

THIS FINANCIAL AGREEMENT AND THE ORDINANCE ATTACHED HERETO AS EXHIBIT A SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

Record and Return to:

Matthew D. Jessup, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, New Jersey 07068

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (as the same may be amended, modified or supplemented from time to time, hereinafter this "**Agreement**" or "**Financial Agreement**"), made this 18th day of June, 2019, by and between **LENNAR PLUMSTED URBAN RENEWAL, LLC**, an urban renewal entity qualified to do business under the provisions of the New Jersey 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 2465 Kuser Road, 3rd Floor, Hamilton, New Jersey 08690 (f/k/a Lennar Plumsted, LLC) (together with its permitted successors and assigns, the "**Entity**") and the **TOWNSHIP OF PLUMSTED**, a municipal corporation in the County of Ocean and the State of New Jersey (together with its permitted successors and assigns, the "**Township**" and, together with the Entity, the "**Parties**" or "**Party**").

WITNESSETH:

WHEREAS, by Resolution No. 2009-112 adopted on February 2, 2009, the Township Committee of the Township designated the C-4 Zoning District as an area in need of redevelopment (the "**Redevelopment Area**") in accordance with 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**"); and

WHEREAS, pursuant to N.J.S.A. 40A:12A-7, by Ordinance No. 2004-5 adopted on March 22, 2004, as amended by Ordinance No. 2005-15 adopted on August 8, 2005 and by Ordinance No. 2014-07 adopted on August 6, 2014, the Township Committee has duly adopted, as amended from time to time, the "New Egypt Redevelopment Plan" (collectively, and as the same may be further amended, the "**Redevelopment Plan**"), which sets forth the Township's plan for the redevelopment of the Redevelopment Area; and

WHEREAS, by Resolution No. 2013-234, the Township Committee designated the Entity (then known as Lennar Plumsted, LLC), as the Conditional Redeveloper of the hereinafter defined Project Area; and

WHEREAS, the Entity currently owns and/or has the right to acquire and intends to acquire and undertake the redevelopment of that portion of the Redevelopment Area now commonly known as Block 40, Lots 10 and 18 on the tax maps of the Township (the "**Project Area**") as an approximately four hundred fifty four (454) unit age restricted residential community; and

WHEREAS, on October 15, 2014, the Township and the Entity (then known as Lennar Plumsted, LLC) entered into a Redevelopment Agreement (as the same may be amended, modified or supplemented from time to time, the "**Redevelopment Agreement**"), in order to implement the development, design, financing and construction of the hereinafter defined Project pursuant to the Redevelopment Plan; and

WHEREAS, the Redevelopment Agreement provides for, among other things, (i) the acquisition by the Entity of all of the Project Area, and the development and construction thereon of a redevelopment project, including but not limited to the construction by the Entity of a minimum of four hundred (400) and a maximum of five hundred (500) units in an Active Adult Community (as defined herein), which the Entity intends as a for-sale, age-restricted project, with private interior roadways and a private amenity complex in the Project Area, together with onsite water and sewer utility systems (the "**Project**"), (ii) the design and construction, by or at the direction of the Plumsted Municipal Utilities Authority ("**PMUA**"), on behalf of, and at the cost of, the Township, of the hereinafter defined Sewer Improvements, which will serve the Project together with other portions of the Redevelopment Area and which may also serve other areas of the Township, and (iii) the construction, by and at the expense of such entity as may be approved by the Township, at no cost to the Entity, of the hereinafter defined Water Improvements, which will serve the Project and which may also serve other areas of the Township (the improvements described in (ii) and (iii) hereof, collectively, the "**Improvements**"); and

WHEREAS, the cost of the Project is expected to be approximately \$142,474,000; and

WHEREAS, despite the Entity's current and future substantial investment of "at-risk" equity and traditional borrowed funds for acquisition, development and construction of the Project, such amounts of equity and traditional borrowed funds are insufficient to pay for all of the costs associated with the acquisition, development and construction of certain infrastructure improvements necessary for the Project; and

WHEREAS, pursuant to and in accordance with the provisions of the New Jersey Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., as amended and supplemented (the "**Bond Financing Law**"), the Township is authorized to provide for and accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township in accordance with certain applicable provisions of the Long Term Tax Exemption Law; and

WHEREAS, the Entity amended its incorporating documents which changed its name from Lennar Plumsted, LLC to Lennar Plumsted Urban Renewal, LLC in accordance and compliance with the Long Term Tax Exemption Law for the purpose of undertaking the development of the Redevelopment Area pursuant to the Redevelopment Plan; and

WHEREAS, the Entity submitted an application to the Township for the approval of an urban renewal project, all in accordance with N.J.S.A. 40A:20-8, which application, as amended, is available for inspection in the office of the Township Clerk (as amended, the "**Exemption Application**"); and

WHEREAS, the Exemption Application and the Project were approved with respect to the Project Area pursuant to a resolution of the Township Committee duly adopted on June 7, 2017; and

WHEREAS, on June 21, 2017, the Township Committee finally adopted Ordinance Number 17-10, "Ordinance of the Township of Plumsted, in the County of Ocean, New Jersey Approving the Execution of a Financial Agreement with Respect to the New Egypt Redevelopment Area", a copy of which is attached hereto as *Exhibit A* (the "**Ordinance**"); and

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

- A. Relative benefits of the Project when compared to the costs:
 - i. The planned development of existing vacant land;
 - ii. Encourages development and expansion of properties in the Township industrial park and vacant light industrial areas;
 - iii. Promotes rehabilitation and infill construction of mixed-use buildings in the downtown redevelopment area; and
 - iv. Creates a vibrant, culturally interesting and attractive downtown area which serves as a growth center to attract new businesses and shoppers.

- B. Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants of the Units in the Project:
 - i. But for the tax exemption and issuance of the Redevelopment Bonds, the Project would not be completed;
 - ii. Tax exemption will allow for completion of the Improvements; and
 - iii. The benefits of the tax exemption outweigh any costs.

WHEREAS, the Parties have determined that the Project Area and the Improvements shall be subject to the terms of the Ordinance, in accordance with this Financial Agreement; and

WHEREAS, pursuant to the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, the Annual Service Charge (as such term is defined herein) shall, upon the recordation of this

Financial Agreement and the Ordinance, constitute a municipal lien on the Project Area and the Project within the meaning of said law; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Township or the redevelopment entity may issue bonds or may apply to an authority (as such term is defined in the Bond Financing Law) to issue bonds, which may be secured by the Annual Service Charge, the Redeveloper Payments (as defined herein) and the Township Guaranty (as defined herein); and

WHEREAS, in order to assist in financing all or a portion of the Improvements by way of the sale and issuance of certain bonds (as more particularly defined herein, the "**Redevelopment Bonds**"), in accordance with one or more Indentures of Trust and/or supplemental indentures thereunder (collectively, the "**Indenture**"), the Township has agreed to assign certain of its rights, title and interest in this Financial Agreement to the Trustee (as defined herein); and

WHEREAS, pursuant to the terms of this Financial Agreement and the Indenture and in accordance with the terms of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Pledged Annual Service Charge (as defined herein) and Redeveloper Payments shall be pledged to the payment of the principal or redemption premium of, and interest on, the Redevelopment Bonds as set forth herein; and

WHEREAS, the Entity and the Township have agreed that the Debt Service Charge (as defined herein) in connection with the Redevelopment Bonds shall be paid from the Pledged Annual Service Charge and Redeveloper Payments, with the Unpledged Annual Service Charge (as defined herein) (subject to the priority of the County Share (as defined herein)) to be used by the Township for any lawful purpose in the exercise of the Township's sole discretion; and

WHEREAS, in order to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to the payment of the Annual Service Charge and Redeveloper Payments by the Entity and the issuance of the Redevelopment Bonds and provision for repayment thereof through the Pledged Annual Service Charge and Redeveloper Payments, the Parties have determined to execute this Financial Agreement.

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, and intending to be legally bound hereby, it is mutually covenanted and agreed as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01 Governing Law. THIS FINANCIAL AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED BY THE LAWS OF THE STATE, INCLUDING BY (A) THE PROVISIONS OF THE LONG TERM TAX EXEMPTION LAW, THE LOCAL REDEVELOPMENT AND HOUSING LAW, THE BOND FINANCING LAW AND SUCH OTHER STATE STATUTES AS MAY BE THE SOURCES OF RELEVANT AUTHORITY, (B) THE ORDINANCE, AND (C) ALL OTHER APPLICABLE LAWS (AS DEFINED HEREIN), WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. IT IS HEREBY EXPRESSLY ACKNOWLEDGED, UNDERSTOOD AND AGREED THAT UPON THE RECORDATION OF THE ORDINANCE AND THIS FINANCIAL AGREEMENT IN ACCORDANCE WITH SECTION 17.05 HEREOF, EACH AND EVERY PARCEL OF LAND, AND ANY IMPROVEMENT RELATED THERETO, INCLUDING WITHOUT LIMITATION, ANY UNIT, AS SUCH TERMS ARE DEFINED HEREIN, SHALL BE SUBJECT TO AND GOVERNED BY THE TERMS OF THIS FINANCIAL AGREEMENT AND EACH AND EVERY OWNER, WHETHER IN FEE SIMPLE OR OTHERWISE, OF ANY SUCH PARCEL OF LAND, AND ANY IMPROVEMENT RELATED THERETO, INCLUDING ANY UNIT, REGARDLESS OF WHETHER SUCH OWNER SHALL BE AN URBAN RENEWAL ENTITY, THE ENTITY, A UNIT PURCHASER, AS SUCH TERM IS DEFINED HEREIN, OR ANY OTHER COMPANY, ENTITY OR PERSON (EACH INDIVIDUALLY REFERRED TO HEREIN AS AN "**OWNER**") SHALL BE BOUND BY THE TERMS HEREOF. IN THE EVENT OF ANY BREACH OR DEFAULT OF THIS FINANCIAL AGREEMENT BY AN OWNER, SUCH BREACH OR DEFAULT SHALL NOT CONSTITUTE A BREACH OR DEFAULT BY ANY OTHER OWNER(S) AND SUCH OTHER OWNER(S), AND ITS RESPECTIVE PARCEL OR PORTION OF LAND, AND ANY IMPROVEMENTS RELATED THERETO, INCLUDING ANY UNIT, SHALL CONTINUE TO BE SUBJECT TO, GOVERNED BY AND BOUND BY THIS FINANCIAL AGREEMENT.

SECTION 1.02 General Definitions. The following terms shall have the meanings assigned to such term in the preambles hereof:

Agreement or Financial Agreement

Indenture

Bond Financing Law

Local Redevelopment and Housing Law

Township

Long Term Tax Exemption Law

Entity

Ordinance

Exemption Application

Party or Parties

Improvements

PMUA

Redevelopment Area

Project

Redevelopment Bonds

Project Area

Redevelopment Plan

Redevelopment Agreement

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

Active Adult Community – A community where at least eighty percent (80%) of the housing is intended for occupancy by a person fifty-five (55) years of age or older, conforming to the requirements applicable to "housing for older persons" and qualifying for all exemptions from the Federal Fair Housing Act's prohibitions against discrimination pursuant to 42 U.S.C. 3601 *et seq.*

Administrative Expenses – Shall be as defined in the Indenture, and shall mean expenses common to the issuance and administration of the Redevelopment Bonds, such as the fees and expenses of the Trustee and its counsel, any administrative expenses charged by the purchaser(s) of the Redevelopment Bonds, fees and expenses of the issuer of the Redevelopment Bonds, as permitted under Applicable Law. For the avoidance of doubt, and consistent with Section 7.6 of the Redevelopment Agreement and Section 17.12 of this Agreement, Administrative Expenses shall not include administrative fees permitted to be charged pursuant to the Long Term Tax Exemption Law.

