TOWNSHIP OF HOPEWELL
MERCER COUNTY, NEW JERSEY

ORDINANCE NO. 17-1673

ORDINANCE OF THE TOWNSHIP OF HOPEWELL, COUNTY OF MERCER, STATE OF NEW JERSEY APPROVING THE APPLICATION OF AND THE EXECUTION OF FINANCIAL AGREEMENT WITH WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC IN CONNECTION WITH THE BLOCK 78.09, LOT 21 REDEVELOPMENT AREA

WHEREAS, the Township Committee (the "Township Committee") of the Township of Hopewell (the "Township"), serves as the redevelopment entity pursuant to the provisions of the *Local Redevelopment and Housing Law*, as amended and supplemented, N.J.S.A. 40A:12A-1 *et seq.* (the "**Redevelopment Law**") for the purposes of implementing redevelopment plans and carrying out redevelopment projects within the Township; and

WHEREAS, in accordance with the Redevelopment Law, the Township Committee adopted a Resolution designating an area in the Township identified as Block 78.09, Lot 21 on the tax maps of the Township as an "area in need of redevelopment" (the "**Redevelopment Area**"); and

WHEREAS, on October 23, 2017, the Township Committee adopted Ordinance #17-1666 adopting the "*Redevelopment Plan for Block 78.09, Lot 21*" (the "**Redevelopment Plan**") for the Redevelopment Area; and

WHEREAS, Woodmont Properties, LLC and Federal City Road, LLC (collectively, the "**Redeveloper**") are the contract purchasers of the Redevelopment Area, and are developers with resources and experience suitable for the proposed redevelopment thereof; and

WHEREAS, the Township and the Redeveloper propose to enter into that certain Redevelopment Agreement (the "**Redevelopment Agreement**") pursuant to which the Redeveloper will agree to redevelop the Redevelopment Area by constructing thereon approximately 300 residential units, including 252 market rate units and 48 affordable units, with amenities, including a clubhouse and maintenance building (the "**Project**"); and

WHEREAS, despite the Redeveloper's investment of equity and borrowed funds, such amounts are insufficient to feasibly pay for all of the costs associated with the development and construction of the Project; and

WHEREAS, the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* (the "**Long Term Tax Exemption Law**") authorize the Township to accept, in lieu of real property taxes, an annual service charge with respect to the Project; and

WHEREAS, the Redeveloper established Woodmont Federal Hopewell Urban Renewal, LLC (the "**Entity**"), an "urban renewal entity", under the Long Term Tax Exemption Law for the purpose of undertaking the construction of the Project; and

WHEREAS, the Entity submitted to the Mayor an application (the "**Application**"), which is on file with the Township Clerk, for approval of a long term tax exemption for the Project; and

WHEREAS, the Redeveloper also submitted to the Mayor a form of financial agreement (the "**Financial Agreement**"), a copy of which is attached as an exhibit to the Application, establishing the rights, responsibilities and obligations of the Entity; and

WHEREAS, pursuant to the terms of the Financial Agreement, in lieu of real property taxes on the Project, the Entity will pay an annual service charge (the "**Annual Service Charge**") to the Township; and

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

WHEREAS, the Township Committee has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law, and hereby finds that the relative benefits of the Project justify the long term tax exemption requested in the Application; and

WHEREAS, the Township Committee further finds that the assistance provided to the Project pursuant to the Financial Agreement will be a significant inducement for the Entity to proceed with the Project.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Township Committee of the Township of Hopewell as follows:

1. The Application and form of Financial Agreement are hereby approved.

2. The Mayor is hereby authorized and directed to execute the Financial Agreement with the Entity in substantially the same form as that contained within the Application, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.

3. Executed copies of the Financial Agreement shall be certified by and be filed with the Office of the Township Clerk. Further, the Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township, and County Counsel and the Chief Financial Officer of Mercer County within 10 days of the execution of the Financial Agreement.

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

5. This ordinance shall take effect in accordance with law.

Date Introduced: November 27, 2017
Date Advertised: December 1, 2017
Date Adopted: December 11, 2017

Kevin D. Kuchinski

Kevin D. Kuchinski
Mayor

Attest:

Laurie E. Gompf

Laurie E. Gompf
Municipal Clerk

CERTIFICATION
I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF AN Ordinance ADOPTED BY THE HOPEWELL TOWNSHIP COMMITTEE AT A MEETING HELD

December 11, 2017
DATE

Laurie E. Gompf
LAURIE E. GOMPF, MUNICIPAL CLERK

WATERS, MCPHERSON, MCNEILL
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SECAUCUS - TRENTON - NEW YORK
MEADOWLANDS OFFICE
300 LIGHTING WAY
P.O. BOX 1560
SECAUCUS, NEW JERSEY 07096
201-863-4400
www.lawwmm.com

JOSEPH G. RAGNO
DIRECT DIAL
201-330-7465

E-MAIL
jragno@lawwmm.com
FAX
201-863-2866

November 22, 2017

VIA HAND DELIVERY
Honorable Kevin Kuchinski, Mayor
Township Offices
201 Washington Crossing Pennington Road
Hopewell, NJ 08560

Re: Woodmont Federal Hopewell Urban Renewal LLC
Application for Long Term Tax Exemption
Our File No.: 11580-4

Dear Mayor Kuchinski:

Enclosed please find seven (7) copies of an Application for a Long Term Tax Exemption on behalf of Woodmont Federal Hopewell Urban Renewal, LLC, as well as the proposed Financial Agreement with Exhibits

We look forward to hearing from you regarding the timetable for the consideration of this application by the Township Committee.

Thank you for your assistance in this matter.

Very truly yours,

WATERS, MCPHERSON, MCNEILL, P.C.

By: _____
Joseph G. Ragno

JGR/ak
Enclosures
cc: Township Clerk
Kevin McManimon, Esq.
Stephen A. Santola, Esq.

1005383

TOWNSHIP OF HOPEWELL

MERCER COUNTY

201 Washington Crossing Pennington Road
Titusville, New Jersey 08560-1410

November 27, 2017

Laurie E. Gompf, Municipal Clerk
Municipal Building
201 Washington Crossing Pennington Road
Titusville, New Jersey 08560

Re: Woodmont Federal Hopewell Urban Renewal, LLC (the "Entity")

Dear Ms. Gompf:

I reviewed the application, proposed financial agreement and related documents submitted by the Entity for the proposed redevelopment of the property identified as Block 78.09, Lot 21 on the tax map of the Township (the "Project Area"). The Entity, the designated redeveloper of the Project Area, proposes to construct a project consisting of a 300 unit rental apartment complex, including 252 market units and 48 affordable units, with associated amenities and parking.

I believe that this project is a desirable and needed improvement in the Township. Therefore, I recommend that the application be favorably considered by the Township Committee for the Entity, provided that all legal prerequisites have been met.

Sincerely yours,

Kevin Kuchinski, Mayor

APPLICATION FOR APPROVAL OF FINANCIAL AGREEMENT PURSUANT TO N.J.S.A. 40A: 20-1 ET SEQ. ON BEHALF OF WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

APPLICANT

Woodmont Federal Hopewell Urban Renewal, LLC
c/o Woodmont Properties
100 Passaic Avenue, Suite 240
Fairfield, NJ 07004

APPLICANT'S ATTORNEY

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way
Secaucus, NJ 07096

Date: November 22, 2017

TABLE OF CONTENTS

EXHIBIT INDEX

1. THE APPLICANT

The Applicant, Woodmont Amboy Urban Renewal, LLC ("Applicant") is a duly formed New Jersey Urban Renewal Limited Liability Company, qualified to do business under the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. (the "Law"). The Applicant's principal place of business is 100 Passaic Avenue, Suite 240, Fairfield, NJ 07004. A copy of the Certificate of Formation for the Applicant is attached as **Exhibit A**.

The Applicant is owned by Woodmont Realty Holdings, LLC and Federal City Road, LLC. See Ownership Disclosure, attached as **Exhibit B**.

2. IDENTIFICATION OF PROJECT SITE

The site of the Project is a 22 acre parcel of land identified as Block 78.09, Lot 21 on the Official Tax Map of the Township of Hopewell, more commonly known as 87 Federal City Road and described with particularity in the Property Description set forth in **Exhibit C** (the "Project Site").

