

ORDINANCE NO. 2019-21

**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

**ORDINANCE AUTHORIZING FINANCIAL AGREEMENT
FOR AN OFFICE BUILDING, FOR THE PROPERTY
LOCATION AT BLOCK 28.01, LOT 2.01 ON THE TAX
MAPS OF WOOLWICH TOWNSHIP, PURSUANT TO THE
LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1
ET SEQ.**

WHEREAS, Center Square Partners II Limited Liability Company (“the Entity”), will become an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.); and

WHEREAS, the property located at Block 28.01, Lot 2.01 (the “Property”) on the tax map of the Township, along with other property (collectively, the “Redevelopment Area”), was designated to be an area in need of redevelopment in Woolwich Township, by Township Resolution #2018-21; and

WHEREAS, the Township Committee adopted a Redevelopment Plan on October 1, 2018 (the “Weatherby Town Center Redevelopment Plan”) by Ordinance 2018-16 whose purpose was to implement and promote the redevelopment of the Redevelopment Area; and

WHEREAS, the Township Committee adopted Ordinance 2018-17 on November 19, 2018 which amended the Weatherby Town Center Redevelopment Plan (together with the Weatherby Town Center Redevelopment Plan, the “Redevelopment Plan”); and

WHEREAS, the Township Committee, by Resolution R-2019-243 adopted on October 7, 2019, designated the Entity as redeveloper for the Property, and authorized the Township Committee to negotiate a Redevelopment Agreement with the Entity; and

WHEREAS, on October 21, 2019, the Entity filed an Application attached hereto as Exhibit A, with the Township for approval of a long term tax exemption for the Improvements; and

WHEREAS, the Entity proposes the construction and operation of a one story building on the property containing approximately twenty thousand sq. ft. medical office building (the “Project”) at the Property; and

WHEREAS, the Township hereby determines that the relative benefits of the Project outweigh the costs of the tax exemption, for the following reasons:

the Project will provide a medical office building consisting of approximately 20,000 square feet in the Township at a site where the current real estate taxes on improvements generate revenue of approximately \$106.97, whereas, the Annual Service Charge as estimated will generate revenue to the Township of approximately \$69,828.90 for the first calendar year following completion of the project; and

the Project, costing approximately \$3,382,630.00 million, and will provide 20-30 plus construction jobs and generally add to the economic viability of the Township; and

the Project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the residents; and

the Project will further the redevelopment objectives of the Redevelopment Plan; and the Project's fiscal impact analysis indicates that the benefits of the Project outweigh the costs to the Township; and

WHEREAS, the Township hereby determines that the tax exemption is important in obtaining development of the Project and influencing the locational decisions of the probable occupants for the following reasons:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area; and

WHEREAS, the Township and the Entity have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute a Financial Agreement reflecting the same.

NOW, THEREFORE, BE IT ORDAINED by the Committee of the Township of Woolwich the County of Gloucester, State of New Jersey that:

1. The application of Center Square Partners II Limited Liability Company, formed and to be qualified to do business under the provisions of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.), a copy of which shall be placed on file with the City Clerk, for Block 28.01, Lot 2.01, more commonly known as Auburn and Center Square Roads, Woolwich Township

in the Weatherby Town Center Redevelopment area, is hereby accepted and approved.

2. The Mayor is hereby authorized and directed to execute a Financial Agreement, substantially in the form attached hereto and made part hereof as Exhibit "A".
3. All ordinances, or parts of ordinances inconsistent herewith, are hereby repealed to the extent of such inconsistencies.
4. This Ordinance shall take effect immediately upon final passage and publication pursuant to law.

21557

TOWNSHIP OF WOOLWICH

Vernon Marino, Mayor

ATTEST: _____
Jane DiBella, Clerk

CERTIFICATION

The foregoing Ordinance was introduced upon first reading by the Township Committee of the Township of Woolwich at a meeting held on the 4th day of November, 2019. It will be further considered for final adoption upon a second reading and subsequent to a public hearing to be held on such ordinance, at a meeting of the Township Committee at which time any interested person(s) may be heard. Said meeting to be conducted on the 18th day of November, 2019 at the Woolwich Township Building, 120 Village Green Drive, Woolwich Township, New Jersey, beginning at 7:00 p.m.

Jane DiBella, Clerk

NOTICE OF ADOPTION

Notice is hereby given that the foregoing ordinance was approved for final adoption by the Woolwich Township Committee at a meeting held on the 18th day of November, 2019.

Jane DiBella, Clerk

**APPLICATION OF CENTER SQUARE PARTNERS II LIMITED LIABILITY COMPANY
FOR LONG TERM TAX EXEMPTION
PURSUANT TO N.J.S.A. 40A:20-1 et seq.**

TO: Mayor and Members of the Township Committee of Woolwich Township

FROM: Center Square Partners II Limited Liability Company*

RE: Application for Long Term Tax Exemption for Block 28.01, Lot 2.01

A. General Statement of the Nature of the Proposed Project:

The applicant has received approval from the Woolwich Township Land Use Board to construct a one story, 20,000 square foot office building on Block 28.01, Lot 2.01, Woolwich Township, Gloucester County, New Jersey. The proposed project is in accord with the redevelopment plan adopted by the governing body.