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(c).

Allowable Profit Rate – The allowable profit rate as defined in N.J.S.A. 40A:20-3(b).

Annual Gross Revenue – The annual gross revenue of the Entity as defined as Gross Revenue in N.J.S.A. 40A:20-3(a).

Annual Service Charge – For each Unit, (i) prior to the initial sale of such Unit to a Unit Owner, (a) for the first three (3) months following the Annual Service Charge Start Date, an amount equal to fifty-five percent (55%) of the Base Annual Service Charge and (b) thereafter, an amount equal to the Base Annual Service Charge, and (ii) upon initial sale of such Unit to a Unit Owner, for a period of five (5) years thereafter, an amount equal to fifty-five percent (55%) of the Base Annual Service Charge, and for each year thereafter, an amount equal to the Base Annual Service Charge, which Annual Service Charge payments shall be in lieu of any Land Taxes and taxes on any Project Improvements.

Annual Service Charge Start Date – For each Unit, the first day of the month immediately following the month in which the Certificate of Occupancy for such Unit is issued.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations, resolutions and requirements applicable hereto including, but not limited to, the

Local Redevelopment and Housing Law, the Bond Financing Law, the Long Term Tax Exemption Law, as applicable, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary and safety ordinances, laws and such rules and regulations thereunder, including all applicable federal and State labor standards and all Environmental Laws.

Approval Payments – As defined in Section 4.13(B) hereof.

Auditor's Report – A financial statement outlining the financial status of the Entity as it relates to the Project (for a period of time as indicated by context), which shall include a certification of Total Project Cost and computation of Net Profit as provided in N.J.S.A. 40A:20-3(c)(2). The contents of the Auditor's Report shall be 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.

Base Annual Service Charge – For each Unit, and for any year, shall equal the product of the assessed value of such Unit in such year (inclusive of the Land, Project Improvements thereon and the Common Elements) subject to the provisions of Section 4.06 with respect to Common Elements), as determined by the Tax Assessor using the fair market value approach, multiplied by the Rounded Tax Rate for such year.

Bondholder – Any person who is the registered owner of any outstanding Redevelopment Bonds pursuant to the Indenture.

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 the occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

Common Elements – All common areas (including land), common elements, improvements and amenities to be owned by way of undivided percentage interest in common with the other Unit Owners as part of the Project.

County – The County of Ocean.

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.

Debt Service – The scheduled amount of interest and amortization of principal payable on the Redevelopment Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

Debt Service Charge – For any year, the annual Debt Service, including Administrative Expenses, payable in any given year in accordance with the terms and provisions of the Indenture.

Default – As defined in Section 16.01 hereof.

Default Notice - As defined in Section 16.02 hereof.

Discharge Area – Such properties or areas as may be necessary for surface water discharge or the discharge of treated water emanating from the STP.

Disclosure Statement – As defined in Section 8.02(C) hereof.

Effective Date – June 18, 2019 such date being the date on which this Financial Agreement is executed and delivered by the Parties.

Environmental Conditions – As defined in the Redevelopment Agreement.

Environmental Laws - Any and all Applicable Laws relating to a discharge of an environmental contaminant, damage to or protection of the environment, health and/or safety protection, Environmental Conditions, or the use, handling, processing, distribution, generation, treatment, storage, disposal, manufacture, or transport of Hazardous Substances, presently in effect or hereafter amended, modified, or adopted including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq.; (B) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq.; (C) the Clean Water Act, 33 U.S.C. 1344 et seq.; (D) the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; (E) the New Jersey Underground Storage Tank Act, N.J.S.A. 58:10A-21 et seq.; (F) the New Jersey Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1 et seq.; (G) the New Jersey Hazardous Substances Discharge Reports and Notices Act, N.J.S.A. 13:1K-15 et seq.; (H) the New Jersey Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq.; (I) the New Jersey Environmental Rights Act N.J.S.A. 2A:35A-1, et seq.; (J) the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. ("ISRA"); and (K) the New Jersey Solid Waste Management Act, N.J.S.A. 13:1E et seq. together with, in each case, the accompanying regulations, and all as may be amended from time to time.

Guaranty – As defined in the Redevelopment Agreement, to be provided only upon satisfaction of the Project Contingencies.

Hazardous Substances - Any substance, material or waste, whether solid, liquid or gaseous, and any pollutant or contaminant, that is toxic, hazardous, explosive, corrosive or radioactive, or that is defined, listed or regulated under any Environmental Laws, including lead, acids, petroleum, chromium and chromium related contamination, polychlorinated biphenyls and urea formaldehyde, excluding, however, customary construction, maintenance, janitorial and cleaning supplies in reasonable quantities to be used in the ordinary course of construction and operation of the Project and which are used and disposed of in accordance with all applicable Environmental Laws.

Holder or Holders – The lender, mortgagee, trustee or servicer of any financing secured by a mortgage or other lien instrument which the Entity enters into with respect to the Project or any portion thereof, which mortgages and liens shall be subject and subordinate to the liens under this Agreement.

Homeowners' Association – The entity responsible for the administration of the Common Elements in the Project, which entity may be incorporated or unincorporated pursuant to the Condominium Act, N.J.S.A. 46:8B-1 et seq.

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 Tax Sale Law.

Land – For each Unit, the land portion of such Unit.

Land Tax Payments - Payments made on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector in accordance with Applicable Law.

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

Material Conditions – As defined in Section 4.09 hereof.

MLUL – The Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

Net Profit – The Annual Gross Revenue of the Entity, 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).

Owner – As defined in Section 1.01 hereof.

Per Home Fee and Per Home Fees – As defined in Section 4.13(A) hereof.

Permitted Transfer – As defined in Section 9.02 hereof.

Pledged Annual Service Charge - In each year, an amount equal to the Debt Service Charge for such year.

PMUA Share – The portion of the Per Home Fees in the aggregate amount of \$150,000, which shall be paid on a per Unit basis by the Township to the PMUA as agreed to between the Township and the PMUA.

Project Contingencies – As defined in the Redevelopment Agreement.

Project Improvements - All structural components of the Project within the Project Area or related to the Project.

Project Schedule – As defined in the Redevelopment Agreement.

Pump Station – Any pump station to be constructed, if required, as part of the Sewer Improvements pursuant to the Redevelopment Plan, which shall include any pump station that may be required either within or outside of the Project Area.

Redeveloper Payments – Collectively, the Per Home Fees, the Approval Payments and, if any, the Shortfall Payments.

Redevelopment Bond Amount – The aggregate principal amount of Redevelopment Bonds to be issued and outstanding at any time.

Redevelopment Bonds – The bonds, notes or other obligations of one or more series issued from time to time by the Township pursuant to the Indenture, the Long Term Tax Exemption Law, the Bond Financing Law and any other Applicable Law, which are payable from the Pledged Annual Service Charge and Redeveloper Payments.

Replacement Guaranty – As defined in the Redevelopment Agreement.

Rounded Tax Rate – For any year, the "Rounded Tax Rate" as stated in the "Explanation of Computed Tax Rates for the Township of Plumsted," certified by the County Tax Administrator, promulgated during the then current year and in effect from January 1 through December 31 of such year.

Sewer Improvements - All improvements necessary to bring sewer service to the Project Area, including but not limited to, the STP and, if required, any Pump Station and the Discharge Area, together with such other improvements which are dedicated to the collection and treatment of sewer flow to provide sewer service to the Project.

Shortfall Payment – As defined in Section 4.13(D).

State – The State of New Jersey.

STP – The Sewer Treatment Plant to be newly constructed pursuant to the Redevelopment Plan, which shall have the capacity of not less than three hundred thousand (300,000) gallons per day.

Substantial Completion - The determination by the Township that a Unit in the Project is ready for occupancy and as further defined in N.J.S.A. 54:4-63.1 et seq. Issuance of a Certificate of Occupancy shall be conclusive proof of Substantial Completion.

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.

Term – As defined in Section 3.01 hereof.

Termination - Any action or omission which by operation of the terms of this Financial Agreement or Applicable Law shall cause the Entity to relinquish the tax exemption granted pursuant to this Financial Agreement.

Total FA Payment – As defined in Section 4.13(A) hereof.

Total Project Cost – The total cost of development and construction of the Project through the date all final Certificate(s) of Occupancy are issued for the entire Project, which categories of cost are as defined in N.J.S.A. 40A:20-3(h).

Township Guaranty – The guaranty by the Township pursuant to N.J.S.A. 40A:12A-67(f) of the repayment of the principal of and interest due on any Redevelopment Bonds.

Township Portion – As defined in Section 5.02(B) hereof.

Township Shortfall – As defined in Section 4.13(C) hereof.

Transfer – As defined in Section 9.01 hereof.

Transferee Agreement – As defined in Section 9.03 hereof.

Trust Estate – As defined in the Indenture.

Trustee – As defined in the Indenture.

Unit – An individual unit, together with the Land and the undivided interest in the Common Elements, as described in the master deed or declaration of covenants, easements and restrictions.

Unit Owner - The legal entity, person or persons owning a Unit in fee simple as evidenced by the recorded Unit deed.

Unit Purchaser – shall mean the buyer of a Unit to whom the tax exemption for that Unit will be transferred and who will be responsible pursuant to this Agreement to pay the applicable portion of the Annual Service Charge.

Unpledged Annual Service Charge - An amount in each year equal to the Annual Service Charge for such year, less the Pledged Annual Service Charge for such year.

Water Improvements – As defined in the Redevelopment Agreement.

Well – A new well, which may be constructed by the entity selected by the Township in accordance with the Redevelopment Agreement to undertake the Water Improvements, to provide water supply for the Project and other portions of the Redevelopment Area.

SECTION 1.03 Interpretation and Construction In this Financial Agreement, unless the context otherwise requires:

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

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

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

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

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

F. All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, 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 Financial Agreement and attached hereto are incorporated herein and made part hereof.

SECTION 1.04 Undefined Terms. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Redevelopment Agreement.

SECTION 1.05 Exemption Application. It is expressly understood and agreed that the Township expressly has relied upon the facts, data and representations contained in the Exemption Application in granting the tax exemption described in this Financial Agreement.

{End of Article I}

ARTICLE II

APPROVAL

SECTION 2.01 Approval of Tax Exemption

Pursuant to the Ordinance, the Project to be constructed and/or renovated and maintained by the Entity on the Project Area shall be exempt from taxation (including any Land Taxes) as provided for herein and in the Long Term Tax Exemption Law. In accordance with N.J.S.A. 40A:20-12, the tax exemption shall constitute a single continuing exemption from local property taxation for the duration of the Term of this Financial Agreement.

SECTION 2.02 Approval of the Entity

The Entity represents that its certificate of formation as attached hereto as *Exhibit B* 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, subject to the satisfaction of all Project Contingencies as provided in the Redevelopment Agreement, it will acquire and construct or cause to be constructed the Project in accordance with the Redevelopment Agreement and the Redevelopment Plan, the use of which Project is more specifically described in the Exemption Application.

