

**FINANCIAL AGREEMENT  
BETWEEN  
BOROUGH OF SAYREVILLE  
AND  
PARLIN SECTION 1 URBAN RENEWAL, LLC**

**THIS FINANCIAL AGREEMENT** (this “**Agreement**”), made this \_\_\_ day of \_\_\_\_\_, 2024 (the “**Effective Date**”), by and between **PARLIN SECTION 1 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 300 Conshohocken State Road, Suite 250, West Conshohocken, PA 19428 (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**”).

**WITNESSETH:**

**WHEREAS**, on September 11, 2017, the Council of the Borough (“**Council**”) adopted Resolution #2017-261, which 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 50 South Minnisink Avenue, Block 14, Lot 3; Block 25.01, Lot 1; Block 40, Lot 1; Block 43, Lots 1 and 1.01; Block 44, Lot 1; Block 45, Lot 1; Block 46, Lot 1; Block 47, Lot 1; Block 48.01, Lots 1 and 2; Block 50, Lot 1; Block 51, Lot 2; Block 51.01, Lot 1; Block 51.02, Lot 1; Block 53, Lot 1; Block 53.01, Lot 1; Block 53.02, Lot 1; Block 57.01, Lot 1.01; and Block 83.04, Lot 1 (the “**Hercules Redevelopment Area**”) as a “Non-Condemnation Area in Need of Redevelopment;” and

**WHEREAS**, by that same resolution, the Council appointed the Sayreville Economic and Redevelopment Agency (“**SERA**”) as the redevelopment entity for the Hercules Redevelopment Area; and

**WHEREAS**, on May 22, 2018, by Ordinance #410-18 the Council adopted the Hercules Redevelopment Plan dated December 13, 2017 (the “**Hercules Redevelopment Plan**”); and

**WHEREAS**, on or about September, 2021, the Entity entered into a redevelopment agreement with SERA governing the Entity’s redevelopment of a portion of the Hercules Redevelopment Area identified as more specifically described on legal description attached hereto as Exhibit A (“**Project Site**” or “**Property**”) pursuant to the Hercules Redevelopment Plan (the “**Redevelopment Agreement**”) and pursuant to which the Entity will construct, or cause to be constructed thereon, 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 May, 2022 (the “**Application**”) seeking a long-term tax exemption for the Project Site pursuant to the LTTE Law and approval of this Agreement; 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 three (3) new industrial warehouses totaling approximately one million 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 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). Annual gross revenue shall exclude, without limitation, (i) tenant reimbursements to the landlord of actual operating expenses under a triple net 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. 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) with respect to any building, portion, or Phase of the Project.

**Cure Period** – As defined in Section 9.2 of this Agreement.

**Date of Completion** – The date of issuance of a Certificate of Occupancy for any building, portion, or Phase of 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 Project Site, or part thereof, exclusive of the value of any Project Improvements for which the exemption is in effect for a respective phase, 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 Project Site, or part thereof for which the exemption is in effect for a respective phase, 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 all real property in the area covered by the Project, or the phase of the Project for which the exemption is in effect, in the last full tax year in which the Project Site was subject to taxation. 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).

**Phase(s)** - The staged components of the Project as set forth in the Redevelopment Agreement.

**Project** – As defined in Section 2.3.

**Project Improvements** - All buildings, structures, improvements and amenities on the Project Site, including but not limited to internal roadways necessary for the implementation and Completion of the Project on the Property Site, 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 Project Site; (ii) procurement of all applicable approvals for all Project Improvements on the Project Site; and (iii) financing, design, construction and Completion of all Project Improvements on the Project Site; (collectively, (i) – (iii), the “**Project**”). The Entity represents that it will construct or cause to be constructed the Project Improvements on the Project Site, in accordance with the Redevelopment Plan and the Redevelopment Agreement which Project Improvements include three (3) warehouse / distribution buildings: Building #1 - 284,341 S. F., Building #2 - 341,833\_S.F. & Building #3 – 451,602\_S.F.

**Section 2.4 Project Schedule and Force Majeure.**

(i) The Entity agrees to diligently undertake to commence redevelopment of the Project Site 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 it is the owner of the Project Site. The Entity represents that upon completion, the Project, including all land and improvements, shall be used, managed and operated for the purposes set forth in the Application, in accordance with the Redevelopment Plan and all Applicable Laws.

**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 2.1 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 fifty (50) years from the execution of this Agreement if the Project is implemented in Phases or (ii) thirty (30) years from the Commencement Date with respect to any individual building, portion, or Phase of the Project, 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 Project Site 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 completion of the Project 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 greater of:

a. eleven percent (11%) of Annual Gross Revenue for years 1-5; twelve percent (12%) of Annual Gross Revenue for years 6-10, thirteen percent (13%) of Annual Gross Revenue for years 11-15, fourteen percent (14%) of Annual Gross Revenue for years 16-20; fifteen percent (15%) of Annual Gross Revenue for years 21-25; and sixteen percent (16%) of Annual Gross Revenue for years 26-30.

b. the dollar per square foot (\$/s.f.) amounts set forth on Schedule E multiplied by the square footage of the buildings; 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 Phase has been completed. If there has not been a subdivision, as the Phases of the Project will become exempt on different dates, the Land Tax Credit will be based upon the proportionate share of Land Taxes attributable to the Phase on which the Project Improvements have been completed based on the size of the portion of the Project/Phase with respect to which a Certificate of Occupancy has issued. The balance of the Land Taxes attributable to the Property will be paid conventionally until an additional Phase is completed causing additional Land Tax Credit to be applied to the Annual Service Charge attributable to that later Phase.



(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 Improvement for any Phase relating to any period prior to the commencement of the Annual Service Charge for the applicable Phase.

**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 91<sup>st</sup> 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 excluded in the financial agreement as provided for in N.J.S.A. 40A:20-3(h).

**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 Consent to Assignment of Tax Exemption.** It may be necessary for Phases of the Project to be owned by separate urban renewal entities that are affiliates of the Entity. Upon notice to the Borough, the Entity may separately assign its interest under this Agreement with respect to a Phase to such urban renewal entity(ies) provided: (i) the assignee entity does not own or lease any other project subject to LTTE Law at the time of transfer; (ii) the assignee entity is formed and eligible to operate under the LTTE Law as to such Phase; (iii) the Entity is not then in Default of this Agreement or the LTTE Law; (iv) the Entity's obligations under this Agreement as to such Phase are fully assumed by the assignee entity; and (v) the assignee entity agrees to all terms and conditions of this Agreement as to such Phase. Upon the request of Entity or its successor in interest, Borough will enter into a separate financial agreement as to such Phase, modeled on this Agreement, with such separate urban renewal entity, setting forth the terms of the tax exemption established hereby, and will amend this Agreement to remove such Phase from the ambit of same.

**Section 8.4 Subdivision.** In the event that the Entity subdivides a portion or Phase of the Project, the Borough agrees that the benefits of this Financial Agreement with respect to such subdivided parcel shall continue to inure to such parcel or Phase, 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.

(a) 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.

(b) 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.

(c) 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.

## **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 nondefaulting 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 nondefaulting 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:

Parlin Section 1 Urban Renewal, LLC  
c/o TC NE Metro Development, Inc.  
300 Conshohocken State Road, Suite 250  
West Conshohocken, PA 19428  
Attention: Andrew J. Mele, Vice President

with copies to:

Giordano, Halleran & Ciesla, P.C.  
125 Half Mile Road, Suite 300  
Red Bank, NJ 07701  
Attention: Steven P. Gouin, 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, the Borough agrees to provide such mortgagee 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. Metes and Bounds Description of Project Site
- B. The Application with Exhibits
- C. Ordinance approving Financial Agreement
- D. Certificate of Formation of the Entity
- E. Annual Service Charge Per Square Foot of Project

The signature page follows.