3. DESCRIPTION OF PROJECT

The Project which is the subject of this Application is currently proposed, subject to modification in accordance with the Woodmont Redevelopment Area and Final Site Plan approval to be obtained, to be the construction of a 300 rental unit property development consisting of 252 market-rate rental apartments and 48 low and moderate income apartments (the "Project"). The Project Site is located entirely within the boundaries of the Woodmont Redevelopment Area and the Project will conform to the requirements of the Redevelopment

Plan and the Master Plan for the Township of Hopewell. Concept Plan, **Exhibit D.** The estimated Total Project Cost is $64,290,000. See Total Project Cost Estimate, **Exhibit E**.

4. PROJECT OWNERSHIP STRUCTURE

Applicant is or will be the fee owner of the Project Site and the improvements to be constructed on the Project Site. Upon completion, project elements will be leased by Applicant to residential unit lessees.

5. REQUESTED PILOT TERMS

A. Estimated Annual Service Charge

Applicant will be obligated to make payment of an Annual Service Charge ("ASC") in lieu of taxes on the Project land and improvements beginning in Year One following full build-out and stabilization according to the following schedule:

Years	ASC
1-5	12.5% of Annual Gross Revenue
6-10	13% of Annual Gross Revenue
11-15	14% of Annual Gross Revenue
16-20	14.5% of Annual Gross Revenue
21-30	15% of Annual Gross Revenue

The Total Annual Gross Revenue upon stabilization (Year 1) is estimated to be in excess of $6,900,000. Good Faith Estimates of the lease terms are attached as **Exhibit F**.

Over the 30 year exemption term it is estimated that approximately $49,250,000 in ASC will be generated. Proposed Financial Agreement, **Exhibit H**; Estimated Annual Service Charge Schedule, **Exhibit I**;

Over the first twelve (12) months following the date of substantial completion (understood to be the issuance of a Certificate of Occupancy) for each building (the "Lease-Up

Period"), the Annual Service Charge for the project will be calculated based upon the actual rental revenue generated by the Project without application of the Minimum Annual Service Charge.

B. Exemption Term

Applicant requests a Financial Agreement having a term of thirty (30) years from the date of substantial completion for each building or thirty-five (35) years from the execution of said Financial Agreement.

C. Staged Adjustments

Applicant agrees to the statutory staged adjustments as required by N.J.S.A. 40A:20-12b(2) as follows:

Year	1 – 10	ASC
	11 – 15	Greater of ASC or 20% of taxes otherwise due
	16 – 20	Greater of ASC or 40% of taxes otherwise due
	21 – 25	Greater of ASC or 60% of taxes otherwise due
	26 – 30	Greater of ASC or 80% of taxes otherwise due

D. Administrative Fee

Applicant agrees to pay annually an Administrative Fee equal to two percent (2%) of each prior year's Annual Service Charge.

6. BENEFIT TO MUNICIPALITY

Aside from the $873,500 in ASC estimated to be generated in Year One (stabilized) following Substantial Completion, the Project will contribute substantially to the Township's economic base in general. The Project will result in the creation of approximately 625

construction jobs and, upon completion the Project will support 20-25 new permanent jobs. The Project will add new residents to the downtown area which, in turn, will provide a boost to the Township's existing retail base.

The obvious direct economic benefit of the Project is the additional revenue flowing by virtue of the ASC which is estimated to be approximately $49,250,000 over thirty (30) year PILOT term.

7. CONSTRUCTION SCHEDULE

It is currently projected that construction of the Project Improvements will be completed within 24 months of the issuance of the first building permit. The construction schedule is subject to modification based on any presently unforeseen circumstances including, without limitation, amendments to the Redevelopment Plan as may occur from time to time.

8. REAL ESTATE TAX INFORMATION

The total amount of real estate taxes paid for the 22 acre Project Site in 2017 was $30,302.

9. MUNICIPAL TAX ASSESSMENT

The tax lots comprising the Project Site are assessed for 2017 as follows:

Block 78.09, Lot 21

Land	$504,000
Building	$586,000
Total	$1,090,000

10. STATUS OF THE MUNICIPAL TAXES AND OTHER CHARGES

Municipal taxes and other charges are current through the date of this Application.

11. JOBS ESTIMATE

625 construction jobs to be generated.

20-25 permanent full-time jobs in completed Project.

12. COMPLIANCE WITH STATE AND LOCAL REDEVELOPMENT LAWS

Applicant certifies that the Project complies with all State and local redevelopment laws and is in conformity with the requirements of the Woodmont Redevelopment Area and the Master Plan for the Township of Hopewell.

13. CERTIFICATE OF NEED FOR FINANCIAL AGREEMENT

Applicant hereby certifies that in the absence of a Financial Agreement substantially in the form described in this Application, the Project as proposed would not be viable.

Based upon the foregoing, we respectfully request, on behalf of the Applicant, that the Township grant this Application and authorize the execution of the proposed Financial Agreement between the Applicant and the Township of Hopewell.

Respectfully submitted,

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

By: _____

Eric Wittmondt, Manager

Date: November 22, 2017

1003970v2

EXHIBIT A

CERTIFICATE OF FORMATION

(PENDING FORMATION)

WATERS, MCPHERSON, MCNEILL
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SECAUCUS · TRENTON · NEW YORK
MEADOWLANDS OFFICE
300 LIGHTING WAY
P.O. BOX 1560
SECAUCUS, NEW JERSEY 07096
201·863·4400
www.lawwmm.com

JOSEPH G. RAGNO

DIRECT DIAL
201-330-7465

E-MAIL
jragno@lawwmm.com
FAX
201-863-2866

November 14, 2017

Ms. Karen A. Schwacha
Administrative Analyst
Bureau of Homeowner Protection
State of New Jersey - Department of Community Affairs
101 South Broad Street
Trenton, New Jersey 08608

Re: Woodmont Federal Hopewell Urban Renewal LLC
Our File No.: 11580-

Dear Ms. Schwacha:

On behalf of Woodmont Federal Hopewell Urban Renewal, LLC, we are enclosing an original and seven (7) copies of the Certificate of Formation for review and approval in accordance with N.J.S.A. 40A:20-5. Also enclosed is a completed Urban Renewal Entities Disclosure Information Form.

As always, thank you for your cooperation.

Very truly yours,

WATERS, McPHERSON, McNEILL, P.C.

By: _____
Joseph G. Ragno

JGR/ak
Enclosure
cc: Stephen Santola, Esq.
1004187

CERTIFICATE OF FORMATION

OF

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

TO: **STATE TREASURER**
STATE OF NEW JERSEY

THE UNDERSIGNED, of the age of eighteen years or over, for the purpose of forming a limited liability company pursuant to the provisions of Title 42:2C, the New Jersey Revised Uniform Limited Liability Company Act, of the New Jersey Statutes and the New Jersey Long Term Tax Exemption Law, Title 40A:20, Municipalities and Counties, of the New Jersey Statutes, does hereby execute the following Certificate of Formation:

FIRST: The name of the Limited Liability Company (the "Company") shall be:

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

SECOND: The address of the Company's registered office in the State of New Jersey is **100 PASSAIC AVE, FAIRFIELD NJ 07004.** The name of its registered agent at such address for service of process is **Eric Witmondt.**

THIRD: (a) The purpose for which the Company is formed shall be to operate under P.L. 1991, c.431 (C.40A:20-1 et. seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the

redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the Township of Hopewell (the "Financial Agreement"), 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 (the "Project"), under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c.431 (C.40A:20-1 et. seq.).

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

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

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the Project or any portion thereof undertaken by it under P.L.

1991, c.431 (C.40A:20-1 et. seq.), until it has first removed both itself and the Project from all restrictions under P.L. 1991, c.431 (C.40A:20-1 et. seq.), in the manner required by P.L. 1991, c.431 (C.40A:20-1 et. seq.) and, if the Project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the Township of Hopewell, which other urban renewal entity shall assume all contractual obligations of the Company under the Financial Agreement. The Company shall file annually with the governing body of the Township of Hopewell a disclosure of the persons having an ownership interest in the Project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the governing body of the Township of Hopewell in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

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

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

FOURTH: The effective date of the Certificate of Formation shall be the date of filing with the New Jersey Department of Treasury.

FIFTH: The Company shall have perpetual existence.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 13th day of November, 2017.

JOSEPH G. RAGNO, Authorized Person

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF CODES AND STANDARDS
BUREAU OF HOMEOWNER PROTECTION
PO BOX 805
TRENTON, NEW JERSEY 08625-0805

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609)292-2839. This form must be completed prior to Division approval of the entity. If you have any questions, please call Karen Schwacha at (609)984-5831.