SECTION 2.04 Project Schedule

The Entity agrees, subject to the satisfaction of all Project Contingencies as provided in the Redevelopment Agreement, to diligently undertake to commence or cause the commencement of the construction and completion of the Project substantially in accordance with the Project Schedule set forth in and in compliance with the provisions of the Redevelopment Agreement.

SECTION 2.05 Ownership, Management and Control

The Entity represents that it is the contract purchaser of the Project Area. The Entity covenants that it shall cause the redevelopment of the Project Area in conformance with the Redevelopment Agreement, the Redevelopment Plan and all Applicable Laws.

The Entity covenants, warrants and represents that the Project Area and the Project shall be used, managed and operated for the purposes set forth in the Exemption Application and the Redevelopment Agreement, and in accordance with the Redevelopment Plan and all Applicable Laws.

SECTION 2.06 Financial Plan

The Entity represents that the Project shall be financed substantially in accordance with the Financial Plan attached hereto as *Exhibit C*. The Financial Plan sets forth the estimated Total Project Cost, amortization rate on Total Project Cost, the sources 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 a good faith projection of initial sales prices of the Units and expenses to be incurred in promoting and consummating such sales.

{End of Article II}

ARTICLE III

DURATION OF AGREEMENT

SECTION 3.01 Term

Absent Termination of this Agreement, the Parties understand and agree that this Agreement shall remain in effect for thirty (30) years (the "**Term**") for each Unit, commencing on the date of Substantial Completion of each Unit, as set forth in Article IV herein. Notwithstanding the foregoing, the Term shall not extend for more than thirty-five (35) years from the date that this Agreement is executed by the Parties. At the expiration of the Term or upon Termination, the tax exemption for each Unit shall expire and all Units shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township, unless the Parties shall enter into another financial agreement. After expiration of the Term, 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 any provision in this Agreement that may be construed to the contrary, upon the sale of all Units to Unit Owners (other than the Entity or a related party thereto), the restrictions and limitations upon the Entity set forth in Article VIII and Article XV 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. Upon any Termination of the tax exemption described in Section 2.01 hereof, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity in which the Termination has occurred.

SECTION 3.02 No Voluntary Termination

Notwithstanding anything herein to the contrary, none of the Entity, the Township or any Unit Owner may at any time terminate this Financial Agreement during the period when any Redevelopment Bonds remain "outstanding" within the meaning of the Indenture. The foregoing restriction on termination shall in no event be deemed to prohibit the lifting of the restrictions and limitations on the Entity upon the sale of all Units in accordance with the terms of Section 3.01. The Entity further expressly acknowledges, understands and agrees that in accordance with the Bond Financing Law, specifically N.J.S.A. 40A:12A-66(a), the relinquishment provisions set forth in the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-9(g) and 13, shall not be applicable in accordance with, pursuant to, and under this Financial Agreement. The Entity further expressly rejects, refuses, relinquishes, surrenders, and otherwise waives any and all rights of relinquishment of its status under the acts and this Financial Agreement that it may have otherwise been entitled to in accordance with any Applicable Law, including without limitation, N.J.S.A. 40A:20-13.

{End of Article III}

ARTICLE IV

ANNUAL SERVICE CHARGE; REDEVELOPER PAYMENTS

SECTION 4.01 Annual Service Charge Consent

The Entity and the Township hereby consent and agree to the amount of the Annual Service Charge and the Entity hereby consents and agrees to the liens established in this Financial Agreement, and the Entity shall not contest the validity or amount of any such lien; provided, however, that the foregoing shall not be construed to bar the Entity (or any Unit Owner) from raising the defense that (i) the Annual Service Charge then due and owing has been paid in full, (ii) the Annual Service Charge is not yet due and owing, or (iii) the Annual Service Charge is calculated in a manner other than as set forth in this Financial Agreement. 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 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 Financial Agreement, termination of the Redevelopment Agreement or failure of the Entity to complete the Project. Pursuant to Section 9.08, upon the sale of any Unit, the Entity shall be relieved and discharged from any obligation or liability with respect to such Unit, including payment of the Annual Service Charge with respect to such Unit.

SECTION 4.02 Annual Service Charge Amount

As provided for in the Long Term Tax Exemption Law, the Annual Service Charge shall be a percentage of the Annual Gross Revenue or the Total Project Cost; provided however, the Bond Financing Law, specifically N.J.S.A. 40A:12A-66(a), provides that the minimum or maximum percentages as established in the Long Term Tax Exemption Law are not applicable to the Project since a portion of the costs of the Project are financed with the proceeds of the Redevelopment Bonds. The Annual Service Charge is in lieu of any and all other municipal real estate taxes on the Project Area and the Project Improvements (inclusive of the Units, the Land and Common Elements) pursuant to N.J.S.A. 40A:20-12.

SECTION 4.03 During Construction

From the date the Entity takes title to the Project Area through to the Substantial Completion, as the Project Area is currently vacant, the Entity shall make a payment of only Land Taxes at the current assessment. For the avoidance of doubt, the Entity shall not be obligated to make payments of the Annual Service Charge or *ad valorem* taxes for any Unit prior to issuance of a Certificate of Occupancy for such Unit.

SECTION 4.04 Payment of Annual Service Charge

A. The Entity and each successor Unit Owner, as applicable, shall pay to the Township the Annual Service Charge as provided in Article V. The Entity has agreed to pay the Annual Service Charge as consideration for (i) the Township's agreement to pledge the Pledged Annual Service Charge to the repayment of the Redevelopment Bonds and (ii) the municipal services supplied to the Project. The Annual Service Charge shall commence on the Annual Service Charge Start Date. Pursuant to Section 9.08, upon the sale of any Unit, the Entity shall be relieved and discharged from any obligation or liability with respect to such Unit, including payment of the Annual Service Charge with respect to such Unit.

B. Subject to the provisions of Section 4.04(A), payment of the Annual Service Charge shall be made on a quarterly basis on each February 1, May 1, August 1, and November 1, commencing on the first February 1, May 1, August 1 or November 1 following the Annual Service Charge Start Date.

C. In the event that the Entity or any successor Unit Owner, as applicable, fails to timely pay any installment of the Annual Service Charge, the amount past due shall bear the rate of interest then being assessed by the Township against other delinquent taxpayers in the case of unpaid property taxes 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 of such tax exemption as provided for herein, 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 4.05 Reformation of Annual Service Charge Computation

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 cure the invalid provision to provide that Land Taxes are assessed on the Land and there shall be no change to the Annual Service Charge.

B. If the exemption of the Land authorized under N.J.S.A. 40A:20-12 is invalidated by a court of competent jurisdiction, the Entity shall be obligated to make payment of Land Taxes according to the general laws applicable to all other tax ratables and as set forth in this Section 4.05(B). Land Taxes shall be separately assessed for the Land in accordance with Applicable Law. Land Tax Payments 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. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments. In the event the Entity fails to make the requisite

Annual Service Charge payment and/or the requisite Land Tax Payment (if applicable), the Township shall have the right to proceed against the Land pursuant to the Tax Sale Law and/or may declare a Default under this Agreement in accordance with Article XVI hereof.

SECTION 4.06 Common Elements and Amenities

Common Elements shall be attributable to the Homeowners' Association. No Annual Service Charge, Land Taxes (if applicable), other taxes or Affordable Housing Fees (as defined in the Redevelopment Agreement) shall be levied or charged against the Common Elements.

SECTION 4.07 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.

SECTION 4.08 PMUA Portion Paid to the PMUA

Upon the payment of the Per Home Fees and subject to the pledge of same to the Trustee, the Township shall remit the PMUA Share, if any, to the PMUA.

SECTION 4.09 Material Conditions

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

SECTION 4.10 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 4.04 hereof, and Redeveloper Payments, as provided in Section 4.13 hereof, shall be reduced, amended or otherwise modified during the term of this Financial Agreement, except as explicitly provided herein.

SECTION 4.11 Annual Service Charge as Municipal Lien

The Township and the Entity hereby expressly acknowledge, understand and agree that in accordance with the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, and other Applicable Law, upon the recordation of the Ordinance and this Financial Agreement (a) the

Ordinance, this Financial Agreement and any amount due hereunder, including without limitation, the Annual Service Charge, shall be a continuous, perfected municipal lien on the Project Area and the Project, and that any subsequent Annual Service Charge, including any interest, penalties or costs of collection thereof, that shall thereafter become due or accrue, shall be added and relate back to and be part of the initial municipal lien on the relevant portion of the Project Area and the Project, (b) the Ordinance, this Financial Agreement and any amounts due hereunder, including without limitation, the Annual Service Charge, shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes on the Project Area and the Project, including specifically and without limitation, the federal bankruptcy code, regardless of whether the amount of the Annual Service Charge has been determined, and (c) any applicable process, procedure or action of any court, government body or other relevant authority, including without limitation any confirmation hearing, to determine the amount of the Annual Service Charge due shall not affect the commencement or validity of the municipal lien.

SECTION 4.12 Security for Payment of Annual Service Charge

In order to secure the full and timely payment of the Annual Service Charge, the Township on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the applicable portion of the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

SECTION 4.13 Redeveloper Payments

A. The Entity shall pay to the Township the sum of Nineteen Thousand Five Hundred and 00/100 Dollars (\$19,500.00) for each market rate Unit in the Project approved as part of the Governmental Approvals for the Project (for each market rate Unit, the "**Per Home Fee**" and collectively, the "**Per Home Fees**"). Notwithstanding anything in the Redevelopment Agreement to the contrary, one-half of the Per Home Fee (\$9,750.00) shall be payable upon and as a condition to the issuance of each building permit for a market rate Unit and the remaining one-half of the Per Home Fee (\$9,750.00) shall be payable immediately upon the issuance of the Certificate of Occupancy for each market rate Unit, which issuance of such Certificate of Occupancy for each market rate Unit shall not be conditioned upon the payment of the remaining one-half of the Per Home Fee. In no event shall the total of all Per Home Fees exceed the total sum of \$19,500 multiplied by the number of market rate Units approved as part of the Governmental Approvals for the Project (the "**Total FA Payment**"). For example, if the Governmental Approvals for the Project provide for the development of four hundred (400) market rate Units in the Project, the Total FA Payment payable in connection with the Project would be Seven Million Eight Hundred Thousand and 00/100 Dollars (\$7,800,000) (400 x \$19,500 = \$7,800,000). Payments of the Per Home Fees shall be made by the Entity to the Township as provided in Article V.

B. The Entity agrees to make the following payments (collectively, the "**Approval Payments**"), all of which shall be credited against and reduce the amount of the Per Home Fees payable by the Entity: (1) upon the Entity's receipt of final, non-appealable Preliminary Subdivision and Site Plan approval (as such terms are defined in the MLUL) for the entire Project, the Redeveloper shall pay the Township the sum of One Hundred Thousand Dollars

(\$100,000), (2) upon the Entity's receipt of final, non-appealable Final Subdivision and Site Plan approval (as defined in the MLUL) for the first phase of the Project, the Redeveloper shall pay to the Township the sum of One Hundred Thousand Dollars (\$100,000), (3) upon the Entity's commencement of construction, the Entity shall pay to the Township the sum of Two Hundred Thousand Dollars (\$200,000), and (4) upon the issuance of the first building permit for a Unit in the Project, the Entity shall pay to the Township the sum of One Hundred Thousand Dollars (\$100,000). All Approval Payments paid by the Entity shall be applied as a credit to the Per Home Fees and shall reduce the Per Home Fees payable as provided in Paragraph (D) below.