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

**PARLIN SECTION 1 URBAN  
RENEWAL, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BOROUGH OF SAYREVILLE**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE E**

| Maximum of: |                   |                  |                           |
|-------------|-------------------|------------------|---------------------------|
|             | Percent<br>of AGR | Amount<br>Per SF | Percent of<br>Conv. Taxes |
| Year 1      | 11.00%            | \$1.95           | 0.00%                     |
| Year 2      | 11.00%            | \$2.01           | 0.00%                     |
| Year 3      | 11.00%            | \$2.07           | 0.00%                     |
| Year 4      | 11.00%            | \$2.13           | 0.00%                     |
| Year 5      | 11.00%            | \$2.19           | 0.00%                     |
| Year 6      | 12.00%            | \$2.26           | 0.00%                     |
| Year 7      | 12.00%            | \$2.33           | 0.00%                     |
| Year 8      | 12.00%            | \$2.40           | 0.00%                     |
| Year 9      | 12.00%            | \$2.47           | 0.00%                     |
| Year 10     | 12.00%            | \$2.54           | 0.00%                     |
| Year 11     | 13.00%            | \$2.62           | 0.00%                     |
| Year 12     | 13.00%            | \$2.70           | 0.00%                     |
| Year 13     | 13.00%            | \$2.78           | 0.00%                     |
| Year 14     | 13.00%            | \$2.86           | 0.00%                     |
| Year 15     | 13.00%            | \$2.95           | 0.00%                     |
| Year 16     | 14.00%            | \$3.04           | 20.00%                    |
| Year 17     | 14.00%            | \$3.13           | 20.00%                    |
| Year 18     | 14.00%            | \$3.22           | 20.00%                    |
| Year 19     | 14.00%            | \$3.32           | 20.00%                    |
| Year 20     | 14.00%            | \$3.42           | 20.00%                    |
| Year 21     | 15.00%            | \$3.52           | 20.00%                    |

|         |        |        |        |
|---------|--------|--------|--------|
| Year 22 | 15.00% | \$3.63 | 40.00% |
| Year 23 | 15.00% | \$3.74 | 40.00% |
| Year 24 | 15.00% | \$3.85 | 40.00% |
| Year 25 | 15.00% | \$3.96 | 40.00% |
| Year 26 | 16.00% | \$4.08 | 40.00% |
| Year 27 | 16.00% | \$4.21 | 40.00% |
| Year 28 | 16.00% | \$4.33 | 60.00% |
| Year 29 | 16.00% | \$4.46 | 60.00% |
| Year 30 | 16.00% | \$4.60 | 80.00% |

Docs #6358280-v1

5 January 2021  
Revised 8 June 2022  
130101901

**WRITTEN DESCRIPTION  
SECTION 1  
BLOCK 40, LOT 1, PORTION OF BLOCK 83.04, LOT 1, PORTION OF BLOCK 43, LOT 1,  
PORTION OF BLOCK 44, LOT 1, AND PORTION OF BLOCK 45, LOT 1  
BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY**

---

Beginning at a point where the westerly right-of-way line of Minnisink Avenue (A.K.A. Minisink Avenue, 40 foot wide per tax map) is intersected by the division line between lands now or formerly of Hercules Powder Company, described in Deed Book 1804, Page 232, (Block 83.04, Lot 1) and lands now or formerly of the Borough of Sayreville (Block 83.01, Lot 1) and from said beginning point running; thence

1. Along said westerly line, South 15°09'25" East, a distance of 38.65 feet to a point; thence
2. Continuing along same, South 06°27'25" East, a distance of 11.85 feet to an iron pipe found; thence along the southwesterly line of Cheesequake Road (variable width per tax map), the following five courses, 24.75 feet southwesterly of centerline described in a boundary agreement in Deed Book 1592 at Page 590:
  3. South 70°01'53" East, a distance of 429.27 feet to a point of curvature; thence
  4. Along a curve to the left having a radius of 980.12 feet, an arc length of 411.12 feet, a central angle of 24°02'00", a chord bearing South 82°02'53" East, and a chord length of 408.11 feet to a nail found at a point of tangency; thence
  5. North 85°56'07" East, a distance of 185.25 feet to a pin and cap found (French & Parrello) at a point of curvature; thence
  6. Along a curve to the right having a radius of 496.92 feet, an arc length of 180.11 feet, a central angle of 20°46'00" a chord bearing South 83°40'53" East, and a chord length of 179.12 feet to an iron pipe found at a point of tangency; thence
7. South 73°17'53" East, a distance of 597.62 feet to a point; thence along a new line through lands now or formerly of Hercules Powder Company the following twenty-two courses, the first three of which run along the northerly line of a lease in favor of E. I. Du Pont De Nemours and Company set forth in Deed Book 2555, Page 649:
  8. South 16°42'07" West, a distance of 310.78 feet to a point; thence
  9. South 44°43'11" West, a distance of 742.50 feet to a point; thence

10. South 21°53'12" East, a distance of 70.81 feet to a point; thence
11. South 78°40'41" West, a distance of 613.70 feet to a point; thence
12. South 29°15'38" East, a distance of 88.04 feet to a point; thence
13. South 32°26'53" West, a distance of 728.79 feet to a point; thence
14. South 62°31'59" West, a distance of 76.73 feet to a point; thence
15. South 68°47'35" West, a distance of 182.99 feet to a point; thence
16. South 49°00'04" West, a distance of 125.89 feet to a point; thence
17. North 40°59'56" West, a distance of 1088.06 feet to a point; thence
18. North 62°02'07" East, a distance of 25.66 feet to a point; thence
19. North 40°59'06" West, a distance of 69.83 feet to a point of curvature; thence
20. Along a curve to the right having a radius of 80.00 feet, an arc length of 153.42 feet, a central angle of 109°52'44", a chord bearing North 13°56'26" East, and a chord length of 130.97 feet to point of tangency; thence
21. North 68°52'48" East, a distance of 72.96 feet to a point; thence
22. North 44°12'20" East, a distance of 153.69 feet to a point; thence
23. North 23°02'56" West, a distance of 41.09 feet to a point; thence
24. North 24°59'59" East, a distance of 99.50 feet to a point; thence
25. North 26°27'12" West, a distance of 105.51 feet to a point; thence
26. North 07°26'58" West, a distance of 63.48 feet to a point; thence
27. North 40°57'05" West, a distance of 146.58 feet to a point; thence
28. North 73°42'00" West, a distance of 55.66 feet to a point; thence
29. North 14°18'26" West, a distance of 162.86 feet to a point in the line of lands now or formerly of the Borough of Sayreville; thence
30. Along the same, North 44°22'35" East, a distance of 259.48 feet to an iron pin with cap found; thence

31. Along the same, North 61°40'35" East, a distance of 473.65 feet to an iron rod found; thence
32. Along the same, North 54°34'35" East, a distance of 325.54 feet to the point of Beginning.

Encompassing an area of 3,392,046 square feet or 77.8706 acres of land, more or less.

The above description was prepared in accordance with a plan entitled, "Major Subdivision Plat, Arsenal Trade Center – Section 1, Block No. 83.04, Lot No. 1; Block No. 40, Lot No. 1; Block No. 43, Lot No. 1; Block No. 44, Lot No. 1; Block 45, Lot No. 1; Borough of Sayreville, Middlesex County, New Jersey", prepared by Langan Engineering and Environmental Services, Inc., Drawing No. CB101, dated December 18, 2020, revised May 9, 2022 and filed in the Middlesex County Clerk's Office on June 2, 2022 as File No. 989, Map No. 6957.

 6/8/22

David R. Avery  
Professional Land Surveyor  
New Jersey License No. 24GS03964600

NJ Certificate of Authorization No. 24GA27996400

\\langan.com\lans\lawa\cetero\130101901\Survey Data - 130101901\Office Data\Descriptions\130101901 Section 1 Written Description.docx

**LANGAN**



Exhibit B

**WILENTZ**  
—ATTORNEYS AT LAW—

LAURIE E. MEYERS, ESQ.

T: 732.855.6065  
F: 732.726.6597  
lmeyers@wilentz.com

90 Woodbridge Center Drive  
Suite 900 Box 10  
Woodbridge, NJ 07095-0958  
732.636.8000

May 3, 2022

*Via Overnight Delivery*

Mayor Victoria Kilpatrick  
Borough of Sayreville  
167 Main Street  
Sayreville, New Jersey 08872

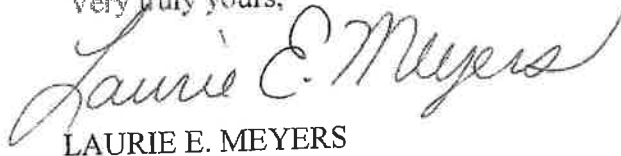
Re: Long Term Tax Exemption Application  
Parlin Section 1 Urban Renewal, LLC

Dear Mayor Kilpatrick:

Enclosed please find the Long Term Tax Exemption Application submitted on behalf of Parlin Section 1 Urban Renewal LLC ("Applicant") pursuant to N.J.S.A. 40A:20-8.

