
19. $N 63^{\circ} 43' 20'' W$, 60.00 FEET TO A POINT, THENCE
20. $N 89^{\circ} 46' 33'' W$, 47.00 FEET TO A POINT, THENCE
21. $N 38^{\circ} 47' 11'' W$, 60.00 FEET TO A POINT, THENCE
22. $N 63^{\circ} 07' 20'' W$, 20.00 FEET TO A POINT, THENCE
23. $N 15^{\circ} 29' 01'' W$, 90.00 FEET TO A POINT, THENCE
24. $S 72^{\circ} 41' 34'' W$, 61.00 FEET TO A POINT, THENCE
25. $N 02^{\circ} 31' 10'' W$, 50.00 FEET TO A POINT, THENCE
26. $N 50^{\circ} 28' 45'' W$, 15.00 FEET TO A POINT, THENCE

27. S 84° 28' 06" W, 15.00 FEET TO A POINT, THENCE
28. S 56° 54' 30" W, 35.00 FEET TO A POINT, THENCE
29. N 84° 17' 24" W, 20.00 FEET TO A POINT, THENCE
30. N 34° 56' 24" W, 54.00 FEET TO A POINT, THENCE
31. S 71° 57' 46" W, 60.00 FEET TO A POINT, THENCE
32. S 82° 04' 00" W, 60.00 FEET TO A POINT, THENCE
33. N 89° 04' 28" W, 45.00 FEET TO A POINT, THENCE
34. S 65° 02' 09" W, 55.86 FEET TO A POINT, THENCE
35. S 37° 35' 34" W, 31.00 FEET TO A POINT, THENCE
36. S 12° 31' 08" W, 31.00 FEET TO A POINT, THENCE
37. S 07° 54' 22" E, 85.00 FEET TO A POINT, THENCE
38. S 35° 18' 08" W, 42.00 FEET TO A POINT, THENCE
39. NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF THE SOUTH RIVER ALONG VARIOUS COURSES, SAID POINT BEING A TIE OF N 51° 37' 07" W, 687.97 FEET FROM THE TERMINUS OF THE PRIOR COURSE, THENCE; ALONG THE LINE DIVIDING LOT 9 AND LOT 8 (LANDS NOW OR FORMERLY DUPONT SPECIALTY PRODUCTS USA, LLC) BLOCK 58, THE FOLLOWING FIVE (5) COURSES:
 40. N 37° 41' 38" E, 185.00 FEET TO A POINT, THENCE
 41. N 41° 13' 22" W, 75.24 FEET TO A POINT, THENCE
 42. N 48° 47' 17" E, 370.92 FEET TO A POINT, THENCE
 43. N 51° 46' 23" E, 924.00 FEET TO A POINT, THENCE
 44. N 55° 46' 38" E, 53.86 FEET TO AN IRON PIN WITH CAP SET, THENCE; ALONG THE AFOREMENTIONED DIVIDING LINE BETWEEN LOT 9 AND LOT 5, BLOCK 58 THE FOLLOWING TWO (2) COURSES:
 45. S 16° 32' 51" E, 140.50 FEET TO AN IRON PINE WITH CAP SET, THENCE
 46. N 77° 49' 32" E, 797.53 FEET TO THE POINT AND PLACE OF BEGINNING.

ABOVE DESCRIBE IS SAME PROPERTY AS DESCRIBED IN THE TITLE COMMITMENT NUMBER: 3472-2751166-CRN,
COMMITMENT DATE: AUGUST 05, 2022, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY.

EXHIBIT B
APPLICATION WITH EXHIBITS

APPLICATION FOR TAX ABATEMENT / EXEMPTION

Name of Applicant

CP MD JERNEE MILL ROAD LLC (*soon to
be* CP MD JERNEE MILL ROAD URBAN
RENEWAL LLC)

BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX OFFICE
OF THE MAYOR

SAYREVILLE, NEW JERSEY 08872

Address of Applicant

32 Mount Kemble Avenue
Morristown, New Jersey 07960

Address of Project Site

Jernee Mill Road
A portion of Block 58, Lot 9 (f/k/a Block 56,
Lots 1.01 and 2.02; Block 57.02, Lot 1; Block
57.04, Lot 1; Block 57.05, Lot 1; Block 58,
Lots 6 and 7) and a portion of Block 58, Lot
2.01 (f/k/a Block 56, Lot 2.01)

THE UNDERSIGNED, ON BEHALF OF AND WITH THE POWER AND INTENT TO BIND THE APPLICANT, HEREBY CERTIFIES TO THE TO BOROUGH AS FOLLOWS, AND HEREBY ACKNOWLEDGES THAT THE STATEMENTS CONTAINED HEREIN ARE MADE IN INDUCEMENT OF A TAX ABATEMENT / EXEMPTION PURSUANT TO THE APPLICABLE LAW.

**Application submitted pursuant to the following:
(Please check applicable statute)**

Long Term Tax Exemption Law (N.J.S.A.
40A:20-1 et seq.)

 X

Five-Year Exemption and Abatement Law
(N.J.S.A. 40A:21-1 et seq.)

New Jersey Housing Mortgage Finance Agency Law
(N.J.S.A. 55:14K-1 et seq.)

Other applicable statute (please identify statute)

SECTION A: APPLICANT INFORMATION

1. **Name of Applicant:** CP MD Jernee Mill Road LLC (*soon to be* CP MD Jernee Mill Road Urban Renewal LLC)

2. **Address of Applicant:**

32 Mount Kemble Avenue, Morristown, New Jersey 07960.

3. **If applicable, attach hereto a copy of the Applicant's Certificate of Formation and evidence of the Department of Community Affairs ("DCA") approval of the Certificate of Formation.** (If DCA approval has not yet been obtained, attach a copy of the proposed Urban Renewal Entity's certificate of formation and evidence that same has been submitted to the DCA for approval. The Applicant must submit evidence of DCA approval after it is obtained by way of a supplement to this application.) See attached Exhibit A.

The Certificate of Formation of CP MD Jernee Mill Road LLC is attached at Exhibit A. See also attached at Exhibit A the package being delivered to DCA to convert the existing entity into an urban renewal entity with the name CP MD Jernee Mill Road Urban Renewal LLC.

SECTION B: PROPERTY INFORMATION

4. **Identification of Property:**

a. State the street address of the proposed project site (the "Project Site"), according to the currently effective tax map of the Borough (the "Official Map"):

Jernee Mill Road

- b. State the block(s) and lot number(s) corresponding to the Project Site on the Official Map:

The Project Site will consist of a portion of Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) and a portion of Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01).

- c. Provide a metes and bounds description of the Project Site:

See attached **Exhibit B**

5. Current Assessment and Tax Status of the Project Site:

- a. Current Assessment

BLOCK	LOT	LAND	IMPROVEMENTS	TOTAL
58	9	\$1,451,000	\$0	\$1,451,000
58	2.01	\$99,800	\$64,100	\$163,900

- b. Current Tax Status

BLOCK	LOT	REAL PROPERTY BALANCE	WATER/SEWER	TOTAL
58	9	N/A – Property owned by Borough	N/A – Property owned by Borough	N/A – Property owned by Borough
58	2.01	\$10,006.10 (2024 total)	\$654.48 (2024 total)	\$10,660.58

SECTION C: PROJECT INFORMATION

- 6. Describe the purpose of the proposed project. Include a detailed description of the improvements to be made to the Project Site.**

On or prior to the commencement of construction of the project, a portion of Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) and a portion of Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01) will be subdivided, and that subdivided parcel will consist of the Project Site.

Applicant is proposing to build one (1) “Class A” cold storage warehouse building, with a total area of approximately 253,850 square feet, with 206,250 square feet allocated for freezer space, 11,060 square feet for office space and a building maintenance room, and 36,540 square feet for cold dock space. In addition to the building, Applicant is proposing associated parking, loading bays and trailer parking stalls for the aforementioned use. Specifically, there is proposed to be 88 parking spaces, 30 loading bays, and 76 trailer parking stalls.

7. **Provide copies of the plans, drawings and other documents to demonstrate the structure and design of the proposed project.**

See attached **Exhibit C**

8. **Provide the currently estimated project schedule, including the anticipated project completion date.**

Applicant anticipates commencement of construction in July 2025 and completion of the project by January 2027.

9. **Provide a statement that the proposed project conforms to all applicable ordinances of the Borough and is in accordance with the Borough’s Redevelopment Plan, as applicable, governing the Project Site and the Borough’s Master Plan.**

The proposed project conforms to all applicable ordinances of the Borough and is in accordance with the Borough of Sayreville Landfill and Melrose Redevelopment Plan governing the project site and the Borough’s Master Plan.

10. **Provide a certified statement prepared by a licensed architect or engineer of the estimated cost of the proposed project in the detail required pursuant to the applicable law.**

See attached **Exhibit D**.

11. **Detail the source, method and amount of money to be subscribed through the investment of private capital, setting for the amount of stock or other securities to be issued therefore or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefore.**

The project is anticipated to be funded by a combination of equity capital and third party loans from institutional lenders.

SECTION D: TAX ABATEMENT / EXEMPTION

12. **Attach a fiscal plan for the proposed project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, and payments of interest, amortization of debt and reserves.**

See attached **Exhibit E**.

13. **Provide the annual estimated payments in lieu of taxes during the term of the Tax Abatement / Exemption.**

See attached **Exhibit F**.

SECTION E: DISCLOSURE

14. **Disclosure Statement:**

- a. Name of Entity or Urban Renewal Entity, as applicable:

CP MD Jernee Mill Road LLC (in process of conversion to CP MD Jernee Mill Road Urban Renewal LLC)

Principal place of business: 32 Mount Kemble Avenue
Morristown, New Jersey 07960

- b. Name of statutory agent and address, but if applicant is not a corporation the one with related address upon whom legal process may be served is:

Jeff Bastow
32 Mount Kemble Ave
Morristown, New Jersey 07960

- c. Formed in the State of New Jersey

The following represents the name and addresses of all stock holders or partners owing a 10% or greater interest in the above urban renewal entity.

See Corporate Ownership Disclosure attached at **Exhibit G**.

SECTION F: FINANCIAL AGREEMENT

15. **Provide a proposed financial agreement.**

See attached **Exhibit H**.

[certification and signature page follows]

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

CP MD JERNEE MILL ROAD LLC

By: 
Name: Jeff Bastow
Title: Managing Member
Date: November 14, 2024

EXHIBIT A

Certificate of Formation

(see attached)

NEW JERSEY DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES

CERTIFICATE OF FORMATION
CP MD JERNEE MILL ROAD LLC
0450816179

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 05/23/2022 and was assigned identification number 0450816179. Following are the articles that constitute its original certificate.

1. **Name:**
CP MD JERNEE MILL ROAD LLC
2. **Registered Agent:**
JEFFREY BASTOW
3. **Registered Office:**
32 MT KEMBLE AVE
MORRISTOWN, NEW JERSEY 07960
4. **Business Purpose:**
REAL ESTATE HOLDING & DEVELOPING
5. **Duration:**
PERPETUAL
6. **Effective Date of this Filing is:**
05/23/2022
7. **Members/Managers:**
JEFFREY BASTOW
14 COLCHESTER ROAD
NEW PROVIDENCE , NEW JERSEY 07974
8. **Main Business Address:**
32 MT KEMBLE AVE
MORRISTOWN , NEW JERSEY 07960

Signatures:

CHRISTINA COLAIACOVO
AUTHORIZED REPRESENTATIVE



Certificate Number : 4173879160

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
23rd day of May, 2022

A handwritten signature in cursive script, appearing to read "Elizabeth Maher Muoio".