C. In the event that the total of all Per Home Fees, Approval Payments and Annual Service Charge payments paid in any one year are insufficient to pay the Debt Service Charge due in such year (a "**Township Shortfall**"), and subject to the last sentence of this Paragraph (C), the Entity shall advance against the amount of Per Home Fees and Approval Payments not yet due, such sums as are necessary to cover the Township Shortfall (each, a "**Shortfall Payment**"). For example, if in a given year following issuance of Redevelopment Bonds, the Debt Service Charge is \$425,000 and the Township has received a total of \$390,000 in Per Home Fees, Approval Payments and Annual Service Charge payments, the Township Shortfall amount payable by the Entity would be \$35,000. Shortfall Payments, if any, shall be payable at least forty-five (45) days prior to the applicable Debt Service payment date(s), provided that the Township has given Redeveloper at least thirty (30) days prior written notice of the amount of any Township Shortfall due by the Entity. The obligation to make Shortfall Payments shall automatically terminate and expire once the Total FA Payment is paid by the Entity. Any Shortfall Payments paid by the Entity shall be applied as a non-refundable credit to the Per Home Fees due hereunder and shall reduce the Per Home Fees payable in next year, as provided in Paragraph (D) below. The Entity shall be entitled to a credit against Shortfall Payments due in a given year to the extent that the aggregate amount of Redeveloper Payments, Approval Payments and Annual Service Charge payments made in all prior years exceeds the aggregate amount of Debt Service Charge due in such prior years.

D. Per Home Fee payments shall be re-set each year to reflect any amounts (including Approval Payments, Township Shortfall payments and any Per Home Fees) paid by the Entity in excess of the actual Per Home Fees payable in any immediately preceding year, which amounts shall be carried forward as a credit to calculate the next year's Per Home Fee payments. For example, if as provided in the example in Paragraph (A) above, the total of all Redeveloper Payments equals \$7,800,000, and assuming that by the issuance of the first building permit in the Project, the Entity has already paid the full \$400,000 in Approval Payments, the Per Home Fees payable for the remainder of that year would be reduced to \$18,500, with \$9,250 per market rate Unit due upon the issuance of a building permit and the remaining \$9,250 payable upon the issuance of a Certificate of Occupancy ($[\$7,800,000 - \$400,000] = \$7,400,000 / 400 = \$18,500$). If the Entity makes a Shortfall Payment by the end of that same year, the Per Home Fees payable in the next year would be further reduced by the amount of the Shortfall Payment. For example, if the Shortfall Payment was \$100,000, the Per Home Fees payable in the next year would be further reduced to \$18,250 per market rate Unit, with \$9,125 due upon the issuance of a building permit for such market rate Unit and \$9,125 due upon the issuance of a Certificate of Occupancy for such market rate Unit. Notwithstanding any provision that may be construed to the contrary, the total of all Redeveloper Payments shall in no event exceed the Total FA

Payment (as originally computed in Paragraph (A) above). On the date that the total of all Redeveloper Payments equals the Total FA Payment (as originally computed in Paragraph (A) above), the Township shall issue building permits and Certificates of Occupancy without payment of any Per Home Fees payable by the Entity. In the event that, at the time there are only fifty (50) market rate Units remaining to be developed in the Project, there are any remaining Redeveloper Payment obligations, the Per Home Fee shall be re-calculated on a per-Unit basis and re-set based upon the then remaining amount of outstanding Redeveloper Payments.

{End of Article IV}

ARTICLE V

PLEDGE OF REVENUES TO THE REDEVELOPMENT BONDS

SECTION 5.01 Security for the Redevelopment Bonds

As security for the full and timely payment of the Debt Service Charge for the Redevelopment Bonds, subject to the priority of the County Share, the Township agrees to pledge and assign all of its right, title and interest in and to the Pledged Annual Service Charge and Redeveloper Payments, including interest, penalties and costs of collection, to the Trustee pursuant to the Indenture. The Entity hereby acknowledges and consents to such assignments.

SECTION 5.02 Payment and Pledge of Pledged Annual Service Charge

A. The Entity hereby acknowledges that, pursuant to the Indenture, the Township has pledged and assigned, and granted a security interest in, all of its right, title and interest in each installment of the Pledged Annual Service Charge and Redeveloper Payments, and its rights to receive the same, net of the County Share, to the Trustee to secure payment of the Redevelopment Bonds, including the other components of the Debt Service Charge. This pledge constitutes an absolute, unconditional assignment of the Township's right, title and interest in and to the Pledged Annual Service Charge and Redeveloper Payments. The Township hereby represents, warrants and covenants that it has not, prior to the date hereof, and shall not, subsequent to the date hereof, pledge, assign and otherwise transfer its rights to the Pledged Annual Service Charge and Redeveloper Payments to any person other than the Trustee.

B. Each installment payment of the Annual Service Charge and Redeveloper Payments, to be made on the dates due, shall be paid to the Township and clearly identified on the memo line of the payment as "**Annual Service Charge Payment**" or "**Redeveloper Payment**", as applicable. The County Share portion of the Annual Service Charge shall be first payable by the Township to the County. From the remaining portions of the Annual Service Charge and Redeveloper Payments, the Township shall (i) transfer an amount equal to the Pledged Annual Service Charge and, if and to the extent applicable, the Redeveloper Payments, to the Trustee in the amounts and at the times set forth in the Indenture and (ii) retain the Unpledged Annual Service Charge and, if and to the extent applicable, the Redeveloper Payments (together, the "**Township Portion**"), for any lawful use, including to provide for the payment of the PMUA Share. The Pledged Annual Service Charge and if and to the extent applicable, Redeveloper Payments shall be used toward the payment of the Debt Service Charge on the Redevelopment Bonds and such other purposes permitted under the Indenture.

C. All payments of the Annual Service Charge and Redeveloper Payments shall be paid directly to the Township and shall promptly be transferred to the Trustee as provided in the Indenture (less the County Share and the Township Portion). If any installment of the Annual Service Charge or Redeveloper Payments is not paid by the Entity to the Township in accordance with this Financial Agreement, the Entity hereby waives any objection or right to challenge the use by the Township of the enforcement of remedies to collect such installment of

the Annual Service Charge or Redeveloper Payments as are afforded the Township by Applicable Law, including the Tax Sale Law; provided, however, that in no event shall there be any acceleration of any unpaid Annual Service Charge or Redeveloper Payments which are due and owing to repay the Redevelopment Bonds; provided, further, that such remedies shall be limited solely to the collection of delinquent and unpaid Annual Service Charge and Redeveloper Payments which are past due for payment, including interest, penalties and costs of collection provided for by the Tax Sale Law.

D. Pursuant to the Bond Financing Law and other Applicable Laws, the Annual Service Charge and Redeveloper Payments shall not be included within the general funds of the Township and shall not be subject to any laws regarding the receipt, deposit, investment or appropriation of public funds, notwithstanding enforcement of the payment of the Annual Service Charge and Redeveloper Payments by the Township. The Township's pledge of the Pledged Annual Service Charge and Redeveloper Payments to the Trustee shall be a limited obligation of the Township payable to the extent of payments due from the Entity and shall not constitute general obligations of the Township.

SECTION 5.03 Authorization and Issuance of Redevelopment Bonds

A. The Township will take all necessary steps pursuant to the Bond Financing Law to issue and sell of the Redevelopment Bonds in accordance with Applicable Law.

B. The proceeds of each series of Redevelopment Bonds shall be used for the purposes set forth in the Indenture authorizing the issuance of such series of Redevelopment Bonds.

{End of Article V}

ARTICLE VI

[RESERVED]

{End of Article VI}

ARTICLE VII

CERTIFICATE OF OCCUPANCY

SECTION 7.01 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to, in good faith, take such actions as are necessary under Applicable Law to obtain all required Certificates of Occupancy in a reasonably timely manner. The Township shall, in good faith, reasonably cooperate with the Entity and use its best efforts to support and expedite the review, comment and approval of any application of the Entity seeking a Certificate of Occupancy.

{End of Article VII}

ARTICLE VIII
ANNUAL AUDITS

SECTION 8.01 Calculation of Net Profit.

For the purposes of this Financial Agreement, the Entity agrees to calculate its "Net Profit" pursuant to N.J.S.A. 40A:20-3(c).

SECTION 8.02 Periodic Reports/Notices

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year that this Financial Agreement shall continue in effect, according to the Entity's accounting basis, 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. The Auditor's Report shall clearly identify and calculate the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the annual reports.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, 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, an audit of Total Project Cost, certified by a certified public accountant licensed in the State, as to actual construction costs, site remediation and clean-up of Hazardous Substances, as well as any other costs contemplated in this Agreement.

C. Disclosure Statement: Within ninety (90) days after each anniversary date of the execution of this Financial 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, a disclosure statement listing the persons having an ownership interest in the Project (exclusive of any Unit Owners), and the extent of the ownership interest of each (each a "**Disclosure Statement**").

SECTION 8.03 Inspection

Upon reasonable request in writing, and with a reasonable amount of advance notice, during normal business hours and in the presence of an officer or agent designated by the Entity if available on the date and time requested, the Entity shall permit (i) the inspection of its property, equipment, buildings and other facilities of the Project, and (ii) the examination and audit of its books, contracts, records, documents and papers, in each case by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs as provided in the Redevelopment Agreement, provided that such rights of inspection also shall extend to representatives in the Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.A. 40A:20-9(e), duly authorized by the

Township, as reasonably deemed necessary and appropriate by the Township. Such inspections and examinations shall be made as provided in the Redevelopment Agreement. The inspections and examinations shall not in any manner materially interfere with construction or operation of the Project.

SECTION 8.04 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 or dividends pursuant to the provisions of N.J.S.A. 40A:20-15. The calculation of the Entity's excess Net Profit pursuant to the Long Term Tax Exemption Law shall include those project costs directly attributable to site remediation and cleanup expenses and exclude such other amounts (including Unit Sales) as provided in this Financial Agreement and the Long Term Tax Exemption Law. Upon expiration or Termination of the tax exemption, the foregoing limitations on the profits or dividends of the Entity shall be of no further force or effect.

The Entity shall have the right in any year to establish and maintain 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 in which the reserve is established or maintained, and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15.

There is expressly excluded from calculation of "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, the amount of any sale, including any gain realized thereby, by the Entity on the sale of all or any portion of the Project, whether or not taxable under federal or State law.

SECTION 8.05 Payment of Dividend and Excess Profit Charge

In the event the Net Profits of the Entity (after funding of any reserve described in Section 8.04), in any fiscal year (taken as one accounting period) after Substantial Completion, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional Annual Service Charge. The calculation of Net Profit and Allowable Net Profit shall be made in the manner set forth in N.J.S.A. 40A:20-3(c) and 40A:20-15, with the Entity having the right to (i) include those Project costs attributable to site remediation and cleanup expenses, and (ii) exclude other costs as provided in this Agreement or N.J.S.A. 40A:20-3 (including Unit Sales as provided in Section 8.04 and Section 17.11 hereof).