Should you have any questions in connection with this application, please have your attorneys contact me at (732) 855-6065.

Very truly yours,

  
LAURIE E. MEYERS

LEM/cc  
Enclosure

cc: Michael J. Baker (via email)  
Dave Samuel (via email)  
Andrew Mele (via email)  
John Pollock (via email)

# APPLICATION FOR TAX ABATEMENT / EXEMPTION

Name of Applicant

Parlin Section 1 Urban Renewal, LLC

BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX  
OFFICE OF THE MAYOR

SAYREVILLE, NEW JERSEY 08872

Address of Applicant

c/o TC NE Metro Development, Inc.  
300 Conshohocken State Road  
Suite 250  
West Conshohocken, PA 19428

Address of Project Site

Block 43, Lot 1  
Block 44, Lot 1  
Block 83.04, Lot 1  
Block 40, Lot 1  
Block 45, Lot 1

**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.)
- 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:** Parlin Section 1 Urban Renewal, LLC
2. **Address of Applicant:** 300 Conshohocken State Road, Suite 250  
West Conshohocken, PA 19428
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**

**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"):

Block 43, Lot 1  
Block 44, Lot 1  
Block 83.04, Lot 1  
Block 40, Lot 1

Block 45, Lot 1

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

- Block 43, Lot 1
- Block 44, Lot 1
- Block 83.04, Lot 1
- Block 40, Lot 1
- Block 45, Lot 1

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

| <u>BLOCK</u>                                     | <u>LOT</u> | <u>LAND</u>  | <u>IMPROVEMENTS</u> | <u>TOTAL</u> |
|--|------------|--------------|---------------------|--------------|
| 43<br>Additional<br>Blocks 40, 44,<br>45 & 83.04 | 1          | \$14,143,400 | 2,879,900           | 17,023,300   |

b. Current Tax Status

| <u>BLOCK</u>  | <u>LOT</u> | <u>REAL PROPERTY<br/>BALANCE</u> | <u>WATER/SEWER</u>          | <u>TOTAL</u> |
|---|------------|----------------------------------|-----------------------------|--------------|
| 43<br>Additional<br>Blocks 40,<br>44, 45 &<br>83.04 | 1          | \$0                              | \$33,937.94<br>(due 5/5/22) | \$33,937.94  |

**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.**

The project is located in the Hercules Redevelopment Plan Area and will consist of the construction of three (3) new commercial warehouses totaling in excess of 1 million square feet as follows:

- (a) Proposed Building #1: 284,341 +/- SF (proposed lot area: 19.03 ac.), with trailer parking stalls; loading dock stalls; and car parking stalls;
- (b) Proposed Building #2: 341,833 +/- SF (proposed lot area: 22.2 ac.), with trailer parking

stalls; two separate loading dock stalls (104 total loading dock stalls); car parking stalls; and

(c) Proposed Building #3: 451,602 +/- SF (proposed lot area: 32.70 ac.), with trailer parking stalls; loading dock stalls; and car 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.**

Within one hundred twenty\_ (120) days of the Effective Date, Redeveloper shall submit a complete application for preliminary and final site plan approval to the Planning Board, as applicable, and shall use commercially reasonable efforts to obtain final and unappealable site plan approval (i.e., the 45 day appeal period commencing upon publication of the memorializing resolution shall have run) ("Site Plan Approval").

Within one hundred twenty (120) days of Site Plan Approval, Redeveloper shall submit all other applications for Development Approvals necessary for the Project.

Within ninety (90) of receipt of all Development Approvals, Redeveloper shall acquire the Property.

Within sixty (60) days after acquisition of the Property and receipt of building permits, Redeveloper shall commence construction of Phase 1.

Within eighteen (18) months after commencement of construction of Phase 1, Redeveloper shall substantially complete Phase 1.

Within three (3) months after full occupancy\*\* of the Phase 1, Redeveloper shall commence construction of Phase 2.

Within eighteen (18) months after commencement of construction of Phase 2, Redeveloper shall substantially complete Phase 2.

Within three (3) months after full occupancy\*\* of the Phase 2, Redeveloper shall commence construction of Phase 3.

Within eighteen (18) months after commencement of construction of Phase 3, Redeveloper shall substantially complete Phase 3.

The Project will be complete no later than six (6) years from the commencement of the construction of Phase 1 subject to Unavoidable Delays.

\* All time frames are subject to Unavoidable Delays.

\*\* "Full Occupancy" is defined as ninety percent (90%) occupancy.

**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 Hercules 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:  
Parlin Section I Urban Renewal, LLC

Principal place of business: c/o TC NE Metro Development, Inc.  
300 Conshohocken State Road  
Suite 250  
West Conshohocken, PA 19428

- 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:

Corporation Service Company  
100 Princeton South Corporate Center  
Suite 160  
Ewing, NJ 08628

- c. Incorporated in the State of Delaware

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.

| <u>Name of Owner(s)</u> | <u>Address</u>   | <u>Percent Owned</u> |
|-------------------------|--|----------------------|
| Parlin Industrial LLC   | 300 Conshohocken State Rd.<br>Suite 250<br>West Conshohocken, PA 19428 | 100%                 |

**SECTION F: FINANCIAL AGREEMENT**

15. Provide a proposed financial agreement.  
See attached Exhibit G.

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.

**PARLIN SECTION 1 URBAN RENEWAL, LLC**

By:   
Signature

ANDREW J. WELE, Vice President  
Print Name and Title

5.02.2022  
Date

EXHIBIT A

Certificate of Formation and  
Evidence of DCA Approval



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

PHILIP D. MURPHY  
*Governor*

LT. GOVERNOR SHEILA Y. OLIVER  
*Commissioner*


DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
RE: PARLIN SECTION 1 URBAN RENEWAL, LLC  
File # 2890  
An Urban Renewal Entity

This is to certify that the CERTIFICATE OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this *23<sup>rd</sup>* day of *November* 20*20* at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
Sean Thompson, Director  
Local Planning Services



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New Jersey Department of the Treasury  
Division of Revenue  
Registration of Foreign Limited Liability Company

This form may be used to obtain authorization for a foreign Limited Liability Company to conduct business in New Jersey, pursuant to New Jersey State law. Applicants must insure strict compliance with N.J.S.A. 42, the New Jersey Limited Liability Company Act, and insure that all applicable filing requirements are met. This form is intended to simplify filing with the STATE OFFICE. Applicants are advised to seek out private legal assistance before submitting filings to the STATE'S OFFICE.

1. Name of Limited Liability Company:  
Parlin Section 1 Urban Renewal, LLC
2. Main Business or Principal Business Address:  
2100 McKinney Ave, Ste 800, Dallas, TX 75201
3. The purpose for which this Limited Liability Company is organized is:  
real estate development
4. Limited Liability Company State:  
Delaware
5. Original Date of formation:  
September 9, 2020
6. Registered Agent Name & Address (must be in NJ):  
Corporation Service Company, 100 Princeton South Corporate Center, Suite 160, Ewing, NJ 08628
7. Date Limited Liability Company intends to start business activity in NJ:
8. Other provisions (list below or attach to certificate):  
see attached Exhibit A

The undersigned represent(s) that this Limited Liability Company has been formed under the laws of the state of origin and continues to exist as an active, valid Limited Liability Company or registered Limited Liability Partnership in that state. The undersigned also attest(s) that they are authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A. 42.