Elizabeth Maher Muoio
State Treasurer



Brendan J. Kelly
Associate

Gibbons P.C.
One Gateway Center
Newark, NJ 07102-5310
Direct: 973-596-4771 Fax: 973-639-6289
bkelly@gibbonslaw.com

November 15, 2024

VIA REGULAR MAIL AND EMAIL

Pamela Weintraub
NJ Department of Community Affairs
Office of Local Planning Services
PO Box 813
Trenton, New Jersey 08625-0813

**Re: LLC to URE Conversion
CP MD Jernee Mill Road Urban Renewal LLC (formerly CP MD Jernee
Mill Road LLC)**

Dear Ms. Weintraub:

This firm represents CP MD Jernee Mill Road LLC, which is seeking approval to convert to an urban renewal entity with the name CP MD Jernee Mill Road Urban Renewal LLC. Enclosed herein is (1) an original copy of the executed Certificate of Amendment to the Certificate of Formation of CP MD Jernee Mill Road LLC, along with five (5) copies; (2) the Certificate of Formation of CP MD Jernee Mill Road LLC; and (3) an original copy of the executed URE Disclosure Form.

We ask that DCA approve the proposed amendment, and provide us with the approval form so that we can forward same to Treasury. If any other information or documentation is required, please let me know and I will get it to you as soon as possible. Thank you for your attention to this matter.

Sincerely,

Brendan J. Kelly

Enclosures

**CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF FORMATION OF CP MD JERNEE MILL ROAD LLC**

The undersigned, being authorized to execute and file this Amended Certificate of Formation, pursuant to the provisions of Title 42:2C, the Revised Uniform Limited Liability Company Act, and N.J.S.A. 40A:20-1 et seq., the New Jersey Long Term Tax Exemption Law, as amended, hereby certifies that:

1. Name of Limited Liability Company: CP MD Jernee Mill Road LLC
2. Identification Number: 0450816179
3. New Limited Liability Company Name: CP MD Jernee Mill Road Urban Renewal LLC
4. The Certificate of Formation of CP MD Jernee Mill Road LLC is amended as follows:

Paragraph 1 of the Certificate of Formation shall be amended in its entirety to read as follows:

The name of the limited liability company is CP MD Jernee Mill Road Urban Renewal LLC (hereinafter the "Company").

Paragraph 4 of the Certificate of Formation shall be amended in its entirety to read as follows:

(a) The purposes for which the Company is formed shall be to operate under P.L.1991, c.431 (C.40A:20-1 et seq.), and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects and, when authorized by financial agreement with the Borough of Sayreville (the "Borough"), to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvements in a single 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 a financial agreement with the Borough 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 and formed to serve a public purpose. The Company's operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced, or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to

regulation by the Borough, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to P.L.1991, c.431 (C.40A:20-1 et seq.).

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.) until it has first removed both itself and the project from all restrictions 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 Borough, which other urban renewal entity shall assume all contractual obligations of the Company under the financial agreement with the Borough. The Company shall file annually with the governing body of the Borough a disclosure of the persons having an ownership interest in the project, and the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself, provided that the transfer, if greater than ten percent (10%), is disclosed to the governing body of the Borough in the annual disclosure statement or in correspondence sent to the Borough in advance of the annual disclosure statement referred to above.

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

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

Paragraph 6 of the Certificate of Formation is hereby amended in its entirety to read as follows:

The Effective Date of the filing is the date upon which this Amendment is filed in the office of the Department of Treasury of New Jersey.

IN WITNESS WHEREOF, this Certificate of Amendment is executed this 14th day of November, 2024.

CP MD JERNEE MILL ROAD LLC


Name: Jeff Bastow
Title: Managing Member

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
OFFICE OF LOCAL PLANNING SERVICES
PO BOX 813
TRENTON, NEW JERSEY 08625-0813**

**URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION**

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609) 633-6056. This form must be completed prior to DCA approval of the entity. If you have any questions, please call Pamela Weintraub at (609) 913-4456 or email Pamela.Weintraub@dca.nj.gov.

Name of Urban Renewal Entity: CP MD Jernee Mill Road Urban Renewal LLC

SECTION 1: TYPE OF APPROVAL REQUESTED (check one):

- ☐ Original Certificate (of incorporation, limited partnership, formation, etc.)
- ☒ Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.
- ☐ Other (please specify) _____

SECTION 2: PROJECT INFORMATION

Project Name: Jernee Mill Road Redevelopment

Project Street Address: Jernee Mill Road

Project Block Number(s) 58 Project Lot Number(s) 9
58 2.01

Municipality in which the Project is located Sayreville

County in which the Project is located Middlesex

SECTION 3 (For project listed in SECTION 2. Check one.)

- ☒ This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.
- ☐ 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.
- ☐ 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.
- ☐ 4. This project consists of mixed uses (Specify type).
- ☐ Market rate and low and moderate income housing.
- ☐ Commercial and market rate housing.
- ☐ Commercial and low and moderate income housing.
- ☐ Other (please describe). _____

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**
If you checked 3, complete **SECTION 5, 6, and 7.**
If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

SECTION 4: REDEVELOPMENT PLAN INFORMATION

Name of Municipal Redevelopment Agency Sayreville Economic and Redevelopment Agency

Citation of municipal ordinance adopting the redevelopment plan 239-13

For housing projects, complete the following:

Specify type and number of units as applicable:

- ☐ Condominium units _____
- ☐ Market rate rental _____
- ☐ Low and moderate income in mixed use projects _____
- ☐ Senior citizen in mixed use projects _____
- ☐ Other (please specify) _____

Total number of units _____

SECTION 5: PROJECT FUNDING SOURCES

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

- ☒ Private funds (Please specify) Private funds from institutional lender
- ☐ State or Federal financing or insuring agencies (Please specify below)
- ☐ Other (Please specify) _____

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:

- ☐ Neighborhood Preservation Balanced Housing
- ☐ HOME – CHDO Production (Community Housing Development Organizations) Program
- ☐ HOME – Housing Production Investment Fund
- ☐ National Housing Trust Fund

NJ Redevelopment Authority:

- ☐ NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD):

- ☐ Section 811 Supportive Housing for Persons with Disabilities
- ☐ Section 202 Supportive Housing for the Elderly
- ☐ HOPE VI Grants
- ☐ HOME Program

US Department of Agriculture:

- ☐ Rural Resources Administration (formerly Farmers' Home Administration)

Other (Please specify):

NJ Housing and Mortgage Finance Agency:

- ☐ NJ Community Housing Demo Program (developmental disabilities)
- ☐ NJ Supportive Housing Connection Program
- ☐ CHOICE Program
- ☐ Special Needs Housing Partnership Program
- ☐ Multifamily Rental Housing Program
- ☐ Multifamily Conduit Bond Program
- ☐ Public Housing Construction and Permanent Loan Program
- ☐ Sandy Special Needs Housing Fund
- ☐ Rental Housing Incentive Finance Fund
- ☐ 100% Mortgage Program
- ☐ Urban Home Ownership Recovery Program
- ☐ Low-Income Housing Tax Credit Allocation Program
- ☐ Money Follows the Person Housing Partnership Program
- ☐ Section 811 Project Based Rental Assistance Program
- ☐ Fund for Restoration of Multifamily Housing (FRM)
- ☐ Fund for restoration of Multifamily Housing -Public Housing Authority Set -Aside

List the information of the State or Federal financing or insuring agency's contact person:

Name: _____

Title: _____

Department/Agency: _____

Address: _____

Telephone Number: _____

SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP (check all that apply)

- ☒ 1. The project is new construction.
- ☐ 2. An existing project is being rehabilitated.
If rehab, specify name of individual, entity, etc. who is the current owner of the project. _____

- ☐ 3. Ownership of an existing project is being transferred to the new urban renewal entity.

If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Non Profit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Has the project ever been subject to a deed restriction, as a limited dividend project, pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) _____

- ☒ 4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) No

SECTION 7: CERTIFICATION

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

CERTIFICATION

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of
(mo/day/year)

November 14, 2024

Laura A. Hill
(notary public/attorney)

X

[Signature]
(authorized individual's signature)

Jeffrey Bastow, Managing Member

(print name of authorized individual)

LAURA A. HILL

NOTARY PUBLIC OF NEW JERSEY
My Commission No.: 2024116
My Commission Expires
from Jan 15, 2022 - Jan 15, 2027

Rev. 07/2022

EXHIBIT B

Metes and Bounds Description

(see attached)

WITH RESPECT TO LOT 2.01, BLOCK 58

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATE LYING AND BEING KNOWN AS BLOCK 58, LOT 2.01 ON THE TAX MAP OF THE BOROUGH OF SAYREVILLE, MIDDLESEX COUNTY, NEW JERSEY.

BEGINNING AT A CAPPED REBAR FOUND BEING A POINT FORMED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF JERNEES MILL ROAD WITH THE DIVIDING LINE BETWEEN LOT 2.01 IN BLOCK 58 AND LOT 9, BLOCK 58 (LANDS NOW OR FORMERLY OF THE BOROUGH OF SAYREVILLE AS DESCRIBED IN DB 4410 PG 829), AND RUNNING, THENCE, SOUTHERLY ALONG JERNEES MILL ROAD:

1. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 811.93 FEET, AN ARC LENGTH OF 126.38 FEET, AND A CENTRAL ANGLE OF 08° 55' 07", SAID ARC BEING CONNECTED BY A CHORD BEARING OF S 07°54' 17" W AND A CHORD DISTANCE OF 126.25 FEET TO A POINT, THENCE; ALONG THE DIVIDING LINE BETWEEN LOT 2.01 AND LOT 9, BLOCK 58, THE FOLLOWING THREE (3) COURSES:
2. N 73° 26' 03" W, 454.33 FEET TO AN IRON PIN WITH CAP SET, THENCE
3. N 15° 19' 50" E, 115.45 FEET TO A CROSS CUT SET, THENCE
4. S 74° 39' 49" E, 437.90 FEET TO THE POINT AND PLACE OF BEGINNING.

ABOVE DESCRIBE IS SAME PROPERTY AS DESCRIBED IN THE TITLE COMMITMENT NUMBER: 3472-2751167-CRN, COMMITMENT DATE: AUGUST 05, 2022, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY.

WITH RESPECT TO LOT 9, BLOCK 58

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATE LYING AND BEING KNOWN AS BLOCK 58, LOT 9 ON THE TAX MAP OF THE BOROUGH OF SAYREVILLE, MIDDLESEX COUNTY, NEW JERSEY.

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF JERNEES MILL ROAD, WITH THE DIVIDING LINE BETWEEN LOT 9, BLOCK 58 AND LOT 5, BLOCK 58, (LANDS NOW OR FORMERLY OF JOHN C. POLAK, SR.), AND RUNNING, THENCE; SOUTHERLY ALONG JERNEES MILL ROAD THE FOLLOWING FOUR (4) COURSES:

1. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1,234.83 FEET, AN ARC LENGTH OF 384.97 FEET, AND A CENTRAL ANGLE OF $17^{\circ} 51' 45''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 08^{\circ} 14' 51'' E$ AND A CHORD DISTANCE OF 383.41 FEET TO A POINT OF TANGENCY, THENCE
2. $S 00^{\circ} 41' 01'' W$, 412.08 FEET TO A POINT OF CURVATURE, THENCE
3. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 971.00 FEET, AN ARC LENGTH OF 283.64 FEET AND A CENTRAL ANGLE OF $16^{\circ} 44' 12''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 09^{\circ} 03' 07'' W$ AND A CHORD DISTANCE OF 282.63 FEET TO A POINT OF COMPOUND CURVATURE, THENCE
4. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 819.38 FEET, AN ARC LENGTH OF 71.87 FEET AND A CENTRAL ANGLE OF $05^{\circ} 01' 31''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 14^{\circ} 54' 28'' W$ AND A CHORD DISTANCE OF 71.84 FEET TO AN IRON PIN WITH CAP SET, THENCE; ALONG THE DIVIDING LINE BETWEEN LOT 9 AND LOT 2.01 (LANDS NOW OR FORMERLY JERNEE MILL ASSOCIATES, LLC), BLOCK 58, THE FOLLOWING THREE (3) COURSES:
5. $N 74^{\circ} 39' 49'' W$, 429.89 FEET TO A CROSS CUT SET, THENCE
6. $S 15^{\circ} 19' 50'' W$, 115.45 FEET TO AN IRON PIN WITH CAP SET, THENCE
7. $S 73^{\circ} 26' 03'' E$, 465.63 FEET TO A POINT, THENCE
8. SOUTHERLY ALONG JERNEES MILL ROAD ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 800.38 FEET, AN ARC LENGTH OF 54.68 FEET AND A CENTRAL ANGLE OF $03^{\circ} 54' 52''$, SAID ARC BEING CONNECTED BY A CHORD BEARING OF $S 01^{\circ} 18' 00'' W$ AND A CHORD DISTANCE OF 54.67 FEET TO A POINT OF TANGENCY, THENCE
9. CONTINUING ALONG JERNEES MILL ROAD $S 00^{\circ} 38' 12'' E$, 11.54 FEET TO AN IRON PIN WITH CAP SET, THENCE; GENERALLY, ALONG THE CENTERLINE OF DUCK CREEK, THE FOLLOWING 29 COURSES:
10. $S 74^{\circ} 00' 50'' W$, 200.00 FEET TO A POINT, THENCE
11. $S 80^{\circ} 06' 29'' W$, 165.00 FEET TO A POINT, THENCE
12. $S 77^{\circ} 39' 11'' W$, 118.00 FEET TO A POINT, THENCE
13. $N 84^{\circ} 50' 01'' W$, 62.00 FEET TO A POINT, THENCE
14. $S 64^{\circ} 27' 31'' W$, 40.00 FEET TO A POINT, THENCE
15. $S 45^{\circ} 44' 28'' W$, 45.00 FEET TO A POINT, THENCE
16. $S 66^{\circ} 49' 18'' W$, 70.00 FEET TO A POINT, THENCE
17. $S 81^{\circ} 27' 54'' W$, 90.00 FEET TO A POINT, THENCE
18. $N 78^{\circ} 16' 46'' W$, 30.00 FEET TO A POINT, THENCE
19. $N 63^{\circ} 43' 20'' W$, 60.00 FEET TO A POINT, THENCE
20. $N 89^{\circ} 46' 33'' W$, 47.00 FEET TO A POINT, THENCE
21. $N 38^{\circ} 47' 11'' W$, 60.00 FEET TO A POINT, THENCE
22. $N 63^{\circ} 07' 20'' W$, 20.00 FEET TO A POINT, THENCE
23. $N 15^{\circ} 29' 01'' W$, 90.00 FEET TO A POINT, THENCE
24. $S 72^{\circ} 41' 34'' W$, 61.00 FEET TO A POINT, THENCE
25. $N 02^{\circ} 31' 10'' W$, 50.00 FEET TO A POINT, THENCE
26. $N 50^{\circ} 28' 45'' W$, 15.00 FEET TO A POINT, THENCE

27. S 84° 28' 06" W, 15.00 FEET TO A POINT, THENCE
28. S 56° 54' 30" W, 35.00 FEET TO A POINT, THENCE
29. N 84° 17' 24" W, 20.00 FEET TO A POINT, THENCE
30. N 34° 56' 24" W, 54.00 FEET TO A POINT, THENCE
31. S 71° 57' 46" W, 60.00 FEET TO A POINT, THENCE
32. S 82° 04' 00" W, 60.00 FEET TO A POINT, THENCE
33. N 89° 04' 28" W, 45.00 FEET TO A POINT, THENCE
34. S 65° 02' 09" W, 55.86 FEET TO A POINT, THENCE
35. S 37° 35' 34" W, 31.00 FEET TO A POINT, THENCE
36. S 12° 31' 08" W, 31.00 FEET TO A POINT, THENCE
37. S 07° 54' 22" E, 85.00 FEET TO A POINT, THENCE
38. S 35° 18' 08" W, 42.00 FEET TO A POINT, THENCE
39. NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF THE SOUTH RIVER ALONG VARIOUS COURSES, SAID POINT BEING A TIE OF N 51° 37' 07" W, 687.97 FEET FROM THE TERMINUS OF THE PRIOR COURSE, THENCE; ALONG THE LINE DIVIDING LOT 9 AND LOT 8 (LANDS NOW OR FORMERLY DUPONT SPECIALTY PRODUCTS USA, LLC) BLOCK 58, THE FOLLOWING FIVE (5) COURSES:
 40. N 37° 41' 38" E, 185.00 FEET TO A POINT, THENCE
 41. N 41° 13' 22" W, 75.24 FEET TO A POINT, THENCE
 42. N 48° 47' 17" E, 370.92 FEET TO A POINT, THENCE
 43. N 51° 46' 23" E, 924.00 FEET TO A POINT, THENCE
 44. N 55° 46' 38" E, 53.86 FEET TO AN IRON PIN WITH CAP SET, THENCE; ALONG THE AFOREMENTIONED DIVIDING LINE BETWEEN LOT 9 AND LOT 5, BLOCK 58 THE FOLLOWING TWO (2) COURSES:
 45. S 16° 32' 51" E, 140.50 FEET TO AN IRON PINE WITH CAP SET, THENCE
 46. N 77° 49' 32" E, 797.53 FEET TO THE POINT AND PLACE OF BEGINNING.

ABOVE DESCRIBE IS SAME PROPERTY AS DESCRIBED IN THE TITLE COMMITMENT NUMBER: 3472-2751166-CRN,
COMMITMENT DATE: AUGUST 05, 2022, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY.

EXHIBIT C

Site Plan

(see attached)

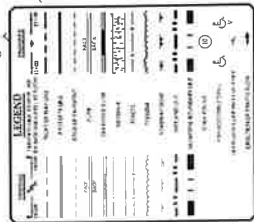


EXHIBIT D

Total Project Cost Estimate

(see attached)

EXHIBIT D

Total Project Cost Estimate

Total Project Cost (N.J.S.A. 40A:20-3(h), as amended)

(1)	Cost of the land and improvements to the entity, whether acquired from a private or a public owner, with cost in the case of leasehold interests to be computed by capitalizing the aggregate rental at a rate provided in the financial agreement	\$18,400,000
(2)	Architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project	\$2,359,636
(3)	Surveying and testing charges in connection therewith (including permits and other similar fees)	\$3,162,500
(4)	Actual construction costs which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect, including the cost of any preparation of the site undertaken at the entity's expense	\$74,500,000
(5)	Insurance, interest and finance costs during construction	\$6,812,095
(6)	Costs of obtaining initial permanent financing	\$495,000
(7)	Commissions and other expenses paid or payable in connection with initial leasing	\$5,775,000
(8)	Real estate taxes and assessments during the construction period	\$165,000
(9)	A developer's overhead based on a percentage of actual construction costs, to be computed at not more than the schedule set forth in <u>N.J.S.A. 40A:20-3(h)</u>	\$3,730,769
TOTAL:		\$115,400,000.00

Certification of Total Project Costs

I hereby certify that the Total Project Cost set forth on Exhibit D of the Long Term Tax Exemption Application of Applicant is a reasonable estimate of Total Project Costs.

By: 
Name: David Melo, AIA
Title: Architect

EXHIBIT E

Fiscal Plan

(see attached)

Updated Fiscal Plan (10.24)		
Building SF	253,850	
Rental Rate (NNN)	\$32.00	
Development Budget		
	Total	per SF
Land Costs	\$18,400,000	\$72.48
Hard Costs	\$74,500,000	\$293.48
Soft Costs	\$16,250,000	\$64.01
Financing Costs	\$6,250,000	\$24.62
Total	\$115,400,000	\$454.60
Revenue	\$8,123,200	\$32.00
Reimbursement Revenue	\$1,440,269	\$5.67
Vacancy @ 5.0%	5% (\$478,173)	(\$1.88)
Total Revenue	\$9,085,295	\$35.79
Insurance	\$88,848	\$0.35
Real Estate Taxes	\$507,700	\$2.00
Utilities	\$317,313	\$1.25
Repairs & Maintenance	\$253,850	\$1.00
Management Fee @ 3.0%	\$272,559	\$1.07
Non-Reimbursable @ \$0.20 PSF	\$50,770	\$0.20
Total Expenses	\$1,491,039	\$5.87
Net Operating Income	\$7,594,257	\$29.92
Yield on Cost	6.58%	
Total Rent + Taxes	\$8,630,900.00	\$34.00

WITHOUT PILOT		
Building SF	253,850	
Rental Rate (NNN)	\$29.70	
Development Budget	Total	per Sf
Land Costs (included in HC Budget)	\$18,400,000	\$72.48
Hard Costs	\$74,500,000	\$293.48
Soft Costs	\$16,250,000	\$64.01
Financing Costs	\$6,250,000	\$24.62
Total	\$115,400,000	\$454.60
Revenue	\$7,538,454	\$29.70
Reimbursement Revenue	\$2,025,014	\$7.98
Vacancy @ 5.0%	5% (\$478,173)	(\$1.88)
Total Revenue	\$9,085,295	\$35.79
Insurance	\$88,848	\$0.35
Real Estate Taxes	\$1,092,446	\$4.30
Utilities	\$317,313	\$1.25
Repairs & Maintenance	\$253,850	\$1.00
Management Fee @ 3.0%	\$272,559	\$1.07
Non-Reimbursable @ \$0.20 PSF	\$50,770	\$0.20
Total Expenses	\$2,075,784	\$8.18
Net Operating Income	\$7,009,511	\$27.61
Yield on Cost	6.07%	
Total Rent + Taxes	\$8,630,900.00	\$34.00

EXHIBIT F

Pro Forma

(see attached)

Building Assumptions	
Building SF	253,850
Rental Rate	\$32.00
Growth Rate	2.00%
Bonus % Rate	5.00%

PILOT Year	<u>Year 1</u>	<u>Year 2</u>

Projected Rent of OPCO / Master Tenant

Revenue	\$8,123,200	\$8,285,664
Reimbursement Revenue	\$1,440,269	\$1,469,074
Vacancy @ 5.0%	5%	(\$478,173)
Annual Gross Revenue (AGR)	\$9,085,295	\$9,267,001

Annual Service Charge (ASC) Rate as \$/PSF	\$2.00	\$2.00
Annual Service Charge Based on % of URE/Master Lessor	\$507,700	\$507,700
Applicable Percentage of Taxes Otherwise Due	0%	0%
ASC Calculated as a Percentage of Taxes Otherwise Due	\$0.00	\$0.00
Total ASC (Greater of Applicable % of AGR or % of Taxes Otherwise Due)	\$507,700	\$507,700

Operating Expenses

Insurance	\$88,848	\$90,624
Real Estate Taxes (PILOT)	\$507,700	\$517,854
Utilities	\$317,313	\$323,659
Repairs & Maintenance	\$253,850	\$258,927
Management Fee @ 3.0%	\$272,559	\$278,010
Non-Reimbursable @ \$0.20 PSF	\$50,770	\$51,785
Total Expenses	\$1,491,039	\$1,520,860

Net Operating Income	\$7,594,257	\$7,746,142
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<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>
\$8,451,377	\$8,620,405	\$8,792,813	\$8,968,669	\$9,148,043	\$9,331,003	\$9,517,623
\$1,498,456	\$1,528,425	\$1,558,993	\$1,590,173	\$1,621,977	\$1,654,416	\$1,687,505
(\$497,492)	(\$507,441)	(\$517,590)	(\$527,942)	(\$538,501)	(\$549,271)	(\$560,256)
\$9,452,341	\$9,641,388	\$9,834,216	\$10,030,900	\$10,231,518	\$10,436,149	\$10,644,872
\$2.00	\$2.00	\$2.00	\$2.04	\$2.08	\$2.12	\$2.16
\$507,700	\$507,700	\$507,700	\$517,854	\$528,211	\$538,775	\$549,551
0%	0%	0%	0%	0%	0%	0%
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$507,700	\$507,700	\$507,700	\$517,854	\$528,211	\$538,775	\$549,551
\$92,437	\$94,286	\$96,171	\$98,095	\$100,057	\$102,058	\$104,099
\$528,211	\$538,775	\$549,551	\$560,542	\$571,753	\$583,188	\$594,851
\$330,132	\$336,735	\$343,469	\$350,339	\$357,345	\$364,492	\$371,782
\$264,106	\$269,388	\$274,775	\$280,271	\$285,876	\$291,594	\$297,426
\$283,570	\$289,242	\$295,026	\$300,927	\$306,946	\$313,084	\$319,346
\$52,821	\$53,878	\$54,955	\$56,054	\$57,175	\$58,319	\$59,485
\$1,551,277	\$1,582,302	\$1,613,948	\$1,646,227	\$1,679,152	\$1,712,735	\$1,746,990
\$7,901,065	\$8,059,086	\$8,220,268	\$8,384,673	\$8,552,366	\$8,723,414	\$8,897,882