B. Description of the Proposed Project:

The proposed project is particularly described on a site plan prepared by Consulting Engineering Services, dated September 24, 2018, revised January 16, 2019.

C. Statement by Qualified Architect or Engineer of the Estimated Cost of the Proposed Project, Including Estimated Cost of Project:

See attached, Exhibit "A".

D. The source, method and amount of money to be subscribed through the investment of private capital, setting forth the amount of stock or other securities be issued therefore or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefore:

Approximately eighty percent of the cost of the Project will be financed through conventional bank financing and the balance will be financed through working capital provided by the Applicant's members.

E. A Fiscal Plan for the Project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments to the municipality to be made pursuant to a Financial Agreement to be entered into with the municipality.

See attached, Exhibit "B".

*Applicant shall form a qualifying limited dividend entity upon receipt of an executed Redevelopment Plan with Woolwich Township.

F. A proposed Financial Agreement with the municipality:

See attached, Exhibit "C".

Dated: Sept 30, 2019

**CENTER SQUARE PARTNERS II LIMITED
LIABILITY COMPANY**

By: 

Joseph Pacera, Member

EXHIBIT "A"

ESTIMATED COST OF THE PROPOSED PROJECT

CENTER SQUARE PARTNERS LLC. COST ESTIMATES FOR PILOT	
Phase 1 - Inspira Project	
Site Work Costs	\$482,630.00
Building Costs	\$2,400,000.00
Phase 1 - Total Costs	\$2,882,630.00
Phase 3 - Pad Site Project	
Site Work Costs	\$482,630.00
Building Costs	NA
Phase 3 - Total Costs	\$482,630.00

EXHIBIT "B"

**FISCAL PLAN
GROSS ESTIMATED REVENUE**

The project anticipates revenues from one or more triple net leases.

The triple net lease provisions will address the Annual Service Charge, administrative fees and the allocated financing mortgage debt to the construction costs outlined in Exhibit A.

The lessee(s) will be responsible for all operating costs, finishing costs and related financing expense and all maintenance for the facility/property.

A more detailed budget will be provided upon request.

EXHIBIT "C"

PROPOSED FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (this “Financial Agreement”), made and entered into this ____ day of _____, 2019, by and between **CENTER SQUARE PARTNERS II URBAN RENEWAL, LLC** a New Jersey limited liability company, qualified to do business under the provisions of the Long Term Tax Exemption Law, having an address of 41 S. Haddon Avenue, Haddonfield, New Jersey 08033 (the “Entity”), and the **TOWNSHIP OF WOOLWICH**, a municipal corporation of the State of New Jersey, having offices at 120 Village Green Drive, Woolwich Township, New Jersey 08085 (the “Township”).

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the “Local Redevelopment and Housing Law”), as amended and supplemented provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, the Entity is or will be the contract purchaser or owner of certain premises located in the Township of Woolwich known as Block 28.01, Lot 2.01 as shown on the Official Tax Map of the Township of Woolwich (the “Property”); and

WHEREAS, pursuant to the Local Redevelopment and Housing Law, the Township and the Entity entered into a Redevelopment Agreement dated _____, 2019, for the construction of a medical/office building on the Property (the “Redevelopment Agreement”); and

WHEREAS, the Township desires to grant a long term tax exemption and, in connection therewith, the Township and the Entity will utilize provisions of the Local Redevelopment and Housing Law and the Long Term Tax Exemption Law, codified at N.J.S.A. 40A:20-1 *et seq.* (the “Long Term Tax Exemption Law”) and such other statutes as may be sources of relevant authority, if any, to facilitate the redevelopment project that the Entity proposes to undertake at the Property; and

WHEREAS, the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, and such other statutes as may be sources of relevant authority, if any, authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township as set forth in such laws; and

WHEREAS, the Township made the following findings:

A. Relative benefits of the Project (hereafter defined) when compared to the costs:

1. The current real estate tax generates revenue of approximately \$106.97 for calendar year 2019 (inclusive of the County of Gloucester’s portion) based on approximately 3.56 acres out of an 11.16 QFarm assessed parcel, whereas, the Annual Service Charge (hereafter defined), as estimated, will generate revenue to the Township of approximately \$69,828.90 (inclusive of credits to the Annual Service Charge for land tax payments) for the first calendar year following the completion of the Project;

2. The Annual Service Charge will be fixed for the first ten (10) years following the completion of the Project in the amount of One Hundred One Thousand Four Hundred Seventy-Eight and 90/100 Dollars (\$101,478.90) based on three percent (3%) of the cost of the Project in the amount of Three Million Three Hundred Eighty-Two Thousand Six Hundred Thirty Dollars (\$3,382,630.00) (the "Project Cost"), and thereafter, the Annual Service Charge will be calculated as follows:

i. for years 11 through 15, the greater of three percent (3%) of the Project Cost or twenty percent (20%) of the amount of taxes otherwise due,

ii. for years 16 through 20, the greater of three percent (3%) of the Project Cost or forty percent (40%) of the amount of taxes otherwise due,

iii. for years 21 through 25, the greater of three percent (3%) of the Project Cost or sixty percent (60%) of the amount of taxes otherwise due, and

iv. for years 26 through 30, the greater of three percent (3%) of the Project Cost or eighty percent (80%) of the amount of taxes otherwise due.