Name:

  
RALPH RODAK

Date: September 16, 2020

PARLIN SECTION 1 URBAN RENEWAL, LLC  
Exhibit A  
TO REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

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

2. a. So long as the entity is obligated under financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

b. The entity has been organized to serve a public purpose, and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents to be displaced by redevelopment or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment location housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

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

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

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

## EXHIBIT B

### Metes and Bounds Description

# LANGAN

Technical Excellence  
Practical Experience  
Client Responsiveness

5 January 2021  
Revised 11 March 2021  
130101901

#### WRITTEN DESCRIPTION SECTION 1

#### **BLOCK 40, LOT 1, PORTION OF BLOCK 83.04, LOT 1, PORTION OF BLOCK 43, LOT 1, PORTION OF BLOCK 44, LOT 1, AND PORTION OF BLOCK 45, LOT 1 BOROUGH OF SAYREVILLE MIDDLESEX COUNTY, NEW JERSEY**

Beginning at a point where the westerly right-of-way line of Minnisink Avenue (A.K.A. Minisink Avenue, 40 foot wide per tax map) is intersected by the division line between lands now or formerly of Hercules Powder Company, described in Deed Book 1804, Page 232, (Block 83.04, Lot 1) and lands now or formerly of the Borough of Sayreville (Block 83.01, Lot 1) and from said beginning point running; thence

1. Along said westerly line, South 15°09'25" East, a distance of 38.65 feet to a point; thence
2. Continuing along same, South 06°27'25" East, a distance of 11.85 feet to an iron pipe found; thence along the southwesterly line of Cheesequake Road (variable width per tax map), the following five courses, 24.75 feet southwesterly of centerline described in a boundary agreement in Deed Book 1592 at Page 590:
  3. South 70°01'53" East, a distance of 429.27 feet to a point of curvature; thence
  4. Along a curve to the left having a radius of 980.12 feet, an arc length of 411.12 feet, a central angle of 24°02'00", a chord bearing South 82°02'53" East, and a chord length of 408.11 feet to a nail found at a point of tangency; thence
  5. North 85°56'07" East, a distance of 185.25 feet to a pin and cap found (French & Parrello) at a point of curvature; thence
  6. Along a curve to the right having a radius of 496.92 feet, an arc length of 180.11 feet, a central angle of 20°46'00" a chord bearing South 83°40'53" East, and a chord length of 179.12 feet to an iron pipe found at a point of tangency; thence
  7. South 73°17'53" East, a distance of 597.62 feet to a point; thence along a new line through lands now or formerly of Hercules Powder Company the following twenty-two courses, the first three of which run along the northerly line of a lease in favor of E. I. Du Pont De Nemours and Company set forth in Deed Book 2555, Page 649:
    8. South 16°42'07" West, a distance of 310.78 feet to a point; thence
    9. South 44°43'11" West, a distance of 742.50 feet to a point; thence

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10. South 21°53'12" East, a distance of 70.81 feet to a point; thence
11. South 78°40'41" West, a distance of 613.70 feet to a point; thence
12. South 29°15'38" East, a distance of 88.04 feet to a point; thence
13. South 32°26'53" West, a distance of 728.79 feet to a point; thence
14. South 62°31'59" West, a distance of 76.73 feet to a point; thence
15. South 68°47'35" West, a distance of 182.99 feet to a point; thence
16. South 49°00'04" West, a distance of 125.89 feet to a point; thence
17. North 40°59'56" West, a distance of 1088.06 feet to a point; thence
18. North 62°02'07" East, a distance of 25.66 feet to a point; thence
19. North 40°59'06" West, a distance of 69.83 feet to a point of curvature; thence
20. Along a curve to the right having a radius of 80.00 feet, an arc length of 153.42 feet, a central angle of 109°52'44", a chord bearing North 13°56'26" East, and a chord length of 130.97 feet to point of tangency; thence
21. North 68°52'48" East, a distance of 72.96 feet to a point; thence
22. North 44°12'20" East, a distance of 153.69 feet to a point; thence
23. North 23°02'56" West, a distance of 41.09 feet to a point; thence
24. North 24°59'59" East, a distance of 99.50 feet to a point; thence
25. North 26°27'12" West, a distance of 105.51 feet to a point; thence
26. North 07°26'58" West, a distance of 63.48 feet to a point; thence
27. North 40°57'05" West, a distance of 146.58 feet to a point; thence
28. North 73°42'00" West, a distance of 55.66 feet to a point; thence
29. North 14°18'26" West, a distance of 162.86 feet to a point in the line of lands now or formerly of the Borough of Sayreville; thence
30. Along the same, North 44°22'35" East, a distance of 259.48 feet to an iron pin with cap found; thence

**LANGAN**

31. Along the same, North 61°40'35" East, a distance of 473.65 feet to an iron rod found;  
thence

32. Along the same, North 54°34'35" East, a distance of 325.54 feet to the point of  
Beginning.

Encompassing an area of 3,392,046 square feet or 77.8706 acres of land, more or less.

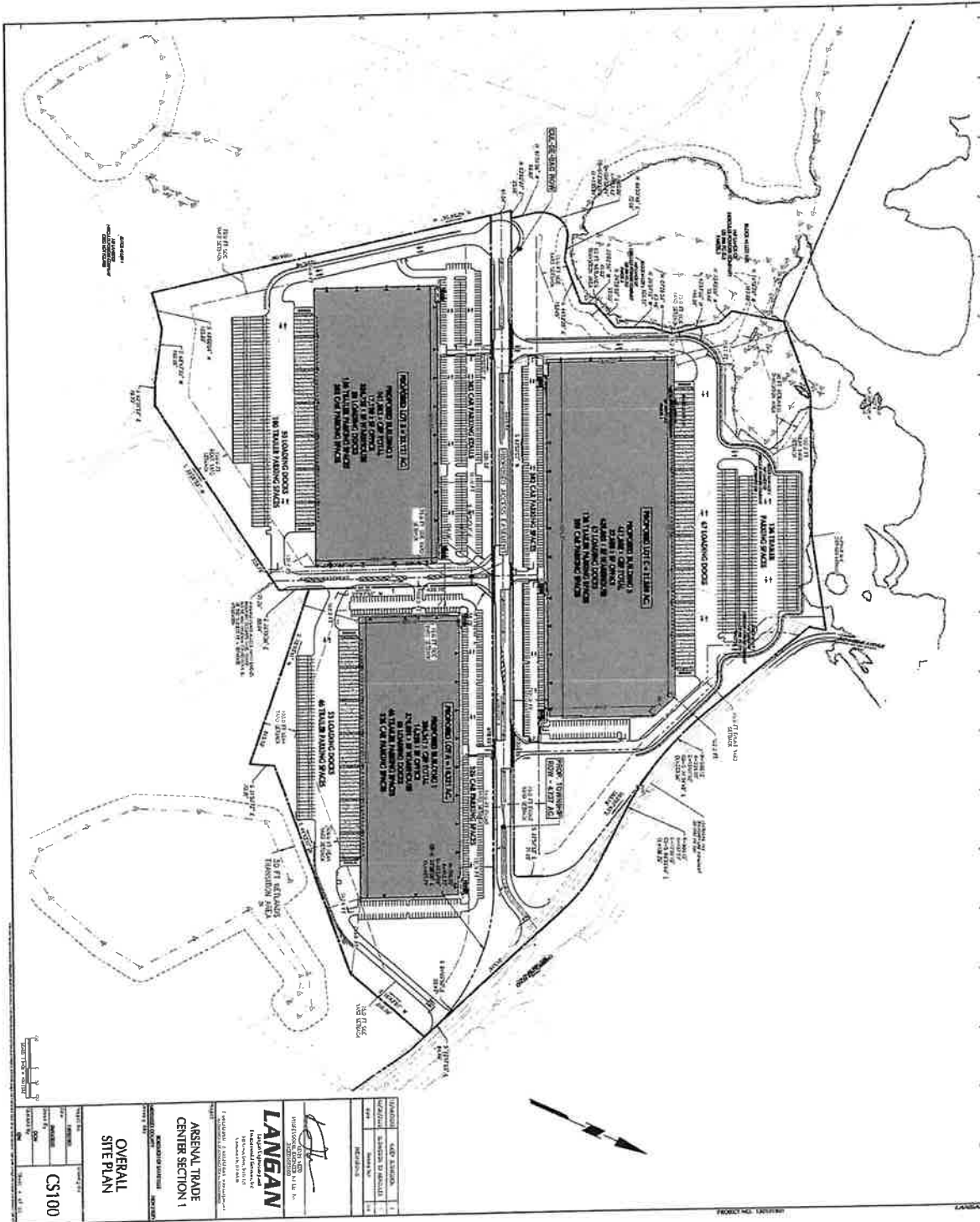
The above description was prepared in accordance with a plan entitled, "Major Subdivision Plat, Hercules Redevelopment – Section 1, Block No. 83.04, Lot No. 1; Block No. 40, Lot No. 1; Portion of Block No. 43, Lot No. 1; Portion of Block No. 44, Lot No. 1; Portion of Block 45, Lot No. 1; Borough of Sayreville, Middlesex County, New Jersey", prepared by Langan Engineering and Environmental Services, Inc., Drawing No. CB101, dated December 18, 2020.