Name of Urban Renewal Entity: Woodmont Federal Hopewell Urban Renewal, LLC

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

___X__ Original certificate (of incorporation, limited partnership, formation, etc.)

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

_____ Other (please specify)_____

SECTION 2: PROJECT INFORMATION
Project Name: Woodmont Federal Hopewell Urban Renewal, LLC

Project Street Address: 87 Federal City Road

Lawrenceville, NJ 08648

Project Block Number(s) 78.09 Project Lot Numbers 21

Municipality in which the Project is located _____Hopewell Township

County in which the Project is located _____Mercer County

SECTION 3 (for project listed in **SECTION 2**.)

(Check one)
___1. This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.

-next-

URBAN RENEWAL ENTITIES

DISCLOSURE INFORMATION, PAGE 2

NAME OF URBAN RENEWAL ENTITY: Woodmont Federal Hopewell Urban Renewal, LLC

SECTION 3 (cont.)

___2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.

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

___3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.

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

_X_4. This project consists of mixed uses.
Specify type:
_X_Market rate and low and moderate income housing.
___Commercial and market rate housing.
___Commercial and low and moderate income housing.
___Other (please describe). _____

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

SECTION 4:REDEVELOPMENT PLAN INFORMATION

Name of Municipal Redevelopment Agency _____Hopewell Township Committee

Citation of municipal ordinance adopting the redevelopment plan __Ordinance No. 17-1666

For housing projects, complete the following:
Specify type and number of units as applicable:
___Condominium units _____
_X_Market rate rental ___252 units
_X_Low and moderate income in mixed use projects ____48 units
___Senior citizen in mixed use projects_____
___Other (please specify) _____
Total number of units ____300

SECTION 5: PROJECT FUNDING SOURCES

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):
_X_ Private funds(Please specify) _Woodmont Equity and Commercial Debt
___ State or Federal financing or insuring agencies (Please specify below)
___Other (Please specify) _____

-next-

NAME OF URBAN RENEWAL ENTITY: Woodmont Federal Hopewell Urban Renewal, LLC

SECTION 5: PROJECT FUNDING SOURCES (cont.)

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

NJ Department of Community Affairs:
___Neighborhood Preservation Balanced Housing
___Downtown Living Initiative Program
___HOME – Housing Production Investment Fund
___HOME – Neighborhood Preservation
___HOME – Rental Rehabilitation

NJ Housing and Mortgage Finance Agency:
___NJ Community Housing Demo Program (developmental disabilities)
___ NJ Supportive Housing Program
___Shared Residence Rental Housing Program (community residence)
___Transitional Housing Revolving Loan Program
___Multifamily Rental Housing Program
___Public Housing Construction and Permanent Loan Program
___Rental Housing Incentive Finance Fund
___100% Mortgage Program
___Urban Home Ownership Recovery Program
___Low-Income Housing Tax Credit Allocation Program

NJ Redevelopment Authority:
___NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD)
___Section 811 Supportive Housing for Persons with Disabilities
___Section 202 Supportive Housing for the Elderly
___HOPE VI Grants
___HOME Program

US Department of Agriculture
___Rural Resources Administration (formerly Farmers' Home Administration)

___Other (Please specify)_____

List the information of the State or Federal financing or insuring agency's contact person:
Name: _____
Title: _____
Department/Agency: _____
Address: _____
_____
Telephone Number _____

-next-

NAME OF URBAN RENEWAL ENTITY: Woodmont Federal Hopewell Urban Renewal, LLC

SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP

_X__1. The project is new construction.

___2. An existing project is being rehabilitated.
If rehab, specify name of individual, entity, etc. who is the current owner of the project.

_____

___3. Ownership of an existing project is being transferred to the new urban renewal entity.
If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____

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

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

___4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no)___No____

SECTION 7:CERTIFICATION

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

CERTIFICATION

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

Sworn to me and subscribed before me this day of (mo/day/year) November, 14, 2017

X _____
(authorized individual's signature)

_____
(notary public/attorney) PATRICIA L. MORSELLA
Notary Public, State of New Jersey
My Commission Expires Jan. 29, 2020

Joseph G. Ragno
(print name of authorized individual)

Rev. 6/2011

EXHIBIT B

OWNERSHIP DISCLOSURE STATEMENT

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

NAME	ADDRESS	PERCENTAGE OWNED
Woodmont Realty Holdings, LLC	100 Passaic Ave., Ste 240, Fairfield, New Jersey	50%
Federal City Road, LLC	788 Shrewsbury Ave., Ste 104, Tinton Falls, New Jersey	50%

I certify that the above represents the names and addresses of all entities who own a 10% or greater interest in Woodmont Federal Hopewell Urban Renewal, LLC

I further certify that no officer or employee of the Township of Hopewell has any interest, direct or indirect, in the above entity.

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

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

By: _____

Name: Eric Witmondt, Manager

1003970v2

EXHIBIT C

PROPERTY DESCRIPTION

LEGAL DESCRIPTION

File No.: **DC4380**

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Hopewell and the Township of Lawence, in the County of Mercer, State of New Jersey:

BEGINNING at a point in the northwesterly line of Federal City Road, said point being distant 451.27 feet northeastwardly from the intersection of the northwesterly line of Federal City Road with the northeasterly line of Bull Run Road; thence

1. North 39 degrees 42 minutes 46 seconds East, along the northwesterly line of Federal City Road, parallel with the centerline thereof and 16.50 feet removed therefrom, a distance of 235.43 feet to a point; thence

2. North 50 degrees 17 minutes 14 seconds West, a distance of 15.50 feet to a point; thence

3. North 39 degrees 42 minutes 46 seconds East along the northwesterly line of Federal City Road as widened, a distance of 251 feet to a point; thence

4. North 72 degrees 56 minutes 11 seconds West, a distance of 173.15 feet to a point; thence

5. North 34 degrees 43 minutes 38 seconds West, a distance of 148.44 feet to a point; thence

6. North 14 degrees 59 minutes 18 minutes East, a distance of 225.72 feet to a point; thence

7. Northwestwardly, following a 18,298.14 foot radius curve bearing to the left, a distance of 908.76 feet to a point; thence

8. South 11 degrees 22 minutes 23 seconds West, a distance of 699.05 feet to a point; thence

9. South 71 degrees 58 minutes 14 seconds West, a distance of 268.17 feet to a point; thence

10. South 0 degrees 42 minutes 30 seconds East, a distance of 113.26 feet to a point; thence

11. South 67 degrees 59 minutes 58 seconds East, a distance of 1108.80 feet to the point and place of BEGINNING.

Further described as follows:

BEGINNING at a point in the westerly line of Federal City Road distant 451.27 feet northeasterly from the northerly line of Bull Run Road and running; thence

1. North 39 degrees 42 minutes 46 seconds East, along Federal City Road, 235.43 feet to a point; thence

2. North 50 degrees 17 minutes 14 seconds West, along same, 15.5 feet to a point; thence

3. North 39 degrees 42 minutes 46 seconds East, along same, 251 feet t a point on the southerly side of an entrance ramp for Route 95; thence

4. North 72 degrees 56 minutes 11 seconds West, along said ramp, 173.15 feet to a point; thence

5. North 34 degrees 43 minutes 38 seconds West 148.44 feet along same to a point; thence

6. North 14 degrees 59 minutes 18 seconds East, 225.72 feet along same to the southerly line of Route 95; thence

7. Northwesterly on a curve to the left with a radius of 7500 feet along Route 95, an arc distance of 1008.04 feet to a point; thence

