

THIS FINANCIAL AGREEMENT, ("**Financial Agreement**" or "**Agreement**") is made this 11th day of May, 2020, by and between Hurstmont Estate Acquisition LLC ("**Redeveloper**") having its principal office located at 14 Doty Road, Unit B, Haskel, New Jersey 07420, and the **TOWNSHIP OF HARDING**, a public body corporate and politic of the State of New Jersey, having its principal office located at 21 Blue Mill Road, New Vernon, New Jersey 07976 (the "**Township**", together with **Redeveloper**, the "**Parties**").

RECITALS

WHEREAS, the Township Committee of the Township of Harding has adopted by Ordinance Number 13-2019 enacted June 24, 2019 and Ordinance Number 16-2019 enacted September 30, 2019, a certain Glen Alpin/Hurstmont Redevelopment Plan (the "**Redevelopment Plan**"); and

WHEREAS, the Redevelopment Plan was adopted with respect to certain lands designated as Lot 2, Block 27, and Lot 1, Block 34 as shown on the Tax Assessment Map of the Township of Harding (the "**Area in Need of Redevelopment**"); and

WHEREAS, this Financial Agreement concerns the southerly portion of Lot 2, Block 27 depicted as Proposed Lot 2 on **Exhibit A** attached hereto and made a part hereof (the "**Property**"); and

WHEREAS, on May 11, 2020, the Township and the Redeveloper entered into a Redevelopment Agreement (the "**Redevelopment Agreement**") for a redevelopment of the Property; and

WHEREAS, the Property is to be redeveloped with approximately 125 Apartment Style Independent Living Units and no more than 85 units designated as "Assisting Living

Residences” and/or units located within the Dementia Care Home and 40 Market Rate Townhomes (“Townhomes Unit”) all as defined in the Redevelopment Plan and

WHEREAS, the Project may be developed in two or more phases (each a “**Project Phase**”); and

WHEREAS, there will be developed a combination of 40 Affordable Housing Units within the Independent Living Units, Assisted Living Units and Dementia Care Home; and

WHEREAS, the Septic Treatment Facility described in Section 4.16 of the Redevelopment Agreement will be designed to and will accommodate the septic demand of the redeveloped historic Glen Alpin property located on Lot 1, Block 34; and

WHEREAS, the redevelopment of the Property requires extraordinary costs related to excavation, removal of fill, retaining walls, the Septic Treatment Facility, the set aside of approximately 2.5 acres for open space, the construction of a section of the regional Patriot’s Path walking trail, off-site traffic improvements, exterior building façade finishes and restoration of historic ornamental garden features; and

WHEEAS, this Agreement will assist Redeveloper in meeting the extraordinary costs associated with development of 40 Affordable Housing Units, as recognized in *N.J.S.A. 40A:21-3(j)*, to facilitate the redevelopment of the Property; and

WHEREAS, terms not otherwise defined in these recitals shall have the meaning ascribed to them in Section 1.2 of this Agreement; and

WHEREAS, Section 5.2 of the Redevelopment Agreement provides that the Township would, subject to certain conditions set forth therein, negotiate and enter into an agreement for a tax exemption and payments in lieu of taxes, pursuant to the Five Year Exemption and

Abatement Law, *N.J.S.A. 40A:21-1, et. seq.* (the “**FYEAL**”) with the Redeveloper for the 40 Townhomes; and

WHEREAS, pursuant to Section 9 of the FYEAL, on March 12, 2020, Redeveloper filed an application for tax exemption and abatement for the Property (the “**Application**”), a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, the Township has determined that the Project will result in significant benefits to the Township, including:

- (i) the provision for affordable housing to be located within the Township;
- (ii) the development of a mix of senior related housing and health care opportunities within the Township;
- (iii) the expansion of the Patriot’s Path walking trail;
- (iv) the provision for additional preservation of open space;
- (v) accommodating the septic demand of the redeveloped historic Glen Alpin property;
- (vi) the creation of jobs during construction; and
- (vii) new business that will contribute to the economic growth of the Township, and the Project can result in significant benefits to the Township which are far greater to the Township than the cost, if any, associated with the grant of a tax exemption and abatement for the Property; and

WHEREAS, this Agreement will assist Redeveloper to facilitate the marketing of the Units with the intention to effect a stabilization of the Project; and

WHEREAS, on May 11, 2020, the Township adopted Resolution No. 095-2020 (the “**Resolution**”) approving this Financial Agreement, a copy of which is attached hereto as **Exhibit C**.

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

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the FYEAL and the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**LRHL**”), and any other applicable state, federal or local laws, rules, regulations, statutes and ordinances applicable to the Project (“**Applicable Law**”). This Agreement shall also be governed by the Resolution, pursuant to which the Township approved the Tax Exemption, In lieu of Tax Payments and Municipal Benefits Payments, and authorized the execution of this Agreement.

Section 1.2 General Definitions

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

Affordable Unit – shall mean any residential Unit other than a Unit offered for market rents or charges, including but not limited to a residential Unit that is subject to restrictions on sale price, rental price, or purchaser income.

Certificate of Occupancy – A document issued by the Township authorizing the permanent occupancy of a building, whether in whole or in part, pursuant to *N.J.S.A. 52:27D-133*, and any other Applicable Law.

Certificate of Completion – A determination by the Township made with respect to the entire Project or Project Phase thereof that the construction activities entailed are completed in all material respects and that the entire Project or Project Phase is ready for its intended use. The date for issuance of the Certificate of Completion shall ordinarily mean the date upon which the phase of the Project receives, or is eligible to receive, its last permanent Certificate of Occupancy.

Effective Date – The date upon which the last party executes this Agreement.

Improvements – Any building, structure or fixture permanently affixed to the Land or any structure or fixture affixed to the Property and to be constructed as part of the Project.

In Rem Tax Foreclosure or Tax Foreclosure – A summary proceeding by which the Township may enforce a lien for real estate taxes due and owing by tax sale, under *N.J.S.A. 54:5-1 et seq.* and/or any other Applicable Law.

Land Taxes – The amount of taxes (including municipal, county and school) assessed on the value of land on which the Improvements are located.

Land Tax Payments – Payments made on the quarterly due dates for Land Taxes as determined by the Township Tax Assessor and the Township Tax Collector.

Owner – Each and every owner, whether in fee simple or otherwise, of any portion of the Property, Townhome Unit or Improvement related thereto, other than a Successor Townhome Unit Purchaser, regardless of whether such owner shall be Redeveloper or a subsequent urban renewal entity, as the same is defined in the LTTE and pursuant to the terms set forth herein, or any other company, entity or person.

Redeveloper – Hurstmont Estate Acquisition LLC, a New Jersey limited liability company established and operated pursuant to the laws of the State of New Jersey, or any successor in interest of the Project in whole or in part, provided such successor(s) in interest is formed and is operated under Applicable Law and the transfer has been duly approved by the Township pursuant to the Redevelopment Agreement.

Substantial Completion - shall mean as to the entire Project or Project Phase that it has been constructed in accordance with the Redevelopment Agreement is that each Townhome Unit has received either a Certificate of Occupancy or are eligible to receive a Certificate of Occupancy. A Townhome Unit is not eligible for a final C/O until such time as the building has been constructed to substantially conform with the building plans and specifications approved by the Township and to be in habitable condition on a permanent basis.

Successor Townhome Unit Purchaser – A purchaser of a for sale Townhome Unit of the Project, who pursuant to *N.J.S.A. 40A:20-14*, shall continue to be subject to the provisions of this Financial Agreement.

Term – is defined in Section 3.1.

Termination – the expiration of the term of this Agreement in accordance with Section 3.1 or Section 11.1 hereof which by operation of the terms of this Financial Agreement shall cause the relinquishment of the tax exemption applicable to any Improvement, including any Unit.

Townhome Unit – one of the residential townhome dwellings to be built as part of the Project, the tax exemption upon which shall continue and inure to the benefit of any Successor Townhome Unit Purchaser, its successor and assigns in accordance with the terms hereof.