---

David R. Avery  
Professional Land Surveyor  
New Jersey License No. 24GS03964600

# EXHIBIT C

## Plans, Drawings and other Documents to Demonstrate the Structure and Design of the Proposed Project



**EXHIBIT D**

Total Project Cost

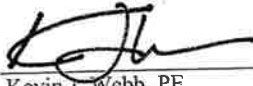
Total Project Cost<sup>1</sup> (N.J.S.A. 40A:20-3(h), as amended)

|  |                       |
|--|-----------------------|
| (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                       | <b>\$ 40,750,000</b>  |
| (2) Architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project  | <b>\$ 6,035,825</b>   |
| (3) Surveying and testing charges in connection therewith (including permits and other similar fees)   | <b>\$ 8,077,180</b>   |
| (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 | <b>\$ 137,053,078</b> |
| (5) Insurance, interest and finance costs during construction  | <b>\$ 9,180,541</b>   |
| (6) Costs of obtaining initial permanent financing   | <b>\$ 1,722,931</b>   |
| (7) Commissions and other expenses paid or payable in connection with initial leasing  | <b>\$ 9,097,594</b>   |
| (8) Real estate taxes and assessments during the construction period   | <b>\$ 1,289,835</b>   |
| (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>   | <b>\$ 5,837,497</b>   |
| <b>TOTAL:</b>  | <b>\$ 219,044,481</b> |

<sup>1</sup> The costs were formatted for each line items listed above in a manner consistent with the categories of cost set forth in the Exemption Law, based on Pro Forma Control Sheet.

**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 Redeveloper is a reasonable estimate of Total Project Costs.

By:   
Kevin J. Webb, PE  
NJ License No. 24GE04075100



**EXHIBIT E**

Fiscal Plan

See attached.

|   | Fiscal Plan        |                |                |                |                |                |                |                |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 1<br>2022          | 2<br>2023      | 3<br>2024      | 4<br>2025      | 5<br>2026      | 6<br>2027      | 7<br>2028      | 8<br>2029      |
| Rental income                           | \$ 12,791,142      | \$ 13,110,920  | \$ 13,438,693  | \$ 13,774,660  | \$ 14,119,027  | \$ 14,472,003  | \$ 14,833,803  | \$ 15,204,648  |
| Other income                            | 3,718,327          | 3,811,285      | 3,906,568      | 4,004,232      | 4,104,337      | 4,206,946      | 4,312,120      | 4,419,923      |
| Total revenues                          | 16,509,469         | 16,922,205     | 17,345,261     | 17,778,892     | 18,223,364     | 18,678,948     | 19,145,922     | 19,624,570     |
| Payroll and benefits                    | -                  | -              | -              | -              | -              | -              | -              | -              |
| Management fee                          | 319,779            | 327,773        | 335,967        | 344,367        | 352,976        | 361,800        | 370,845        | 380,116        |
| Ground lease expense                    | -                  | -              | -              | -              | -              | -              | -              | -              |
| Advertising                             | 5,000              | 5,050          | 5,101          | 5,152          | 5,203          | 5,255          | 5,308          | 5,361          |
| Utilities                               | 1,250,000          | 1,281,250      | 1,313,281      | 1,346,113      | 1,379,766      | 1,414,260      | 1,449,617      | 1,485,857      |
| Repairs and maintenance                 | 250,000            | 250,000        | 250,000        | 250,000        | 250,000        | 250,000        | 250,000        | 250,000        |
| Vacancy/Collection Loss                 | 825,473            | 846,110        | 867,263        | 888,945        | 911,168        | 933,947        | 957,296        | 981,229        |
| Insurance                               | 70,000             | 70,700         | 71,407         | 72,121         | 72,842         | 73,571         | 74,306         | 75,049         |
| Other operating expenses                | 500,000            | 512,500        | 525,313        | 538,445        | 551,906        | 565,704        | 579,847        | 594,343        |
| Interest expense                        | 9,357,320          | 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320      |
| Amortization of total project costs     | 7,301,483          | 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483      |
| Audit fees                              | 15,000             | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         |
| Admin. fees                             | 33,019             | 33,844         | 34,691         | 35,558         | 36,447         | 37,358         | 38,292         | 39,249         |
| P.L.O.T tax                             | 1,650,947          | 1,692,221      | 1,734,526      | 1,777,889      | 1,822,336      | 1,867,895      | 1,914,592      | 1,962,457      |
| Total Expenses                          | 21,578,020         | 21,693,251     | 21,811,351     | 21,932,392     | 22,056,447     | 22,183,593     | 22,313,905     | 22,447,463     |
| Net income (loss)                       | \$ (5,068,551)     | \$ (4,771,045) | \$ (4,466,090) | \$ (4,153,500) | \$ (3,833,083) | \$ (3,504,644) | \$ (3,167,983) | \$ (2,822,893) |
| <b>Annual Service Charge Projection</b> |                    |                |                |                |                |                |                |                |
| Annual Service Charge                   | 1,650,947          | 1,692,221      | 1,734,526      | 1,777,889      | 1,822,336      | 1,867,895      | 1,914,592      | 1,962,457      |
| <b>Total Project Costs</b>              | <b>219,044,481</b> |                |                |                |                |                |                |                |

|                |                |                |                |               |               |               |               |               |               |               |
|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 9              | 10             | 11             | 12             | 13            | 14            | 15            | 16            | 17            | 18            | 19            |
| 2030           | 2031           | 2032           | 2033           | 2034          | 2035          | 2036          | 2037          | 2038          | 2039          | 2040          |
| \$ 15,584,764  | \$ 15,974,383  | \$ 16,373,743  | \$ 16,783,086  | \$ 17,202,663 | \$ 17,632,730 | \$ 18,073,548 | \$ 18,525,387 | \$ 18,988,521 | \$ 19,463,234 | \$ 19,949,815 |
| 4,530,421      | 4,643,681      | 4,759,773      | 4,878,768      | 5,000,737     | 5,125,755     | 5,253,899     | 5,385,246     | 5,519,878     | 5,657,875     | 5,799,321     |
| 20,115,185     | 20,618,064     | 21,133,516     | 21,661,854     | 22,203,400    | 22,758,485    | 23,327,447    | 23,910,633    | 24,508,399    | 25,121,109    | 25,749,137    |
| 389,619        | 399,360        | 409,344        | 419,577        | 430,067       | 440,818       | 451,839       | 463,135       | 474,713       | 486,581       | 498,745       |
| 5,414          | 5,468          | 5,523          | 5,578          | 5,634         | 5,690         | 5,747         | 5,805         | 5,863         | 5,922         | 5,981         |
| 1,523,004      | 1,561,079      | 1,600,106      | 1,640,108      | 1,681,111     | 1,723,139     | 1,766,217     | 1,810,373     | 1,855,632     | 1,902,023     | 1,949,573     |
| 250,000        | 1,250,000      | 250,000        | 250,000        | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       |
| 1,005,759      | 1,030,903      | 1,056,676      | 1,083,093      | 1,110,170     | 1,137,924     | 1,166,372     | 1,195,532     | 1,225,420     | 1,256,055     | 1,287,457     |
| 75,800         | 76,558         | 77,324         | 78,097         | 78,878        | 79,667        | 80,463        | 81,268        | 82,081        | 82,901        | 83,730        |
| 609,201        | 624,431        | 640,042        | 656,043        | 672,444       | 689,256       | 706,487       | 724,149       | 742,253       | 760,809       | 779,829       |
| 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320      | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     |
| 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483      | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     |
| 15,000         | 15,000         | 15,000         | 15,000         | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        |
| 40,230         | 41,236         | 42,267         | 43,324         | 44,407        | 45,517        | 46,655        | 47,821        | 49,017        | 50,242        | 51,498        |
| 2,011,518      | 2,061,806      | 2,113,352      | 2,166,185      | 2,220,340     | 2,275,848     | 2,332,745     | 2,391,063     | 2,450,840     | 2,512,111     | 2,574,914     |
| 22,584,349     | 23,724,644     | 22,868,435     | 23,015,808     | 23,166,853    | 23,321,662    | 23,480,328    | 23,642,948    | 23,809,620    | 23,980,447    | 24,155,530    |
| \$ (2,469,164) | \$ (3,106,580) | \$ (1,734,919) | \$ (1,353,954) | \$ (963,453)  | \$ (563,177)  | \$ (152,881)  | \$ 267,686    | \$ 698,779    | \$ 1,140,662  | \$ 1,593,606  |
| 2,011,518      | 2,061,806      | 2,113,352      | 2,166,185      | 2,220,340     | 2,275,848     | 2,332,745     | 2,391,063     | 2,450,840     | 2,512,111     | 2,574,914     |