<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>	<u>Year 16</u>
\$9,707,976	\$9,902,135	\$10,100,178	\$10,302,182	\$10,508,225	\$10,718,390	\$10,932,758
\$1,721,255	\$1,755,680	\$1,790,793	\$1,826,609	\$1,863,141	\$1,900,404	\$1,938,412
(\$571,462)	(\$582,891)	(\$594,549)	(\$606,440)	(\$618,568)	(\$630,940)	(\$643,558)
\$10,857,769	\$11,074,924	\$11,296,423	\$11,522,351	\$11,752,798	\$11,987,854	\$12,227,611
\$2.21	\$2.25	\$2.30	\$2.34	\$2.39	\$2.44	\$2.49
\$560,542	\$571,753	\$583,188	\$594,851	\$606,748	\$618,883	\$631,261
0%	0%	0%	0%	0%	0%	20%
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,057.59
\$560,542	\$571,753	\$583,188	\$594,851	\$606,748	\$618,883	\$631,261
\$106,181	\$108,305	\$110,471	\$112,680	\$114,934	\$117,232	\$119,577
\$606,748	\$618,883	\$631,261	\$643,886	\$656,764	\$669,899	\$683,297
\$379,218	\$386,802	\$394,538	\$402,429	\$410,478	\$418,687	\$427,061
\$303,374	\$309,442	\$315,631	\$321,943	\$328,382	\$334,950	\$341,649
\$325,733	\$332,248	\$338,893	\$345,671	\$352,584	\$359,636	\$366,828
\$60,675	\$61,888	\$63,126	\$64,389	\$65,676	\$66,990	\$68,330
\$1,781,929	\$1,817,568	\$1,853,919	\$1,890,998	\$1,928,818	\$1,967,394	\$2,006,742
\$9,075,840	\$9,257,356	\$9,442,503	\$9,631,354	\$9,823,981	\$10,020,460	\$10,220,869

	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>	<u>Year 20</u>	<u>Year 21</u>	<u>Year 22</u>
	\$11,151,413	\$11,374,441	\$11,601,930	\$11,833,969	\$12,070,648	\$12,312,061
	\$1,977,181	\$2,016,724	\$2,057,059	\$2,098,200	\$2,140,164	\$2,182,967
	(\$656,430)	(\$669,558)	(\$682,949)	(\$696,608)	(\$710,541)	(\$724,751)
	\$12,472,164	\$12,721,607	\$12,976,039	\$13,235,560	\$13,500,271	\$13,770,276
	\$2.54	\$2.59	\$2.64	\$2.69	\$2.75	\$2.80
	\$643,886	\$656,764	\$669,899	\$683,297	\$696,963	\$710,903
	20%	20%	20%	20%	40%	40%
	\$299,938.74	\$305,937.52	\$312,056.27	\$318,297.39	\$649,326.68	\$662,313.22
	\$643,886	\$656,764	\$669,899	\$683,297	\$696,963	\$710,903
	\$121,969	\$124,408	\$126,896	\$129,434	\$132,023	\$134,663
	\$696,963	\$710,903	\$725,121	\$739,623	\$754,415	\$769,504
	\$435,602	\$444,314	\$453,200	\$462,264	\$471,510	\$480,940
	\$348,482	\$355,451	\$362,560	\$369,812	\$377,208	\$384,752
	\$374,165	\$381,648	\$389,281	\$397,067	\$405,008	\$413,108
	\$69,696	\$71,090	\$72,512	\$73,962	\$75,442	\$76,950
	\$2,046,877	\$2,087,814	\$2,129,571	\$2,172,162	\$2,215,605	\$2,259,917
	\$10,425,287	\$10,633,793	\$10,846,468	\$11,063,398	\$11,284,666	\$11,510,359

<u>Year 23</u>	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>
\$12,558,302	\$12,809,468	\$13,065,657	\$13,326,971	\$13,593,510	\$13,865,380
\$2,226,626	\$2,271,159	\$2,316,582	\$2,362,914	\$2,410,172	\$2,458,375
(\$739,246)	(\$754,031)	(\$769,112)	(\$784,494)	(\$800,184)	(\$816,188)
\$14,045,682	\$14,326,596	\$14,613,128	\$14,905,390	\$15,203,498	\$15,507,568
\$2.86	\$2.91	\$2.97	\$3.03	\$3.09	\$3.15
\$725,121	\$739,623	\$754,415	\$769,504	\$784,894	\$800,592
40%	40%	40%	60%	60%	60%
\$675,559.48	\$689,070.67	\$702,852.09	\$1,075,363.69	\$1,096,870.97	\$1,118,808.38
\$725,121	\$739,623	\$754,415	\$1,075,364	\$1,096,871	\$1,118,808
\$137,356	\$140,104	\$142,906	\$145,764	\$148,679	\$151,653
\$784,894	\$800,592	\$816,604	\$832,936	\$849,594	\$866,586
\$490,559	\$500,370	\$510,377	\$520,585	\$530,996	\$541,616
\$392,447	\$400,296	\$408,302	\$416,468	\$424,797	\$433,293
\$421,370	\$429,798	\$438,394	\$447,162	\$456,105	\$465,227
\$78,489	\$80,059	\$81,660	\$83,294	\$84,959	\$86,659
\$2,305,116	\$2,351,218	\$2,398,242	\$2,446,207	\$2,495,131	\$2,545,034
\$11,740,566	\$11,975,378	\$12,214,885	\$12,459,183	\$12,708,366	\$12,962,534

<u>Year 29</u>	<u>Year 30</u>
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\$14,142,688	\$14,425,542
\$2,507,543	\$2,557,694
(\$832,512)	(\$849,162)
\$15,817,719	\$16,134,074

\$3.22	\$3.28
\$816,604	\$832,936
80%	80%
\$1,521,579.40	\$1,552,010.99
\$1,521,579	\$1,552,011

\$154,686	\$157,779
\$883,918	\$901,596
\$552,449	\$563,498
\$441,959	\$450,798
\$474,532	\$484,022
\$88,392	\$90,160
\$2,595,935	\$2,647,853

\$13,221,784 \$13,486,220

EXHIBIT G

Corporate Ownership Disclosure

Entity: CP MD Jernee Mill Road LLC (in process to be converted to CP MD Jernee Mill Road Urban Renewal LLC)
32 Mount Kemble Avenue
Morristown, New Jersey 07960

Owners holding 10% or more interest in CP MD Jernee Mill Road LLC:

1. March Development LLC, a New Jersey limited liability company, having an address at 31 Springbrook Road, Morristown, New Jersey 07960.
2. CP Sayreville LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.

Owners holding 10% or more interest in March Development LLC:

1. Anthony L. Marchigiano, an individual, having an address at 31 Springbrook Road, Morristown, New Jersey 07960.
2. Justin Marchigiano, an individual, having an address at 31 Springbrook Road, Morristown, New Jersey 07960.

Owners holding 10% or more interest in CP Sayreville LLC:

1. Crimson King Holdings II, LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.
 - a. Steve Sciarretta, an individual, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960, is the sole owner of Crimson King Holdings II, LLC.
2. Green Hill Holdings II, LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.
 - a. Don Sciarretta, an individual, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960, is the sole owner of Green Hill Holdings II, LLC.
3. Falls Holdings LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.
 - a. Jeff Bastow, an individual, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960, is the sole owner of Falls Holdings LLC.

4. RDS Investors LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.
 - a. Richard Sciaretta, an individual, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960, is the sole owner of RDS Investors LLC.
5. Slattery Holdings LLC, a New Jersey limited liability company, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.
 - a. Maximilian Dorne, an individual, having an address at 32 Mount Kemble Avenue, Morristown, New Jersey 07960.

I certify that the above represents names and address of all partners of a 10% or greater interest in the above referenced company within my personal knowledge on this date. I further certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

**CP MD JERNEE MILL ROAD
LLC**


By: Jeff Bastow
Title: Managing Member
Date: November 14, 2024

EXHIBIT H
Form Financial Agreement
(see attached)

**FINANCIAL AGREEMENT
BETWEEN
BOROUGH OF SAYREVILLE
AND
CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC**

THIS FINANCIAL AGREEMENT (this “**Agreement**”), made this ____ day of _____, 2024 (the “**Effective Date**”), by and between **CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC**, an urban renewal entity qualified to do business under the provisions of the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “**LTTE Law**”), with offices at 32 Mount Kemble Avenue, Morristown, New Jersey 07960 (the “**Entity**”) and the **BOROUGH OF SAYREVILLE**, a municipal corporation in the County of Middlesex and the State of New Jersey (the “**Borough**”, and together with the Entity, the “**Parties**” or “**Party**”).

W I T N E S S E T H:

WHEREAS, by Resolution #2010-157 adopted on July 12, 2010, the Council of the Borough (“**Council**”), pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12-1 et. seq. (the “**Redevelopment Law**”), designated the property known as Sayreville Landfill #3 and identified on the tax maps of the Borough as Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) (the “**Redevelopment Area**”) as an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, by Ordinance #239-13, the Council adopted a redevelopment plan entitled “Borough of Sayreville Landfill and Melrose Redevelopment Plan” (including any amendments thereto, the “**Redevelopment Plan**”) applicable to the Redevelopment Area; and

WHEREAS, by Resolution #2015-258, adopted by the Council on August 24, 2015, the land upon which the Project (as defined in Section 2.1 of this Agreement) is to be constructed by the Entity was expanded to include the parcel designated on the tax maps of the Borough as Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01) (the “**Expansion Parcel**”, and with those parcels that comprise, the Redevelopment Area, collectively, the “**Project Site**”); and

WHEREAS, the Redevelopment Plan was amended by Ordinance #304-15, adopted on September 15, 2015, to, among other things, include the Expansion Parcel; and

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

WHEREAS, on January 26, 2023, the Entity entered into a redevelopment agreement with the Sayreville Economic and Redevelopment Agency (“**SERA**”) to govern the Entity’s redevelopment of the Project Site (the “**Redevelopment Agreement**”) pursuant to the Redevelopment Plan and pursuant to which the Entity will construct, or cause to be constructed thereon, among other things, the Project (as defined in Section 2.1 of this Agreement); and

WHEREAS, the Entity filed the application attached hereto as Exhibit B on or about November 2024 (the “**Application**”) seeking a long-term tax exemption for the portion of the Project Site being more specifically described on Exhibit A attached hereto (the “**Property**”), pursuant to the LTTE Law and approval of this Agreement; and

WHEREAS, on or prior to the commencement of construction of the Project, the Property, which is more particularly described on Exhibit A attached hereto and is a portion of the Project Site, shall be legally subdivided from the remainder of the Project Site such that the Project can be constructed on the Property; and

WHEREAS, the Application and this Agreement govern only the Project to be constructed on the Property, which shall be subdivided prior to commencement of construction of the Project, and does not govern the entirety of the Project Site; and

WHEREAS, on or prior to the Date of Completion of the Project, the Entity will lease the Property and the Project (the “**Lease**”) to an operating entity (the “**Operating Entity**”); and

WHEREAS, it is the intent of the Entity and the Borough that the calculations and determinations to be made under this Agreement with respect to any Net Profit (as defined below) and Annual Service Charge (as defined below) shall be based solely on, and with reference to, the Annual Gross Revenues (as defined below) of the Entity, excluding any other entity, whether affiliated or unaffiliated with the Entity that is not organized as an urban renewal entity pursuant to the LTTE Law, including but not limited to the Operating Entity; and

WHEREAS, by Ordinance #[_____] adopted on [_____] , a copy of which is attached to this Agreement as Exhibit C, the Council approved the Entity’s Application and authorized the execution of this Agreement; and

WHEREAS, in that Ordinance, the Borough made the following findings in accordance with Section 11 of the LTTE Law with respect to the Project:

1. *Relative Benefits of the Project.* In accordance with the LTTE Law, specifically N.J.S.A. 40A:20-11(a), the Borough hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Borough and its citizens. The Project will accelerate the redevelopment of the Project Site by providing a new cold storage warehouse building totaling approximately two hundred fifty four thousand square feet, will generate revenues and create jobs. When compared to the costs, if any, associated with the tax exemption, the Borough finds that the benefits outweigh the costs, recognizing that the Borough will retain ninety-five percent (95%) of the amount of the annual service charge.