8. South 4 degrees 53 minutes 09 seconds West, along Lot 118, 699.05 feet to a monument; thence

9. South 65 degrees 29 minutes West, along same 268.17 feet to a point; thence

10. South 7 degrees 11 minutes 44 seconds East, along same 113.26 feet to a point; thence

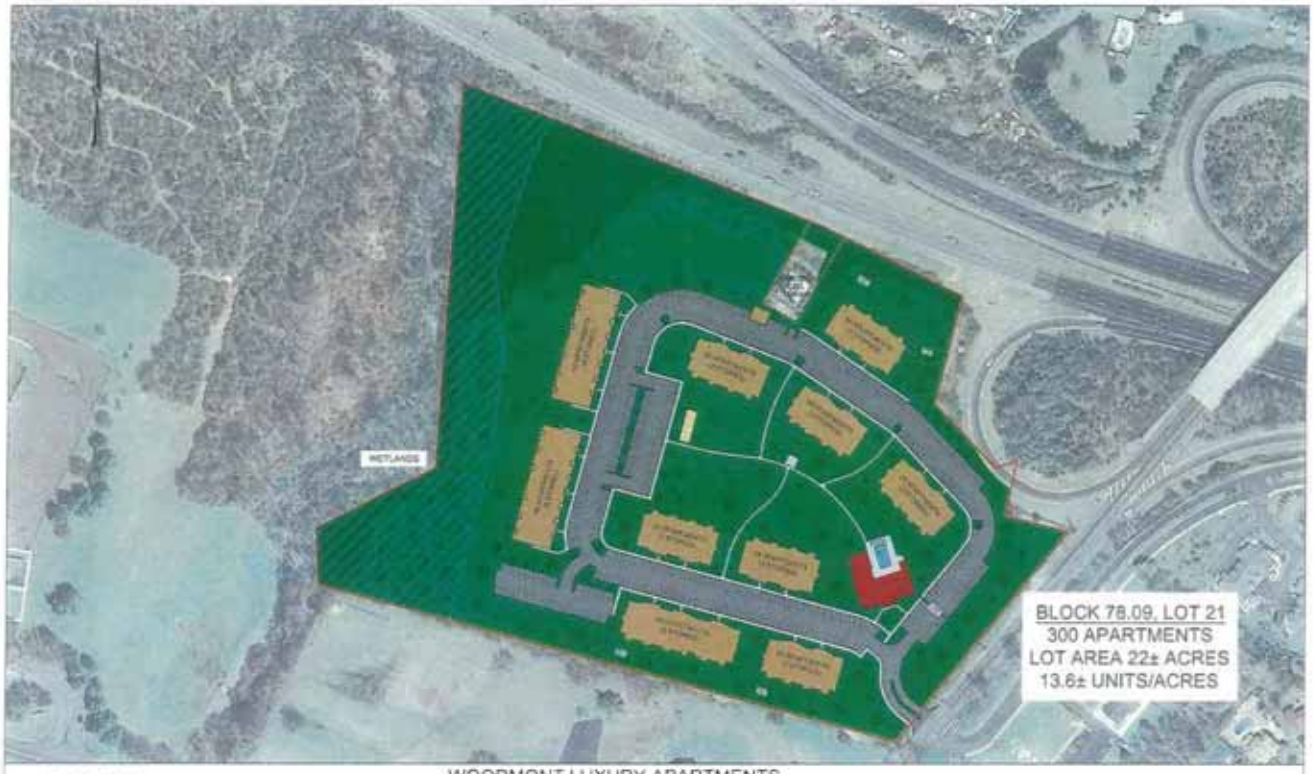
11. South 74 degrees 29 minutes 14 seconds East, along Lot 113, 1,126.17 feet to the point and place of BEGINNING.

FOR INFORMATION PURPOSES ONLY: BEING known as 87 Federal City Rd, Tax Lot 21, Tax Block 78.09 on the Official Tax Map of Township of Hopewell and Tax Lot 1 in Block 2704 on the Official Tax Map of the Township of Lawrence,
NJ.

NOTE: Lot and Block shown for informational purposes only.

EXHIBIT D

CONCEPT PLAN



JUNE 30, 2016

WOODMONT LUXURY APARTMENTS
HOPEWELL TOWNSHIP, NEW JERSEY

SCALE: 1"=150'

LOCATION MAP

NOTES:

REFERENCES:

GRAPHIC SCALE

Michael T. Armstrong, P.L.S.

2-17-2016

TRC

BOUNDARY SURVEY PLAN

LOT 21, BLOCK 7B.00

1

1

EXHIBIT E

TOTAL PROJECT COST ESTIMATE

1.	Cost of the land to the entity, whether acquired from a private or a public owner (allocation).	$6,935,000
2.	Architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project.	$1,075,000
3.	Surveying and testing charges in connection therewith (in #4 below).	$150,000
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 and fees and permits.	$49,275,000
5.	Insurance, interest and finance costs during construction.	$3,470,000
6.	Costs of obtaining initial permanent financing.	$620,000
7.	Commissions and other expenses paid or payable in connection with initial leasing and sales.	$250,000
8.	Real estate taxes and assessments during the construction period.	$50,000
9.	A developer's overhead based on a percentage of actual construction costs (5% of item #4).	$2,465,000
	TOTAL PROJECT COST	**$64,290,000**
		$214,300/unit

EXHIBIT F

GOOD FAITH ESTIMATES OF LEASE TERMS

Residential Leases

Term: One (1) year

Residential Rent:

Market (avg.) - $2,150/unit/month (+/-)

EXHIBIT G

PROPOSED FINANCIAL AGREEMENT

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter this "**Agreement**"), made this __ day of _____, 201__, (the "**Effective Date**") by and between WOODMONT FEDERAL HOPEWELL 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.*, as amended and supplemented (the "**Long Term Tax Exemption Law**"), with offices at 100 Passaic Avenue, Fairfield, NJ 07004 (the "**Entity**") and the TOWNSHIP OF HOPEWELL, a municipal corporation in the County of Mercer and the State of New Jersey (the "**Township**", and together with the Entity, the "**Parties**" or "**Party**").

WITNESSETH:

WHEREAS, the Entity is the contract purchaser of the property commonly known as Block 78.09, Lot 21 on the tax map of the Township, and more particularly described by the property description attached hereto as Exhibit A (the "**Property**"); and

WHEREAS, the Property is located within the Woodmont Redevelopment Area (the "**Redevelopment Area**"), which has been designated by the Township as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A.* 40A:12A-1 *et seq.*, as amended and supplemented (the "**Local Redevelopment and Housing Law**") by adopted resolutions by the municipal Committee of the Township ("**Township Committee**") on July 27, 2017, Resolution #17-013; and

WHEREAS, pursuant to *N.J.S.A.* 40A:12A-7, on October 23, 2017 the Township Committee adopted Ordinance No. 17-1666, approving and adopting a redevelopment plan, dated October 2, 2017, for the Redevelopment Area ("**Redevelopment Plan**"); and

WHEREAS, the proposed project to be undertaken by the Entity on the Property is the construction of 300 residential units, including 252 market rate units and 48 units affordable to very low, low and moderate income households, and associated supporting facilities, amenities and parking, consistent with the Redevelopment Plan (the "**Project**"); and

WHEREAS, the Entity has submitted an application to the Township for the approval of a long term tax exemption for the Project pursuant to the Long Term Tax Exemption Law, which application is attached hereto as Exhibit B (the "**Application**"); and

WHEREAS, on _____, 201__, the Township Committee adopted an ordinance, entitled, "Ordinance of the Township of Hopewell, County of Mercer, New Jersey Approving Application for a Long Term Tax Exemption and Authorizing the Execution of a Financial Agreement", approving the application and authorizing the execution of this Agreement, a copy of which is attached hereto as Exhibit C (the "**Ordinance**"); and

WHEREAS, the Township made the following findings with respect to the Project:

A. Relative Benefits of the Project:

i. The Project site is currently underutilized and improved with a single family home and several accessory buildings, all of which are in poor condition. The Project will redevelop the site with a 300 unit complex, renting at market rates and affordable rates in accordance with the Redevelopment Plan. The Project will create approximately 625 construction jobs and 20-25 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. More importantly, the Project will help the Township fulfill its constitutional obligation to provide housing opportunities for households with limited incomes. Considering current market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

B. Assessment of the Importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

i. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. 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, the receipt and sufficiency of which is hereby acknowledged, it is mutually covenanted and agreed as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01 Governing Law.

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, the Ordinance, and all other Applicable Laws. It is expressly understood and agreed that the Township expressly relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

SECTION 1.02 General Definitions.

The following terms shall have the meanings assigned to such term in the preambles hereof:

Agreement
Application
Entity
Effective Date
Local Redevelopment and Housing Law
Long Term Tax Exemption Law
Township Committee
Ordinance
Party/Parties
Planning Board
Project
Property
Redevelopment Agreement
Redevelopment Area
Redevelopment Plan
Township

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

Administrative Fee – The annual fee paid to the Township by the Entity, as set forth in Section 4.06 of the Agreement.

Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to the provisions of *N.J.S.A.* 40A:20-3(b).

Allowable Profit Rate - The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party,

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

Annual Gross Revenue – Pursuant to *N.J.S.A.* 40A:20-3(a), the annual gross revenue shall be calculated as one hundred percent (100%) of the rental charges generated from the residential units comprising the Project, including one hundred percent (100%) of any separately charged application fees, pet fees, parking fees, floor or view premiums or other separate charges that may be collected from tenants of the Project; provided, however, that Annual Gross Revenue shall not include deposits, interest on deposits, lost key charges, late fees, NSF charges, apartment damage compensation, convenience fees (credit card fees), lease termination fees, telecommunications and internet charges, and utility charges (unless included in the rental charges).