The Annual Service Charge has been calculated based upon the Entity receiving a credit for the payment of any Land Taxes;

3. The Project is expected to create approximately 20 - 30 jobs during construction;

4. The Project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents; and

5. The Project will further the redevelopment objectives of the Township's Redevelopment Plan.

B. Assessment of the importance of the tax exemption in obtaining development of the Project:

1. The relative stability and predictability of the Annual Service Charges for the first ten (10) years following the construction of the Project will allow the owner to stabilize its operating budget, will likely provide a benefit of the Project and insure that it will have a positive impact on the surrounding area; and

WHEREAS, the Township and the Entity have entered into this Financial Agreement to memorialize the terms and conditions by which the Entity will pay an Annual Service Charge in lieu of real property taxes on the Project Improvements (defined herein).

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

ARTICLE 1 GENERAL PROVISIONS

SECTION 1.1 Governing Law. This Financial Agreement shall be governed by the laws of the State (as hereinafter defined), including the provisions of the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, and such other statutes as may be sources of relevant authority, if any.

SECTION 1.2 General Definitions. Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Financial Agreement shall mean:

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:20-3c.

Allowable Profit Rate - The Allowable Profit Rate for the purpose of this Financial Agreement will be calculated as set forth in N.J.S.A. 40A:20-3b. For the purpose of determining the specific Allowable Profit Rate, the annual interest percentage rate shall be the greater of twelve percent (12%) or the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest rate payable on the Entity's initial permanent mortgage financing for the Project Improvements. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, the interest rate per annum as referenced above shall, for the purposes of the Project Improvements, be the greater of twelve percent (12%) or the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to what the Township determines to be the prevailing rate on mortgage financing on comparable improvements in the County of Gloucester. For avoidance of doubt, no provision contained herein shall be construed to limit the profits of any tenant or operating company, which shall initially operate a medical or other type of office on the Property, or limit the profits of any future tenant, subtenant or other entity that conducts any operations on the Property.

Annual Service Charge - The payment by the Entity to the Township pursuant to Article 5 hereof.

Auditor's Report - A complete financial statement outlining the financial status of the Entity (for a period of time as indicated by context) that is the subject of this Financial Agreement, the contents of which shall have been prepared in a manner consistent with generally accepted accounting principles and that fully details all items as required by the applicable statutes, including Allowable Net Profit for the period as defined in N.J.S.A. 40A:20-15, and that has been certified as to its conformance with such standards by a certified public accountant who is, or whose firm is, licensed to practice that profession in the State.

Certificate of Completion - means a certificate issued by the Township in accordance with Section 2(g) of the Redevelopment Agreement.

Certificate of Occupancy - means a "certificate of occupancy", as such term is defined in the New Jersey Administrative Code, issued with respect to all or a portion of the Project upon completion of all or a portion of the Project.

Default - The failure of the Entity or the Township to perform any material obligation imposed upon the Entity or the Township by the terms of this Financial Agreement after notice and opportunity to cure as provided herein.

Entity - Center Square Partners Urban Renewal, LLC, a limited liability company, and any subsequent purchaser or successor in interest to the ownership of the Property, which transfer is carried out in accordance with the terms of the Redevelopment Agreement and this Financial Agreement.

Exemption Application - The application filed by the Entity with the Township for a long term tax exemption for the Project, attached hereto as Exhibit A.

In Rem Foreclosure Act - N.J.S.A. 54:5-1 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. Said foreclosure is governed by the In Rem Foreclosure Act.

Land Taxes - The amount of taxes assessed on the value of the land portion of the Property from time to time during the term of this Financial Agreement.

Local Redevelopment and Housing Law - N.J.S.A. 40A:12A-1 et seq.

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

Material Conditions - As defined in Section 5.5 hereof.

Net Profit - As defined at N.J.S.A. 40A:20-3c, excluding gain realized on sale or other disposition of the Project and proceeds of any refinancing of debt on the Project.

Ordinance - Ordinance No. _____ adopted by the Township Committee on _____, 2019, attached hereto as Exhibit B.

Project - Means the construction of a one-story building on the Property containing approximately twenty thousand (20,000) square feet for a medical/office building. For avoidance of doubt the Project shall exclude all operations of the medical/office building or any other operations by a tenant, subtenant or other entity conducted on the Property.

Project Completion Date - That date on which the Project is completed, as evidenced by the issuance of a Certificate of Occupancy. Certificates may be issued for phases of the Project and those phases shall be deemed complete upon such issuance.

Project Improvements - All buildings, structures, improvements, site preparation work, and amenities necessary for the implementation and completion of the Project.

Property - The land described in Exhibit C hereto.

Redevelopment Agreement - As defined in the Recitals to this Financial Agreement.

State - The State of New Jersey.

Tax Sale Law - N.J.S.A. 54:5-1 et seq.