|               |               |               |               |               |               |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 20            | 21            | 22            | 23            | 24            | 25            | 26            | 27            | 28            | 29            | 30            |
| 2041          | 2042          | 2043          | 2044          | 2045          | 2046          | 2047          | 2048          | 2049          | 2050          | 2051          |
| \$ 20,448,561 | \$ 20,959,775 | \$ 21,483,769 | \$ 22,020,863 | \$ 22,571,385 | \$ 23,135,670 | \$ 23,714,061 | \$ 24,306,913 | \$ 24,914,586 | \$ 25,537,450 | \$ 26,175,887 |
| 5,944,304     | 6,092,912     | 6,245,235     | 6,401,366     | 6,561,400     | 6,725,435     | 6,893,571     | 7,065,910     | 7,242,558     | 7,423,622     | 7,609,212     |
| 26,392,865    | 27,052,687    | 27,729,004    | 28,422,229    | 29,132,785    | 29,861,104    | 30,607,632    | 31,372,823    | 32,157,143    | 32,961,072    | 33,785,099    |
| 511,214       | 523,994       | 537,094       | 550,522       | 564,285       | 578,392       | 592,852       | 607,673       | 622,865       | 638,436       | 654,397       |
| 6,041         | 6,101         | 6,162         | 6,224         | 6,286         | 6,349         | 6,412         | 6,476         | 6,541         | 6,606         | 6,673         |
| 1,998,313     | 2,048,271     | 2,099,477     | 2,151,964     | 2,205,763     | 2,260,907     | 2,317,430     | 2,375,366     | 2,434,750     | 2,495,619     | 2,558,009     |
| 1,250,000     | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 250,000       | 1,250,000     |
| 1,319,643     | 1,352,634     | 1,386,450     | 1,421,111     | 1,456,639     | 1,493,055     | 1,530,382     | 1,568,641     | 1,607,857     | 1,648,054     | 1,689,255     |
| 84,568        | 85,413        | 86,267        | 87,130        | 88,001        | 88,881        | 89,770        | 90,668        | 91,575        | 92,490        | 93,415        |
| 799,325       | 819,308       | 839,791       | 860,786       | 882,305       | 904,363       | 926,972       | 950,146       | 973,900       | 998,248       | 1,023,204     |
| 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     | 9,357,320     |
| 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     | 7,301,483     |
| 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        |
| 52,786        | 54,105        | 55,458        | 56,844        | 58,266        | 59,722        | 61,215        | 62,746        | 64,314        | 65,922        | 67,570        |
| 2,639,287     | 2,705,269     | 2,772,900     | 2,842,223     | 2,913,278     | 2,986,110     | 3,060,763     | 3,137,282     | 3,215,714     | 3,296,107     | 3,378,510     |
| 25,334,978    | 24,518,898    | 24,707,403    | 24,900,606    | 25,098,626    | 25,301,582    | 25,509,599    | 25,722,801    | 25,941,318    | 26,165,285    | 27,394,835    |
| \$ 1,057,887  | \$ 2,533,789  | \$ 3,021,601  | \$ 3,521,623  | \$ 4,034,159  | \$ 4,559,522  | \$ 5,098,034  | \$ 5,650,022  | \$ 6,215,825  | \$ 6,795,787  | \$ 6,390,264  |
| 2,639,287     | 2,705,269     | 2,772,900     | 2,842,223     | 2,913,278     | 2,986,110     | 3,060,763     | 3,137,282     | 3,215,714     | 3,296,107     | 3,378,510     |

**EXHIBIT F**

Pro Forma

See attached.

INCOME AND EXPENSE PRO-FORMA

ANNUAL INCOME

|   | Annual Growth | TERMINAL | LEASE YEARS | RENT (NNI) | ANNUAL INCOME |               |               |               |               |               |               |               |               |
|---|---------------|----------|-------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   |               |          |             |            | Year 1        | Year 2        | Year 3        | Year 4        | Year 5        | Year 6        | Year 7        | Year 8        | Year 9        |
| TERMINAL INCOME   | 2.50%         | 26.38%   | Years 1-10  | \$11.50    | \$ 3,289,922  | \$ 3,351,670  | \$ 3,413,461  | \$ 3,521,348  | \$ 3,609,382  | \$ 3,699,616  | \$ 3,792,106  | \$ 3,886,909  | \$ 3,984,082  |
|   |               | 31.72%   | Years 11-20 | \$14.72    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               |          | Years 21-30 | \$18.84    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               |          | Years 1-10  | \$12.00    | \$ 4,101,996  | \$ 4,204,546  | \$ 4,309,660  | \$ 4,417,401  | \$ 4,527,896  | \$ 4,641,032  | \$ 4,757,038  | \$ 4,875,994  | \$ 4,997,884  |
|   |               |          | Years 11-20 | \$15.36    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               |          | Years 21-30 | \$19.66    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               | 41.90%   | Years 1-10  | \$12.00    | \$ 5,419,224  | \$ 5,554,705  | \$ 5,699,572  | \$ 5,849,912  | \$ 5,991,809  | \$ 6,131,355  | \$ 6,284,638  | \$ 6,441,754  | \$ 6,602,798  |
|   |               |          | Years 11-20 | \$15.36    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               |          | Years 21-30 | \$19.66    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
|   |               |          | Years 1-30  | \$19.66    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Projected Operating Expense Reimbursement                       |               |          |             | PF         | \$ 3,718,327  | \$ 3,811,285  | \$ 3,906,568  | \$ 4,004,232  | \$ 4,104,337  | \$ 4,206,946  | \$ 4,312,120  | \$ 4,419,923  | \$ 4,530,421  |
| Management Fee  | 2.50%         |          |             | PF         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| POTENTIAL GROSS INCOME  |               |          |             | PF         | \$ 16,509,469 | \$ 16,922,205 | \$ 17,345,261 | \$ 17,778,892 | \$ 18,223,864 | \$ 18,679,948 | \$ 19,146,972 | \$ 19,626,570 | \$ 20,119,185 |
| LESS VACANCY / COLLECTION LOSS                                  |               |          |             | PF         | \$ 639,517    | \$ 655,546    | \$ 671,939    | \$ 688,739    | \$ 705,951    | \$ 723,600    | \$ 741,690    | \$ 760,232    | \$ 779,238    |
| EFFECTIVE GROSS INCOME  |               |          |             | PF         | \$ 15,869,912 | \$ 16,266,659 | \$ 16,673,328 | \$ 17,090,159 | \$ 17,517,913 | \$ 17,955,248 | \$ 18,404,282 | \$ 18,866,338 | \$ 19,339,946 |
|   |               |          |             | PF         | \$ 3,718,327  | \$ 3,811,285  | \$ 3,906,568  | \$ 4,004,232  | \$ 4,104,337  | \$ 4,206,946  | \$ 4,312,120  | \$ 4,419,923  | \$ 4,530,421  |
| Projected Operating Expenses<br>(taxes, insurance, maintenance) |               |          |             | PF         | \$ 3,718,327  | \$ 3,811,285  | \$ 3,906,568  | \$ 4,004,232  | \$ 4,104,337  | \$ 4,206,946  | \$ 4,312,120  | \$ 4,419,923  | \$ 4,530,421  |
| <b>TOTAL EXPENSES</b>   |               |          |             | PF         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| NET OPERATING INCOME  |               |          |             | PF         | \$ 12,151,584 | \$ 12,455,374 | \$ 12,766,758 | \$ 13,085,927 | \$ 13,413,076 | \$ 13,748,402 | \$ 14,092,112 | \$ 14,444,415 | \$ 14,805,526 |

|                  |                                   |             |                |
|------------------|-----------------------------------|-------------|----------------|
| SOFR Spread Rate | 2.38% (avg. based on yield curve) | Loan Amount | \$ 136,802,801 |
|                  | 3.02%                             |             |                |
|                  | 5.44%                             | LTV Ratio   | 62.50%         |