2. *Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants.* The Entity is making a significant equity contribution, and investing additional construction funds toward the cost of the Project. In order to improve the economic viability of the development of the Project so that the Project can compete on an equitable footing with comparable projects within the municipality and surrounding market, the Borough has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the annual service charge will make the Project more competitive and assist the Entity to undertake the Project in the Borough. Further, the tax exemption allows rents to be set at competitive levels and as a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

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

ARTICLE I GENERAL PROVISIONS

Section 1.1 Governing Law. This Agreement shall be governed by the laws of the State of New Jersey, including but not limited to the provisions of the LTTE Law, the Redevelopment Law, the Ordinance approving this Agreement, and all other Applicable Laws (as hereinafter defined). It is expressly understood and agreed that the Borough expressly relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

Section 1.2 General Definitions. Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, defined terms shall have the meaning set forth in the Preamble hereto and the following terms shall have the meanings set forth below:

Allowable Net Profit — The amount arrived at by applying the Allowable Profit Rate to the Total Project Cost (as such terms are defined in this Section 1.2) pursuant to the provisions of N.J.S.A. 40A:20-3(b).

Allowable Profit Rate — The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If there is no permanent mortgage financing, or if the Project is internally financed by the Entity or by another entity related to the Entity, the allowable profit rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the Borough determines to be the prevailing rate on mortgage financing on comparable improvements in Middlesex County. For purposes of this Agreement, the Allowable Profit Rate shall not be less than 12%, all in accordance with N.J.S.A. 40A:20-3(b).

Annual Gross Revenues — The annual gross revenue or annual gross rents, as appropriate, and other income, received by the Entity as defined by N.J.S.A. 40A:20-3(a), which shall consist of the rent received by the Entity, as the owner of the Project, from any direct tenant of the Entity, including the Operating Entity pursuant to the Lease for the Project. Annual gross revenue shall exclude, without limitation, (i) tenant reimbursements to the Entity, as landlord, of actual operating expenses under a triple net lease (such as the Lease) such as Annual Service Charges and land taxes, utilities, sewer and water charges and CAM charges, (ii) extraordinary items, condemnation awards, insurance proceeds, gains from sales, transfers of all or any part of the Project, proceeds from any financing or refinancing, proceeds from any disposition of any interest in the Entity or any successor entity, and (iii) any revenue from the sale or financing of tax credits issued in connection with any State, federal or local award, payment, tax credit or other incentive to an Entity to develop, build, own or operate all or any portion of the Project or all or any portion of the Project, and any and all funds received pursuant to an agreement with a regulated utility service provider that are a contribution in the aid of construction or otherwise and refundable in the form of billing credits in accordance with the utility's "Tariff for Service". In accordance with N.J.S.A. 40 A:20-3(a), the parties have considered whether there are any insurance, operating, and maintenance expenses that are or will be paid by tenant(s) which are ordinarily paid by Landlord and have determined that there are none.

Annual Service Charge — The amount the Entity has agreed to pay the Borough for municipal services in lieu of conventional real property taxes, and computed in accordance with N.J.S.A. 40A:20-12(b)(1), as more fully set forth in Article IV of this Agreement.

Applicable Law — All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Redevelopment Law, the LTTE Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder.

Auditor's Report — A complete, annual audited financial statement outlining the financial status of the Entity as it relates to the Project and reporting the Annual Gross Revenues, Net Profit and Total Project Cost (as such terms are defined in this Section 1.2) and fully detailing all items required under the LTTE Law which has been prepared by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

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

Commencement Date — The effective date of the tax exemption granted pursuant to this Agreement, which shall be the first day of the month following the Date of Completion (as such term is defined in this Section 1.2).

Cure Period — As defined in Section 9.2 of this Agreement.

Date of Completion — The date of issuance of a Certificate of Occupancy for the Project Improvements.

Default — As defined in Section 9.1 of this Agreement.

Default Notice — As defined in Section 9.2 of this Agreement.

Effective Date — As defined in the Preamble.

In Rem Tax Foreclosure — A summary proceeding by which the Borough may enforce the lien for taxes due and owing by a tax sale, pursuant to N.J.S.A. 54:5-1 et seq.

Land Taxes — The amount of conventional real estate taxes assessed on land constituting the Property during the term of this Agreement.

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

Material Conditions — As defined in Section 4.5 of this Agreement.

Minimum Annual Service Charge — The total taxes levied against the Property in the last full tax year in which the Property was subject to taxation, which the parties agree is equal to Ten Thousand Six Hundred Sixty Dollars and Fifty Eight Cents (\$10,660.58). The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to this Agreement and N.J.S.A. 40A:20-12, would be less than the Minimum Annual Service Charge.

Net Profit — The Gross Revenue of the Entity pertaining to the Project, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c), which includes but is not limited to debt service, an amount sufficient to amortize the Total Project Cost over the term of the exemption, and all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Project — As defined in Section 2.3.

Project Improvements — All buildings, structures, improvements and amenities on the Property, including but not limited to internal roadways necessary for the implementation and Completion of the Project on the Property, and any additional work incidental thereto and/or such work as maybe required in connection with permits and approvals, all of which shall be consistent with the Redevelopment Plan and any approved site plan.

Tax Collector — The tax collector of the Borough of Sayreville.

Tax Assessor — The tax assessor the Borough of Sayreville.

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

ARTICLE II APPROVAL

Section 2.1 Approval of Tax Exemption. The Borough has granted and does hereby grant approval of a tax exemption for the Project Improvements to be developed and maintained by the Entity in accordance with the provisions of the LTTE Law and the terms and conditions set forth in this Agreement.

Section 2.2 Approval of Entity. Approval is granted to the Entity whose certificate of formation is attached as Exhibit D to the Application. The Entity represents that its certificate of formation contains all the provisions required by the LTTE Law, has been reviewed and approved by the Commissioner of the Department of Community Affairs and has been filed in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Project Improvements to be Developed. The Entity agrees to undertake the Project which shall consist of the following: (i) acquisition of the Property; (ii) procurement of all applicable approvals for all Project Improvements on the Property; and (iii) financing, design,

construction and Completion of all Project Improvements on the Property; (collectively, (i) —(iii), the “**Project**”). The Entity represents that it will construct or cause to be constructed the Project Improvements on the Property, in accordance with the Redevelopment Plan and the Redevelopment Agreement which Project Improvements include one (1) cold storage warehouse building with a total area of approximately 254,000 square feet. For purposes of this Agreement, the total amount of rentable square footage within the completed building for the Project shall be deemed the “**Square Footage**”.

Section 2.4 Project Schedule and Force Majeure.

(i) The Entity agrees to diligently undertake to commence redevelopment of the Project in accordance with the estimated Project Schedule set forth in the Redevelopment Agreement.

(ii) For the purposes of any of the provisions of this Agreement, neither the Borough nor the Entity shall be considered in breach of, or in default with respect to its obligations hereunder (other than with respect to the Entity’s obligation to pay Land Taxes, or Annual Service Charge, as applicable, which obligation shall be paid as and when due without regard to this Section 2.4) because of any enforced delay in the performance of such obligations arising from causes beyond its reasonable control and without its fault or negligence, including, but not restricted to, “Unavoidable Delays” as defined in the Redevelopment Agreement, including but not limited to remediation related interruption, failure, or delay encountered due to unforeseen conditions or unanticipated results of actions taken in the course of dealing with contamination, litigation or other dispute resolution proceedings with respect to the Project or this Agreement, and actions or inactions by any federal, state or local governmental or quasigovernmental authority with respect to the governmental approvals or the development of the Project, if such actions or inactions are not caused by the Entity. It is the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Borough or the Entity shall be extended for the period of the enforced delay.

Section 2.5 Ownership, Management and Control. The Entity represents that upon its acquisition of the Property from the Borough pursuant to the terms of the Purchase Agreement, the Entity shall be the owner of the Property. The Entity represents that upon completion, the Project, including all land and improvements related thereto, shall be used, managed and operated for the purposes set forth in the Application, in accordance with the Redevelopment Plan and all Applicable Laws. The Borough acknowledges that prior to completion of the Project, the Operating Entity will lease the Project from the Entity, the Operating Entity will make lease payments to the Entity pursuant to the Lease, and the Operating Entity may be an affiliate of the Entity.

Section 2.6 Source, Method and Amount to be Invested. Pursuant to N.J.S.A. 40A:20-8(d), the Entity represents that the source, method and amount of money to be subscribed through investment of private capital shall be as indicated in the Application.

Section 2.7 Fiscal Plan. Pursuant to N.J.S.A. 40A:20-8(e), the Entity represents that its good faith projections of the Project revenues, estimated expenditures for operation and maintenance,

payments for, amortization of debt and reserves, and Annual Service Charge shall be as set forth in the Application.

Section 2.8 Borough's Covenants and Representations. The designation of the area as an area in need of redevelopment was made in full compliance with the Redevelopment Law. In addition, the preparation and adoption of the Redevelopment Plan by appropriate Borough ordinance was performed in full compliance with the Redevelopment Law.

ARTICLE III DURATION OF AGREEMENT

Section 3.1 Term. This Agreement shall become effective upon its execution and delivery by the Parties. So long as there is compliance with governing law and this Agreement, this Agreement shall remain in effect until the expiration of the tax exemption granted and referred to in Section 21 of this Agreement. The tax exemption shall remain in effect until the earlier of (i) thirty-five (35) years from the execution of this Agreement, or (ii) thirty (30) years from the Commencement Date, unless it is sooner terminated pursuant to Article X of this Agreement. This Agreement shall continue in force only while the Project is owned or leased, for a minimum period equal to the unexpired term of this Agreement, by an urban renewal entity formed and operating under the LTTE Law. A voluntary transfer of the Project by the Entity shall be subject to the provisions of Article VIII of this Agreement. As provided for in Section 10.4, upon the termination or expiration of the term of this Agreement, the tax exemption on the Project Improvements shall terminate and the Property and the Project Improvements shall thereafter be assessed and taxed according to general law applicable to other non-exempt property.

Section 3.2 Date of Termination. The date of termination of tax exemption, whether by relinquishment by the Entity or by terms of this Agreement, shall be deemed the close of the fiscal year of the Entity.

Section 3.3 Voluntary Termination by Entity. The Entity may at any time after the expiration of one year from the execution of this Agreement notify the Borough that as of a certain date designated in the notice, it relinquishes its status under the LTTE Law pursuant to N.J.S.A. 40A:20-13. Upon termination of this Agreement, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-13.

ARTICLE IV ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge.

(i) In consideration of this Agreement, the Entity shall make payment to the Borough of an Annual Service Charge which shall be an amount equal to the greatest of:

a. twelve percent (12%) of Annual Gross Revenue; or

b. the dollar per square foot (\$/s.f.) amounts set forth in the second column on Exhibit E attached hereto, multiplied by the Square Footage of the building for the Project; or

c. the Minimum Annual Service Charge.