Total Project Cost - As defined in N.J.S.A. 40A:20-3h.

Township - The Township of Woolwich, in the County of Gloucester, New Jersey, a municipal corporation of the State.

SECTION 1.3 Exhibits Incorporated. All Exhibits referred to in this Financial Agreement and attached hereto are incorporated herein and made part hereof.

ARTICLE 2 APPROVAL

SECTION 2.1 Approval of Tax Exemption. Pursuant to the Ordinance, all Project Improvements owned by the Entity shall be exempt from taxation as provided in the Long Term Tax Exemption Law pursuant to the terms of this Financial Agreement. It is expressly understood and agreed by the parties hereto that the Township expressly relies upon the facts, data and presentations contained in the Exemption Application and in the site plan approval granted for the Property in granting this tax exemption.

SECTION 2.2 Approval of Project to be Undertaken by the Entity. Approval hereunder is granted to the Entity whose formation documents are attached as Exhibit D for the contemplated Project described in the Exemption Application.

ARTICLE 3 REPRESENTATIONS OF THE PARTIES

SECTION 3.1 Representations of the Entity. The Entity represents and warrants to the Township as follows:

- A. It is a duly formed, organized and existing limited liability company of the State of New Jersey, to be organized pursuant to and in compliance with the New Jersey Revised Uniform Limited Liability Company Act (N.J.S.A. 42:2C-1 et seq.) and will form a qualifying urban renewal entity pursuant to the Long Term Tax Exemption Law, to be reviewed and approved by the New Jersey Department of Community Affairs and has filed with, as appropriate, the Office of the Treasurer of State.

- B. It has full authority to enter into and perform all of the obligations on the part of the Entity to be performed.
- C. Effective as of the completion of the Project, the Project shall be used, managed and operated for the purposes set forth in the Exemption Application, the Redevelopment Law and all applications filed with, and as approved by, the Township in connection with the Project.
- D. One, more and/or all of the members or principals of the Entity may (i) individually or collectively operate a medical office, other type of office or conduct any other business or operations on the Property, or (ii) have an ownership interest and/or controlling interest in any existing or future tenants, subtenants or other entities that may operate a medical office, other type of office or conduct any other business or operations on the Property.

SECTION 3.2 Representations of the Township. The Township represents and warrants to the Entity as follows:

- A. It is a duly formed and existing municipal corporation of the State of New Jersey and is fully authorized and empowered to enter into and perform all obligations under this Financial Agreement on the part of the Township to be performed.
- B. It has complied with all applicable municipal, state and federal laws, rules and regulations, including without limitation, the Long Term Tax Exemption Law and the Local Redevelopment and Housing Law in negotiating, entering into and performing its obligations under this Financial Agreement, and all governmental and agency authorizations and approvals required for the execution, delivery and performance of this Financial Agreement have been properly obtained.
- C. It acknowledges and agrees that this Financial Agreement and any obligations arising hereunder shall be applicable solely to the Entity (including any transferee, successor or assign as provided for herein) and that no provisions, covenants, obligations or any other requirements whatsoever arising out of or relating to this Financial Agreement shall be applicable to or binding upon any tenant of the Entity which shall operate a medical office or other type of office on the Property or that of any future tenant, subtenant, person or other entity that may operate a medical office, other type of office or conduct any other business or operations on the Property. For the avoidance of doubt, said existing or future tenants, subtenants, persons or other entities shall not be obligated, subject to, required to furnish any information or be included in (i) any of the definitions of Allowable Net Profit, Allowable Profit Rate or Net Profit arising under this Financial Agreement, or (ii) any of the provisions, calculations, payment obligations, audit or reporting requirements pursuant to Article 8 and Article 9 of this Financial Agreement or pursuant to applicable law.

**ARTICLE 4
DURATION OF AGREEMENT**

SECTION 4.1 Term. It is understood and agreed by the parties that this Financial Agreement, including the obligation to pay Annual Service Charges required under Article 5 hereof and the tax exemption granted and referred to in Section 2.1 hereof, shall remain in effect for a period of thirty (30) years from the issuance of a Certificate of Occupancy. This Financial Agreement shall constitute evidence of a lien securing such obligation, which lien shall survive any termination hereof for all amounts then due and payable prior to termination. At the expiration or earlier termination of the term hereof, the tax exemption for the Project shall expire and the Project Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township. After expiration or earlier termination of the term hereof, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering of its final accounting, pursuant to N.J.S.A. 40A:20-12.

SECTION 4.2 Date of Termination. Upon any termination of the tax exemption described in Section 4.1 hereof, the date of such termination shall be deemed to be the end of the fiscal year of the Entity.