Total Project Cost: 119,044,481 \$203.24

ROE 3.40%

| Capitalization | Loan           | Equity        | Interest Annual Pmt. | Cash Flow    | DSCR  |
|----------------|----------------|---------------|----------------------|--------------|-------|
| \$ 219,044,481 | \$ 136,802,801 | \$ 82,241,680 | \$ 9,357,320         | \$ 2,794,285 | 1.299 |
|                |                |               | \$ 9,357,320         | \$ 3,098,054 | 1.331 |
|                |                |               | \$ 9,357,320         | \$ 3,409,439 | 1.364 |
|                |                |               | \$ 9,357,320         | \$ 3,728,608 | 1.398 |
|                |                |               | \$ 9,357,320         | \$ 4,055,756 | 1.433 |
|                |                |               | \$ 9,357,320         | \$ 4,391,083 | 1.469 |
|                |                |               | \$ 9,357,320         | \$ 4,734,793 | 1.506 |
|                |                |               | \$ 9,357,320         | \$ 5,087,096 | 1.544 |
|                |                |               | \$ 9,357,320         | \$ 5,448,206 | 1.582 |

|    | Year 10    | Year 11    | Year 12    | Year 13    | Year 14    | Year 15    | Year 16    | Year 17    | Year 18    | Year 19    | Year 20    | Year 21    | Year 22    | Year 23    | Year 24    | Year 25    | Year 26    | Year 27    | Year 28    | Year 29    | Year 30    |
|----|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| \$ | 4,083,684  | 4,185,776  | 4,290,420  | 4,397,681  | 4,507,623  | 4,620,313  | 4,735,821  | 4,854,217  | 4,975,572  | 5,099,982  | 5,227,461  | 5,368,147  | 5,492,101  | 5,629,409  | 5,770,188  | 5,914,492  | 6,062,252  | 6,213,808  | 6,369,153  | 6,528,382  | 6,691,592  |
| \$ | 5,122,831  | 5,250,902  | 5,382,174  | 5,516,729  | 5,654,647  | 5,796,013  | 5,940,913  | 6,089,436  | 6,241,672  | 6,397,714  | 6,557,657  | 6,721,598  | 6,889,638  | 7,061,879  | 7,238,426  | 7,419,387  | 7,604,871  | 7,794,993  | 7,989,888  | 8,189,615  | 8,394,355  |
| \$ | 6,767,868  | 6,937,065  | 7,110,492  | 7,288,254  | 7,470,460  | 7,657,222  | 7,848,652  | 8,044,888  | 8,245,990  | 8,451,240  | 8,663,443  | 8,880,090  | 9,102,090  | 9,329,581  | 9,562,821  | 9,801,881  | 10,046,938 | 10,298,112 | 10,555,565 | 10,819,454 | 11,089,940 |
| \$ | 4,643,681  | 4,759,773  | 4,878,768  | 5,000,737  | 5,125,755  | 5,253,899  | 5,385,246  | 5,519,878  | 5,657,875  | 5,799,321  | 5,944,304  | 6,092,912  | 6,245,235  | 6,401,366  | 6,561,400  | 6,725,435  | 6,893,571  | 7,065,910  | 7,242,558  | 7,423,622  | 7,609,212  |
| \$ | 20,618,064 | 21,133,516 | 21,861,854 | 22,703,400 | 22,758,485 | 23,327,447 | 23,910,633 | 24,508,399 | 25,121,109 | 25,749,137 | 26,392,865 | 27,052,687 | 27,729,004 | 28,422,229 | 29,132,785 | 29,861,104 | 30,607,632 | 31,372,823 | 32,157,143 | 32,960,072 | 33,782,099 |
| \$ | 798,719    | 818,697    | 839,154    | 860,133    | 881,636    | 903,677    | 926,269    | 949,426    | 973,162    | 997,491    | 1,022,428  | 1,047,889  | 1,074,188  | 1,101,043  | 1,128,168  | 1,156,783  | 1,185,703  | 1,215,346  | 1,245,719  | 1,276,873  | 1,308,794  |
| \$ | 19,819,345 | 20,314,879 | 20,822,699 | 21,343,267 | 21,876,848 | 22,423,770 | 22,994,364 | 23,588,973 | 24,197,247 | 24,819,466 | 25,455,937 | 26,106,868 | 26,674,818 | 27,251,186 | 27,835,321 | 28,426,716 | 29,024,792 | 29,629,979 | 30,242,717 | 30,873,414 | 31,522,504 |
| \$ | 4,643,681  | 4,759,773  | 4,878,768  | 5,000,737  | 5,125,755  | 5,253,899  | 5,385,246  | 5,519,878  | 5,657,875  | 5,799,321  | 5,944,304  | 6,092,912  | 6,245,235  | 6,401,366  | 6,561,400  | 6,725,435  | 6,893,571  | 7,065,910  | 7,242,558  | 7,423,622  | 7,609,212  |
| \$ | 15,175,664 | 15,555,055 | 15,943,992 | 16,342,530 | 16,751,093 | 17,169,871 | 17,599,117 | 18,039,095 | 18,490,073 | 18,952,235 | 19,426,133 | 19,911,786 | 20,409,581 | 20,919,820 | 21,442,816 | 21,979,886 | 22,530,358 | 23,091,567 | 23,662,856 | 24,245,578 | 24,839,292 |
| \$ | 4,643,681  | 4,759,773  | 4,878,768  | 5,000,737  | 5,125,755  | 5,253,899  | 5,385,246  | 5,519,878  | 5,657,875  | 5,799,321  | 5,944,304  | 6,092,912  | 6,245,235  | 6,401,366  | 6,561,400  | 6,725,435  | 6,893,571  | 7,065,910  | 7,242,558  | 7,423,622  | 7,609,212  |

|    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|----|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ | 112,382,224 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 | 109,130,603 |
| \$ | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       | 5,44%       |
| \$ | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  | 93,357,220  |
| \$ | 5,818,344   | 6,197,796   | 6,586,612   | 6,985,210   | 7,393,774   | 7,812,551   | 8,241,798   | 8,681,776   | 9,132,753   | 9,595,005   | 10,068,813  | 10,554,466  | 11,052,261  | 11,562,501  | 12,085,996  | 12,631,566  | 13,191,099  | 13,774,248  | 14,381,537  | 14,993,258  | 15,599,773  |
|    | 1,622       | 1,662       | 1,704       | 1,746       | 1,790       | 1,835       | 1,881       | 1,928       | 1,976       | 2,025       | 2,076       | 2,128       | 2,181       | 2,236       | 2,292       | 2,349       | 2,408       | 2,468       | 2,529       | 2,593       | 2,658       |

(0)

**EXHIBIT G**

Form Financial Agreement

See attached.



**EXHIBIT D**  
**CERTIFICATE OF FORMATION**



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

PHILIP D. MURPHY  
*Governor*

LT. GOVERNOR SHEILA Y. OLIVER  
*Commissioner*

November 23, 2020

Mr. Ralph Rodak  
Trammell Crow Company  
300 Conshohocken State Road  
Suite 250  
West Conshohocken, PA 19428

Dear Mr. Rodak:

Enclosed is the approval of the Certificate of Registration of Foreign Limited Liability Company for PARLIN SECTION 1 URBAN RENEWAL, LLC. Please return a marked copy of the approval form and the Certificate to this office once it is filed and stamped by the State Treasurer. You can either mail a copy or e-mail a copy to me at [UrbanRecert@dca.nj.gov](mailto:UrbanRecert@dca.nj.gov).

Thank you for your cooperation in this matter. If you have any questions, please call me at 609-633-2133.