ARTICLE II – APPROVAL

Section 2.1 Approval of Tax Exemption

The Township hereby grants its approval for this Financial Agreement and the Five-Year Exemption and Abatement for the Improvements to be constructed upon the Property in the Project Phase for the 40 Market Rate Townhome Units in accordance with the terms and conditions of this Financial Agreement and the provisions of the FYEAL (the “**Tax Exemption**”). During the term of the Tax Exemption and this Agreement, as provided for in Section 3.1 of this Agreement, Redeveloper or the Successor Townhome Unit Owner shall make an in lieu of tax payment in accordance with the provisions set forth in Section 4.1 of this Agreement and Redeveloper shall make Municipal Benefits Payments to the Township in accordance with the provisions set forth in Article IV of this Agreement.

Section 2.2 Approval of Redeveloper

Approval is hereby granted to Redeveloper, a copy of whose Certificate of Formation is attached and annexed hereto as **Exhibit D**.

Section 2.3 Improvements to be Constructed; Redevelopment Agreement

Redeveloper represents that it will construct and complete the Project in accordance with the terms and conditions of the Redevelopment Agreement, Redevelopment Plan dated September 30, 2019, and shall comply with the provisions of all Applicable Laws.

Section 2.4 Ownership, Management and Control

Redeveloper represents that it is or prior to the Certificate of Occupancy, will become the owner of the Property upon which the Project will be constructed.

Section 2.5 Financial Plan.

The Improvements shall be financed in accordance with the financial plan, as more specifically described in the Application. The plan sets forth the estimated Total Project Cost, the source of funds and the source and amount of paid-in capital.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term.

So long as there is compliance with the FYEAL and this Agreement, this Agreement shall remain in effect for five (5) years from the date of the Certificate of Occupancy for each Townhome Unit of the Property, subject to the further limitations and agreements contained

herein, and shall only be effective and in force during the period while the Improvements are owned by the Redeveloper or Townhome Units are owned by Successor Townhome Unit Purchasers, which Successor Townhome Unit Purchasers shall assume the benefits of this Agreement (the “**Term**”). After the expiration of the Term or termination by Redeveloper or Successor Townhome Unit Purchaser, as applicable, pursuant to *N.J.S.A. 40A:21-12*: (i) the Tax Exemption for the Improvements shall expire and the Property and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township, and (ii) all restrictions and limitations upon Redeveloper shall terminate. Provided, however, that after the conveyance of the first Townhome Unit to a Successor Unit Owner, Redeveloper may not terminate this Agreement.

ARTICLE IV – IN LIEU OF TAX PAYMENTS

Section 4.1 Tax Payments

Redeveloper agrees to make payments (“**In lieu of Tax Payments**”), and to inform each Successor Townhome Unit Purchaser of its obligation to make such In lieu of Tax Payments on each Townhome Unit to be constructed on the Property, in lieu of full property tax payments according to the following schedule for each individual Townhome Unit:

- (a) Commencing from the first full tax year (January 1) after the completion of an individual Townhome Unit, ninety (90) percent of the actual taxes otherwise done;
- (b) For the second full tax year after the completion of an individual Townhome Unit, ninety (90%) percent of the actual taxes otherwise due;

- (c) For the third full tax year after the completion of an individual Townhome Unit, ninety (90%) percent of the actual taxes otherwise due;
- (d) For the fourth full tax year after the completion of an individual Townhome Unit, ninety (90%) percent of the actual taxes otherwise due; and
- (e) For the fifth full tax year after the completion of an individual Townhome Unit, ninety (90%) percent of the actual taxes otherwise due.

Redeveloper expressly agrees that the Tax Payments shall be paid in quarterly installments on those dates when ad valorem real estate tax payments are due.

Redeveloper shall have the right to appeal the real property tax assessment in any and/or every year in which this Agreement is in effect.

Section 4.2 Municipal Benefits Payment

In addition to Tax Payments and for the duration of the Tax Exemption and this Agreement, Redeveloper shall pay to the Township 2.5% of the portion of any sale price to a Successor Townhome Unit Owner in excess of one million seven hundred-fifty thousand dollars (\$1,750,000.00) as set forth in the deed of conveyance for each Unit ("**Municipal Benefits Payment**").

Section 4.3 Material Conditions

It is expressly agreed and understood that the timely payments of the Tax Payments, including adjustments thereto, and any interest thereon, the Municipal Benefits Payment and

the Tax Exemption granted herein are material conditions ("**Material Conditions**") of this Agreement.

Section 4.4 Other Municipal Services

Nothing herein shall exempt Redeveloper from the payment for any municipal services rendered to the Property that are ordinarily assessed to tax payers outside of and in addition to ad valorem taxes. Redeveloper shall timely pay for municipal services rendered to the Property, and the Township shall retain the right to pursue all remedies to collect such payments, including the right to institute collection through a tax lien sale pursuant to *N.J.S.A. 54:5-1 et seq.*

ARTICLE V – CERTIFICATE OF OCCUPANCY

Section 5.1 Certificate of Occupancy

It shall be the obligation of Redeveloper to make application for and make all commercially reasonable efforts to obtain all Certificates of Occupancy in a timely manner. It shall be the primary responsibility of Redeveloper to forthwith file with the Tax Assessor, the Tax Collector and the Township Manager, a copy of any Certificate of Occupancy.

In the event that Redeveloper fails to secure Certificates of Occupancy in a timely manner after Substantial Completion of the Project or a Project Phase, as determined by the Township in its sole discretion and Redeveloper has not obtained the Certificates of Occupancy within sixty (60) days after the Township has provided notice to Redeveloper of the Project Phases Substantial Completion, the unsold Townhome Units shall be subject to full taxation (ordinary applicable taxes) for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained, unless Redeveloper's application for a Certificate

of Occupancy is pending or the delay in issuance of the Certificate of Occupancy is a result of Force Majeure events as set forth in the Redevelopment Agreement.

ARTICLE VI – CESSATION OR DISPOSITION OF PROPERTY

Section 6.1 Failure of Conditions; Disposition of Property

Pursuant to Section 12 of the FYEAL, if during any tax year prior to the termination of this Financial Agreement, Redeveloper ceases to operate or disposes of the Property (with the exception of the sale of individual Townhome Units) or otherwise fails to meet the conditions of eligibility, the tax otherwise due if there had been no exemption shall become due and payable by the owner(s) of the Property. The Tax Assessor shall notify the Property owner(s) and the Tax Collector forthwith and the Tax Collector shall within fifteen (15) days thereof notify the owner(s) of the Property of the amount of taxes due.

However, with respect to the disposal of the Property, where it is determined that the new owner of the Property will continue to use the property pursuant to the conditions which qualified the Property, no tax shall be due and the exemption shall continue, and the Agreement shall remain in effect, as assigned to such new owner.

ARTICLE VII – COUNTY EQUALIZATION AND SCHOOL AID

Section 7.1 County Equalization; Valuation of Property

The percentage which the payment in lieu of taxes for the tax exempt Property bears to the property tax which would have been paid had an exemption not been granted for the Property under this Agreement, shall be applied to the valuation of the Property to determine the reduced valuation of the Property to be included in the valuation of the Township for determining equalization for County tax apportionment and school aid, during the term of the tax exemption

agreement covering this Property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the law shall no longer apply.

ARTICLE VIII - SALE OF PROJECT

Section 8.1 Approval

Redeveloper may sell the Project or any portion thereof and transfer this Financial Agreement, provided that: (a) the transfer complies with the terms of Sections 7.3, 7.4, and 7.5 of the Redevelopment Agreement, (b) the transfer is in compliance with the Redevelopment Agreement, this Agreement and the FYEAL, (c) Redeveloper's obligations under this Financial Agreement are fully assumed by the transferee on a going forward basis and (d) the transferee abides by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to *N.J.S.A. 40A:20-8*. This Section 8.1 shall not apply to the sale and transfer of the Townhome Units, which are hereby expressly authorized.