**ARTICLE 5
ANNUAL SERVICE CHARGE**

SECTION 5.1 Annual Service Charge. Notwithstanding anything herein to the contrary, or the exercise by the Township of any right or remedy provided for herein or otherwise available with respect hereto, so long as this Financial Agreement has not been terminated by the Entity, the Entity shall pay the Annual Service Charge to the Township for the duration of the tax exemption provided for in Section 2.1 of this Financial Agreement, which Annual Service Charge includes any and all fees and charges payable by the Township to the County of Gloucester from the Annual Service Charge and all administrative and other taxes, fees and charges that the Township is entitled to collect by law under the Long Term Tax Exemption Law. Should any added or omitted real estate taxes or assessments (other than special assessments) or other realty taxes related to the Project Improvements ("Conventional Improvements Taxes") be paid by Entity, the Entity shall be entitled to a credit for the amount paid against the Annual Service Charges next due after payment by the Entity and the Entity shall be entitled to continue deducting the Conventional Improvements Taxes paid by the Entity until the amount credited and deducted from the Annual Service Charges equals the aggregate amount of Conventional Improvements Taxes paid by the Entity. The Entity reserves the right to contest the assessment for the Project Improvements during the term of this Financial Agreement.

SECTION 5.2 Calculation of Annual Service Charge. The Annual Service Charge under the Long Term Tax Exemption Law for each year during the term of the exemption is the amount set forth on Exhibit E for such year.

SECTION 5.3 Quarterly Installments. The Entity expressly agrees that installments of the aforesaid Annual Service Charge shall be paid quarterly in a manner consistent with the Township's tax collection schedule. The first installment of Annual Service Charge shall be paid

within thirty (30) days of the Project Completion Date. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under State law in the case of unpaid taxes or tax liens on the land until paid.

SECTION 5.4 Land Taxes. Pursuant to N.J.S.A. 40A:20-12, against the Annual Service Charge, the Entity shall be entitled to a credit for the amount, without interest, of the Land Taxes for the last four (4) preceding quarterly installments. The Entity reserves all rights to contest Land Taxes by appropriate proceedings as well as the total assessment during the term of this Financial Agreement.

SECTION 5.5 Material Conditions. It is expressly agreed and understood that the granting of a tax exemption for the Project Improvements pursuant to the Long Term Tax Exemption Law, the representations of the parties set forth in Article 3 and all payments of Annual Service Charges and any interest payments, penalties or costs of collection due thereon, are material conditions of this Financial Agreement (“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 law.

ARTICLE 6 REMEDIES

SECTION 6.1 Remedies. In the event of a breach of this Financial Agreement by any of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, any party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Long Term Tax Exemption Law, as amended and supplemented. Whenever the word “Taxes” appears, or is implied, directly or indirectly, 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 was a tax or municipal lien on land. If the Entity fails to make any payment of the Annual Service Charges, Land Taxes or other monetary obligations of the Entity set forth in this Financial Agreement, the sole remedy of the Township shall be those provided for collection of taxes under New Jersey Statutes, including but not limited to an In Rem Tax Foreclosure. Any and all rights and remedies of the parties may be enforced in the Superior Court of New Jersey, at law or in equity.

SECTION 6.2 Arbitration. In the event of a dispute (other than one arising from the failure of the Entity to make payments due hereunder) arising in reference to the terms and provisions of this Financial Agreement, either party shall submit the dispute to the American Arbitration Association to be resolved in accordance with its rules and regulations in such fashion as to accomplish the purposes of the Tax Exemption Law and this Financial Agreement. The costs of arbitration shall be borne equally by the parties.

ARTICLE 7
CERTIFICATE OF OCCUPANCY; CERTIFICATION
REGARDING TAX EXEMPTION

SECTION 7.1 Certificate of Occupancy. It is understood and agreed that the Entity shall remain obligated to make application for and make all good faith efforts which are reasonable to obtain the Certificate of Occupancy for the Project in a timely manner as identified in the Exemption Application.

SECTION 7.2 Filing of Certificate of Occupancy. It shall be the primary responsibility of the Entity to forthwith file with the Gloucester County Office of Assessment, the Township Tax Collector and the Chief Financial Officer of the Township a copy of the Certificate of Occupancy.

SECTION 7.3 Certification Regarding Tax Exemption. The Township Clerk shall certify to the County Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that a Financial Agreement with an urban renewal entity, for the development of the Property, 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 County Tax Assessor of a certified copy of the Ordinance adopted by the Township governing body approving the tax exemption described herein and this Financial Agreement shall constitute the required certification. Upon the delivery of the certification as required hereunder, the County 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 County Tax Assessor has been duly notified by the Township Clerk that the exemption has been terminated. Further, upon the adoption of this Financial Agreement, a certified copy of the Ordinance adopted by the Township governing body approving the tax exemption described herein and this Financial Agreement shall be transmitted to the Director of the Division of Local Government Services State of New Jersey Department of Community Affairs by the Township Clerk.

ARTICLE 8
ANNUAL AUDITS

SECTION 8.1 Accounting System. The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles consistently applied, and as otherwise prescribed in the Long Term Tax Exemption Law during the term of this Financial Agreement.

SECTION 8.2 Periodic Reports. Annually, within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Financial Agreement shall continue in effect, the Entity shall submit its Auditor's Report certified by an independent certified public accountant for the preceding fiscal or calendar year to the Mayor, the Township Council and the Township Clerk of said Township, who shall advise those municipal officials required to be advised, and to the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs pursuant to N.J.S.A. 40A:20-9d. Said Auditor's Report shall include the terms and interest rate on any mortgage(s) associated with the Project Improvements, the Allowable Net Profit of the Entity for the period

shown, and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Long Term Tax Exemption Law and this Financial Agreement.