The Parties agree that any excess Net Profit shall be paid by the Township to the Trustee as additional Annual Service Charge subject to the provisions of this Financial Agreement, which amounts shall be used by the Trustee to pay Debt Service on the Redevelopment Bonds as and when due, pursuant to the terms of the Indenture.

{End of Article VIII}

ARTICLE IX

ASSIGNMENT AND/OR ASSUMPTION

SECTION 9.01 Transfers Generally

Except for Permitted Transfers set forth in Section 9.02 below, the Entity shall not, without the prior written consent of the Township (which may be granted or withheld in the Township's sole discretion): (A) effect or permit any change, directly or indirectly, in the majority ownership or control of the Entity, (B) assign or attempt to assign this Agreement, or (C) make any total sale, lease, transfer or conveyance of the whole of its interest in the Project Site or the Project (collectively, a "**Transfer**").

SECTION 9.02 Permitted Transfers

Notwithstanding the foregoing Section 9.01, the Entity, without violating the provisions of Section 9.01, may effectuate the following Transfers, sales or assignments, to which the Township hereby consents, without the necessity of further action by the Township (the "**Permitted Transfers**"):

A. Any Holder as security for the purpose of obtaining the financing necessary to enable the Entity to perform its obligations under the Redevelopment Agreement with respect to completing the Project and any other purpose authorized by the Redevelopment Agreement, including deeds to Holders in lieu of foreclosure or transfers at foreclosures;

B. Any mortgage or mortgages and other liens and encumbrances for the purposes of financing costs associated with the acquisition, development, construction and marketing of the Project;

C. Utility and other development easements;

D. Environmental covenants and restrictions imposed by a regulatory agency as a condition of any Governmental Approval (as such term is defined in the Redevelopment Agreement);

E. Any lease, option agreement or contract of sale for all or any portion of the Project provided that the conveyance contemplated thereby occurs following the issuance of a Certificate of Occupancy for the corresponding portion of the Project thereof;

F. Change in ownership or control of the Entity, including any merger or acquisition of the Entity's parent company, or by operation of public trading of the parent company's stock, or resulting from the death of an individual(s) having such ownership or control;

G. Transfers to affiliates of the Entity, including, but not limited to, transfers to any urban renewal entit(ies) formed pursuant to the Long Term Tax Exemption Law;

H. Transfer to a reputable developer with whom the Entity has entered into a joint venture agreement for the development of the Project, or any portion thereof, provided that the Entity or affiliate maintains a minimum fifty (50%) ownership or controlling interest in the joint venture entity;

I. Any contract or agreement with respect to any of the foregoing exceptions; and

J. Transfers to any end users, including without limitation, Unit Owners, whether as tenant or purchaser, including without limitation, Units, individual homes or dwelling units in the ordinary course of business after the issuance of a Certificate of Occupancy, provided that no more than ten (10) Units shall be conveyed to one individual user, with all transfers contemplated in this Paragraph (J) to be transferred expressly subject to the terms of this Agreement as it pertains to the particular Unit or Units transferred.

Notwithstanding the foregoing, no Transfers pursuant to clause (F), (G) or (H) shall occur until: (1) the transferee expressly assumes the obligations under the Redevelopment Agreement and this Agreement, as such obligations relate to the portion of the Project that is subject of such Transfer, and (2) to the extent any Redeveloper Payments remain outstanding at the time of such Transfer, either the Guaranty shall remain in full force and effect notwithstanding such Transfer, or there shall have been presented to the Township a Replacement Guaranty, in which event the original Guaranty shall be returned to the Entity.

Any Permitted Transfers pursuant to clause (F), (G) or (H) shall be conditioned upon the transferee executing such documents that the Township may reasonably require to effectuate the assumption of the provisions of this Agreement, it being the mutual intent of the Parties that under all circumstances this Agreement shall remain in full force and effect, applicable to the entire Project Area, in the event of any Transfer.

SECTION 9.03 Transfer to an Unaffiliated Urban Renewal Entity

As permitted by N.J.S.A. 40A:20-10(a), notwithstanding the foregoing Section 9.01, upon written application by the Entity, the Township will consent to a sale to another urban renewal entity purchasing all or a portion of the Project (exclusive of Units previously sold) in fee simple and the transfer of the tax exemption in this Financial Agreement for the Project, or portion thereof (reflected in a new financial agreement incorporating all the terms of this Financial Agreement for the period remaining on the tax exemption for the Project or portion thereof (the "**Transferee Agreement**")), provided: (A) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (B) the Entity is not then in Default of this Financial Agreement or the Long Term Tax Exemption Law; (C) the Entity's obligations under this Financial Agreement as to the Project or portion thereof being transferred are fully assumed by the transferee entity in the Transferee Agreement; (D) the transferee entity agrees to all terms and conditions of this Financial Agreement in the Transferee Agreement; (E) if applicable, the Entity or the transferee entity, upon proper application to and approval by the Township, subdivides the Project Area underlying that portion of the Project being transferred, which application for subdivision shall not be unreasonably withheld, conditioned or delayed;

(F) to the extent any Redeveloper Payments remain outstanding at the time of such Transfer, either the Guaranty shall remain in full force and effect notwithstanding such Transfer, or there shall have been presented to the Township a Replacement Guaranty; and (G) the Township consents in writing to such transfer pursuant to the terms of the Redevelopment Agreement. The Township shall, in good faith, in a prompt and timely manner reasonably cooperate with the Entity and the transferee entity and use its best efforts to review the written application of the Entity, review and approve the application for approval of the transferee entity pursuant to N.J.S.A. 40A:20-8, and negotiate and approve the Transferee Agreement. The then applicable Annual Service Charge for the Project or portion thereof will be paid by the transferee entity pursuant to the Transferee Agreement. In the event that any transfer contemplated in this Section 9.03 is for less than the whole of the Project, the Annual Service Charge to be paid by the Entity and the transferee entity after the transfer shall be pro-rated based on the relative assessed value of the portion of the Project being transferred compared to the portion of the Project remaining with the Entity.

SECTION 9.04 Section 14 Tax Exemption

Section 9.02(J) of this Agreement permits the conveyance of Units pursuant to N.J.S.A. 40A:20-10(b). When the Entity files a master deed or declaration of covenants, easements and restrictions, as the case may be, as to all or a portion of the Project which has been approved for tax exemption under this Financial Agreement, each Unit shall continue to be subject to the provisions of this Financial Agreement, and the tax exemption previously approved under this Financial Agreement with respect to property converted to such ownership shall be unaffected by the recording of the master deed, declaration of covenants, easements and restrictions, or any subsequent deed conveying any Unit and its appurtenant interest in the Common Elements. The tax exemption herein shall continue as to the Unit and its appurtenant undivided interest in the Common Elements subject to this Financial Agreement.

SECTION 9.05 Transfer of a Unit

Upon the issuance of a Certificate of Occupancy for any Unit, such Unit and the Land shall be exempt from taxation pursuant to the terms of this Agreement and in accordance with N.J.S.A. 40A:20-12 and such exemption from taxation as to such Unit and Land shall continue unaffected by any Permitted Transfer. At expiration of the Term, each Unit and Land shall be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

SECTION 9.06 Subordination of Fee Title

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charge and to the rights of the Township hereunder, to encumber and/or lease and/or assign the fee title to the Project Area and/or Project, and that any such encumbrance, lease or assignment shall not be deemed to be a violation of this Financial Agreement.

SECTION 9.07 Deed Recitals

While this Agreement remains in effect, deeds for Units in the Project shall include a recital that (a) the grantee is subject to the terms and conditions of this Agreement, and (b) that this Agreement runs with the land for the duration of this Agreement and that by accepting this deed, the grantee acknowledges it has received from the Entity a true copy of the aforementioned Agreement, the originals of which may be examined by the grantee in the Office of the Township Clerk during regular working days and hours.

SECTION 9.08 Operation of Project

Following the filing of the master deed or declaration of covenants, easements and restrictions, as the case may be, for the Project, the Project shall be operated in accordance with the provisions of the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., or other Applicable Law, as same may be amended and supplemented, with respect to Units in the Project which are owned and not sold by the Entity. Upon the sale of any Unit, the successor in title shall be similarly bound and the Entity shall be relieved and discharged from any obligation or liability with respect to such Unit, including payment of the Annual Service Charge with respect to such Unit.

SECTION 9.09 Restriction on Transfer

So long as this Financial Agreement remains in effect, any transfer of the Project Area (except for any Permitted Transfer under this Article IX) shall be void *ab initio*.

{End of Article IX}

ARTICLE X
TOWNSHIP DETERMINATIONS AND OBLIGATIONS

SECTION 10.01 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 Financial 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.

SECTION 10.02 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 this Financial 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 Redevelopment Area and the related infrastructure costs of the Project. The exemption contemplated hereunder and the financing to be provided through the Redevelopment Bonds provide the benefits to the Township, among others, of the completion of (i) the Improvements, (ii) certain other local and regional infrastructure improvements that otherwise would not exist, and (iii) certain aesthetic, drainage, roadway and pedestrian improvements in the Township.

{End of Article X}

ARTICLE XI

WAIVER

SECTION 11.01 Waiver

Except as specifically provided in this Financial Agreement including, but not limited to, Sections 3.02 and 4.05, and, 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 contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Entity of any rights and remedies provided by Applicable Law. 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 Financial Agreement.

{End of Article XI}

ARTICLE XII

NOTICE

SECTION 12.01 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, as follows:

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

Lennar Plumsted Urban Renewal, LLC
c/o U.S. Home Corporation
2465 Kuser Road, 3rd Floor
Hamilton, New Jersey 08690
Attn: Robert Calabro
Fax: (609) 245-2230
Phone: (609) 245-2200 ext. 161
E-mail: robert.calabro@lennar.com

with copies to:

U.S. Home Corporation
700 N.W. 107th Avenue
Miami, Florida 33172
Attn: Corporate Counsel
Fax: (305) 229-6650
Phone: (305) 229-6584
E-mail: mark.sustana@lennar.com

Deirdre E. Moore, Esq.
Fox Rothschild LLP
49 Market Street
Morristown, New Jersey 07960
Fax: (973) 992-9125
Phone: (973) 326-7103
E-mail: dmoore@foxrothschild.com

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

Township of Plumsted
121 Evergreen Road
New Egypt, New Jersey 08533
Attn: Ronald S. Dancer, Business Administrator
Fax: (609) 758-0123
Phone: (609) 758-2241
E-mail: r.s.dancer@att.net

with copies to

Gregory P. McGuckin, Esq.
Dasti, Murphy, McGuckin, Ulaky, Koutsouris & Connors
The Clock Tower Building
620 West Lacey Road
Post Office Box 1057
Forked River, New Jersey 08731
Fax: (609) 971-6176
Phone: (609) 971-1010
E-mail: mcguckinesq@aol.com

Matthew D. Jessup, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Road, 2nd Floor
Roseland, New Jersey 07068
Fax: (973) 712-1431
Phone: (973) 622-4850
E-mail: mjessup@msbnj.com

The notice to the Township shall identify the subject with the block and lot numbers on the tax map of the Township of the parcels comprising the Project Area.

{End of Article XII}

ARTICLE XIII

COMPLIANCE

SECTION 13.01 Compliance

The Entity hereby agrees at all times prior to the expiration or Termination of the tax exemption to remain bound by the provisions of this Agreement and Applicable Law.