ARTICLE IX-COMPLIANCE

Section 9.1 Operation

During the term of this Financial Agreement, the Project shall comply with all applicable federal, state and local laws and regulations.

ARTICLE X - DEFAULT

Section 10.1 Cure Upon Default

If any party to this Financial Agreement breaches the terms or conditions contained in this Financial Agreement or in the Redevelopment 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. In the event of a monetary default by the Redeveloper, the Redeveloper shall have ten (10) days to cure such monetary default. The party in breach shall have forty-five (45) days, from receipt of the Default Notice, to cure any non-monetary default. However, if in the reasonable opinion of the non-defaulting party, the default cannot be cured within forty-five (45) days using reasonable due diligence and with continuity of purpose, the non-defaulting party will extend the time to cure. Upon the expiration of the forty-five (45) day cure period set forth above, or upon the expiration of any extension period, the aggrieved party shall have the right to terminate this Financial Agreement in accordance with Article XI hereof.

Section 10.2 Remedies for Default in Payment

The Township shall be entitled to all remedies to collect such payments, including the right to sell a tax sale certificate and proceed against a Unit or the Property (excluding Units previously conveyed) pursuant to In Rem Tax Foreclosure in accordance with Applicable Law. The failure to make such payments shall not be subject to the dispute resolution procedures as provided in Section 12.1.

Section 10.3. As to Successor Townhome Unit Purchasers.

The failure of the Successor Townhome Unit Purchasers to make the requisite In lieu of Tax Payment within thirty (30) days of the due date shall, following written notice to the Successor Townhome Unit Purchaser, constitute a violation and breach of this Agreement by the Successor Townhome Unit Purchaser, and the Township shall, among its other remedies,

have the right to proceed against the Unit of the individual Successor Townhome Unit Purchaser pursuant to the In Rem Tax Foreclosure Act, *N.J.S.A. 54:55-1 et. seq.* In addition, the Township may terminate this Agreement as to the Successor Townhome Unit Purchaser by duly authorized action of the Township after having provided the Successor Townhome Unit Purchaser with a Default Notice and expiration of any cure period. Any default arising out of the failure of the Successor Townhome Unit Purchaser to pay any of its obligations under this agreement shall be subject to the default procedural remedies as provided in Section 10.2 of the Agreement herein. A default by a Successor Townhome Unit Purchaser shall not be deemed a default of Redeveloper, any Owner or any other Successor Townhome Unit Purchaser and this Agreement and the exemption shall continue in full force and effect as to Townhome Units owned by the Redeveloper, Owner, and all non-defaulting Successor Townhome Unit Purchasers. A default by Redeveloper or any Owner, shall not be deemed a default by any Successor Townhome Unit Purchaser and this Agreement and the exemption shall continue in full force and effect as to Townhome Units owned by all non-defaulting Successor Townhome Unit Purchasers.

ARTICLE XI-TERMINATION

Section 11.1 Termination Upon Default

In the event that the defaulting party fails to cure or remedy a default within the time period provided in Article 10, hereof, the aggrieved party may terminate this Financial Agreement as to a defaulting party by written notice of such termination to the party in breach.

Section 11.2 Taxes after Termination Date

After the termination date, the Tax Exemption for the Project shall expire, and the Improvements shall thereafter be assessed and conventionally taxed according to the Applicable Law regarding other nonexempt taxable property in the Township.

ARTICLE XII - DISPUTE RESOLUTION

Section 12.1 Mediation

In the event of a breach of this Agreement by any of the parties or 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 mediation. The parties agree that the mediation will be before a retired judge of the Superior Court of New Jersey agreed upon by the parties within 10 days after request by a party upon occurrence of a dispute, or if the parties fail to so agree, a retired judge of the Superior Court appointed by the Assignment Judge of Morris County upon application of a party. The mediation shall be conducted in accordance with rules as determined by the mediator. The parties agree to engage in good faith in the mediation effort to seek resolution of the disagreement. The good faith obligation shall require, as a condition precedent to commencement of any litigation other than one seeking emergent relief, participation of up to six (6) hours at a mediation session conducted by the mediator at a time and place fixed by the mediator, all to occur within 30 days after appointment of the mediator. The parties further agree that the mediation procedure is voluntary and nonbinding (beyond good faith obligation described in the previous sentence). Following good faith participation, either party may at any time terminate the mediation proceeding with or without cause. The

mediator shall also have the right to terminate the mediation if the mediator shall determine that the efforts to reach a settlement are likely to be futile. The parties agree to share the burden of the mediator's compensation equally amongst the parties participating in the mediation and each agrees to pay its share pursuant to the mediator's invoice to be rendered at completion or termination of the mediation process.

ARTICLE XIII - WAIVER

Section 13.1 Waiver

Nothing contained in this Financial Agreement or otherwise, or any action or non-action shall constitute a waiver or relinquishment by an aggrieved party of any rights and remedies, including, without limitation, the right to terminate the Financial Agreement subject to the qualifications set forth elsewhere in this Financial Agreement for violation of any of the obligations provided herein. Nothing herein or any action or non-action shall be deemed to limit any right of recovery of any amount which the aggrieved party has under any Applicable Law, or in equity, or under any provision of this Financial Agreement.

ARTICLE XIV - NOTICE

Section 14.1 Notices

Formal notices, demands and/or communications between the Township and the Redeveloper and from the Redeveloper to the Township or from the Township to the Redeveloper (as required herein) shall be deemed sufficiently served if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt

requested, and shall be deemed delivered upon receipt. Formal notices may also be sent by a commercial overnight delivery service with package tracking capability and proof of delivery is available. In this case such notice is deemed to be effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice. Informal communications may be carried out by regular mail.

Copies of all notices, demands and communications shall be sent as follows:

- (a) In case of the Township:
Township of Harding
21 Blue Mill Road, New Vernon
Morris, New Jersey 07976
Attn: Robert Falzarano

With a Copy to:

(if by mail)

John H. Hague, Esq.
Greenbaum Rowe Smith Davis, LLP
Metro Corporate Campus One
P.O. Box 5600
Woodbridge, New Jersey 07095

(if by delivery)

John H. Hague, Esq.
Greenbaum Rowe Smith Davis, LLP
99 Wood Avenue South
Iselin, New Jersey 0795-0988

(b) In the case of the Redeveloper:
Hurstmont Estate Acquisition LLC
14 Doty Road, Unit B
Haskell, NJ 07420
Attn: Peter H. Monaghan

With a Copy to:

Katharine A. Coffey, Esq.
Day Pitney
One Jefferson Road
Parsippany, NJ 07054

Section 14.2 Notice to the DCA

In accordance with Section 11(d) of the FYEAL, the Township shall, within thirty (30) days after the execution of this Agreement, forward a copy of the agreement to the Director of the Division of Local Government Services in the Division of Consumer Affairs.

ARTICLE XV - SEVERABILITY

Section 15.1 Severability

(a) If any term, covenant or condition of this Financial Agreement or the Application shall be judicially declared to 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 term, covenant or condition of this Financial Agreement shall be valid and be enforced to the fullest extent permitted by the Applicable Law.

(b) If any provision of this Financial Agreement shall be judicially declared to be invalid or unenforceable, and provided that a default has not been declared that has continued uncured after notice and expiration of the grace period provided in this Agreement, the Parties and each of them shall cooperate with each other to take the actions reasonably required to restore the Financial Agreement in a manner contemplated by the Parties. This shall include, but not be limited to the authorization and re-execution of this Financial Agreement in a form reasonably drafted to effectuate the original intent of the Parties.

ARTICLE XVI - MISCELLANEOUS

Section 16.1 Construction

This Financial Agreement shall be governed, construed and enforced in accordance with the FYEAL and other Applicable Laws of the State of New Jersey and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this

Financial Agreement to be drawn since counsel for both Redeveloper and the Township, respectively have combined in review and approval of same.