Annual Service Charge - The amount the Entity has agreed to pay the Township, or its designee, pursuant to Article IV for municipal services supplied to the Project, which sum is in lieu of any taxes on the Land and Improvements, which amount shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Annual Service Charge Start Date – The Annual Service Charge Start Date shall be the date of the issuance of the Certificate of Occupancy for the first residential unit within the Project.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Local Redevelopment and Housing Law and the Long Term Tax Exemption 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, including all applicable environmental laws, and applicable federal and State labor standards.

Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit as provided in *N.J.S.A.* 40A:20-3(c). The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - A temporary (if temporary or conditional for the limited reasons of grading, seeding, landscaping and/or surface pavement course) or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A.* 52:27D-133.

Clerk - The municipal clerk of the Township.

County – The County of Mercer.

County Share – The first five percent (5%) of the Annual Service Charge, which shall be payable to the County in accordance with the provisions of *N.J.S.A.* 40A:20-12.

Default - A breach or the failure of either Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under Applicable Law, beyond any applicable grace or cure periods after written notice of such failure.

Default Notice – As defined in Section 15.02.

Financial Plan – The financial plan prepared pursuant to *N.J.S.A.* 40A:20-8(e) attached to the Application.

Improvements - Any building, structure or fixture permanently affixed to the Land and to be constructed and exempt under this Agreement.

In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale in accordance with the provisions of the In Rem Tax Foreclosure Act and Tax Sale Law.

In Rem Tax Foreclosure Act – *N.J.S.A.* 54:5-104.29 *et seq.*, as may be amended or supplemented from time to time.

Land – The real property, but not the Improvements, commonly known as Block 78.09, Lot 21 on the tax maps of the Township, as more particularly described by the property description set forth in Exhibit A of this Agreement and to be exempt hereunder.

Land Taxes - The amount of taxes assessed on the value of the Land exclusive of the value of any Improvements related thereto, in accordance with Applicable Laws.

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

Material Conditions – As defined in Section 4.07.

Mayor - The Mayor of the Township.

Minimum Annual Service Charge – The total taxes levied against all real property constituting the Project Site in the last full tax year in which the Property was subject to taxation.

Net Profit – The Annual Gross Revenue of the Entity pertaining to the Property, 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, an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the abatement granted pursuant to this Agreement as well as all other expenses permitted under the provisions of *N.J.S.A.* 40A:20-3(c).

Notice of Termination – As defined in Section 15.04.

State – The State of New Jersey.

Tax Assessor – The Township Tax Assessor.

Tax Collector – The Township Tax Collector.

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

Termination – Expiration of the term of this Agreement in accordance with Section 3.01 or any action or omission which by operation of the terms of this Agreement shall cause the Entity to relinquish or forfeit the tax exemption granted pursuant to this Agreement.

Total Project Cost – The total cost of construction and/or rehabilitation of the Project, which categories of cost are as defined in *N.J.S.A.* 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred to construct the Improvements which are specifically described in the Application.

SECTION 1.03 Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

A. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before the date of delivery of this Agreement.

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

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

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

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

F. All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than twenty (20) days, unless the context dictates otherwise.

G. All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

SECTION 1.04 Reliance by Township. It is expressly understood and agreed that the Township has relied upon the facts and representations contained in the Application in granting the tax exemption described in this Agreement.

{End of Article I}

ARTICLE II
APPROVAL

SECTION 2.01 Approval of Tax Exemption

The Township does hereby grant its approval for a tax exemption for the Project in accordance with the provisions of the Long Term Tax Exemption Law on the Property. Pursuant to the Ordinance, the Land and Improvements to be constructed and maintained by the Entity shall be exempt from taxation as provided for herein.

SECTION 2.02 Approval of the Entity

Approval is granted to the Entity based on its representation that its Certificate of Incorporation, attached to the Application as Exhibit _ thereto, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, all in accordance with *N.J.S.A.* 40A:20-5.

SECTION 2.03 Improvements to be Constructed

The Entity represents that it will construct or cause the Improvements to be constructed in accordance with the Redevelopment Plan, the approved site plan, the Redevelopment Agreement, and the Township's Master Plan.

SECTION 2.04 Construction Schedule

The Entity agrees to diligently undertake to complete construction within 24 months of the issuance of the first building permit subject only to "Force Majeure".

SECTION 2.05 Ownership, Management and Control

The Entity represents that it is or will be the owner of the Property. The Entity expressly covenants, warrants and 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 and in accordance with the Redevelopment Plan and all Applicable Laws.

SECTION 2.06 Financial Plan

The Entity represents that the Improvements shall be financed substantially in accordance with the representations set forth in the Financial Plan. The Application and Financial Plan, made a part hereof, set forth the estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, the terms of any mortgage amortization, and rental schedules and lease terms, as applicable, in accordance with the Long Term Tax Exemption Law.

{End of Article II}

ARTICLE III

DURATION OF AGREEMENT

SECTION 3.01 Term

This Agreement is effective on the Effective Date. So long as there is compliance with the Applicable Laws and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay Annual Service Charges under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) thirty-five (35) years from the date of the Effective Date or (ii) thirty (30) years from the Annual Service Charge Start Date for the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law. Upon Termination, the tax exemption for the Project shall expire and the Land and Improvements shall thereafter be assessed and taxed according to the general laws applicable to other non-exempt property in the Township. Upon Termination all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Township's acceptance of its final accounting, pursuant to *N.J.S.A.* 40A:20-12. Notwithstanding the above, if the Entity fails to commence construction within the timeframe set forth in Section 2.04, above, then the Township may terminate the Agreement upon sixty (60) days prior written notice to the Entity.

SECTION 3.02 Date of Termination

Upon any Termination of the tax exemption, as described in Section 3.01, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity.

SECTION 3.03 Voluntary Termination by Entity

The Entity may at any time after the expiration of one year from the completion of the Project notify the Township that as of a certain date designated in the notice, it relinquishes its status under the Long Term Tax Exemption Law and that the Entity has obtained the consent of the Commissioner of the Department of Community Affairs. Upon Termination of the Agreement, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Township's acceptance of its final accounting, pursuant to *N.J.S.A.* 40A:20-12.

{End of Article III}

ARTICLE IV

ANNUAL SERVICE CHARGE

SECTION 4.01 Annual Service Charge Consent

The Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens described in this Agreement, and the Entity shall not contest the validity or amount of any such lawfully imposed lien. Notwithstanding anything herein to the contrary, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim under any circumstances, including without limitation any loss of the status of the Entity as an urban renewal entity qualified under and as defined in the Long Term Tax Exemption Law, or any violation by the Township of any provisions of this Agreement. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by Applicable Law.

SECTION 4.02 Payment of Annual Service Charge

A. In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge commencing on the Annual Service Charge Start Date.

B. Payment of the Annual Service Charge shall be made to the Township on a quarterly basis on February 1, May 1, August 1, and November 1 after the Annual Service Charge Start Date in accordance with the Township's tax collection schedule, subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. The obligation to pay the Annual Service Charge shall continue until the Termination of the Agreement.

C. In the event that the Entity fails to timely pay the Annual Service Charge or any installment thereof, the amount past due shall bear interest at the highest rate of interest permitted under the State law in the case of unpaid taxes or tax liens on the Property and Land until paid.

D. In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A.* 40A:20-12, in the event of any change in the tax-exemption status as provided herein during any tax year, including but not limited to any Termination, the procedure for the apportionment of any taxes and/or Annual Service Charge, as the case may be, shall be the same as in the case of other changes in tax exemption status to any other property located within the Township during the tax year, in accordance with Applicable Law.

SECTION 4.03 Annual Service Charge Amount

Pursuant to *N.J.S.A.* 40A:20-12, the Annual Service Charge shall be an amount equal to the greater of: (a) 12.5% of Annual Gross Revenues for the first five years after the Annual Service Charge Start Date; (ii) 13% of Annual Gross Revenues for years 6-10 after the Annual Service Charge Start Date; (iii) 14% of Annual Gross Revenues for the years 11-15 after the Annual Service Charge Start Date; (iv) 14.5% of Annual Gross Revenues for the years 16-20 after the Annual Service Charge Start Date; and (v) 15% of the Annual Gross Revenue for years 21-30 after

the Annual Service Charge Start Date or (b) the Minimum Annual Service Charge. Subject to the minimum annual service charge. Subject to the minimum Annual Service Charge the first year of the Annual Service Charge shall be billed based on the Entity's actual Annual Gross Revenue for the first full year of operation.