{End of Article XIII}

ARTICLE XIV

CONSTRUCTION

SECTION 14.01 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Financial 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 XIV}

ARTICLE XV

INDEMNIFICATION

SECTION 15.01 Indemnification

It is understood and agreed that in the event (i) the Township shall be named as a party in any action brought against the Entity (other than an action brought by the Township itself) by allegation of any breach, Default or violation of any of the provisions of this Financial Agreement (a “**Claim**”), and (ii) such Claim should result in a final, non-appealable ruling against the Township as a result of the Entity’s breach, Default or violation of any of the provisions of this Financial Agreement, then the Entity shall indemnify and hold the Township harmless from and against all actual out-of-pocket costs and expenses incurred by the Township in connection with such Claim (collectively, “**Losses**”), which Losses shall include, without limitation, any damages, costs, claims, actions or expenses (including reasonable attorneys’ fees and expenses) resulting from any such Claim; provided, however, that the Entity shall not be required to indemnify the Township for any Losses resulting from the willful or negligent act, omission or misconduct by the Township or any of its officers, officials, employees or agents. Upon the Township becoming aware of any Claim for which indemnification for Losses may be sought as provided herein, the Township shall promptly provide the Entity with written notice thereof. Notwithstanding that the Claim has not been fully adjudicated, the Entity shall defend against any such Claim using counsel of its choosing. The Township maintains the right to retain its own counsel to defend the Claim against the Township, with the expense thereof to be borne by the Township. Notwithstanding the foregoing, or any provision in this Agreement that may be construed to the contrary, in no event shall the Entity be obligated to indemnify the Township against any claim or action challenging the validity or enforceability of this Agreement, any Redevelopment Bonds or any Indenture.

{End of Article XV}

ARTICLE XVI

DEFAULT; REMEDIES; TERMINATION

SECTION 16.01 Default

"Default" shall mean the failure of the Entity or the Township to comply with the terms of this Financial Agreement observe and perform any other obligation imposed upon the Entity or the Township, as applicable, beyond any applicable notice, cure or grace period. As set forth in Section 1.01, in the event of any breach or Default of this Financial Agreement by an Owner, such breach or Default shall not constitute a breach or default by any other Owner(s) and such other Owner(s), and its respective parcel or portion of Land, and any improvements related thereto, including any Unit, shall continue to be subject to, governed by and bound by this Financial Agreement.

SECTION 16.02 Cure Upon Default

Should either Party be in Default of any obligation under this Financial Agreement, the non-defaulting Party shall notify the defaulting Party and any mortgagee 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 (i) sixty (60) days to cure any non-payment Default from the date of its receipt of the Default Notice and (ii) ten (10) business days to cure any payment Default from the date of such Default; provided, however, that if such non-payment Default is not reasonably able to be cured within such sixty (60) day period and the defaulting Party is diligently pursuing a cure, such cure period shall extend as long as the defaulting Party continues diligently to pursue such cure. No Default hereunder by the Entity shall terminate the tax exemption described herein and its obligation to make Annual Service Charge payments and Redeveloper Payments, which shall continue in effect for the respective durations set forth in Section 3.01 hereof, subject to Section 3.02 hereof.

SECTION 16.03 Remedies Upon Default Cumulative; No Waiver

In the event of any uncured Default by the Entity, the Township shall have the right to proceed against any portion of the Project Area and the Project owned by the Entity pursuant to the provisions of Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge by the Entity, the Township shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the Tax Sale Law.

Subject to the other terms and conditions of this Financial Agreement including Section 16.04, all of the remedies provided in this Financial Agreement to the Township, and all rights and remedies granted to the Township by law and equity, shall be cumulative and concurrent and no determination of the invalidity of any provision of this Financial Agreement shall deprive the Township of any of its remedies or actions against the Entity because of Entity's failure to pay Land Taxes (if applicable), the Annual Service Charge, Redeveloper Payments and/or any applicable water and sewer charges and interest payments. This right shall only apply to

arrears that are due and owing at the time, and the bringing of any action for Land Taxes (if applicable), Annual Service Charge, Redeveloper Payments or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes (if applicable), Annual Service Charge, Redeveloper Payments 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 Financial Agreement.

In the event of a Default under of this Financial Agreement by either Party or in the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, then the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said laws. Costs for said arbitration shall be paid by each Party equally, to be reimbursed in full by the non-prevailing Party to the prevailing Party.

SECTION 16.04 Remedies

The Township's customary tax payment enforcement proceedings will apply to the collection of any delinquent payment of the Annual Service Charge or Redeveloper Payments. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge or Redeveloper Payments required by Article IV above, and the continuance of such Default after expiration of any notice, grace or cure periods under Applicable Law, the Township in addition to its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by Applicable Law, including the Tax Sale Law, and any act supplementary or amendatory thereof, provided that it is understood and agreed that the Township shall look solely to the estate and property of the Entity in the Project (including the rental income and insurance proceeds therefrom) for the satisfaction of the Township's remedies for the collection of a judgment or other judicial process requiring the payment of money by the Entity in the event of any Default or breach by the Entity with respect to any of the terms, covenants and conditions of this Financial Agreement to be observed or performed by the Entity, and any other obligation of the Entity created by, under or as a result of this Financial Agreement, and no other property or assets of the Entity's partners, beneficiaries, shareholders, officers, directors, members, managers, tenants, principals, agents or attorneys (as the case may be) (in any of their capacities) shall be subject to service, levy, execution or other enforcement procedures for the satisfaction of the Township's remedies. In no event shall the Township name any of the Entity's partners, members, shareholder's, officers, directors, managers, beneficiaries, tenants, shareholders, principals, agents or attorneys (in any of their capacities) to any suit or other proceeding to which the Township and/or Entity are a party arising out of or relating to this Financial Agreement.

The Township shall pursue the collection of delinquent payments of Annual Service Charge or Redeveloper Payments with the same diligence it employs in the collection of the Township's general *ad valorem* real estate taxes, including the commencement of an In Rem Tax Foreclosure. The Township agrees that it will provide notice to the Issuer and the Trustee of any legal proceedings to be instituted for the collection of delinquent payments of the Annual Service Charge or Redeveloper Payments. The Parties understand and agree that the Township's ordinary discretion in this regard allows it to decide not to expend resources to collect *de minimis*

outstanding amounts; provided that the Township will obtain the Trustee's consent with respect to any such amounts in excess of \$1,000 in the event the collection of the Annual Service Charge or Redeveloper Payments falls below ninety percent (90%) of the amount assessed and billed in any given quarter.

Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Financial Agreement, as if the Annual Service Charge or Redeveloper Payments 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.

SECTION 16.05 Final Accounting

Within ninety (90) days after the date of Termination of tax exemption, or, if earlier, the date of sale of the last Unit in the Project to a Unit Owner (other than the Entity or a related party thereto), the Entity shall provide a final accounting pursuant to N.J.S.A. 40A:20-12. After termination or expiration, restrictions and limits on the Entity shall terminate upon the Entity's rendering a final accounting.

SECTION 16.06 Conventional Taxes

Upon termination or expiration of this Financial Agreement, the tax exemption for the Project shall expire and the Project Area and the Project 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 XVI}

ARTICLE XVII

MISCELLANEOUS

SECTION 17.01 Conflict

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

SECTION 17.02 Oral Representations

There have been no oral representations made by either of the Parties which are not contained in this Financial Agreement.

SECTION 17.03 Entire Document

All conditions in the Ordinance are incorporated in this Financial Agreement and made a part hereof. This Agreement, the Ordinance and the Exemption Application constitute the entire agreement between the Parties as to the subject matter thereof and hereof.

SECTION 17.04 Good Faith

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

SECTION 17.05 Recording

Upon the execution and delivery of this Financial Agreement, the entire Financial Agreement, including the Ordinance, shall be filed and recorded with the office of the Ocean County Register by the Entity, at the Entity's expense, such that this Financial Agreement and the Ordinance shall be reflected upon the land records of the County as a perfected statutory municipal lien upon and a covenant running with each and every parcel of the Project Area including the Project related thereto.

SECTION 17.06 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 the Land Taxes (but only if the Project Area is determined not to be exempt pursuant to the Long Term Tax Exemption Law) and the Annual Service Charge, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

SECTION 17.07 Financing Matters

The financial information required by the final paragraph of N.J.S.A. 40A:20-9 are set forth in the Exemption Application, which financial information is incorporated by reference as if set forth in full herein.

SECTION 17.08 Counterparts; Electronic Signatures

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. Electronic or facsimile signatures shall constitute original signature for all purposes under this Financial Agreement.

SECTION 17.09 Amendments

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

SECTION 17.10 Certification

The Township clerk shall certify to the Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that a financial 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 Township Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Municipal Council approving the tax exemption described herein and this Financial 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 Township Clerk until the expiration of the entitlement to exemption by the terms of this Financial Agreement or until the Tax Assessor has been duly notified by the Township Clerk that the exemption has been terminated.

Upon the adoption of this Financial Agreement, a certified copy of the Ordinance and this Financial Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Township Clerk. Within ten (10) days of the execution of this Financial Agreement, the Township Clerk shall provide a copy of the Financial Agreement and the Ordinance authorizing the same to the Ocean County Counsel and the Ocean County Chief Financial Officer for informational purposes in accordance with P.L. 2015, c. 247, Section 1, as codified in N.J.S.A. 40A:20-12.

SECTION 17.11 Unit Sales

Notwithstanding any contrary term or provision of this Agreement, the Township expressly agrees and consents to the sale of the Project to purchasers of Units in the Project and to their successors and assigns and that upon the transfer of title to a Unit by the Entity to the purchaser of such Unit (which shall be deemed to have occurred upon such Unit's sale) the Entity's obligations under this Agreement with respect to such Unit shall cease, the tax

exemption granted hereby and all obligations related thereto shall continue and inure to and bind each purchaser of a Unit and his or her successors and assigns notwithstanding that such persons are not urban renewal entities pursuant to the Governing Law. The proceeds of the sale of Units in the Project shall not be included in the Annual Gross Revenue or Net Profits of the Entity.

SECTION 17.12 Administrative Fees

No annual administrative fee shall be assessed or payable in connection with this Agreement.

SECTION 17.13 Severability

If any terms or provision of this Financial Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Financial Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Financial Agreement shall be valid and shall be enforced to the extent permitted by Applicable Law.

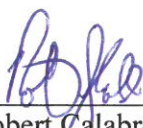
SECTION 17.14 Force Majeure

Neither Party shall be liable to the other for failure to perform its obligations under this Agreement due to causes that are beyond the reasonable control and not substantially due to the fault or negligence of the party seeking to excuse delay or failure of performance of an obligation hereunder by reason thereof, including, but not limited to, declarations of public emergency; acts of nature (as to weather-related events, limited to severe and unusual events or natural occurrences such as hurricanes, tornadoes, earthquakes, and floods); acts of the public enemy; acts of terrorism; acts of war; fire; epidemics; quarantine restrictions; blackouts, power failures, or energy shortages; governmental embargoes; strikes or similar labor action by equipment or material suppliers or transporters, or unavailability of necessary building materials. Notwithstanding the foregoing, the payment of Land Taxes (during any period in which Land Taxes are not exempt hereunder), Annual Service Charge and Minimum Annual Service Charge are Material Conditions of this Agreement which shall not be excused by the occurrence of a force majeure event.