Section 16.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in this Financial Agreement, this Financial Agreement shall govern and prevail. In the event of conflict between this Financial Agreement and the FYEAL, the FYEAL shall govern and prevail.

Section 16.3 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 Resolution authorizing the execution of the Financial Agreement, and the Application constitute the full agreement between the parties.

Section 16.4 Modification

There shall be no modification of this Financial Agreement except by virtue of a written instrument(s) executed by and between both parties and approved by ordinance.

Section 16.5 Entire Agreement

This Financial Agreement, the Resolution, the Application and all Exhibits attached to each of the foregoing are incorporated into this Financial Agreement and made a part hereof and collectively constitute the entire agreement between the Parties with respect to the tax exemption for the Project.

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

Witness:

HURSTMONT ESTATE ACQUISITION LLC

By: _____

By: _____

Peter H. Monaghan, Manager

Witness:

TOWNSHIP OF HARDING

By: _____

Lisa Sharp
Township Clerk

By: _____

Christopher Yates, Mayor

SHORT TERM TOWNHOME FINANCIAL AGREEMENT

EXHIBIT LIST

- A. Description of the Property**
- B. Application for Tax Exemption**
- C. Resolution Approving Tax Exemption**
- D. Certificate of Formation**

SHORT TERM TOWNHOME FINANCIAL AGREEMENT

EXHIBIT A

Description of the Property

SHORT TERM TOWNHOME FINANCIAL AGREEMENT

EXHIBIT B

Application for Tax Exemption

(See Attached)

APPLICATION FOR TAX ABATEMENT / EXEMPTION

TOWNSHIP OF HARDING
21 BLUE MILL ROAD
NEW VERNON, NEW JERSEY 07976

Hurstmont Estate Acquisition LLC

Name of Applicant

14 Doty Road, Unit B
Haskell, NJ 07420

Address of Applicant

679 Mt. Kemble Avenue,
Morristown, NJ 07960
Address of Project Site

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

This Application is submitted pursuant to the Five-Year Exemption and Abatement Law (N.J.S.A. 40A:21-1 et. seq.)

SECTION A: APPLICANT INFORMATION

1. **Name of Applicant:** Hurstmont Estate Acquisition LLC
2. **Address of Applicant:** 14 Doty Road, Unit B, Haskell, NJ 07420
3. **If applicable, attach hereto a copy of the Applicant's Certificate of Formation.**

Please find attached as Exhibit A.

SECTION B: PROPERTY INFORMATION

4. **Identification of Property:**
 - a. State the street address of the proposed project site (the "Project Site"), according to the currently effective tax map of the Township (the "Official Map"): 760 Mt. Kemble Road, Morristown, NJ 07960
 - b. State the block(s) and lot number(s) corresponding to the Project Site on the Official Map: Lot 27 Block 2
 - c. Provide a metes and bounds description of the Project Site:

ALL that certain lot, parcel or tract of land, situate and lying in the Township of Harding, County of Morris, State of New Jersey, and being more particularly described as follows:

Beginning at a point at the intersection of the old centerline of Mount Kemble Avenue (a.k.a. N.J. State Highway Route 202) (also known as the old centerline of Morristown - Bernardsville Road) with the Westerly line of lands formerly of Paul Feakins and running thence;

1) Along the Westerly line of Feakins North 18°-29'-20" West 757.85' to a monument, thence;

2) Along the lands formerly of the Mt. Kemble Corp. South 71°-30'-40" West 1078.36' to a iron pin, thence;

- 3) Along the lands formerly n/f of J.M. Davies and L. & S. Jean South 14°-06'-50" East 515.77' to a wood monument, thence;
- 4) Along said Jean lands and lands formerly of Doris Farid, South 77°-29'-00" East 164.88' to a marble monument, thence;
- 5) Still along the lands formerly of Farid, South 58°-25'-00" East 531.00' to a point in the old centerline of Mt. Kemble Avenue, thence;
- 6) Along the old centerline of Mount Kemble Avenue North 29°-18'-40" East 223.67' to an angle point, thence;
- 7) Still along the old centerline of Mount Kemble Avenue North 59°-41'-40" East 480.05' to the point and place of beginning.

Note: For Informational Purposes Only: BEING Lot 2 Block 27 on a Tax Map of the Township of Harding, County of Morris.

BEING the same premises which Edith Kurlan, by Deed dated 09/11/1996 and recorded 09/19/1996 in the Morris County Clerk's Office in Deed Book 4444, Page 328, granted and conveyed unto Edith Kurlan, in Trust for Matthew Kurlan.

AND ALSO BEING the same premises which Matthew Kurlan, by Deed dated 02/15/2011 and recorded 03/11/2011 in the Morris County Clerk's Office in Official Record Book 21756, Page 1950, granted and conveyed unto Edith Kurlan

AND ALSO BEING the same premises which Edith Kurlan, Unmarried, by Deed dated 02/15/2011 and recorded 03/11/2011 in the Morris County Clerk's Office in Official Record Book 21756, Page 1956, granted and conveyed unto Harding Holdings PM, LLC.

5. Current Assessment Status of the Project Site:

BLOCK	LOT	LAND	IMPROVEMENTS	TOTAL
27	2	\$8,027.14	\$20,131.20	\$28,158.34

SECTION C: PROJECT INFORMATION

6. Provide a statement describing the nature and purpose of the proposed project. Include a detailed description of the improvements to be made to the Project Site.

Project Overview – The property consisting of approximately 20 acres will be developed in two distinct phases on a sub-divided property to provide for forty (40) for-sale townhomes along with two hundred and ten (210) senior apartments, as may be modified in accordance with the Redevelopment Plan. The project will also consist of a community septic system that will serve the septic needs of the entire development along with being over-sized to accommodate the

future septic needs of the Glen Alpin Estate.

Townhomes – The forty (40) townhomes will be developed in multiple phases/buildings generally consisting of 2-4 units per building. The townhomes will be age-restricted with at least one person being 55 years or older.

Senior Rental Community – The two hundred and ten (210) senior apartments will be comprised of 125 independent living apartments, 61 assisted living apartments and 24 memory care apartments. The senior community will consist of forty (40) affordable units with thirty-one (31) affordable independent living apartments along with nine (9) affordable assisted living units serving as Medicaid “set-aside” units.

Redevelopment Plan Goal – Highlights

- The intended redevelopment of the former Hurstmont estate will bring a productive use to a site that has been left to decay for more than two decades and with the partial demolition, has turned into a hazard and an eyesore for the community.
- The Plan intends to minimize environmental disturbance by providing for tree conservation areas and building with respect to all environmental features on the site.
- The redevelopment of the former Hurstmont estate will bring jobs and housing options to the residents of Harding Township and New Jersey.
- The easements, setbacks, and conservation areas within this Plan will continue to protect the environment surrounding the Area, including the Morristown National Historical Park.
- Construction of affordable, age-restricted housing helps to fulfill the Township’s affordable housing obligations while also providing housing options for seniors of all income groups.
- The proposed walking trail will enhance the open space and recreational opportunities for the residents of the Area, Harding Township, and New Jersey.
- The Redevelopment Area is located directly on Route 202 (Mt. Kemble Avenue) and is near entrances to I-287. The Plan calls for the preservation and adaptive reuse of a previously unused historical building, turning it into a

productive property once again, as well as the redevelopment of an underutilized and dilapidated property. Redevelopment of the Area is consistent with good planning principles and integrated land use planning and implementation.

7. Provide a statement of the reasons for seeking tax exemption and abatement on the proposed project, and a description of the benefits to be realized by the Applicant if a tax agreement is granted.

The tax exemption will assist Redeveloper in marketing the Townhome Units by effecting a stabilization of the Project. The Townhome Units are an important part of the Project, which yields significant benefits to the Township, including:

- (i) the provision for affordable housing to be located within the Township;
- (ii) the development of a mix of senior related housing and health care opportunities within the Township;
- (iii) the expansion of the Patriot's Path walking trail;
- (iv) the provision for additional preservation of open space;
- (v) accommodate the septic demand of the redeveloped historic Glen Alpin property;
- (vi) the creation of jobs during construction; and
- (vii) new business that will contribute to the economic growth of the Township, and the Project can result in significant benefits to the Township which are far greater to the Township than the cost, if any, associated with the grant of a tax exemption and abatement for the Property.