Notwithstanding the provisions of the Long Term Tax Exemption Law or any provision of the Agreement to the contrary, including Section 4.04 herein, the Annual Service Charge shall never be reduced below the Minimum Annual Service Charge through any tax appeal on the Land and/or Improvements or any other legal proceeding regarding the Project during the period that this Agreement is in force and effect.

SECTION 4.04 Land Taxes and Credits, Reformation of Annual Service Charge

A. In the event the exemption of the Land authorized under *N.J.S.A.* 40A:20-12 is invalidated by a court of competent jurisdiction, the Parties agree that this Agreement shall remain valid and in full force and effect, and shall be reformed to provide that Land Taxes are assessed on the Property. In such case, the payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Annual Service Charge.

B. In the event the exemption of the Land authorized under *N.J.S.A.* 40A:20-12 is invalidated as described in Section 4.04(A), all Land Taxes, shall be separately assessed for the Project Site, and shall be computed according to the general laws applicable to all other tax ratables and shall be separately assessed for the Property, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements. The payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. The Entity's failure in any tax year to make any Land Tax Payments when due and owing shall render the Entity ineligible for any land tax credits against the Annual Service Charge during that period, subject to a right to cure any such delinquency prior to the end of the applicable tax year. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if applicable. The Entity is required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The Township shall, among its other remedies, have the right to proceed against the Property pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

SECTION 4.05 Schedule of Stage Adjustments to Annual Service Charge

Pursuant to *N.J.S.A.* 40A:20-12(b), the Annual Service Charge shall be adjusted as follows:

A. Stage One. Commencing on the Annual Service Charge Start Date through the 10th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 of the Agreement.

B. Stage Two. From the 11th year through the 15th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 20% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

C. Stage Three. From the 16th year through the 20th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 40% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

D. Stage Four. From the 21st year through the 25th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 60% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

E. Stage Five. From the 26th year through or the 30th year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or 80% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

SECTION 4.06 Administrative Fee

The Entity shall pay annually an administrative fee to the Township in addition to the Annual Service Charge. The Administrative Fee shall be computed as two percent (2%) of the Annual Service Charge required pursuant to Section 4.03. This fee shall be payable and due on or before February 1st of each year for the Administrative Fee accrued in the prior calendar year, and collected in the same manner as the Annual Service Charge. In the event the Entity fails to pay the Administrative Fee when due and owing, the amount unpaid shall bear the highest rate of interest permitted under applicable New Jersey law in the case of unpaid taxes or tax liens until paid.

SECTION 4.07 Material Conditions

It is expressly agreed and understood that all payments of Annual Service Charges and any interest payments, penalties or costs of collection due thereon, Land Taxes and the Administrative Fee are material conditions of this Agreement (the "**Material Conditions**"). If any other term, covenant or condition of this Agreement, as to any person or circumstance shall, to any extent, 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 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 4.08 No Reduction in Payment of the Annual Service Charge

Neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Sections 4.02 and 4.03 hereof shall be reduced, amended or otherwise modified during the term of this Agreement.

SECTION 4.09 Annual Service Charges as Municipal Lien

In accordance with the provisions of the Long Term Tax Exemption Law, the Annual Service Charge shall be and constitutes a continuous municipal lien on the Property and the Improvements.

SECTION 4.10 Security for Payment of Annual Service Charges

In order to secure the full and timely payment of the Annual Service Charges, the Township on its own behalf reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

SECTION 4.11 County Portion Paid to the County

In accordance with the provisions of *N.J.S.A.* 40A:20-12, upon the payment of the Annual Service Charge, the Township shall remit the County Share to the County.

{End of Article IV}

ARTICLE V

REMEDIES

SECTION 5.01 Dispute Resolution

In the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. 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, and produce a reasoned decision, regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law. Costs for said arbitration shall be borne equally by both Parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the Township, in addition to their other remedies, reserves the right to proceed against the Property and the Project, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof.

Notwithstanding anything herein to the contrary, no arbitrator shall have any power or authority to amend, alter, or modify any part of this Agreement, in any way.

SECTION 5.02 Remedies

In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV, the Township in addition to its other remedies, reserves the right to proceed against the Project, in the manner provided by Applicable Law, including the Tax Sale Law and the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean real estate taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charges were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the Township to proceed in the above-mentioned manner.

{End of Article V}

ARTICLE VI

CERTIFICATE OF OCCUPANCY

SECTION 6.01 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a reasonably timely manner.

SECTION 6.02 Filing of Certificate of Occupancy

It shall be the responsibility of the Entity to promptly file with both the Tax Assessor and the Tax Collector a copy of any Certificate of Occupancy issued for the Project.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph shall not militate against any action or non-action, taken by the Township, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

{End of Article VI}

ARTICLE VII

ANNUAL AUDITS

SECTION 7.01 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and as otherwise prescribed by Applicable Law.

SECTION 7.02 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, for the duration of this Agreement, the Entity shall submit to the Mayor, Township Committee, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year pursuant to *N.J.S.A.* 40A:20-3(c). The Report shall clearly identify and calculate all items comprising the Annual Gross Revenue and the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the periodic reports.

B. Total Project Cost Audit: Within ninety (90) days after the final Certificate of Occupancy is issued for the Project, the Entity shall, unless this Agreement is terminated, submit to the Mayor, Township Committee, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by the Entity's architect.

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

SECTION 7.03 Inspection

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A.* 40A:20-9(e). The Entity shall also permit, upon written request, examination and audit of its books, contracts, records, documents and papers relating to the Project by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A.* 40A:20-9(e). Such inspection shall be made upon ten (10) days' written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

SECTION 7.04 Limitation on Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits and dividends pursuant to the provisions of *N.J.S.A.* 40A:20-15. Pursuant to *N.J.S.A.* 40A:20-3(b) and (c), this calculation shall be completed in accordance with generally accepted accounting principles.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A.* 40A:20-15. The reserve shall be noncumulative.

There is expressly excluded from calculation of Annual Gross Revenue and from Net Profit as set forth in *N.J.S.A.* 40A:20-3 for the purpose of determining compliance with *N.J.S.A.* 40A:20-15 or *N.J.S.A.* 40A:20-16, any gain realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law.

SECTION 7.05 Payment of Dividend and Excess Profit Charge

In the event the Net Profits of the Entity in any fiscal year shall exceed the Allowable Net Profits for such period, then the Entity, within ninety (90) days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned Section 7.04. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to *N.J.S.A.* 40A:20-3(c) and 40A:20-15.

The Parties agree that any excess Net Profit will be paid to the Township as additional Annual Service Charge.

{End of Article VII}

ARTICLE VIII

ASSIGNMENT AND/OR ASSUMPTION

SECTION 8.01 Approval of Sale of Project to Entity Formed and Eligible to Operate Under Applicable Law

The Entity shall not voluntarily transfer more than ten percent (10%) of the Project, until it has removed itself and the Project from all restrictions under this Agreement. The Entity shall, however, be permitted to transfer all or any portion of the Project to another urban renewal entity approved by the Township as follows:

A. As permitted by *N.J.S.A.* 40A:20-10(a), it is understood and agreed that the Township, on written application by the Entity after completion of the Project, may consent to a sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (iii) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; (v) the transferee entity agrees to abide by all terms and conditions of this Agreement and any other terms and conditions of the Township in regard to the Project; and (vi) the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage and complete the Project. In the event that the transfer contemplated in this Section 8.01(A) is for less than the whole of the Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the land area being transferred compared to the total land area for the Project.

B. Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity of ten percent (10%) or less, provided that any such transfer shall be disclosed to the Township Committee in the next Auditor's Report or in correspondence sent to the Township Clerk in advance of the next Auditor's Report.

C. If the Entity transfers the Project 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 Long Term Tax Exemption Law. The date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that date of the transfer of title, the Entity shall pay to the Township the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to *N.J.S.A.* 40A:20-15.

SECTION 8.02 Severability

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Township Committee by ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the

Improvements from the Land which are basic to, embraced in, or underlying the exempt Improvements.