Sincerely,

Pamela R. Weintraub, PP/AICP  
Principal Planner  
Local Planning Services



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

PHILIP D. MURPHY  
*Governor*

Lt. GOVERNOR SHEILA Y. OLIVER  
*Commissioner*

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
 RE: PARLIN SECTION 1 URBAN RENEWAL, LLC  
 File # 2890  
 An Urban Renewal Entity

This is to certify that the CERTIFICATE OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this *23<sup>rd</sup>* day of *November* 20*20* at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
 Sean Thompson, Director  
 Local Planning Services



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New Jersey Department of the Treasury  
Division of Revenue  
Registration of Foreign Limited Liability Company

This form may be used to obtain authorization for a foreign Limited Liability Company to conduct business in New Jersey, pursuant to New Jersey State law. Applicants must insure strict compliance with NJS 42, the New Jersey Limited Liability Company Act, and insure that all applicable filing requirements are met. This form is intended to simplify filing with the STATE OFFICE. Applicants are advised to seek out private legal assistance before submitting filings to the STATE'S OFFICE.

1. Name of Limited Liability Company:  
Parlin Section 1 Urban Renewal, LLC
2. Main Business or Principal Business Address:  
2100 McKinney Ave, Ste 800, Dallas, TX 75201
3. The purpose for which this Limited Liability Company is organized is:  
real estate development
4. Limited Liability Company State:  
Delaware
5. Original Date of formation:  
September 9, 2020
6. Registered Agent Name & Address (must be in NJ):  
Corporation Service Company, 100 Princeton South Corporate Center, Suite 160, Ewing, NJ 08628
7. Date Limited Liability Company intends to start business activity in NJ:
8. Other provisions (list below or attach to certificate):  
see attached Exhibit A

The undersigned represent(s) that this Limited Liability Company has been formed under the laws of the state of origin and continues to exist as an active, valid Limited Liability Company or registered Limited Liability Partnership in that state. The undersigned also attest(s) that they are authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in NJS 42.

Name :

  
RALPH RODAK

Date: September 16, 2020

PARLIN SECTION 1 URBAN RENEWAL, LLC  
Exhibit A  
TO REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

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

2. a. So long as the entity is obligated under financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

b. The entity has been organized to serve a public purpose, and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents to be displaced by redevelopment or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment location housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

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

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

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

#3087128 (999999 547)



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

PHILIP D. MURPHY  
*Governor*

LT. GOVERNOR SHEILA Y. OLIVER  
*Commissioner*


DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
 RE: PARLIN SECTION 1 URBAN RENEWAL, LLC  
 File # 2890  
 An Urban Renewal Entity

This is to certify that the CERTIFICATE OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 23<sup>rd</sup> day of November 2020 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
 Sean Thompson, Director  
 Local Planning Services



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New Jersey Department of the Treasury  
Division of Revenue  
Registration of Foreign Limited Liability Company

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1. Name of Limited Liability Company:  
Parlin Section 1 Urban Renewal, LLC
2. Main Business or Principal Business Address:  
2100 McKinney Ave, Ste 800, Dallas, TX 75201
3. The purpose for which this Limited Liability Company is organized is:  
real estate development
4. Limited Liability Company State:  
Delaware
5. Original Date of formation:  
September 9, 2020
6. Registered Agent Name & Address (must be in NJ):  
Corporation Service Company, 100 Princeton South Corporate Center, Suite 160, Ewing, NJ 08628
7. Date Limited Liability Company intends to start business activity in NJ:
8. Other provisions (list below or attach to certificate):  
see attached Exhibit A

The undersigned represent(s) that this Limited Liability Company has been formed under the laws of the state of origin and continues to exist as an active, valid Limited Liability Company or registered Limited Liability Partnership in that state. The undersigned also attest(s) that they are authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in NJSA 42.

Name :   
RALPH RODAK

Date: September 16, 2020

PARLIN SECTION 1 URBAN RENEWAL, LLC  
Exhibit A  
TO REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

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

2. a. So long as the entity is obligated under financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

b. The entity has been organized to serve a public purpose, and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents to be displaced by redevelopment or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment location housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

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

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

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#3087128 (999999.547)



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**PHILIP D. MURPHY**  
*Governor*

**LT. GOVERNOR SHEILA Y. OLIVER**  
*Commissioner*

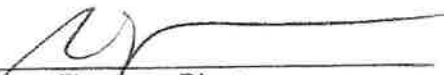
DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
 RE: PARLIN SECTION 1 URBAN RENEWAL, LLC  
 File # 2890  
 An Urban Renewal Entity

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Done this *23<sup>rd</sup>* day of *November* 20 *20* at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
 Sean Thompson, Director  
 Local Planning Services



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7. Date Limited Liability Company intends to start business activity in NJ:
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Name :

  
RALPH RODAK

Date: September 16, 2020

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2. a. So long as the entity is obligated under financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

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

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PHILIP D. MURPHY  
*Governor*

LT. GOVERNOR SHEILA Y. OLIVER  
*Commissioner*


DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
 RE: PARLIN SECTION 1 URBAN RENEWAL, LLC  
 File # 2890  
 An Urban Renewal Entity

This is to certify that the CERTIFICATE OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this *23<sup>rd</sup>* day of *March* 20*20* at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
 Sean Thompson, Director  
 Local Planning Services



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New Jersey Department of the Treasury  
Division of Revenue  
Registration of Foreign Limited Liability Company

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real estate development
4. Limited Liability Company State:  
Delaware
5. Original Date of formation:  
September 9, 2020
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7. Date Limited Liability Company intends to start business activity in NJ:
8. Other provisions (list below or attach to certificate):  
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The undersigned represent(s) that this Limited Liability Company has been formed under the laws of the state of origin and continues to exist as an active, valid Limited Liability Company or registered Limited Liability Partnership in that state. The undersigned also attest(s) that they are authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in NJSA 42.

Name :

  
RALPH RODAK

Date: September 16, 2020

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

2. a. So long as the entity is obligated under financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

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DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
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Done this *23<sup>rd</sup>* day of *November* 20*20* at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By:   
Sean Thompson, Director  
Local Planning Services



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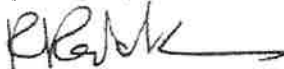
New Jersey Department of the Treasury  
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Date: September 16, 2020

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#3087128 (999999.547)



**SCHEDULE E**

| Maximum of: |                   |                  |                           |
|-------------|-------------------|------------------|---------------------------|
|             | Percent<br>of AGR | Amount<br>Per SF | Percent of<br>Conv. Taxes |
| Year 1      | 11.00%            | \$1.95           | 0.00%                     |
| Year 2      | 11.00%            | \$2.01           | 0.00%                     |
| Year 3      | 11.00%            | \$2.07           | 0.00%                     |
| Year 4      | 11.00%            | \$2.13           | 0.00%                     |
| Year 5      | 11.00%            | \$2.19           | 0.00%                     |
| Year 6      | 12.00%            | \$2.26           | 0.00%                     |
| Year 7      | 12.00%            | \$2.33           | 0.00%                     |
| Year 8      | 12.00%            | \$2.40           | 0.00%                     |
| Year 9      | 12.00%            | \$2.47           | 0.00%                     |
| Year 10     | 12.00%            | \$2.54           | 0.00%                     |
| Year 11     | 13.00%            | \$2.62           | 0.00%                     |
| Year 12     | 13.00%            | \$2.70           | 0.00%                     |
| Year 13     | 13.00%            | \$2.78           | 0.00%                     |
| Year 14     | 13.00%            | \$2.86           | 0.00%                     |
| Year 15     | 13.00%            | \$2.95           | 0.00%                     |
| Year 16     | 14.00%            | \$3.04           | 20.00%                    |
| Year 17     | 14.00%            | \$3.13           | 20.00%                    |
| Year 18     | 14.00%            | \$3.22           | 20.00%                    |
| Year 19     | 14.00%            | \$3.32           | 20.00%                    |
| Year 20     | 14.00%            | \$3.42           | 20.00%                    |
| Year 21     | 15.00%            | \$3.52           | 20.00%                    |

|         |        |        |        |
|---------|--------|--------|--------|
| Year 22 | 15.00% | \$3.63 | 40.00% |
| Year 23 | 15.00% | \$3.74 | 40.00% |
| Year 24 | 15.00% | \$3.85 | 40.00% |
| Year 25 | 15.00% | \$3.96 | 40.00% |
| Year 26 | 16.00% | \$4.08 | 40.00% |
| Year 27 | 16.00% | \$4.21 | 40.00% |
| Year 28 | 16.00% | \$4.33 | 60.00% |
| Year 29 | 16.00% | \$4.46 | 60.00% |
| Year 30 | 16.00% | \$4.60 | 80.00% |

Docs #6358280-v1