8. Describe the number, classes and type of employees to be employed at the Project Site within two years of completion of the project.

The Townhome Unit portion of the Project Site will not have any employees two years after completion of the project. The Senior Rental Community on the Project Site will have approximately 105 employees in three shifts.

9. If the project is a commercial or industrial structure, provide a description of any lease agreements between the Applicant and proposed users of the project, and a history and description of the users' businesses. N/A

10. If the project is a multiple dwelling, provide a description of the number and types of dwelling units to be provided, a description of the common elements or general common elements and a statement of the proposed initial rentals or sales prices of the dwelling units according to type and of any rental lease or resale restrictions to apply to the dwellings' units respecting low or moderate income housing.

The forty (40) townhomes will be developed in multiple phases/buildings generally consisting of 2-4 units per building. Common elements include roadways, a septic treatment plant, and a stormwater basin. Redeveloper is targeting an initial sales price of \$1,750,000.00. No affordability restrictions are anticipated for the Townhome units. The Townhome Units will be age-restricted with at least one person being 55 years or older in each Unit.

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

Please see attached subdivision plan attached as Exhibit B, depicting the layout of Townhome Units.

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

Please see proposed estimated Development Schedule, attached as Exhibit C.

13. Provide estimates of the cost of completing the proposed project.

Please see estimated project cost, attached as Exhibit D.

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

Land Equity – 20.26%	\$14,000,000
Cash Equity – 6.17%	\$4,267,178
Construction Debt – 73.57%	\$50,837,194

SECTION D: TAX ABATEMENT / EXEMPTION

15. Attach a fiscal plan for the proposed project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, and payments of interest, amortization of debt and reserves, and payments to the Township to be made pursuant to a financial agreement to be entered into with the Township.

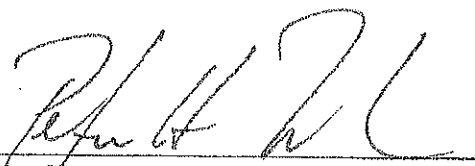
Please see Exhibit E for Fiscal Plan.

16. Provide a statement showing: (1) the real property taxes currently being assessed at the Project Site; (2) estimated tax payments that would be made annually by the Applicant on the project during the period of the tax agreement; and (3) estimated tax payments that would be made by the Applicant on the project during the first full year following the termination of the tax agreement.

Please see Exhibit F for estimated tax statement.

17. Attach a proposed form of Financial Agreement.

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


Signature

PETER H. MONAGHAN - authorized
Print Name and Title Signatory

3-12-20
Date

APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT A

Certificate of Formation

CERTIFICATE OF FORMATION

OF

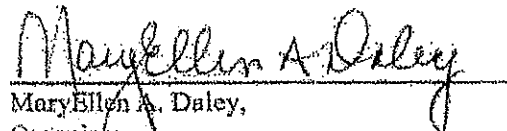
HURSTMONT ESTATE ACQUISITION LLC

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:53 PM 11/29/2016
FILED 02:53 PM 11/29/2016
SR 20166820959 - File Number 6132935

1. The name of the limited liability company is Hurstmont Estate Acquisition LLC.

2. The name and address of its registered office in the State of Delaware is: Registered Office Service Company, 203 N.E. Front Street, Suite 101, Milford, Kent County, Delaware 19963.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on Hurstmont Estate Acquisition LLC this 28th day of November, 2016.


MaryEllen A. Daley,
Organizer

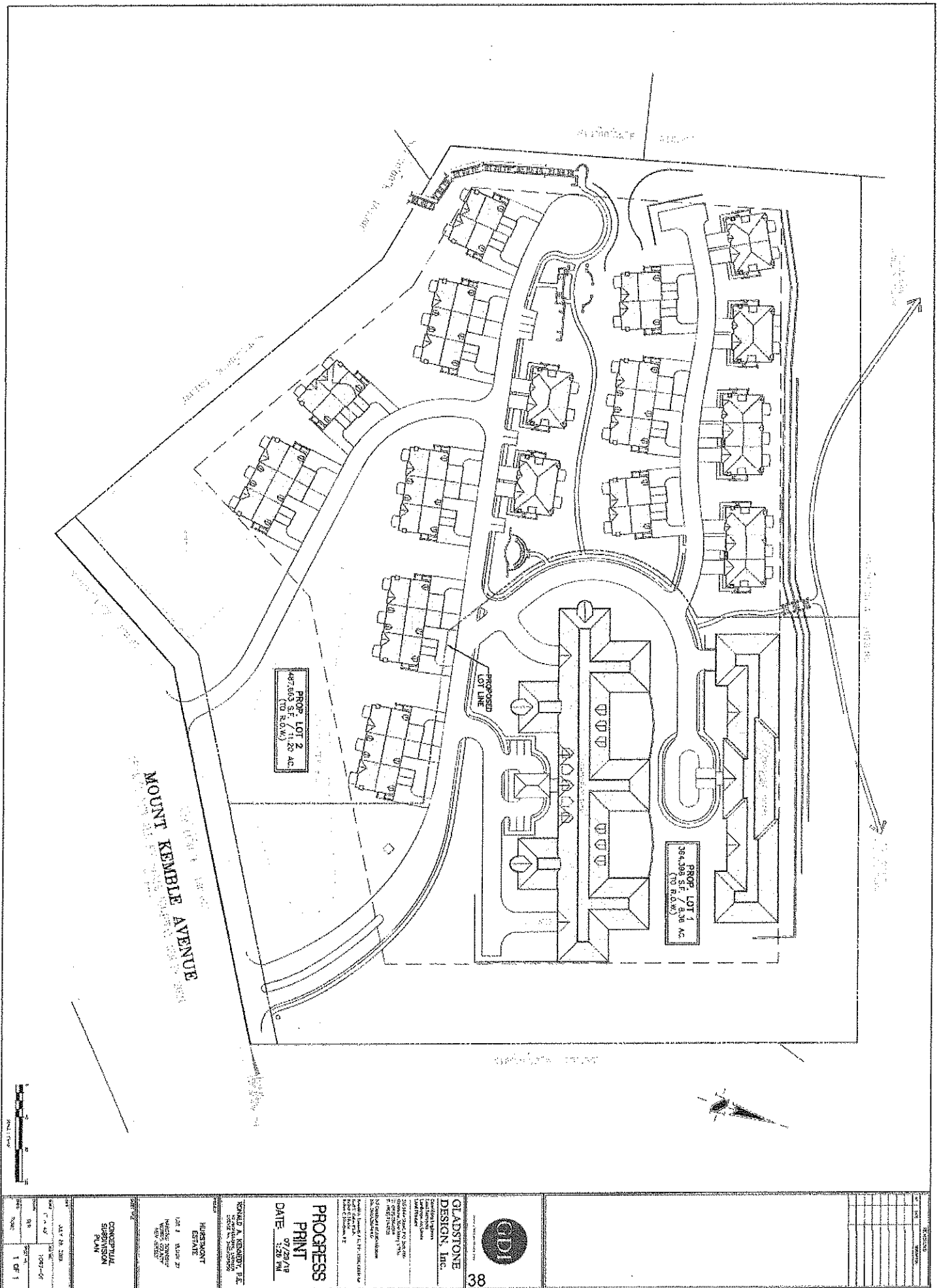
APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT B

Conceptual Subdivision Plan

EXHIBIT B

Subject to the approval of the Harding Township Fire Department, the southerly cul-de-sac shall be revised to be a K-turn.