SECTION 8.03 Subordination of Fee Title

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges, and to the rights of the Township hereunder to encumber and/or lease the Land and/or Improvements, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

{End of Article VIII}

ARTICLE IX

TOWNSHIP DETERMINATIONS AND OBLIGATIONS

SECTION 9.01 Relative Benefits

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A.* 40A:20-11(a), the Township hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Township and its citizens despite the tax exemption granted hereunder. The Project site is currently vacant and underutilized. The Project will redevelop the site with a 300 unit inclusionary residential rental project in accordance with the Redevelopment Plan. The Project will create approximately 625 construction jobs and 20-25 permanent jobs. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. Considering current market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive of the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

SECTION 9.02 Importance of Tax Exemption

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A.* 40A:20-11(b), the Township hereby finds and determines that it has reviewed the Application and accompanying financial information and it has determined that this Agreement is a critical incentive for the Entity to undertake the Project in the Township due to the extraordinary costs associated with the development of the Property. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

{End of Article IX}

ARTICLE X

WAIVER

SECTION 10.01 Waiver

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Entity of any rights and remedies provided by the Applicable Law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Township or the Entity has under law, in equity, or under any provision of this Agreement.

{End of Article X}

ARTICLE XI

NOTICE

SECTION 11.01 Notice

Any notice required hereunder to be sent by any Party to another Party shall be sent to all other Parties hereto simultaneously by certified or registered mail, return receipt requested or by commercial overnight delivery service with package tracking capabilities and for which proof of delivery is available, as follows:

A. When sent to the Entity it shall be addressed as follows:

Woodmont Federal Hopewell Urban Renewal, LLC
c/o Stephen A. Santola
Woodmont Properties
100 Passaic Avenue
Fairfield, NJ 07004

with copies to:

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way, 7th Floor
Secaucus, NJ 07094

B. When sent to the Township, it shall be addressed as follows:

Township Clerk
Township of Hopewell
201 Washington Crossing-Pennington Road
Titusville, New Jersey 08560

with copies to:

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, NJ 07068

The notice to the Township shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

{End of Article XI}

ARTICLE XII

COMPLIANCE

SECTION 12.01 Statutes and Ordinances

The Entity hereby agrees at all times prior to the expiration or Termination of this Agreement to remain bound by the provisions of Applicable Law and any lawful ordinances and resolutions of the Township, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Agreement.

{End of Article XII}

ARTICLE XIII

CONSTRUCTION

SECTION 13.01 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 or 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 Township have combined in their review and approval of same.

{End of Article XIII}

ARTICLE XIV

INDEMNIFICATION

SECTION 14.01 Indemnification

It is understood and agreed that in the event the Township shall be named as a party defendant in any action respecting the Property brought against the Township or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or any other Applicable Law, the Entity shall indemnify and hold the Township harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of *N.J.S.A.* 40A:20-1 *et seq.*, and/or any other Applicable Law except for any misconduct by the Township or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the Township maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity. Notwithstanding the foregoing, nothing herein shall obligate the Entity to indemnify and hold the Township harmless with respect to the action entitled Deer Valley Realty, LLC v. Township of Hopewell, et al., Docket No. MER-L-002326-17 PW; provided, however, that the Entity's affiliate, Woodmont Properties, LLC ("**Woodmont**"), shall be obligated to defend any challenge to that certain Settlement Agreement, dated June 12, 2017, by and between the Township and Woodmont under the terms thereof.

{End of Article XIV}

ARTICLE XV

DEFAULT

SECTION 15.01 Default

Default shall be failure of either Party to conform to the terms of this Agreement and/or perform any obligation imposed by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

SECTION 15.02 Cure Upon Default

Should a Party be in Default of any obligation under this Agreement, the non-defaulting Party shall notify the defaulting Party and any mortgagee, if applicable, of the Entity in writing of said Default (the "**Default Notice**"). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the defaulting Party shall have sixty (60) days to cure any Default (other than a Default in payment of any installment of the Annual Service Charge which default must be cured within ten (10) days from the date of its receipt of the Default Notice) provided such cure can reasonably be effected within such sixty (60) day period in which case Entity shall have such additional time to cure as reasonably necessary to effect same. In the event of any uncured Default by the Entity, the Township shall have the right to proceed against the Property pursuant to Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge, the Township shall have the right to proceed with an In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Act.

SECTION 15.03 Remedies Upon Default Cumulative; No Waiver

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

SECTION 15.04 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy any Default within the time period provided in Section 15.02, the Township has the right to terminate this Agreement upon thirty (30) days written notice to the Entity (the "**Notice of Termination**").

SECTION 15.05 Final Accounting

Within ninety (90) days after the date of Termination, the Entity shall provide a final accounting and pay to the Township the reserve, if any, pursuant to the provisions of *N.J.S.A.* 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the Termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

SECTION 15.06 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

{End of Article XV}

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01 Conflict

The Parties agree that in the event of a conflict between the Application and this Agreement, the language in this Agreement shall govern and prevail.

SECTION 16.02 Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement, the Ordinance of the Township authorizing this Agreement, and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

SECTION 16.03 Entire Document

All conditions in the Ordinance of the Township Committee approving this Agreement are incorporated in this Agreement and made a part hereof. This Agreement, the Ordinance and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

SECTION 16.04 Good Faith

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

SECTION 16.05 Recording

This entire Agreement will be filed and recorded with the Mercer County Clerk by the Entity at the Entity's expense.

SECTION 16.06 Municipal Services

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for Land Taxes, if applicable, and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

SECTION 16.07 Annual Service Charge Paid to County

Pursuant to *N.J.S.A.* 40A:20-12, the Township shall remit five percent (5%) of the Annual Service Charge to Mercer County.

SECTION 16.08 Financing Matters

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

SECTION 16.09 Counterparts

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

SECTION 16.10 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

SECTION 16.11 Certification

The Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A.* 40A:20-12, that an agreement with an urban renewal entity, i.e., 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 Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Township Committee 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, within 10 calendar days following the later of the effective date of the Ordinance or the execution of this Agreement by the Entity, the Township Clerk shall transmit a certified copy of the Ordinance and this Agreement to the chief financial officer of Mercer County and to the Mercer County counsel for informational purposes.

SECTION 16.12 Severability

If any one or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 16.13 Effect of Amendment and Restatement

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

{End of Article XVI}

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

WOODMONT FEDERAL HOPEWELL URBAN RENEWAL, LLC

By: _____

TOWNSHIP OF HOPEWELL

By: Kevin D. Kuchinski

STATE OF NEW JERSEY :
: ss
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this __ day of _____ , 201__, by _____, the _____ of Woodmont Federal Hopewell Urban Renewal, LLC, a New Jersey urban renewal entity, on behalf of the company.

_____
Notary Public

STATE OF NEW JERSEY :

: ss

COUNTY OF Mercer :

The foregoing instrument was acknowledged before me this 11th day of December, 2017, by Kevin Kuchinski the Mayor of the TOWNSHIP OF HOPEWELL, a municipal corporation of the County of Mercer and State of New Jersey, on behalf of the Township.

Laurie E. Gompf

Notary Public

LAURIE E. GOMPF
NOTARY PUBLIC OF NEW JERSEY
I.D. # 2298178
My Commission Expires 3/20/2018

LIST OF EXHIBITS

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

Exhibit A. Property Description
Exhibit B. Exemption Application with Exhibits
Exhibit C. Ordinance

EXHIBIT A

PROPERTY DESCRIPTION

EXHIBIT B

EXEMPTION APPLICATION WITH EXHIBITS

EXHIBIT C

ORDINANCE

EXHIBIT H

ESTIMATED ANNUAL SERVICE CHARGE

Based on good faith estimates of the rents and sales to be achieved, the Annual Service Charge over the term of the exemption (30-years) is as follows:

	Year 1 (stabilized)	Total over
PILOT Term		
Rental Apartments (300 units)	$6,900,000	$49,250,000

EXHIBIT I

ESTIMATED FINANCIAL PLAN

WATERS, MCPHERSON, MCNEILL
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SECAUCUS - TRENTON - NEW YORK
MEADOWLANDS OFFICE
300 LIGHTING WAY
P.O. BOX 1560
SECAUCUS, NEW JERSEY 07096
201-863-4400
www.lawwmm.com

JOSEPH G. RAGNO

DIRECT DIAL
201-330-7465

E-MAIL
jragno@lawwmm.com

FAX
201-863-2866

November 22, 2017

OVERNIGHT DELIVERY
Honorable Kevin Kuchinski, Mayor
Township Offices
201 Washington Crossing Pennington Road
Hopewell, NJ 08560

Re: Woodmont Federal Hopewell Urban Renewal LLC
Application for Long Term Tax Exemption
Our File No.: 11580-4

Dear Mayor Kuchinski:

In connection to the Application for Long Term Tax Exemption filed by Woodmont Federal Hopewell Urban Renewal, LLC on November 22, 2017, enclosed please find an amended Estimated Financial Plan (Exhibit I).