SECTION 8.3 Inspection. Upon the request of the Township or the State for the purposes of this Financial Agreement, the Entity shall permit the inspection of property, equipment, buildings and other facilities of the Entity by the requesting party or its agents. It also shall permit, upon request of the Township or the State for the purposes of this Financial Agreement, reasonable examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by such Township or State. Such inspection, examination or audit shall be made during the hours of the business day, in the presence of any officer or agent of the Entity.

SECTION 8.4 Limitation on Profits and Reserves. During the period of tax exemption as provided herein, the Allowable Net Profit limitation, and the right to maintain reserves, shall apply to the Entity pursuant to the provisions of N.J.S.A. 40A:20-15.

SECTION 8.5 Payment of Dividend and Excess Profit Charge. Whenever the Net Profit of the Entity for the period, taken as one accounting period, commencing upon the substantial completion of the Project Improvements and terminating at the end of the last full fiscal year, shall exceed the Allowable Net Profits for the period, the Entity shall, within one hundred twenty (120) days of the close of that fiscal year, pay the excess Net Profit to the Township as an additional service charge, provided, however, that the Entity may maintain any reserves permitted by N.J.S.A. 40A:20-15. Notwithstanding the foregoing, no provision contained herein shall be construed to include in the determination of Allowable Net Profit or excess Net Profit, under this Financial Agreement or otherwise, any profits of an operating entity or tenant, which shall initially operate a medical office or other type of office on the Property, or the profits of any future tenant, subtenant or other entity that conducts any operations on the Property.

ARTICLE 9 ASSIGNMENT AND/OR ASSUMPTION

SECTION 9.1 Approval. The Entity may sell all or any portion or portions of the Project, and the Township shall consent to such sale, without imposition of any fees or charges, provided that the sale is (i) to another urban renewal entity organized under and in full compliance with the provisions of the Long Term Tax Exemption Law imposed on "Urban Renewal Entities", as defined therein, including successors and assigns of the Entity, (ii) the obligations of the Entity under this Financial Agreement are assumed by the transferee, to the extent those obligations relate to the portion of the Property acquired by the transferee and (iii) the transferee does not own any other project subject to long term tax exemption under the Long Term Tax Exemption Law at the time of transfer. Upon assumption by the transferee urban renewal entity of the Entity's obligations, to the extent those obligations relate to the portion of the Property acquired by the transferee under this Financial Agreement, the tax exemption for the Project shall continue and inure to the transferee urban renewal entity and its respective successors or assigns. Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself, provided that the transfer, if greater than ten (10%) percent, is disclosed to the Township's governing body in the annual disclosure statement or in correspondence sent to the

Township in advance of the annual disclosure statement referred to herein.

SECTION 9.2 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, if any, and to the rights of the Township, to encumber the fee title to the Property and the Project Improvements, and that any such encumbrance shall not be deemed to be a violation of this Financial Agreement.

**ARTICLE 10
WAIVER**

SECTION 10.1 Waiver. 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 law except for the express waiver herein of certain rights of acceleration and certain rights to terminate this Financial Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Township or the Entity has under law, in equity, or under any provision of this Financial Agreement.

**ARTICLE 11
NOTICE**

SECTION 11.1 Notice. Any and all notices or communications given under this Financial Agreement ("Notices") shall be in writing and shall be sent by (a) certified or registered mail, return receipt requested, by recognized overnight carrier, such as Federal Express or UPS, or (c) personal delivery at the addresses set forth below. Any notice shall be deemed delivered, if sent by (b) or (c) above on the date received or, if sent by (a), two (2) business days after mailing.

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

Center Square Partners II Urban Renewal, LLC
Attn: Joseph Pacera
41 S. Haddon Avenue
Haddonfield, New Jersey 08033

With a copy to:

Kathie L. Renner, Esquire
Brown & Connery, LLP
6 North Broad Street
Woodbury, New Jersey 08096
Fax: 856-853-9933

When sent to the Township, it shall be addressed to the Mayor, Administrator, Township Clerk, Township of Woolwich, 120 Village Green Drive, Woolwich Township, NJ 08085 with copies sent to the Township Attorney, Tax Collector, County Tax Assessor, and the Chief Financial Officer unless prior to the giving of notice the Township shall have notified the Entity otherwise. The notice to the Township shall identify the subject with the tax account numbers of

the tax parcels comprising the Property. A copy of any notice to the Township shall be sent to:

John A. Alice, Esquire
28 Cooper St.
Woodbury, New Jersey 08096
Phone: 856-845-7222
Fax: 856-845-3646

**ARTICLE 12
COMPLIANCE**

SECTION 12.1 Statutes and Ordinances. The Entity and the Township hereby agree at all times prior to the expiration or other termination of this Financial Agreement to remain bound by the provisions of Federal and State law and any lawful ordinances and resolutions of the Township, including, but not limited to, the Long Term Tax Exemption Law. The Entity's or the Township's failure to comply with such statutes or ordinances shall constitute a violation and breach of this Financial Agreement.