CDI 38		GLADSTONE DESIGN, Inc. 07/28/18 DATE: 1:28 PM		PROGRESS PRINT		CONCEPTUAL SUBDIVISION PLAN	
1 OF 1		1 OF 1		1 OF 1		1 OF 1	

APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT C

Estimated Development Schedule

Task	Date for Completion
Subdivision/Site Plan Application Submission	Three months from execution of Financial Agreements pursuant to Section 5.2
Obtain All Government Approvals	Eighteen months from Subdivision/Site Plan Application Submission
Commencement of Site Work, including installation of driveways, Septic Treatment Facility, and infrastructure	Three Months from Obtaining All Government Approvals, Weather Permitting
Commence Construction of Townhome and/or Assisted Living Residences, Dementia Care Home Units, and Independence Living Units	Six Months from Commencement of Site Work, Weather Permitting and Provided No Unexpected Site Conditions Are Encountered
Certificate of Occupancy and Certificate of Completion for Assisted Living Residences, Dementia Care Home Units, and Independence Living Units	Two Years from Commencement of Construction of Assisted Living Residences, Dementia Care Home Units, and Independence Living Units

APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT D

Estimated Project Cost

Hurstmont Project 3/9/20

Project Cost

<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>	<u>Cost per Unit</u>	<u>Cost per SF</u>	<u>% of Total Project Area</u>
Total Gross Area of Improvements (SF)	140,000					35.00%
Number of Units	40					
Land (SF)	522,720	26.78	14,000,000	350,000	100.00	
<u>Construction Costs</u>						
Demolition			1,000,000	25,000	7.14	
Off-Site Improvements			350,000	8,750	2.50	
Septic System			1,050,000	26,250	7.50	
Other Site Improvements			4,900,000	122,500	35.00	
Townhome Const. Cost (SF)	140,000	250	35,000,000	875,000	250.00	
Total Construction Costs			42,300,000	1,057,500	302.14	
GC Fee Rate	3.50%					
GC Fee			1,480,500	37,013	10.58	
Construction Contingency Rate	8.00%					
Construction Contingency			3,384,000	84,600	24.17	
Total Const. Costs			47,164,500	1,179,113	336.89	
<u>Other Costs</u>						
Miscellaneous Soft Costs	10.00%		4,716,450	117,911	33.69	
Soft Cost % of Land and Hard Costs		7.711%				
Total Construction and Soft Costs			51,880,950	1,297,024	370.58	
Construction Loan Interest			3,223,422		23.02	
% Soft +CLI		8.5591%				
Total Project Cost			69,104,372	1,727,609	493.60	

APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT E

Fiscal Plan

**Hurstmont Project
3/9/20**

Building Volume

<u>Unit Type</u>	<u>Area</u>	<u># of Units</u>	<u>Total Area</u>
Townhomes	3,500	40	140,000

Hurstmont Project 3/9/20

Project Cost

<u>Description</u>		<u>Quantity</u>	<u>Rate</u>	<u>Total</u>	<u>Cost per Unit</u>	<u>Cost per SF</u>
Total Gross Area of Improvements (SF)	140,000					35.00%
Number of Units	40					
Land (SF)	522,720	26.78		14,000,000	350,000	100.00
<u>Construction Costs</u>						
Demolition				1,000,000	25,000	7.14
Off-Site Improvements				350,000	8,750	2.50
Septic System				1,050,000	26,250	7.50
Other Site Improvements				4,900,000	122,500	35.00
Townhome Const. Cost (SF)	140,000	250		35,000,000	875,000	250.00
Total Construction Costs				42,300,000	1,057,500	302.14
GC Fee Rate	3.50%					
GC Fee				1,480,500	37,013	10.58
Construction Contingency Rate	8.00%					
Construction Contingency				3,384,000	84,600	24.17
Total Const. Costs				47,164,500	1,179,113	336.89
<u>Other Costs</u>						
Miscellaneous Soft Costs						
Soft Cost % of Land and Hard Costs	10.00%			4,716,450	117,911	33.69
Total Construction and Soft Costs				51,880,950	1,297,024	370.58
Construction Loan Interest						
% Soft +CLI				3,223,422		23.02
Total Project Cost				69,104,372	1,727,609	493.60

Hurstmont Project

3/9/20

Break Even Analysis

Key Assumptions: Land \$ 14,000

Off Const. 0
Retail Const. 0
Public Const. 0
Res Const. 337

Soft % 7.7111%

All Costs in '000's

<u>Gross Area</u>	<u>Gross Office Area</u>	<u>Gross Retail Area</u>	<u>Gross Basement Area</u>	<u>Gross Res. Area</u>	<u>Total Res. Area</u>	<u>Gross Unit Area</u>	<u>Gross # Units</u>	<u>New Park Added</u>	<u>Land Cost</u>	<u>Office Constr. Cost</u>	<u>Retail Constr. Cost</u>	<u>Parking Constr. Cost</u>	<u>Res. Constr. Cost</u>	<u>Const. Interest Cost</u>	<u>RAB Proceeds</u>	<u>Soft Costs</u>	<u>Total Cost</u>
140,000	0	0	0	140,000	140,000	3,500	40	0	14,000	0	0	0	47,165	3,223	0	4,716	69,104

Sales Price per square foot to break even

493.60

Land Cost includes selective demolition and environmental cleanup

Hurstmont Project

3/9/20

Funding Sources

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
Loans	50,837,194	73.57
Land Equity	14,000,000	20.26
Cash Equity	4,267,178	6.17
Total	69,104,372	

Hurstmont Project 3/9/20

Project Pro-Forma

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30	Total
<u>Uses</u>							
Land Cost	14,000,000	0	0	0	0	0	14,000,000
Pre-Development Costs	0	0	0	0	0	0	0
Hard Construction Costs	23,582,250	23,582,250	0	0	0	0	47,164,500
Financing Fees	0	0	0	0	0	0	0
Other Soft Costs	2,358,225	1,179,113	707,468	471,645	0	0	4,716,450
Total Costs w/o Interest	39,940,475	24,761,363	707,468	471,645	0	0	65,880,950
Loan % of Sources	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	
Loan Interest Rate	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	
Interest	788,299	1,303,186	923,419	208,518	0	0	3,223,422
Total Costs	40,728,774	26,064,549	1,630,886	680,163	0	0	69,104,372
<u>Sources</u>							
Construction Loan	23,531,431	26,064,592	744,703	496,468	0	0	50,837,194
Land Equity	14,000,000	0	0	0	0	0	14,000,000
Cash Equity	3,197,343	(43)	886,184	183,695	0	0	4,267,178
Sub Total Equity	17,197,343	(43)	886,184	183,695	0	0	18,267,178
Total Sources	40,728,774	26,064,549	1,630,886	680,163	0	0	69,104,372
Sales Proceeds	0	21,000,000	21,000,000	28,000,000	0	0	70,000,000
<u>Loan Status</u>							
Starting Loan Balance	0	23,531,431	28,596,023	8,340,726	0	0	
Additional Amount Borrowed	23,531,431	26,064,592	744,703	496,468	0	0	
Proceeds Applied to Pay Loan	0	21,000,000	21,000,000	8,837,194	0	0	
Ending Loan Balance	23,531,431	28,596,023	8,340,726	0	0	0	
Ave Loan Outstanding	11,765,715	26,063,727	18,468,374	4,170,363	0	0	
<u>Equity Status</u>							
Starting Equity Balance	0	17,197,343	17,197,300	18,083,483	0	0	
Additional Equity Invested	17,197,343	(43)	886,184	183,695	0	0	
Proceeds Applied to Repay Equity	0	0	0	18,267,178	0	0	
Ending Equity Balance	17,197,343	17,197,300	18,083,483	0	0	0	

Total Cum. \$-Yrs of Equity	15,598,672	32,795,993	50,436,384	59,478,126	59,478,126	59,478,126
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Projected Return

Total Revenue	70,000,000
RAB Proceeds	0
Total Expense	69,104,372
Profit	895,628
Ave. Return on Equity per \$-Yea	1.506%
Return on Total Cost	1.296%