(ii) The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge calculated pursuant to this section would be less than the Minimum Annual Service Charge.

(iii) The Borough shall remit to the County of Middlesex five percent (5%) of the Annual Service Charge received each year from the Entity, pursuant to N.J.S.A. 40A:20-12(b)(2)(e).

(iv) If the Entity fails to timely pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens in the Borough until paid.

Section 4.2 Schedule of Staged Adjustments. In accordance with N.J.S.A. 40:20-12(b), in addition to Section 4.1, the Annual Service Charge paid by the Entity shall be subject to the following alternative calculation:

(i) Stage One (years 1-15): For each of the first fifteen (15) years following the Commencement Date, the Annual Service Charge shall be the amount determined pursuant to Section 4.1(i) of this Agreement.

(ii) Stage Two (years 16-21): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 20% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(iii) Stage Three (years 22-27): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 40% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(iv) Stage Four (years 28-29): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 60% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements;

(v) Final Stage (year 30): The Annual Service Charge shall be an amount equal to the greater of the amount established pursuant to Section 4.1(i) of this Agreement or 80% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

Section 4.3 Quarterly Installments. The Annual Service Charge shall be billed in quarterly installments and payment shall be due on those dates when real estate tax payments are due, February 1, May 1, August 1 and November 1, subject nevertheless to adjustment for over or underpayment within one hundred twenty (120) days after the close of each fiscal or calendar year, as the case may be. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge commences and the year in which the exemption expires or terminates.

Section 4.4 Land Tax Credit.

(i) The Entity shall be entitled to a credit against the Annual Service Charge for the amount, without interest, of the Land Tax Payments paid by it in the four preceding quarterly installments. The Entity is required to pay the full Land Tax Payments in any given year. The Borough agrees that the Land Tax Credit shall be reflected in the Annual Service Charge invoice.

(ii) If there has been a subdivision, the Land Tax Credit shall be equal to the amount of the Land Taxes Payments with respect to the subdivided parcel on which the Project has been completed.

(iii) Land Taxes shall be assessed only on the Land portion of the Property without regard to any Project Improvements or increase in value to the land because of the Project Improvements. The Borough agrees it shall not impose an added assessment, omitted added assessment or similar assessment on the value of the Project Improvements for the Property relating to any period prior to the commencement of the Annual Service Charge for the Project.

Section 4.5 Tax Appeal. The Entity shall have the right to file a tax appeal against the assessed value of the Land and/or the Project Improvements.

Section 4.6 Material Conditions. It is expressly agreed and understood that all payments of the Annual Service Charges, Land Taxes and any interest payments, penalties or costs of collection due thereon are material conditions of this Agreement (the “**Material Conditions**”). If any other term, covenant or condition of this Agreement, as to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition as it relates to any person, entity or circumstance other than those held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 4.7 Administrative Fee. In addition to the ASC, the Entity shall annually pay to the Borough an Administrative Fee of 2% of the ASC to assist the Borough manage and administer this Financial Agreement. This Administrative Fee shall be paid quarterly at the same time as the ASC payment.

ARTICLE V CERTIFICATE OF OCCUPANCY

Section 5.1 Certificate of Occupancy: Application and filing. It shall be the obligation of the Entity to apply for a Certificate of Occupancy within a reasonable period of time after the Date of Completion. It shall be the responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy it obtains for any portion or aspect of the Project.

ARTICLE VI ANNUAL REPORTS / MUNICIPAL CERTIFICATION

Section 6.1 Accounting System. The Entity agrees to maintain a system of accounting and internal controls established and administered consistent with Generally Accepted Accounting Principles and/or as otherwise prescribed in the LTTE Law during the term of this Agreement.

Section 6.2 Periodic Reporting.

(i) *Annual Auditor's Report.* Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis during the term of this Agreement, the Entity shall submit to the Mayor and Council, its Auditor's Report for the preceding fiscal or calendar year. In the event that the Auditor Report is not submitted by the Entity to the Mayor and Council within one hundred and five (105) days after the close of each such fiscal or calendar year, as applicable, the Entity shall pay to the Borough a late penalty of five hundred (\$500) dollars per day for each and every day that the said Audit is not submitted. The late penalty shall begin on the 91st day and shall be assessed daily until the Audit Report is submitted. The late penalty shall be added to and paid to the Borough with the next quarterly ASC payment. The Auditor's Report shall include, but not be limited to, the terms and interest rate on any mortgage(s) associated with the purchase and development of the Project Improvements and such details as may related to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the LTTE Law and this Agreement. The Auditor's Report shall include, but not be limited to, Net Profit, Annual Gross Revenues, and itemizations of operating and non-operating expenses, mortgage interest and terms, amortization of improvements and such other computations of income and expenses.

(ii) *Disclosure Statement.* Within thirty (30) days after each yearly anniversary date of the execution of this Agreement, if there has been a change in more than 10% of the ownership of the Entity, the Entity shall submit to the Mayor and Council a disclosure statement listing the persons having an ownership interest in the Project Improvements, and the extent of the ownership interest of each person.

Section 6.3 Audit and Verification by Borough. Any Auditor's Report or Total Project Cost audit submitted by the Entity pursuant to Section 6.2 of this Agreement, and any books, documents, records, reports or work papers used in preparation of same, shall be subject to audit, examination and verification by the Borough or its designee. Any dispute arising from such audit, examination and verification shall be resolved in accordance with Article 12 of this Agreement.

Section 6.4 Inspection. The Entity shall permit the inspection of its Project Site and the Project Improvements and also permit, upon request, examination and audit of its books, contracts, records, documents and papers by duly authorized representatives of the Borough or the State of New Jersey. Such examination or audit shall be made upon five (5) business days' notice during regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the examination, inspection or audit will not materially interfere with the construction or operation of the Project Improvements.

ARTICLE VII LIMITATION OF PROFITS AND RESERVES

Section 7.1 Limitation of Profits and Reserves

(i) During the period of this Agreement as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

(ii) The Entity shall have the right to establish, at any time during the term of this Agreement, and to maintain at its discretion a reserve against unpaid rents and reasonable contingencies, in an amount equal to ten percent (10%) of the Gross Revenues of the Entity for the last full fiscal year, and may retain such part of the excess Net Profits as may be necessary to eliminate any deficiency in that reserve, as provided in N.J.S.A. 40A:20-15; provided, however, that in no event shall any portion of excess Net Profits be retained or contributed to such reserve if the amount of the reserve as of the end of such fiscal year equals or exceeds ten percent (10%) of the preceding fiscal year's Gross Revenues.

Section 7.2 Annual Payment of Excess Net Profits. If the Net Profit, in any fiscal year, shall exceed the Allowable Net Profit for such period, then in accordance with N.J.S.A. 40A:20-15, the Entity, within one hundred twenty (120) days after the end of such fiscal year, shall pay such excess Net Profit to the Borough as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to Section 7.1 of this Agreement. Pursuant thereto, the calculation of Net Profit shall be cumulative for the period commencing on the date on which the construction of the unit or project is completed, and terminating at the close of the fiscal year of the entity preceding the date on which the computation is made, with any negative amounts of profit from prior years being carried forward and included in the accumulated excess profit calculation consistent with City of Newark vs. First Newark Gateway Urban Renewal Association, Docket No. ESX-L-1160-91 (N.J. Super. Law Div. August 8, 1994). For the purpose of determining compliance with N.J.S.A. 40A:20-15, there is expressly excluded from the calculation of Annual Gross Revenue and from Net Profit any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law. For the purpose of determining compliance with N.J.S.A. 40A:20-15, the calculation of an Entity's "excess net profits" shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs that may be excluded in a financial agreement as provided for in N.J.S.A. 40A:20-3(h) but are not excluded for purposes of this Agreement.

Section 7.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale. The date of termination of the tax exemption, whether by relinquishment by the Entity or by the terms of this Agreement, shall be deemed to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the Borough the amount of the reserve, if any, maintained by it pursuant to Section 7.1 and the excess Net Profit, if any, payable as of that date.

ARTICLE VIII ASSIGNMENT / CONVEYANCE / ASSUMPTION

Section 8.1 Restrictions on Transfer

(i) The provisions of this Section 8.1 impose limitations that are limited to transfers of the tax exemption for the Project, rather than the Project itself. Except as set forth in the following subsections, the Entity may not voluntarily transfer more than ten percent (10%) of the ownership of the Project Improvements or any portion thereof until it has first removed both itself and the Project from all restrictions imposed by the LTTE Law, in the manner provided by the LTTE Law.

(ii) The Borough, on written application by the Entity, will consent to a transfer of the Project Improvements or any interest therein greater than ten percent (10%) to an entity eligible to operate under the LTTE Law, provided the Entity is not in Default regarding any performance required of it hereunder, the Entity has fully complied with the LTTE Law, the transferee qualifies as an "urban renewal entity" within the meaning of the LTTE Law and the obligations under this Agreement are fully assumed by the transferee and the requirements of the Redevelopment Agreement have been met with respect to transfers.

(iii) Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity itself provided that the transfer is disclosed to the Borough Council in the next Auditor's Report or in correspondence sent to the Borough Clerk in advance of the next Auditor's Report.

(iv) If the Entity transfers the Project Improvements to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to N.J.S.A. 40A:20-6, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the LTTE Law. During the time when the Entity owns the Project, the transferee entity shall be obligated to pay excess profits of the transferee entity to the Borough in accordance with the provisions of N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply. Within ninety (90) days after the close of the Entity's fiscal year, which shall be considered the date of transfer of title for purposes of this paragraph, during the time when the Entity owns any portion of the Project, the Entity shall pay to the Borough the amount of the reserve, if any, maintained by it pursuant to this Agreement, as well as any excess profit payable to the Borough pursuant to this Agreement and N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply.

Section 8.2 Subordination of Fee Title. It is expressly acknowledged, understood and agreed that the Entity has the right, subordinate to the lien, as a matter of law, of the Annual Service Charge, and to the rights of the Borough hereunder, to encumber the fee title to the Land, including any Project Improvements related thereto, and that any such subordinate encumbrance shall not be deemed to be a violation of this Financial Agreement.

Section 8.3 Estoppel. Within thirty (30) days following written request by the Entity, or any mortgagee, purchaser, tenant or other party having an interest in the Project, the Borough shall issue a signed estoppel certificate in reasonable form stating that (i) this Agreement is in full force and effect, (ii) to the best of the Borough's knowledge, no default has occurred under this Agreement (nor any event which, with the passage of time and the giving of notice would result in the occurrence of a default) or stating the nature of any default; and (iii) such other reasonable information as may be requested. In the event the estoppel certificate discloses a default, it shall be identified with reasonable detail and also state the manner in which such default may be cured. The Borough acknowledges that the issuance of an estoppel is an administrative act, and therefore the Business Administrator of the Borough is hereby authorized to issue an estoppel pursuant to this Section 8.3 without other formal action by the Borough, and the Entity and any mortgagee, purchaser, tenant or other party having an interest or potential interest in the Project shall be entitled to rely on same.

Section 8.4 Subdivision. In the event that the Entity subdivides a portion of the Property, the Borough agrees that the benefits of this Financial Agreement with respect to such subdivided

parcel shall continue to inure to such parcel, provided that the owner thereof, if different from Entity, qualifies as an urban renewal entity under the LTTE Law. The Borough agrees that it will enter into a separate financial agreement with respect to such subdivided parcel with such new urban renewal entity reflecting the terms hereof and will amend this Agreement to remove such parcel from the ambit of same.

Section 8.5 Collateral Assignment. Notwithstanding anything to the contrary, it is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to the Land and/or Project Improvements for purposes of (i) financing the design, development and construction of the Project and (ii) mortgage financing.

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

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

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

Section 8.6 Subleases. Notwithstanding anything to the contrary, the Entity shall also have the right to enter into a Lease for the Project, and the Operating Entity and any direct tenant of the Entity shall be permitted to enter into subleases, licenses, and other agreements (such as management agreements) without violating this Agreement.