**ARTICLE 13
CONSTRUCTION**

SECTION 13.1 Construction. This Financial Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Financial Agreement to be drawn since counsel for both the Entity and the Township have combined in their review and approval of same.

**ARTICLE 14
DEFAULT**

SECTION 14.1 Default. If either party to this Financial Agreement breaches the terms or conditions contained in this Financial Agreement, then the aggrieved party shall send a written default notice to the other party ("Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged default. Other than a default in payment of the Annual Service Charge in which case the cure period shall be the same as the grace period for payment of real estate taxes, the party in breach shall have sixty (60) days, from receipt of the Default Notice, to cure any default.

**ARTICLE 15
MISCELLANEOUS**

SECTION 15.1 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 15.2 Oral Representations. There have been no oral representations made by either of the parties hereto which are not contained in this Financial Agreement. This Financial

Agreement, the Ordinance, and the Exemption Application constitute the entire agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

SECTION 15.3 Entire Document. All conditions in the Ordinance are incorporated in this Financial Agreement and made a part hereof.

SECTION 15.4 Good Faith. In their dealings with each other, the parties agree that they shall act in good faith.

SECTION 15.5 Recording. This entire Financial Agreement will be filed and recorded with the Gloucester County Clerk by the Entity at the Entity's expense.

SECTION 15.6 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 and Annual Service Charges, as required by law. Nothing herein is intended to release the Entity from its obligation to make such payments.

SECTION 15.7 Counterparts. This Financial Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.8 Amendments. This Financial Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

**ARTICLE 16
[EXHIBITS AND SCHEDULES]**

- [Exhibit A] Exemption Application
- [Exhibit B] Township Council Ordinance
- [Exhibit C] Legal Description of the Property
- [Exhibit D] Formation Documents of Urban Renewal Entity
- [Exhibit E] Annual Service Charge

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE(S) FOLLOW.]**

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

Witness:

CENTER SQUARE PARTNERS II
URBAN RENEWAL, LLC

By: _____
Joseph Pacera, Member

Witness:

TOWNSHIP OF WOOLWICH

Jane DiBella,
Township Administrator/Clerk

By: _____
Vernon Marino, Mayor

Exhibit A

Exemption Application

**APPLICATION OF CENTER SQUARE PARTNERS II LIMITED LIABILITY COMPANY
FOR LONG TERM TAX EXEMPTION
PURSUANT TO N.J.S.A. 40A:20-1 et seq.**

TO: Mayor and Members of the Township Committee of Woolwich Township

FROM: Center Square Partners II Limited Liability Company*

RE: Application for Long Term Tax Exemption for Block 28.01, Lot 2.01

A. General Statement of the Nature of the Proposed Project:

The applicant has received approval from the Woolwich Township Land Use Board to construct a one story, 20,000 square foot office building on Block 28.01, Lot 2.01, Woolwich Township, Gloucester County, New Jersey. The proposed project is in accord with the redevelopment plan adopted by the governing body.

B. Description of the Proposed Project:

The proposed project is particularly described on a site plan prepared by Consulting Engineering Services, dated September 24, 2018, revised January 16, 2019.

C. Statement by Qualified Architect or Engineer of the Estimated Cost of the Proposed Project, Including Estimated Cost of Project:

See attached, Exhibit "A".

D. The source, method and amount of money to be subscribed through the investment of private capital, setting forth the amount of stock or other securities be issued therefore or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefore:

Approximately eighty percent of the cost of the Project will be financed through conventional bank financing and the balance will be financed through working capital provided by the Applicant's members.

E. A Fiscal Plan for the Project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments to the municipality to be made pursuant to a Financial Agreement to be entered into with the municipality.

See attached, Exhibit "B".

*Applicant shall form a qualifying limited dividend entity upon receipt of an executed Redevelopment Plan with Woolwich Township.

F. A proposed Financial Agreement with the municipality:

See attached, Exhibit "C".

Dated: _____, 2019

**CENTER SQUARE PARTNERS II LIMITED
LIABILITY COMPANY**

By: _____
Joseph Pacera, Member

Exhibit B

Township Council Ordinance

Exhibit C

Legal Description of the Property



consulting engineer services

Engineers, Planners, and Land Surveyors

April 3, 2019

SUBDIVISION DESCRIPTION

PROPOSED LOT 2.01, BLOCK 28.01

LANDS SITUATE

WOOLWICH TOWNSHIP, GLOUCESTER COUNTY, NEW JERSEY

BEGINNING at a point being North 51 Degrees 02 Minutes 07 Seconds East, a distance of 410.01 Feet from the northwesterly corner of Lot 2 of Block 28.01 and in the southerly line of Auburn Road (variable width) as shown on a plan entitled "Plan of Lots - Villages at Weatherby - Section 1" as filed with the Gloucester County Clerk on 10/28/05 as Map #4096, said point being 24.75 Feet distant from the centerline of Auburn Road and extending; Thence