{End of Article XVII}

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

**LENNAR PLUMSTED URBAN RENEWAL, LLC,
a New Jersey limited liability company**

By: 

Robert Calabro,
Manager

**TOWNSHIP OF PLUMSTED, IN THE COUNTY OF
OCEAN, NEW JERSEY**


By: _____
Jack A. Trotta,
Mayor

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

**LENNAR PLUMSTED URBAN RENEWAL, LLC,
a New Jersey limited liability company**


By: _____
Robert Calabro,
Manager

**TOWNSHIP OF PLUMSTED, IN THE COUNTY OF
OCEAN, NEW JERSEY**

By:  _____
Jack A. Trotta,
Mayor

STATE OF NEW JERSEY :
: ss
COUNTY OF OCEAN :

The foregoing instrument was acknowledged before me this 11th day of June, 2018, by the TOWNSHIP OF PLUMSTED, a municipal corporation of the County of Ocean and State of New Jersey, by Jack A. Trotta, its Mayor, on behalf of the Township.


Notary Public **NADENE MARIE CICERO**
A Notary Public of New Jersey
My Commission Expires August 18, 2020

Commission Expiration: August 18, 2020

[Exhibit A]

Ordinance

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE 'REDEVELOPMENT AREA BOND FINANCING LAW' AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

ORDINANCE NO. 17-10

AN ORDINANCE OF THE TOWNSHIP OF PLUMSTED, IN THE COUNTY OF OCEAN, NEW JERSEY APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH RESPECT TO THE NEW EGYPT REDEVELOPMENT AREA

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "**Act**") authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of redevelopment; and

WHEREAS, the Act confers certain contract, planning and financial powers upon a redevelopment entity, as defined in Section 3 of the Act, in order to implement redevelopment plans adopted pursuant thereto; and

WHEREAS, the Township of Plumsted (the "**Township**"), in the County of Ocean, State of New Jersey, has elected to exercise these redevelopment entity powers directly, as permitted by Section 4 of the Act; and

WHEREAS, by Resolution No. 2009-112 adopted on February 2, 2009, the Township designated the C-4 Zoning District as an area in need of redevelopment (the "**Redevelopment Area**"), in accordance with the Act; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-7, by Ordinance No. 2004-5 adopted on March 22, 2004, as amended by Ordinance No. 2005-15 adopted on August 8, 2005 and by Ordinance No. 2014-07 adopted on August 6, 2014, the Township duly adopted, as amended from time to time, the "New Egypt Redevelopment Plan" (collectively, and as the same may be further amended, the "**Redevelopment Plan**"), which sets forth the Township's plan for the redevelopment of the Redevelopment Area; and

WHEREAS, pursuant to the Act, including Section 8 thereof (N.J.S.A. 40A:12A-8), a municipality is permitted to contract with a redeveloper to undertake redevelopment projects pursuant to a redevelopment plan within an area in need of redevelopment, as all such terms are defined in the Act; and

WHEREAS, by Resolution No. 2013-234, the Township designated Lennar Plumsted Urban Renewal, LLC (the "**Entity**") (then known as Lennar Plumsted, LLC), as the "conditional redeveloper" of Block 40, Lots 10 and 18 on the tax maps of the Township (the "**Project Area**") located within the Redevelopment Area; and

WHEREAS, on October 15, 2014, the Township and the Entity (then known as Lennar Plumsted, LLC) entered into a Redevelopment Agreement (as the same may be amended, modified or supplemented from time to time, the "**Redevelopment Agreement**"), in order to implement the development, design, financing and construction of the hereinafter defined Project pursuant to the Redevelopment Plan; and

WHEREAS, the Redevelopment Agreement provides for, among other things, (i) the construction by the Entity of a minimum of four hundred (400) and a maximum of five hundred (500) units in an Active Adult Community (as defined in the Redevelopment Agreement), which the Entity intends as a for-sale, age-restricted project, with private interior roadways and a private amenity complex in the Project Area, together with onsite water and sewer utility systems (the "**Project**"), (ii) the design and construction, by or at the direction of the Plumsted Municipal Utilities Authority ("**PMUA**"), on behalf of, and at the cost of, the Township, of the Sewer Improvements (as defined in the hereinafter defined Financial Agreement), which will serve the Project together with other portions of the Redevelopment Area and which may also serve other areas of the Township, and (iii) the construction, by and at the expense of such entity as may be

approved by the Township, at no cost to the Entity, of the Water Improvements (as defined in the Financial Agreement), which will serve the Project and which may also serve other areas of the Township (the improvements described in (ii) and (iii) hereof, collectively, the "**Improvements**"); and

WHEREAS, the Entity has been qualified by the State of New Jersey to do business as an urban renewal entity under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented (the "**LTTE Law**"), and was created for the implementation of the Project; and

WHEREAS, despite the Entity's current and future substantial investment of "at-risk" equity and traditional borrowed funds for acquisition, development and construction of the Project, such amounts of equity and traditional borrowed funds are insufficient to pay for all of the costs associated with the acquisition, development and construction of certain infrastructure improvements necessary for the Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., as amended and supplemented (the "**Bond Financing Law**"), the Township is authorized to provide for and accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township in accordance with certain applicable provisions of the LTTE Law; and

WHEREAS, the Entity amended its incorporating documents which changed its name from Lennar Plumsted, LLC to Lennar Plumsted Urban Renewal, LLC in accordance and compliance with the LTTE Law for the purpose of undertaking the development of the Project Area pursuant to the Redevelopment Plan; and

WHEREAS, on April 25, 2017, the Entity submitted an application to the Township for approval of the Project as an urban renewal project and a financial agreement with respect to the Project, all in accordance with N.J.S.A. 40A:20-8, which application is available for inspection in the office of the Township Clerk (as the same may be amended and supplemented from time to time, the "**Application**"); and

WHEREAS, pursuant to N.J.S.A. 40A:20-8, the Mayor has reviewed the Application and, by letter, a copy of which is on file in the office of the Township Clerk, the Mayor has submitted the Application and a proposed form of financial agreement (in the form attached hereto as Exhibit A, the "**Financial Agreement**"), to the Township Committee with his recommendation for approval; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Township or the redevelopment entity may issue bonds or may apply to an authority (as such term is defined in the Bond Financing Law) to issue bonds, which may be secured by the Annual Service Charge, the Redeveloper Payments and the Township Guaranty (each as defined in the Financial Agreement); and

WHEREAS, in order to assist in financing all or a portion of the Improvements by way of the sale and issuance of certain bonds (as more particularly defined in the Financial Agreement, the "**Redevelopment Bonds**"), in accordance with one or more Indentures of Trust and/or supplemental indentures thereunder (collectively, the "**Indenture**"), the Township has agreed to assign certain of its rights, title and interest in the Financial Agreement to the Redevelopment Bonds trustee; and

WHEREAS, pursuant to the terms of the Financial Agreement and the Indenture and in accordance with the terms of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Pledged Annual Service Charge (as defined in the Financial Agreement) and Redeveloper Payments shall be pledged to the payment of the principal or redemption premium of, and interest on, the Redevelopment Bonds as set forth herein; and

WHEREAS, the Entity and the Township have agreed that the Debt Service Charge (as defined in the Financial Agreement) in connection with the Redevelopment Bonds shall be paid from the Pledged Annual Service Charge and Redeveloper Payments, with the Unpledged Annual Service Charge (as defined in the Financial Agreement) (subject to the priority of the

County Share (as defined in the Financial Agreement)) to be used by the Township for any lawful purpose in the exercise of the Township's sole discretion; and

WHEREAS, the Application and the Project were approved with respect to the Project Area pursuant to a resolution of the Township Committee duly adopted on June 7, 2017; and

WHEREAS, the Township Committee has reviewed the Application and the terms of the Financial Agreement, and wishes to approve the Project, the Application and the Financial Agreement; and

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

- A. Relative benefits of the Project when compared to the costs:
 - i. The planned development of existing vacant land;
 - ii. Encourages development and expansion of properties in the Township industrial park and vacant light industrial areas;
 - iii. Promotes rehabilitation and infill construction of mixed-use buildings in the downtown redevelopment area; and
 - iv. Creates a vibrant, culturally interesting and attractive downtown area which serves as a growth center to attract new businesses and shoppers.

- B. Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants of the residential units in the Project:
 - i. But for the tax exemption and issuance of the Bonds, the Project would not be completed;
 - ii. Tax exemption will allow for completion of the Improvements; and
 - iii. The benefits of the tax exemption outweigh any costs.

WHEREAS, the Township hereby determines 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 and that based on information set forth in the Application, the Project would not be feasible without such assistance.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Township Committee of the Township of Plumsted, in the County of Ocean, State of New Jersey as follows:

I. GENERAL

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

II. EXECUTION OF FINANCIAL AGREEMENT AUTHORIZED

(a) The Mayor is hereby authorized and directed to execute the Financial Agreement, substantially in the form as it has been presented to the Township Committee, and attached hereto as **Exhibit A**, subject to additions, deletions, modifications, or revisions deemed necessary and appropriate in consultation with counsel to the Township.

(b) The Clerk of the Township is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section II(a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed to affix the corporate seal of the Township upon such document.

(c) The Township Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township. In accordance with P.L. 2015, c. 247, within ten calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the Township Clerk also shall transmit a certified copy of this Ordinance and the Financial Agreement to the chief financial officer of Ocean County and to the Ocean County Counsel for informational purposes.

III. SEVERABILITY

If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

IV. ACTION REGARDING FINANCIAL AGREEMENT

The Mayor is hereby authorized and directed to determine all matters and terms in connection with the Financial Agreement, all in consultation with the counsel to the Township, and the manual or facsimile signature of the Mayor upon any documents shall be conclusive as to all such determinations. The Mayor, the Township Business Administrator, the Chief Financial Officer, the Township Clerk and any other Township official, officer or professional, including but not limited to, redevelopment counsel, bond counsel, the financial advisor and the auditor to the Township, are each hereby authorized and directed to execute and deliver such documents as are necessary to facilitate the transactions contemplated hereby, and to take such actions or refrain from such actions as are necessary to facilitate the transactions contemplated hereby, in consultation with, as applicable, redevelopment counsel, bond counsel, the financial advisor and the auditor to the Township, and any and all actions taken heretofore with respect to the transactions contemplated hereby are hereby ratified and confirmed.

V. AVAILABILITY OF THE ORDINANCE

A copy of this Ordinance shall be available for public inspection at the offices of the Township.

VI. EFFECTIVE DATE

This Ordinance shall take effect according to applicable law.

NAME	LOTITO	WYSONG/ JONES	MARINARI	SORCHIK	TROTTA
AYES	X 6/7/17 X 6/21/17	X 6/7/17	X 6/21/17	X 6/7/17 X 6/21/17	X 6/7/17 X 6/21/17
ABSTAIN		X 6/21/17			
NAYS					
ABSENT			X 6/7/17		

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed by the Township Committee on first reading at a meeting of the Township Committee of the Township of Plumsted was held on the 7TH day of **JUNE, 2017**, and will be considered for second reading and final passage at a meeting of the Township Committee to be held on the **21ST** day of **JUNE, 2017**, at 7:00 P.M., at the Municipal Building, 121 Evergreen Road, New Egypt, New Jersey, at which time and place any persons desiring to be heard upon the same will be given the opportunity to be heard.