ARTICLE IX DEFAULT AND REMEDIES

Section 9.1 Default. A “**Default**” shall be the failure of the Borough or the Entity to perform any obligation imposed upon the Borough or the Entity, respectively, by the terms of this Agreement, beyond any applicable notice, cure or grace period.

Section 9.2 Cure Upon Default.

(i) Should either Party to this Agreement be in Default, the non-defaulting Party shall send written notice to the defaulting Party of the Default (the “**Default Notice**”). The Default Notice shall set forth with particularity the basis of the Default. The defaulting Party or a Party acting on its behalf shall have sixty (60) days, or in the case of a breach of a Material Condition, thirty (30) days from receipt of the Default Notice (the “**Cure Period**”), to cure any Default. However, if the Default or violation is one which cannot be completely remedied within the Cure Period, it shall not be an Event of Default as long as the defaulting party has commenced the cure within the sixty (60) day period after receipt of a Default Notice and is proceeding with due diligence to remedy the same as soon as practicable but in no event later than the later of: (a) one hundred twenty (120) days after such written notice, or (b) a date agreed to by the Parties, to reach compliance.

(ii) Upon the expiration of the Cure Period, or any approved extension thereof, and providing that the Default is not cured, the non-defaulting Party shall have the right to terminate this Agreement in accordance with Section 10.1 of this Agreement.

Section 9.3 Remedies Upon Default.

(i) In the event of any Default not cured within the Cure Period or any extension thereof, the non-defaulting Party shall, in addition to its other remedies, have the right to declare a Default and terminate this Agreement subject to the Default procedures set forth in this Article IX of this Agreement. In the case of a Default of a Material Condition by the Entity, the Borough may also proceed against the Project Site pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 et seq. All of the remedies provided in this Agreement shall be cumulative and concurrent; provided, however, that no claim for damages may be brought against the Entity, other than a claim for payments due hereunder.

(ii) Either Party’s election of any remedy shall not be construed as a waiver of any other remedies available to that Party. Specifically, the bringing of any action for Land Tax Payments, the Annual Service Charge, or for breach of covenant or the resort to any other remedy herein provided shall not be construed as a waiver of the Borough’s right to terminate this Agreement or to proceed with a tax sale or In Rem Tax Foreclosure action or any other remedy. The Entity does not waive any defense it may have to contest the rights of the Borough to proceed in the above-mentioned manner.

ARTICLE X TERMINATION

Section 10.1 Termination Upon Default. If either Party fails to cure or remedy any Default within the applicable Cure Period, the non-defaulting Party may terminate this Agreement upon thirty (30) days written notice.

Section 10.2 Voluntary Termination by the Entity. The Entity may at any time after one (1) year from the Commencement Date, notify the Borough that, as of a date certain designated in the notice, it relinquishes its status as an urban renewal entity. As of the date provided in such notice, this Agreement shall terminate and the tax exemption, Annual Service Charge, and limitation on profits and dividends shall terminate.

Section 10.3 Final Accounting. Within ninety (90) days after the date of termination of this Agreement, whether by the Entity's voluntary relinquishment or by virtue of the provisions of the LTTE Law or the terms of this Agreement, the Entity shall provide a final accounting and pay to the Borough the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and -15 as well as any excess Net Profit. For purposes of rendering a final accounting, the date of termination shall be deemed the close of the fiscal year of the Entity.

Section 10.4 Conventional Taxation. Upon the termination or expiration of this Agreement and thereafter, the Project Improvements shall be assessed and conventionally taxed according to the general law applicable to other taxable property in the Borough.

ARTICLE XI DISPUTE RESOLUTION

Section 11.1 Arbitration. In the event of a disagreement between the Parties with respect to this Agreement, including but not limited to the interpretation of this Agreement or the obligations of the Parties hereunder, the Parties may elect to submit the dispute to: 1) the New Jersey Tax Court; or 2) the American Arbitration Association in Middlesex County, New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the LTTE Law. In the event the dispute is submitted to Arbitration, each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law, and shall have no power to depart from, or change any of the provisions of this Agreement, except as authorized herein. The cost for the arbitration shall be borne equally by the Parties.

ARTICLE XII NOTICE

Section 12.1 Service. A notice, demand or other communication under this Agreement by any Party to the other shall be in writing and shall be hand delivered by messenger (with receipt acknowledged in writing), delivered by overnight delivery service (guaranteeing overnight delivery, with receipt acknowledged in writing), delivered personally, or delivered by electronic transmittal (evidenced by printed confirmation of receipt specifying the receiving electronic mail

address) to the Parties at their respective addresses set forth herein, except that notice of (a) an Event of Default and (b) the institution of legal proceedings may not be delivered by electronic transmittal.

Section 12.2 Sent by Borough. When sent by the Borough to the Entity, unless the Entity shall have notified the Borough in writing otherwise, notice shall be addressed to:

If to the Entity:

CP MD Jernee Mill Road Urban Renewal, LLC
32 Mount Kemble Avenue
Morristown, New Jersey 07960
Attention: Jeff Bastow and Anthony Marchigiano, Jr.

with copies to:

Gibbons P.C.
One Gateway Center
Newark, NJ 07102
Attention: Jennifer Phillips Smith, Esq.; Andrew J. Camelotto, Esq.

In addition, provided the Borough is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's mortgagee or other Secured Party, the Borough agrees to provide such mortgagee or other Secured Party with a copy of any notice required to be sent to the Entity.

Section 12.3 Sent by Entity. When sent by the Entity to the Borough, notice shall be addressed to:

If to the Borough:

Sayreville Borough Hall
Attn: Business Administrator
167 Main Street
Sayreville, New Jersey 08872

with copies to:

King, Moench & Collins, LLP
51 Gibraltar Drive, Suite 2F
Morris Plains, NJ 07950

Any notice to the Borough shall fully identify the Project to which it relates (i.e., the full name of the Entity and the location of the Project Site, identified by Block and Lot numbers).

ARTICLE XIII SEVERABILITY

Section 13.1 Severability. If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law. If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the Parties shall cooperate with each other to take the actions reasonably required to restore this Agreement in a manner contemplated by the Parties. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the Parties. However, the Borough shall not be required to agree to restore this Agreement if such restoration would result in any material reduction or loss of the economic benefits due to the Borough under this Agreement.

ARTICLE XIV CERTIFICATION

Section 14.1 Certification. The Municipal Clerk shall certify to the Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that an Agreement with the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by N.J.S.A. 40A:20-1, et seq. Delivery by the Municipal Clerk to the Tax Assessor of a certified copy of Ordinance No. adopted by the Council on approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated. Further, upon the adoption of this Agreement, a certified copy of the Ordinance, Ordinance No. [] adopted by the Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Municipal Clerk.

ARTICLE XV MISCELLANEOUS

Section 15.1 Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the Party drawing or causing this Agreement to be drawn since counsel for both the Entity and the Borough have combined in their review and approval of same.

Section 15.2 Conflict. The Parties agree that in the event of a conflict between the Application and the language contained in this Agreement, this Agreement shall govern and prevail. In the event of conflict between this Agreement and the LTTE Law, the LTTE Law shall govern and prevail.

Section 15.3 Oral Representations. There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement.

Section 15.4 Entire Document. This Agreement, with all attachments, schedules, and exhibits, the Application, and the Ordinance shall constitute the entire agreement between the Parties, shall be incorporated herein by reference thereto and there shall be no modifications thereto other than by a written instrument approved and executed by, and delivered to, each Party. All prior agreements and understandings, if any, are superseded.

Section 15.5 Good Faith. In their dealings with each other, good faith is required from the Entity and the Borough.

Section 15.6 Pronouns. “He” or “it” shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as the context requires. Unless otherwise indicated, defined terms in the singular form shall include the plural and vice versa.

Section 15.7 Headings. Article, Section and subsection headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 15.8 Counterparts. This Agreement may be executed in counterparts, and all counterparts together shall be construed as one document. Portable document format (PDF) signatures transmitted by electronic mail shall be considered originals for purposes of this Agreement.

ARTICLE XVI
EXHIBITS

Section 16.1 Exhibits. The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

Exhibit:

- A. Description of the Property
- B. The Application with Exhibits
- C. Ordinance approving Financial Agreement
- D. Certificate of Formation of the Entity
- E. Annual Service Charge Computation

[The signature page follows]

IN WITNESS WHEREOF, the Parties have caused these presents to be executed the day and year first above written.

**CP MD JERNEE MILL ROAD URBAN
RENEWAL, LLC**

By: _____

Name: _____

Title: _____

BOROUGH OF SAYREVILLE

By: _____

Name: _____

Title: _____

EXHIBIT C
ORDINANCE APPROVING FINANCIAL AGREEMENT

**ORDINANCE OF THE BOROUGH OF SAYREVILLE, COUNTY OF
MIDDLESEX, NEW JERSEY AUTHORIZING THE EXECUTION OF A
FINANCIAL AGREEMENT, BY AND BETWEEN THE BOROUGH AND
CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC,
PURSUANT TO THE LONG-TERM TAX EXEMPTION LAW,
N.J.S.A. 40A:20-1 ET SEQ.**

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”), authorizes municipalities to determine whether certain parcels of land in a municipality constitute areas in need of redevelopment, and to adopt a redevelopment plan for such areas, pursuant to which redevelopment projects are to be undertaken; and

WHEREAS, the Redevelopment Law confers certain contract, planning and financial powers upon a redevelopment entity, as defined in *N.J.S.A. 40A:12A-3*, in order to implement redevelopment plans adopted pursuant thereto; and

WHEREAS, the Borough of Sayreville (the “**Borough**”), in the County of Middlesex, State of New Jersey, has elected to exercise these redevelopment entity powers through its redevelopment entity, the Sayreville Economic and Redevelopment Agency (“**SERA**”), as permitted under *N.J.S.A. 40A:12A-1 et seq.*; and

WHEREAS, CP MD JERNEE MILL ROAD URBAN RENEWAL, LLC (the “**Entity**”), is the redeveloper of a portion of the property known as the Jernee Mill Road Redevelopment Area, specifically Block 58, Lot 9 (f/k/a Block 56, Lots 1.01 and 2.02; Block 57.02, Lot 1; Block 57.04, Lot 1; Block 57.05, Lot 1; Block 58, Lots 6 and 7) and Block 58, Lot 2.01 (f/k/a Block 56, Lot 2.01) on the Borough’s tax maps (together, the “**Project Area**”), which is located in an area previously designated by the Borough as an “area in need of redevelopment,” as that term is defined under the Redevelopment Law; and

WHEREAS, the Entity and SERA entered into a Redevelopment Agreement dated January 26, 2023 (the “**Redevelopment Agreement**”), pursuant to which, among other things, the Entity will redevelop the Project Area; and

WHEREAS, the Redevelopment Agreement contemplates a phased development, with the first phase being the construction of a cold storage warehouse building, with a total area of approximately 253,850 square feet, and associated parking, loading bays and trailer parking stalls (the “**Project**”) on a portion of the Project Area that shall be subdivided from the remainder of the Project Area (“**Phase One Property**”); and

WHEREAS, the Entity and the Borough entered into a Purchase Agreement dated November 30, 2023 (authorized by Ordinance #29-23) (“**Purchase Agreement**”), whereby the Borough agreed to sell the Project Area for purposes of cooperating with and facilitating the redevelopment of the Project Area, including the construction of the Project on the Phase One Property by the Entity, pursuant to the terms and conditions of the Purchase Agreement; and

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

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement, a copy of which is attached to the Application, establishing the rights, responsibilities and obligations of the Entity for the Project and the Phase One Property, which Financial Agreement has been revised through negotiations between the Borough and the Entity, and the form of a financial agreement acceptable to both the Borough and the Entity is attached hereto as Schedule A (the "**Financial Agreement**"); and

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF SAYREVILLE, NEW JERSEY AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Application and Financial Agreement are hereby approved.

Section 3. The Mayor is hereby authorized to execute the Financial Agreement substantially in the form attached hereto, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.

Section 4. The Clerk of the Borough is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Borough upon such document.