- 1) Along said right-of-way line of Auburn Road, North 51 Degrees 02 Minutes 07 Seconds East, a distance of 453.38 Feet to a point in the same; Thence
- 2) Crossing into existing Lot 2, South 38 Degrees 57 Minutes 53 Seconds East, a distance of 156.98 Feet to a point; Thence
- 3) South 05 Degrees 44 Minutes 47 Seconds East, a distance of 282.13 Feet to a point in the northerly line of Lot 1 of Block 28.01 as shown on the aforementioned plan; Thence
- 4) Along the said line of Lot 1, South 51 Degrees 02 Minutes 07 Seconds West, a distance of 276.70 Feet to a point in the same; Thence
- 5) North 38 Degrees 57 Minutes 53 Seconds West, a distance of 146.27 Feet to a point of curvature; Thence
- 6) Along a curve, curving to the left, having a radius of 160.00 Feet, an arc length of 39.35 Feet, an interior angle of 14 Degrees 05 Minutes 28 Seconds and having a chord bearing of North 46 Degrees 00 Minutes 37 Seconds West with a chord length of 39.25 Feet to a point of reverse curvature; Thence
- 7) Along a curve, curving to the right, having a radius of 575.00 Feet, an arc length of 141.41 Feet, an interior angle of 14 Degrees 05 Minutes 28 Seconds and having a chord bearing of North 46 Degrees 00 Minute 37 Seconds West with a chord length of 141.06 Feet to a point of tangency; Thence
- 8) North 38 Degrees 57 Minutes 53 Seconds West, a distance of 67.78 Feet to a point and place of BEGINNING.

646 Berlin-Cross Keys Road, Suite One, Sicklerville, NJ 08081
856-228-2200 Fax 856-232-2346 design@ces-1.com
NJ Certificate of Authorization #24GA27957700

P:\Projects\1906-46\reports\legal\28.01-2.01.doc

Containing 155,102± S.F. (3.561± AC)

Hereinabove described land is graphically shown on a plan entitled "PLAN OF MINOR SUBDIVISION", Woolwich Medical Campus, Woolwich Township, Gloucester County, New Jersey, as prepared by Consulting Engineer Services dated 11/21/2018 last revised 3/14/19.



ADAM R. GRANT
Professional Land Surveyor
New Jersey License No. 24GS04335700

Exhibit D

Formation Documents of Urban Renewal Entity

1. Certificate of Formation for Center Square Partners II Limited Liability Company to be amended to Center Square Partners II Urban Renewal, LLC upon execution of Proposed Redevelopment Agreement.

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

CERTIFICATE OF FORMATION

CENTER SQUARE PARTNERS II LIMITED LIABILITY COMPANY
0450345352

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 01/31/2019 and was assigned identification number 0450345352. Following are the articles that constitute its original certificate.

1. **Name:**
CENTER SQUARE PARTNERS II LIMITED LIABILITY COMPANY
2. **Registered Agent:**
DAVID N RAGONE
3. **Registered Office:**
41 SOUTH HADDON AVE STE 1
HADDONFIELD, NEW JERSEY 08033
4. **Business Purpose:**
LAND DEVELOPMENT
5. **Effective Date of this Filing is:**
01/31/2019
6. **Members/Managers:**
JOSEPH D PACERA
501 COOPERWOOD COURT
MULLICA HILL, NEW JERSEY 08062

MICHAEL J PROCACCI, JR
4 VENETIAN CT
MT. LAUREL, NEW JERSEY 08054

DAVID N RAGONE
209 REILLYWOOD AVE
HADDONFIELD, NEW JERSEY 08033

7. **Main Business Address:**
41 S HADDON AVE STE 1
HADDONFIELD, NEW JERSEY 08033

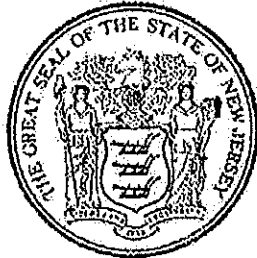
Signatures:

DAVID N RAGONE
AUTHORIZED REPRESENTATIVE

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

CERTIFICATE OF FORMATION

CENTER SQUARE PARTNERS II LIMITED LIABILITY COMPANY
0450345352



Certificate Number : 4070546366

Verify this certificate online at

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

*IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
31st day of January, 2019*

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

Elizabeth Maher Muoio
State Treasurer

Exhibit E

Annual Service Charge

The Annual Service Charge will be fixed for the first ten (10) years following the completion of the Project in the amount of One Hundred One Thousand Four Hundred Seventy-Eight and 90/100 Dollars (\$101,478.90) based on three percent (3%) of the Project Cost, and thereafter, the Annual Service Charge will be calculated as follows:

i. for years 11 through 15, the greater of three percent (3%) of the Project Cost or twenty percent (20%) of the amount of taxes otherwise due,

ii. for years 16 through 20, the greater of three percent (3%) of the Project Cost or forty percent (40%) of the amount of taxes otherwise due,

iii. for years 21 through 25, the greater of three percent (3%) of the Project Cost or sixty percent (60%) of the amount of taxes otherwise due, and

iv. for years 26 through 30, the greater of three percent (3%) of the Project Cost or eighty percent (80%) of the amount of taxes otherwise due.