We thank you for your consideration.

Respectfully,

WATERS, MCPHERSON, MCNEILL, P.C.

By: _____
Joseph G. Ragno

JGR/ak
Enclosures
cc: Township Clerk
Kevin McManimon, Esq.
Stephen A. Santola, Esq.

1005510

Woodmont at Hopewell

Last Updated: 11/03/17

Hopewell, Mercer County, New Jersey

Stabilized Forecast

Total Units	300
Net Square Feet	332,572

Operating Activity		Yr Beg	Year 1 Jan-21	Year 2 Jan-22	Year 3 Jan-23	Year 4 Jan-24	Year 5 Jan-25	Year 6 Jan-26	Year 7 Jan-27	Year 8 Jan-28	Year 9 Jan-29	Year 10 Jan-30	Year 11 Jan-31	Year 12 Jan-32	Year 13 Jan-33	Year 14 Jan-34	Year 15 Jan-35	Year 16 Jan-36
Revenue																		
Rental Revenue			$ 7,186,727	$ 7,350,829	$ 7,571,354	$ 7,798,494	$ 8,032,449	$ 8,273,423	$ 8,521,625	$ 8,777,274	$ 9,040,592	$ 9,311,810	$ 9,591,164	$ 9,878,899	$ 10,175,266	$ 10,480,524	$ 10,794,940	$ 11,118,788
Other Revenue			242,900	250,187	257,693	265,423	273,386	281,588	290,035	298,736	307,698	316,929	326,437	336,230	346,317	356,707	367,408	378,430
Vacancy, Non-Revenue Units			(391,581)	(403,328)	(415,428)	(427,891)	(440,728)	(453,950)	(467,568)	(481,595)	(496,043)	(510,924)	(526,252)	(542,040)	(558,301)	(575,050)	(592,301)	(610,070)
Total Revenue			**$ 6,988,046**	**$ 7,197,687**	**$ 7,413,618**	**$ 7,636,027**	**$ 7,865,107**	**$ 8,101,061**	**$ 8,344,092**	**$ 8,594,415**	**$ 8,852,248**	**$ 9,117,815**	**$ 9,391,349**	**$ 9,673,090**	**$ 9,963,283**	**$ 10,262,181**	**$ 10,570,047**	**$ 10,887,148**
Real Estate Taxes (PILOT)			**$ 873,506**	**$ 899,711**	**$ 926,702**	**$ 954,503**	**$ 983,138**	**$ 1,013,158**	**$ 1,044,732**	**$ 1,117,274**	**$ 1,150,792**	**$ 1,185,316**	**$ 1,214,789**	**$ 1,254,233**	**$ 1,294,860**	**$ 1,436,705**	**$ 1,479,807**	**$ 1,578,636**
Operating Expenses			$ 1,554,041	$ 1,600,663	$ 1,648,683	$ 1,698,143	$ 1,749,087	$ 1,801,560	$ 1,855,607	$ 1,911,275	$ 1,968,613	$ 2,027,672	$ 2,088,502	$ 2,151,157	$ 2,215,691	$ 2,282,162	$ 2,350,627	$ 2,421,146
Total Expenses + PILOT			**$ 2,427,547**	**$ 2,500,374**	**$ 2,575,385**	**$ 2,652,646**	**$ 2,732,226**	**$ 2,814,718**	**$ 2,900,339**	**$ 3,028,549**	**$ 3,119,405**	**$ 3,212,987**	**$ 3,303,291**	**$ 3,405,389**	**$ 3,510,551**	**$ 3,718,868**	**$ 3,830,434**	**$ 3,999,782**
Amortization over Term	30 years	$ 64,290,000	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**	**$ 2,143,000**
Net Operating Income after Amortization			$ 2,417,499	$ 2,554,314	$ 2,695,233	$ 2,840,380	$ 2,989,882	$ 3,243,343	$ 3,260,754	$ 3,422,866	$ 3,589,842	$ 3,761,828	$ 3,945,059	$ 4,224,701	$ 4,209,732	$ 4,405,314	$ 4,596,613	$ 4,744,366

PROPOSED PILOT

In Yrs 1-8	12.5%		
In Yrs 9-10, greater of	12.0%	or	20% of actual taxes
In Yrs 11-16, greater of	14.0%	or	40% of actual taxes
In Yrs 17-22, greater of	14.5%	or	60% of actual taxes
In Yrs 23-30, greater of	15.0%	or	80% of actual taxes

Payments to Municipality	Yrs 1-9	Yrs 9-10	Yrs 11-22	Yrs 23-30	Yrs 23-25	Yrs 26-30	TOTAL
Proposed PILOT	$4,637,561	$2,591,152	$ 8,940,391	$ 8,361,199	$ 10,956,898	$ 12,702,048	$49,249,348

Yr 1 Stabilized	$873,506
First 9 Years (stabilized)	$4,637,561
Total 30 years	$49,249,348

Woodmont at Hopewell

Last Updated: 11/03/17

Hopewell, Mercer County, New Jersey

Stabilized Forecast

Total Units	300
Net Square Feet	332,172

Operating Activity			Yr Beg.	Year 17 Jan-37	Year 18 Jan-38	Year 19 Jan-39	Year 20 Jan-40	Year 21 Dec-40	Year 22 Dec-41	Year 23 Dec-42	Year 24 Dec-43	Year 25 Dec-44	Year 26 Dec-45	Year 27 Dec-46	Year 28 Dec-47	Year 29 Dec-48	Year 30 Dec-49	Total
Revenue																		
Rental Revenue				$ 11,492,352	$ 11,795,922	$ 12,149,800	$ 12,514,294	$ 12,889,723	$ 13,276,414	$ 13,674,707	$ 14,084,948	$ 14,507,497	$ 14,942,721	$ 15,391,003	$ 15,852,733	$ 16,328,311	$ 16,818,165	$ 339,132,754
Other Revenue				389,783	401,477	413,521	425,927	438,704	451,866	465,422	479,384	493,766	508,579	523,836	539,551	555,738	572,410	11,556,368
Vacancy, Non-Revenue Units				(628,173)	(647,224)	(666,640)	(686,640)	(707,239)	(728,456)	(750,310)	(772,819)	(796,004)	(819,884)	(844,480)	(869,811)	(895,909)	(922,786)	(18,629,518)
Total Revenue				$ 11,253,962	$ 11,550,175	$ 11,896,681	$ 12,253,581	$ 12,621,188	$ 12,999,824	$ 13,389,819	$ 13,791,513	$ 14,205,259	$ 14,631,417	$ 15,070,359	$ 15,522,470	$ 15,988,144	$ 16,467,788	$ 332,059,594
Real Estate Taxes (PILOT)				$ 1,629,996	$ 1,674,775	$ 1,705,019	$ 1,776,769	$ 1,863,782	$ 2,125,695	$ 2,189,466	$ 2,255,150	$ 2,322,805	$ 2,392,489	$ 2,464,263	$ 2,538,191	$ 2,614,337	$ 2,692,767	$ 49,193,346
Operating Expenses				$ 2,493,780	$ 2,568,594	$ 2,645,851	$ 2,725,221	$ 2,806,772	$ 2,890,975	$ 2,977,724	$ 3,067,035	$ 3,159,046	$ 3,253,818	$ 3,351,432	$ 3,451,975	$ 3,555,534	$ 3,482,200	73,934,165
Total Expenses + PILOT				$ 4,123,775	$ 4,243,369	$ 4,370,870	$ 4,501,990	$ 4,670,553	$ 5,016,670	$ 5,167,190	$ 5,322,185	$ 5,481,851	$ 5,646,306	$ 5,815,695	$ 5,990,166	$ 6,169,871	$ 6,354,967	$ 123,183,511
Amortization over Term	30 years	$ 64,290,000		$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 2,143,000	$ 64,290,000
Net Operating Income after Amortization				$ 4,990,187	$ 5,163,806	$ 5,383,010	$ 5,608,791	$ 5,807,635	$ 5,840,154	$ 6,079,629	$ 6,326,328	$ 6,580,408	$ 6,842,110	$ 7,111,664	$ 7,389,303	$ 7,675,273	$ 7,969,821	$ 144,585,083

PROPOSED PILOT

In Yrs 1-5	12.5%		
In Yrs 6-10, greater of	13.0%	or	20% of actual
In Yrs 11-15, greater of	14.0%	or	40% of actual
In Yrs 16-20, greater of	14.5%	or	60% of actual
In Yrs 21-30, greater of	15.0%	or	80% of actual