Hurstmont Project
3/9/20

Financial Analysis
Revenue Projection by Year

Description	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6-30</u>	<u>Total</u>
<u>Residential Type 1</u>							
# Units	0	12	12	16	0	0	40
Average SF per Unit	3,500	3,500	3,500	3,500	3,500	3,500	
Total Area	0	42,000	42,000	56,000	0	0	140,000
Price per SF	500	500	500	500	500	500	
Total Revenue	0	21,000,000	21,000,000	28,000,000	0	0	70,000,000

APPLICATION FOR TAX ABATEMENT / EXEMPTION

EXHIBIT F

Estimated Taxes

**Harding Twp.
3/9/20**

2018 Tax Data

<u>Description</u>	<u>2018</u>	<u>% of Total</u>
Net Taxable Value	1,999,521,290	24.515
General Tax Rate	1.1300%	0.856
Equalization Ratio	90.2200%	25.371
Total Equalized Value	2,217,959,161	25.371
		45.969
County Levy	5,538,500.06	0.000
County Library Levy	0	0.000
County OS Levy	193,499.94	45.969
Sub-Total County	5,732,000.00	25.120
District School Levy	10,385,445.00	3.540
Regional School Levy	0.00	0.000
Local School Levy	0.00	0.000
Sub-Total School	10,385,445.00	28.660
Municipal Levy	5,675,195.47	100.000
Municipal Open Space Levy	799,809.00	
Municipal Library Levy	0.00	
Sub-Total Municipal	6,475,004.47	
Total Levy	22,592,449.47	
Eq. Tax Rate (from EQ Ratio)	1.0195%	
2022 Eq. Tax Rate (Proj.)	1.1035%	

**Hurstmont Project
3/9/20**

Prior Assessed Value

<u>Year</u>	<u>Block</u>	<u>Lot</u>	<u>Total AV</u>	<u>Land AV</u>	<u>Improv. AV</u>	<u>Tax Rate</u>	<u>Taxes</u>
2018	27	2	2,444,300	696,800	1,747,500	1.153%	28,173.00
Allocable Share (TownHome Site	57.90%		1,415,250	403,447	1,011,803	1.153%	16,312.17
							0

**Hurstmont Project
3/9/20**

**Full Tax Basis
Townhomes**

Replacement Cost Basis

Total Project Cost	69,104,372
Less:	
Off-Site Improvements	350,000
Septic System	1,050,000
Replacement Cost Basis	67,704,372

Comparable Sales Method

2022 Equalized Tax Rate	1.1035%
Estimated Sales Price	70,000,000
Implied Year 1 Total Property Tax	772,467
2022 Estimated Municipal Share of Tax	28.66%
Implied Year 1 Municipal Share	221,389

Average of Both Methods

Replacement Cost Basis	67,704,372
Comparable Sales Method	70,000,000

Average Basis

68,852,186

2022 Taxes Based on Average Basis

Total Leasable Area	759,801
Taxes per Leasable SF	140,000
	5,427

**Hurstmont Project
3/9/20**

**Projected 5 Year Abatement
Townhomes**

Projected Tax Rate Increase		2.00%		
<u>Year</u>	<u>Full Taxes per Home</u>	<u>% Abatement</u>	<u>Abate. Amt.</u>	
1	18,995.02	90%	17,095.52	
2	19,374.92	90%	17,437.43	
3	19,762.42	90%	17,786.17	
4	20,157.66	90%	18,141.90	
5	20,560.82	90%	18,504.74	
Total	98,850.83		88,965.75	
6	20,972.03	100%	N/A	
7	21,391.47	100%	N/A	
8	21,819.30	100%	N/A	
9	22,255.69	100%	N/A	
10	22,700.80	100%	N/A	
11	23,154.82	100%	N/A	
12	23,617.92	100%	N/A	
13	24,090.27	100%	N/A	
14	24,572.08	100%	N/A	
15	25,063.52	100%	N/A	
16	25,564.79	100%	N/A	
17	26,076.09	100%	N/A	
18	26,597.61	100%	N/A	
19	27,129.56	100%	N/A	
20	27,672.15	100%	N/A	
21	28,225.60	100%	N/A	
22	28,790.11	100%	N/A	
23	29,365.91	100%	N/A	
24	29,953.23	100%	N/A	
25	30,552.29	100%	N/A	
26	31,163.34	100%	N/A	
27	31,786.61	100%	N/A	
28	32,422.34	100%	N/A	
29	33,070.79	100%	N/A	
30	33,732.20	100%	N/A	

SHORT TERM TOWNHOME FINANCIAL AGREEMENT

EXHIBIT C

Passed Resolution # TC 20-095

**RESOLUTION TC 20-095
TOWNSHIP COMMITTEE, TOWNSHIP OF HARDING
MORRIS COUNTY, NEW JERSEY
MAY 11, 2020**

**RESOLUTION APPROVING THE FINANCIAL AGREEMENT FOR A FIVE-YEAR EXEMPTION
AND ABATEMENT WITH THE REDEVELOPER OF HURSTMONT SITE PURSUANT TO THE
NEW JERSEY FIVE YEAR EXEMPTION AND ABATEMENT LAW (N.J.S.A. 40A:21-1 ET SEQ)**

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (hereinafter referred to as the "Redevelopment Law") provides a process for municipal entities to participate in the redevelopment and improvement of property designated as an "area in need of redevelopment;" and

WHEREAS, on November 19, 2018, the Township Committee of the Township of Harding (the "Township Committee") adopted Resolution No.18-196, directing the Planning Board to undertake a preliminary investigation to determine whether the properties identified as Block 27, Lot 2, located at 679 Mt. Kemble Avenue and Block 34, Lot 1 (collectively referred to as the "Redevelopment Study Area") qualify as a "non-condemnation" area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1, et seq.* (the "Redevelopment Law"); and

WHEREAS, on February 19, 2019, the Planning Board of the Township of Harding (the "Planning Board") conducted a duly-noticed public hearing, pursuant to *N.J.S.A. 40A:12A-6*, during which the Planning Board considered the preliminary investigation report of Heyer, Gruel & Associates ("HGA"), dated February 1, 2019 (the "Preliminary Investigation Report"), and heard the testimony of Susan S. Gruel, P.P. and McKinley Mertz, P.P. of HGA concerning the Preliminary Investigation Report; and

WHEREAS, after the Planning Board hearing and consideration of the Preliminary Investigation Report the Planning Board determined that the Redevelopment Study Area meets the criteria for designation as an area in need of redevelopment under the Redevelopment Law and recommended that the Township Committee designate the Redevelopment Study Area as an area in need of redevelopment, pursuant to the Redevelopment Law; and

WHEREAS, the Township Committee accepted the recommendation of the Planning Board and, on February 25, 2019, via Resolution No. TC-19-073, designated the Redevelopment Study Area as a "non-condemnation" redevelopment area; and

WHEREAS, on May 13, 2019 on behalf of the Township of Harding, HGA prepared a redevelopment plan for the Redevelopment Study Area, dated May 13, 2019 (the "Glen Alpin/Hurstmont Redevelopment Plan"), and referred such plan to the Planning Board for review and comment, pursuant to *N.J.S.A. 40A:12A-7*; and

WHEREAS, the Planning Board considered the Glen Alpin/Hurstmont Redevelopment Plan at its meeting of May 20, 2019 and submitted a report of its review of the Glen Alpin/Hurstmont Redevelopment Plan dated June 3, 2019 to the Township Committee; and

WHEREAS, on June 24, 2019 the Township Committee adopted a resolution accepting the Planning Board's report on the Glen Alpin/Hurstmont Redevelopment Plan and responded in the resolution to the comments of the Planning Board; and

WHEREAS, on June 24, 2019, the Township Committee, after introduction and publication as required by law for adoption of general ordinances, conducted a public hearing on the Glen Alpin/Hurstmont Redevelopment Plan and the ordinance adopting the Glen Alpin/Hurstmont Redevelopment Plan; and