Section 5. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 6. This ordinance shall take effect in accordance with applicable law.

INTRODUCED/APPROVED ON FIRST READING

DATED:

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)
Borough of Sayreville

ADOPTED ON SECOND READING

DATED:

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)
Borough of Sayreville

APPROVAL BY THE MAYOR ON THIS ____ DAY OF _____, 2024.

Kennedy O'Brien, Mayor
Borough of Sayreville

APPROVED AS TO FORM:

Borough Attorney

EXHIBIT D
CERTIFICATE OF FORMATION OF THE ENTITY

NEW JERSEY DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES

CERTIFICATE OF FORMATION
CP MD JERNEE MILL ROAD LLC
0450816179

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 05/23/2022 and was assigned identification number 0450816179. Following are the articles that constitute its original certificate.

1. **Name:**
CP MD JERNEE MILL ROAD LLC
2. **Registered Agent:**
JEFFREY BASTOW
3. **Registered Office:**
32 MT KEMBLE AVE
MORRISTOWN, NEW JERSEY 07960
4. **Business Purpose:**
REAL ESTATE HOLDING & DEVELOPING
5. **Duration:**
PERPETUAL
6. **Effective Date of this Filing is:**
05/23/2022
7. **Members/Managers:**
JEFFREY BASTOW
14 COLCHESTER ROAD
NEW PROVIDENCE , NEW JERSEY 07974
8. **Main Business Address:**
32 MT KEMBLE AVE
MORRISTOWN , NEW JERSEY 07960

Signatures:

CHRISTINA COLAIACOVO
AUTHORIZED REPRESENTATIVE



Certificate Number : 4173879160

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
23rd day of May, 2022

A handwritten signature in cursive script, appearing to read "Elizabeth Maher Muoio".

Elizabeth Maher Muoio
State Treasurer



Brendan J. Kelly
Associate

Gibbons P.C.
One Gateway Center
Newark, NJ 07102-5310
Direct: 973-596-4771 Fax: 973-639-6289
bkelly@gibbonslaw.com

November 15, 2024

VIA REGULAR MAIL AND EMAIL

Pamela Weintraub
NJ Department of Community Affairs
Office of Local Planning Services
PO Box 813
Trenton, New Jersey 08625-0813

**Re: LLC to URE Conversion
CP MD Jernee Mill Road Urban Renewal LLC (formerly CP MD Jernee
Mill Road LLC)**

Dear Ms. Weintraub:

This firm represents CP MD Jernee Mill Road LLC, which is seeking approval to convert to an urban renewal entity with the name CP MD Jernee Mill Road Urban Renewal LLC. Enclosed herein is (1) an original copy of the executed Certificate of Amendment to the Certificate of Formation of CP MD Jernee Mill Road LLC, along with five (5) copies; (2) the Certificate of Formation of CP MD Jernee Mill Road LLC; and (3) an original copy of the executed URE Disclosure Form.

We ask that DCA approve the proposed amendment, and provide us with the approval form so that we can forward same to Treasury. If any other information or documentation is required, please let me know and I will get it to you as soon as possible. Thank you for your attention to this matter.

Sincerely,

Brendan J. Kelly

Enclosures

**CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF FORMATION OF CP MD JERNEE MILL ROAD LLC**

The undersigned, being authorized to execute and file this Amended Certificate of Formation, pursuant to the provisions of Title 42:2C, the Revised Uniform Limited Liability Company Act, and N.J.S.A. 40A:20-1 et seq., the New Jersey Long Term Tax Exemption Law, as amended, hereby certifies that:

1. Name of Limited Liability Company: CP MD Jernee Mill Road LLC
2. Identification Number: 0450816179
3. New Limited Liability Company Name: CP MD Jernee Mill Road Urban Renewal LLC
4. The Certificate of Formation of CP MD Jernee Mill Road LLC is amended as follows:

Paragraph 1 of the Certificate of Formation shall be amended in its entirety to read as follows:

The name of the limited liability company is CP MD Jernee Mill Road Urban Renewal LLC (hereinafter the "Company").

Paragraph 4 of the Certificate of Formation shall be amended in its entirety to read as follows:

(a) The purposes for which the Company is formed shall be to operate under P.L.1991, c.431 (C.40A:20-1 et seq.), and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects and, when authorized by financial agreement with the Borough of Sayreville (the "Borough"), to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvements in a single 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 a financial agreement with the Borough 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 and formed to serve a public purpose. The Company's operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced, or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to

regulation by the Borough, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to P.L.1991, c.431 (C.40A:20-1 et seq.).

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.) until it has first removed both itself and the project from all restrictions 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 Borough, which other urban renewal entity shall assume all contractual obligations of the Company under the financial agreement with the Borough. The Company shall file annually with the governing body of the Borough a disclosure of the persons having an ownership interest in the project, and the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself, provided that the transfer, if greater than ten percent (10%), is disclosed to the governing body of the Borough in the annual disclosure statement or in correspondence sent to the Borough in advance of the annual disclosure statement referred to above.

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

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

Paragraph 6 of the Certificate of Formation is hereby amended in its entirety to read as follows:

The Effective Date of the filing is the date upon which this Amendment is filed in the office of the Department of Treasury of New Jersey.

IN WITNESS WHEREOF, this Certificate of Amendment is executed this 14th day of November, 2024.

CP MD JERNEE MILL ROAD LLC


Name: Jeff Bastow
Title: Managing Member

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
OFFICE OF LOCAL PLANNING SERVICES
PO BOX 813
TRENTON, NEW JERSEY 08625-0813**

**URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION**

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609) 633-6056. This form must be completed prior to DCA approval of the entity. If you have any questions, please call Pamela Weintraub at (609) 913-4456 or email Pamela.Weintraub@dca.nj.gov.

Name of Urban Renewal Entity: CP MD Jernee Mill Road Urban Renewal LLC

SECTION 1: TYPE OF APPROVAL REQUESTED (check one):

- ☐ Original Certificate (of incorporation, limited partnership, formation, etc.)
- ☒ Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.
- ☐ Other (please specify) _____

SECTION 2: PROJECT INFORMATION

Project Name: Jernee Mill Road Redevelopment

Project Street Address: Jernee Mill Road

Project Block Number(s) 58 Project Lot Number(s) 9
58 2.01

Municipality in which the Project is located Sayreville

County in which the Project is located Middlesex

SECTION 3 (For project listed in SECTION 2. Check one.)

- ☒ This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.
- ☐ 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.
- ☐ 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.
- ☐ 4. This project consists of mixed uses (Specify type).
- ☐ Market rate and low and moderate income housing.
- ☐ Commercial and market rate housing.
- ☐ Commercial and low and moderate income housing.
- ☐ Other (please describe). _____

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**

If you checked 3, complete **SECTION 5, 6, and 7.**

If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

SECTION 4: REDEVELOPMENT PLAN INFORMATION

Name of Municipal Redevelopment Agency Sayreville Economic and Redevelopment Agency

Citation of municipal ordinance adopting the redevelopment plan 239-13

For housing projects, complete the following:

Specify type and number of units as applicable:

- ☐ Condominium units _____
- ☐ Market rate rental _____
- ☐ Low and moderate income in mixed use projects _____
- ☐ Senior citizen in mixed use projects _____
- ☐ Other (please specify) _____

Total number of units _____

SECTION 5: PROJECT FUNDING SOURCES

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

- ☒ Private funds (Please specify) Private funds from institutional lender
- ☐ State or Federal financing or insuring agencies (Please specify below)
- ☐ Other (Please specify) _____

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:

- ☐ Neighborhood Preservation Balanced Housing
- ☐ HOME – CHDO Production (Community Housing Development Organizations) Program
- ☐ HOME – Housing Production Investment Fund
- ☐ National Housing Trust Fund

NJ Redevelopment Authority:

- ☐ NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD):

- ☐ Section 811 Supportive Housing for Persons with Disabilities
- ☐ Section 202 Supportive Housing for the Elderly
- ☐ HOPE VI Grants
- ☐ HOME Program

US Department of Agriculture:

- ☐ Rural Resources Administration (formerly Farmers' Home Administration)

Other (Please specify):

NJ Housing and Mortgage Finance Agency:

- ☐ NJ Community Housing Demo Program (developmental disabilities)
- ☐ NJ Supportive Housing Connection Program
- ☐ CHOICE Program
- ☐ Special Needs Housing Partnership Program
- ☐ Multifamily Rental Housing Program
- ☐ Multifamily Conduit Bond Program
- ☐ Public Housing Construction and Permanent Loan Program
- ☐ Sandy Special Needs Housing Fund
- ☐ Rental Housing Incentive Finance Fund
- ☐ 100% Mortgage Program
- ☐ Urban Home Ownership Recovery Program
- ☐ Low-Income Housing Tax Credit Allocation Program
- ☐ Money Follows the Person Housing Partnership Program
- ☐ Section 811 Project Based Rental Assistance Program
- ☐ Fund for Restoration of Multifamily Housing (FRM)
- ☐ Fund for restoration of Multifamily Housing -Public Housing Authority Set -Aside

List the information of the State or Federal financing or insuring agency's contact person:

Name: _____

Title: _____

Department/Agency: _____

Address: _____

Telephone Number: _____

SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP (check all that apply)

- ☒ 1. The project is new construction.
- ☐ 2. An existing project is being rehabilitated.
If rehab, specify name of individual, entity, etc. who is the current owner of the project. _____

- ☐ 3. Ownership of an existing project is being transferred to the new urban renewal entity.

If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Non Profit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Has the project ever been subject to a deed restriction, as a limited dividend project, pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) _____

- ☒ 4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) No

SECTION 7: CERTIFICATION

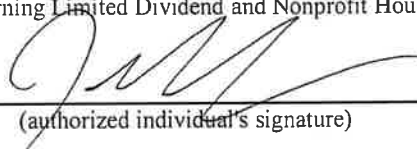
NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

CERTIFICATION

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of
(mo/day/year)

November 14, 2024
Laura A. Hill
(notary public/attorney)

X 
(authorized individual's signature)

Jeffrey Bastow, Managing Member
(print name of authorized individual)

LAURA A. HILL

NOTARY PUBLIC OF NEW JERSEY
My Commission No.: 2024116
My Commission Expires
from Jan 15, 2022 - Jan 15, 2027

Rev. 07/2022

EXHIBIT E

ANNUAL SERVICE CHARGE COMPUTATION

Annual Service Charge Computation			
<i>Greatest of:</i>			
Year (Commencing with the Date of Completion)	Amount Per SF	Percent of AGR	Percent of Conv. Taxes
Year 1	\$2.00	12%	0.00%
Year 2	\$2.00	12%	0.00%
Year 3	\$2.00	12%	0.00%
Year 4	\$2.00	12%	0.00%
Year 5	\$2.00	12%	0.00%
Year 6	\$2.04	12%	0.00%
Year 7	\$2.08	12%	0.00%
Year 8	\$2.12	12%	0.00%
Year 9	\$2.16	12%	0.00%
Year 10	\$2.21	12%	0.00%
Year 11	\$2.25	12%	0.00%
Year 12	\$2.30	12%	0.00%
Year 13	\$2.34	12%	0.00%
Year 14	\$2.39	12%	0.00%
Year 15	\$2.44	12%	0.00%
Year 16	\$2.49	12%	20.00%
Year 17	\$2.54	12%	20.00%
Year 18	\$2.59	12%	20.00%
Year 19	\$2.64	12%	20.00%
Year 20	\$2.69	12%	20.00%
Year 21	\$2.75	12%	20.00%
Year 22	\$2.80	12%	40.00%
Year 23	\$2.86	12%	40.00%
Year 24	\$2.91	12%	40.00%
Year 25	\$2.97	12%	40.00%
Year 26	\$3.03	12%	40.00%
Year 27	\$3.09	12%	40.00%
Year 28	\$3.15	12%	60.00%
Year 29	\$3.22	12%	60.00%
Year 30	\$3.28	12%	80.00%