Pursuant to N.J.S.A. 40:49-2, as amended, further notice is hereby given that the purpose of the forgoing ordinance is to authorize the execution by the Township of a Financial Agreement with Lennar Plumsted Urban Renewal, LLC, pursuant to which Financial Agreement the Township will provide for and accept, in lieu of real property taxes, an annual service charge paid by Lennar Plumsted Urban Renewal, LLC to the Township in connection with Lennar Plumsted Urban Renewal, LLC's construction of a for sale, age-restricted, residential redevelopment project on Block 40, Lots 10 and 18, pursuant to the "New Egypt Redevelopment Plan". A portion of the annual service charge paid to the Township will be pledged by the Township to one or more series of redevelopment area bonds issued by the Township to fund various improvements undertaken in connection with the redevelopment project and the remaining portion will be used by the Township for any lawful purpose in the exercise of the Township's sole discretion.

Members of the general public may obtain a copy of the ordinance without cost during normal business hours from the Municipal Clerk's Office, 121 Evergreen Road, New Egypt, New Jersey.


DOROTHY J. HENDRICKSON, RMC
Municipal Clerk

[Exhibit B]

Certificate of Formation of the Entity



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 805
TRENTON, NJ 08625-0805

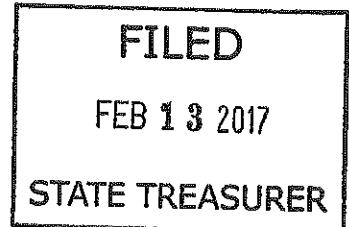
CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHARLES A. RICHMAN
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: LENNAR PLUMSTED URBAN RENEWAL, LLC
(formerly Lennar Plumsted LLC)
File #1878
An Urban Renewal Entity



This is to certify that the attached CERTIFICATE OF FIRST AMENDMENT TO THE CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 22nd day of November 2016 at Trenton, New Jersey.

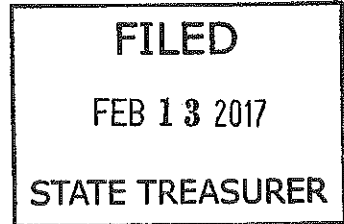
DEPARTMENT OF COMMUNITY AFFAIRS

BY

Edward M. Smith, Director
Division of Codes and Standards



AMENDMENT
TO
CERTIFICATE OF FORMATION
OF
LENNAR PLUMSTED LLC



TO: State of New Jersey Department of the Treasury
Division of Revenue and Enterprise Services

THE UNDERSIGNED, in accordance with the provisions of the New Jersey Revised Uniform Limited Liability Company Act, N.J.S.A. 42:2C-1 et seq., for purposes of amending the Certificate of Formation on behalf of the limited liability company, does hereby execute the following Amendment to its Certificate of Formation:

1. The name of the limited liability company is:

LENNAR PLUMSTED LLC

2. The business identification number of the limited liability company is:

0400750159

3. The limited liability company's Certificate of Formation was filed on:

May 20, 2015

4. Section 1 of the limited liability company's Certificate of Formation is hereby deleted in its entirety and replaced with the following:

"1. Name: LENNAR PLUMSTED URBAN RENEWAL, LLC"

5. Section 4 of the limited liability company's Certificate of Formation is hereby deleted in its entirety and replaced with the following:

"4. Business Purpose:

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

use, ownership, management and control as regulated pursuant to P.L.1991, c. 431 (C.40A:20-1 et seq.).

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

C. The limited liability company is 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; (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.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c. 431 (C.40A:20-1 et seq.).

D. The limited liability company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c. 431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c. 431 (C.40A:20-1 et seq.) in the manner required by P.L.1991, c. 431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality.

The limited liability company shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10%, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

E. The limited liability company is subject to the provisions of section 18 of P.L.1991, c. 431 (C.40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the urban renewal entity

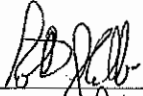
or to perform actions on behalf of the entity upon a determination of financial emergency.

F. Any housing units constructed or acquired by the limited liability company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.”

6. Except as otherwise herein amended, the limited liability company’s Certificate of Formation shall be and remain in full force and effect in accordance with the provisions thereof.

[Signature Page to Follow]

THE UNDERSIGNED hereby represents that this filing complies with the provisions detailed in the New Jersey Revised Uniform Limited Liability Company Act, N.J.S.A. 42:2C-1 et seq. and that he is authorized to sign this Amendment to the Certificate of Formation on this 4th day of November 2016.


Name: Robert Calabro
Title: Manager

Dated: November 4, 2016

[Exhibit C]

Financial Plan

**EXHIBIT 11, 12, and 13 PROJECT COST ESTIMATES AND PROFORMA
INCOME STATEMENT SUMMARY**

	TRIPLEX	DUEPLEX	SINGLE FAMILY	TOTAL PROJECT	AVERAGE PER HOME
PROJECT REVENUE					
Start of Sales	18-May	18-May	18-May		
Closings	114	70	268	452	
Price	\$264,950.00	\$299,950.00	\$369,712.00		
Absorption	3.00	2.00	3.00	5.16	
Total Revenues	\$30,204,300.00	\$20,996,500.00	\$99,082,816.00	\$150,283,616.00	\$332,485.88
PROJECT COST OF SALES					
Pre Acq.	\$200,000.00	\$200,000.00	\$450,000.00	\$850,000.00	\$1,880.53
Land	\$570,000.00	\$510,020.00	\$2,769,981.00	\$3,850,001.00	\$8,517.70
Site Development	\$3,933,000.00	\$2,800,000.00	\$12,060,000.00	\$18,793,000.00	\$41,577.43
Direct Construction	\$12,726,162.00	\$8,960,000.00	\$39,538,308.00	\$61,224,470.00	\$135,452.37
Options/Upgrade Cost	\$313,500.00	\$192,500.00	\$1,129,352.00	\$1,635,352.00	\$3,618.04
Fees & Permits	\$2,508,000.00	\$1,540,000.00	\$6,700,000.00	\$10,748,000.00	\$23,778.76
Lennar HOA Subsidy/Transition	\$1,596,000.00	\$980,000.00	\$5,360,000.00	\$7,936,000.00	\$17,557.52
Service and Warranty	\$302,100.00	\$210,000.00	\$990,796.00	\$1,502,896.00	\$3,324.99
Financial Other (Property Tax)	\$51,300.00	\$42,560.00	\$395,836.00	\$489,696.00	\$1,083.40
Capitalized Interest	\$1,087,332.00	\$755,860.00	\$3,604,064.00	\$5,447,256.00	\$12,051.45
Total Cost	\$23,287,394.00	\$16,190,940.00	\$72,998,337.00	\$112,476,671.00	\$248,842.19
Field Expenses	\$1,117,542.00	\$776,860.00	\$3,666,240.00	\$5,560,642.00	\$12,302.31
GROSS MARGIN	\$5,799,364.00	\$4,028,700.00	\$22,418,239.00	\$32,246,303.00	\$71,341.38
%	19.20%	19.19%	22.63%	21.46%	21.46%
Sales and Marketing	\$1,766,202.00	\$1,216,600.00	\$5,781,296.00	\$8,764,098.00	\$19,389.60
Net Margin (loss)	\$4,033,162.00	\$2,812,100.00	\$16,636,943.00	\$23,482,205.00	\$51,951.78
%	13.35%	13.39%	16.79%	15.63%	15.63%
Capital Charge	\$1,057,122.00	\$734,860.00	\$3,361,256.00	\$5,153,238.00	\$11,400.97
Net Pretax Income Community Level	\$2,976,040.00	\$2,077,240.00	\$13,275,687.00	\$18,328,967.00	\$40,550.81
%	9.85%	9.89%	13.40%	12.20%	12.20%
G & A Divisional Level	\$1,359,222.00	\$944,860.00	\$4,458,716.00	\$6,762,798.00	\$14,961.94
Net Pretax Before Corp Overhead	\$1,616,818.00	\$1,132,380.00	\$8,816,971.00	\$11,566,169.00	\$25,588.87
%	5.35%	5.39%	8.90%	7.70%	7.70%
Corporate Overhead Charge	\$755,136.00	\$524,930.00	\$2,477,124.00	\$3,757,190.00	\$8,312.37
Net Pretax Income	\$861,682.00	\$607,450.00	\$6,339,847.00	\$7,808,979.00	\$17,276.50
%	2.85%	2.89%	6.40%	5.20%	5.20%

GENERAL PRODUCT INFORMATION

SELECTED ASSUMPTIONS

	TRIPLEXS	DUEPLEX	SINGLE FAMILY
Avg. Base Sales Price	\$274,950.00	\$309,950.00	\$379,551.00
Homesite Premiums	\$0.00	\$0.00	\$2,500.00
Avg. Sales Incentives	(\$15,000.00)	(\$15,000.00)	(\$20,000.00)
Avg. Options / Upgrade Revenues	\$5,000.00	\$5,000.00	\$7,662.00
Avg. Net Sales Revenues	\$264,950.00	\$299,950.00	\$369,713.00
Avg. Base Sales Price Per SF	\$161.74	\$154.98	\$183.10
Avg. Net Sales Rev. Per SF	\$155.85	\$149.98	\$178.35
Direct Construction Cost SF	\$65.67	\$64.00	\$71.17

INCOME SUMMARY BY PRODUCT

AVERAGE PER HOME UNIT COST OF SALES

	TRIPLEX	DUEPLEX	SINGLE FAMILY
Pre Acq.	\$1,754.00	\$2,857.00	\$1,680.00
Land	\$5,000.00	\$7,286.00	\$10,336.00
Site Development	\$34,500.00	\$40,000.00	\$45,000.00
Direct Construction	\$111,633.00	\$128,000.00	\$147,531.00
Options/Upgrade Cost	\$2,750.00	\$2,750.00	\$4,214.00
Fees & Permits	\$22,000.00	\$22,000.00	\$25,000.00
Community Center	\$14,000.00	\$14,000.00	\$20,000.00
Service and Warranty	\$2,650.00	\$3,000.00	\$3,697.00
Financial Other (Property Tax)	\$450.00	\$608.00	\$1,477.00
Capitalized Interest	\$9,538.00	\$10,798.00	\$13,448.00
Total Cost	\$204,275.00	\$231,299.00	\$272,383.00
Field Expenses	\$9,803.00	\$11,098.00	\$13,679.00
GROSS MARGIN	\$50,872.00	\$57,553.00	\$83,651.00
%	19.20%	19.19%	22.63%
Sales and Marketing	\$15,494.00	\$17,377.00	\$21,572.00
Net Margin (loss)	\$35,378.00	\$40,176.00	\$62,079.00
%	13.35%	13.39%	16.79%
Capital Charge	\$9,273.00	\$10,498.00	\$12,542.00
Net Pretax Income Community Level	\$26,105.00	\$29,678.00	\$49,537.00
%	9.85%	9.89%	13.40%
G & A Divisional Level	\$11,923.00	\$13,498.00	\$16,637.00
Net Pretax Before Corp Overhead	\$14,182.00	\$16,180.00	\$32,900.00
%	5.35%	5.39%	8.90%
Corporate Overhead Charge	\$6,624.00	\$7,499.00	\$9,243.00
Net Pretax Income	\$7,558.00	\$8,681.00	\$23,657.00
%	2.85%	2.89%	6.40%