**RESOLUTION TC 20-095
TOWNSHIP COMMITTEE, TOWNSHIP OF HARDING
MORRIS COUNTY, NEW JERSEY
MAY 11, 2020**

**RESOLUTION APPROVING THE FINANCIAL AGREEMENT FOR A FIVE-YEAR EXEMPTION
AND ABATEMENT WITH THE REDEVELOPER OF HURSTMONT SITE PURSUANT TO THE
NEW JERSEY FIVE YEAR EXEMPTION AND ABATEMENT LAW (N.J.S.A. 40A:21-1 ET SEQ)**

WHEREAS, the Township Committee reviewed and considered the Glen Alpin/Hurstmont Redevelopment Plan and the Planning Board recommendations and determined that the Glen Alpin/Hurstmont Redevelopment Plan is consistent with the Master Plan; and

WHEREAS, on June 24, 2019, the Township Committee adopted the Glen Alpin/Hurstmont Redevelopment Plan by Ordinance No. 13-2019; and

WHEREAS, on June 24, 2019, the Township Committee designated Glen Alpin/Hurstmont Estate Acquisition, LLC as the "Redeveloper" of the Redevelopment Study Area pursuant to Township Resolution No. TC 19-136; and

WHEREAS, the Redeveloper presented concept plans to the Township Committee; and

WHEREAS, the Harding Township Redevelopment Steering Committee conducted a public meeting concerning the Redeveloper's concept plan and the proposed plan revisions on September 4, 2019 receiving comments from the public; and

WHEREAS, the Township Committee conducted a public meeting concerning the Redeveloper's concept plans and the proposed plan revisions, receiving comments from the public; and

WHEREAS, HGA, special counsel Greenbaum, Rowe, Smith & Davis LLP, and Township Engineer Apgar Associates reviewed those concept plans, and they proposed certain revisions to the Glen Alpin/Hurstmont Redevelopment Plan taking into consideration the public comments received by the Harding Township Redevelopment Steering Committee and the Township Committee; and

WHEREAS, on September 12, 2019 on behalf of the Township of Harding, HGA prepared an amendment to the Glen Alpin/Hurstmont Redevelopment Plan; and

WHEREAS, the amendment to the Glen Alpin/Hurstmont Redevelopment Plan was introduced by Ordinance on first reading, September 12, 2019 and referred to the Planning Board for review and comment pursuant to *N.J.S.A. 40A:12A-7*; and

WHEREAS, the Planning Board considered the amendment to the Glen Alpin/Hurstmont Redevelopment Plan at its meeting of September 23, 2019 and submitted a report of its review of the amendment to the Glen Alpin/Hurstmont Redevelopment Plan dated September 24, 2019 to the Township Committee; and

WHEREAS, the designation of the Redeveloper expired by passage of time as of September 23, 2019; and

WHEREAS, on September 30, 2019, the Township Committee, after introduction on September 12, 2019 and publication as required by law for adoption of general ordinances, conducted a public hearing on the amendment to the Glen Alpin/Hurstmont Redevelopment Plan; and

WHEREAS, on September 30, 2019 the Township Committee adopted the amendment of the Glen Alpin/Hurstmont Redevelopment Plan by Ordinance No. 16-2019; and

**RESOLUTION TC 20-095
TOWNSHIP COMMITTEE, TOWNSHIP OF HARDING
MORRIS COUNTY, NEW JERSEY
MAY 11, 2020**

**RESOLUTION APPROVING THE FINANCIAL AGREEMENT FOR A FIVE-YEAR EXEMPTION
AND ABATEMENT WITH THE REDEVELOPER OF HURSTMONT SITE PURSUANT TO THE
NEW JERSEY FIVE YEAR EXEMPTION AND ABATEMENT LAW (N.J.S.A. 40A:21-1 ET SEQ)**

WHEREAS, on September 30, 2019 the Township Committee by Resolution No. TC 19-194 confirmed the designation of Hurstmont Estate Acquisition, LLC as the Redeveloper of the Senior Living District located within the Redevelopment Study Area as set forth in the amendment of the Glen Alpin/Hurstmont Redevelopment Plan approved by Ordinance No. 16-2019; and

WHEREAS, the Township Committee on January 30, 2010 by Resolution No. TC 20-067 and on April 13, 2020 by Resolution No. TC 20-087 extended the designation of the Redeveloper through May 15, 2020; and

WHEREAS, the Township of Harding and the Redeveloper entered into a Conditional Redeveloper Designation and Escrow Agreement as of January 31, 2020; and

WHEREAS, the Redeveloper and the Township Committee negotiated a redevelopment agreement (the "Redevelopment Agreement") for the redevelopment of the Senior Living District, and

WHEREAS, the Township Committee on May 11, 2020 by Resolution No. TC 20-094 approved the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement will replace and supersede the Conditional Redevelopment Designation and Escrow Agreement; and

WHEREAS, the Redeveloper submitted on March 12, 2020 an application (the "Application") to the Mayor and Township Committee for a tax exemption and payments in lieu of taxes, pursuant to the Five Year Exemption and Abatement Law, N.J.S.A. 40A:21-1, et seq. (the "FYEAL"), with respect to townhouse improvements to be constructed within the southerly portion of Block 27, Lot 2 in the Redevelopment Study Area; and

WHEREAS, on May 11, 2020, the Township Committee by Ordinance No. 07-2020 established in the Township of Harding the "Five-Year Tax Exemption and Abatement Ordinance" pursuant to the FYEAL; and

WHEREAS, the Redeveloper and the Township Committee have negotiated a financial agreement (the "Financial Agreement") for a tax exemption and payments in lieu of taxes, pursuant to the FYEAL, the terms of which are acceptable to the Township Committee; and

WHEREAS, the form of the Financial Agreement is attached hereto as Exhibit A; and

WHEREAS, the Mayor has recommended the approval of the Financial Agreement; and

WHEREAS, the Township Committee has reviewed the Financial Agreement and wishes to approve same;

RESOLUTION TC 20-095
TOWNSHIP COMMITTEE, TOWNSHIP OF HARDING
MORRIS COUNTY, NEW JERSEY
MAY 11, 2020

**RESOLUTION APPROVING THE FINANCIAL AGREEMENT FOR A FIVE-YEAR EXEMPTION
AND ABATEMENT WITH THE REDEVELOPER OF HURSTMONT SITE PURSUANT TO THE
NEW JERSEY FIVE YEAR EXEMPTION AND ABATEMENT LAW (N.J.S.A. 40A:21-1 ET SEQ)**

BE IT RESOLVED by the Township Committee of the Township of Harding that:

1. the Financial Agreement is hereby approved; and
2. the Mayor is authorized to sign the Financial Agreement and take such other actions as are necessary to implement the Financial Agreement.

DATED: May 11, 2020

I, Lisa A. Sharp, Municipal Clerk of the Township of Harding, County of Morris, State of New Jersey, do hereby certify the foregoing resolution to be a true and correct copy of a resolution adopted by the Township Committee at the meeting held on May 11, 2020.



Lisa A. Sharp, Municipal Clerk

Vote on Resolution:

	MOTION	FOR APPROVAL	AGAINST APPROVAL	ABSTAIN	ABSENT
Ms. DiTosto	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Jones	1 st	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Modi	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Platt	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Yates	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SHORT TERM TOWNHOME FINANCIAL AGREEMENT

EXHIBIT D

Certificate of Formation

CERTIFICATE OF FORMATION
OF


HURSTMONT ESTATE ACQUISITION LLC

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:53 PM 11/29/2016
FILED 02:53 PM 11/29/2016
SR 20166820959 - File Number 6232935

1. The name of the limited liability company is Hurstmont Estate Acquisition LLC.

2. The name and address of its registered office in the State of Delaware is: Registered Office Service Company, 203 N.E. Front Street, Suite 101, Milford, Kent County, Delaware 19963.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on Hurstmont Estate Acquisition LLC this 28th day of November, 2016.


MaryEllen A. Daley,
Organizer

Hurstmont Estate Acquisition LLC
DE - Certificate of Formation

E-10-